

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

Annual Financial Report
For the Fiscal Year Ended June 30, 2016



CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION
(A Component Unit of the City of Phoenix, Arizona)

Annual Financial Report
For the Fiscal Year Ended June 30, 2016

TABLE OF CONTENTS

	<u>Page</u>
ADMINISTRATIVE ORGANIZATION	3
FINANCIAL SECTION	
Report of Independent Certified Public Accountants	4
Management's Discussion and Analysis	6
Basic Financial Statements	
Entity-Wide Financial Statements	
Statement of Net Position	9
Statement of Activities	10
Governmental Fund Financial Statements	
Balance Sheet	11
Reconciliation of the Balance Sheet to the Statement of Net Position	12
Statement of Revenues, Expenditures and Changes in Fund Balances	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	14
Notes to the Financial Statements	
1. Summary of Significant Accounting Policies	16
2. Investments	19
3. Sales Contracts Receivable	21
4. Refunded Obligations	28
5. Bonds Payable	28
6. Commercial Paper Notes Payable	49
7. Construction Commitments	50
8. Subsequent Events	50

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

Vacant
Director

City of Phoenix Administrative Staff

Ed Zuercher
City Manager

Denise M. Olson
Chief Financial Officer



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

Grant Thornton LLP
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Report on the financial statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the City of Phoenix Civic Improvement Corporation (the "Corporation"), a component unit of the City of Phoenix, Arizona, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

Management's responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Corporation, a component unit of the City of Phoenix, and do not purport to, and do not, present fairly the financial position of the City of Phoenix as of June 30, 2016, and the changes in its financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the City of Phoenix Civic Improvement Corporation as of June 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other matters

Required supplementary information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 8 be presented to supplement the basic financial statements. Such information, although not a required 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. This required supplementary information is the responsibility of management. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America. These limited procedures 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.

GRANT THORNTON LLP

Phoenix, Arizona
December 19, 2016

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, 2016.

Overview of the Basic Financial Statements

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

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

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

Entity-wide financial statements. The *entity-wide financial statements* are designed to provide readers with a broad overview of the Corporation's finances, in a manner similar to a private-sector business. These statements are presented on pages 9-10 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 11-14 of this report.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the entity-wide financial statements. However, unlike the entity-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year, which is the modified accrual basis of accounting.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the entity-wide and fund financial statements. The notes to the basic financial statements can be found on pages 16-50 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, 2016. The prior year's financial position and results are presented for comparative purposes.

Summary of net position (in thousands):

	2016	2015
Current assets	\$ 703,645	\$ 650,054
Long-term assets	4,540,905	4,567,300
Total assets	<u>5,244,550</u>	<u>5,217,354</u>
Deferred outflows of resources	—	—
Current liabilities	667,659	639,649
Long-term liabilities	4,638,230	4,796,423
Total liabilities	<u>5,305,889</u>	<u>5,436,072</u>
Deferred inflows of resources	—	—
Net position		
Restricted for debt service	143,144	134,790
Unrestricted	<u>(204,483)</u>	<u>(353,508)</u>
Total net position	<u>\$ (61,339)</u>	<u>\$ (218,718)</u>

Summary of changes in net position (in thousands):

	2016	2015
Program revenues	\$ 328,059	\$ 540,103
Investment income	437	272
Payments from the City of Phoenix	32,502	94,502
Total revenues	<u>360,998</u>	<u>634,877</u>
Cost of sales	3,266	635,144
Interest on long-term debt, net	198,641	196,072
Other expenses	1,712	6,548
Total expenses	<u>203,619</u>	<u>837,764</u>
Changes in net position	<u>\$ 157,379</u>	<u>\$ (202,887)</u>

Total assets increased by 0.52% in the current fiscal year from \$5.22 billion at June 30, 2015 to \$5.25 billion as of June 30, 2016. Total liabilities decreased by 2.38% in the current fiscal year from \$5.44 billion in fiscal year 2015 to \$5.31 billion in fiscal year 2016. The decrease in liabilities is primarily due to the debt service payments made during the year, as well as a partial refunding. Both the decrease in program revenues and cost of sales are due to fewer completed projects in fiscal year 2016. The decrease in payments from the City of Phoenix is primarily due to less monies received to pay off commercial notes payable in fiscal year 2016. The net position of the Corporation increased \$157.38 million for the fiscal year ended June 30, 2016.

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 (Deficit) <u>July 1, 2015</u>	Net Change in <u>Fund Balances (Deficit)</u>	Fund Balances (Deficit) <u>June 30, 2016</u>
General	\$ 14	\$ 1	\$ 15
Debt Service	134,790	8,354	143,144
Capital Projects	(117,829)	10,656	(107,173)
Total	\$ 16,975	\$ 19,011	\$ 35,986

The General Fund accounts for issuance costs, trustee fees and other miscellaneous expenditures. The increase in fund balance is due to accruals of prepaid professional fees during fiscal year 2016. Fund balance for the rest of the general fund was essentially unchanged as the City provided financial resources to meet the expenditures of the fund.

The Debt Service Fund accounts primarily for current year principal and interest debt service payments and the related payments from the City. The increase in fund balance is due to additional cash held in reserves related to the new issuances, as well as investment income earned on reserves during fiscal year 2016.

The Capital Projects Fund accounts for the investment and expenditure of monies used for capital acquisitions and construction. The increase in fund balance was due to inter-fund transfers and payments from the City exceeding capital outlay costs.

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. 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, 2016, the Corporation’s bond payable decreased by \$98,355,000. This decrease was due to routine debt service payments. During fiscal year 2016, the Corporation issued one new revenue bond and one new revenue refunding bond.

During 2016, the Corporation paid \$100,000,000 of the Airport Commercial Program Notes, Series 2014A and issued \$90,000,000 of Airport Commercial Paper Program Notes, Series 2014B (Airport CP). Outstanding Airport CP at June 30, 2016, was \$130,000,000. There is an additional \$70,000,000 in Airport Commercial Paper that is authorized.

Further detail pertaining to the Corporation’s outstanding long-term debt is available in Note 5 on pages 28-49.

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 Finance Department, City of Phoenix, Calvin C. Goode Municipal Building, Ninth Floor, 251 West Washington, Phoenix, Arizona, 85003.

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION
(A Component Unit of the City of Phoenix, Arizona)

STATEMENT OF NET POSITION

June 30, 2016

(in thousands)

	Governmental Activities
ASSETS	
Current Assets	
Restricted Cash and Securities with Fiscal Agents	\$ 444,668
Investments	32,732
Prepaid Items	15
Current Portion of Sales Contracts Receivable	226,230
Total Current Assets	703,645
Sales Contracts Receivable, Less Current Portion	4,333,490
Assets Held for Sale to the City of Phoenix	207,415
Total Assets	5,244,550
DEFERRED OUTFLOWS OF RESOURCES	
Total Deferred Outflows of Resources	—
LIABILITIES	
Current Liabilities	
Accounts Payable	265
Matured Bonds Payable	192,795
Interest Payable	118,369
Commercial Paper Notes Payable	130,000
Current Portion of Bonds Payable	226,230
Total Current Liabilities	667,659
Bonds Payable, Less Current Portion	4,333,490
Unamortized Premium	304,740
Total Liabilities	5,305,889
DEFERRED INFLOWS OF RESOURCES	
Total Deferred Inflows of Resources	—
NET POSITION (DEFICIT)	
Restricted for Debt Service	143,144
Unrestricted	(204,483)
Total Net Position (Deficit)	\$ (61,339)

The accompanying notes are an integral part of these financial statements.

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION
(A Component Unit of the City of Phoenix, Arizona)

STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2016
(in thousands)

	Governmental Activities
	<hr/>
EXPENSES	
Cost of Sales	\$ 3,266
Interest on Long-Term Debt, net	198,641
Issuance Costs	874
Trustee Fees	48
Other	790
	<hr/>
Total Expenses	203,619
	<hr/>
PROGRAM REVENUES	
Sales Contracts Income	121,970
Sales Contracts Interest Income	205,525
Other Income	564
	<hr/>
Total Program Revenues	328,059
	<hr/>
Net Program Revenues	124,440
	<hr/>
GENERAL REVENUES	
Investment Income	437
Payments from the City of Phoenix	32,502
	<hr/>
Total General Revenues	32,939
	<hr/>
Change in Net Position	157,379
NET DEFICIT, JULY 1, 2015	<hr/> (218,718)
NET DEFICIT, JUNE 30, 2016	<hr/> \$ (61,339) <hr/>

The accompanying notes are an integral part of these financial statements.

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION
(A Component Unit of the City of Phoenix, Arizona)

BALANCE SHEET - GOVERNMENT FUNDS

June 30, 2016
(in thousands)

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals</u>
ASSETS				
Cash and Securities with Fiscal Agents	\$ —	\$ 444,668	\$ —	\$ 444,668
Investments	—	9,640	23,092	32,732
Prepaid Items	15	—	—	15
Total Assets	<u>15</u>	<u>454,308</u>	<u>23,092</u>	<u>477,415</u>
DEFERRED OUTFLOWS OF RESOURCES				
Total Deferred Outflows of Resources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
LIABILITIES				
Accounts Payable	—	—	265	265
Matured Bonds Payable	—	192,795	—	192,795
Interest Payable	—	118,369	—	118,369
Commercial Paper Notes Payable	—	—	130,000	130,000
Total Liabilities	<u>—</u>	<u>311,164</u>	<u>130,265</u>	<u>441,429</u>
DEFERRED INFLOWS OF RESOURCES				
Total Deferred Inflows of Resources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
FUND BALANCE				
Fund Balances				
Non-Spendable				
Prepaid Items	15	—	—	15
Spendable				
Restricted for Debt Service	—	143,144	—	143,144
Unassigned	—	—	(107,173)	(107,173)
Total Fund Balance (Deficit)	<u>\$ 15</u>	<u>\$ 143,144</u>	<u>\$ (107,173)</u>	<u>\$ 35,986</u>

The accompanying notes are an integral part of these financial statements.

