

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, 2018





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, 2018

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CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION

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

ADMINISTRATIVE ORGANIZATION

Board Members

Michael R. Davis
President

Bruce Covill
Vice President

James H. Lundy
Secretary/Treasurer

Barbara Barone
Director

Marian Yim
Director

Vacant
Director

City of Phoenix Administrative Staff

Ed Zuercher
City Manager

Denise M. Olson
Chief Financial Officer

Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities and each major fund of the City of Phoenix Civic Improvement Corporation (Corporation), as of and for the year ended June 30, 2018, 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 opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Corporation as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

BKD, LLP

Dallas, Texas
December 18, 2018

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, 2018.

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 16-53 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, 2018. The prior year's financial position and results are presented for comparative purposes.

Summary of net position (in thousands):

	2018	2017
Current assets	\$ 848,710	\$ 694,806
Noncurrent assets	4,056,257	4,357,706
Total assets	<u>4,904,967</u>	<u>5,052,512</u>
Deferred outflows of resources	—	—
Current liabilities	652,532	763,967
Noncurrent liabilities	4,559,370	4,512,040
Total liabilities	<u>5,211,902</u>	<u>5,276,007</u>
Deferred inflows of resources	—	—
Net position		
Restricted for debt service	134,787	143,133
Unrestricted	<u>(441,722)</u>	<u>(366,628)</u>
Total net position (deficit)	<u>\$ (306,935)</u>	<u>\$ (223,495)</u>

Summary of changes in net position (in thousands):

	2018	2017
Program revenues	\$ 293,276	\$ 130,892
Investment income	1,628	544
Payments from the City of Phoenix	1,548	798
Total revenues	<u>296,452</u>	<u>132,234</u>
Cost of sales	203,338	1,502
Interest on long-term debt, net	168,726	186,810
Other expenses	7,828	6,065
Total expenses	<u>379,892</u>	<u>194,377</u>
Change in net position	<u>\$ (83,440)</u>	<u>\$ (62,143)</u>

Total assets decreased by 2.9% in the current fiscal year from \$5.05 billion at June 30, 2017 to \$4.90 billion as of June 30, 2018. The decrease in assets relates to a reduction in assets held for sale due to the issuance of the Senior Lien Airport Revenue Bonds, Series 2017A series. Total liabilities decreased by 1.2% in the current fiscal year from \$5.28 billion in fiscal year 2017 to \$5.21 billion in fiscal year 2018. The decrease in liabilities is primarily due to bond refundings and principal payments in excess of new issuances during fiscal year 2018.

Program revenues increased \$162.4 million, or 124.1% in fiscal year 2018 due to an increase in new issuances that offset refundings. Investment income increased due to higher yields on investments in fiscal year 2018. The increase in payments from the City of Phoenix is due to more monies needed to cover trustee fees and other expenses. Total expenses increased in fiscal year 2018 by \$185.5 million, or 95.4%, due to the issuance of the Senior Lien Airport Revenue Bonds, Series 2017A series, when assets held for sale were recognized as cost of sales. The net position of the Corporation decreased \$83.4 million for the fiscal year ended June 30, 2018.

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, 2017</u>	Net Change in <u>Fund Balances (Deficit)</u>	Fund Balances <u>June 30, 2018</u>
General	\$ 15	\$ 6	\$ 21
Debt Service	143,133	(8,346)	134,787
Capital Projects	(71,601)	273,269	201,668
Total	<u>\$ 71,547</u>	<u>\$ 264,929</u>	<u>\$ 336,476</u>

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

The Debt Service Fund accounts primarily for current year principal and interest debt service payments, the related payments from the City, and issuance costs during fiscal year 2018.

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 the bond proceeds for new capital projects exceeding capital outlay costs in fiscal year 2018.

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, 2018, the Corporation’s bond payable decreased by \$24,300,000. This decrease was primarily due to routine debt service payments. During fiscal year 2018, the Corporation issued two new revenue bond and four new revenue refunding bonds.

During 2018, the Corporation refinanced the entire outstanding \$180,000,000 of Airport Commercial Paper Program Notes (Airport CP) into the Senior Lien Airport Revenue Bonds, Series 2017A series on November 21, 2017. There is no outstanding Airport CP at June 30, 2018.

Further detail pertaining to the Corporation’s outstanding long-term debt is available in Note 6 on pages 29-52.

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, 2018

(in thousands)

	Governmental Activities
ASSETS	
Current Assets	
Restricted Cash with Fiscal Agents	\$ 366,649
Investments	224,140
Prepaid Items	21
Current Portion of Sales Contracts Receivable	257,900
Total Current Assets	848,710
Noncurrent Assets	
Restricted Cash with Fiscal Agents	125,053
Sales Contracts Receivable, Less Current Portion	3,848,905
Assets Held for Sale to the City of Phoenix	82,299
Total Noncurrent Assets	4,056,257
Total Assets	4,904,967
DEFERRED OUTFLOWS OF RESOURCES	
Total Deferred Outflows of Resources	—
LIABILITIES	
Current Liabilities	
Accounts Payable	12,738
Advances from the City of Phoenix	7,265
Matured Bonds Payable	255,236
Interest Payable	111,413
Current Portion of Bonds Payable	265,880
Total Current Liabilities	652,532
Noncurrent Liabilities	
Bonds Payable, Less Current Portion	4,083,765
Unamortized Premium	475,605
Total Noncurrent Liabilities	4,559,370
Total Liabilities	5,211,902
DEFERRED INFLOWS OF RESOURCES	
Total Deferred Inflows of Resources	—
NET POSITION (DEFICIT)	
Restricted for Debt Service	134,787
Unrestricted	(441,722)
Total Net Position (Deficit)	\$ (306,935)

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, 2018
(in thousands)

	Governmental Activities
EXPENSES	
Cost of Sales	\$ 203,338
Interest on Long-Term Debt, net	168,726
Issuance Costs	7,316
Trustee Fees	65
Other	447
Total Expenses	379,892
 PROGRAM REVENUES	
Sales Contracts Income	77,489
Sales Contracts Interest Income	215,194
Other Income	593
Total Program Revenues	293,276
Net Program Revenues (Expenses)	(86,616)
 GENERAL REVENUES	
Investment Income	1,628
Payments from the City of Phoenix	1,548
Total General Revenues	3,176
Change in Net Position	(83,440)
NET DEFICIT, JULY 1, 2017	(223,495)
NET DEFICIT, JUNE 30, 2018	\$ (306,935)

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, 2018
(in thousands)

