

Civic Improvement Corporation
An Arizona Nonprofit Corporation
(A Component Unit of the City of Phoenix, Arizona)

Annual
Financial Report
For fiscal year ended June 30
2020





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CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION

(A Component Unit of the City of Phoenix, Arizona)

ADMINISTRATIVE ORGANIZATION

Board Members

Michael R. Davis
President

Bruce Covill
Vice President

James H. Lundy
Secretary/Treasurer

Barbara Barone
Director

Marian Yim
Director

Rosellen C. Papp
Director

City of Phoenix Administrative Staff

Ed Zuercher
City Manager

Denise M. Olson
Chief Financial Officer



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Financial
section

Independent Auditor's Report

The Board of Directors
City of Phoenix Civic Improvement Corporation
Phoenix, Arizona

We have audited the accompanying financial statements of the governmental activities and each major fund of the City of Phoenix Civic Improvement Corporation (Corporation), a component unit of the City of Phoenix, Arizona, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Corporation'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 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.

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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Corporation as of June 30, 2020, and the respective changes in financial position 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 listed in the table of contents be presented to supplement the basic financial statements. Such information, although not 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.

BKD, LLP

Dallas, Texas
March 11, 2021

Management's Discussion and Analysis (Unaudited)

As management of the City of Phoenix Civic Improvement Corporation (the "Corporation"), a component unit of the City of Phoenix, Arizona (the "City") we offer the readers of the Corporation's basic financial statements this narrative overview and analysis of financial activities of the Corporation for the fiscal year ended June 30, 2020.

Overview of the Basic Financial Statements

The Corporation is a blended component unit of the City of Phoenix. This discussion and analysis is intended to serve as an introduction to the Corporation's separate basic financial statements.

The Corporation's basic financial statements are comprised of the following three components:

- Entity-wide financial statements
- Fund financial statements
- Notes to the financial statements

Entity-wide financial statements. The entity-wide financial statements are designed to provide readers with a broad overview of the Corporation's finances, in a manner similar to a private-sector business. These statements are presented on pages 12-13 of this report. Summarized versions of these statements are included in this MD&A.

The Statement of Net Position presents information on all of the Corporation's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of changes in the Corporation's financial position.

The Statement of Activities presents information showing how the Corporation's net position changed during the most recent 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. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods e.g., accounts payable. This is the full accrual method of accounting.

Fund financial statements. 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 Corporation uses fund accounting to ensure and demonstrate compliance with finance-related legal activities. All of the funds of the Corporation are categorized as governmental funds. The fund financial statements are presented on pages 14-17 of this report.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the entity-wide financial statements. However, unlike the entity-wide financial statements, 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.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the entity-wide and fund financial statements. The notes to the basic financial statements can be found on pages 18-56 of this report.

Condensed Financial Information and Analysis of Overall Financial Position

The following tables and analysis discuss the financial position and changes to the financial position for the Corporation as a whole as of and for the year ended June 30, 2020. The prior year's financial position and results are presented for comparative purposes.

Summary of net position (in thousands):

	2020	2019
Current assets	\$ 1,591,762	\$ 889,355
Noncurrent assets	4,638,809	4,031,152
Total assets	<u>6,230,571</u>	<u>4,920,507</u>
Deferred outflows of resources	-	-
Current liabilities	704,363	714,342
Noncurrent liabilities	5,746,999	4,462,531
Total liabilities	<u>6,451,362</u>	<u>5,176,873</u>
Deferred inflows of resources	-	-
Net position		
Restricted for debt service	241,598	150,938
Unrestricted (deficit)	<u>(462,449)</u>	<u>(407,304)</u>
Total net position (deficit)	<u>\$ (220,851)</u>	<u>\$ (256,366)</u>

Summary of changes in net position (in thousands):

	2020	2019
Program revenues	\$ 444,679	\$ 219,977
Investment income	8,801	3,766
Payments from the City of Phoenix	1,241	578
Total revenues	<u>454,721</u>	<u>224,321</u>
Cost of sales	227,345	382
Interest on long-term debt, net	182,351	170,966
Other expenses	9,510	2,404
Total expenses	<u>419,206</u>	<u>173,752</u>
Change in net position	<u>\$ 35,515</u>	<u>\$ 50,569</u>

Total assets increased by \$1.3 billion in the current fiscal year to \$6.2 billion. Total liabilities also increased by \$1.3 billion in the current fiscal year to \$6.5 billion. The increases in both assets and liabilities are due to the issuance of the Junior Lien Airport Revenue Bonds, Series 2019, the Rental Car Facility Bonds, Series 2019, and the Junior Lien Water System Revenue Bonds, Series 2020.

Program revenues increased by \$224.7 million, or 102.1% in fiscal year 2020 due to the completion of one project related to an issuance in 2018 that was recognized as revenue. By comparison, annual interest payments comprise the fiscal year 2019 amounts. There were no program revenues in fiscal year 2019 related to completed projects. No program revenue is recognized by the Corporation until the projects are complete. Investment income increased due to higher yields on investments for most of fiscal year 2020, as well as the increase in the debt service reserve amounts for airport issuances. The increase in payments from the City of Phoenix relates to more professional fees paid to consultants for refundings and new issuances during fiscal year 2020 than in the prior year. Total expenses increased in fiscal year 2020 by \$245.5 million, or 141.3%, due to the cost of sales for the one project that was completed during fiscal year 2020. When the projects are completed the Corporation will recognize both the program revenue and cost of sales at that time. The net position of the Corporation increased by \$35.5 million for fiscal year 2020 as a result of the above activity.

As noted earlier, the Corporation uses fund accounting to maintain control over resources that have been segregated for specific activities or objectives. The following table and analysis summarizes changes in fund balances (deficit) by major fund (in thousands):

	Fund Balances July 1, 2019	Net Change in Fund Balances	Fund Balances June 30, 2020
General	\$ 15	\$ 4	\$ 19
Debt Service	150,938	90,660	241,598
Capital Projects	194,832	673,006	867,838
Total	\$ 345,785	\$ 763,670	\$ 1,109,455

The General Fund accounts for trustee fees and other miscellaneous expenditures. Fund balance for the general fund increased slightly as the City provided financial resources were slightly more than the expenditures of the fund.

The Debt Service Fund accounts primarily for current year principal and interest debt service payments, as well as the related payments from the City during fiscal year 2020. The increase during fiscal year 2020 is primarily related to receiving bond proceeds from the issuance of the Junior Lien Airport Revenue Bonds, Series 2019 series, which will be held as a bond reserve for use at a future date.

The Capital Projects Fund accounts for the investment and expenditure of monies used for capital acquisitions and construction. The increase in fund balance was due to investments from bonds proceeds related to new ongoing projects for the airport and water system.

Capital Asset and Debt Administration

The Corporation records assets under construction or purchased with bond proceeds as assets held for sale to the City of Phoenix. Such assets are not recorded on the governmental funds financial statements because they are deemed to be construction-in-progress held on behalf of the City. Upon completion of the purchase and construction of the assets they are sold to the City. The Corporation does not record the completed assets on its financial statements, as the Corporation does not own any capital assets.

During the fiscal year ended June 30, 2020, the Corporation's bond payable increased by \$993.2 million. This increase was primarily due to the issuance of new airport and water system bonds. During fiscal year 2020, the Corporation issued five new revenue bonds and two refunding bonds.

Further detail pertaining to the Corporation's outstanding long-term debt is available in Note 6 on pages 31-55.

Economic Factors

There have been no changes in the Corporation's agreement with the City to receive payments for debt service requirements on outstanding debt. There have been no adverse changes in the City's financial position that would affect their ability to continue to make payments to the Corporation to fund payments on debt service.

Requests for Financial Information

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

STATEMENT OF NET POSITION

June 30, 2020

(in thousands)

	Governmental Activities
	<hr/>
ASSETS	
Current Assets	
Restricted Cash with Fiscal Agents	\$ 390,797
Investments	997,611
Prepaid Items	19
Current Portion of Sales Contracts Receivable	203,335
Total Current Assets	<hr/> 1,591,762
Noncurrent Assets	
Restricted Cash with Fiscal Agents	183,641
Sales Contracts Receivable, Less Current Portion	3,504,235
Assets Held for Sale to the City of Phoenix	950,933
Total Noncurrent Assets	<hr/> 4,638,809
 Total Assets	 <hr/> 6,230,571
DEFERRED OUTFLOWS OF RESOURCES	
Total Deferred Outflows of Resources	<hr/> -
LIABILITIES	
Current Liabilities	
Accounts Payable	119,509
Advances from the City of Phoenix	26,910
Matured Bonds Payable	211,964
Interest Payable	131,080
Current Portion of Bonds Payable	214,900
Total Current Liabilities	<hr/> 704,363
Noncurrent Liabilities	
Bonds Payable, Less Current Portion	5,086,340
Unamortized Premium	660,659
Total Noncurrent Liabilities	<hr/> 5,746,999
 Total Liabilities	 <hr/> 6,451,362
DEFERRED INFLOWS OF RESOURCES	
Total Deferred Inflows of Resources	<hr/> -
NET POSITION (DEFICIT)	
Restricted for Debt Service	241,598
Unrestricted (Deficit)	<hr/> (462,449)
 Total Net Position (Deficit)	 <hr/> <u>\$ (220,851)</u>

The accompanying notes are an integral part of these financial statements

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

	Governmental Activities
PROGRAM REVENUES	
Sales Contracts Income	\$ 94,919
Sales Contracts Interest Income	349,163
Other Income	597
Total Program Revenues	444,679
EXPENSES	
Cost of Sales	227,345
Interest on Long-Term Debt, net	182,351
Issuance Costs	9,430
Trustee Fees	57
Other	23
Total Expenses	419,206
Net Program Revenues	25,473
GENERAL REVENUES	
Investment Income	8,801
Payments from the City of Phoenix	1,241
Total General Revenues	10,042
Change in Net Position	35,515
NET DEFICIT, JULY 1, 2019	(256,366)
NET DEFICIT, JUNE 30, 2020	\$ (220,851)

The accompanying notes are an integral part of these financial statements

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2020
(in thousands)

	General	Debt Service	Capital Projects	Totals
ASSETS				
Cash with Fiscal Agents	\$ -	\$ 574,378	\$ -	\$ 574,378
Investments	-	10,264	987,347	997,611
Prepaid Items	19	-	-	19
Total Assets	<u>19</u>	<u>584,642</u>	<u>987,347</u>	<u>1,572,008</u>
DEFERRED OUTFLOWS OF RESOURCES				
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES				
Accounts Payable	-	-	119,509	119,509
Matured Bonds Payable	-	211,964	-	211,964
Interest Payable	-	131,080	-	131,080
Total Liabilities	<u>-</u>	<u>343,044</u>	<u>119,509</u>	<u>462,553</u>
DEFERRED INFLOWS OF RESOURCES				
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Fund Balances				
Nonspendable - Prepaid Items	19	-	-	19
Restricted	-	241,598	867,838	1,109,436
Total Fund Balances	<u>\$ 19</u>	<u>\$ 241,598</u>	<u>\$ 867,838</u>	<u>\$ 1,109,455</u>

The accompanying notes are an integral part of these financial statements

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION**

June 30, 2020
(in thousands)