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION
(A Component Unit of the City of Phoenix, Arizona)

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

June 30, 2016
(in thousands)

Fund balances - total governmental funds balance sheet	\$	35,986
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.		207,415
Sales contracts and notes receivable are not available to pay for current period expenditures and, therefore, are not reported in the governmental funds.		4,559,720
Long-term liabilities, including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.		(4,864,460)
		<hr/>
Net position (deficit) of governmental activities - statement of net position	\$	<u><u>(61,339)</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION
(A Component Unit of the City of Phoenix, Arizona)

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS**
For the Fiscal Year Ended June 30, 2016
(in thousands)

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals</u>
REVENUES				
Investment Income	\$ 11	\$ 417	\$ 9	\$ 437
Payments from the City of Phoenix	1,710	418,321	10,000	430,031
Other	—	564	—	564
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	1,721	419,302	10,009	431,032
EXPENDITURES				
Debt Service				
Principal	—	192,795	—	192,795
Interest	—	236,638	—	236,638
Capital Outlay	—	—	89,353	89,353
Payments to the City of Phoenix	11	—	—	11
Issuance Costs	874	—	—	874
Trustee Fees	48	—	—	48
Letter of Credit and Other Miscellaneous Fees	787	3	—	790
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	1,720	429,436	89,353	520,509
Revenues Over (Under) Expenditures	<hr/>	<hr/>	<hr/>	<hr/>
	1	(10,134)	(79,344)	(89,477)
OTHER FINANCING SOURCES (USES)				
Transfers from (to) Other Funds	—	(90,000)	90,000	—
Bond Proceeds	—	95,785	—	95,785
Proceeds from Refunding Bonds	—	18,655	—	18,655
Premium on Bonds	—	14,051	—	14,051
Deposit to Refunding Escrow	—	(20,003)	—	(20,003)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources	—	18,488	90,000	108,488
Net Increase/(Decrease) in Fund Balance	1	8,354	10,656	19,011
FUND BALANCES (DEFICIT), JULY 1, 2015	<hr/>	<hr/>	<hr/>	<hr/>
	14	134,790	(117,829)	16,975
FUND BALANCES (DEFICIT), JUNE 30, 2016	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 15	\$ 143,144	\$ (107,173)	\$ 35,986

The accompanying notes are an integral part of these financial statements.

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION
(A Component Unit of the City of Phoenix, Arizona)

**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, 2016
(in thousands)

Net change in fund balances - total governmental funds	\$	19,011
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, those costs are reported as assets held for sale to the City of Phoenix.</p>		89,353
<p>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.</p>		(192,795)
<p>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.</p>		118,704
<p>Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which repayments, amounts refunded, and the unamortized premium for refundings (\$213,600) exceeded additions (\$114,440).</p>		99,160
<p>Bond discounts and premiums are amortized in the statement of activities but do not require the use of current financial resources and, therefore, are not reported in the governmental funds.</p>		23,946
		23,946
Change in net position of governmental activities - statement of activities	\$	157,379

The accompanying notes are an integral part of these financial statements.



CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION
(A Component Unit of the City of Phoenix, Arizona)

NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

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

1. Summary of Significant Accounting Policies

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

a. Reporting Entity

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

b. Basic Financial Statements

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

The entity-wide financial statements (Statement of Net Position and Statement of Activities) report on the Corporation as a whole. All activities are reported in the entity-wide financial statements using the economic resources measurement focus and the accrual basis of accounting, which includes long-term assets and receivables as well as long-term debt and obligations. The entity-wide financial statements focus more on the sustainability of the Corporation as an entity and the change in aggregate financial position resulting from the activities of the fiscal year.

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

Commitments or assignments of net position imposed by the reporting government, whether by administrative policy or legislative actions of the reporting government, are not shown on the government-wide financial statements. Governmental fund financial statements are prepared on a current financial resources measurement focus and modified accrual basis of accounting. Since the governmental fund financial statements are presented on a different basis than the entity-wide financial statements, reconciliation is provided immediately following each fund statement. These reconciliations explain the adjustments necessary to transform the financial statements into the entity-wide financial statements.

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION
(A Component Unit of the City of Phoenix, Arizona)

NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

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

The debt service fund is used to account for the accumulation of resources for and the payment of, the principal and interest payments on the Corporation's debt.

Capital Projects Fund

The capital projects fund is used to account for the investment and expenditure of financial resources used for the acquisition or construction of capital facilities to be sold to the City. Funds in the capital projects fund can also be used for debt service payments.

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 it's imposed by law through enabling legislation.

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

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION
(A Component Unit of the City of Phoenix, Arizona)

NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

Assigned - Amounts in the assigned fund balance are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In the General Fund, assigned amounts represent intended uses established by the City Council or City Management, if applicable.

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

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

e. Basis of Accounting

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

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

f. Budget and Budgetary Accounting

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

g. Assets Held for Sale to the City of Phoenix

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

h. Advances from the City of Phoenix

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

i. Long-Term Obligations

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

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION
(A Component Unit of the City of Phoenix, Arizona)

NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

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 gains and/or losses of the Corporation, rather the gains and/or losses are realized by the City. Deferred inflows and outflows are due to the unamortized premium and discounts on the original bonds at the time of the refunding and the net book value difference between the original bonds and the refunding bonds. As of June 30, 2016, the City has recorded \$21 million of net deferred inflows and 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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

l. New Accounting Pronouncements

GASB Statement No. 72, ***Fair Value Measurement and Application***, will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This Statement also will enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2015. The Corporation has implemented this Statement in fiscal year 2016.

GASB Statement No. 76, ***The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments***, will improve financial reporting by (1) raising the category of GASB Implementation Guides in the GAAP hierarchy, thus providing the opportunity for broader public input on implementation guidance; (2) emphasizing the importance of analogies to authoritative literature when the accounting treatment for an event is not specified in authoritative GAAP; and (3) requiring the consideration of consistency with the GASB Concepts Statements when evaluating accounting treatments specified in nonauthoritative literature. The provisions in this Statement are effective for reporting periods beginning after June 15, 2015. The Corporation has implemented this Statement in fiscal year 2016.

GASB Statement No. 79, ***Certain External Investment Pools and Pool Participants***, establishes specific criteria used to determine whether a qualifying external investment pool may elect to use and amortized cost exception to fair value measurement. Those criteria will provide qualifying external investment pools and participants in those pools with consistent application of an amortized cost-based measurement for financial reporting purposes. The Statement also establishes additional note disclosures for qualifying external investment pools. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015, except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing. Those provisions are effective for reporting periods beginning after December 15, 2015. The Corporation has determined there is no impact to the financial statements as a result of this Statement.

2. 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

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION
(A Component Unit of the City of Phoenix, Arizona)

NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

accounts, commercial paper, certificates of deposit, the State Treasurer's Local Government Investment Pool (LGIP), highly rated obligations issued or guaranteed by any state or political subdivision thereof rated in the highest short-term or second highest long-term category and investment grade corporate bonds, debentures, notes and other evidence of indebtedness issued or guaranteed by a solvent U.S. corporation which are not in default as to principal or interest.

Investments are stated at fair value. Fair value is defined as the price at which two willing parties would complete the exchange. Management intends to hold these investments until maturity. The fair value of these securities at June 30, 2016, is as follows (in thousands):

	Credit Rating	Fair Value	Weighted Average Maturity (years)
U.S. Treasury Securities	N/A (1)	\$ 9,557	0.959
U.S. Government Agency Securities			
FHLB Notes	AA+	23,133	0.117
FHLMC Notes	AA+	42	0.289
Total Investments		<u>\$ 32,732</u>	0.363

(1) U.S. Government Guaranteed

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

Airport Commercial Paper Notes Payable, Series 2014B-1	22,591
State of Arizona Distribution Revenue Bonds (Civic Plaza Expansion Project), Series 2005B	9,640
Senior Lien Excise Tax Revenue Bonds, Series 2011	501
Total	<u>\$ 32,732</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, 2016 (in thousands):

Investments by Fair Value Level	Fair Value Measurement Using:		
	06/30/16	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
U.S. Government securities	\$ 9,557	\$ 9,557	\$ —
U.S. Government agency	23,175	—	23,175
Total investments and cash equivalents by fair value level	<u>\$ 32,732</u>	<u>\$ 9,557</u>	<u>\$ 23,175</u>

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION
(A Component Unit of the City of Phoenix, Arizona)

NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

U.S. Government securities totaling \$9,557,000 classified in Level 1 of the fair value hierarchy in fiscal year 2016 are valued using quoted prices in active markets.

U.S. Government agency obligations totaling \$23,175,000 in fiscal year 2016, classified in Level 2 of the fair value hierarchy are valued using matrix pricing techniques maintained by various pricing vendors. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from a pricing source.

Interest Rate Risk

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

Commercial Paper	270 days final maturity
U.S. Treasury Securities	5 year final maturity
U.S. Government Agency Securities	5 year final maturity
Municipal Securities	5 years for long-term issues

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	23,133

3. 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, 2016 are as follows (in thousands):

Total receivable from the City of Phoenix	\$ 7,178,898
Less: Interest Portion	<u>(2,619,178)</u>
Sales contracts receivable	4,559,720
Less current portion	<u>(226,230)</u>
Sales contracts receivable - long-term	<u><u>\$ 4,333,490</u></u>

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION
(A Component Unit of the City of Phoenix, Arizona)

NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

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

Senior Lien Excise Tax Revenue Refunding Bonds, Series 2007

The issuance of \$103,605,000 of Senior Lien Excise Tax Revenue Refunding Bonds, Series 2007, dated June 1, 2007, refunded \$19,915,000 of Senior Lien Excise Tax Revenue Refunding Bonds (New City Hall), Series 2003; \$70,020,000 of Senior Lien Excise Tax Revenue Bonds (Phoenix Municipal Courthouse), Series 1999A; \$12,865,000 in Senior Lien Excise Tax Revenue Bonds (Adams Street Garage), Series 1999B; and \$1,240,000 of Senior Lien Excise Tax Revenue Refunding Bonds (Airport Improvements), Series 1994. The proceeds from the issuance of \$103,605,000 of Senior Lien Excise Tax Revenue Refunding Bonds, Series 2007 were placed in an irrevocable trust to provide for future debt service payments on the refunded bonds.