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals</u>
ASSETS				
Cash with Fiscal Agents	\$ —	\$ 491,702	\$ —	\$ 491,702
Investments	—	9,734	214,406	224,140
Prepaid Items	21	—	—	21
Total Assets	<u>21</u>	<u>501,436</u>	<u>214,406</u>	<u>715,863</u>
DEFERRED OUTFLOWS OF RESOURCES				
Total Deferred Outflows of Resources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
LIABILITIES				
Accounts Payable	—	—	12,738	12,738
Matured Bonds Payable	—	255,236	—	255,236
Interest Payable	—	111,413	—	111,413
Total Liabilities	<u>—</u>	<u>366,649</u>	<u>12,738</u>	<u>379,387</u>
DEFERRED INFLOWS OF RESOURCES				
Total Deferred Inflows of Resources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
FUND BALANCES				
Fund Balances				
Nonspendable				
Prepaid Items	21	—	—	21
Spendable				
Restricted for Debt Service	—	134,787	—	134,787
Unassigned	—	—	201,668	201,668
Total Fund Balances	<u>\$ 21</u>	<u>\$ 134,787</u>	<u>\$ 201,668</u>	<u>\$ 336,476</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, 2018
(in thousands)

Fund balances - total governmental funds balance sheet	\$	336,476
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.		82,299
Sales contracts receivable are not available to pay for current period expenditures and, therefore, are not reported in the governmental funds.		4,106,805
Advances from the City of Phoenix that are payments for long-term liabilities are not reported in the governmental funds.		(7,265)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.		(4,825,250)
		<hr/>
Net position (deficit) of governmental activities - statement of net position	\$	<u><u>(306,935)</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, 2018
(in thousands)

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals</u>
REVENUES				
Investment Income	\$ —	\$ 1,470	\$ 158	\$ 1,628
Payments from the City of Phoenix	1,548	477,137	—	478,685
Other	—	593	—	593
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	1,548	479,200	158	480,906
EXPENDITURES				
Debt Service				
Principal	—	261,943	—	261,943
Interest	—	218,103	—	218,103
Capital Outlay	—	—	81,889	81,889
Issuance Costs	1,030	3,953	2,333	7,316
Trustee Fees	65	—	—	65
Letter of Credit and Other Miscellaneous Fees	447	—	—	447
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	1,542	483,999	84,222	569,763
Revenues Over (Under) Expenditures	<hr/>	<hr/>	<hr/>	<hr/>
	6	(4,799)	(84,064)	(88,857)
OTHER FINANCING SOURCES (USES)				
Transfers from (to) Other Funds	—	14,006	(14,006)	—
Bond Proceeds	—	—	324,200	324,200
Proceeds from Refunding Bonds	—	768,205	—	768,205
Premium on Bonds	—	114,418	47,139	161,557
Deposit to Refunding Escrow	—	(900,176)	—	(900,176)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	—	(3,547)	357,333	353,786
Net Increase/(Decrease) in Fund Balances	<hr/>	<hr/>	<hr/>	<hr/>
	6	(8,346)	273,269	264,929
FUND BALANCES (DEFICIT), JULY 1, 2017	<hr/>	<hr/>	<hr/>	<hr/>
	15	143,133	(71,601)	71,547
FUND BALANCES, JUNE 30, 2018	<hr/>	<hr/>	<hr/>	<hr/>
	<u>\$ 21</u>	<u>\$ 134,787</u>	<u>\$ 201,668</u>	<u>\$ 336,476</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 STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

For the Fiscal Year Ended June 30, 2018
(in thousands)

Net change in fund balances - total governmental funds	\$	264,929
<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>		81,889
<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>		(261,943)
<p>Sales contracts income provides program revenue and cost of sales are an expense in the statement of activities. This amount includes the sales contract income in excess of the cost of sales and the adjustment to sales contract income resulting from refundings. Cost of sales and sales contracts income are not reported in the governmental funds.</p>		(125,849)
<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 and amounts refunded (\$1,162,119) were greater than additions (\$1,092,405).</p>		69,714
<p>Bond premiums provide current financial resources to governmental funds but increase long-term liabilities in the Statement of Net Position. This is the difference between premiums issued (\$161,557) and the amortization of premiums (\$49,377) in the current year.</p>		(112,180)
Change in net position of governmental activities - statement of activities	\$	<u>(83,440)</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)

NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2018

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

1. Summary of Significant Accounting Policies

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

a. Reporting Entity

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

b. Basic Financial Statements

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

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

The government-wide statement of net position reports all financial and capital resources of the government. It is displayed in a format of assets plus deferred outflows of resources less liabilities plus deferred inflows of resources equals net position, with the assets and liabilities shown in order of their relative liquidity. Net position is required to be displayed in three components: 1) Net investment in capital assets, 2) restricted and 3) unrestricted. Net investment in capital assets, are capital assets net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The Corporation has no capital assets, thus has no net investment in capital assets. Restricted net position is subject to constraints that are: 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or law or regulations of other governments, or 2) imposed by law through constitutional provisions or enabling legislation. All net position not otherwise classified as restricted, are shown as unrestricted. Generally, the Corporation would first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

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

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, 2018

transform the financial statements into the entity-wide financial statements.

c. Fund Accounting

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

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

The Corporation considers the following funds to be major funds:

General Fund

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

Debt Service Fund

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 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, 2018

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 expenditures of the period.

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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. All gains and/or losses from refundings are recognized by the Corporation as a component of Sales Contract Income in the Statement of Activities. As of June 30, 2018, the City has recorded \$59.7 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

New Accounting Pronouncements Adopted in 2018:

GASB Statement No. 75, GASB Statement No. 75, ***Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions***, will improve the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire OPEB liability and a more comprehensive measure of OPEB expense. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2017. The Corporation has determined there is no impact to the financial statements as a result of this Statement.

GASB Statement No. 81, ***Irrevocable Split-Interest Agreements***, requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. The Statement also provides expanded guidance for circumstances in which the government holds the assets. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016. The Corporation has determined there is no impact to the financial statements as a result of this Statement.

GASB Statement No. 85, ***Omnibus 2017***, addresses practice issues that were identified during implementation and application of certain GASB Statements. The Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits (OPEB)). The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2017. The Corporation has determined there is no impact to the financial statements as a result of this Statement.

GASB Statement No. 86, ***Certain Debt Extinguishment Issues***, establishes standards of accounting and financial reporting requirements, for in-substance defeasance of debt transactions in which cash and other monetary assets acquired with only existing resources-that is, resources other than the proceeds of refunding debt-are placed in a irrevocable trust for the sole purpose of future repayment of outstanding debt. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2017. The Corporation has determined there is no impact to the financial statements as a result of this Statement.

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GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. For financial statement that are prepared with the current financial resources measurement focus, the interest cost incurred before the end of a construction period should be recognized as an expense according to governmental fund accounting principles. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2019. The Corporation has determined there is no impact to the financial statements as a result of this Statement.