Fund balances - total governmental funds balance sheet	\$	1,109,455
Amounts reported for governmental activities in the statement of net position are different because:		
Assets held for sale to the City of Phoenix are not financial resources and, therefore, are not reported in the governmental funds.		950,933
Sales contracts receivable are not available to pay for current period expenditures and, therefore, are not reported in the governmental funds.		3,707,570
Advances from the City of Phoenix that are payments for long-term liabilities are not reported in the governmental funds.		(26,910)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.		<u>(5,961,899)</u>
Net position (deficit) of governmental activities - statement of net position	\$	<u><u>(220,851)</u></u>

The accompanying notes are an integral part of these financial statements

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS**

For the Fiscal Year Ended June 30, 2020

(in thousands)

	General	Debt Service	Capital Projects	Totals
REVENUES				
Investment Income	\$ -	\$ 4,947	\$ 3,854	\$ 8,801
Payments from the City of Phoenix	1,241	629,338	-	630,579
Other	-	597	-	597
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	1,241	634,882	3,854	639,977
EXPENDITURES				
Debt Service				
Principal	-	280,175	-	280,175
Interest	-	237,025	-	237,025
Capital Outlay	-	-	860,848	860,848
Issuance Costs	1,157	427	7,846	9,430
Trustee Fees	57	-	-	57
Professional and Other Miscellaneous Fees	23	-	-	23
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	1,237	517,627	868,694	1,387,558
	<hr/>	<hr/>	<hr/>	<hr/>
Revenues Over (Under) Expenditures	4	117,255	(864,840)	(747,581)
OTHER FINANCING SOURCES (USES)				
Bond Proceeds	-	105,474	1,265,001	1,370,475
Proceeds from Refunding Bonds	-	89,920	-	89,920
Premium on Bonds	-	-	272,845	272,845
Deposit to Refunding Escrow	-	(221,989)	-	(221,989)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	-	(26,595)	1,537,846	1,511,251
	<hr/>	<hr/>	<hr/>	<hr/>
Net Increase in Fund Balances	4	90,660	673,006	763,670
	<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCES, JULY 1, 2019	15	150,938	194,832	345,785
	<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCES, JUNE 30, 2020	<u>\$ 19</u>	<u>\$ 241,598</u>	<u>\$ 867,838</u>	<u>\$ 1,109,455</u>

The accompanying notes are an integral part of these financial statements

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**
(in thousands)

Net change in fund balances - total governmental funds	\$	763,670
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, those costs are reported as assets held for sale to the City of Phoenix.		860,848
Payments from the City of Phoenix for principal debt service payments provide current financial resources to the governmental funds but reduce long-term receivables in the statement of net position.		(280,175)
Sales contracts income provides program revenue and cost of sales are an expense in the statement of activities. This amount includes the cost of sales in excess of the sales contract income and the adjustment to sales contract income resulting from refundings. Cost of sales and sales contracts income are not reported in the governmental funds.		(132,425)
Bond proceeds 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. This is the amount by which additions (\$1,460,395) exceed the effects of refundings and repayments (\$502,164).		(958,231)
Bond premiums provide current financial resources to governmental funds but increase long-term liabilities in the Statement of Net Position.		
This is the difference between premiums (\$272,845) and the amortization of premiums (\$54,673) in the current year.		(218,172)
Change in net position of governmental activities - statement of activities	\$	35,515

The accompanying notes are an integral part of these financial statements

The City of Phoenix Civic Improvement Corporation (the "Corporation"), a component unit of the City of Phoenix, Arizona (the "City"), was organized under the laws of the State of Arizona as a nonprofit corporation for the purpose of acquiring real estate and constructing or otherwise acquiring or equipping buildings, structures or improvements to be utilized by the City for the benefit, common good, and general welfare of the City and its inhabitants. Upon dissolution, any remaining assets are to be distributed to the City. As a political subdivision, the Corporation is exempt from federal income taxes and, accordingly, it has obtained an exemption from Arizona income taxes. The City performs and absorbs significantly all administrative functions and costs on behalf of the Corporation, including construction commitments.

1. Summary of Significant Accounting Policies

The accompanying financial statements of the Corporation have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to government units. The following is a summary of the significant policies:

a) Reporting Entity

The Corporation is legally separate from the City, however, because its sole purpose is to finance and construct public facilities for the City, the Corporation's financial statements are included as a blended component unit of the City's reporting entity.

b) Basic Financial Statements

The basic financial statements constitute the core of the financial section of the Corporation's Annual Financial Report. The basic financial statements include the entity-wide financial statements, governmental fund financial statements, and the accompanying notes to these financial statements.

The entity-wide financial statements (Statement of Net Position and Statement of Activities) report on the Corporation as a whole. All activities are reported in the entity-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 entity-wide financial statements focus more on the sustainability of the Corporation as an entity and the change in aggregate financial position resulting from the activities of the fiscal year. The government-wide statement of net position reports all financial and capital resources of the government. 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. The Corporation has no capital assets, thus has no net investment in capital 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 Corporation 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 government-wide financial statements. Governmental fund financial statements are prepared on a current financial resources measurement focus and modified accrual basis of accounting. Since the governmental fund financial statements are presented on a different basis than the entity-wide financial statements, reconciliation is provided immediately following each fund statement. These reconciliations explain the adjustments necessary to transform the financial statements into the entity-wide financial statements.

c) Fund Accounting

The Corporation uses governmental funds to report on its financial position and the results of its operations. The Corporation's fund financial statements are prepared using fund accounting to aid management by segregating transactions related to certain activities.

A fund is a separate accounting entity with a self-balancing set of accounts, which includes assets, liabilities, fund balance, revenues and expenditures.

The Corporation considers the following funds to be major funds:

General Fund

The general fund is used to account for all financial resources except those required to be accounted for in other funds. This fund receives various financial resources that are used to pay trustee fees and other miscellaneous expenses. Financial resources may be transferred to other funds as needed.

Debt Service Fund

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds.

Capital Projects Fund

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

d) **Fund Balances**

Fund balances are classified as Nonspendable, Restricted, Committed, Assigned and Unassigned based on the extent to which the Corporation is bound to observe constraints imposed on the use of 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 imposed by law through enabling legislation.

Committed - The Corporation has no authority to formally commit funds separate from the authorization to raise the underlying revenue. Therefore, committed fund balance does not apply to the Corporation.

Assigned - Amounts in the assigned fund balance are intended to be used by the Corporation for specific purposes but do not meet the criteria to be classified as restricted or committed. The Corporation has no assigned fund balance.

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

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

e) **Basis of Accounting**

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

The fund financial statements of the Corporation have been prepared using the modified accrual basis of accounting. Fund balances are restricted for use in debt retirement or payment of related expenditures, as provided for in the bond documents.

f) **Budget and Budgetary Accounting**

Budgeting for the financial activities of the Corporation is performed at the City level, not at the component unit level. As such, no budgetary disclosures are presented.

g) **Assets Held for Sale to the City of Phoenix**

The Corporation's assets held for sale is comprised solely of construction-in-progress. Upon completion of the purchase and construction, the assets are sold to the City, and the Corporation records a sales contract receivable and program revenue from the City of Phoenix. Assets sold to the City are either capital assets of the City or used as contributions for City joint ventures.

Additionally, assets held for sale are reduced by the cost of the asset sold and charged to cost of sales.

h) **Advances from the City of Phoenix**

Any principal debt service payments received from the City prior to the recording of the sales contract receivable are classified as advances from the City of Phoenix.

i) **Long-Term Obligations**

In the entity-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, in the period in which the bonds are issued. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures of the period.

j) **Deferred Inflows and Outflows**

From time to time, the Corporation issues refunding bonds, wherein the proceeds and additional resources are used to purchase securities guaranteed by the United States government which are deposited in an irrevocable trust under an escrow agreement that states that all proceeds from the trust are to be used to fund principal and interest payments of the refunded debt. In accordance with the Corporation's stated purpose to promote the common good and general welfare of the City, any gains and/or losses realized as a result of a refunding issuance are not considered gains and/or losses of the Corporation, rather the gains and/or losses are realized by the City. All gains and/or losses from refundings are recognized by the Corporation as a component of Sales Contract Income in the Statement of Activities. The Corporation has chosen not to adhere to GASB Statement No. 65, **Items Previously Reported as Assets and Liabilities**, which would present gains and losses from refunding issuances as deferred inflows and outflows. As of June 30, 2020, the City has recorded \$81.1 million of net deferred outflows from refundings.

k) **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.

l) **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 Corporation has opted to adopt all provisions of this Statement in fiscal year 2020 and determined there is no impact to the financial statements.

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 Corporation upon implementation. The Corporation has not fully determined the effect these pronouncements will have on the Corporation'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-Public 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. Cash with Fiscal Agents

Cash held with fiscal agents is subject to custodial risk. The Corporation’s contracts with the fiscal agents call for these deposits to be fully covered by collateral held in the fiscal agents’ trust departments but not in the Corporation’s name. Each trust department pledges a pool of collateral against all trust deposits it holds.

The carrying amount of the Corporation’s cash with fiscal agents and the bank ledger balance at June 30, 2020 was \$574.4 million. Included in this amount are the below amounts, which are held for July 1, 2020 maturities (in thousands):

	Principal	Interest	Total
Municipal Corporation Obligations	\$211,964	\$131,080	\$343,044

The amount held for the principal payment will agree with the matured bonds payable reflected on the Statement of Net Position. Also, the amount held for the interest payment will agree with the interest payable reflected on the Statement of Net Position.

3. Investments

Investments are held in the City’s name. The City Charter and ordinances authorize the City to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, repurchase agreements, money market accounts, commercial paper, certificates of deposit, the State Treasurer’s Local Government Investment Pool (LGIP), highly rated obligations 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 stated at fair value. Management intends to hold these investments until maturity. The fair value of these securities at June 30, 2020, is as follows (in thousands):

	Credit Rating	Fair Value	Weighted Average Maturity (years)
U.S. Treasury Securities	N/A ⁽¹⁾	\$ 860,468	0.540
U.S. Government Agency Securities FHLB Notes	AA+	137,143	0.449
Total Investments by fair value level		\$ 997,611	0.510

⁽¹⁾U.S. Government Guaranteed

The distribution of the investments by bond issuance is as follows (in thousands):

State of Arizona Distribution Revenue Bonds (Civic Plaza Expansion Project), Series 2005B	\$ 10,264
Senior Lien Excise Tax Revenue Bonds, Series 2011B	23
Subordinated Excise Tax Revenue, Series 2017A	24,368
Junior Lien Wastewater System Revenue Bonds, Series 2018A	64,758
Rental Car Facility Charge Revenue Bonds, Series 2019A	159,287
Junior Lien Airport Revenue Bonds, Series 2019A	166,449
Junior Lien Airport Revenue Bonds, Series 2019B	272,238
Junior Lien Water System Revenue Bonds, Series 2020A	10,004
Junior Lien Water System Revenue Bonds, Series 2020B	290,220
Total	\$ 997,611

Fair Value Hierarchy

The Corporation 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 Corporation as of June 30, 2020 (in thousands):

Investments by Fair Value Level	Fair Value Measurement Using:			
	6/30/20	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	\$ 860,468	\$ -	\$ 860,468	\$ -
U.S. Government agency obligations	137,143	-	137,143	-
Total investments by fair value level	\$ 997,611	\$ -	\$ 997,611	\$ -

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. As of June 30, 2020, no investments were classified within Level 1 or Level 3 of the fair value hierarchy.