In June 2011, \$14,599,300 of Senior Lien Excise Tax Revenue Refunding Bonds, Series 2007 was refunded. The proceeds from the issuance of \$47,110,000 in Senior Lien Excise Tax Revenue Refunding Bonds, Series 2011C and 2011D were placed in an irrevocable trust to be applied to the principal and interest payments for 2011 and 2012. Debt service payments and other costs related to the Senior Lien Excise Tax Revenue Refunding Bonds, Series 2007 which were not refunded are included in the Senior Lien Excise Tax Revenue Refunding Bonds, Series 2007.

Senior Lien Excise Tax Revenue Bonds, Series 2011A

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

Senior Lien Excise Tax Revenue Bonds, Taxable Series 2011B

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

Senior Lien Excise Tax Revenue Refunding Bonds, Series 2011C

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

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

The issuance of \$22,805,000 of Senior Lien Excise Tax Revenue Refunding Bonds, Series 2011D, dated June 7, 2011, refunded \$10,250 in Senior Lien Excise Tax Revenue Bonds (Adams Street Garage Project), Series 1999B; \$62,157 in Municipal Facilities Subordinated Excise Tax Revenue Bonds; Series 2000; \$1,044,288 in Municipal Facilities Subordinated Excise Tax Revenue Bonds, Series 2003B; \$1,270,163 in Senior Lien Excise Tax Revenue Refunding Bonds, Series 2003; \$1,088,831 in Subordinated Excise Tax Revenue Bonds, Series 2004; \$312,325

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION
(A Component Unit of the City of Phoenix, Arizona)

NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

in Subordinated Excise Tax Revenue Bonds, Series 2006B; \$3,429,275 in Subordinated Excise Tax Revenue Refunding Bonds, Series 2007B; \$10,316,425 of Senior Lien Excise Tax Revenue Refunding Bonds, Series 2007; and \$5,074,535 of non-Civic Improvement Corporation debt. The proceeds from the issuance of \$22,805,000 of Senior Lien Excise Tax Revenue Refunding Bonds, Series 2011D (Taxable) were placed in an irrevocable trust to provide for future debt service payments on the refunded bonds. The purpose of the refunding was to restructure existing debt payments to match forecasted future revenues.

Senior Lien Excise Tax Revenue Refunding Bonds, Series 2012

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

Subordinated Excise Tax Revenue Bonds, Series 2007A

On June 1, 2007, the Corporation entered into an agreement with the City under which the Corporation assisted in financing the construction of two new City of Phoenix Police Precincts through the issuance of \$21,115,000 of Subordinated Excise Tax Revenue Bonds, Series 2007A.

Subordinated Excise Tax Revenue Refunding Bonds, Series 2007B

The issuance of \$71,820,000 of Subordinated Excise Tax Revenue Refunding Bonds, Series 2007B, dated June 1, 2007, refunded \$7,775,000 of Municipal Facilities Subordinated Excise Tax Revenue Refunding Bonds, Series 1997; \$19,185,000 of Municipal Facilities Subordinated Excise Tax Revenue Bonds, Series 2000; and \$45,610,000 of Subordinated Excise Tax Revenue Bonds (Solid Waste Improvements), Series 2003A. The proceeds from the issuance of \$71,820,000 in Subordinated Excise Tax Revenue Refunding Bonds, Series 2007B, were placed in an irrevocable trust to provide for future debt service payments on the refunded bonds.

In June 2009, the City of Phoenix defeased \$1,100,000 of outstanding Subordinated Excise Tax Revenue Refunding Bonds, Series 2007B debt. Debt service payments and other costs related to the Subordinated Excise Tax Revenue Refunding Bonds, Series 2007B which were not defeased are included in the Subordinated Excise Tax Revenue Bonds, Series 2007B.

In June 2011, \$5,284,500 of Subordinated Excise Tax Revenue Refunding Bonds, Series 2007B was refunded. The proceeds from the issuance of \$47,110,000 in Senior Lien Excise Tax Revenue Refunding Bonds, Series 2011C and 2011D were placed in an irrevocable trust to be applied to the principal and interest payments for 2011 and 2012. Debt service payments and other costs related to the Subordinated Excise Tax Revenue Refunding Bonds, Series 2007B which were not refunded are included in the Subordinated Excise Tax Revenue Refunding Bonds, Series 2007B.

Subordinated Excise Tax Revenue Refunding Bonds, Taxable Series 2007C

On June 1, 2007, the Corporation entered into a purchase agreement with the City under which the Corporation assisted in refunding the outstanding \$34,380,000 of bonds issued by the Civic Plaza Building Corporation in 1998. The bonds were refunded through the issuance of \$35,670,000 in Subordinated Excise Tax Revenue Refunding Bonds, Taxable Series 2007C.

Subordinated Excise Tax Revenue Refunding Bonds, Taxable Series 2011

On June 1, 2011, the Corporation entered into a purchase agreement with the City under which the Corporation assisted in refunding the total outstanding \$27,235,000 of Municipal Multipurpose Arena Subordinated Excise Tax Revenue Refunding Bonds, Series 1998. The bonds were refunded through the issuance of \$27,500,000 in Subordinated Excise Tax Revenue Refunding Bonds, Taxable Series 2011.

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION
(A Component Unit of the City of Phoenix, Arizona)

NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

Subordinated Excise Tax Revenue Refunding Bonds, Series 2012A

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

Subordinated Excise Tax Revenue Refunding Bonds, Taxable Series 2012B

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

Subordinated Excise Tax Revenue Refunding Bonds, Series 2015A

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

Subordinated Excise Tax Revenue Refunding Bonds, Taxable Series 2015B

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

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

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

Transit Excise Tax Revenue Refunding Bonds (Light Rail Project), Series 2013

On July 16, 2013, the Corporation entered into a purchase agreement with the City under which the Corporation refunded the total outstanding \$350,915,000 of Transit Excise Tax Revenue Bonds (Light Rail Project), Series 2004. The bonds were refunded through the issuance of \$328,920,000 in Transit Excise Tax Revenue Refunding Bonds (Light Rail Project), Series 2013.

Senior Lien Airport Revenue Bonds, Series 2008A (Non-AMT)

On June 1, 2008, the Corporation entered into a purchase agreement with the City to pay a portion of the cost of various improvements at the Airport. The purchase was financed through the issuance of \$206,840,000 in Senior Lien Airport Revenue Bonds, Series 2008A.

The City agreed to purchase the improvements funded with the proceeds of the Senior Lien Airport Revenue

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION
(A Component Unit of the City of Phoenix, Arizona)

NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

Bonds, Series 2008A pursuant to the City purchase agreement. The City's payments under the purchase agreement are to be made solely from net airport revenues or amounts available in the 2008 Bond Reserve Fund. Net airport revenues generally include all income and revenue derived from the use and operation of the City's airports (excluding passenger facility charges, federal grants and special facility revenues) and net of all expenses reasonably incurred in connection with the operation and maintenance of the airports (excluding depreciation and interest on money borrowed).

Senior Lien Airport Revenue Bonds, Series 2008B (AMT)

On June 1, 2008, the Corporation entered into a purchase agreement with the City to pay a portion of the cost of various improvements at the Airport. The purchase was financed through the issuance of \$43,160,000 in Senior Lien Airport Revenue Bonds, Series 2008B.

The City agreed to purchase the improvements funded with the proceeds of the Senior Lien Airport Revenue Bonds, Series 2008B pursuant to the City purchase agreement. The City's payments under the purchase agreement are to be made solely from net airport revenues or amounts available in the 2008 Bond Reserve Fund. Net airport revenues generally include all income and revenue derived from the use and operation of the City's airports (excluding passenger facility charges, federal grants and special facility revenues) and net of all expenses reasonably incurred in connection with the operation and maintenance of the airports (excluding depreciation and interest on money borrowed).

Senior Lien Airport Revenue Refunding Bonds, Series 2008C (Non-AMT)

The issuance of \$109,850,000 in Senior Lien Airport Revenue Refunding Bonds, Series 2008C, dated June 18, 2008, refunded \$6,615,000 in Senior Lien Excise Tax Revenue Refunding Bonds (Airport Improvements), Series 1994; \$2,250,000 in Airport Revenue Bonds, Series 1994B; and \$102,575,000 in Airport Revenue Bonds, Series 1998A. The proceeds from the issuance of \$109,850,000 in Senior Lien Airport Revenue Refunding Bonds, Series 2008C were transferred to the respective paying agents for the bonds and interest being refunded.

Senior Lien Airport Revenue Refunding Bonds, Series 2008D (AMT)

The issuance of \$68,520,000 in Senior Lien Airport Revenue Refunding Bonds, Series 2008D, dated June 18, 2008, refunded \$6,945,000 in Airport Revenue Bonds, Series 1994C; \$14,875,000 in Airport Revenue Bonds, Series 1994D; \$31,000,000 in Subordinated Excise Tax Variable Rate Demand Revenue Bonds (Airport Improvements), Series 1995; and \$17,380,000 in Airport Terminal Senior Lien Excise Tax Revenue Refunding Bonds, Series 1998. The proceeds from the issuance of \$68,520,000 in Senior Lien Airport Revenue Refunding Bonds, Series 2008D were transferred to the respective paying agents for the bonds and interest being refunded.

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

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

Junior Lien Airport Revenue Bonds, Series 2010A (Non-AMT)

On August 1, 2010, the Corporation entered into a purchase agreement with the City to finance a portion of the Phoenix Sky Train at Sky Harbor International Airport. Proceeds of the bonds were also used to refund \$200,000,000 aggregate principal amount of Corporation's Airport Revenue Bond Anticipation Notes, Series 2008A and 2008B. The purchase and refunding were financed through the issuance of \$642,680,000 in Junior Lien Airport Revenue Bonds, Series 2010A.

