

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

**Annual**  
**Financial Report**  
For fiscal year ended June 30,  
**2024**





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# **CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION**

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

## **ADMINISTRATIVE ORGANIZATION**

### **Board Members**

***Michael R. Davis***  
***President***

***Bruce Covill***  
***Vice President***

***James H. Lundy***  
***Secretary/Treasurer***

***Barbara Barone***  
***Director***

***Marian Yim***  
***Director***

***Rosellen C. Papp***  
***Director***

### **City of Phoenix Administrative Staff**

***Jeffrey J. Barton***  
***City Manager***

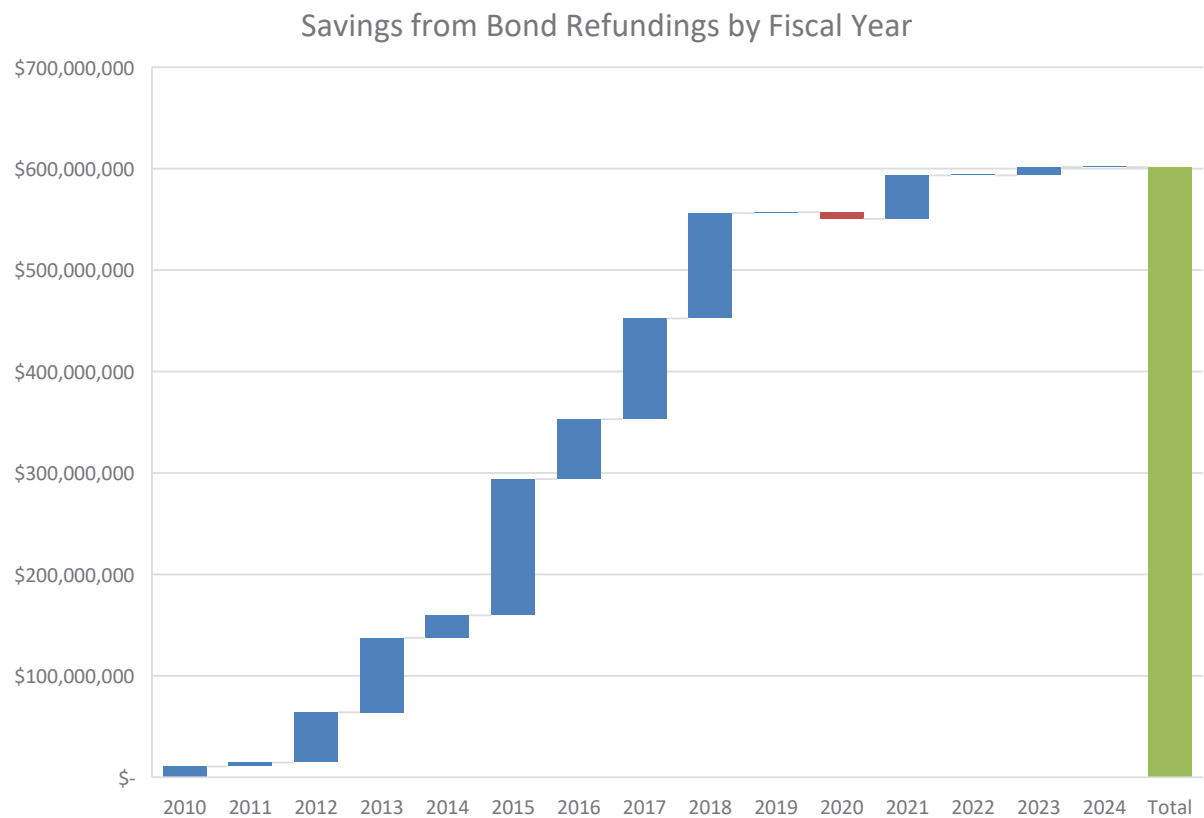
***Kathleen Gitkin***  
***Chief Financial Officer***

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

**SAVINGS FROM BOND REFUNDINGS**

Bonds are refunded to retire all or a portion of an outstanding bond issue. Most typically, refundings are done to refinance at a lower interest rate to reduce overall debt service. Since fiscal year 2010, bond refundings have saved:

**\$601.4 million**



Note - Fiscal year 2020 refunding bond issuances resulted in an increase in debt service.

See Notes to Financial Statements, Note 5 (page X) for additional information on bond refundings.



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A photograph of the Phoenix skyline at dusk, with the saguaro cactus in the foreground. The city lights are visible against the darkening sky, and the mountains in the background are silhouetted. A large, semi-transparent blue circle is overlaid on the image, containing the text "Financial section".

# Financial section



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March 20, 2025

To the Board of Directors of the City of Phoenix Civic Improvement Corporation:

I am pleased to submit the City of Phoenix Civic Improvement Corporation (the "Corporation") Annual Financial Report for the fiscal year ended June 30, 2024. These financial statements are prepared and presented in conformity with accounting principles generally accepted in the United States of America ("GAAP") as prescribed in pronouncements of the Governmental Accounting Standards Board ("GASB"). To the best of our knowledge and belief, this report is accurate in all material respects and is reported in a manner designed to fairly present the financial position of the Corporation. All disclosures necessary to enable the reader to gain an understanding of the Corporation's net position and changes in net position have been included. Management assumes full responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures.

Management's Discussion and Analysis (MD&A) beginning on page 10 provides a narrative introduction, overview, and analysis of the basic financial statements. This letter complements the MD&A and should be read in conjunction with it. Although the financial statements for the fiscal year ended June 30, 2024, were not audited by an independent auditor, the Corporation is a component unit of the City of Phoenix (the "City"), and the Corporation's financial statements are included as a blended component unit of the City's reporting entity. The City's independent auditors performed an audit of the City's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024, and issued an unmodified ("clean") opinion.

#### **PROFILE OF THE CORPORATION**

The Corporation, a component unit of 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. The City performs and absorbs significantly all administrative functions and costs on behalf of the Corporation, including construction commitments.

During the fiscal year ended June 30, 2024, projects that received proceeds from the Corporation's bond issuances included renovations and improvements for the building at 100 West Washington Street which will be the City's new police headquarters and 911 call center, various improvements to the City's water system such as watermain replacements, and various improvements to the City's wastewater system.

The Corporation issued one new bond series in the fiscal year ended June 30, 2024. The Junior Lien Wastewater System Revenue Bonds, Series 2023 issued \$381,620,000 in November 2023 to fund various improvements to the City's wastewater system, such as improvements to wastewater treatment plants and sewer mains.

