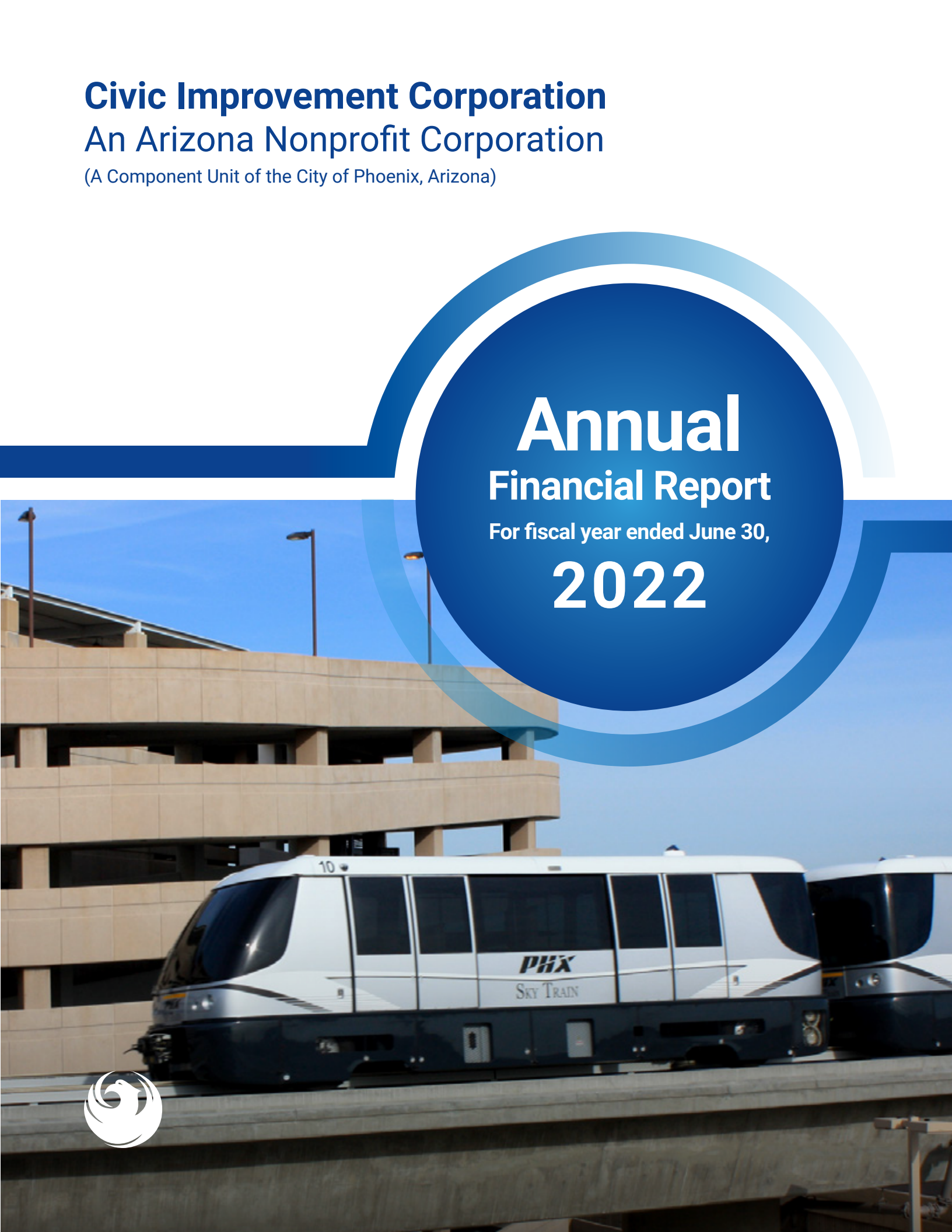


**Civic Improvement Corporation**  
An Arizona Nonprofit Corporation  
(A Component Unit of the City of Phoenix, Arizona)

**Annual  
Financial Report**  
For fiscal year ended June 30,  
**2022**





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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**

*Jeffrey J. Barton*  
*City Manager*

*Kathleen Gitkin*  
*Chief Financial Officer*



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**Financial**  
section



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## Independent Auditor's Report

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

### ***Opinions***

We have audited the financial statements of the governmental activities and each major fund of the City of Phoenix Civic Improvement Corporation (Corporation), a blended component unit of the City of Phoenix, Arizona, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2022, 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.

### ***Basis for Opinions***

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

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS, we:

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

**FORVIS,LLP**

**Dallas, Texas  
April 19, 2023**

## 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, 2022.

### 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:

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

**Government-wide financial statements.** The government-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 government-wide financial statements. However, unlike the government-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 government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 18-48 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, 2022. The prior year's financial position and results are presented for comparative purposes.

Summary of net position (in thousands):

	2022	2021
Current assets	\$ 1,129,423	\$ 1,439,504
Noncurrent assets	5,217,382	5,130,067
Total assets	<u>6,346,805</u>	<u>6,569,571</u>
Deferred outflows of resources	-	-
Current liabilities	672,326	661,085
Noncurrent liabilities	5,824,167	6,141,712
Total liabilities	<u>6,496,493</u>	<u>6,802,797</u>
Deferred inflows of resources	-	-
Net position		
Restricted for debt service	231,323	226,105
Unrestricted (deficit)	<u>(381,011)</u>	<u>(459,331)</u>
Total net position (deficit)	<u>\$ (149,688)</u>	<u>\$ (233,226)</u>

Summary of changes in net position (in thousands):

	2022	2021
Program revenues	\$ 416,214	\$ 558,093
Investment income	3,253	5,257
Payments from the City of Phoenix	66	429
Total revenues	<u>419,533</u>	<u>563,779</u>
Cost of sales	137,991	369,101
Interest on long-term debt, net	197,934	202,102
Other expenses	70	4,951
Total expenses	<u>335,995</u>	<u>576,154</u>
Change in net position	<u>\$ 83,538</u>	<u>\$ (12,375)</u>

Total assets decreased by \$222.8 million in the current fiscal year to \$6.3 billion. Total liabilities decreased by \$306.3 million in the current fiscal year to \$6.5 billion. The decreases in both assets and liabilities are due to the payment of principal and amortization of premium. There were no new bond issuances in fiscal year 2022.

Program revenues decreased by \$141.9 million, or 25.4% in fiscal year 2022 due to the completion of one project related to an issuance in 2020 that was recognized as revenue. By comparison, the completion of two projects related to issuances in 2018 and 2020 comprise the fiscal year 2021 amounts. No program revenue is recognized by the Corporation until the projects are complete. Investment income decreased due to lower yields on investments for most of fiscal year 2022. Additionally, investment balances were reduced during 2022 as work was completed on projects. The decrease in payments from the City of Phoenix relates to professional fees that were paid to consultants for refundings and new issuances during fiscal year 2021 while there were no new bond issuances in fiscal year 2022. Total expenses decreased in fiscal year 2022 by \$240.2 million, or 41.7%, due to the cost of sales for one project that was completed during fiscal year 2022 compared to two projects completed in fiscal year 2021. 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 \$83.5 million for fiscal year 2022 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, 2021	Net Change in Fund Balances	Fund Balances June 30, 2022
General	\$ 20	\$ (4)	\$ 16
Debt Service	226,105	5,218	231,323
Capital Projects	808,565	(318,117)	490,448
<b>Total</b>	<b>\$ 1,034,690</b>	<b>\$ (312,903)</b>	<b>\$ 721,787</b>

The General Fund accounts for trustee fees and other miscellaneous expenditures. Fund balance for the general fund decreased slightly as the City provided financial resources were slightly less 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 2022. Fund balance increased during fiscal year 2022 primarily due to City grant funds that were applied to debt service payments for the rental car bonds.