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION
(A Component Unit of the City of Phoenix, Arizona)

NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

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

In September 2010, the Corporation issued \$21,345,000 of Junior Lien Airport Revenue Bonds, Taxable Series 2010B (Recovery Zone Economic Development Bonds-Direct Payment). The Corporation elected to receive subsidy payments in the amount of 45% of each interest payment on the Recovery Zone Economic Development Bonds, paid directly to US Bank, National Association, as trustee, from the United States Treasury. On March 1, 2013, the federal government announced the implementation of certain automatic budget cuts known as the sequester, which has resulted in a reduction of the federal subsidy payments by 7.2% for the federal government's fiscal year ending September 30, 2014. Proceeds from the bonds will fund land acquisition for noise mitigation and related capital costs for the Phoenix Sky Train.

Junior Lien Airport Revenue Refunding Bonds, Series 2010C (Non-AMT)

On August 1, 2010, the Corporation entered into a purchase agreement with the City under which the Corporation refunded the total outstanding \$34,285,000 of Senior Lien Airport Revenue Bonds, Series 1998A and 1998B. The bonds were refunded through the issuance of \$32,080,000 in Junior Lien Airport Revenue Bonds, Series 2010C.

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

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

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

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

Rental Car Facility Charge Revenue Bonds, Taxable Series 2004

In June 2004, the Corporation entered into a purchase agreement with the City to pay a portion of the cost of designing, acquiring, constructing, and equipping certain facilities, infrastructure, site development, and equipment necessary for the operation of a consolidated rental car center at the Airport. The purchase was financed through the issuance of \$260,000,000 in Rental Car Facility Charge Revenue Bonds, Taxable Series 2004.

The City agreed to purchase the improvements funded with the proceeds of the Rental Car Facility Charge Revenue Bonds, Taxable Series 2004 pursuant to the City purchase agreement. The City's payments under the purchase agreement are to be made from a first priority pledge of the pledged revenues. The pledged revenues consist primarily of customer facility charges that have been collected from rental car customers from June 1, 2002 through the issuance of the 2004 Bonds and deposited to certain Trustee funds, customer facility charges collected after issuance of the 2004 Bonds and transferred to the Trustee, and investment income from investments therein. The pledged revenues do not include amounts paid by the rental car center companies as ground rentals or concession fees or customer facility charges which exceed the pledged rate.

Junior Lien Water System Revenue Refunding Bonds, Series 2001

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

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION
(A Component Unit of the City of Phoenix, Arizona)

NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

future debt service payments on the refunded bonds.

Junior Lien Water System Revenue Bonds, Series 2009A

On June 2, 2009, the Corporation and the City entered into an agreement under which the Corporation assisted in the financing of certain improvements of the City's water system and for the purpose of refunding the Corporation's outstanding Water System Revenue Bond Anticipation Notes, Series 2007A and Series 2007B. This agreement was financed through the issuance of \$450,000,000 of Junior Lien Water System Revenue Bonds, Series 2009A.

Junior Lien Water System Revenue Refunding Bonds, Series 2009B

The issuance of \$90,295,000 of Junior Lien Water System Revenue Refunding Bonds, Series 2009B, dated June 2, 2009 fully refunded \$98,385,000 of the City's Junior Lien Water System Revenue Refunding Bonds, Series 1998. The proceeds from the issuance of \$90,295,000 of Junior Lien Water System Revenue Refunding Bonds, Series 2009B were transferred to the respective paying agents for the bonds and interest being refunded.

Junior Lien Water System Revenue Refunding Bonds, Series 2011

On November 1, 2011, the Corporation entered into a purchase agreement with the City under which the Corporation refunded the total outstanding \$183,930,000 of Junior Lien Water System Revenue Bonds, Series 2002. The bonds were refunded through the issuance of \$167,510,000 in Junior Lien Water System Revenue Refunding Bonds, Series 2011.

Junior Lien Water System Revenue Bonds, Series 2014A

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

Junior Lien Water System Revenue Refunding Bonds, Series 2014B

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

Senior Lien Wastewater System Revenue Refunding Bonds, Series 2008

The issuance of \$133,400,000 in Senior Lien Wastewater System Revenue Refunding Bonds, Series 2008, dated November 18, 2008, refunded \$130,260,000 in Senior Lien Variable Rate Demand Revenue Refunding Bonds, Series 2004. The City also terminated two interest rate swap agreements with respect to the refunded variable rate wastewater bonds.

Junior Lien Wastewater System Revenue Bonds, Series 2007

On November 1, 2007, the Corporation and the City entered into an agreement to refund \$150,000,000 of the Corporation's outstanding Wastewater System Bond Anticipation Notes, Series 2006 and to pay the cost of certain improvements of the City's wastewater system through the issuance of \$300,000,000 in Junior Lien Wastewater System Revenue Bonds, Series 2007.

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION
(A Component Unit of the City of Phoenix, Arizona)

NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

Junior Lien Wastewater System Revenue Refunding Bonds, Series 2011

On December 1, 2011, the Corporation entered into a purchase agreement with the City under which the Corporation refunded the total outstanding \$137,060,000 of Junior Lien Wastewater System Revenue Bonds, Series 2001. The bonds were refunded through the issuance of \$118,290,000 in Junior Lien Wastewater System Revenue Refunding Bonds, Series 2011.

Junior Lien Wastewater System Revenue Refunding Bonds, Series 2014

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

4. Refunded Obligations

Future debt service on refunded bonds has been provided through advance 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 or guaranteed by the United States government. 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 securities, will be sufficient to service the previously issued bonds.

Advanced refunding and defeasance arrangements at June 30, 2016 were as follows (in thousands):

Date Refunded/ Deceased	Refunded and Defeased Bonds		Balance Outstanding	Assets Held in Trust (1)
	Issue Dates	Type		
05/12/15	06/27/07	Civic Improvement Corporation Subordinated Excise Tax Revenue	\$ 12,905	\$ 13,463

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

5. 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 lease-purchase payments for all outstanding Corporation bonds issued for general government purposes have been anticipated and provided for in the City's annual operating budget.

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION
(A Component Unit of the City of Phoenix, Arizona)

NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

Issue	Issue Date	Original Issuance
Senior Lien Excise Tax Revenue Refunding Bonds, Series 2007	06/01/07	\$ 103,605,000
Senior Lien Excise Tax Revenue Bonds, Series 2011A	06/07/11	\$ 27,530,000
Senior Lien Excise Tax Revenue Bonds, Series 2011B (Taxable)	06/07/11	\$ 59,195,000
Senior Lien Excise Tax Revenue Refunding Bonds, Series 2011C	06/07/11	\$ 24,305,000
Senior Lien Excise Tax Revenue Refunding Bonds, Series 2011D (Taxable)	06/07/11	\$ 22,805,000
Senior Lien Excise Tax Revenue Refunding Bonds, Series 2012	06/21/12	\$ 15,205,000
Subordinated Excise Tax Revenue Bonds, Series 2007A	06/01/07	\$ 21,115,000
Subordinated Excise Tax Revenue Refunding Bonds, Series 2007B	06/01/07	\$ 71,820,000

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION
(A Component Unit of the City of Phoenix, Arizona)

NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

Purpose	Call and Redemption Terms
To refund a portion of the Senior Lien Excise Tax Revenue Refunding Bonds (New City Hall), Series 2003; a portion of the Senior Lien Excise Tax Revenue Bonds (Phoenix Municipal Courthouse), Series 1999A; a portion of the Senior Lien Excise Tax Revenue Bonds (Adams Street Garage), Series 1999B and a portion of Senior Lien Excise Tax Revenue Refunding Bonds (Airport Improvements), Series 1994.	Bonds maturing on or after July 1, 2018 are callable on 7/1/17 and thereafter, in whole or in part at any time, at 100% of par.
To fund the costs of vehicles and equipment identified as lease-purchase in the current and prior fiscal years.	Bonds maturing on or after July 1, 2022 are callable on 7/1/2021 and thereafter, in whole or in part at any time at 100% of par.
To fund the costs of vehicles and equipment identified as lease-purchase in the current and prior fiscal years; the costs to complete the fourth and fifth floors of the ASU School of Nursing Building; and the purchase of the CityScape Parking Garage.	Bonds maturing on or after July 1, 2022 are callable on 7/1/2021 and thereafter, in whole or in part at any time at 100% of par.
To partially refund the Senior Lien Excise Tax Revenue Bonds (Adams Street Garage Project), Series 1999B, the Municipal Facilities Subordinated Excise Tax Revenue Bonds, Series 2000, the Municipal Facilities Subordinated Excise Tax Revenue Bonds, Series 2003B, the Senior Lien Excise Tax Revenue Refunding Bonds, Series 2003, the Subordinated Excise Tax Revenue Bonds, Series 2004, the Subordinated Excise Tax Revenue Bonds, Series 2006B, the Senior Lien Excise Tax Revenue Refunding Bonds, Series 2007, and the Subordinated Excise Tax Revenue Refunding Bonds, Series 2007B.	Bonds maturing on or after July 1, 2022 are callable on 7/1/2021 and thereafter, in whole or in part at any time at 100% of par.
To partially refund the Subordinated Excise Tax Revenue Bonds, Series 2004, the Senior Lien Excise Tax Revenue Refunding Bonds, Series 2007, the Subordinated Excise Tax Revenue Refunding Bonds, Series 2007B, and Certificates of Participation issued through the Arizona Municipal Financing Program, Series 18.	Bonds maturing on or after July 1, 2022 are callable on 7/1/2021 and thereafter, in whole or in part at any time at 100% of par.
To refund a portion of the Corporation's Senior Lien Excise Tax Revenue Refunding Bonds, Series 2003.	Bonds maturing on or after July 1, 2023 are callable on 7/1/22 and thereafter, in whole or in part at any time, at 100% of par.
To fund the construction of a new City of Phoenix Police Precinct.	Bonds maturing on or after July 1, 2018 are callable on 7/1/17 and thereafter, in whole or in part at any time, at 100% of par.
To refund the outstanding Municipal Facilities Subordinated Excise Tax Revenue Refunding Bonds, Series 1997. Also, to refund a portion of Municipal Facilities Subordinated Excise Tax Revenue Bonds, Series 2000 and a portion of Subordinated Excise Tax Revenue Bonds (Solid Waste Improvements), Series 2003A.	Bonds maturing on or after July 1, 2018 are callable on 7/1/17 and thereafter, in whole or in part at any time, at 100% of par.