I want to thank all the members of the Corporation's Board, the City Manager, the Chief Financial Officer, the staff of the Finance Department for their efforts in preparing this report, and all City departments for their cooperation and assistance throughout the past year.

Respectfully submitted,

*Joe Jatzkewitz*

Joe Jatzkewitz  
Assistant Finance Director/City Treasurer

## 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, 2024.

### Overview of the Basic Financial Statements

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

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

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

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the Corporation's finances, in a manner similar to a private-sector business. These statements are presented on pages 13-14 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 15-18 of this report.

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

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 19-47 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, 2024. The prior year's financial position and results are presented for comparative purposes.

Summary of net position (in thousands):

	2024	2023
Current assets	\$ 1,243,807	\$ 1,152,931
Noncurrent assets	5,145,812	5,039,113
Total assets	6,389,619	6,192,044
Deferred outflows of resources	-	-
Current liabilities	697,536	674,754
Noncurrent liabilities	5,738,607	5,631,424
Total liabilities	6,436,143	6,306,178
Deferred inflows of resources	-	-
Net position		
Restricted for debt service	257,700	235,744
Unrestricted (deficit)	(304,224)	(349,878)
Total net position (deficit)	\$ (46,524)	\$ (114,134)

Summary of changes in net position (in thousands):

	2024	2023
Program revenues	\$ 266,611	\$ 617,206
Investment income	14,370	15,818
Payments from the City of Phoenix	79	91
Total revenues	281,060	633,115
Cost of sales	10,266	397,994
Interest on long-term debt, net	200,728	197,235
Other expenses	2,456	2,332
Total expenses	213,450	597,561
Change in net position	\$ 67,610	\$ 35,554

Total assets increased by \$197.6 million in the current fiscal year to \$6.4 billion. Total liabilities increased by \$130.0 million in the current fiscal year to \$6.4 billion. The increases in both assets and liabilities are due to the issuance of a new bond series in fiscal year 2024. The new bond issuance in fiscal year 2024 was the Junior Lien Wastewater System Revenue Bonds, Series 2023.

Program revenues decreased by \$350.6 million, or 56.8% in fiscal year 2024 due to the completion of two projects related to issuances in 2017 and 2019 that were recognized as revenue in fiscal year 2023 while no projects were completed in fiscal year 2024. No program revenue is recognized by the Corporation until the projects are complete. Investment income increased due to higher yields on investments for most of fiscal year 2024. The decrease in payments from the City of Phoenix relates to professional fees that were paid to consultants for refundings and new issuances during fiscal year 2023 while there was only one new bond issuance in fiscal year 2024. Total expenses decreased in fiscal year 2024 by \$384.1 million, or 64.3%, due to the cost of sales for two projects that were completed during fiscal year 2023 while no projects were completed in fiscal year 2024. When the projects are completed the Corporation will recognize both the program revenue and cost of sales at that time. The net position of the Corporation increased by \$67.6 million for fiscal year 2024 as a result of the above activity.

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

	Fund Balances July 1, 2023	Net Change in Fund Balances	Fund Balances June 30, 2024
General	\$ 19	\$ (1)	\$ 18
Debt Service	235,744	21,956	257,700
Capital Projects	445,195	63,259	508,454
Total	<u>\$ 680,958</u>	<u>\$ 85,214</u>	<u>\$ 766,172</u>

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

The Debt Service Fund accounts primarily for current year principal and interest debt service payments, as well as the related payments from the City during fiscal year 2024. Fund balance increased during fiscal year 2024 primarily due to receiving proceeds from the issuance of the Junior Lien Wastewater System Revenue Bonds, Series 2023 and an increase in investment income.

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 capital outlay costs during the fiscal year being less than the proceeds received from the issuance of the Junior Lien Wastewater System Revenue Bonds, Series 2023.

### Capital Asset and Debt Administration

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

During the fiscal year ended June 30, 2024, the Corporation's bonds payable, excluding premiums, increased by \$118.4 million. This increase was due to the issuance of the Junior Lien Wastewater System Revenue Bonds, Series 2023.

Further detail pertaining to the Corporation's outstanding long-term debt is available in Note 6 on pages 28-46.

### Economic Factors

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

### Requests for Financial Information

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

## STATEMENT OF NET POSITION

(Unaudited)

June 30, 2024

(in thousands)

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Current Assets	
Restricted Cash with Fiscal Agents	\$ 473,898
Investments	549,450
Interest Receivable	1
Prepaid Items	18
Current Portion of Sales Contracts Receivable	220,440
Total Current Assets	<u>1,243,807</u>
Noncurrent Assets	
Restricted Cash with Fiscal Agents	171,196
Sales Contracts Receivable, Less Current Portion	3,368,815
Assets Held for Sale to the City of Phoenix	1,605,801
Total Noncurrent Assets	<u>5,145,812</u>
Total Assets	<u>6,389,619</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Total Deferred Outflows of Resources	<u>-</u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	28,322
Advances from the City of Phoenix	31,585
Matured Bonds Payable	263,175
Interest Payable	135,094
Current Portion of Bonds Payable	237,560
Deposits in Trust	1,800
Total Current Liabilities	<u>697,536</u>
Noncurrent Liabilities	
Bonds Payable, Less Current Portion	5,176,090
Unamortized Premium	562,517
Total Noncurrent Liabilities	<u>5,738,607</u>
Total Liabilities	<u>6,436,143</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Total Deferred Inflows of Resources	<u>-</u>
<b>NET POSITION (DEFICIT)</b>	
Restricted for Debt Service	257,700
Unrestricted (Deficit)	<u>(304,224)</u>
Total Net Position (Deficit)	<u>\$ (46,524)</u>

The accompanying notes are an integral part of these financial statements



## STATEMENT OF ACTIVITIES

(Unaudited)

For the Fiscal Year Ended June 30, 2024

(in thousands)

	<b>Governmental Activities</b>
<b>PROGRAM REVENUES</b>	
Sales Contracts Income	\$ -
Sales Contracts Interest Income	266,013
Other Income	598
Total Program Revenues	<u>266,611</u>
<b>EXPENSES</b>	
Cost of Sales	10,266
Interest on Long-Term Debt, net	200,728
Issuance Costs	2,376
Trustee Fees	47
Other	33
Total Expenses	<u>213,450</u>
Net Program Revenues (Expenses)	53,161
<b>GENERAL REVENUES</b>	
Investment Income	14,370
Payments from the City of Phoenix	79
Total General Revenues	<u>14,449</u>
Change in Net Position	67,610
<b>NET DEFICIT, JULY 1, 2023</b>	<u>(114,134)</u>
<b>NET DEFICIT, JUNE 30, 2024</b>	<u>\$ (46,524)</u>