The Capital Projects Fund accounts for the investment and expenditure of monies used for capital acquisitions and construction. The decrease in fund balance was due to capital outlay costs during the fiscal year. There were no additions or new investments as there were no bond issuances in fiscal year 2022.

### 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, 2022, the Corporation's bonds payable, excluding premiums, decreased by \$199.2 million. This decrease was due to the annual debt service payments. During fiscal year 2022, the Corporation did not issue any new or refunding bonds.

Further detail pertaining to the Corporation's outstanding long-term debt is available in Note 6 on pages 29-47.

### 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, 2022

(in thousands)

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Current Assets	
Restricted Cash with Fiscal Agents	\$ 367,270
Investments	532,952
Prepaid Items	16
Current Portion of Sales Contracts Receivable	229,185
Total Current Assets	<u>1,129,423</u>
Noncurrent Assets	
Restricted Cash with Fiscal Agents	183,650
Sales Contracts Receivable, Less Current Portion	3,559,750
Assets Held for Sale to the City of Phoenix	1,473,982
Total Noncurrent Assets	<u>5,217,382</u>
Total Assets	<u>6,346,805</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Total Deferred Outflows of Resources	<u>-</u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	32,434
Advances from the City of Phoenix	55,650
Matured Bonds Payable	199,215
Interest Payable	130,452
Current Portion of Bonds Payable	254,575
Total Current Liabilities	<u>672,326</u>
Noncurrent Liabilities	
Bonds Payable, Less Current Portion	5,182,500
Unamortized Premium	641,667
Total Noncurrent Liabilities	<u>5,824,167</u>
Total Liabilities	<u>6,496,493</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Total Deferred Inflows of Resources	<u>-</u>
<b>NET POSITION (DEFICIT)</b>	
Restricted for Debt Service	231,323
Unrestricted (Deficit)	<u>(381,011)</u>
Total Net Position (Deficit)	<u>\$ (149,688)</u>

The accompanying notes are an integral part of these financial statements

**STATEMENT OF ACTIVITIES**  
For the Fiscal Year Ended June 30, 2022  
(in thousands)

	<u>Governmental Activities</u>
<b>PROGRAM REVENUES</b>	
Sales Contracts Income	\$ 150,000
Sales Contracts Interest Income	265,616
Other Income	598
Total Program Revenues	<u>416,214</u>
<b>EXPENSES</b>	
Cost of Sales	137,991
Interest on Long-Term Debt, net	197,934
Trustee Fees	53
Other	17
Total Expenses	<u>335,995</u>
Net Program Revenues (Expenses)	80,219
<b>GENERAL REVENUES</b>	
Investment Income	3,253
Payments from the City of Phoenix	66
Total General Revenues	<u>3,319</u>
Change in Net Position	83,538
<b>NET DEFICIT, JULY 1, 2021</b>	<u>(233,226)</u>
<b>NET DEFICIT, JUNE 30, 2022</b>	<u>\$ (149,688)</u>

The accompanying notes are an integral part of these financial statements

**BALANCE SHEET - GOVERNMENTAL FUNDS**

June 30, 2022

(in thousands)

	General	Debt Service	Capital Projects	Totals
<b>ASSETS</b>				
Cash with Fiscal Agents	\$ -	\$ 550,920	\$ -	\$ 550,920
Investments	-	10,070	522,882	532,952
Prepaid Items	16	-	-	16
Total Assets	<u>16</u>	<u>560,990</u>	<u>522,882</u>	<u>1,083,888</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES</b>				
Accounts Payable	-	-	32,434	32,434
Matured Bonds Payable	-	199,215	-	199,215
Interest Payable	-	130,452	-	130,452
Total Liabilities	<u>-</u>	<u>329,667</u>	<u>32,434</u>	<u>362,101</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Fund Balances				
Nonspendable - Prepaid Items	16	-	-	16
Restricted	-	231,323	490,448	721,771
Total Fund Balances	<u>\$ 16</u>	<u>\$ 231,323</u>	<u>\$ 490,448</u>	<u>\$ 721,787</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, 2022  
(in thousands)

Fund balances - total governmental funds balance sheet	\$ 721,787
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.	1,473,982
Sales contracts receivable relate to capital assets and are not available to pay for current period expenditures and, therefore, are not reported in the governmental funds.	3,788,935
Advances from the City of Phoenix that are payments for long-term liabilities are not reported in the governmental funds.	(55,650)
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>(6,078,742)</u>
Net position (deficit) of governmental activities - statement of net position	<u>\$ (149,688)</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, 2022

(in thousands)

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals</u>
<b>REVENUES</b>				
Investment Income	\$ -	\$ 285	\$ 2,968	\$ 3,253
Payments from the City of Phoenix	66	464,831	-	464,897
Other	-	598	-	598
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	66	465,714	2,968	468,748
<b>EXPENDITURES</b>				
Debt Service				
Principal	-	199,215	-	199,215
Interest	-	260,904	-	260,904
Capital Outlay	-	377	321,085	321,462
Trustee Fees	53	-	-	53
Professional and Other Miscellaneous Fees	17	-	-	17
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	70	460,496	321,085	781,651
Revenues Over (Under) Expenditures	<hr/> (4)	<hr/> 5,218	<hr/> (318,117)	<hr/> (312,903)
Net Increase (Decrease) in Fund Balances	(4)	5,218	(318,117)	(312,903)
<b>FUND BALANCES, JULY 1, 2021</b>	<hr/> 20	<hr/> 226,105	<hr/> 808,565	<hr/> 1,034,690
<b>FUND BALANCES, JUNE 30, 2022</b>	<hr/> <u>\$ 16</u>	<hr/> <u>\$ 231,323</u>	<hr/> <u>\$ 490,448</u>	<hr/> <u>\$ 721,787</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**

For the Fiscal Year Ended June 30, 2022

(in thousands)

Net change in fund balances - total governmental funds	\$ (312,903)
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.	321,462
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.	(199,215)
Sales contracts income provides program revenue and cost of sales are an expense in the statement of activities. This is the amount by which the sales contracts income was greater than the costs of sales. Cost of sales and sales contracts income are not reported in the governmental funds.	12,009
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 represents the current year repayments. There were no additions or refundings in the current year.	199,215
Bond premiums provide current financial resources to governmental funds but increase long-term liabilities in the Statement of Net Position.	
This is the amortization of premiums in the current year.	<u>62,970</u>
Change in net position of governmental activities - statement of activities	<u>\$ 83,538</u>

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 government-wide financial statements, governmental fund financial statements, and the accompanying notes to these financial statements.