Interest Rate Risk

Exposure to interest rate risk is managed by matching investment maturities with anticipated expenses, and by limiting 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

Credit Risk

Investments are limited to those with 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.

Concentration of Credit Risk

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

Issuer	Fair Value
FHLB	\$137,143

4. Sales Contracts Receivable

Under the terms of the sales contract agreements, the City agrees to pay a purchase price equal to the debt service requirements of the bonds and certificates issued by the Corporation to finance or refinance the purchases or construction of the property and equipment, plus expenses incurred by the Corporation for purposes approved by the City, less interest income earned on the Corporation’s investments. Asset acquisition and construction costs are recorded as assets held for sale to the City. When construction is completed the asset is sold to the City. The accompanying statement of net position reflects the amounts due for completed assets as a receivable from the City. Principal and interest payments due from the City at June 30, 2020 are as follows (in thousands):

Total receivable from the City of Phoenix	\$	5,702,486
Less: Interest Portion		<u>(1,994,916)</u>
Sales Contracts Receivable		3,707,570
Less: Current Portion		<u>(203,335)</u>
Sales Contracts Receivable - long-term	\$	<u><u>3,504,235</u></u>

Note: Because these receivables relate to capital assets, they are not included in the governmental funds financial statements.

Default Provisions

All agreements are subject to the following 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. No default occurred in fiscal year 2020.

The descriptions of the sales contracts that are accounted for at the entity-wide level of the Corporation follow:

Senior Lien Excise Tax Revenue Bonds, Series 2011A

On June 7, 2011, the Corporation entered into an agreement with the City whereby the Corporation agreed to fund or reimburse the City for the costs of acquisition of vehicles and equipment identified for lease-purchase in the current and prior fiscal years through the issuance of \$27,530,000 of Senior Lien Excise Tax Revenue Bonds, Series 2011A.

Senior Lien Excise Tax Revenue Bonds, Taxable Series 2011B

On June 7, 2011, the Corporation entered into an agreement with the City whereby the Corporation agreed to fund or reimburse the City for the costs of acquisition of vehicles and equipment identified for lease purchase in the current and prior fiscal years; the costs to complete the fourth and fifth floors of the ASU School of Nursing Building; and the purchase of the CityScape Parking Garage through the issuance of \$59,195,000 of Senior Lien Excise Tax Revenue Bonds, Series 2011B (Taxable).

Senior Lien Excise Tax Revenue Refunding Bonds, Series 2011C

The issuance of \$24,305,000 of Senior Lien Excise Tax Revenue Refunding Bonds, Series 2011C, dated June 7, 2011, refunded \$420,250 in Senior Lien Excise Tax Revenue Bonds (Adams Street Garage Project), Series 1999B; \$2,224,157 in Municipal Facilities Subordinated Excise Tax Revenue Bonds, Series 2000; \$3,329,013 in Municipal Facilities Subordinated Excise Tax Revenue Bonds, Series 2003B; \$3,393,888 in Senior Lien Excise Tax Revenue Refunding Bonds, Series 2003; \$3,753,144 in Subordinated Excise Tax Revenue Bonds, Series 2004; \$7,782,525 in Subordinated Excise Tax Revenue Bonds, Series 2006B; \$1,855,225 in Subordinated Excise Tax Revenue Refunding Bonds, Series 2007B; and \$4,282,875 in Senior Lien Excise Tax Revenue Refunding Bonds, Series 2007. The proceeds from the issuance of \$24,305,000 of Senior Lien Excise Tax Revenue Refunding Bonds, Series 2011C were placed in an irrevocable trust to provide for future debt service

payments on the refunded bonds. The purpose of the refunding was to restructure existing debt payments to match forecasted future revenues.

Senior Lien Excise Tax Revenue Refunding Bonds, Taxable Series 2011D

The issuance of \$22,805,000 of Senior Lien Excise Tax Revenue Refunding Bonds, Series 2011D, dated June 7, 2011, refunded \$10,250 in Senior Lien Excise Tax Revenue Bonds (Adams Street Garage Project), Series 1999B; \$62,157 in Municipal Facilities Subordinated Excise Tax Revenue Bonds; Series 2000; \$1,044,288 in Municipal Facilities Subordinated Excise Tax Revenue Bonds, Series 2003B; \$1,270,163 in Senior Lien Excise Tax Revenue Refunding Bonds, Series 2003; \$1,088,831 in Subordinated Excise Tax Revenue Bonds, Series 2004; \$312,325 in Subordinated Excise Tax Revenue Bonds, Series 2006B; \$3,429,275 in Subordinated Excise Tax Revenue Refunding Bonds, Series 2007B; \$10,316,425 of Senior Lien Excise Tax Revenue Refunding Bonds, Series 2007; and \$5,074,535 of non-Civic Improvement Corporation debt. The proceeds from the issuance of \$22,805,000 of Senior Lien Excise Tax Revenue Refunding Bonds, Series 2011D (Taxable) were placed in an irrevocable trust to provide for future debt service payments on the refunded bonds. The purpose of the refunding was to restructure existing debt payments to match forecasted future revenues.

Senior Lien Excise Tax Revenue Refunding Bonds, Series 2012

The issuance of \$15,205,000 of Senior Lien Excise Tax Revenue Refunding Bonds, Series 2012, dated June 21, 2012, refunded \$16,570,000 in Senior Lien Excise Tax Revenue Refunding Bonds (New City Hall), Series 2003. The proceeds from the issuance of \$15,205,000 of Senior Lien Excise Tax Revenue Refunding Bonds, Series 2012 were placed in an irrevocable trust to provide for future debt service payments on the refunded bonds.

Subordinated Excise Tax Revenue Refunding Bonds, Series 2012A

The issuance of \$17,510,000 of Subordinated Excise Tax Revenue Refunding Bonds, Series 2012A, dated June 21, 2012, refunded \$13,470,000 in Municipal Facilities Subordinated Excise Tax Revenue Bonds, Series 2003B and \$5,430,000 in Subordinated Excise Tax Revenue Bonds, Series 2004. The proceeds from the issuance of \$17,510,000 of Subordinated Excise Tax Revenue Refunding Bonds, Series 2012A were placed in an irrevocable trust to provide for future debt service payments on the refunded bonds.

Subordinated Excise Tax Revenue Refunding Bonds, Taxable Series 2012B

The issuance of \$33,095,000 of Subordinated Excise Tax Revenue Refunding Bonds, Taxable Series 2012B, dated June 21, 2012, refunded \$31,045,000 in Municipal Facilities Subordinated Excise Tax Revenue Bonds, Series 2003C and 2003D. The proceeds from the issuance of \$33,095,000 of Subordinated Excise Tax Revenue Refunding Bonds, Series 2012B were placed in an irrevocable trust to provide for future debt service payments on the refunded bonds.

Subordinated Excise Tax Revenue Refunding Bonds, Series 2015A

The issuance of \$319,305,000 of Subordinated Excise Tax Revenue Refunding Bonds, Series 2015A, dated May 12, 2015, refunded \$300,000,000 in Subordinated Excise Tax Revenue Bonds (Civic Plaza Expansion Project), Series 2005A, \$53,390,000 in Subordinated Excise Tax Revenue Bonds, Series 2006A, and \$12,905,000 in Subordinated Excise Tax Revenue Bonds, Series 2007A. The proceeds from the issuance of \$319,305,000 of Subordinated Excise Tax Revenue Refunding Bonds, Series 2015A were placed in an irrevocable trust to provide for future debt service payments on the refunded bonds.

Subordinated Excise Tax Revenue Refunding Bonds, Taxable Series 2015B

The issuance of \$60,895,000 of Subordinated Excise Tax Revenue Refunding Bonds, Taxable Series 2015B, dated May 12, 2015, refunded \$34,155,000 in Subordinated Excise Tax Revenue Bonds, Series 2006C and \$24,020,000 of non-Civic Improvement Corporation debt. The proceeds from the issuance of \$60,895,000 of Subordinated Excise Tax Revenue Refunding Bonds, Taxable Series 2015B were placed in an irrevocable trust to provide for future debt service payments on the refunded bonds.

Subordinated Excise Tax Revenue Bonds, Series 2017A

On June 1, 2017, the Corporation entered into an agreement with the City whereby the Corporation agreed to fund or reimburse the City for the costs of certain projects, property and equipment and for acquiring, constructing, equipping and improving real and personal property for the City through the issuance of \$116,835,000 of Subordinated Excise Tax Revenue Bonds, Series 2017A.

Subordinated Excise Tax Revenue Refunding Bonds, Series 2017B

The issuance of \$101,895,000 of Subordinated Excise Tax Revenue Refunding Bonds, Series 2017B, dated June 1, 2017, refunded \$80,695,000 of Senior Lien Excise Tax Revenue Refunding Bonds, Series 2007,

and \$36,415,000 of Subordinated Excise Tax Revenue Refunding Bonds, Series 2007B. The proceeds from the issuance of \$101,895,000 of Subordinated Excise Tax Revenue Refunding Bonds, Series 2017B were transferred to the respective paying agents for the bonds and interest refunded.

Subordinated Excise Tax Revenue Refunding Bonds, Taxable Series 2017C

The issuance of \$15,680,000 of Subordinated Excise Tax Revenue Refunding Bonds, Taxable Series 2017C, dated June 1, 2017, refunded \$15,515,000 of Subordinated Excise Tax Revenue Refunding Bonds, Taxable Series 2007C. The proceeds from the issuance of \$15,680,000 of Subordinated Excise Tax Revenue Refunding Bonds, Taxable Series 2017C were transferred to the respective paying agents for the bonds and interest refunded.

State of Arizona Distribution Revenue Bonds (Civic Plaza Expansion Project), Series 2005B

In October 2005, the Corporation entered into an agreement with the City for the purpose of paying a portion of the costs of constructing, expanding, modifying and improving the Phoenix Civic Plaza Convention Center through the issuance of \$275,362,352 of State of Arizona Distribution Revenue Bonds (Civic Plaza Expansion Project), Series 2005B.

Senior Lien Airport Revenue Refunding Bonds, Series 2013 (AMT)

On March 5, 2013, the Corporation issued \$196,600,000 of Senior Lien Airport Revenue Refunding Bonds, Series 2013 (AMT). Proceeds of the bonds refunded \$231,390,000 of outstanding Senior Lien Airport Revenue Bonds, Series 2002B (AMT). The proceeds from the issuance were transferred to the respective paying agents for the bonds and interest being refunded.

Senior Lien Airport Revenue Bonds, Series 2017A (AMT)

On November 21, 2017, the Corporation entered into an agreement with the City whereby the Corporation refunded \$180,000,000 outstanding under a Revolving Credit Agreement and agreed to fund or reimburse the City for costs of the Terminal 3 Modernization Project with the remaining proceeds through the issuance of \$190,930,000 of Senior Lien Airport Revenue Bonds, Series 2017A (AMT).

Senior Lien Airport Revenue Refunding Bonds, Series 2017B (Non-AMT)

The issuance of \$173,440,000 of Senior Lien Airport Revenue Refunding Bonds, Series 2017B (Non-AMT), dated November 21, 2017, refunded \$206,840,000 of Senior Lien Airport Revenue Bonds, Series 2008A (Non-AMT). The proceeds from the issuance of \$173,440,000 of Senior Lien Airport Revenue Refunding Bonds, Series 2017B (Non-AMT) were transferred to the respective paying agents for the bonds and interest refunded.