The accompanying notes are an integral part of these financial statements

## BALANCE SHEET - GOVERNMENTAL FUNDS

(Unaudited)

June 30, 2024

(in thousands)

	General	Debt Service	Capital Projects	Totals
<b>ASSETS</b>				
Cash with Fiscal Agents	\$ -	\$ 645,094	\$ -	\$ 645,094
Investments	-	12,674	536,776	549,450
Interest Receivable	-	1	-	1
Prepaid Items	18	-	-	18
Total Assets	18	657,769	536,776	1,194,563
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Total Deferred Outflows of Resources	-	-	-	-
<b>LIABILITIES</b>				
Accounts Payable	-	-	28,322	28,322
Matured Bonds Payable	-	263,175	-	263,175
Interest Payable	-	135,094	-	135,094
Deposits in Trust	-	1,800	-	1,800
Total Liabilities	-	400,069	28,322	428,391
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Total Deferred Inflows of Resources	-	-	-	-
<b>FUND BALANCES</b>				
Fund Balances				
Nonspendable - Prepaid Items	18	-	-	18
Restricted	-	257,700	508,454	766,154
Total Fund Balances	\$ 18	\$ 257,700	\$ 508,454	\$ 766,172

The accompanying notes are an integral part of these financial statements

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

June 30, 2024

(in thousands)

Fund balances - total governmental funds balance sheet	\$	766,172
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Amounts reported for governmental activities in the statement of net position are different because:

Assets held for sale to the City of Phoenix are not financial resources and, therefore, are not reported in the governmental funds.	1,605,801
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Sales contracts receivable relate to capital assets and are not available to pay for current period expenditures and, therefore, are not reported in the governmental funds.	3,589,255
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Advances from the City of Phoenix that are payments for long-term liabilities are not reported in the governmental funds.	(31,585)
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Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	<u>(5,976,167)</u>
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Net position (deficit) of governmental activities - statement of net position	\$	<u><u>(46,524)</u></u>
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**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS**

**(Unaudited)**

For the Fiscal Year Ended June 30, 2024

(in thousands)

	<b>General</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Totals</b>
<b>REVENUES</b>				
Investment Income	\$ -	\$ 13,706	\$ 664	\$ 14,370
Payments from the City of Phoenix	79	529,188	-	529,267
Other	-	598	-	598
Total Revenues	79	543,492	664	544,235
<b>EXPENDITURES</b>				
Debt Service				
Principal	-	263,175	-	263,175
Interest	-	258,361	-	258,361
Capital Outlay	-	-	337,405	337,405
Issuance Costs	-	-	2,376	2,376
Trustee Fees	47	-	-	47
Professional and Other Miscellaneous Fees	33	-	-	33
Total Expenditures	80	521,536	339,781	861,397
Revenues Over (Under) Expenditures	(1)	21,956	(339,117)	(317,162)
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond Proceeds	-	-	381,620	381,620
Premium on Bonds	-	-	20,756	20,756
Total Other Financing Sources (Uses)	-	-	402,376	402,376
Net Increase (Decrease) in Fund Balances	(1)	21,956	63,259	85,214
<b>FUND BALANCES, JULY 1, 2023</b>	19	235,744	445,195	680,958
<b>FUND BALANCES, JUNE 30, 2024</b>	<u>\$ 18</u>	<u>\$ 257,700</u>	<u>\$ 508,454</u>	<u>\$ 766,172</u>

The accompanying notes are an integral part of these financial statements

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

For the Fiscal Year Ended June 30, 2023

(in thousands)

Net change in fund balances - total governmental funds	\$	85,214
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, those costs are reported as assets held for sale to the City of Phoenix.		337,405
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.		(263,175)
Sales contracts income provides program revenue and cost of sales are an expense in the statement of activities. This amount includes the cost of sales in excess of the sales contract income. Cost of sales and sales contracts income are not reported in the governmental funds.		(10,266)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which additions (\$381,620) exceed the effects of repayments (\$263,175).		(118,445)
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 new issuance premiums (\$20,756) and the amortization of premiums (\$57,633) in the current year.		36,877
Change in net position of governmental activities - statement of activities	\$	<u>67,610</u>

The accompanying notes are an integral part of these financial statements

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

## **1. Summary of Significant Accounting Policies**

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

### **a) Reporting Entity**

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

### **b) Basic Financial Statements**

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

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

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

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

### **c) Fund Accounting**

The Corporation uses governmental funds to report on its financial position and the results of its operations. The Corporation's fund financial statements are prepared using fund accounting to aid management by segregating transactions related to certain activities. A fund is a separate accounting entity with a self-balancing set of accounts, which includes assets, liabilities, fund balance, revenues and expenditures.



The Corporation considers the following funds to be major funds:

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

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

d) **Fund Balances**

Fund balances are classified as Nonspendable, Restricted, Committed, Assigned and Unassigned based on the extent to which the Corporation is bound to observe constraints imposed on the use of resources in the governmental funds. The fund balance classifications are as follows:

Nonspendable - 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 - Includes amounts with constraints placed on the use of resources that are either externally imposed by creditors through debt covenants, grantors, contributors, or laws or regulation of other governments or imposed by law through enabling legislation.

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

Assigned - Includes amounts intended to be used by the Corporation for specific purposes that are not classified as restricted or committed. The Corporation has no assigned fund balance.

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

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

e) **Basis of Accounting**

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

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

f) **Budget and Budgetary Accounting**

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

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

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

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

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

i) **Long-Term Obligations**

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

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

j) **Deferred Inflows and Outflows**

From time to time, the Corporation issues refunding bonds, wherein the proceeds and additional resources are used to purchase securities guaranteed by the United States government which are deposited in an irrevocable trust under an escrow agreement that states that all proceeds from the trust are to be used to fund principal and interest payments of the refunded debt. In accordance with the Corporation's stated purpose to promote the common good and general welfare of the City, any gains and/or losses realized as a result of a refunding issuance are not considered gains and/or losses of the Corporation, rather the gains and/or losses are realized by the City. All gains and/or losses from refundings are recognized by the Corporation as a component of Sales Contract Income in the Statement of Activities. The Corporation has chosen not to adhere to GASB Statement No. 65, ***Items Previously Reported as Assets and Liabilities***, which would present gains and losses from refunding issuances as deferred inflows and outflows. As of June 30, 2024, the City has recorded \$47.4 million of net deferred outflows from refundings.