Pronouncements Issued But Not Yet Effective:

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

<u>GASB Statement No.</u>	<u>GASB Accounting Standard</u>	<u>Effective Fiscal Year</u>
83	<i>Certain Asset Retirement Obligations</i>	2019
84	<i>Fiduciary Activities</i>	2020
87	<i>Leases</i>	2021
88	<i>Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements</i>	2019
90	<i>Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61</i>	2020

2. Cash with Fiscal Agents

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

The carrying amount of the Corporation's cash with fiscal agents and the bank ledger balance at June 30, 2018 was \$491.7 million.

The below amounts are held for July 1, 2018 maturities (in thousands):

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Municipal Corporation Obligations	\$ 255,236	\$ 111,413	\$ 366,649

3. Investments

Investments are held in the City's name. The City Charter and ordinances authorize the City to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, repurchase agreements, money market accounts, commercial paper, certificates of deposit, the State Treasurer's Local Government Investment Pool (LGIP), highly rated obligations issued or guaranteed by any state or political subdivision thereof rated in the highest short-term or second highest long-term category and investment grade corporate bonds, debentures, notes and other evidence of indebtedness issued or guaranteed by a solvent U.S. corporation which are not in default as to principal or interest.

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Investments are stated at fair value. Management intends to hold these investments until maturity. The fair value of these securities at June 30, 2018, is as follows (in thousands):

	Credit Rating	Fair Value	Weighted Average Maturity (years)
U.S. Treasury Securities	N/A (1)	\$ 184,186	0.210
U.S. Government Agency Securities FHLB Notes	AA+	39,954	0.066
Total Investments		<u>\$ 224,140</u>	0.184

(1) U.S. Government Guaranteed

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

State of Arizona Distribution Revenue Bonds (Civic Plaza Expansion Project), Series 2005B	\$ 9,735
Senior Lien Excise Tax Revenue Bonds, Series 2011	405
Subordinated Excise Tax Revenue, Series 2017	71,765
Jr. Lien Wastewater System Revenue Refunding Bonds, Series 2018A	<u>142,235</u>
Total	<u>\$ 224,140</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, 2018 (in thousands):

Investments by Fair Value Level	Fair Value Measurement Using:			
	6/30/18	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Government securities	\$ 184,186	\$ —	\$ 184,186	\$ —
U.S. Government agency	39,954	—	39,954	—
Total investments and cash equivalents by fair value level	<u>\$ 224,140</u>	<u>\$ —</u>	<u>\$ 224,140</u>	<u>\$ —</u>

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which

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are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. As of June 30, 2018, no investments were classified within Level 1 or Level 3 of the fair value hierarchy.

Interest Rate Risk

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

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	\$ 39,954

4. Sales Contracts Receivable

Under the terms of the sales contract agreements, the City agrees to pay a purchase price equal to the debt service requirements of the bonds and certificates issued by the Corporation to finance or refinance the purchases or construction of the property and equipment, plus expenses incurred by the Corporation for purposes approved by the City, less interest income earned on the Corporation's investments. Asset acquisition and construction costs are recorded as assets held for sale to the City. When construction is completed the asset is sold to the City. The accompanying statement of net position reflects the amounts due for completed assets as a receivable from the City. Principal and interest payments due from the City at June 30, 2018 are as follows (in thousands):

Total receivable from the City of Phoenix	\$ 6,334,735
Less: Interest Portion	<u>(2,227,930)</u>
Sales contracts receivable	4,106,805
Less current portion	<u>(257,900)</u>
Sales contracts receivable - long-term	<u><u>\$ 3,848,905</u></u>

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

Senior Lien Excise Tax Revenue Bonds, Series 2011A

On June 7, 2011, the Corporation entered into an agreement with the City whereby the Corporation agreed to fund or reimburse the City for the costs of acquisition of vehicles and equipment identified for lease-purchase in the

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current and prior fiscal years through the issuance of \$27,530,000 of Senior Lien Excise Tax Revenue Bonds, Series 2011A.

Senior Lien Excise Tax Revenue Bonds, Taxable Series 2011B

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

Senior Lien Excise Tax Revenue Refunding Bonds, Series 2011C

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

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

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

Senior Lien Excise Tax Revenue Refunding Bonds, Series 2012

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

Subordinated Excise Tax Revenue Refunding Bonds, Taxable Series 2011

On June 1, 2011, the Corporation entered into a purchase agreement with the City under which the Corporation refunded 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.

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Subordinated Excise Tax Revenue Refunding Bonds, Series 2012A

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

Subordinated Excise Tax Revenue Refunding Bonds, Taxable Series 2012B

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

Subordinated Excise Tax Revenue Refunding Bonds, Series 2015A

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

Subordinated Excise Tax Revenue Refunding Bonds, Taxable Series 2015B

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

Subordinated Excise Tax Revenue Bonds, Series 2017A

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

Subordinated Excise Tax Revenue Refunding Bonds, Series 2017B

The issuance of \$101,895,000 of Subordinated Excise Tax Revenue Refunding Bonds, Series 2017B, dated June 1, 2017, refunded \$80,695,000 of Senior Lien Excise Tax Revenue Refunding Bonds, Series 2007, and \$36,415,000 of Subordinated Excise Tax Revenue Refunding Bonds, Series 2007B. The proceeds from the issuance of \$101,895,000 of Subordinated Excise Tax Revenue Refunding Bonds, Series 2017B were transferred to the respective paying agents for the bonds and interest refunded.

Subordinated Excise Tax Revenue Refunding Bonds, Taxable Series 2017C

The issuance of \$15,680,000 of Subordinated Excise Tax Revenue Refunding Bonds, Taxable Series 2017C, dated June 1, 2017, refunded \$15,515,000 of Subordinated Excise Tax Revenue Refunding Bonds, Taxable Series 2007C. The proceeds from the issuance of \$15,680,000 of Subordinated Excise Tax Revenue

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Refunding Bonds, Taxable Series 2017C were transferred to the respective paying agents for the bonds and interest refunded.

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

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

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 Refunding Bonds, Series 2013 (AMT)

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

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

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

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

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

Senior Lien Airport Revenue Refunding Bonds, Taxable Series 2017C

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

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.

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In December 2017, \$512,925,000 of Junior Lien Airport Revenue Bonds, Series 2010A (Non-AMT) was refunded. The proceeds from the issuance of \$474,725,000 of Junior Lien Airport Revenue Refunding Bonds, Series 2017D were placed in an irrevocable trust to be applied to the principal and interest payments of the refunded maturities. Debt service payments related to the Junior Lien Airport Revenue Bonds, Series 2010A (Non-AMT) which were not refunded are included in the Junior Lien Airport Revenue Bonds, Series 2010A (Non-AMT).

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

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

Junior Lien Airport Revenue 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.

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

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

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.

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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 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 funded 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.