Senior Lien Airport Revenue Refunding Bonds, Taxable Series 2017C

The issuance of \$35,745,000 of Senior Lien Airport Revenue Refunding Bonds, Taxable Series 2017C, dated November 21, 2017, refunded \$45,760,000 of Senior Lien Airport Revenue Refunding Bonds, Series 2008C (Non-AMT). The proceeds from the issuance of \$35,745,000 of Senior Lien Airport Revenue Refunding Bonds, Taxable Series 2017C were transferred to the respective paying agents for the bonds and interest refunded.

Senior Lien Airport Revenue Bonds, Series 2018 (AMT)

On November 28, 2018, the Corporation entered into an agreement with the City whereby the Corporation refunded \$100,000,000 outstanding under a Revolving Credit Agreement and agreed to fund or reimburse the City for costs of the Terminal 3 Modernization Project with the remaining proceeds through the issuance of \$226,180,000 of Senior Lien Airport Revenue Bonds, Series 2018 (AMT).

Junior Lien Airport Revenue Bonds, Taxable Series 2010B (Recovery Zone Economic Development Bonds - Direct Payment)

In September 2010, the Corporation issued \$21,345,000 of Junior Lien Airport Revenue Bonds, Taxable Series 2010B (Recovery Zone Economic Development Bonds-Direct Payment). The Corporation elected to receive subsidy payments in the amount of 45% of each interest payment on the Recovery Zone Economic Development Bonds, paid directly to US Bank, National Association, as trustee, from the United States Treasury. 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 payments by 7.2% for the federal government's fiscal year ending September 30, 2014. Proceeds from the bonds will fund land acquisition for noise mitigation and related capital costs for the Phoenix Sky Train.

Junior Lien Airport Revenue Bonds, Series 2015A (Non-AMT)

On December 15, 2015, the Corporation entered into a purchase agreement with the City under which the Corporation refunded its outstanding Airport Commercial Paper Program Notes, Series 2014A-1 and Series 2014A-2 totaling \$100,000,000. This agreement was financed through the issuance of \$95,785,000 of Junior Lien Airport Revenue Bonds, Series 2015A (Non-AMT).

Junior Lien Airport Revenue Refunding Bonds, Series 2015B (Non-AMT)

The issuance of \$18,655,000 of Junior Lien Airport Revenue Refunding Bonds, Series 2015B (Non-AMT), dated December 15, 2015, refunded \$20,000,000 of Junior Lien Airport Revenue Bonds, Series 2010A (Non-AMT). The proceeds from the issuance of the Junior Lien Airport Revenue Refunding Bonds, Series 2015B (Non-AMT) were transferred to the paying agent for the bonds and interest being refunded.

Junior Lien Airport Revenue Refunding Bonds, Series 2017D (Non-AMT)

The issuance of \$474,725,000 of Junior Lien Airport Revenue Refunding Bonds, Series 2017D (Non-AMT), dated December 21, 2017, refunded \$512,925,000 of Junior Lien Airport Revenue Refunding Bonds, Series 2008C (Non-AMT). The proceeds from the issuance of \$474,725,000 of Junior Lien Airport Revenue Refunding Bonds, Series 2017D (Non-AMT) were transferred to the respective paying agents for the bonds and interest refunded.

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

On December 11, 2019, the Corporation entered into a purchase agreement with the City whereby the Corporation refunded \$100,000,000 outstanding under a Revolving Credit Agreement. Additionally, the Corporation agreed to fund or reimburse the City for costs of the PHX Sky Train automated transportation system at Sky Harbor and a police hangar at Phoenix Deer Valley Airport with the remaining proceeds through the issuance of \$341,095,000 Junior Lien Airport Revenue Bonds, Series 2019A (Non-AMT).

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

On December 11, 2019, the Corporation entered into an agreement with the city whereby the Corporation agreed to fund or reimburse the City for the costs of the Terminal 3 and Terminal 4 Modernization Project at Sky Harbor. This agreement was financed through the issuance of \$392,005,000 of Junior Lien Airport Revenue Bonds, Series 2019B (AMT).

Junior Lien Airport Revenue Refunding Bonds, Taxable Series 2019C

On December 11, 2019, the issuance of \$29,435,000 of Junior Lien Airport Revenue Refunding Bonds, Series 2019C refunded \$32,080,000 of Junior Lien Airport Revenue Refunding Bonds, Series 2010C. The proceeds from the issuance of \$29,435,000 of Junior Lien Airport Revenue Refunding Bonds, Series 2019C were transferred to the respective paying agents for the bonds and interest refunded.

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

On December 5, 2019, the Corporation entered into a purchase agreement with the City to finance the cost of improvements at the PHX Sky Train which will extend services from Terminal 3 to a future West Ground Transportation Center. The purchase was financed through the issuance of \$244,245,000 of Rental Car Facility Charge Revenue Bonds, Series 2019A (Non-AMT).

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

On December 5, 2019, the issuance of \$60,485,000 of Rental Car Facility Charge Revenue Refunding Bonds, Taxable Series 2019B and cash on hand refunded \$154,895,000 of Rental Car Facility Charge Revenue Bonds, Series 2004. Cash on hand and proceeds from the issuance of \$60,485,000 of Rental Car Facility Revenue Refunding Bonds, Taxable Series 2019B were transferred to the respective paying agents for the bonds and interest refunded and make-whole call premium.

Junior Lien Water System Revenue Refunding Bonds, Series 2001

The issuance of \$99,980,000 of Junior Lien Water System Revenue Refunding Bonds, Series 2001, dated August 1, 2001 refunded \$87,120,000 of Junior Lien Water System Revenue Bonds, Series 1994 and \$12,795,000 of Junior Lien Water System Revenue Bonds, Series 1996. The proceeds from the issuance of \$99,980,000 of Junior Lien Water System Revenue Refunding Bonds, Series 2001 were placed in an irrevocable trust to provide for future debt service payments on the refunded bonds.

Junior Lien Water System Revenue Refunding Bonds, Series 2011

On November 22, 2011, the Corporation entered into a purchase agreement with the City under which the Corporation refunded the total outstanding \$183,930,000 of Junior Lien Water System Revenue Bonds,

Series 2002. The bonds were refunded through the issuance of \$167,510,000 in Junior Lien Water System Revenue Refunding Bonds, Series 2011

Junior Lien Water System Revenue Bonds, Series 2014A

On December 17, 2014, the Corporation and the City entered into an agreement under which the Corporation funded improvements of the City's water system and for the purpose of refunding the Corporation's outstanding Water System Revenue Commercial Paper Program Notes, Series 2012A and Series 2012B. This agreement was financed through the issuance of \$152,830,000 of Junior Lien Water System Revenue Bonds, Series 2014A.

Junior Lien Water System Revenue Refunding Bonds, Series 2014B

The issuance of \$445,085,000 of Junior Lien Water System Revenue Refunding Bonds, Series 2014B, dated December 17, 2014, fully refunded \$486,370,000 of the City's Junior Lien Water System Revenue Refunding Bonds, Series 2005 and \$10,540,000 of the City's Junior Lien Water System Revenue Refunding Bonds, Series 2003. The proceeds from the issuance of \$445,085,000 of Junior Lien Water System Revenue Refunding Bonds, Series 2014B were transferred to the respective paying agents for the bonds and interest being refunded.

Junior Lien Water System Revenue Refunding Bonds, Series 2016

The issuance of \$375,780,000 of Junior Lien Water System Revenue Refunding Bonds, Series 2016, dated January 10, 2017, refunded \$397,810,000 of Junior Lien Water System Revenue Bonds, Series 2009A. The proceeds from the issuance of \$375,780,000 of Junior Lien Water System Revenue Refunding Bonds, Series 2016 were placed in an irrevocable trust to provide for future debt service payments on the refunded bonds.

Junior Lien Water System Revenue Bonds, Series 2020A

On April 9, 2020, the Corporation entered into a purchase agreement with the City whereby the Corporation refunded \$200,000,000 outstanding under a Revolving Credit Agreement. Additionally, the Corporation agreed to fund or reimburse the City for costs of certain improvements of the City's water system with the remaining proceeds, including premium, through the issuance of \$165,115,000 of Junior Lien Water System Revenue Bonds, Series 2020A.

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

On April 9, 2020, the Corporation entered into a purchase agreement with the City whereby the Corporation agreed to fund the costs of 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 agreement was financed through the issuance of \$228,015,000 of Junior Lien Water System Revenue Bonds, Series 2020B (Sustainability Bonds).

Senior Lien Wastewater Revenue Refunding Bonds, Series 2018B

The issuance of \$84,295,000 of Senior Lien Wastewater Revenue Refunding Bonds, Series 2018B, dated June 19, 2018, refunded \$92,725,000 of Senior Lien Wastewater Revenue Refunding Bonds, Series 2008. The proceeds from the issuance of \$84,295,000 of Senior Lien Wastewater Revenue Refunding Bonds, Series 2018 were transferred to the respective paying agents for the bonds and interest refunded.

Junior Lien Wastewater System Revenue Refunding Bonds, Series 2011

On December 22, 2011, the Corporation entered into a purchase agreement with the City under which the Corporation refunded the total outstanding \$137,060,000 of Junior Lien Wastewater System Revenue Bonds, Series 2001. The bonds were refunded through the issuance of \$118,290,000 in Junior Lien Wastewater System Revenue Refunding Bonds, Series 2011.

Junior Lien Wastewater System Revenue Refunding Bonds, Series 2014

On April 15, 2014, the Corporation entered into a purchase agreement with the City under which the Corporation refunded the total outstanding \$144,810,000 of Junior Lien Wastewater System Revenue Bonds, Series 2004. The bonds were refunded through the issuance of \$127,810,000 in Junior Lien Wastewater System Revenue Refunding Bonds, Series 2014.

Junior Lien Wastewater System Revenue Refunding Bonds, Series 2016

The issuance of \$225,325,000 of Junior Lien Wastewater System Revenue Refunding Bonds, Series 2016, dated November 16, 2016, refunded \$262,400,000 of Junior Lien Wastewater System Revenue Bonds, Series 2007. The proceeds from the issuance of \$225,325,000 of Junior Lien Wastewater System Revenue Refunding Bonds, Series 2016 were placed in an irrevocable trust to provide for future debt service payments on the refunded bonds.

Junior Lien Wastewater System Revenue Bonds, Series 2018A

On June 19, 2018, the Corporation entered into an agreement with the City whereby the Corporation agreed to fund or reimburse the City for the costs of certain improvements of the City's wastewater system. This agreement was financed through the issuance of \$133,270,000 of Junior Lien Wastewater System Revenue Bonds, Series 2018A.

5. Refunded 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 Corporation defeased \$67.3 million of Transit Excise Tax Revenue Refunding Bonds, Series 2013 (Light Rail Project). The Corporation 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 Corporation 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):

	Rental Car Facility Revenue	Junior Lien Airport Revenue
Series	2019B	2019C
Closing Date	12/5/19	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	\$ 60,181	\$ 29,312
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

6. Bonds Payable

The bonds are issued by the Corporation for City approved projects. The City makes annual payments to the Corporation under a purchase agreement equal to the annual debt service requirements of the bonds. The City’s payments to the Corporation are guaranteed by either a pledge of excise taxes, enterprise fund revenues or project revenues. Pledged excise taxes include City sales, use, utility and franchise taxes, license and permit fees and state shared sales and income taxes. The payments for all outstanding Corporation bonds issued for general government purposes have been anticipated and provided for in the City’s annual operating budget.