k) **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make a number of estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

l) **New Accounting Pronouncements**

**New Accounting Pronouncements Adopted in 2024:**

GASB Statement No. 100, ***Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62***, improves the accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, comparable information for decision-making and will result in greater consistency in application and in practice. Accounting changes include changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity. 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 are not yet effective and may affect future financial position, results of operations, cash flows, or financial presentation of the Corporation upon implementation. The Corporation has not fully determined the effect these pronouncements will have on the Corporation's financial statements:

<b>GASB Statement No.</b>	<b>GASB Accounting Standard</b>	<b>Effective Fiscal Year</b>
101	<i>Compensated Absences</i>	2025
102	<i>Certain Risk Disclosures</i>	2025
103	<i>Financial Reporting Model Improvements</i>	2026
104	<i>Disclosure of Certain Capital Assets</i>	2026

## 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, 2024 was \$645.1 million. Included in this amount are the below amounts, which are held for July 1, 2024 maturities (in thousands):

	Principal	Interest	Total
Municipal Corporation Obligations	\$263,175	\$135,094	\$398,269

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

## 3. **Investments**

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

Investments are stated at fair value. Management intends to hold these investments until maturity. The fair value of these securities at June 30, 2024, is as follows (in thousands):

	Fair Value	Weighted Average Maturity (years)
U.S. Treasury Securities	\$ 416,141	0.269
U.S. Government Agency Securities FHLB Notes	133,308	0.250
Total Investments by fair value level	<u>\$ 549,449</u>	0.203

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

State of Arizona Distribution Revenue Bonds (Civic Plaza Expansion Project), Series 2005B	\$ 10,874
Subordinated Excise Tax Revenue Bonds, Series 2017A	1,753
Rental Car Facility Charge Revenue Bonds, Series 2019A	2,004
Junior Lien Airport Revenue Bonds, Series 2019A	33,494
Junior Lien Airport Revenue Bonds, Series 2019B	56,606
Junior Lien Water System Revenue Bonds, Series 2020B	33,293
Subordinated Excise Tax Revenue Bonds, Series 2020A	68,187
Junior Lien Water System Revenue Bonds, Series 2021A	37,801
Subordinated Excise Tax Revenue Bonds, Series 2022	138,436
Junior Lien Wastewater System Revenue Bonds, Series 2023	165,201
Subordinated Excise Tax Revenue Bonds, Series 2024	1,800
Total	<u>\$ 549,449</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.

Below is a summary of the fair value hierarchy of the fair value of investments of the Corporation as of June 30, 2024 (in thousands):

Investments by Fair Value Level	Fair Value Measurement Using:			
	6/30/24	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Treasury securities	\$ 416,141	\$ -	\$ 416,141	\$ -
U.S. Government agency obligations	133,308	-	133,308	-
Total investments by fair value level	<u>\$ 549,449</u>	<u>\$ -</u>	<u>\$ 549,449</u>	<u>\$ -</u>

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. As of June 30, 2024, no investments were classified within Level 1 or Level 3 of the fair value hierarchy.

#### Interest Rate Risk

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

U.S. Treasury Securities	5 year final maturity
Securities guaranteed, insured, or backed by the full faith and credit of the U.S. Government	5 year final maturity
U.S. Government Agency Securities	5 year final maturity
Repurchase Agreements	60 days
Municipal Obligations	5 years for long-term issuances
Money Market Mutual Funds	90 days
Commercial Paper	270 days
Corporate Debt	5 year final maturity

#### 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	\$133,308

#### **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, 2024 are as follows (in thousands):

Total receivable from the City of Phoenix	\$ 5,266,346
Less: Interest Portion	<u>(1,677,091)</u>
 Sales Contracts Receivable	 3,589,255
Less: Current Portion	<u>(220,440)</u>
 Sales Contracts Receivable - long-term	 <u>\$ 3,368,815</u>

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

### ***Default Provisions***

All agreements are subject to the following provisions: In the event of non-payment of CIC bond principal and interest, the remedy is specific performance. Specific performance is when a bondholder has the right to ask a judge to order the City to raise applicable revenue sources for the defaulted bond in an amount needed to pay any past or current amounts due. CIC bonds are not subject to acceleration. No default occurred in fiscal year 2024.

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

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

The issuance of \$17.5 million of Subordinated Excise Tax Revenue Refunding Bonds, Series 2012A, dated June 21, 2012, refunded \$13.5 million in Municipal Facilities Subordinated Excise Tax Revenue Bonds, Series 2003B and \$5.4 million in Subordinated Excise Tax Revenue Bonds, Series 2004. The proceeds from the issuance of \$17.5 million of Subordinated Excise Tax Revenue Refunding Bonds, Series 2012A were placed in an irrevocable trust to provide for future debt service payments on the refunded bonds.

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

The issuance of \$319.3 million of Subordinated Excise Tax Revenue Refunding Bonds, Series 2015A, dated May 12, 2015, refunded \$300.0 million in Subordinated Excise Tax Revenue Bonds (Civic Plaza Expansion Project), Series 2005A, \$53.4 million in Subordinated Excise Tax Revenue Bonds, Series 2006A, and \$12.9 million in Subordinated Excise Tax Revenue Bonds, Series 2007A. The proceeds from the issuance of \$319.3 million of Subordinated Excise Tax Revenue Refunding Bonds, Series 2015A were placed in an irrevocable trust to provide for future debt service payments on the refunded bonds.

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

The issuance of \$60.9 million of Subordinated Excise Tax Revenue Refunding Bonds, Taxable Series 2015B, dated May 12, 2015, refunded \$34.2 million in Subordinated Excise Tax Revenue Bonds, Series 2006C and \$24.0 million of non-Civic Improvement Corporation debt. The proceeds from the issuance of \$60.9 million of Subordinated Excise Tax Revenue Refunding Bonds, Taxable Series 2015B were placed in an irrevocable trust to provide for future debt service payments on the refunded bonds.

#### **Subordinated Excise Tax Revenue Bonds, Series 2017A**

On June 1, 2017, the Corporation entered into an agreement with the City whereby the Corporation agreed to fund or reimburse the City for the costs of certain projects, property and equipment and for acquiring, constructing, equipping and improving real and personal property for the City through the issuance of \$116.8 million of Subordinated Excise Tax Revenue Bonds, Series 2017A.