The government-wide financial statements (Statement of Net Position and Statement of Activities) report on the Corporation as a whole. All activities are reported in the government-wide financial statements using the economic resources measurement focus and the accrual basis of accounting, which includes long-term assets and receivables as well as long-term debt and obligations. The government-wide financial statements focus more on the sustainability of the 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 government-wide financial statements, reconciliation is provided immediately following each fund statement. These reconciliations explain the adjustments necessary to transform the financial statements into the government-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 are used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years also are 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 committed, assigned and unassigned resources when an expenditure 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 government-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, 2022, the City has recorded \$69.0 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 2022:

GASB Statement No. 87, **Leases**, establishes new guidance for lease accounting for lessees and lessors and eliminates the classification of leases into operating and capital leases. This Statement establishes a single model for lease accounting based on the principle that leases are financings of the right-to-use an underlying asset. Lessees will recognize a lease liability and an intangible right-to-use lease asset. Lessors will recognize a lease receivable and a deferred inflow of resources. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The Corporation has determined there is no impact to the financial statements as a result of this Statement.

**Pronouncements Issued But Not Yet Effective:**

GASB has issued the following pronouncements that may affect future financial position, results of operations, cash flows, or financial presentation of the 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
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
99	<i>Omnibus 2022</i>	2023
100	<i>Accounting Changes and Error Corrections</i>	2024
101	<i>Compensated Absences</i>	2025

**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, 2022 was \$550.9 million. Included in this amount are the below amounts, which are held for July 1, 2022 maturities (in thousands):

	Principal	Interest	Total
Municipal Corporation Obligations	\$199,215	\$130,452	\$329,667

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, 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, 2022, is as follows (in thousands):

	Fair Value	Weighted Average Maturity (years)
U.S. Treasury Securities	\$ 506,094	0.298
U.S. Government Agency Securities FHLB Notes	26,858	0.104
Total Investments by fair value level	<u>\$ 532,952</u>	0.288

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	\$ 10,070
Subordinated Excise Tax Revenue Bonds, Series 2017A	6,476
Rental Car Facility Charge Revenue Bonds, Series 2019A	36,279
Junior Lien Airport Revenue Bonds, Series 2019A	46,255
Junior Lien Airport Revenue Bonds, Series 2019B	82,785
Junior Lien Water System Revenue Bonds, Series 2020A	4,201
Junior Lien Water System Revenue Bonds, Series 2020B	157,181
Subordinated Excise Tax Revenue Bonds, Series 2020A	98,338
Junior Lien Water System Revenue Bonds, Series 2021A	91,367
Total	<u>\$ 532,952</u>

#### 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, 2022 (in thousands):

	6/30/22	Fair Value Measurement Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
U.S. Treasury securities	\$ 506,094	\$ -	\$ 506,094	\$ -
U.S. Government agency obligations	26,858	-	26,858	-
Total investments by fair value level	<u>\$ 532,952</u>	<u>\$ -</u>	<u>\$ 532,952</u>	<u>\$ -</u>



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, 2022, 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	\$26,858

**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, 2022 are as follows (in thousands):

Total receivable from the City of Phoenix	\$ 5,643,212
Less: Interest Portion	(1,854,277)
Sales Contracts Receivable	3,788,935
Less: Current Portion	(229,185)
Sales Contracts Receivable - long-term	\$ 3,559,750

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 2022.

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

#### **Subordinated Excise Tax Revenue Refunding Bonds, Series 2012A**

The issuance of \$17.5 million of Subordinated Excise Tax Revenue Refunding Bonds, Series 2012A, dated June 21, 2012, refunded \$13.5 million in Municipal Facilities Subordinated Excise Tax Revenue Bonds, Series 2003B and \$5.4 million in Subordinated Excise Tax Revenue Bonds, Series 2004. The proceeds from the issuance of \$17.5 million 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, Series 2015A**

The issuance of \$319.3 million of Subordinated Excise Tax Revenue Refunding Bonds, Series 2015A, dated May 12, 2015, refunded \$300.0 million in Subordinated Excise Tax Revenue Bonds (Civic Plaza Expansion Project), Series 2005A, \$53.4 million in Subordinated Excise Tax Revenue Bonds, Series 2006A, and \$12.9 million in Subordinated Excise Tax Revenue Bonds, Series 2007A. The proceeds from the issuance of \$319.3 million 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 \$60.9 million of Subordinated Excise Tax Revenue Refunding Bonds, Taxable Series 2015B, dated May 12, 2015, refunded \$34.2 million in Subordinated Excise Tax Revenue Bonds, Series 2006C and \$24.0 million of non-Civic Improvement Corporation debt. The proceeds from the issuance of \$60.9 million 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 \$116.8 million of Subordinated Excise Tax Revenue Bonds, Series 2017A.

#### **Subordinated Excise Tax Revenue Refunding Bonds, Series 2017B**

The issuance of \$101.9 million of Subordinated Excise Tax Revenue Refunding Bonds, Series 2017B, dated June 1, 2017, refunded \$80.7 million of Senior Lien Excise Tax Revenue Refunding Bonds, Series 2007, and \$36.4 million of Subordinated Excise Tax Revenue Refunding Bonds, Series 2007B. The proceeds from the issuance of \$101.9 million 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 Bonds, Series 2020A**

On August 25, 2020, the Corporation entered into an agreement with the City whereby the Corporation agreed to fund or reimburse the City for the costs of repairing, renovating, replacing and improving the Convention Center and various other City facilities or equipment through the issuance of \$131.6 million of Subordinated Excise Tax Revenue Bonds, Series 2020A.

#### **Subordinated Excise Tax Revenue Bonds, Taxable Series 2020B**

On August 25, 2020, the Corporation entered into an agreement with the City whereby the Corporation agreed to fund the City for the costs of repairing, renovating and improving a City-owned multipurpose arena through the issuance of \$150.0 million of Subordinated Excise Tax Revenue Bonds, Taxable Series 2020B.

#### **Subordinated Excise Tax Revenue Refunding Bonds, Taxable Series 2020C**

The issuance of \$116.7 million of Subordinated Excise Tax Revenue Refunding Bonds, Taxable Series 2020C, dated August 25, 2020, refunded \$3.8 million of Senior Lien Excise Tax Revenue Bonds, Series 2011A, \$34.6 million of Senior Lien Excise Tax Revenue Bonds, Series 2011B (Taxable), \$24.3 million of Senior Lien Excise Tax Revenue Refunding Bonds, Series 2011C, \$8.5 million of Senior Lien Excise Tax Revenue Refunding Bonds, Series 2012, \$2.8 million of Subordinated Excise Tax Revenue Refunding Bonds, Series

2012A, \$23.1 million of Subordinated Excise Tax Revenue Refunding, Series 2012B (Taxable), and \$12.1 million Subordinated Excise Tax Revenue Bonds, Series 2017A. The proceeds from the issuance of \$116.7 million of Subordinated Excise Tax Revenue Refunding Bonds, Taxable Series 2020C 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 \$275.4 million 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 \$196.6 million of Senior Lien Airport Revenue Refunding Bonds, Series 2013 (AMT). Proceeds of the bonds refunded \$231.4 million 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 \$180.0 million 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 \$190.9 million of Senior Lien Airport Revenue Bonds, Series 2017A (AMT).