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION
(A Component Unit of the City of Phoenix, Arizona)

NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

Issue	Issue Date	Original Issuance
Subordinated Excise Tax Revenue Refunding Bonds, Series 2007C (Taxable)	06/01/07	\$ 35,670,000
Subordinated Excise Tax Revenue Refunding Bonds, Series 2011 (Taxable)	06/07/11	\$ 27,500,000
Subordinated Excise Tax Revenue Refunding Bonds, Series 2012A	06/21/12	\$ 17,510,000
Subordinated Excise Tax Revenue Refunding Bonds, Series 2012B (Taxable)	06/21/12	\$ 33,095,000
Subordinated Excise Tax Revenue Refunding Bonds, Series 2015A	05/12/15	\$ 319,305,000
Subordinated Excise Tax Revenue Refunding Bonds, Series 2015B (Taxable)	05/12/15	\$ 60,895,000
State of Arizona Distribution Revenue Bonds (Civic Plaza Expansion Project), Series 2005B	10/06/05	\$ 275,362,352
Transit Excise Tax Revenue Refunding Bonds (Light Rail Project), Series 2013	07/16/13	\$ 328,920,000
Senior Lien Airport Revenue Bonds, Series 2008A (Non-AMT)	06/18/08	\$ 206,840,000
Senior Lien Airport Revenue Bonds, Series 2008B (AMT)	06/18/08	\$ 43,160,000
Senior Lien Airport Revenue Refunding Bonds, Series 2008C (Non-AMT)	06/18/08	\$ 109,850,000
Senior Lien Airport Revenue Refunding Bonds, Series 2008D (AMT)	06/18/08	\$ 68,520,000
Senior Lien Airport Revenue Refunding Bonds, Series 2013 (AMT)	03/05/13	\$ 196,600,000

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION
(A Component Unit of the City of Phoenix, Arizona)

NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

Purpose	Call and Redemption Terms
To refund the outstanding bonds issued by the Phoenix Civic Plaza Building Corporation in 1998 to build the Civic Plaza East Garage.	Bonds maturing on or after July 1, 2018 are callable on 7/1/17 and thereafter, in whole or in part at any time, at 100% of par.
To refund the Municipal Multipurpose Arena Subordinated Excise Tax Revenue Refunding Bonds, Taxable Series 1998.	Bonds maturing on or after July 1, 2022 are callable on 7/1/2021 and thereafter, in whole or in part at any time at 100% of par.
To refund a portion of the Corporation's Municipal Facilities Excise Tax Revenue Bonds, Series 2003B and Subordinated Excise Tax Revenue Bonds, Series 2004.	Bonds maturing on or after July 1, 2023 are callable on 7/1/22 and thereafter, in whole or in part at any time, at 100% of par.
To refund a portion of the Corporation's Municipal Facilities Excise Tax Revenue Bonds, Series 2003C and 2003D.	Bonds maturing on or after July 1, 2023 are callable on 7/1/22 and thereafter, in whole or in part at any time, at 100% of par.
To refund the Subordinated Excise Tax Revenue Bonds, Series 2005A (Civic Plaza Expansion Project); to partially refund the Subordinated Excise Tax Revenue Bonds, Series 2006A (Solid Waste Improvements) and Subordinated Excise Tax Revenue Bonds, Series 2007A.	Bonds maturing on or after July 1, 2026 are callable on 7/1/25 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 7/1/25 and thereafter, in whole or in part at any time, at 100% of par.
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 outstanding Transit Excise Tax Revenue Bonds (Light Rail Project), Series 2004.	Bonds are not subject to redemption prior to maturity.
To fund a portion of certain improvements at the City's airports.	Bonds maturing on or after July 1, 2019 are callable on 7/1/18 and thereafter, in whole or in part at any time, at 100% of par.
To fund a portion of certain improvements at the City's airports.	Bonds maturing on or after July 1, 2019 are callable on 7/1/18 and thereafter, in whole or in part at any time, at 100% of par.
To refund the Senior Lien Excise Tax Revenue Refunding Bonds (Airport Improvements), Series 1994 and a 1994 Airport general obligation bond. Refunding a portion of the Senior Lien Airport Revenue Bonds, Series 1998A and 1998B.	Bonds maturing on or after July 1, 2019 are callable on 7/1/18 and thereafter, in whole or in part at any time, at 100% of par.
To refund the Subordinated Excise Tax Variable Rate Demand Revenue Bonds (Airport Improvements), Series 1995 and the Airport Terminal Senior Lien Excise Tax Revenue Refunding Bonds, Series 1998. Refunding various Airport general obligation bonds.	Bonds maturing on or after July 1, 2019 are callable on 7/1/18 and thereafter, in whole or in part at any time, at 100% of par.
To refund the Senior Lien Aviation Revenue Bonds, Series 2002B (AMT).	Bonds maturing on or after July 1, 2024 are callable on 7/1/23 and thereafter, in whole or in part at any time, at 100% of par.

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION
(A Component Unit of the City of Phoenix, Arizona)

NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

Issue	Issue Date	Original Issuance
Junior Lien Airport Revenue Bonds, Series 2010A (Non-AMT)	09/01/10	\$ 642,680,000
Junior Lien Airport Revenue Bonds, Taxable Series 2010B (Recovery Zone Economic Development Bonds-Direct Payment)	09/01/10	\$ 21,345,000
Junior Lien Airport Revenue Refunding Bonds, Series 2010C (Non-AMT)	09/01/10	\$ 32,080,000
Junior Lien Airport Revenue Bonds, Series 2015A (Non-AMT)	12/15/2015	\$ 95,785,000
Junior Lien Airport Revenue Refunding Bonds, Series 2015B (Non-AMT)	12/15/2015	\$ 18,655,000
Rental Car Facility Charge Revenue Bonds, Taxable Series 2004	06/02/04	\$ 260,000,000
Junior Lien Water System Revenue Refunding Bonds, Series 2001	08/01/01	\$ 99,980,000
Junior Lien Water System Revenue Bonds, Series 2009A	06/02/09	\$ 450,000,000
Junior Lien Water System Revenue Refunding Bonds, Series 2009B	06/02/09	\$ 90,295,000
Junior Lien Water System Revenue Refunding Bonds, Series 2011	11/22/11	\$ 167,510,000
Junior Lien Water System Revenue Bonds, Series 2014A	12/17/14	\$ 152,830,000
Junior Lien Water System Revenue Refunding Bonds, Series 2014B	12/17/14	\$ 445,085,000
Senior Lien Wastewater System Revenue Refunding Bonds, Series 2008	11/18/08	\$ 133,400,000

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION
(A Component Unit of the City of Phoenix, Arizona)

NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

Purpose	Call and Redemption Terms
To fund a portion of the costs related to the Phoenix Sky Train, Phoenix Sky Train related land and other land acquisition costs. A portion of the proceeds will be applied to the payment of principal and interest on the Airport Revenue Bond Anticipation Notes, Series 2008A and 2008B.	Bonds maturing on or after July 1, 2021 (excluding the bond maturing on July 1, 2034), are callable on July 1, 2020 and thereafter, in whole or in part at any time, at 100% of par. The bond maturing on July 1, 2034 is callable on July 1, 2015 and thereafter, in whole or in part at any time, at 100% of 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 a portion of the Senior Lien Airport Revenue Bonds, Series 1998A and 1998B.	Bonds are callable on July 1, 2020 and thereafter, in whole or in part at any time, at 100% of par.
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 fund the majority of the cost of designing, acquiring, constructing and equipping certain facilities, infrastructures, site development, and equipment necessary for the operation of a consolidated rental car center at the Airport.	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 Revenue Bond Anticipation Notes, Series 2007A and 2007B and to fund the cost of certain improvements of the City's water system.	Bonds maturing on or after July 1, 2020 are callable on 7/1/19 and thereafter, in whole or in part at any time, at 100% of par.
To refund the outstanding Junior Lien Water System Revenue Refunding Bonds, Series 1998.	Bonds are not subject to redemption prior to maturity.
To refund the outstanding Junior Lien Water System Revenue Bonds, Series 2002.	Bonds maturing on and after July 1, 2022 are callable on 7/1/2021 and thereafter, in whole or in part at any time, at 100% of par.
To refund the outstanding Water System Commercial Paper Program Notes, Series 2012A and 2012B.	Bonds maturing on and after July 1, 2025 are callable on 7/1/2024 and thereafter, in whole or in part at any time, at 100% of par.
To refund the Junior Lien Water System Revenue Refunding Bonds, Series 2003 and refund the Junior Lien Water System Revenue Bonds, Series 2005.	Bonds maturing on and after July 1, 2025 are callable on 7/1/2024 and thereafter, in whole or in part at any time, at 100% of par.
To refund the outstanding Senior Lien Wastewater System Variable Rate Demand Revenue Refunding Bonds, Series 2004.	Bonds maturing on or after July 1, 2019 are callable on 7/1/18 and thereafter, in whole or in part at any time, at 100% of par.