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

The issuance of \$101.9 million of Subordinated Excise Tax Revenue Refunding Bonds, Series 2017B, dated June 1, 2017, refunded \$80.7 million of Senior Lien Excise Tax Revenue Refunding Bonds, Series 2007, and \$36.4 million of Subordinated Excise Tax Revenue Refunding Bonds, Series 2007B. The proceeds from the issuance of \$101.9 million of Subordinated Excise Tax Revenue Refunding Bonds, Series 2017B were transferred to the respective paying agents for the bonds and interest refunded.

#### **Subordinated Excise Tax Revenue Bonds, Series 2020A**

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



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

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

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

The issuance of \$116.7 million of Subordinated Excise Tax Revenue Refunding Bonds, Taxable Series 2020C, dated August 25, 2020, refunded \$3.8 million of Senior Lien Excise Tax Revenue Bonds, Series 2011A, \$34.6 million of Senior Lien Excise Tax Revenue Bonds, Series 2011B (Taxable), \$24.3 million of Senior Lien Excise Tax Revenue Refunding Bonds, Series 2011C, \$8.5 million of Senior Lien Excise Tax Revenue Refunding Bonds, Series 2012, \$2.8 million of Subordinated Excise Tax Revenue Refunding Bonds, Series 2012A, \$23.1 million of Subordinated Excise Tax Revenue Refunding, Series 2012B (Taxable), and \$12.1 million Subordinated Excise Tax Revenue Bonds, Series 2017A. The proceeds from the issuance of \$116.7 million of Subordinated Excise Tax Revenue Refunding Bonds, Taxable Series 2020C were transferred to the respective paying agents for the bonds and interest refunded.

**Subordinated Excise Tax Revenue Bonds, Series 2022**

On August 3, 2022, the Corporation entered into an agreement with the City whereby the Corporation agreed to fund or reimburse the City for the costs of acquiring, constructing, and improving real and personal property for the police headquarters and call center through the issuance of \$131.7 million of Subordinated Excise Tax Revenue Bonds, Series 2022.

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

In October 2005, the Corporation entered into an agreement with the City for the purpose of paying a portion of the costs of constructing, expanding, modifying and improving the Phoenix Civic Plaza Convention Center through the issuance of \$275.4 million of State of Arizona Distribution Revenue Bonds (Civic Plaza Expansion Project), Series 2005B.

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

On November 21, 2017, the Corporation entered into an agreement with the City whereby the Corporation refunded \$180.0 million outstanding under a Revolving Credit Agreement and agreed to fund or reimburse the City for costs of the Terminal 3 Modernization Project with the remaining proceeds through the issuance of \$190.9 million of Senior Lien Airport Revenue Bonds, Series 2017A (AMT).

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

The issuance of \$173.4 million of Senior Lien Airport Revenue Refunding Bonds, Series 2017B (Non-AMT), dated November 21, 2017, refunded \$206.8 million of Senior Lien Airport Revenue Bonds, Series 2008A (Non-AMT). The proceeds from the issuance of \$173.4 million of Senior Lien Airport Revenue Refunding Bonds, Series 2017B (Non-AMT) were transferred to the respective paying agents for the bonds and interest refunded.

**Senior Lien Airport Revenue Bonds, Series 2018 (AMT)**

On November 28, 2018, the Corporation entered into an agreement with the City whereby the Corporation refunded \$100.0 million outstanding under a Revolving Credit Agreement and agreed to fund or reimburse the City for costs of the Terminal 3 Modernization Project with the remaining proceeds through the issuance of \$226.2 million of Senior Lien Airport Revenue Bonds, Series 2018 (AMT).

**Senior Lien Airport Revenue Refunding Bonds, Series 2023 (AMT)**

The issuance of \$96.5 million of Senior Lien Airport Revenue Refunding Bonds, Series 2023 (AMT), dated June 7, 2023, refunded \$115.5 million of Senior Lien Airport Revenue Refunding Bonds, Series 2013 (AMT). The proceeds from the issuance of \$96.5 million of Senior Lien Airport Revenue Refunding Bonds, Series 2023 (AMT) were transferred to the respective paying agents for the bonds and interest refunded.

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

In September 2010, the Corporation issued \$21.3 million of Junior Lien Airport Revenue Bonds, Taxable Series 2010B (Recovery Zone Economic Development Bonds-Direct Payment). The Corporation elected to receive subsidy payments in the amount of 45% of each interest payment on the Recovery Zone Economic Development Bonds, paid directly to US Bank, National Association, as trustee, from the United States Treasury. On March 1, 2013, the federal government announced the implementation of certain automatic budget cuts known as the sequester, which has resulted in a reduction of the federal subsidy payments by



5.9% for the federal government's fiscal year ending September 30, 2021. Proceeds from the bonds will fund land acquisition for noise mitigation and related capital costs for the Phoenix Sky Train.

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

On December 15, 2015, the Corporation entered into a purchase agreement with the City under which the Corporation refunded its outstanding Airport Commercial Paper Program Notes, Series 2014A-1 and Series 2014A-2 totaling \$100.0 million. This agreement was financed through the issuance of \$95.8 million of Junior Lien Airport Revenue Bonds, Series 2015A (Non-AMT).

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

The issuance of \$18.7 million of Junior Lien Airport Revenue Refunding Bonds, Series 2015B (Non-AMT), dated December 15, 2015, refunded \$20.0 million of Junior Lien Airport Revenue Bonds, Series 2010A (Non-AMT). The proceeds from the issuance of the Junior Lien Airport Revenue Refunding Bonds, Series 2015B (Non-AMT) were transferred to the paying agent for the bonds and interest being refunded.

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

The issuance of \$474.7 million of Junior Lien Airport Revenue Refunding Bonds, Series 2017D (Non-AMT), dated December 21, 2017, refunded \$512.9 million of Junior Lien Airport Revenue Bonds, Series 2010A (Non-AMT). The proceeds from the issuance of \$474.7 million of Junior Lien Airport Revenue Refunding Bonds, Series 2017D (Non-AMT) were transferred to the respective paying agents for the bonds and interest refunded.

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

On December 11, 2019, the Corporation entered into a purchase agreement with the City whereby the Corporation refunded \$100.0 million outstanding under a Revolving Credit Agreement. Additionally, the Corporation agreed to fund or reimburse the City for costs of the PHX Sky Train automated transportation system at Sky Harbor and a police hangar at Phoenix Deer Valley Airport with the remaining proceeds through the issuance of \$341.1 million Junior Lien Airport Revenue Bonds, Series 2019A (Non-AMT).