In January 2017, \$397,810,000 of Junior Lien Water System Revenue Bonds, Series 2009A was refunded. The proceeds from the issuance of \$375,780,000 of Junior Lien Water System Revenue Refunding Bonds, Series 2016 were placed in an irrevocable trust to be applied to the principal and interest payments of the refunded maturities. Debt service payments related to the Junior Lien Water System Revenue Bonds, Series 2009A which were not refunded are included in the 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 funded improvements of the City's water system and for the purpose of refunding the Corporation's outstanding Water System Revenue Commercial Paper Program Notes, Series 2012A and Series 2012B. This agreement was financed through the issuance of \$152,830,000 of Junior Lien Water System Revenue Bonds, Series 2014A.

Junior Lien Water System Revenue Refunding Bonds, Series 2014B

The issuance of \$445,085,000 of Junior Lien Water System Revenue Refunding Bonds, Series 2014B, dated

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

Junior Lien Water System Revenue Refunding Bonds, Series 2016

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

Senior Lien Wastewater Revenue Refunding Bonds, Series 2018B

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

Junior Lien Wastewater System Revenue Refunding Bonds, Series 2011

On December 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.

Junior Lien Wastewater System Revenue Refunding Bonds, Series 2016

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

Junior Lien Wastewater System Revenue Bonds, Series 2018A

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

5. Refunded Obligations

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

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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, 2018 were as follows (in thousands):

Refunded and Defeased Bonds					
Date Refunded/ Defeased	Call Date	Issue Dates	Type	Balance Outstanding	Assets Held in Trust (1)
01/10/17	07/01/19	06/02/09	Civic Improvement Corporation Junior Lien Water System Revenue Refunding Bonds	\$ 397,810	\$ 412,619
01/10/17	07/01/20	09/01/10	Civic Improvement Corporation Junior Lien Airport Revenue Bonds (Non-AMT)	\$ 512,925	\$ 544,581

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

6. Bonds Payable

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

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

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Purpose	Call and Redemption Terms
To fund the costs of vehicles and equipment identified as lease-purchase in the current and prior fiscal years.	Bonds maturing on or after July 1, 2022 are callable on 7/1/2021 and thereafter, in whole or in part at any time at 100% of par.
To fund the costs of vehicles and equipment identified as lease-purchase in the current and prior fiscal years; the costs to complete the fourth and fifth floors of the ASU School of Nursing Building; and the purchase of the CityScape Parking Garage.	Bonds maturing on or after July 1, 2022 are callable on 7/1/2021 and thereafter, in whole or in part at any time at 100% of par.
To partially refund the Senior Lien Excise Tax Revenue Bonds (Adams Street Garage Project), Series 1999B, the Municipal Facilities Subordinated Excise Tax Revenue Bonds, Series 2000, the Municipal Facilities Subordinated Excise Tax Revenue Bonds, Series 2003B, the Senior Lien Excise Tax Revenue Refunding Bonds, Series 2003, the Subordinated Excise Tax Revenue Bonds, Series 2004, the Subordinated Excise Tax Revenue Bonds, Series 2006B, the Senior Lien Excise Tax Revenue Refunding Bonds, Series 2007, and the Subordinated Excise Tax Revenue Refunding Bonds, Series 2007B.	Bonds maturing on or after July 1, 2022 are callable on 7/1/2021 and thereafter, in whole or in part at any time at 100% of par.
To partially refund the Subordinated Excise Tax Revenue Bonds, Series 2004, the Senior Lien Excise Tax Revenue Refunding Bonds, Series 2007, the Subordinated Excise Tax Revenue Refunding Bonds, Series 2007B, and Certificates of Participation issued through the Arizona Municipal Financing Program, Series 18.	Bonds are not subject to redemption prior to maturity.
To refund a portion of the Corporation's Senior Lien Excise Tax Revenue Refunding Bonds, Series 2003.	Bonds maturing on or after July 1, 2023 are callable on 7/1/22 and thereafter, in whole or in part at any time, at 100% of par.
To refund the Municipal Multipurpose Arena Subordinated Excise Tax Revenue Refunding Bonds, Taxable Series 1998.	Bonds are not subject to redemption prior to maturity.
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.

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Issue	Issue Date	Original Issuance
Subordinated Excise Tax Revenue Refunding Bonds, Series 2015A	05/12/15	\$ 319,305,000
Subordinated Excise Tax Revenue Refunding Bonds, Series 2015B (Taxable)	05/12/15	\$ 60,895,000
Subordinated Excise Tax Revenue Bonds, Series 2017A	06/01/17	\$ 116,835,000
Subordinated Excise Tax Revenue Refunding Bonds, Series 2017B	06/01/17	\$ 101,895,000
Subordinated Excise Tax Revenue Refunding Bonds, Series 2017C (Taxable)	06/01/17	\$ 15,680,000
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 Refunding Bonds, Series 2013 (AMT)	03/05/13	\$ 196,600,000
Senior Lien Airport Revenue Bonds, Series 2017A (AMT)	11/21/17	\$ 190,930,000
Senior Lien Airport Revenue Refunding Bonds, Series 2017B (Non-AMT)	11/21/17	\$ 173,440,000
Senior Lien Airport Revenue Refunding Bonds, Taxable Series 2017C	11/21/17	\$ 35,745,000

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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 certain projects, property and equipment and for acquiring, constructing, equipping and improving real and personal property for the City.	Bonds maturing on or after July 1, 2028 are callable on 7/1/27 and thereafter, in whole or in part at any time, at 100% of par.
To refund the Senior Lien Excise Tax Revenue Refunding Bonds, Series 2007 and refund the Subordinated Excise Tax Revenue Refunding Bonds, Series 2007B.	Bonds maturing on or after July 1, 2028 are callable on 7/1/27 and thereafter, in whole or in part at any time, at 100% of par.
To refund the Subordinated Excise Tax Revenue Refunding Bonds, Series 2007C (Taxable).	Bonds are callable in whole or in part on any date at a redemption price equal to the Make-Whole Redemption Price of the principal amount to be redeemed plus accrued interest.
To fund a portion of the cost of constructing, expanding, modifying and improving the Phoenix Civic Plaza (Convention Center).	Bonds are not subject to redemption prior to maturity.
To refund the outstanding Transit Excise Tax Revenue Bonds (Light Rail Project), Series 2004.	Bonds are not subject to redemption prior to maturity.
To refund the Senior Lien Aviation Revenue Bonds, Series 2002B (AMT).	Bonds maturing on or after July 1, 2024 are callable on 7/1/23 and thereafter, in whole or in part at any time, at 100% of par.
To fund a portion of the costs related to the Terminal 3 Modernization Project with the majority of the proceeds refunding the outstanding balance under a Revolving Credit Agreement.	Bonds maturing on or after July 1, 2028 are callable on 7/1/2027 and thereafter, in whole or in part at any time, at 100% par.
To refund the Senior Lien Airport Revenue Bonds, Series 2008A (Non-AMT).	Bonds maturing on or after July 1, 2028 are callable on 7/1/2027 and thereafter, in whole or in part at any time, at 100% of par.
To refund the Senior Lien Airport Revenue Refunding Bonds, Series 2008C (Non-AMT).	Bonds are not subject to redemption prior to maturity.