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION
(A Component Unit of the City of Phoenix, Arizona)

NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

Issue	Issue Date	Original Issuance
Junior Lien Wastewater System Revenue Bonds, Series 2007	11/27/2007	\$ 300,000,000
Junior Lien Wastewater System Revenue Refunding Bonds, Series 2011	12/22/2011	\$ 118,290,000
Junior Lien Wastewater System Revenue Refunding Bonds, Series 2014	4/15/2014	\$ 127,810,000

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION
(A Component Unit of the City of Phoenix, Arizona)

NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

Purpose	Call and Redemption Terms
To refund the outstanding Wastewater System Bond Anticipation Notes, Series 2006 and to fund the cost of certain improvements of the City's wastewater system.	Bonds maturing on or after July 1, 2018 are callable on 7/1/17 and thereafter, in whole at any time or in part on any interest payment date at 100% of par.
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.

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION
(A Component Unit of the City of Phoenix, Arizona)

NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

Fiscal Year Ending June 30	Principal	Interest	Total
Senior Lien Excise Tax Revenue Refunding Bonds, Series 2007			
2017	\$ 3,735,000	\$ 4,100,425	\$ 7,835,425
2018	5,840,000	3,913,675	9,753,675
2019	6,135,000	3,621,675	9,756,675
2020	6,435,000	3,314,925	9,749,925
2021	6,760,000	2,993,175	9,753,175
2022 - 2026	36,640,000	10,013,875	46,653,875
2027 - 2029	18,885,000	1,821,388	20,706,388
Total	<u>\$ 84,430,000</u>	<u>\$ 29,779,138</u>	<u>\$ 114,209,138</u>

Coupon rates	<u>4.00 - 5.00%</u>
Effective interest rate	<u>4.51%</u>

Senior Lien Excise Tax Revenue Bonds, Series 2011A

2017	\$ 3,915,000	\$ 837,727	\$ 4,752,727
2018	4,035,000	641,978	4,676,978
2019	2,830,000	440,227	3,270,227
2020	2,945,000	327,028	3,272,028
2021	340,000	179,777	519,777
2022 - 2026	1,880,000	716,723	2,596,723
2027 - 2031	2,285,000	309,078	2,594,078
Total	<u>\$ 18,230,000</u>	<u>\$ 3,452,538</u>	<u>\$ 21,682,538</u>

Coupon rates	<u>2.00 - 5.00%</u>
Effective interest rate	<u>2.86%</u>

Senior Lien Excise Tax Revenue Bonds, Series 2011B (Taxable)

2017	\$ 3,960,000	\$ 2,420,903	\$ 6,380,903
2018	4,185,000	2,290,143	6,475,143
2019	4,350,000	2,141,492	6,491,492
2020	4,540,000	1,971,538	6,511,538
2021	3,195,000	1,785,080	4,980,080
2022 - 2026	9,590,000	7,200,882	16,790,882
2027 - 2031	9,715,000	4,984,617	14,699,617
2032 - 2036	12,135,000	2,098,840	14,233,840
Total	<u>\$ 51,670,000</u>	<u>\$ 24,893,495</u>	<u>\$ 76,563,495</u>

Coupon rates	<u>2.328 - 5.007%</u>
Effective interest rate	<u>4.86%</u>

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION
(A Component Unit of the City of Phoenix, Arizona)

NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

Fiscal Year Ending June 30	Principal	Interest	Total
Senior Lien Excise Tax Revenue Refunding Bonds, Series 2011C			
2017	\$ —	\$ 1,200,406	\$ 1,200,406
2018	—	1,200,407	1,200,407
2019	—	1,200,406	1,200,406
2020	—	1,200,406	1,200,406
2021	4,260,000	1,200,406	5,460,406
2022 - 2026	18,215,000	2,815,281	21,030,281
2027 - 2028	1,830,000	116,394	1,946,394
Total	<u>\$ 24,305,000</u>	<u>\$ 8,933,706</u>	<u>\$ 33,238,706</u>

Coupon rates	<u>4.125 - 5.00%</u>
Effective interest rate	<u>3.79%</u>

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

2017	\$ 3,795,000	\$ 769,404	\$ 4,564,404
2018	4,080,000	644,093	4,724,093
2019	5,610,000	499,172	6,109,172
2020	4,480,000	279,989	4,759,989
2021	2,255,000	95,995	2,350,995
Total	<u>\$ 20,220,000</u>	<u>\$ 2,288,653</u>	<u>\$ 22,508,653</u>

Coupon rates	<u>2.328 - 4.257%</u>
Effective interest rate	<u>3.91%</u>

Senior Lien Excise Tax Revenue Refunding Bonds, Series 2012

2017	\$ 1,845,000	\$ 486,625	\$ 2,331,625
2018	—	412,825	412,825
2019	—	412,825	412,825
2020	—	412,825	412,825
2021	—	412,825	412,825
2022 - 2026	2,205,000	1,733,375	3,938,375
2027 - 2029	6,295,000	499,475	6,794,475
Total	<u>\$ 10,345,000</u>	<u>\$ 4,370,775</u>	<u>\$ 14,715,775</u>

Coupon rates	<u>3.00 - 5.00%</u>
Effective interest rate	<u>2.97%</u>

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION
(A Component Unit of the City of Phoenix, Arizona)

NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

Subordinated Excise Tax Revenue Bonds, Series 2007A

2017	\$ 990,000	\$ 42,075	\$ 1,032,075
Total	\$ 990,000	\$ 42,075	\$ 1,032,075

Coupon rates	4.00 - 5.00%
Effective interest rate	4.46%

Subordinated Excise Tax Revenue Refunding Bonds, Series 2007B

2017	\$ 5,810,000	\$ 2,088,450	\$ 7,898,450
2018	5,930,000	1,805,450	7,735,450
2019	6,225,000	1,508,950	7,733,950
2020	6,545,000	1,197,700	7,742,700
2021	5,765,000	870,450	6,635,450
2022 - 2023	11,950,000	872,900	12,822,900
Total	\$ 42,225,000	\$ 8,343,900	\$ 50,568,900

Coupon rates	3.75 - 4.50%
Effective interest rate	4.33%

Subordinated Excise Tax Revenue Refunding Bonds, Series 2007C (Taxable)

2017	\$ 2,615,000	\$ 1,039,442	\$ 3,654,442
2018	2,765,000	892,112	3,657,112
2019	2,925,000	733,125	3,658,125
2020	3,095,000	564,938	3,659,938
2021	3,275,000	386,975	3,661,975
2022	3,455,000	198,662	3,653,662
Total	\$ 18,130,000	\$ 3,815,254	\$ 21,945,254

Coupon rates	5.44 - 5.63%
Effective interest rate	5.81%

Subordinated Excise Tax Revenue Refunding Bonds, Series 2011 (Taxable)

2017	\$ 3,900,000	\$ 491,153	\$ 4,391,153
2018	4,040,000	346,775	4,386,775
2019	4,200,000	185,094	4,385,094
Total	\$ 12,140,000	\$ 1,023,022	\$ 13,163,022

Coupon rates	1.416 - 4.407%
Effective interest rate	3.71%

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION
(A Component Unit of the City of Phoenix, Arizona)

NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

Fiscal Year Ending June 30	Principal	Interest	Total
Subordinated Excise Tax Revenue Refunding Bonds, Series 2012A			
2017	\$ 1,450,000	\$ 528,800	\$ 1,978,800
2018	1,505,000	470,800	1,975,800
2019	1,570,000	410,600	1,980,600
2020	1,175,000	332,100	1,507,100
2021	1,235,000	273,350	1,508,350
2022 - 2025	4,320,000	443,150	4,763,150
Total	<u>\$ 11,255,000</u>	<u>\$ 2,458,800</u>	<u>\$ 13,713,800</u>

Coupon rates 3.00 - 5.00%

Effective interest rate 2.30%

Subordinated Excise Tax Revenue Refunding Bonds, Series 2012B (Taxable)

2017	\$ 1,425,000	\$ 1,201,835	\$ 2,626,835
2018	1,455,000	1,172,138	2,627,138
2019	1,495,000	1,137,975	2,632,975
2020	1,535,000	1,098,387	2,633,387
2021	1,570,000	1,053,718	2,623,718
2022 - 2026	8,700,000	4,450,704	13,150,704
2027 - 2031	10,850,000	2,599,505	13,449,505
2032 - 2033	5,215,000	346,247	5,561,247
Total	<u>\$ 32,245,000</u>	<u>\$ 13,060,509</u>	<u>\$ 45,305,509</u>

Coupon rates 1.83 - 3.71%

Effective interest rate 4.01%

Subordinated Excise Tax Revenue Refunding Bonds, Series 2015A

2017	\$ 5,635,000	\$ 15,750,400	\$ 21,385,400
2018	6,960,000	15,525,000	22,485,000
2019	7,255,000	15,246,600	22,501,600
2020	7,645,000	14,883,850	22,528,850
2021	8,010,000	14,539,600	22,549,600
2022 - 2026	61,660,000	65,887,250	127,547,250
2027 - 2031	58,145,000	49,679,050	107,824,050
2032 - 2036	72,050,000	34,145,000	106,195,000
2037 - 2041	91,945,000	14,240,000	106,185,000
Total	<u>\$ 319,305,000</u>	<u>\$ 239,896,750</u>	<u>\$ 559,201,750</u>

Coupon rates 3.00 - 5.00%

Effective interest rate 3.56%

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION
(A Component Unit of the City of Phoenix, Arizona)

NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

Fiscal Year Ending June 30	Principal	Interest	Total
Subordinated Excise Tax Revenue Refunding Bonds, Series 2015B (Taxable)			
2017	\$ 2,780,000	\$ 1,728,110	\$ 4,508,110
2018	2,805,000	1,701,033	4,506,033
2019	2,835,000	1,661,594	4,496,594
2020	4,575,000	1,611,103	6,186,103
2021	4,660,000	1,519,557	6,179,557
2022 - 2026	18,840,000	5,785,390	24,625,390
2027 - 2031	11,735,000	3,563,744	15,298,744
2032 - 2035	11,110,000	1,130,734	12,240,734
Total	<u>\$ 59,340,000</u>	<u>\$ 18,701,265</u>	<u>\$ 78,041,265</u>