The debt service reserve balances were as follows as of June 30, 2020 (in thousands), which are held as restricted cash with fiscal agents - noncurrent assets:

Issuance	Reserve Amount
Airport Rental Car Parity Reserve for Series 2019A, 2019B	\$ 20,546
Junior Lien Airport Debt Service Reserve for Series 2010A, 2010B, 2010C	2,135
Airport Revenue Refunding Bonds, Series 2013 (AMT) Reserve	16,252
Junior Lien Airport Parity Reserve for Series 2015A, 2017D, 2019A, 2019B, and 2019C	95,603
Airport Revenue Refunding Bonds, Series 2015B (Non-AMT) Reserve	1,866
Senior Lien Airport Parity Reserve for Series 2017A, 2017B, 2017C, 2018	47,239
	<u>\$ 183,641</u>

Issue	Issue Date	Original Issuance
Senior Lien Excise Tax Revenue Bonds, Series 2011A	06/07/11	\$ 27,530,000
Senior Lien Excise Tax Revenue Bonds, Series 2011B (Taxable)	06/07/11	\$ 59,195,000
Senior Lien Excise Tax Revenue Refunding Bonds, Series 2011C	06/07/11	\$ 24,305,000
Senior Lien Excise Tax Revenue Refunding Bonds, Series 2011D (Taxable)	06/07/11	\$ 22,805,000
Senior Lien Excise Tax Revenue Refunding Bonds, Series 2012	06/21/12	\$ 15,205,000
Subordinated Excise Tax Revenue Refunding Bonds, Series 2012A	06/21/12	\$ 17,510,000
Subordinated Excise Tax Revenue Refunding Bonds, Series 2012B (Taxable)	06/21/12	\$ 33,095,000
Subordinated Excise Tax Revenue Refunding Bonds, Series 2015A	05/12/15	\$ 319,305,000
Subordinated Excise Tax Revenue Refunding Bonds, Series 2015B (Taxable)	05/12/15	\$ 60,895,000
Subordinated Excise Tax Revenue Bonds, Series 2017A	06/01/17	\$ 116,835,000
Subordinated Excise Tax Revenue Refunding Bonds, Series 2017B	06/01/17	\$ 101,895,000

Purpose	Call and Redemption Terms
To fund the costs of vehicles and equipment identified as lease purchase in the current and prior fiscal years	Bonds maturing on or after July 1, 2022 are callable on 7/1/2021 and thereafter, in whole or in part at any time at 100% of par.
To fund the costs of vehicles and equipment identified as lease purchase in the current and prior fiscal years; the costs to complete the fourth and fifth floors of the ASU School of Nursing Building; and the purchase of the CityScape Parking Garage.	Bonds maturing on or after July 1, 2022 are callable on 7/1/2021 and thereafter, in whole or in part at any time at 100% of par.
To partially refund the Senior Lien Excise Tax Revenue Bonds (Adams Street Garage Project), Series 1999B, the Municipal Facilities Subordinated Excise Tax Revenue Bonds, Series 2000, the Municipal Facilities Subordinated Excise Tax Revenue Bonds, Series 2003B, the Senior Lien Excise Tax Revenue Refunding Bonds, Series 2003, the Subordinated Excise Tax Revenue Bonds, Series 2004, the Subordinated Excise Tax Revenue Bonds, Series 2006B, the Senior Lien Excise Tax Revenue Refunding Bonds, Series 2007, and the Subordinated Excise Tax Revenue Refunding Bonds, Series 2007B.	Bonds maturing on or after July 1, 2022 are callable on 7/1/2021 and thereafter, in whole or in part at any time at 100% of par.
To partially refund the Subordinated Excise Tax Revenue Bonds, Series 2004, the Senior Lien Excise Tax Revenue Refunding Bonds, Series 2007, the Subordinated Excise Tax Revenue Refunding Bonds, Series 2007B, and Certificates of Participation issued through the Arizona Municipal Financing Program, Series 18.	Bonds are not subject to redemption prior to maturity.
To refund a portion of the Corporation's Senior Lien Excise Tax Revenue Refunding Bonds, Series 2003.	Bonds maturing on or after July 1, 2023 are callable on 7/1/22 and thereafter, in whole or in part at any time, at 100% of par.
To refund a portion of the Corporation's Municipal Facilities Excise Tax Revenue Bonds, Series 2003B and Subordinated Excise Tax Revenue Bonds, Series 2004.	Bonds maturing on or after July 1, 2023 are callable on 7/1/22 and thereafter, in whole or in part at any time, at 100% of par.
To refund a portion of the Corporation's Municipal Facilities Excise Tax Revenue Bonds, Series 2003C and 2003D.	Bonds maturing on or after July 1, 2023 are callable on 7/1/22 and thereafter, in whole or in part at any time, at 100% of par.
To refund the Subordinated Excise Tax Revenue Bonds, Series 2005A (Civic Plaza Expansion Project); to partially refund the Subordinated Excise Tax Revenue Bonds, Series 2006A (Solid Waste Improvements) and Subordinated Excise Tax Revenue Bonds, Series 2007A.	Bonds maturing on or after July 1, 2026 are callable on 7/1/2025 and thereafter, in whole or in part at any time, at 100% of par.
To partially refund the Subordinated Excise Tax Revenue Bonds, Taxable Series 2006C and refund the Certificates of Participation issued through the Arizona Municipal Financing Program, Series 18.	Bonds maturing on or after July 1, 2026 are callable on 7/1/2025 and thereafter, in whole or in part at any time, at 100% of par.
To fund certain projects, property and equipment and for acquiring, constructing, equipping and improving real and personal property for the City.	Bonds maturing on or after July 1, 2028 are callable on 7/1/2027 and thereafter, in whole or in part at any time, at 100% of par.
To refund the Senior Lien Excise Tax Revenue Refunding Bonds, Series 2007 and refund the Subordinated Excise Tax Revenue Refunding Bonds, Series 2007B.	Bonds maturing on or after July 1, 2028 are callable on 7/1/2027 and thereafter, in whole or in part at any time, at 100% of par.

Issue	Issue Date	Original Issuance
Subordinated Excise Tax Revenue Refunding Bonds, Series 2017C (Taxable)	6/1/2017	\$ 15,680,000
State of Arizona Distribution Revenue Bonds (Civic Plaza Expansion Project), Series 2005B	10/6/2005	\$ 275,362,352
Senior Lien Airport Revenue Refunding Bonds, Series 2013 (AMT)	3/5/2013	\$ 196,600,000
Senior Lien Airport Revenue Bonds, Series 2017A (AMT)	11/21/2017	\$ 190,930,000
Senior Lien Airport Revenue Refunding Bonds, Series 2017B (Non-AMT)	11/21/2017	\$ 173,440,000
Senior Lien Airport Revenue Refunding Bonds, Taxable Series 2017C	11/21/2017	\$ 35,745,000
Senior Lien Airport Revenue Bonds, Series 2018 (AMT)	11/28/2018	\$ 226,180,000
Junior Lien Airport Revenue Bonds, Taxable Series 2010B (Recovery Zone Economic Development Bonds-Direct Payment)	9/1/2010	\$ 21,345,000
Junior Lien Airport Revenue Bonds, Series 2015A (Non-AMT)	12/15/15	\$ 95,785,000
Junior Lien Airport Revenue Refunding Bonds, Series 2015B (Non-AMT)	12/15/15	\$ 18,655,000
Junior Lien Airport Revenue Refunding Bonds, Series 2017D (Non-AMT)	12/21/17	\$ 474,725,000
Junior Lien Airport Revenue Bonds, Series 2019A (Non-AMT)	12/11/2019	\$ 341,095,000

Purpose	Call and Redemption Terms
To refund the Subordinated Excise Tax Revenue Refunding Bonds, Series 2007C (Taxable).	Bonds are callable in whole or in part on any date at a redemption price equal to the Make-Whole Redemption Price of the principal amount to be redeemed plus accrued interest.
To fund a portion of the cost of constructing, expanding, modifying and improving the Phoenix Civic Plaza (Convention Center).	Bonds are not subject to redemption prior to maturity
To refund the Senior Lien Aviation Revenue Bonds, Series 2002B (AMT).	Bonds maturing on or after July 1, 2024 are callable on 7/1/23 and thereafter, in whole or in part at any time, at 100% of par.
To fund a portion of the costs related to the Terminal 3 Modernization Project with the majority of the proceeds refunding the outstanding balance under a Revolving Credit Agreement.	Bonds maturing on or after July 1, 2028 are callable on 7/1/2027 and thereafter, in whole or in part at any time, at 100% par.
To refund the Senior Lien Airport Revenue Bonds, Series 2008A (Non-AMT).	Bonds maturing on or after July 1, 2028 are callable on 7/1/2027 and thereafter, in whole or in part at any time, at 100% par.
To refund the Senior Lien Airport Revenue Refunding Bonds, Series 2008C (Non-AMT).	Bonds are not subject to redemption prior to maturity.
To fund a portion of the costs related to the Terminal 3 Modernization Project with a portion of the proceeds refunding the outstanding balance under a Revolving Credit Agreement.	Bonds maturing on or after July 1, 2029 are callable on 7/1/2028 and thereafter, in whole or in part at any time, at 100% par.
To fund land acquisition for noise mitigation and related capital costs for the Phoenix Sky Train.	The bonds are subject to redemption prior to their maturity date of July 1, 2040 in whole or in part at the make-whole premium.
To refund the outstanding Airport Commercial Paper Program Notes, Series 2014A-1 and 2014A-2.	Bonds maturing on and after July 1, 2026 are callable on 7/1/2025 and thereafter, in whole or in part at any time, at 100% of par.
To refund a portion of the outstanding Junior Lien Airport Revenue Bonds, Series 2010A (Non-AMT).	Bonds are callable on 7/1/2025 and thereafter, in whole or in part at any time, at 100% if par.
To refund the Junior Lien Airport Revenue Bonds, Series 2010A (Non-AMT).	Bonds maturing on or after July 1, 2028 are callable on 7/1/2027 and thereafter, in whole or in part at any time, at 100% par.
To fund the PHX Sky Train automated transportation system at Sky Harbor and a police hangar at Phoenix Deer Valley Airport with a portion of the proceeds refunding the outstanding balance under a Revolving Credit Agreement.	Bonds maturing on or after July 1, 2030 are callable on 7/1/2029 and thereafter, in whole or in part at any time at 100% of par.