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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)	12/15/15	\$ 95,785,000
Junior Lien Airport Revenue Refunding Bonds, Series 2015B (Non-AMT)	12/15/15	\$ 18,655,000
Junior Lien Airport Revenue Refunding Bonds, Series 2017D (Non-AMT)	12/21/17	\$ 474,725,000
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
Junior Lien Water System Revenue Refunding Bonds, Series 2016	01/10/17	\$ 375,780,000

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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 refund the Junior Lien Airport Revenue Bonds, Series 2010A (Non-AMT).	Bonds maturing on or after July 1, 2028 are callable on 7/1/2027 and thereafter, in whole or in part at any time, at 100% par.
To fund the 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 Junior Lien Water System Revenue Bonds, Series 2009A.	Bonds maturing on or after July 1, 2027 are callable on 7/1/26 and thereafter, in whole or in part at any time, at 100% of par.

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Issue	Issue Date	Original Issuance
Senior Lien Wastewater System Revenue Refunding Bonds, Series 2018B	06/19/18	\$ 84,295,000
Junior Lien Wastewater System Revenue Refunding Bonds, Series 2011	12/22/11	\$ 118,290,000
Junior Lien Wastewater System Revenue Refunding Bonds, Series 2014	04/15/14	\$ 127,810,000
Junior Lien Wastewater System Revenue Refunding Bonds, Series 2016	11/16/16	\$ 225,325,000
Junior Lien Wastewater System Revenue Bonds, Series 2018A	06/19/18	\$ 133,270,000

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Purpose	Call and Redemption Terms
To refund the Senior Lien Wastewater System Revenue Refunding Bonds, Series 2008.	Bonds are not subject to redemption prior to maturity.
To refund the outstanding Junior Lien Wastewater System Revenue Refunding Bonds, Series 2001.	Bonds maturing on and after July 1, 2023 are callable on 7/1/2022 and thereafter, in whole or in part at any time, at 100% of par.
To refund the outstanding Junior Lien Wastewater System Revenue Refunding Bonds, Series 2004.	Bonds maturing on and after July 1, 2025 are callable on July 1, 2024 and thereafter, in whole or in part at any time, at 100% of par.
To refund the Junior Lien Wastewater System Revenue Bonds, Series 2007.	Bonds maturing on or after July 1, 2027 are callable on 7/1/26 and thereafter, in whole or in part at any time, at 100% of par.
To fund the cost of certain improvements of the City's wastewater system.	Bonds maturing on or after July 1, 2029 are callable on 7/1/2028 and thereafter, in whole or in part at any time, at 100% par.

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Fiscal Year Ending June 30	Principal	Interest	Total
Senior Lien Excise Tax Revenue Bonds, Series 2011A			
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	350,000	169,238	519,238
2023	360,000	157,425	517,425
2024 - 2028	2,030,000	570,720	2,600,720
2029 - 2031	1,425,000	128,418	1,553,418
Total	<u>\$ 10,280,000</u>	<u>\$ 1,972,833</u>	<u>\$ 12,252,833</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)

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	3,325,000	1,649,069	4,974,069
2023	1,545,000	1,499,211	3,044,211
2024 - 2028	8,260,000	6,344,248	14,604,248
2029 - 2033	10,640,000	3,922,836	14,562,836
2034 - 2036	7,670,000	868,974	8,538,974
Total	<u>\$ 43,525,000</u>	<u>\$ 20,182,448</u>	<u>\$ 63,707,448</u>

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

Senior Lien Excise Tax Revenue Refunding Bonds, Series 2011C

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	4,335,000	987,407	5,322,407
2023	4,500,000	770,656	5,270,656
2024 - 2028	11,210,000	1,173,613	12,383,613
Total	<u>\$ 24,305,000</u>	<u>\$ 6,532,894</u>	<u>\$ 30,837,894</u>

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

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Fiscal Year Ending June 30	Principal	Interest	Total
Senior Lien Excise Tax Revenue Refunding Bonds, Series 2011D (Taxable)			
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>\$ 12,345,000</u>	<u>\$ 875,156</u>	<u>\$ 13,220,156</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

2019	\$ —	\$ 412,825	\$ 412,825
2020	—	412,825	412,825
2021	—	412,825	412,825
2022	—	412,825	412,825
2023	2,205,000	412,825	2,617,825
2024 - 2028	5,625,000	1,385,875	7,010,875
2029	670,000	21,325	691,325
Total	<u>\$ 8,500,000</u>	<u>\$ 3,471,325</u>	<u>\$ 11,971,325</u>

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

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

2019	\$ 4,200,000	\$ 185,094	\$ 4,385,094
Total	<u>\$ 4,200,000</u>	<u>\$ 185,094</u>	<u>\$ 4,385,094</u>

Coupon rates	<u>1.416 - 4.407%</u>
Effective interest rate	<u>3.71%</u>

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Fiscal Year Ending June 30	Principal	Interest	Total
Subordinated Excise Tax Revenue Refunding Bonds, Series 2012A			
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	1,300,000	211,600	1,511,600
2023	1,365,000	146,600	1,511,600
2024 - 2025	1,655,000	84,950	1,739,950
Total	<u>\$ 8,300,000</u>	<u>\$ 1,459,200</u>	<u>\$ 9,759,200</u>

Coupon rates 3.00 - 5.00%

Effective interest rate 2.30%

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

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	1,620,000	1,005,677	2,625,677
2023	1,680,000	952,864	2,632,864
2024 - 2028	9,360,000	3,789,772	13,149,772
2029 - 2033	12,105,000	1,648,143	13,753,143
Total	<u>\$ 29,365,000</u>	<u>\$ 10,686,536</u>	<u>\$ 40,051,536</u>

Coupon rates 1.83 - 3.71%

Effective interest rate 4.01%

Subordinated Excise Tax Revenue Refunding Bonds, Series 2015A

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	8,435,000	14,139,100	22,574,100
2023	8,885,000	13,717,350	22,602,350
2024 - 2028	66,940,000	59,551,500	126,491,500
2029 - 2033	62,275,000	43,905,850	106,180,850
2034 - 2038	79,430,000	26,760,000	106,190,000
2039 - 2041	57,835,000	5,877,500	63,712,500
Total	<u>\$ 306,710,000</u>	<u>\$ 208,621,350</u>	<u>\$ 515,331,350</u>

Coupon rates 3.00 - 5.00%

Effective interest rate 3.56%

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NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2018