Coupon rates 0.41 - 3.992%

Effective interest rate 3.35%

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

2017	\$ —	\$ 20,449,000	\$ 20,449,000
2018	2,050,000	20,449,000	22,499,000
2019	2,660,000	20,336,250	22,996,250
2020	3,310,000	20,189,950	23,499,950
2021	3,990,000	20,007,900	23,997,900
2022 - 2026	31,570,000	95,922,475	127,492,475
2027 - 2031	55,210,000	84,780,025	139,990,025
2032 - 2036	82,995,000	66,491,700	149,486,700
2037 - 2041	109,085,000	40,896,625	149,981,625
2042 - 2044	80,930,000	9,061,250	89,991,250
Total	<u>\$ 371,800,000</u>	<u>\$ 398,584,175</u>	<u>\$ 770,384,175</u>

Coupon rates 3.85 - 5.50%

Effective interest rate 4.72%

Transit Excise Tax Revenue Refunding Bonds (Light Rail Project), Series 2013

2017	\$ 49,865,000	\$ 11,070,900	\$ 60,935,900
2018	55,205,000	8,774,950	63,979,950
2019	61,060,000	6,116,750	67,176,750
2020	67,275,000	3,263,750	70,538,750
Total	<u>\$ 233,405,000</u>	<u>\$ 29,226,350</u>	<u>\$ 262,631,350</u>

Coupon rates 2.00 - 5.00%

Effective interest rate 2.01%

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION
(A Component Unit of the City of Phoenix, Arizona)

NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

Fiscal Year Ending June 30	Principal	Interest	Total
Senior Lien Airport Revenue Bonds, Series 2008A (Non-AMT)			
2017	\$ —	\$ 10,339,550	\$ 10,339,550
2018	—	10,339,550	10,339,550
2019	—	10,339,550	10,339,550
2020	6,775,000	10,339,550	17,114,550
2021	7,110,000	10,000,800	17,110,800
2022 - 2026	41,270,000	44,300,750	85,570,750
2027 - 2031	52,660,000	32,906,850	85,566,850
2032 - 2036	67,205,000	18,363,750	85,568,750
2037 - 2038	31,820,000	2,406,000	34,226,000
Total	<u>\$ 206,840,000</u>	<u>\$ 149,336,350</u>	<u>\$ 356,176,350</u>

Coupon rates	<u>4.80 - 5.00%</u>
Effective interest rate	<u>5.02%</u>

Senior Lien Airport Revenue Bonds, Series 2008B (AMT)

2017	\$ 5,775,000	\$ 958,388	\$ 6,733,388
2018	6,080,000	655,200	6,735,200
2019	6,400,000	336,000	6,736,000
Total	<u>\$ 18,255,000</u>	<u>\$ 1,949,588</u>	<u>\$ 20,204,588</u>

Coupon rates	<u>5.00 - 5.25%</u>
Effective interest rate	<u>4.68%</u>

Senior Lien Airport Revenue Refunding Bonds, Series 2008C (Non-AMT)

2017	\$ 7,970,000	\$ 2,527,900	\$ 10,497,900
2018	8,370,000	2,129,400	10,499,400
2019	8,720,000	1,773,675	10,493,675
2020	9,095,000	1,403,075	10,498,075
2021	9,550,000	950,200	10,500,200
2022	10,025,000	472,700	10,497,700
Total	<u>\$ 53,730,000</u>	<u>\$ 9,256,950</u>	<u>\$ 62,986,950</u>

Coupon rates	<u>3.00 - 5.00%</u>
Effective interest rate	<u>4.26%</u>

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION
(A Component Unit of the City of Phoenix, Arizona)

NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

Fiscal Year Ending June 30	Principal	Interest	Total
Senior Lien Airport Revenue Refunding Bonds, Series 2008D (AMT)			
2017	\$ 4,050,000	\$ 931,925	\$ 4,981,925
2018	4,310,000	719,300	5,029,300
2019	4,610,000	493,025	5,103,025
2020	5,020,000	251,000	5,271,000
Total	<u>\$ 17,990,000</u>	<u>\$ 2,395,250</u>	<u>\$ 20,385,250</u>

Coupon rates	<u>4.00 - 5.50%</u>
Effective interest rate	<u>4.58%</u>

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

2017	\$ 7,440,000	\$ 8,804,000	\$ 16,244,000
2018	7,815,000	8,432,000	16,247,000
2019	8,205,000	8,041,250	16,246,250
2020	8,615,000	7,631,000	16,246,000
2021	9,050,000	7,200,250	16,250,250
2022 - 2026	52,490,000	28,746,000	81,236,000
2027 - 2031	66,990,000	14,243,500	81,233,500
2032	15,475,000	773,750	16,248,750
Total	<u>\$ 176,080,000</u>	<u>\$ 83,871,750</u>	<u>\$ 259,951,750</u>

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

Junior Lien Airport Revenue Bonds, Series 2010A (Non-AMT)

2017	\$ 13,960,000	\$ 28,497,831	\$ 42,457,831
2018	14,655,000	27,804,081	42,459,081
2019	15,285,000	27,174,031	42,459,031
2020	16,025,000	26,430,982	42,455,982
2021	16,785,000	25,671,506	42,456,506
2022 - 2026	97,305,000	114,978,187	212,283,187
2027 - 2031	123,880,000	88,398,488	212,278,488
2032 - 2036	138,400,000	55,910,750	194,310,750
2037 - 2040	136,555,000	15,949,750	152,504,750
Total	<u>\$ 572,850,000</u>	<u>\$ 410,815,606</u>	<u>\$ 983,665,606</u>

Coupon rates	<u>2.00 - 5.00%</u>
Effective interest rate	<u>4.69%</u>

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION
(A Component Unit of the City of Phoenix, Arizona)

NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

Fiscal Year Ending June 30	Principal	Interest	Total
Junior Lien Airport Revenue Bonds, Taxable Series 2010B (Recovery Zone Economic Development Bonds-Direct Payment)			
2017	\$ —	\$ 1,408,770	\$ 1,408,770
2018	—	1,408,770	1,408,770
2019	—	1,408,770	1,408,770
2020	—	1,408,770	1,408,770
2021	—	1,408,770	1,408,770
2022 - 2026	—	7,043,850	7,043,850
2027 - 2031	—	7,043,850	7,043,850
2032 - 2036	—	7,043,850	7,043,850
2037 - 2040	21,345,000	5,635,080	26,980,080
Total	<u>\$ 21,345,000</u>	<u>\$ 33,810,480</u>	<u>\$ 55,155,480</u>

Coupon rates	<u>6.60%</u>
Effective interest rate	<u>3.67%</u>

Junior Lien Airport Revenue Refunding Bonds, Series 2010C (Non-AMT)

2017	\$ —	\$ 1,604,000	\$ 1,604,000
2018	—	1,604,000	1,604,000
2019	—	1,604,000	1,604,000
2020	—	1,604,000	1,604,000
2021	—	1,604,000	1,604,000
2022 - 2025	32,080,000	4,864,250	36,944,250
Total	<u>\$ 32,080,000</u>	<u>\$ 12,884,250</u>	<u>\$ 44,964,250</u>

Coupon rates	<u>5.00%</u>
Effective interest rate	<u>4.33%</u>

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

2017	\$ 1,535,000	\$ 4,648,500	\$ 6,183,500
2018	1,615,000	4,571,750	6,186,750
2019	1,695,000	4,491,000	6,186,000
2020	1,780,000	4,406,250	6,186,250
2021	1,870,000	4,317,250	6,187,250
2022 - 2026	10,835,000	20,088,250	30,923,250
2027 - 2031	13,835,000	17,093,500	30,928,500
2032 - 2036	17,655,000	13,272,000	30,927,000
2037 - 2041	22,215,000	8,706,400	30,921,400
2042 - 2045	21,935,000	2,808,500	24,743,500
Total	<u>\$ 94,970,000</u>	<u>\$ 84,403,400</u>	<u>\$ 179,373,400</u>

Coupon rates	<u>4.00 - 5.00%</u>
Effective interest rate	3.99%

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION
(A Component Unit of the City of Phoenix, Arizona)

NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

Fiscal Year Ending June 30	Principal	Interest	Total
Junior Lien Airport Revenue Refunding Bonds, Series 2015B (Non-AMT)			
2017	\$ —	\$ 932,750	\$ 932,750
2018	—	932,750	932,750
2019	—	932,750	932,750
2020	—	932,750	932,750
2021	—	932,750	932,750
2022 - 2026	—	4,663,750	4,663,750
2027 - 2031	—	4,663,750	4,663,750
2032 - 2034	18,655,000	2,798,250	21,453,250
Total	<u>\$ 18,655,000</u>	<u>\$ 16,789,500</u>	<u>\$ 35,444,500</u>

Coupon rates 5.00%

Effective interest rate 4.08%

Rental Car Facility Charge Revenue Bonds, Taxable Series 2004

2017	\$ 9,795,000	\$ 11,478,392	\$ 21,273,392
2018	10,370,000	10,903,426	21,273,426
2019	10,990,000	10,284,336	21,274,336
2020	11,645,000	9,628,234	21,273,234
2021	12,365,000	8,909,737	21,274,737
2022 - 2026	74,275,000	32,105,109	106,380,109
2027 - 2029	56,610,000	7,219,063	63,829,063
Total	<u>\$ 186,050,000</u>	<u>\$ 90,528,297</u>	<u>\$ 276,578,297</u>

Coupon rates 3.69 - 6.25%

Effective interest rate 6.20%

Junior Lien Water System Revenue Refunding Bonds, Series 2001

2017	\$ 4,915,000	\$ 2,558,237	\$ 7,473,237
2018	5,175,000	2,300,200	7,475,200
2019	5,445,000	2,028,513	7,473,513
2020	5,730,000	1,742,650	7,472,650
2021	6,035,000	1,441,825	7,476,825
2022 - 2024	20,180,000	2,259,400	22,439,400
Total	<u>\$ 47,480,000</u>	<u>\$ 12,330,825</u>	<u>\$ 59,810,825</u>