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

The issuance of \$173.4 million of Senior Lien Airport Revenue Refunding Bonds, Series 2017B (Non-AMT), dated November 21, 2017, refunded \$206.8 million of Senior Lien Airport Revenue Bonds, Series 2008A (Non-AMT). The proceeds from the issuance of \$173.4 million 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 Bonds, Series 2018 (AMT)**

On November 28, 2018, the Corporation entered into an agreement with the City whereby the Corporation refunded \$100.0 million 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 \$226.2 million 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 \$21.3 million 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 5.9% for the federal government's fiscal year ending September 30, 2021. 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 \$100.0 million. This agreement was financed through the issuance of \$95.8 million of Junior Lien Airport Revenue Bonds, Series 2015A (Non-AMT).

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

The issuance of \$18.7 million of Junior Lien Airport Revenue Refunding Bonds, Series 2015B (Non-AMT), dated December 15, 2015, refunded \$20.0 million 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 \$474.7 million of Junior Lien Airport Revenue Refunding Bonds, Series 2017D (Non-AMT), dated December 21, 2017, refunded \$512.9 million of Junior Lien Airport Revenue Bonds, Series 2010A

(Non-AMT). The proceeds from the issuance of \$474.7 million 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 \$100.0 million 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 \$341.1 million 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 \$392.0 million 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 \$29.4 million of Junior Lien Airport Revenue Refunding Bonds, Series 2019C refunded \$32.1 million of Junior Lien Airport Revenue Refunding Bonds, Series 2010C. The proceeds from the issuance of \$29.4 million 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 \$244.2 million 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 \$60.5 million of Rental Car Facility Charge Revenue Refunding Bonds, Taxable Series 2019B and cash on hand refunded \$154.9 million of Rental Car Facility Charge Revenue Bonds, Series 2004. Cash on hand and proceeds from the issuance of \$60.5 million 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 \$99.9 million of Junior Lien Water System Revenue Refunding Bonds, Series 2001, dated August 1, 2001 refunded \$87.1 million of Junior Lien Water System Revenue Bonds, Series 1994 and \$12.8 million of Junior Lien Water System Revenue Bonds, Series 1996. The proceeds from the issuance of \$99.9 million 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 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 \$152.8 million of Junior Lien Water System Revenue Bonds, Series 2014A.

**Junior Lien Water System Revenue Refunding Bonds, Series 2014B**

The issuance of \$445.1 million of Junior Lien Water System Revenue Refunding Bonds, Series 2014B, dated December 17, 2014, fully refunded \$486.4 million of the City's Junior Lien Water System Revenue Refunding Bonds, Series 2005 and \$10.5 million of the City's Junior Lien Water System Revenue Refunding Bonds, Series 2003. The proceeds from the issuance of \$445.1 million 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 \$375.8 million of Junior Lien Water System Revenue Refunding Bonds, Series 2016, dated January 10, 2017, refunded \$397.8 million of Junior Lien Water System Revenue Bonds, Series 2009A. The

proceeds from the issuance of \$375.8 million 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 \$200.0 million 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 \$165.1 million 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 \$228.0 million of Junior Lien Water System Revenue Bonds, Series 2020B (Sustainability Bonds).

**Junior Lien Water System Revenue Bonds, Series 2021A**

On June 9, 2021, the Corporation entered into a purchase agreement with the City whereby the Corporation agreed to fund or reimburse the City for costs of certain improvements of the City's water system with the proceeds, including premium, through the issuance of \$250.0 million of Junior Lien Water System Revenue Bonds, Series 2021A.

**Junior Lien Water System Revenue Refunding Bonds, Series 2021B**

The issuance of \$67.3 million of Junior Lien Water System Revenue Refunding Bonds, Series 2021B, dated June 9, 2021, refunded \$77.5 million of Junior Lien Water System Revenue Refunding Bonds, Series 2011. The proceeds from the issuance of \$67.3 million of Junior Lien Water System Revenue Refunding Bonds, Series 2021B were placed in an irrevocable trust to provide for future debt service payments on the refunded bonds.

**Junior Lien Water System Revenue Refunding Bonds, Taxable Series 2021C**

The issuance of \$151.3 million of Junior Lien Water System Revenue Refunding Bonds, Taxable Series 2021C, dated June 9, 2021, refunded \$132.2 million of Junior Lien Water System Revenue Bonds, Series 2014A. The proceeds from the issuance of \$151.3 million of Junior Lien Water System Revenue Refunding Bonds, Taxable Series 2021C were placed in an irrevocable trust to provide for future debt service payments on the refunded bonds.

**Senior Lien Wastewater Revenue Refunding Bonds, Series 2018B**

The issuance of \$84.3 million of Senior Lien Wastewater Revenue Refunding Bonds, Series 2018B, dated June 19, 2018, refunded \$92.7 million of Senior Lien Wastewater Revenue Refunding Bonds, Series 2008. The proceeds from the issuance of \$84.3 million 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 \$137.1 million of Junior Lien Wastewater System Revenue Bonds, Series 2001. The bonds were refunded through the issuance of \$118.3 million 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 \$144.8 million of Junior Lien Wastewater System Revenue Bonds, Series 2004. The bonds were refunded through the issuance of \$127.8 million in Junior Lien Wastewater System Revenue Refunding Bonds, Series 2014.

**Junior Lien Wastewater System Revenue Refunding Bonds, Series 2016**

The issuance of \$225.3 million of Junior Lien Wastewater System Revenue Refunding Bonds, Series 2016, dated November 16, 2016, refunded \$262.4 million of Junior Lien Wastewater System Revenue Bonds, Series 2007. The proceeds from the issuance of \$225.3 million 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 \$133.3 million 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**

During fiscal year 2021-22, the Corporation had no defeasances.

**Refundings**

During fiscal year 2021-22, the Corporation had no refundings.