Fiscal Year Ending June 30	Principal	Interest	Total
Subordinated Excise Tax Revenue Refunding Bonds, Series 2015B (Taxable)			
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	4,760,000	1,409,395	6,169,395
2023	4,880,000	1,284,969	6,164,969
2024 - 2028	13,650,000	4,759,026	18,409,026
2029 - 2033	12,620,000	2,678,376	15,298,376
2034 - 2035	5,775,000	348,102	6,123,102
Total	<u>\$ 53,755,000</u>	<u>\$ 15,272,122</u>	<u>\$ 69,027,122</u>
Coupon rates		<u>0.41 - 3.992%</u>	
Effective interest rate		<u>3.35%</u>	
Subordinated Excise Tax Revenue Bonds, Series 2017A			
2019	\$ 7,980,000	\$ 5,116,600	\$ 13,096,600
2020	11,015,000	4,717,600	15,732,600
2021	11,565,000	4,166,850	15,731,850
2022	12,145,000	3,588,600	15,733,600
2023	12,755,000	2,981,350	15,736,350
2024 - 2028	37,880,000	6,997,750	44,877,750
2029 - 2032	16,230,000	1,235,250	17,465,250
Total	<u>\$ 109,570,000</u>	<u>\$ 28,804,000</u>	<u>\$ 138,374,000</u>
Coupon rates		<u>3.00 - 5.00%</u>	
Effective interest rate		<u>2.16%</u>	
Subordinated Excise Tax Revenue Refunding Bonds, Series 2017B			
2019	\$ 11,765,000	\$ 4,896,450	\$ 16,661,450
2020	12,355,000	4,308,200	16,663,200
2021	11,870,000	3,690,450	15,560,450
2022	12,235,000	3,096,950	15,331,950
2023	10,405,000	2,485,200	12,890,200
2024 - 2028	36,570,000	5,998,500	42,568,500
2029	6,695,000	200,850	6,895,850
Total	<u>\$ 101,895,000</u>	<u>\$ 24,676,600</u>	<u>\$ 126,571,600</u>
Coupon rates		<u>3.00 - 5.00%</u>	
Effective interest rate		<u>2.02%</u>	

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION
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NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2018

Fiscal Year Ending June 30	Principal	Interest	Total
Subordinated Excise Tax Revenue Refunding Bonds, Series 2017C (Taxable)			
2019	\$ 3,085,000	\$ 229,988	\$ 3,314,988
2020	3,135,000	185,565	3,320,565
2021	3,190,000	131,329	3,321,329
2022	3,245,000	69,443	3,314,443
Total	<u>\$ 12,655,000</u>	<u>\$ 616,325</u>	<u>\$ 13,271,325</u>

Coupon rates 1.29 - 2.14%

Effective interest rate 2.04%

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

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	4,710,000	19,788,450	24,498,450
2023	5,470,000	19,529,400	24,999,400
2024 - 2028	40,270,000	92,216,850	132,486,850
2029 - 2033	66,590,000	78,402,500	144,992,500
2034 - 2038	92,900,000	57,083,675	149,983,675
2039 - 2043	121,415,000	28,567,275	149,982,275
2044	28,435,000	1,563,925	29,998,925
Total	<u>\$ 369,750,000</u>	<u>\$ 357,686,175</u>	<u>\$ 727,436,175</u>

Coupon rates 3.85 - 5.50%

Effective interest rate 4.72%

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

2019	\$ 61,060,000	\$ 6,116,750	\$ 67,176,750
2020	67,275,000	3,263,750	70,538,750
Total	<u>\$ 128,335,000</u>	<u>\$ 9,380,500</u>	<u>\$ 137,715,500</u>

Coupon rates 2.00 - 5.00%

Effective interest rate 2.01%

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION
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NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2018

Fiscal Year Ending June 30	Principal	Interest	Total
Senior Lien Airport Revenue Refunding Bonds, Series 2013 (AMT)			
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	9,500,000	6,747,750	16,247,750
2023	9,970,000	6,272,750	16,242,750
2024 - 2028	57,875,000	23,365,750	81,240,750
2029 - 2032	57,610,000	7,377,000	64,987,000
Total	<u>\$ 160,825,000</u>	<u>\$ 66,635,750</u>	<u>\$ 227,460,750</u>
Coupon rates		<u>3.00 - 5.00%</u>	
Effective interest rate		<u>3.28%</u>	
Senior Lien Airport Revenue Refunding Bonds, Series 2017A (AMT)			
2019	\$ 3,035,000	\$ 9,456,500	\$ 12,491,500
2020	3,190,000	9,304,750	12,494,750
2021	3,345,000	9,145,250	12,490,250
2022	3,515,000	8,978,000	12,493,000
2023	3,690,000	8,802,250	12,492,250
2024 - 2028	21,395,000	41,054,000	62,449,000
2029 - 2033	27,315,000	35,141,250	62,456,250
2034 - 2038	34,860,000	27,595,000	62,455,000
2039 - 2043	44,490,000	17,964,500	62,454,500
2044 - 2047	44,295,000	5,671,500	49,966,500
Total	<u>\$ 189,130,000</u>	<u>\$ 173,113,000</u>	<u>\$ 362,243,000</u>
Coupon rates		<u>5.00%</u>	
Effective interest rate		<u>3.84%</u>	

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NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2018

Fiscal Year Ending June 30	Principal	Interest	Total
Senior Lien Airport Revenue Refunding Bonds, Series 2017B (Non-AMT)			
2019	\$ —	\$ 8,672,000	\$ 8,672,000
2020	—	8,672,000	8,672,000
2021	3,010,000	8,672,000	11,682,000
2022	8,090,000	8,521,500	16,611,500
2023	6,860,000	8,117,000	14,977,000
2024 - 2028	39,815,000	35,082,750	74,897,750
2029 - 2033	50,810,000	24,082,750	74,892,750
2034 - 2038	64,855,000	10,043,750	74,898,750
Total	<u>\$ 173,440,000</u>	<u>\$ 111,863,750</u>	<u>\$ 285,303,750</u>

Coupon rates 5.00%

Effective interest rate 3.23%

Senior Lien Airport Revenue Refunding Bonds, Series 2017C

2019	\$ 9,420,000	\$ 604,100	\$ 10,024,100
2020	16,370,000	432,468	16,802,468
2021	4,820,000	106,377	4,926,377
Total	<u>\$ 30,610,000</u>	<u>\$ 1,142,945</u>	<u>\$ 31,752,945</u>

Coupon rates 1.50 - 2.21%

Effective interest rate 2.23%

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

2019	\$ 15,285,000	\$ 1,502,525	\$ 16,787,525
2020	16,025,000	759,475	16,784,475
Total	<u>\$ 31,310,000</u>	<u>\$ 2,262,000</u>	<u>\$ 33,572,000</u>

Coupon rates 2.00 - 5.00%

Effective interest rate 4.69%

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NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2018