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

On December 11, 2019, the Corporation entered into an agreement with the city whereby the Corporation agreed to fund or reimburse the City for the costs of the Terminal 3 and Terminal 4 Modernization Project at Sky Harbor. This agreement was financed through the issuance of \$392.0 million of Junior Lien Airport Revenue Bonds, Series 2019B (AMT).

**Junior Lien Airport Revenue Refunding Bonds, Taxable Series 2019C**

On December 11, 2019, the issuance of \$29.4 million of Junior Lien Airport Revenue Refunding Bonds, Series 2019C refunded \$32.1 million of Junior Lien Airport Revenue Refunding Bonds, Series 2010C. The proceeds from the issuance of \$29.4 million of Junior Lien Airport Revenue Refunding Bonds, Series 2019C were transferred to the respective paying agents for the bonds and interest refunded.

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

On December 5, 2019, the Corporation entered into a purchase agreement with the City to finance the cost of improvements at the PHX Sky Train which will extend services from Terminal 3 to a future West Ground Transportation Center. The purchase was financed through the issuance of \$244.2 million of Rental Car Facility Charge Revenue Bonds, Series 2019A (Non-AMT).

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

On December 5, 2019, the issuance of \$60.5 million of Rental Car Facility Charge Revenue Refunding Bonds, Taxable Series 2019B and cash on hand refunded \$154.9 million of Rental Car Facility Charge Revenue Bonds, Series 2004. Cash on hand and proceeds from the issuance of \$60.5 million of Rental Car Facility Revenue Refunding Bonds, Taxable Series 2019B were transferred to the respective paying agents for the bonds and interest refunded and make-whole call premium.

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

The issuance of \$445.1 million of Junior Lien Water System Revenue Refunding Bonds, Series 2014B, dated December 17, 2014, fully refunded \$486.4 million of the City's Junior Lien Water System Revenue Refunding Bonds, Series 2005 and \$10.5 million of the City's Junior Lien Water System Revenue Refunding Bonds, Series 2003. The proceeds from the issuance of \$445.1 million of Junior Lien Water System Revenue Refunding Bonds, Series 2014B were transferred to the respective paying agents for the bonds and interest being refunded.

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

The issuance of \$375.8 million of Junior Lien Water System Revenue Refunding Bonds, Series 2016, dated January 10, 2017, refunded \$397.8 million of Junior Lien Water System Revenue Bonds, Series 2009A. The proceeds from the issuance of \$375.8 million of Junior Lien Water System Revenue Refunding Bonds, Series 2016 were placed in an irrevocable trust to provide for future debt service payments on the refunded bonds.

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

On April 9, 2020, the Corporation entered into a purchase agreement with the City whereby the Corporation refunded \$200.0 million outstanding under a Revolving Credit Agreement. Additionally, the Corporation agreed to fund or reimburse the City for costs of certain improvements of the City's water system with the remaining proceeds, including premium, through the issuance of \$165.1 million of Junior Lien Water System Revenue Bonds, Series 2020A.

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

On April 9, 2020, the Corporation entered into a purchase agreement with the City whereby the Corporation agreed to fund the costs of the Sustainability Project, which is based upon the social impacts of sustainable, clean water management as well as the climate adaptation and/or mitigation benefits of the Colorado River Resiliency Project. The agreement was financed through the issuance of \$228.0 million of Junior Lien Water System Revenue Bonds, Series 2020B (Sustainability Bonds).

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

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

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

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

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

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

**Junior Lien Wastewater System Revenue Refunding Bonds, Series 2014**

On April 15, 2014, the Corporation entered into a purchase agreement with the City under which the Corporation refunded the total outstanding \$144.8 million of Junior Lien Wastewater System Revenue Bonds, Series 2004. The bonds were refunded through the issuance of \$127.8 million in Junior Lien Wastewater System Revenue Refunding Bonds, Series 2014.

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

The issuance of \$225.3 million of Junior Lien Wastewater System Revenue Refunding Bonds, Series 2016, dated November 16, 2016, refunded \$262.4 million of Junior Lien Wastewater System Revenue Bonds, Series 2007. The proceeds from the issuance of \$225.3 million of Junior Lien Wastewater System Revenue Refunding Bonds, Series 2016 were placed in an irrevocable trust to provide for future debt service payments on the refunded bonds.

**Junior Lien Wastewater System Revenue Bonds, Series 2018A**

On June 19, 2018, the Corporation entered into an agreement with the City whereby the Corporation agreed to fund or reimburse the City for the costs of certain improvements of the City's wastewater system. This agreement was financed through the issuance of \$133.3 million of Junior Lien Wastewater System Revenue Bonds, Series 2018A.

### **Junior Lien Wastewater System Revenue Bonds, Series 2023**

On November 15, 2023, the Corporation entered into a purchase agreement with the City whereby the Corporation refunded \$200.0 million outstanding under a Revolving Credit Agreement. Additionally, the Corporation agreed to fund or reimburse the City for costs of certain improvements of the City's wastewater system with the remaining proceeds, including premium, through the issuance of \$381.6 million of Junior Lien Wastewater System Revenue Bonds, Series 2023.

## **5. Refunded Obligations**

Bonds are refunded to retire all or a portion of an outstanding bond issue. Most typically, refundings are done to refinance at a lower interest rate to reduce overall debt service. Prior to January 2018, certain issues of bonds could have been refunded prior to the call date, known as an advanced refunding. The Tax Cuts and Jobs Act of 2017 prohibits refunding tax-exempt bonds before their call date, unless the bonds are refunded with taxable bonds. In most cases an advanced refunding of tax-exempt bonds with taxable bonds would not be financially beneficial. However, there may be circumstances when the benefits of the advanced refunding outweigh the disadvantages of issuing taxable bonds.

Future principal and interest payments on refunded bonds have been provided through advanced refunding bond issues whereby refunding bonds are issued and the net proceeds, plus any additional resources that may be required, are used to purchase securities issued and guaranteed by the United States government, when available. When U.S. government securities are not available, conventional treasury securities will be purchased. These securities are then deposited in an irrevocable trust under an escrow agreement which states that all proceeds from the trust will be used to fund the principal and interest payments of the previously issued debt being refunded. The trust deposits have been computed so that the securities in the trust, along with future cash flows generated by the securities, will be sufficient to service the previously issued bonds.