CIVIC IMPROVEMENT CORPORATION
AN ARIZONA NONPROFIT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

Issue	Issue Date	Original Issuance
Junior Lien Airport Revenue Bonds, Series 2019B (AMT)	12/11/2019	\$ 392,005,000
Junior Lien Airport Revenue Refunding Bonds, Taxable Series 2019C	12/11/2019	\$ 29,435,000
Rental Car Facility Charge Revenue Bonds, Series 2019A (Non-AMT)	12/5/2019	\$ 244,245,000
Rental Car Facility Charge Revenue Refunding Bonds, Taxable Series 2019B	12/5/2019	\$ 60,485,000
Junior Lien Water System Revenue Refunding Bonds, Series 2001	08/01/01	\$ 99,980,000
Junior Lien Water System Revenue Refunding Bonds, Series 2011	11/22/11	\$ 167,510,000
Junior Lien Water System Revenue Bonds, Series 2014A	12/17/14	\$ 152,830,000
Junior Lien Water System Revenue Refunding Bonds, Series 2014B	12/17/14	\$ 445,085,000
Junior Lien Water System Revenue Refunding Bonds, Series 2016	01/10/17	\$ 375,780,000
Junior Lien Water System Revenue Bonds, Series 2020A	4/9/2020	\$ 165,115,000
Junior Lien Water System Revenue Bonds, Series 2020B (Sustainability Bonds)	4/9/2020	\$ 228,015,000
Senior Lien Wastewater System Revenue Refunding Bonds, Series 2018B	06/19/18	\$ 84,295,000
Junior Lien Wastewater System Revenue Refunding Bonds, Series 2011	12/22/11	\$ 118,290,000
Junior Lien Wastewater System Revenue Refunding Bonds, Series 2014	04/15/14	\$ 127,810,000

Purpose	Call and Redemption Terms
To fund costs of the Terminal 3 and Terminal 4 Modernization Project at Sky Harbor.	Bonds maturing on or after July 1, 2030 are callable on 7/1/2029 and thereafter, in whole or in part at any time at 100% of par.
To refund the Junior Lien Airport Revenue Refunding Bonds, Series 2010C.	Bonds are callable in whole or in part at any time prior to maturity at 100% of par plus the make-whole premium, if any.
To fund the costs of improvements to the PHX Sky Train which will extend services from Terminal 3 to a future West Ground Transportation Center.	Bonds maturing on or after July 1, 2030 are callable on 7/1/2029 and thereafter, in whole or in part at any time at 100% of par.
To refund the Rental Car Facility Charge Revenue Bonds, Series 2004.	Bonds are callable in whole or in part at any time prior to maturity at 100% of par plus the make-whole premium, if any.
To refund a portion of the outstanding Junior Lien Water System Revenue Bonds, Series 1994 and a portion of the outstanding Junior Lien Water System Revenue Bonds, Series 1996.	Bonds are not subject to redemption prior to stated maturity.
To refund the outstanding Junior Lien Water System Revenue Bonds, Series 2002.	Bonds maturing on and after July 1, 2022 are callable on 7/1/2021 and thereafter, in whole or in part at any time, at 100% of par.
To refund the outstanding Water System Commercial Paper Program Notes, Series 2012A and 2012B.	Bonds maturing on and after July 1, 2025 are callable on 7/1/2024 and thereafter, in whole or in part at any time, at 100% of par.
To refund the Junior Lien Water System Revenue Refunding Bonds, Series 2003 and refund the Junior Lien Water System Revenue Bonds, Series 2005.	Bonds maturing on and after July 1, 2025 are callable on 7/1/2024 and thereafter, in whole or in part at any time, at 100% of par.
To refund the Junior Lien Water System Revenue Bonds, Series 2009A.	Bonds maturing on or after July 1, 2027 are callable on 7/1/26 and thereafter, in whole or in part at any time, at 100% of par.
To fund improvements of the City's water system with a majority portion of the proceeds refunding the outstanding balance under a Revolving Credit Agreement.	Bonds maturing on or after July 1, 2031 are callable on 7/1/2030 and thereafter, in whole or in part at any time at 100% of par.
Proceeds are designated to fund 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.	Bonds maturing on or after July 1, 2031 are callable on 7/1/2030 and thereafter, in whole or in part at any time at 100% of par.
To refund the Senior Lien Wastewater System Revenue Refunding Bonds, Series 2008.	Bonds are not subject to redemption prior to maturity.
To refund the outstanding Junior Lien Wastewater System Revenue Refunding Bonds, Series 2001.	Bonds maturing on and after July 1, 2023 are callable on 7/1/2022 and thereafter, in whole or in part at any time, at 100% of par.
To refund the outstanding Junior Lien Wastewater System Revenue Refunding Bonds, Series 2004.	Bonds maturing on and after July 1, 2025 are callable on July 1, 2024 and thereafter, in whole or in part at any time, at 100% of par.

Issue	Issue Date	Original Issuance
Junior Lien Wastewater System Revenue Refunding Bonds, Series 2016	11/16/16	\$ 225,325,000
Junior Lien Wastewater System Revenue Bonds, Series 2018A	06/19/18	\$ 133,270,000

Purpose	Call and Redemption Terms
To refund the Junior Lien Wastewater System Revenue Bonds, Series 2007.	Bonds maturing on or after July 1, 2027 are callable on 7/1/26 and thereafter, in whole or in part at any time, at 100% of par.
To fund the cost of certain improvements of the City's wastewater system.	Bonds maturing on or after July 1, 2029 are callable on 7/1/2028 and thereafter, in whole or in part at any time, at 100% par.

Fiscal Year Ending June 30	Principal	Interest	Total
Senior Lien Excise Tax Revenue Bonds, Series 2011A			
2021	\$ 340,000	\$ 179,777	\$ 519,777
2022	350,000	169,238	519,238
2023	360,000	157,425	517,425
2024	375,000	144,465	519,465
2025	390,000	130,403	520,403
2026 - 2030	2,195,000	401,995	2,596,995
2031	495,000	22,275	517,275
Total	<u>\$ 4,505,000</u>	<u>\$ 1,205,578</u>	<u>\$ 5,710,578</u>
Coupon rates		<u>2.00 - 5.00%</u>	
Effective interest rate		<u>2.86%</u>	
Senior Lien Excise Tax Revenue Bonds, Series 2011B (Taxable)			
2021	\$ 3,195,000	\$ 1,785,080	\$ 4,980,080
2022	3,325,000	1,649,069	4,974,069
2023	1,545,000	1,499,211	3,044,211
2024	1,495,000	1,425,715	2,920,715
2025	1,570,000	1,352,356	2,922,356
2026 - 2030	9,210,000	5,469,031	14,679,031
2031 - 2035	11,600,000	2,738,979	14,338,979
2036	2,695,000	149,977	2,844,977
Total	<u>\$ 34,635,000</u>	<u>\$ 16,069,418</u>	<u>\$ 50,704,418</u>
Coupon rates		<u>2.328 - 5.007%</u>	
Effective interest rate		<u>4.86%</u>	
Senior Lien Excise Tax Revenue Refunding Bonds, Series 2011C			
2021	\$ 4,260,000	\$ 1,200,406	\$ 5,460,406
2022	4,335,000	987,406	5,322,406
2023	4,500,000	770,656	5,270,656
2024	4,630,000	545,657	5,175,657
2025	2,335,000	314,156	2,649,156
2026 - 2028	4,245,000	313,800	4,558,800
Total	<u>\$ 24,305,000</u>	<u>\$ 4,132,081</u>	<u>\$ 28,437,081</u>
Coupon rates		<u>4.125 - 5.00%</u>	
Effective interest rate		<u>3.79%</u>	

Fiscal Year Ending June 30	Principal	Interest	Total
Senior Lien Excise Tax Revenue Refunding Bonds, Series 2011D (Taxable)			
2021	\$ 2,255,000	\$ 95,995	\$ 2,350,995
Total	<u>\$ 2,255,000</u>	<u>\$ 95,995</u>	<u>\$ 2,350,995</u>
Coupon rates		<u>2.328 - 4.257%</u>	
Effective interest rate		<u>3.91%</u>	
Senior Lien Excise Tax Revenue Refunding Bonds, Series 2012			
2021	\$ -	\$ 412,825	\$ 412,825
2022	-	412,825	412,825
2023	2,205,000	412,825	2,617,825
2024	-	302,575	302,575
2025	-	302,575	302,575
2026 - 2029	6,295,000	802,050	7,097,050
Total	<u>\$ 8,500,000</u>	<u>\$ 2,645,675</u>	<u>\$ 11,145,675</u>
Coupon rates		<u>3.00 - 5.00%</u>	
Effective interest rate		<u>2.97%</u>	
Subordinated Excise Tax Revenue Refunding Bonds, Series 2012A			
2021	\$ 1,235,000	\$ 273,350	\$ 1,508,350
2022	1,300,000	211,600	1,511,600
2023	1,365,000	146,600	1,511,600
2024	1,435,000	78,350	1,513,350
2025	220,000	6,600	226,600
Total	<u>\$ 5,555,000</u>	<u>\$ 716,500</u>	<u>\$ 6,271,500</u>
Coupon rates		<u>3.00 - 5.00%</u>	
Effective interest rate		<u>2.30%</u>	

Fiscal Year Ending June 30	Principal	Interest	Total
Subordinated Excise Tax Revenue Refunding Bonds, Series 2012B (Taxable)			
2021	\$ 1,570,000	\$ 1,053,718	\$ 2,623,718
2022	1,620,000	1,005,677	2,625,677
2023	1,680,000	952,864	2,632,864
2024	1,735,000	894,737	2,629,737
2025	1,800,000	832,103	2,632,103
2026 - 2030	10,270,000	3,028,247	13,298,247
2031 - 2033	7,660,000	682,828	8,342,828
Total	<u>\$ 26,335,000</u>	<u>\$ 8,450,174</u>	<u>\$ 34,785,174</u>

Coupon rates 1.83 - 3.71%

Effective interest rate 4.01%

Subordinated Excise Tax Revenue Refunding Bonds, Series 2015A

2021	\$ 8,010,000	\$ 14,539,600	\$ 22,549,600
2022	8,435,000	14,139,100	22,574,100
2023	8,885,000	13,717,350	22,602,350
2024	9,360,000	13,273,100	22,633,100
2025	17,050,000	12,805,100	29,855,100
2026 - 2030	63,660,000	52,811,150	116,471,150
2031 - 2035	68,615,000	37,575,750	106,190,750
2036 - 2040	87,570,000	18,618,500	106,188,500
2041	20,225,000	1,011,250	21,236,250
Total	<u>\$ 291,810,000</u>	<u>\$ 178,490,900</u>	<u>\$ 470,300,900</u>

Coupon rates 3.00 - 5.00%

Effective interest rate 3.56%

Fiscal Year Ending June 30	Principal	Interest	Total
Subordinated Excise Tax Revenue Refunding Bonds, Series 2015B (Taxable)			
2021	\$ 4,660,000	\$ 1,519,557	\$ 6,179,557
2022	4,760,000	1,409,395	6,169,395
2023	4,880,000	1,284,969	6,164,969
2024	5,005,000	1,148,231	6,153,231
2025	2,070,000	1,002,986	3,072,986
2026 - 2030	11,345,000	3,959,643	15,304,643
2031 - 2035	13,625,000	1,674,644	15,299,644
Total	<u>\$ 46,345,000</u>	<u>\$ 11,999,425</u>	<u>\$ 58,344,425</u>
Coupon rates		<u>0.41 - 3.992%</u>	
Effective interest rate		<u>3.35%</u>	
Subordinated Excise Tax Revenue Bonds, Series 2017A			
2021	\$ 11,565,000	\$ 4,166,850	\$ 15,731,850
2022	12,145,000	3,588,600	15,733,600
2023	12,755,000	2,981,350	15,736,350
2024	13,390,000	2,343,600	15,733,600
2025	6,585,000	1,674,100	8,259,100
2026 - 2030	25,780,000	3,837,450	29,617,450
2031 - 2032	8,355,000	377,850	8,732,850
Total	<u>\$ 90,575,000</u>	<u>\$ 18,969,800</u>	<u>\$ 109,544,800</u>
Coupon rates		<u>3.00 - 5.00%</u>	
Effective interest rate		<u>2.16%</u>	
Subordinated Excise Tax Revenue Refunding Bonds, Series 2017B			
2021	\$ 11,870,000	\$ 3,690,450	\$ 15,560,450
2022	12,235,000	3,096,950	15,331,950
2023	10,405,000	2,485,200	12,890,200
2024	7,075,000	1,964,950	9,039,950
2025	8,255,000	1,611,200	9,866,200
2026 - 2029	27,935,000	2,623,200	30,558,200
Total	<u>\$ 77,775,000</u>	<u>\$ 15,471,950</u>	<u>\$ 93,246,950</u>
Coupon rates		<u>3.00 - 5.00%</u>	
Effective interest rate		<u>2.02%</u>	