Advanced refunding and defeasance arrangements at June 30, 2022 were as follows (in thousands):

<b>Refunded and Defeased Bonds</b>					
<b>Date Refunded/ Defeased</b>	<b>Call Date</b>	<b>Issue Dates</b>	<b>Type</b>	<b>Balance Outstanding</b>	<b>Assets Held in Trust<sup>(1)</sup></b>
06/09/21	07/01/24	12/17/14	Civic Improvement Corporation Junior Lien Water System Revenue Bonds	\$ 132,175	\$ 144,222

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

**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, 2022 (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	\$ 20,558
Junior Lien Airport Debt Service Reserve for Series 2010B	2,134
Airport Revenue Refunding Bonds, Series 2013 (AMT) Reserve	16,251
Junior Lien Airport Parity Reserve for Series 2015A, 2017D, 2019A, 2019B, and 2019C	95,602
Airport Revenue Refunding Bonds, Series 2015B (Non-AMT) Reserve	1,866
Senior Lien Airport Parity Reserve for Series 2017A, 2017B, 2018	47,239
	<u>\$ 183,650</u>

Issue	Issue Date	Original Issuance
Subordinated Excise Tax Revenue Refunding Bonds, Series 2012A	06/21/12	\$ 17,510,000
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
Subordinated Excise Tax Revenue Bonds, Series 2020A	08/25/20	\$ 131,595,000
Subordinated Excise Tax Revenue Bonds, Series 2020B (Taxable)	08/25/20	\$ 150,000,000
Subordinated Excise Tax Revenue Refunding Bonds, Series 2020C (Taxable)	08/25/20	\$ 116,685,000
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



Purpose	Call and Redemption Terms
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 7/1/2022 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.
To fund costs of repairing, renovating, replacing and improving the Convention Center and various other City facilities or equipment.	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 fund costs of repairing, renovating and improving a City-owned multipurpose arena.	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. From the date of issuance, the bonds are subject to a Make-Whole Redemption prior to the call date plus accrued interest.
To partially refund the Senior Lien Excise Tax Revenue Bonds, Series 2011A, Subordinated Excise Tax Revenue Refunding Bonds, Series 2012A, Subordinated Excise Tax Revenue Refunding Bonds, Series 2012B (Taxable) and Subordinated Excise Tax Revenue Bonds, Series 2017A. To refund the Senior Lien Excise Tax Revenue Bonds, Series 2011B (Taxable), Senior Lien Excise Tax Revenue Refunding Bonds, Series 2011C and Senior Lien Excise Tax Revenue Refunding Bonds, Series 2012.	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. From the date of issuance, the bonds are subject to a Make-Whole Redemption prior to the call date 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 7/1/2023 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.

Issue	Issue Date	Original Issuance
Senior Lien Airport Revenue Refunding Bonds, Series 2017B (Non-AMT)	11/21/2017	\$ 173,440,000
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
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 Bonds, Series 2014A	12/17/14	\$ 152,830,000

Purpose	Call and Redemption Terms
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 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.
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 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.

Issue	Issue Date	Original Issuance
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	04/09/20	\$ 165,115,000
Junior Lien Water System Revenue Bonds, Series 2020B (Sustainability Bonds)	04/09/20	\$ 228,015,000
Junior Lien Water System Revenue Bonds, Series 2021A	06/09/21	\$ 250,000,000
Junior Lien Water System Revenue Refunding Bonds, Series 2021B	06/09/21	\$ 67,345,000
Junior Lien Water System Revenue Refunding Bonds, Taxable Series 2021C	06/09/21	\$ 151,280,000
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
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 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 7/1/2026 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 fund improvements of the City's water system.	Bonds maturing on or after July 1, 2032 are callable on 7/1/2031 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 2011.	Bonds are not subject to redemption prior to maturity.
To partially refund the Junior Lien Water System Revenue Refunding Bonds, Series 2014A.	Bonds maturing on or after July 1, 2032 are callable on 7/1/2031 and thereafter, in whole or in part at any time, at 100% of par. From the date of issuance, the bonds are subject to a Make-Whole Premium prior to the call date plus accrued interest.
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.
To refund the Junior Lien Wastewater System Revenue Bonds, Series 2007.	Bonds maturing on or after July 1, 2027 are callable on 7/1/2026 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
<b>Subordinated Excise Tax Revenue Refunding Bonds, Series 2012A</b>			
2023	\$ -	\$ 6,600	\$ 6,600
2024	-	6,600	6,600
2025	220,000	6,600	226,600
Total	<u>\$ 220,000</u>	<u>\$ 19,800</u>	<u>\$ 239,800</u>

Coupon rates 3.00 - 5.00%

Effective interest rate 2.30%

**Subordinated Excise Tax Revenue Refunding Bonds, Series 2015A**

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	17,930,000	11,952,600	29,882,600
2027	11,830,000	11,056,100	22,886,100
2028 - 2032	59,355,000	46,822,700	106,177,700
2033 - 2037	75,650,000	30,542,500	106,192,500
2038 - 2041	75,305,000	9,642,750	84,947,750
Total	<u>\$ 275,365,000</u>	<u>\$ 149,812,200</u>	<u>\$ 425,177,200</u>

Coupon rates 3.00 - 5.00%

Effective interest rate 3.56%

**Subordinated Excise Tax Revenue Refunding Bonds, Series 2015B (Taxable)**

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	2,125,000	939,809	3,064,809
2027	2,190,000	870,704	3,060,704
2028 - 2032	12,160,000	3,136,551	15,296,551
2033 - 2035	8,495,000	687,223	9,182,223
Total	<u>\$ 36,925,000</u>	<u>\$ 9,070,473</u>	<u>\$ 45,995,473</u>

Coupon rates 0.41 - 3.992%

Effective interest rate 3.35%

Fiscal Year Ending June 30	Principal	Interest	Total
<b>Subordinated Excise Tax Revenue Bonds, Series 2017A</b>			
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	6,915,000	1,344,850	8,259,850
2027	7,260,000	999,100	8,259,100
2028 - 2032	19,960,000	1,871,350	21,831,350
Total	<u>\$ 66,865,000</u>	<u>\$ 11,214,350</u>	<u>\$ 78,079,350</u>
Coupon rates		<u>3.00 - 5.00%</u>	
Effective interest rate		<u>2.16%</u>	
<b>Subordinated Excise Tax Revenue Refunding Bonds, Series 2017B</b>			
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	8,660,000	1,198,450	9,858,450
2027	6,140,000	765,450	6,905,450
2028 - 2029	13,135,000	659,300	13,794,300
Total	<u>\$ 53,670,000</u>	<u>\$ 8,684,550</u>	<u>\$ 62,354,550</u>
Coupon rates		<u>3.00 - 5.00%</u>	
Effective interest rate		<u>2.02%</u>	
<b>Subordinated Excise Tax Revenue Bonds, Series 2020A</b>			
2023	\$ 5,355,000	\$ 6,211,250	\$ 11,566,250
2024	5,625,000	5,943,500	11,568,500
2025	5,915,000	5,662,250	11,577,250
2026	6,200,000	5,366,500	11,566,500
2027	6,510,000	5,056,500	11,566,500
2028 - 2032	37,805,000	20,058,250	57,863,250
2033 - 2037	39,885,000	9,616,250	49,501,250
2038 - 2042	12,770,000	3,364,400	16,134,400
2043 - 2045	8,960,000	726,200	9,686,200
Total	<u>\$ 129,025,000</u>	<u>\$ 62,005,100</u>	<u>\$ 191,030,100</u>
Coupon rates		<u>4.00 - 5.00%</u>	
Effective interest rate		<u>1.90%</u>	