Fiscal Year Ending June 30	Principal	Interest	Total
Junior Lien Airport Revenue Bonds, Taxable Series 2010B (Recovery Zone Economic Development Bonds-Direct Payment)			
2019	\$ —	\$ 1,408,770	\$ 1,408,770
2020	—	1,408,770	1,408,770
2021	—	1,408,770	1,408,770
2022	—	1,408,770	1,408,770
2023	—	1,408,770	1,408,770
2024 - 2028	—	7,043,850	7,043,850
2029 - 2033	—	7,043,850	7,043,850
2034 - 2038	—	7,043,850	7,043,850
2039 - 2040	21,345,000	2,817,540	24,162,540
Total	<u>\$ 21,345,000</u>	<u>\$ 30,992,940</u>	<u>\$ 52,337,940</u>
Coupon rates		<u>6.60%</u>	
Effective interest rate		<u>3.67%</u>	
Junior Lien Airport Revenue Refunding Bonds, Series 2010C (Non-AMT)			
2019	\$ —	\$ 1,604,000	\$ 1,604,000
2020	—	1,604,000	1,604,000
2021	—	1,604,000	1,604,000
2022	—	1,604,000	1,604,000
2023	10,175,000	1,604,000	11,779,000
2024 - 2025	21,905,000	1,656,250	23,561,250
Total	<u>\$ 32,080,000</u>	<u>\$ 9,676,250</u>	<u>\$ 41,756,250</u>
Coupon rates		<u>5.00%</u>	
Effective interest rate		<u>4.33%</u>	
Junior Lien Airport Revenue Bonds, Series 2015A (Non-AMT)			
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	1,960,000	4,223,750	6,183,750
2023	2,060,000	4,125,750	6,185,750
2024 - 2028	11,950,000	18,977,500	30,927,500
2029 - 2033	15,250,000	15,675,500	30,925,500
2034 - 2038	19,405,000	11,519,350	30,924,350
2039 - 2043	24,350,000	6,577,300	30,927,300
2044 - 2045	11,500,000	869,500	12,369,500
Total	<u>\$ 91,820,000</u>	<u>\$ 75,183,150</u>	<u>\$ 167,003,150</u>
Coupon rates		<u>4.00 - 5.00%</u>	
Effective interest rate		<u>3.99%</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, 2018

Fiscal Year Ending June 30	Principal	Interest	Total
Junior Lien Airport Revenue Refunding Bonds, Series 2015B (Non-AMT)			
2019	\$ —	\$ 932,750	\$ 932,750
2020	—	932,750	932,750
2021	—	932,750	932,750
2022	—	932,750	932,750
2023	—	932,750	932,750
2024 - 2028	—	4,663,750	4,663,750
2029 - 2033	—	4,663,750	4,663,750
2034	18,655,000	932,750	19,587,750
Total	<u>\$ 18,655,000</u>	<u>\$ 14,924,000</u>	<u>\$ 33,579,000</u>

Coupon rates 5.00%

Effective interest rate 4.08%

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

2019	\$ —	\$ 22,655,006	\$ 22,655,006
2020	—	22,655,006	22,655,006
2021	15,675,000	22,655,006	38,330,006
2022	16,460,000	21,871,257	38,331,257
2023	17,280,000	21,048,256	38,328,256
2024 - 2028	100,275,000	91,382,781	191,657,781
2029 - 2033	127,980,000	63,679,281	191,659,281
2034 - 2038	142,595,000	33,090,157	175,685,157
2039 - 2040	54,460,000	2,870,400	57,330,400
Total	<u>\$ 474,725,000</u>	<u>\$ 301,907,150</u>	<u>\$ 776,632,150</u>

Coupon rates 3.13 - 5.00%

Effective interest rate 3.36%

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, 2018

Fiscal Year Ending June 30	Principal	Interest	Total
Rental Car Facility Charge Revenue Bonds, Taxable Series 2004			
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	13,130,000	8,146,816	21,276,816
2023	13,940,000	7,336,696	21,276,696
2024 - 2028	83,790,000	22,589,097	106,379,097
2029	20,025,000	1,251,563	21,276,563
Total	<u>\$ 165,885,000</u>	<u>\$ 68,146,479</u>	<u>\$ 234,031,479</u>

Coupon rates 3.69 - 6.25%

Effective interest rate 6.20%

Junior Lien Water System Revenue Refunding Bonds, Series 2001

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	6,370,000	1,109,900	7,479,900
2023	6,720,000	759,550	7,479,550
2024	7,090,000	389,950	7,479,950
Total	<u>\$ 37,390,000</u>	<u>\$ 7,472,388</u>	<u>\$ 44,862,388</u>

Coupon rates 4.00 - 5.50%

Effective interest rate 4.68%

Junior Lien Water System Revenue Bonds, Series 2009A

2019	\$ 11,480,000	\$ 574,000	\$ 12,054,000
Total	<u>\$ 11,480,000</u>	<u>\$ 574,000</u>	<u>\$ 12,054,000</u>

Coupon rates 3.50 - 5.00%

Effective interest rate 4.63%

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, 2018

Fiscal Year Ending June 30	Principal	Interest	Total
Junior Lien Water System Revenue Refunding Bonds, Series 2009B			
2019	\$ 11,370,000	\$ 517,125	\$ 11,887,125
Total	<u>\$ 11,370,000</u>	<u>\$ 517,125</u>	<u>\$ 11,887,125</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			
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	14,030,000	3,850,100	17,880,100
2023	14,715,000	3,164,200	17,879,200
2024 - 2026	48,710,000	4,929,100	53,639,100
Total	<u>\$ 115,920,000</u>	<u>\$ 27,118,950</u>	<u>\$ 143,038,950</u>
Coupon rates		<u>2.00 - 5.00%</u>	
Effective interest rate		<u>3.12%</u>	
Junior Lien Water System Revenue Bonds, Series 2014A			
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	3,465,000	7,023,750	10,488,750
2023	3,635,000	6,850,500	10,485,500
2024 - 2028	21,100,000	31,336,250	52,436,250
2029 - 2033	26,935,000	25,506,250	52,441,250
2034 - 2038	34,315,000	18,118,250	52,433,250
2039 - 2043	43,635,000	8,804,525	52,439,525
2044	10,010,000	475,475	10,485,475
Total	<u>\$ 152,830,000</u>	<u>\$ 119,843,350</u>	<u>\$ 272,673,350</u>
Coupon rates		<u>2.00 - 5.00%</u>	
Effective interest rate		<u>3.76%</u>	

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION
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NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2018

Fiscal Year Ending June 30	Principal	Interest	Total
Junior Lien Water System Revenue Refunding Bonds, Series 2014B			
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	36,610,000	15,591,550	52,201,550
2023	36,440,000	13,761,050	50,201,050
2024 - 2028	211,270,000	39,745,750	251,015,750
2029	48,205,000	1,919,800	50,124,800
Total	<u>\$ 414,000,000</u>	<u>\$ 127,013,300</u>	<u>\$ 541,013,300</u>