## **6. Bonds Payable**

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

The debt service reserve balances were as follows as of June 30, 2024 (in thousands), which are held as restricted cash with fiscal agents - noncurrent assets:

Issuance	Reserve Amount
Airport Rental Car Parity Reserve for Series 2019A, 2019B	\$ 20,545
Junior Lien Airport Debt Service Reserve for Series 2010B	2,134
Junior Lien Airport Parity Reserve for Series 2015A, 2017D, 2019A, 2019B, 2019C	95,602
Airport Revenue Refunding Bonds, Series 2015B (Non-AMT) Reserve	1,866
Senior Lien Airport Parity Reserve for Series 2017A, 2017B, 2018, 2023	51,049
	<u>\$ 171,196</u>

Issue	Issue Date	Original Issuance
Subordinated Excise Tax Revenue Refunding Bonds, Series 2012A	06/21/12	\$ 17,510,000
Subordinated Excise Tax Revenue Refunding Bonds, Series 2015A	05/12/15	\$ 319,305,000
Subordinated Excise Tax Revenue Refunding Bonds, Series 2015B (Taxable)	05/12/15	\$ 60,895,000
Subordinated Excise Tax Revenue Bonds, Series 2017A	06/01/17	\$ 116,835,000
Subordinated Excise Tax Revenue Refunding Bonds, Series 2017B	06/01/17	\$ 101,895,000
Subordinated Excise Tax Revenue Bonds, Series 2020A	08/25/20	\$ 131,595,000
Subordinated Excise Tax Revenue Bonds, Series 2020B (Taxable)	08/25/20	\$ 150,000,000
Subordinated Excise Tax Revenue Refunding Bonds, Series 2020C (Taxable)	08/25/20	\$ 116,685,000
Subordinated Excise Tax Revenue Bonds, Series 2022	8/3/2022	\$ 131,650,000
State of Arizona Distribution Revenue Bonds (Civic Plaza Expansion Project), Series 2005B	10/6/2005	\$ 275,362,352
Senior Lien Airport Revenue Bonds, Series 2017A (AMT)	11/21/2017	\$ 190,930,000

Purpose	Call and Redemption Terms
To refund a portion of the Corporation's Municipal Facilities Excise Tax Revenue Bonds, Series 2003B and Subordinated Excise Tax Revenue Bonds, Series 2004.	Bonds maturing on or after July 1, 2023 are callable on 7/1/2022 and thereafter, in whole or in part at any time, at 100% of par.
To refund the Subordinated Excise Tax Revenue Bonds, Series 2005A (Civic Plaza Expansion Project); to partially refund the Subordinated Excise Tax Revenue Bonds, Series 2006A (Solid Waste Improvements) and Subordinated Excise Tax Revenue Bonds, Series 2007A.	Bonds maturing on or after July 1, 2026 are callable on 7/1/2025 and thereafter, in whole or in part at any time, at 100% of par.
To partially refund the Subordinated Excise Tax Revenue Bonds, Taxable Series 2006C and refund the Certificates of Participation issued through the Arizona Municipal Financing Program, Series 18.	Bonds maturing on or after July 1, 2026 are callable on 7/1/2025 and thereafter, in whole or in part at any time, at 100% of par.
To fund certain projects, property and equipment and for acquiring, constructing, equipping and improving real and personal property for the City.	Bonds maturing on or after July 1, 2028 are callable on 7/1/2027 and thereafter, in whole or in part at any time, at 100% of par.
To refund the Senior Lien Excise Tax Revenue Refunding Bonds, Series 2007 and refund the Subordinated Excise Tax Revenue Refunding Bonds, Series 2007B.	Bonds maturing on or after July 1, 2028 are callable on 7/1/2027 and thereafter, in whole or in part at any time, at 100% of par.
To fund costs of repairing, renovating, replacing and improving the Convention Center and various other City facilities or equipment.	Bonds maturing on or after July 1, 2031 are callable on 7/1/2030 and thereafter, in whole or in part at any time, at 100% of par.
To fund costs of repairing, renovating and improving a City-owned multipurpose arena.	Bonds maturing on or after July 1, 2031 are callable on 7/1/2030 and thereafter, in whole or in part at any time, at 100% of par. From the date of issuance, the bonds are subject to a Make-Whole Redemption prior to the call date plus accrued interest.
To partially refund the Senior Lien Excise Tax Revenue Bonds, Series 2011A, Subordinated Excise Tax Revenue Refunding Bonds, Series 2012A, Subordinated Excise Tax Revenue Refunding Bonds, Series 2012B (Taxable) and Subordinated Excise Tax Revenue Bonds, Series 2017A. To refund the Senior Lien Excise Tax Revenue Bonds, Series 2011B (Taxable), Senior Lien Excise Tax Revenue Refunding Bonds, Series 2011C and Senior Lien Excise Tax Revenue Refunding Bonds, Series 2012.	Bonds maturing on or after July 1, 2031 are callable on 7/1/2030 and thereafter, in whole or in part at any time, at 100% of par. From the date of issuance, the bonds are subject to a Make-Whole Redemption prior to the call date plus accrued interest.
To fund a portion of the cost of acquiring, constructing, and improving real and personal property for the City's police headquarters and call center.	Bonds maturing on or after July 1, 2033 are callable on 7/1/2032 and thereafter, in whole or in part at any time, at 100% of par.
To fund a portion of the cost of constructing, expanding, modifying and improving the Phoenix Civic Plaza (Convention Center).	Bonds are not subject to redemption prior to maturity.
To 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% of par.

Issue	Issue Date	Original Issuance
Senior Lien Airport Revenue Refunding Bonds, Series 2017B (Non-AMT)	11/21/2017	\$ 173,440,000
Senior Lien Airport Revenue Bonds, Series 2018 (AMT)	11/28/2018	\$ 226,180,000
Senior Lien Airport Revenue Refunding Bonds, Series 2023 (AMT)	6/7/2023	\$ 96,540,000
Junior Lien Airport Revenue Bonds, Taxable Series 2010B (Recovery Zone Economic Development Bonds-Direct Payment)	9/1/2010	\$ 21,345,000
Junior Lien Airport Revenue Bonds, Series 2015A (Non-AMT)	12/15/15	\$ 95,785,000
Junior Lien Airport Revenue Refunding Bonds, Series 2015B (Non-AMT)	12/15/15	\$ 18,655,000
Junior Lien Airport Revenue Refunding Bonds, Series 2017D (Non-AMT)	12/21/17	\$ 474,725,000
Junior Lien Airport Revenue Bonds, Series 2019A (Non-AMT)	12/11/2019	\$ 341,095,000
Junior Lien Airport Revenue Bonds, Series 2019B (AMT)	12/11/2019	\$ 392,005,000
Junior Lien Airport Revenue Refunding Bonds, Taxable Series 2019C	12/11/2019	\$ 29,435,000
Rental Car Facility Charge Revenue Bonds, Series 2019A (Non-AMT)	12/5/2019	\$ 244,245,000
Rental Car Facility Charge Revenue Refunding Bonds, Taxable Series 2019B	12/5/2019	\$ 60,485,000
Junior Lien Water System Revenue Refunding Bonds, Series 2014B	12/17/14	\$ 445,085,000
Junior Lien Water System Revenue Refunding Bonds, Series 2016	01/10/17	\$ 375,780,000