Fiscal Year Ending June 30	Principal	Interest	Total
<b>Subordinated Excise Tax Revenue Bonds, Series 2020B (Taxable)</b>			
2023	\$ 5,080,000	\$ 2,940,864	\$ 8,020,864
2024	5,110,000	2,906,371	8,016,371
2025	5,155,000	2,861,454	8,016,454
2026	5,205,000	2,812,018	8,017,018
2027	5,265,000	2,751,796	8,016,796
2028 - 2032	27,520,000	12,574,772	40,094,772
2033 - 2037	30,295,000	9,794,630	40,089,630
2038 - 2042	34,235,000	5,851,729	40,086,729
2043 - 2045	22,810,000	1,244,651	24,054,651
Total	<u>\$ 140,675,000</u>	<u>\$ 43,738,285</u>	<u>\$ 184,413,285</u>

Coupon rates 0.457 - 2.704%

Effective interest rate 2.39%

**Subordinated Excise Tax Revenue Refunding Bonds, Series 2020C (Taxable)**

2023	\$ 13,635,000	\$ 1,513,149	\$ 15,148,149
2024	16,260,000	1,420,567	17,680,567
2025	12,375,000	1,277,642	13,652,642
2026	12,460,000	1,158,965	13,618,965
2027	13,490,000	1,014,803	14,504,803
2028 - 2032	37,485,000	2,725,919	40,210,919
2033 - 2036	10,980,000	521,044	11,501,044
Total	<u>\$ 116,685,000</u>	<u>\$ 9,632,088</u>	<u>\$ 126,317,088</u>

Coupon rates 0.679 - 2.255%

Effective interest rate 1.58%

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

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	8,005,000	18,492,375	26,497,375
2027	8,945,000	18,052,100	26,997,100
2028 - 2032	60,745,000	81,743,475	142,488,475
2033 - 2037	88,060,000	61,926,975	149,986,975
2038 - 2042	115,085,000	34,896,950	149,981,950
2043 - 2044	55,385,000	4,610,100	59,995,100
Total	<u>\$ 355,080,000</u>	<u>\$ 277,363,625</u>	<u>\$ 632,443,625</u>

Coupon rates 3.85 - 5.50%

Effective interest rate 4.72%



Fiscal Year Ending June 30	Principal	Interest	Total
<b>Senior Lien Airport Revenue Refunding Bonds, Series 2013 (AMT)</b>			
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	11,550,000	4,700,750	16,250,750
2027	12,125,000	4,123,250	16,248,250
2028 - 2032	70,340,000	10,894,000	81,234,000
Total	<u>\$ 125,455,000</u>	<u>\$ 37,015,500</u>	<u>\$ 162,470,500</u>

Coupon rates	<u>3.00 - 5.00%</u>
Effective interest rate	<u>3.28%</u>

<b>Senior Lien Airport Revenue Bonds, Series 2017A (AMT)</b>			
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	4,270,000	8,221,000	12,491,000
2027	4,480,000	8,007,500	12,487,500
2028 - 2032	26,020,000	36,442,250	62,462,250
2033 - 2037	33,195,000	29,254,750	62,449,750
2038 - 2042	42,370,000	20,083,000	62,453,000
2043 - 2047	54,085,000	8,375,750	62,460,750
Total	<u>\$ 176,045,000</u>	<u>\$ 136,228,500</u>	<u>\$ 312,273,500</u>

Coupon rates	<u>5.00%</u>
Effective interest rate	<u>3.84%</u>

<b>Senior Lien Airport Revenue Refunding Bonds, Series 2017B (Non-AMT)</b>			
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	7,945,000	7,035,500	14,980,500
2027	8,340,000	6,638,250	14,978,250
2028 - 2032	48,395,000	26,502,500	74,897,500
2033 - 2037	61,765,000	13,132,000	74,897,000
2038	14,265,000	713,250	14,978,250
Total	<u>\$ 162,340,000</u>	<u>\$ 77,326,250</u>	<u>\$ 239,666,250</u>

Coupon rates	<u>5.00%</u>
Effective interest rate	<u>3.23%</u>

Fiscal Year Ending June 30	Principal	Interest	Total
<b>Senior Lien Airport Revenue Bonds, Series 2018 (AMT)</b>			
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	4,560,000	9,854,250	14,414,250
2027	4,790,000	9,626,250	14,416,250
2028 - 2032	27,775,000	44,292,000	72,067,000
2033 - 2037	35,460,000	36,616,750	72,076,750
2038 - 2042	45,245,000	26,821,500	72,066,500
2043 - 2047	57,555,000	14,507,500	72,062,500
2048	25,700,000	1,205,000	26,905,000
Total	<u>\$ 213,505,000</u>	<u>\$ 173,748,500</u>	<u>\$ 387,253,500</u>

Coupon rates 4.00 - 5.00%

Effective interest rate 4.22%

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

2023	\$ -	\$ 1,408,770	\$ 1,408,770
2024	-	1,408,770	1,408,770
2025	-	1,408,770	1,408,770
2026	-	1,408,770	1,408,770
2027	-	1,408,770	1,408,770
2028 - 2032	-	7,043,850	7,043,850
2033 - 2037	-	7,043,850	7,043,850
2038 - 2040	21,345,000	4,226,310	25,571,310
Total	<u>\$ 21,345,000</u>	<u>\$ 25,357,860</u>	<u>\$ 46,702,860</u>

Coupon rates 6.60%

Effective interest rate 3.67%

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

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	2,385,000	3,801,250	6,186,250
2027	2,505,000	3,682,000	6,187,000
2028 - 2032	14,525,000	16,401,750	30,926,750
2033 - 2037	18,520,000	12,407,700	30,927,700
2038 - 2042	23,245,000	7,677,200	30,922,200
2043 - 2045	16,845,000	1,711,750	18,556,750
Total	<u>\$ 84,515,000</u>	<u>\$ 57,744,900</u>	<u>\$ 142,259,900</u>

Coupon rates 4.00 - 5.00%

Effective interest rate 3.99%

Fiscal Year Ending June 30	Principal	Interest	Total
<b>Junior Lien Airport Revenue Refunding Bonds, Series 2015B (Non-AMT)</b>			
2023	\$ -	\$ 932,750	\$ 932,750
2024	-	932,750	932,750
2025	-	932,750	932,750
2026	-	932,750	932,750
2027	-	932,750	932,750
2028 - 2032	-	4,663,750	4,663,750
2033 - 2034	18,655,000	1,865,500	20,520,500
<b>Total</b>	<b>\$ 18,655,000</b>	<b>\$ 11,193,000</b>	<b>\$ 29,848,000</b>

Coupon rates 5.00%

Effective interest rate 4.08%

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

2023	\$ 17,280,000	\$ 21,048,256	\$ 38,328,256
2024	18,145,000	20,184,256	38,329,256
2025	19,055,000	19,277,006	38,332,006
2026	20,010,000	18,324,257	38,334,257
2027	21,005,000	17,323,756	38,328,756
2028 - 2032	121,885,000	69,773,531	191,658,531
2033 - 2037	135,020,000	39,661,813	174,681,813
2038 - 2040	90,190,000	6,478,000	96,668,000
<b>Total</b>	<b>\$ 442,590,000</b>	<b>\$ 212,070,875</b>	<b>\$ 654,660,875</b>