Fiscal Year Ending June 30	Principal	Interest	Total
Subordinated Excise Tax Revenue Refunding Bonds, Series 2017C (Taxable)			
2021	\$ 3,190,000	\$ 131,329	\$ 3,321,329
2022	3,245,000	69,443	3,314,443
Total	<u>\$ 6,435,000</u>	<u>\$ 200,772</u>	<u>\$ 6,635,772</u>
Coupon rates		<u>1.29 - 2.14%</u>	
Effective interest rate		<u>2.04%</u>	
State of Arizona Distribution Revenue Bonds (Civic Plaza Expansion Project), Series 2005B			
2021	\$ 3,990,000	\$ 20,007,900	\$ 23,997,900
2022	4,710,000	19,788,450	24,498,450
2023	5,470,000	19,529,400	24,999,400
2024	6,270,000	19,228,550	25,498,550
2025	7,115,000	18,883,700	25,998,700
2026 - 2030	49,960,000	87,527,825	137,487,825
2031 - 2035	77,720,000	70,766,300	148,486,300
2036 - 2040	103,400,000	46,583,625	149,983,625
2041 - 2044	105,145,000	14,844,225	119,989,225
Total	<u>\$ 363,780,000</u>	<u>\$ 317,159,975</u>	<u>\$ 680,939,975</u>
Coupon rates		<u>3.85 - 5.50%</u>	
Effective interest rate		<u>4.72%</u>	

Fiscal Year Ending June 30	Principal	Interest	Total
Senior Lien Airport Revenue Refunding Bonds, Series 2013 (AMT)			
2021	\$ 9,050,000	\$ 7,200,250	\$ 16,250,250
2022	9,500,000	6,747,750	16,247,750
2023	9,970,000	6,272,750	16,242,750
2024	10,475,000	5,774,250	16,249,250
2025	10,995,000	5,250,500	16,245,500
2026 - 2030	63,805,000	17,433,750	81,238,750
2031 - 2032	30,210,000	2,284,250	32,494,250
Total	<u>\$ 144,005,000</u>	<u>\$ 50,963,500</u>	<u>\$ 194,968,500</u>

Coupon rates 3.00 - 5.00%

Effective interest rate 3.28%

Senior Lien Airport Revenue Refunding Bonds, Series 2017A (AMT)			
2021	\$ 3,345,000	\$ 9,145,250	\$ 12,490,250
2022	3,515,000	8,978,000	12,493,000
2023	3,690,000	8,802,250	12,492,250
2024	3,870,000	8,617,750	12,487,750
2025	4,065,000	8,424,250	12,489,250
2026 - 2030	23,595,000	38,860,750	62,455,750
2031 - 2035	30,115,000	32,341,500	62,456,500
2036 - 2040	38,430,000	24,022,000	62,452,000
2041 - 2045	49,055,000	13,404,000	62,459,000
2046 - 2047	23,225,000	1,756,000	24,981,000
Total	<u>\$ 182,905,000</u>	<u>\$ 154,351,750</u>	<u>\$ 337,256,750</u>

Coupon rates 5.00%

Effective interest rate 3.84%

Fiscal Year Ending June 30	Principal	Interest	Total
Senior Lien Airport Revenue Refunding Bonds, Series 2017B			
2021	\$ 3,010,000	\$ 8,672,000	\$ 11,682,000
2022	8,090,000	8,521,500	16,611,500
2023	6,860,000	8,117,000	14,977,000
2024	7,205,000	7,774,000	14,979,000
2025	7,565,000	7,413,750	14,978,750
2026 - 2030	43,895,000	31,001,750	74,896,750
2031 - 2035	56,025,000	18,874,500	74,899,500
2036 - 2038	40,790,000	4,145,250	44,935,250
Total	<u>\$ 173,440,000</u>	<u>\$ 94,519,750</u>	<u>\$ 267,959,750</u>
Coupon rates		<u>5.00%</u>	
Effective interest rate		<u>3.23%</u>	
Senior Lien Airport Revenue Refunding Bonds, Taxable Series 2017C			
2021	\$ 4,820,000	\$ 106,377	\$ 4,926,377
Total	<u>\$ 4,820,000</u>	<u>\$ 106,377</u>	<u>\$ 4,926,377</u>
Coupon rates		<u>1.50 - 2.21%</u>	
Effective interest rate		<u>2.23%</u>	
Senior Lien Airport Revenue Refunding Bonds, Series 2018 (AMT)			
2021	\$ 3,575,000	\$ 10,841,500	\$ 14,416,500
2022	3,750,000	10,662,750	14,412,750
2023	3,935,000	10,475,250	14,410,250
2024	4,140,000	10,278,500	14,418,500
2025	4,345,000	10,071,500	14,416,500
2026 - 2030	25,195,000	46,874,500	72,069,500
2031 - 2035	32,160,000	39,913,250	72,073,250
2036 - 2040	41,040,000	31,028,000	72,068,000
2041 - 2045	52,345,000	19,719,750	72,064,750
2046 - 2048	50,345,000	5,387,750	55,732,750
Total	<u>\$ 220,830,000</u>	<u>\$ 195,252,750</u>	<u>\$ 416,082,750</u>
Coupon rates		<u>4.00 - 5.00%</u>	
Effective interest rate		<u>4.22%</u>	

Fiscal Year Ending June 30	Principal	Interest	Total
Junior Lien Airport Revenue Bonds, Taxable Series 2010B			
(Recovery Zone Economic Development Bonds - Direct Payment)			
2021	\$ -	\$ 1,408,770	\$ 1,408,770
2022	-	1,408,770	1,408,770
2023	-	1,408,770	1,408,770
2024	-	1,408,770	1,408,770
2025	-	1,408,770	1,408,770
2026 - 2030	-	7,043,850	7,043,850
2031 - 2035	-	7,043,850	7,043,850
2036 - 2040	21,345,000	7,043,850	28,388,850
Total	<u>\$ 21,345,000</u>	<u>\$ 28,175,400</u>	<u>\$ 49,520,400</u>

Coupon rates 6.60%

Effective interest rate 3.67%

Junior Lien Airport Revenue Bonds, Series 2015A (Non-AMT)

2021	\$ 1,870,000	\$ 4,317,250	\$ 6,187,250
2022	1,960,000	4,223,750	6,183,750
2023	2,060,000	4,125,750	6,185,750
2024	2,160,000	4,022,750	6,182,750
2025	2,270,000	3,914,750	6,184,750
2026 - 2030	13,180,000	17,752,500	30,932,500
2031 - 2035	16,810,000	14,112,500	30,922,500
2036 - 2040	21,255,000	9,669,150	30,924,150
2041 - 2045	26,780,000	4,147,500	30,927,500
Total	<u>\$ 88,345,000</u>	<u>\$ 66,285,900</u>	<u>\$ 154,630,900</u>

Coupon rates 4.00 - 5.00%

Effective interest rate 3.99%

Fiscal Year Ending June 30	Principal	Interest	Total
Junior Lien Airport Revenue Refunding Bonds, Series 2015B (Non-AMT)			
2021	\$ -	\$ 932,750	\$ 932,750
2022	-	932,750	932,750
2023	-	932,750	932,750
2024	-	932,750	932,750
2025	-	932,750	932,750
2026 - 2030	-	4,663,750	4,663,750
2031 - 2034	18,655,000	3,731,000	22,386,000
Total	<u>\$ 18,655,000</u>	<u>\$ 13,058,500</u>	<u>\$ 31,713,500</u>

Coupon rates 5.00%

Effective interest rate 4.08%

Junior Lien Airport Revenue Refunding Bonds, Series 2017D (Non-AMT)			
2021	\$ 15,675,000	\$ 22,655,006	\$ 38,330,006
2022	16,460,000	21,871,256	38,331,256
2023	17,280,000	21,048,257	38,328,257
2024	18,145,000	20,184,256	38,329,256
2025	19,055,000	19,277,007	38,332,007
2026 - 2030	110,550,000	81,104,531	191,654,531
2031 - 2035	120,935,000	51,740,375	172,675,375
2036 - 2040	156,625,000	18,716,450	175,341,450
Total	<u>\$ 474,725,000</u>	<u>\$ 256,597,138</u>	<u>\$ 731,322,138</u>

Coupon rates 3.13 - 5.00%

Effective interest rate 3.36%

Fiscal Year Ending June 30	Principal	Interest	Total
Junior Lien Airport Revenue Bonds, Series 2019A (Non-AMT)			
2021	\$ -	\$ 15,269,000	\$ 15,269,000
2022	-	15,269,000	15,269,000
2023	-	15,269,000	15,269,000
2024	-	15,269,000	15,269,000
2025	-	15,269,000	15,269,000
2026 - 2030	-	76,345,000	76,345,000
2031 - 2035	-	76,345,000	76,345,000
2036 - 2040	-	76,345,000	76,345,000
2041 - 2045	168,525,000	61,935,250	230,460,250
2046 - 2049	172,570,000	19,766,900	192,336,900
Total	<u>\$ 341,095,000</u>	<u>\$ 387,082,150</u>	<u>\$ 728,177,150</u>

Coupon rates 3.00 - 5.00%

Effective interest rate 3.61%

Junior Lien Airport Revenue Bonds, Series 2019B (AMT)			
2021	\$ 1,200,000	\$ 18,392,850	\$ 19,592,850
2022	1,260,000	18,332,850	19,592,850
2023	7,280,000	18,269,850	25,549,850
2024	7,645,000	17,905,850	25,550,850
2025	8,025,000	17,523,600	25,548,600
2026 - 2030	46,560,000	81,183,250	127,743,250
2031 - 2035	59,425,000	68,319,250	127,744,250
2036 - 2040	74,925,000	52,818,500	127,743,500
2041 - 2045	93,435,000	34,306,000	127,741,000
2046 - 2049	91,600,000	10,602,738	102,202,738
Total	<u>\$ 391,355,000</u>	<u>\$ 337,654,738</u>	<u>\$ 729,009,738</u>

Coupon rates 3.25 - 5.00%

Effective interest rate 3.44%

Junior Lien Airport Revenue Refunding Bonds, Taxable Series 2019C			
2021	\$ -	\$ 669,526	\$ 669,526
2022	-	669,526	669,526
2023	9,595,000	669,526	10,264,526
2024	9,810,000	458,436	10,268,436
2025	10,030,000	237,711	10,267,711
Total	<u>\$ 29,435,000</u>	<u>\$ 2,704,725</u>	<u>\$ 32,139,725</u>