Coupon rates 3.00 - 5.00%

Effective interest rate 2.64%

Junior Lien Water System Revenue Refunding Bonds, Series 2016

2019	\$ 1,290,000	\$ 18,538,750	\$ 19,828,750
2020	6,795,000	18,474,250	25,269,250
2021	7,135,000	18,134,500	25,269,500
2022	7,360,000	17,912,750	25,272,750
2023	9,725,000	17,544,750	27,269,750
2024 - 2028	76,320,000	78,494,250	154,814,250
2029 - 2033	103,005,000	56,414,250	159,419,250
2034 - 2038	131,475,000	27,954,250	159,429,250
2039	30,370,000	1,518,500	31,888,500
Total	<u>\$ 373,475,000</u>	<u>\$ 254,986,250</u>	<u>\$ 628,461,250</u>

Coupon rates 1.00 - 5.00%

Effective interest rate 3.59%

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NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2018

Fiscal Year Ending June 30	Principal	Interest	Total
Senior Lien Wastewater System Revenue Refunding Bonds, Series 2018B			
2019	\$ 10,515,000	\$ 4,355,242	\$ 14,870,242
2020	11,145,000	3,689,000	14,834,000
2021	11,655,000	3,131,750	14,786,750
2022	12,190,000	2,549,000	14,739,000
2023	18,945,000	1,939,500	20,884,500
2024	19,845,000	992,250	20,837,250
Total	<u>\$ 84,295,000</u>	<u>\$ 16,656,742</u>	<u>\$ 100,951,742</u>
Coupon rates		<u>5.00%</u>	
Effective interest rate		<u>2.26%</u>	
Junior Lien Wastewater System Revenue Refunding Bonds, Series 2011			
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	16,095,000	1,875,600	17,970,600
2023	10,705,000	1,078,750	11,783,750
2024	11,230,000	549,000	11,779,000
Total	<u>\$ 82,115,000</u>	<u>\$ 13,327,150</u>	<u>\$ 95,442,150</u>
Coupon rates		<u>2.00 - 5.00%</u>	
Effective interest rate		<u>2.58%</u>	
Junior Lien Wastewater System Revenue Refunding Bonds, Series 2014			
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	8,615,000	4,028,500	12,643,500
2023	8,985,000	3,657,750	12,642,750
2024 - 2028	52,130,000	11,083,750	63,213,750
2029	12,040,000	602,000	12,642,000
Total	<u>\$ 105,435,000</u>	<u>\$ 33,639,850</u>	<u>\$ 139,074,850</u>
Coupon rates		<u>1.75 - 5.00%</u>	
Effective interest rate		<u>3.00%</u>	

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Fiscal Year Ending June 30	Principal	Interest	Total
Junior Lien Wastewater System Revenue Refunding Bonds, Series 2016			
2019	\$ 9,935,000	\$ 10,737,500	\$ 20,672,500
2020	8,305,000	10,240,750	18,545,750
2021	8,760,000	9,825,500	18,585,500
2022	9,245,000	9,387,500	18,632,500
2023	9,755,000	8,925,250	18,680,250
2024 - 2028	57,460,000	36,750,000	94,210,000
2029 - 2033	75,130,000	20,711,000	95,841,000
2034 - 2035	36,160,000	2,736,250	38,896,250
Total	<u>\$ 214,750,000</u>	<u>\$ 109,313,750</u>	<u>\$ 324,063,750</u>

Coupon rates 5.00%

Effective interest rate 2.89%

Junior Lien Wastewater System Revenue Refunding Bonds, Series 2018A

2019	\$ —	\$ 6,506,073	\$ 6,506,073
2020	—	6,296,200	6,296,200
2021	—	6,296,200	6,296,200
2022	—	6,296,200	6,296,200
2023	—	6,296,200	6,296,200
2024 - 2028	18,920,000	30,119,500	49,039,500
2029 - 2033	29,475,000	23,947,250	53,422,250
2034 - 2038	37,625,000	15,803,000	53,428,000
2039 - 2043	47,250,000	6,178,150	53,428,150
Total	<u>\$ 133,270,000</u>	<u>\$ 107,738,773</u>	<u>\$ 241,008,773</u>

Coupon rates 3.50 - 5.00%

Effective interest rate 3.66%

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Fiscal Year Ending June 30	Principal	Interest	Total
Total Bonds Payable			
2019	\$ 265,880,000	\$ 214,472,413	\$ 480,352,413
2020	285,360,000	202,067,294	487,427,294
2021	214,990,000	188,890,302	403,880,302
2022	223,095,000	178,587,197	401,682,197
2023	237,650,000	167,563,572	405,213,572
2024 - 2028	1,094,530,000	663,078,332	1,757,608,332
2029 - 2033	783,030,000	420,159,042	1,203,189,042
2034 - 2038	705,720,000	239,897,358	945,617,358
2039 - 2043	445,150,000	81,175,690	526,325,690
2044 - 2047	94,240,000	8,580,400	102,820,400
Total	<u>\$ 4,349,645,000</u>	<u>\$ 2,364,471,600</u>	<u>\$ 6,714,116,600</u>

Changes in long-term debt during fiscal year 2017-18 are summarized as follows (in thousands):

Bonds Payable, July 1	\$ 4,373,945
Additions	1,092,405
Reductions	(1,116,705)
Bonds Payable, June 30	<u>\$ 4,349,645</u>
Amounts Due Within One Year	<u>\$ 265,880</u>

7. Commercial Paper Notes Payable

The commercial paper (CP) program, issued through the Corporation, is used for ongoing capital needs and additional liquidity. In December 2015, the Corporation issued Junior Lien Airport Revenue Refunding Bonds, Series 2015A (Non-AMT) to refund \$100,000,000 aggregate principal of Airport CP, 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. On May 30, 2017, the City issued \$50,000,000 of Airport CP, Series 2014B-2 for the Terminal 3 Modernization project. The outstanding balances of \$100,000,000 of Airport CP, Series 2014B-1 and \$80,000,000 of Airport CP, Series 2014B-2 were refinanced during fiscal year 2018 into the Senior Lien Airport Revenue Bonds, Series 2017A series. The CP was issued in varying maturities up to 270 days. Interest rates paid on the CP ranged from .45% through .99% in fiscal year 2017 and .84% through .99% in fiscal year 2018. The CP was 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	\$ 180,000
Additions	—
Reductions	(180,000)
Commercial Paper Notes Payable, June 30	<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, 2018

8. Construction Commitments

As of June 30, 2018, the Corporation has outstanding construction commitments of \$26.5 million related to the various bond issues. The commitments have not been recorded in the accompanying financial statements. Only the currently payable portion of the contracts have been included in accounts payable in the accompanying financial statements.

9. Subsequent Event

On October 25, 2018, the Corporation issued \$226.2 million of Senior Lien Airport Revenue Bonds, Series 2018 (AMT). The bonds were issued at an all-in true interest cost of 4.2% and were dated and delivered November 28, 2018.