Coupon rates 3.13 - 5.00%

Effective interest rate 3.36%

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

2023	\$ -	\$ 15,269,000	\$ 15,269,000
2024	-	15,269,000	15,269,000
2025	-	15,269,000	15,269,000
2026	-	15,269,000	15,269,000
2027	-	15,269,000	15,269,000
2028 - 2032	-	76,345,000	76,345,000
2033 - 2037	-	76,345,000	76,345,000
2038 - 2042	63,030,000	74,966,150	137,996,150
2043 - 2047	188,000,000	46,439,600	234,439,600
2048 - 2049	90,065,000	6,103,400	96,168,400
<b>Total</b>	<b>\$ 341,095,000</b>	<b>\$ 356,544,150</b>	<b>\$ 697,639,150</b>

Coupon rates 3.00 - 5.00%

Effective interest rate 3.61%

Fiscal Year Ending June 30	Principal	Interest	Total
<b>Junior Lien Airport Revenue Bonds, Series 2019B (AMT)</b>			
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	8,425,000	17,122,350	25,547,350
2027	8,845,000	16,701,100	25,546,100
2028 - 2032	51,335,000	76,410,750	127,745,750
2033 - 2037	65,515,000	62,228,250	127,743,250
2038 - 2042	81,575,000	46,173,200	127,748,200
2043 - 2047	102,420,000	25,321,150	127,741,150
2048 - 2049	47,830,000	3,272,938	51,102,938
Total	<u>\$ 388,895,000</u>	<u>\$ 300,929,038</u>	<u>\$ 689,824,038</u>
Coupon rates		<u>3.25 - 5.00%</u>	
Effective interest rate		<u>3.44%</u>	
<b>Junior Lien Airport Revenue Refunding Bonds, Taxable Series 2019C</b>			
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>\$ 1,365,673</u>	<u>\$ 30,800,673</u>
Coupon rates		<u>2.20 - 2.37%</u>	
Effective interest rate		<u>2.38%</u>	
<b>Rental Car Facility Charge Revenue Bonds, Series 2019A (Non-AMT)</b>			
2023	\$ -	\$ 11,651,200	\$ 11,651,200
2024	-	11,651,200	11,651,200
2025	-	11,651,200	11,651,200
2026	-	11,651,200	11,651,200
2027	-	11,651,200	11,651,200
2028 - 2032	46,725,000	54,009,500	100,734,500
2033 - 2037	62,040,000	40,672,500	102,712,500
2038 - 2042	78,945,000	23,767,550	102,712,550
2043 - 2045	56,535,000	5,088,500	61,623,500
Total	<u>\$ 244,245,000</u>	<u>\$ 181,794,050</u>	<u>\$ 426,039,050</u>
Coupon rates		<u>4.00 - 5.00%</u>	
Effective interest rate		<u>3.33%</u>	

Fiscal Year Ending June 30	Principal	Interest	Total
<b>Rental Car Facility Charge Revenue Refunding Bonds, Taxable Series 2019B</b>			
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	8,385,000	505,377	8,890,377
2027	8,605,000	287,535	8,892,535
2028	1,925,000	53,823	1,978,823
Total	<u>\$ 42,920,000</u>	<u>\$ 3,517,451</u>	<u>\$ 46,437,451</u>
Coupon rates		<u>2.007 - 2.796%</u>	
Effective interest rate		<u>2.60%</u>	
<b>Junior Lien Water System Revenue Refunding Bonds, Series 2001</b>			
2023	\$ 6,720,000	\$ 759,550	\$ 7,479,550
2024	7,090,000	389,950	7,479,950
Total	<u>\$ 13,810,000</u>	<u>\$ 1,149,500</u>	<u>\$ 14,959,500</u>
Coupon rates		<u>4.00 - 5.50%</u>	
Effective interest rate		<u>4.68%</u>	
<b>Junior Lien Water System Revenue Bonds, Series 2014A</b>			
2023	\$ 3,635,000	\$ 372,750	\$ 4,007,750
2024	3,820,000	191,000	4,011,000
Total	<u>\$ 7,455,000</u>	<u>\$ 563,750</u>	<u>\$ 8,018,750</u>
Coupon rates		<u>2.00 - 5.00%</u>	
Effective interest rate		<u>3.76%</u>	
<b>Junior Lien Water System Revenue Refunding Bonds, Series 2014B</b>			
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	42,185,000	8,016,800	50,201,800
2027	44,215,000	5,987,550	50,202,550
2028 - 2029	94,630,000	5,696,600	100,326,600
Total	<u>\$ 295,915,000</u>	<u>\$ 55,426,600</u>	<u>\$ 351,341,600</u>
Coupon rates		<u>3.00 - 5.00%</u>	
Effective interest rate		<u>2.64%</u>	

Fiscal Year Ending June 30	Principal	Interest	Total
<b>Junior Lien Water System Revenue Refunding Bonds, Series 2016</b>			
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	16,105,000	15,781,250	31,886,250
2027	16,910,000	14,976,000	31,886,000
2028 - 2032	98,105,000	61,319,500	159,424,500
2033 - 2037	125,215,000	34,215,000	159,430,000
2038 - 2039	59,290,000	4,483,000	63,773,000
Total	<u>\$ 350,895,000</u>	<u>\$ 181,926,000</u>	<u>\$ 532,821,000</u>

Coupon rates 1.00 - 5.00%

Effective interest rate 3.59%

**Junior Lien Water System Revenue Bonds, Series 2020A**

2023	\$ -	\$ 8,255,750	\$ 8,255,750
2024	-	8,255,750	8,255,750
2025	-	8,255,750	8,255,750
2026	-	8,255,750	8,255,750
2027	-	8,255,750	8,255,750
2028 - 2032	13,315,000	40,634,500	53,949,500
2033 - 2037	27,005,000	35,381,000	62,386,000
2038 - 2042	76,690,000	25,877,000	102,567,000
2043 - 2044	48,105,000	3,637,250	51,742,250
Total	<u>\$ 165,115,000</u>	<u>\$ 146,808,500</u>	<u>\$ 311,923,500</u>

Coupon rates 5.00%

Effective interest rate 3.14%

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

2023	\$ -	\$ 11,400,750	\$ 11,400,750
2024	-	11,400,750	11,400,750
2025	-	11,400,750	11,400,750
2026	-	11,400,750	11,400,750
2027	-	11,400,750	11,400,750
2028 - 2032	18,380,000	56,115,000	74,495,000
2033 - 2037	37,310,000	48,860,000	86,170,000
2038 - 2042	105,900,000	35,733,750	141,633,750
2043 - 2044	66,425,000	5,022,500	71,447,500
Total	<u>\$ 228,015,000</u>	<u>\$ 202,735,000</u>	<u>\$ 430,750,000</u>