Coupon rates 4.00 - 5.50%

Effective interest rate 4.68%

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION
(A Component Unit of the City of Phoenix, Arizona)

NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

Fiscal Year Ending June 30	Principal	Interest	Total
Junior Lien Water System Revenue Bonds, Series 2009A			
2017	\$ 10,415,000	\$ 21,475,100	\$ 31,890,100
2018	10,935,000	20,954,350	31,889,350
2019	11,480,000	20,407,600	31,887,600
2020	12,055,000	19,833,600	31,888,600
2021	12,655,000	19,234,600	31,889,600
2022 - 2026	73,370,000	86,069,813	159,439,813
2027 - 2031	93,545,000	65,895,312	159,440,312
2032 - 2036	119,325,000	40,114,238	159,439,238
2037 - 2039	86,860,000	8,805,637	95,665,637
Total	<u>\$ 430,640,000</u>	<u>\$ 302,790,250</u>	<u>\$ 733,430,250</u>

Coupon rates	<u>3.50 - 5.00%</u>
Effective interest rate	<u>4.63%</u>

Junior Lien Water System Revenue Refunding Bonds, Series 2009B

2017	\$ 10,365,000	\$ 1,525,488	\$ 11,890,488
2018	10,865,000	1,024,625	11,889,625
2019	11,370,000	517,125	11,887,125
Total	<u>\$ 32,600,000</u>	<u>\$ 3,067,238</u>	<u>\$ 35,667,238</u>

Coupon rates	<u>2.75 - 5.00%</u>
Effective interest rate	<u>2.78%</u>

Junior Lien Water System Revenue Refunding Bonds, Series 2011

2017	\$ 11,215,000	\$ 6,659,625	\$ 17,874,625
2018	11,775,000	6,098,875	17,873,875
2019	12,285,000	5,595,250	17,880,250
2020	12,820,000	5,062,200	17,882,200
2021	13,360,000	4,518,100	17,878,100
2022 - 2026	77,455,000	11,943,400	89,398,400
Total	<u>\$ 138,910,000</u>	<u>\$ 39,877,450</u>	<u>\$ 178,787,450</u>

Coupon rates	<u>2.00 - 5.00%</u>
Effective interest rate	<u>3.12%</u>

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION
(A Component Unit of the City of Phoenix, Arizona)

NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

Fiscal Year Ending June 30	Principal	Interest	Total
Junior Lien Water System Revenue Bonds, Series 2014A			
2017	\$ —	\$ 7,317,400	\$ 7,317,400
2018	—	7,317,400	7,317,400
2019	3,170,000	7,317,400	10,487,400
2020	3,235,000	7,254,000	10,489,000
2021	3,330,000	7,156,950	10,486,950
2022 - 2026	19,140,000	33,298,000	52,438,000
2027 - 2031	24,430,000	28,010,250	52,440,250
2032 - 2036	31,150,000	21,286,000	52,436,000
2037 - 2041	39,680,000	12,752,688	52,432,688
2042 - 2044	28,695,000	2,768,062	31,463,062
Total	<u>\$ 152,830,000</u>	<u>\$ 134,478,150</u>	<u>\$ 287,308,150</u>

Coupon rates 2.00 - 5.00%

Effective interest rate 3.76%

Junior Lien Water System Revenue Refunding Bonds, Series 2014B

2017	\$ 9,485,000	\$ 20,778,050	\$ 30,263,050
2018	12,770,000	20,303,800	33,073,800
2019	13,405,000	19,665,300	33,070,300
2020	33,205,000	18,995,050	52,200,050
2021	34,865,000	17,334,800	52,199,800
2022 - 2026	193,680,000	59,334,000	253,014,000
2027 - 2029	138,845,000	11,684,150	150,529,150
Total	<u>\$ 436,255,000</u>	<u>\$ 168,095,150</u>	<u>\$ 604,350,150</u>

Coupon rates 3.00 - 5.00%

Effective interest rate 2.64%

Senior Lien Wastewater System Revenue Refunding Bonds, Series 2008

2017	\$ 15,140,000	\$ 6,545,550	\$ 21,685,550
2018	11,145,000	5,712,850	16,857,850
2019	11,715,000	5,099,875	16,814,875
2020	12,325,000	4,455,550	16,780,550
2021	12,955,000	3,777,675	16,732,675
2022 - 2024	55,730,000	6,568,925	62,298,925
Total	<u>\$ 119,010,000</u>	<u>\$ 32,160,425</u>	<u>\$ 151,170,425</u>

Coupon rates 5.50%

Effective interest rate 5.02%

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION
(A Component Unit of the City of Phoenix, Arizona)

NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

Fiscal Year Ending June 30	Principal	Interest	Total
Junior Lien Wastewater System Revenue Bonds, Series 2007			
2017	\$ 7,135,000	\$ 13,434,337	\$ 20,569,337
2018	7,525,000	13,113,088	20,638,088
2019	7,940,000	12,736,837	20,676,837
2020	8,375,000	12,339,838	20,714,838
2021	8,835,000	11,921,087	20,756,087
2022 - 2026	52,030,000	52,486,838	104,516,838
2027 - 2031	68,005,000	37,983,875	105,988,875
2032 - 2036	88,880,000	19,010,000	107,890,000
2037	20,810,000	1,040,500	21,850,500
Total	<u>\$ 269,535,000</u>	<u>\$ 174,066,400</u>	<u>\$ 443,601,400</u>

Coupon rates 4.00 - 5.00%

Effective interest rate 4.65%

Junior Lien Wastewater System Revenue Refunding Bonds, Series 2011

2017	\$ 8,340,000	\$ 4,867,350	\$ 13,207,350
2018	13,460,000	4,510,350	17,970,350
2019	14,040,000	3,927,350	17,967,350
2020	14,685,000	3,285,350	17,970,350
2021	15,360,000	2,611,100	17,971,100
2022 - 2024	38,030,000	3,503,350	41,533,350
Total	<u>\$ 103,915,000</u>	<u>\$ 22,704,850</u>	<u>\$ 126,619,850</u>

Coupon rates 2.00 - 5.00%

Effective interest rate 2.58%

Junior Lien Wastewater System Revenue Refunding Bonds, Series 2014

2017	\$ 6,975,000	\$ 5,667,400	\$ 12,642,400
2018	7,255,000	5,388,400	12,643,400
2019	7,620,000	5,025,650	12,645,650
2020	7,830,000	4,810,850	12,640,850
2021	8,215,000	4,431,350	12,646,350
2022 - 2026	47,340,000	15,873,000	63,213,000
2027 - 2029	34,430,000	3,499,000	37,929,000
Total	<u>\$ 119,665,000</u>	<u>\$ 44,695,650</u>	<u>\$ 164,360,650</u>

Coupon rates 1.75 - 5.00%

Effective interest rate 3.00%

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION
(A Component Unit of the City of Phoenix, Arizona)

NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

Total Bonds Payable					
2017	\$	226,230,000	\$	227,166,198	\$ 453,396,198
2018		244,975,000		216,464,544	461,439,544
2019		263,525,000		204,852,022	468,377,022
2020		282,770,000		192,463,188	475,233,188
2021		217,655,000		178,741,558	396,396,558
2022 - 2026		1,104,260,000		724,640,239	1,828,900,239
2027 - 2031		848,180,000		466,994,864	1,315,174,864
2032 - 2036		680,250,000		282,785,109	963,035,109
2037 - 2041		560,315,000		110,432,680	670,747,680
2042 - 2046		131,560,000		14,637,812	146,197,812
Total	\$	<u>4,559,720,000</u>	\$	<u>2,619,178,214</u>	<u>\$ 7,178,898,214</u>

Changes in long-term debt during fiscal year 2015-16 are summarized as follows (in thousands):

Bonds Payable, July 1	4,658,075
Additions	114,440
Reductions	(212,795)
Bonds Payable, June 30	<u>4,559,720</u>
Amounts Due Within One Year	<u>226,230</u>

6. Commercial Paper Notes Payable

The City entered into purchase agreements with the Corporation for the acquisition and construction of improvements to the the City's airport. The Corporation is currently authorized to issue up to an aggregate principal amount of \$100,000,000 of its Airport Commercial Paper Program Notes, Series 2014ABC-1 (the "Airport CP, Series 2014ABC-1"), and an aggregate principal amount of \$100,000,000 of its Airport Commercial Paper Program Notes, Series 2014ABC-2 (the "Airport CP, Series 2014ABC-2").

In December 2015, the CIC issued Junior Lien Airport Revenue Refunding Bonds, Series 2015A (Non-AMT) to refund \$100,000,000 aggregate principal of Airport Commercial Paper (CP) Program Notes, Series 2014A-1 and 2014A-2. On June 1, 2016, the City issued \$60,000,000 of Airport CP, Series 2014B-1 and \$30,000,000 of Airport CP, Series 2014B-2 for the Terminal 3 Modernization project. The remaining outstanding balances at June 30, 2016 are \$100,000,000 of Airport CP, Series 2014B-1 and \$30,000,000 of Airport CP, Series 2014B-2. The CP is issued in varying maturities up to 270 days. Interest rates paid on the CP range from 0.02% through 0.53%. The CP is secured by letters of credit issued by Bank of America, N.A. and Barclays Bank PLC for Airport CP Series 2014ABC-1 and Airport CP, Series 2014ABC-2, respectively.

Changes in commercial paper notes payable (in thousands):

Commercial Paper Notes Payable, July 1	\$ 140,000
Additions	90,000
Reductions	(100,000)
Commercial Paper Notes Payable, June 30	<u>\$ 130,000</u>

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION
(A Component Unit of the City of Phoenix, Arizona)

NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

7. Construction Commitments

As of June 30, 2016, the Corporation has outstanding construction commitments of \$15,000 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

On November 1, 2016, the City of Phoenix Civic Improvement Corporation issued \$225,325,000 of Junior Lien Wastewater System Revenue Refunding Bonds, Series 2016. The bonds were issued at an all-in true interest cost of 2.89% and were dated and delivered November 16, 2016.