Coupon rates 2.20 - 2.37%

Effective interest rate 2.38%

Fiscal Year Ending June 30	Principal	Interest	Total
Rental Car Facility Charge Revenue Bonds, Series 2019A (Non-AMT)			
2021	\$ -	\$ 11,651,200	\$ 11,651,200
2022	-	11,651,200	11,651,200
2023	-	11,651,200	11,651,200
2024	-	11,651,200	11,651,200
2025	-	11,651,200	11,651,200
2026 - 2030	25,845,000	57,103,250	82,948,250
2031 - 2035	56,280,000	46,441,000	102,721,000
2036 - 2040	71,815,000	30,893,750	102,708,750
2041 - 2045	90,305,000	12,402,450	102,707,450
Total	<u>\$ 244,245,000</u>	<u>\$ 205,096,450</u>	<u>\$ 449,341,450</u>
Coupon rates		<u>4.00 - 5.00%</u>	
Effective interest rate		<u>3.33%</u>	
Rental Car Facility Charge Revenue Refunding Bonds, Taxable Series 2019B			
2021	\$ 7,500,000	\$ 1,391,952	\$ 8,891,952
2022	7,655,000	1,233,927	8,888,927
2023	7,825,000	1,068,350	8,893,350
2024	7,995,000	894,165	8,889,165
2025	8,185,000	708,201	8,893,201
2026 - 2028	18,915,000	846,735	19,761,735
Total	<u>\$ 58,075,000</u>	<u>\$ 6,143,330</u>	<u>\$ 64,218,330</u>
Coupon rates		<u>2.007 - 2.796%</u>	
Effective interest rate		<u>2.60%</u>	
Junior Lien Water System Revenue Refunding Bonds, Series 2001			
2021	\$ 6,035,000	\$ 1,441,825	\$ 7,476,825
2022	6,370,000	1,109,900	7,479,900
2023	6,720,000	759,550	7,479,550
2024	7,090,000	389,950	7,479,950
Total	<u>\$ 26,215,000</u>	<u>\$ 3,701,225</u>	<u>\$ 29,916,225</u>
Coupon rates		<u>4.00 - 5.50%</u>	
Effective interest rate		<u>4.68%</u>	

Fiscal Year Ending June 30	Principal	Interest	Total
Junior Lien Water System Revenue Refunding Bonds, Series 2011			
2021	\$ 13,360,000	\$ 4,518,100	\$ 17,878,100
2022	14,030,000	3,850,100	17,880,100
2023	14,715,000	3,164,200	17,879,200
2024	15,450,000	2,428,450	17,878,450
2025	16,225,000	1,655,950	17,880,950
2026	17,035,000	844,700	17,879,700
Total	<u>\$ 90,815,000</u>	<u>\$ 16,461,500</u>	<u>\$ 107,276,500</u>
Coupon rates		<u>2.00 - 5.00%</u>	
Effective interest rate		<u>3.12%</u>	
Junior Lien Water System Revenue Bonds, Series 2014A			
2021	\$ 3,330,000	\$ 7,156,950	\$ 10,486,950
2022	3,465,000	7,023,750	10,488,750
2023	3,635,000	6,850,500	10,485,500
2024	3,820,000	6,668,750	10,488,750
2025	4,010,000	6,477,750	10,487,750
2026 - 2030	23,265,000	29,173,500	52,438,500
2031 - 2035	29,680,000	22,757,750	52,437,750
2036 - 2040	37,815,000	14,618,200	52,433,200
2041 - 2044	37,405,000	4,544,800	41,949,800
Total	<u>\$ 146,425,000</u>	<u>\$ 105,271,950</u>	<u>\$ 251,696,950</u>
Coupon rates		<u>2.00 - 5.00%</u>	
Effective interest rate		<u>3.76%</u>	
Junior Lien Water System Revenue Refunding Bonds, Series 2014B			
2021	\$ 34,865,000	\$ 17,334,800	\$ 52,199,800
2022	36,610,000	15,591,550	52,201,550
2023	36,440,000	13,761,050	50,201,050
2024	38,270,000	11,939,050	50,209,050
2025	40,175,000	10,025,550	50,200,550
2026 - 2029	181,030,000	19,700,950	200,730,950
Total	<u>\$ 367,390,000</u>	<u>\$ 88,352,950</u>	<u>\$ 455,742,950</u>
Coupon rates		<u>3.00 - 5.00%</u>	
Effective interest rate		<u>2.64%</u>	

Fiscal Year Ending June 30	Principal	Interest	Total
Junior Lien Water System Revenue Refunding Bonds, Series 2016			
2021	\$ 7,135,000	\$ 18,134,500	\$ 25,269,500
2022	7,360,000	17,912,750	25,272,750
2023	9,725,000	17,544,750	27,269,750
2024	10,210,000	17,058,500	27,268,500
2025	15,335,000	16,548,000	31,883,000
2026 - 2030	88,990,000	70,440,750	159,430,750
2031 - 2035	113,570,000	45,856,000	159,426,000
2036 - 2039	113,065,000	14,478,000	127,543,000
Total	<u>\$ 365,390,000</u>	<u>\$ 217,973,250</u>	<u>\$ 583,363,250</u>

Coupon rates 1.00 - 5.00%

Effective interest rate 3.59%

Junior Lien Water System Revenue Bonds, Series 2020A

2021	\$ -	\$ 8,255,750	\$ 8,255,750
2022	-	8,255,750	8,255,750
2023	-	8,255,750	8,255,750
2024	-	8,255,750	8,255,750
2025	-	8,255,750	8,255,750
2026 - 2030	4,225,000	41,278,750	45,503,750
2031 - 2035	24,495,000	37,891,750	62,386,750
2036 - 2040	44,660,000	31,124,250	75,784,250
2041 - 2044	91,735,000	11,746,500	103,481,500
Total	<u>\$ 165,115,000</u>	<u>\$ 163,320,000</u>	<u>\$ 328,435,000</u>

Coupon rates 5.00%

Effective interest rate 3.14%

Fiscal Year Ending June 30	Principal	Interest	Total
Junior Lien Water System Revenue Bonds, Series 2020B (Sustainability Bonds)			
2020	\$ -	\$ 11,400,750	\$ 11,400,750
2021	-	11,400,750	11,400,750
2022	-	11,400,750	11,400,750
2023	-	11,400,750	11,400,750
2024	-	11,400,750	11,400,750
2025 - 2029	5,825,000	57,003,750	62,828,750
2030 - 2034	33,840,000	52,328,500	86,168,500
2035 - 2039	61,670,000	42,979,500	104,649,500
2040 - 2044	126,680,000	16,221,000	142,901,000
Total	<u>\$ 228,015,000</u>	<u>\$ 225,536,500</u>	<u>\$ 453,551,500</u>

Coupon rates 5.00%

Effective interest rate 3.14%

Senior Lien Wastewater System Revenue Refunding Bonds, Series 2018B

2021	\$ 11,655,000	\$ 3,131,750	\$ 14,786,750
2022	12,190,000	2,549,000	14,739,000
2023	18,945,000	1,939,500	20,884,500
2024	19,845,000	992,250	20,837,250
Total	<u>\$ 62,635,000</u>	<u>\$ 8,612,500</u>	<u>\$ 71,247,500</u>

Coupon rates 5.00%

Effective interest rate 2.26%

Junior Lien Wastewater System Revenue Refunding Bonds, Series 2011

2021	\$ 15,360,000	\$ 2,611,100	\$ 17,971,100
2022	16,095,000	1,875,600	17,970,600
2023	10,705,000	1,078,750	11,783,750
2024	11,230,000	549,000	11,779,000
Total	<u>\$ 53,390,000</u>	<u>\$ 6,114,450</u>	<u>\$ 59,504,450</u>

Coupon rates 2.00 - 5.00%

Effective interest rate 2.58%

Fiscal Year Ending June 30	Principal	Interest	Total
Junior Lien Wastewater System Revenue Refunding Bonds, Series 2014			
2021	\$ 8,215,000	\$ 4,431,350	\$ 12,646,350
2022	8,615,000	4,028,500	12,643,500
2023	8,985,000	3,657,750	12,642,750
2024	9,435,000	3,208,500	12,643,500
2025	9,905,000	2,736,750	12,641,750
2026 - 2029	44,830,000	5,740,500	50,570,500
Total	<u>\$ 89,985,000</u>	<u>\$ 23,803,350</u>	<u>\$ 113,788,350</u>

Coupon rates 1.75 - 5.00%

Effective interest rate 3.00%

Junior Lien Wastewater System Revenue Refunding Bonds, Series 2016			
2021	\$ 8,760,000	\$ 9,825,500	\$ 18,585,500
2022	9,245,000	9,387,500	18,632,500
2023	9,755,000	8,925,250	18,680,250
2024	10,290,000	8,437,500	18,727,500
2025	10,860,000	7,923,000	18,783,000
2026 - 2030	63,975,000	30,845,500	94,820,500
2031 - 2035	83,625,000	12,991,250	96,616,250
Total	<u>\$ 196,510,000</u>	<u>\$ 88,335,500</u>	<u>\$ 284,845,500</u>

Coupon rates 5.00%

Effective interest rate 2.89%

Fiscal Year Ending June 30	Principal	Interest	Total
Junior Lien Wastewater System Revenue Refunding Bonds, Series 2018A			
2021	\$ -	\$ 6,296,200	\$ 6,296,200
2022	-	6,296,200	6,296,200
2023	-	6,296,200	6,296,200
2024	-	6,296,200	6,296,200
2025	4,390,000	6,296,200	10,686,200
2026 - 2030	25,465,000	27,960,750	53,425,750
2031 - 2035	32,500,000	20,926,000	53,426,000
2036 - 2040	41,395,000	12,033,400	53,428,400
2041 - 2043	29,520,000	2,535,350	32,055,350
Total	<u>\$ 133,270,000</u>	<u>\$ 94,936,500</u>	<u>\$ 228,206,500</u>

Coupon rates	<u>3.50 - 5.00%</u>
Effective interest rate	<u>3.66%</u>

Total Bonds Payable

2021	\$ 214,900,000	\$ 256,249,095	\$ 471,149,095
2022	222,630,000	246,312,132	468,942,132
2023	242,170,000	235,682,552	477,852,552
2024	247,855,000	224,146,256	472,001,256
2025	222,825,000	212,317,967	435,142,967
2026 - 2030	1,037,075,000	903,977,159	1,941,052,159
2031 - 2035	926,395,000	667,736,351	1,594,131,351
2036 - 2040	958,495,000	435,267,402	1,393,762,402
2041 - 2045	891,155,000	196,818,075	1,087,973,075
2046 - 2049	337,740,000	37,513,388	375,253,388
Total	<u>\$ 5,301,240,000</u>	<u>\$ 3,416,020,377</u>	<u>\$ 8,717,260,377</u>

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

Bonds Payable, July 1	\$ 4,307,995
Additions	1,460,395
Reductions	(467,150)
Bonds Payable, June 30	<u>\$ 5,301,240</u>
Amounts Due Within One Year	<u>\$ 214,900</u>

7. Construction Commitments

As of June 30, 2020, the Corporation has outstanding construction commitments of \$283.1 million related to the various bond issues. The commitments have not been recorded in the accompanying financial statements. Only the currently payable portion of the contracts have been included in accounts payable in the accompanying financial statements.

8. Subsequent Event

Debt Issuances

On August 4, 2020, the 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 \$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.

Civic Improvement Corporation
An Arizona Nonprofit Corporation
(A Component Unit of the City of Phoenix, Arizona)