Coupon rates 5.00%

Effective interest rate 3.14%

Fiscal Year Ending June 30	Principal	Interest	Total
<b>Junior Lien Water System Revenue Bonds, Series 2021A</b>			
2023	\$ -	\$ 12,028,950	\$ 12,028,950
2024	-	12,028,950	12,028,950
2025	-	12,028,950	12,028,950
2026	7,620,000	12,028,950	19,648,950
2027	8,005,000	11,647,950	19,652,950
2028 - 2032	46,440,000	51,820,750	98,260,750
2033 - 2037	59,260,000	38,991,250	98,251,250
2038 - 2042	75,160,000	23,086,000	98,246,000
2043 - 2045	53,515,000	5,438,500	58,953,500
Total	<u>\$ 250,000,000</u>	<u>\$ 179,100,250</u>	<u>\$ 429,100,250</u>

Coupon rates	<u>4.00 - 5.00%</u>
Effective interest rate	<u>2.45%</u>

**Junior Lien Water System Revenue Refunding Bonds, Series 2021B**

2023	\$ 14,705,000	\$ 3,169,250	\$ 17,874,250
2024	15,440,000	2,434,000	17,874,000
2025	16,215,000	1,662,000	17,877,000
2026	17,025,000	851,250	17,876,250
Total	<u>\$ 63,385,000</u>	<u>\$ 8,116,500</u>	<u>\$ 71,501,500</u>

Coupon rates	<u>5.00%</u>
Effective interest rate	<u>0.52%</u>

**Junior Lien Water System Revenue Refunding Bonds, Taxable Series 2021C**

2023	\$ -	\$ 3,666,074	\$ 3,666,074
2024	-	3,666,074	3,666,074
2025	-	3,666,074	3,666,074
2026	2,905,000	3,666,074	6,571,074
2027	6,850,000	3,636,559	10,486,559
2028 - 2032	35,975,000	16,453,084	52,428,084
2033 - 2037	40,000,000	12,429,059	52,429,059
2038 - 2042	45,480,000	6,944,404	52,424,404
2043 - 2044	20,070,000	899,635	20,969,635
Total	<u>\$ 151,280,000</u>	<u>\$ 55,027,038</u>	<u>\$ 206,307,038</u>

Coupon rates	<u>1.016 - 2.974%</u>
Effective interest rate	<u>2.61%</u>

Fiscal Year Ending June 30	Principal	Interest	Total
<b>Senior Lien Wastewater System Revenue Refunding Bonds, Series 2018B</b>			
2023	\$ 18,945,000	\$ 1,939,500	\$ 20,884,500
2024	19,845,000	992,250	20,837,250
Total	<u>\$ 38,790,000</u>	<u>\$ 2,931,750</u>	<u>\$ 41,721,750</u>
Coupon rates		<u>5.00%</u>	
Effective interest rate		<u>2.26%</u>	
<b>Junior Lien Wastewater System Revenue Refunding Bonds, Series 2011</b>			
2023	\$ 10,705,000	\$ 1,078,750	\$ 11,783,750
2024	11,230,000	549,000	11,779,000
Total	<u>\$ 21,935,000</u>	<u>\$ 1,627,750</u>	<u>\$ 23,562,750</u>
Coupon rates		<u>2.00 - 5.00%</u>	
Effective interest rate		<u>2.58%</u>	
<b>Junior Lien Wastewater System Revenue Refunding Bonds, Series 2014</b>			
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	10,400,000	2,241,500	12,641,500
2027	10,920,000	1,721,500	12,641,500
2028 - 2029	23,510,000	1,777,500	25,287,500
Total	<u>\$ 73,155,000</u>	<u>\$ 15,343,500</u>	<u>\$ 88,498,500</u>
Coupon rates		<u>1.75 - 5.00%</u>	
Effective interest rate		<u>3.00%</u>	
<b>Junior Lien Wastewater System Revenue Refunding Bonds, Series 2016</b>			
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	11,460,000	7,380,000	18,840,000
2027	12,090,000	6,807,000	18,897,000
2028 - 2032	71,215,000	24,271,750	95,486,750
2033 - 2035	52,835,000	5,378,000	58,213,000
Total	<u>\$ 178,505,000</u>	<u>\$ 69,122,500</u>	<u>\$ 247,627,500</u>
Coupon rates		<u>5.00%</u>	
Effective interest rate		<u>2.89%</u>	



Fiscal Year Ending June 30	Principal	Interest	Total
<b>Junior Lien Wastewater System Revenue Refunding Bonds, Series 2018A</b>			
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	4,610,000	6,076,700	10,686,700
2027	4,840,000	5,846,200	10,686,200
2028 - 2032	28,070,000	25,350,750	53,420,750
2033 - 2037	35,835,000	17,594,750	53,429,750
2038 - 2042	45,205,000	8,225,900	53,430,900
2043	10,320,000	361,200	10,681,200
Total	<u>\$ 133,270,000</u>	<u>\$ 82,344,100</u>	<u>\$ 215,614,100</u>

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

**Total Bonds Payable**

2023	\$ 254,575,000	\$ 251,637,157	\$ 506,212,157
2024	265,170,000	240,254,621	505,424,621
2025	236,155,000	228,411,044	464,566,044
2026	247,340,000	217,791,045	465,131,045
2027	236,155,000	206,497,174	442,652,174
2028 - 2032	1,106,730,000	875,864,454	1,982,594,454
2033 - 2037	1,060,995,000	625,165,793	1,686,160,793
2038 - 2042	1,105,330,000	369,012,043	1,474,342,043
2043 - 2047	761,030,000	123,384,286	884,414,286
2048 - 2049	163,595,000	10,581,338	174,176,338
Total	<u>\$ 5,437,075,000</u>	<u>\$ 3,148,598,955</u>	<u>\$ 8,585,673,955</u>

Changes in long-term debt during fiscal year 2021-22 are summarized as follows (in thousands):

Bonds Payable, July 1	\$ 5,636,290
Additions	-
Reductions	(199,215)
Bonds Payable, June 30	<u>\$ 5,437,075</u>
Amounts Due Within One Year	<u>\$ 254,575</u>

**7. Construction Commitments**

As of June 30, 2022, the Corporation has outstanding construction commitments of \$57.8 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 Events**

**Debt Issuance**

On July 12, 2022, the City of Phoenix Civic Improvement Corporation issued \$131.7 million of Subordinated Excise Tax Revenue Bonds, Series 2022. The bonds were issued at an all-in true interest cost of 3.79% and were dated and delivered August 3, 2022.

**Bond Ratings**

On October 19, 2022, Standard & Poor's Rating Services ("S&P") announced that it raised its financial strength rating for the City of Phoenix Civic Improvement Corporation Airport Revenue Bonds to "AA-" from "A+" for the Senior Lien and to "A+" from "A" for the Junior Lien. Both credits have a stable outlook.

On October 19, 2022, S&P announced that it raised its financial strength rating for the City of Phoenix Civic Improvement Corporation Rental Car Facility Revenue Bonds to "A" from "BBB+" with a stable outlook.



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**Civic Improvement Corporation**  
**An Arizona Nonprofit Corporation**

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