Purpose	Call and Redemption Terms
To refund the Senior Lien Airport Revenue Bonds, Series 2008A (Non-AMT).	Bonds maturing on or after July 1, 2028 are callable on 7/1/2027 and thereafter, in whole or in part at any time, at 100% par.
To fund a portion of the costs related to the Terminal 3 Modernization Project with a portion of the proceeds refunding the outstanding balance under a Revolving Credit Agreement.	Bonds maturing on or after July 1, 2029 are callable on 7/1/2028 and thereafter, in whole or in part at any time, at 100% par.
To refund the Senior Lien Airport Revenue Refunding Bonds, Series 2013 (AMT).	Bonds are not subject to redemption prior to maturity.
To fund land acquisition for noise mitigation and related capital costs for the Phoenix Sky Train.	The bonds are subject to redemption prior to their maturity date of July 1, 2040 in whole or in part at the make-whole premium.
To refund the outstanding Airport Commercial Paper Program Notes, Series 2014A-1 and 2014A-2.	Bonds maturing on and after July 1, 2026 are callable on 7/1/2025 and thereafter, in whole or in part at any time, at 100% of par.
To refund a portion of the outstanding Junior Lien Airport Revenue Bonds, Series 2010A (Non-AMT).	Bonds are callable on 7/1/2025 and thereafter, in whole or in part at any time, at 100% if par.
To refund the Junior Lien Airport Revenue Bonds, Series 2010A (Non-AMT).	Bonds maturing on or after July 1, 2028 are callable on 7/1/2027 and thereafter, in whole or in part at any time, at 100% par.
To fund the PHX Sky Train automated transportation system at Sky Harbor and a police hangar at Phoenix Deer Valley Airport with a portion of the proceeds refunding the outstanding balance under a Revolving Credit Agreement.	Bonds maturing on or after July 1, 2030 are callable on 7/1/2029 and thereafter, in whole or in part at any time at 100% of par.
To fund costs of the Terminal 3 and Terminal 4 Modernization Project at Sky Harbor.	Bonds maturing on or after July 1, 2030 are callable on 7/1/2029 and thereafter, in whole or in part at any time at 100% of par.
To refund the Junior Lien Airport Revenue Refunding Bonds, Series 2010C.	Bonds are callable in whole or in part at any time prior to maturity at 100% of par plus the make-whole premium, if any.
To fund the costs of improvements to the PHX Sky Train which will extend services from Terminal 3 to a future West Ground Transportation Center.	Bonds maturing on or after July 1, 2030 are callable on 7/1/2029 and thereafter, in whole or in part at any time at 100% of par.
To refund the Rental Car Facility Charge Revenue Bonds, Series 2004.	Bonds are callable in whole or in part at any time prior to maturity at 100% of par plus the make-whole premium, if any.
To refund the Junior Lien Water System Revenue Refunding Bonds, Series 2003 and refund the Junior Lien Water System Revenue Bonds, Series 2005.	Bonds maturing on and after July 1, 2025 are callable on 7/1/2024 and thereafter, in whole or in part at any time, at 100% of par.
To refund the Junior Lien Water System Revenue Bonds, Series 2009A.	Bonds maturing on or after July 1, 2027 are callable on 7/1/2026 and thereafter, in whole or in part at any time, at 100% of par.

Issue	Issue Date	Original Issuance
Junior Lien Water System Revenue Bonds, Series 2020A	04/09/20	\$ 165,115,000
Junior Lien Water System Revenue Bonds, Series 2020B (Sustainability Bonds)	04/09/20	\$ 228,015,000
Junior Lien Water System Revenue Bonds, Series 2021A	06/09/21	\$ 250,000,000
Junior Lien Water System Revenue Refunding Bonds, Series 2021B	06/09/21	\$ 67,345,000
Junior Lien Water System Revenue Refunding Bonds, Taxable Series 2021C	06/09/21	\$ 151,280,000
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
Junior Lien Wastewater System Revenue Bonds, Series 2023	11/15/23	\$ 381,620,000

Purpose	Call and Redemption Terms
To fund improvements of the City's water system with a majority portion of the proceeds refunding the outstanding balance under a Revolving Credit Agreement.	Bonds maturing on or after July 1, 2031 are callable on 7/1/2030 and thereafter, in whole or in part at any time at 100% of par.
Proceeds are designated to fund the Sustainability Project, which is based upon the social impacts of sustainable, clean water management as well as the climate adaptation and/or mitigation benefits of the Colorado River Resiliency project.	Bonds maturing on or after July 1, 2031 are callable on 7/1/2030 and thereafter, in whole or in part at any time at 100% of par.
To fund improvements of the City's water system.	Bonds maturing on or after July 1, 2032 are callable on 7/1/2031 and thereafter, in whole or in part at any time at 100% of par.
To refund the Junior Lien Water System Revenue Refunding Bonds, Series 2011.	Bonds are not subject to redemption prior to maturity.
To partially refund the Junior Lien Water System Revenue Refunding Bonds, Series 2014A.	Bonds maturing on or after July 1, 2032 are callable on 7/1/2031 and thereafter, in whole or in part at any time, at 100% of par. From the date of issuance, the bonds are subject to a Make-Whole Premium prior to the call date plus accrued interest.
To refund the outstanding Junior Lien Wastewater System Revenue Refunding Bonds, Series 2004.	Bonds maturing on and after July 1, 2025 are callable on July 1, 2024 and thereafter, in whole or in part at any time, at 100% of par.
To refund the Junior Lien Wastewater System Revenue Bonds, Series 2007.	Bonds maturing on or after July 1, 2027 are callable on 7/1/2026 and thereafter, in whole or in part at any time, at 100% of par.
To fund the cost of certain improvements of the City's wastewater system.	Bonds maturing on or after July 1, 2029 are callable on 7/1/2028 and thereafter, in whole or in part at any time, at 100% par.
To fund the cost of certain improvements of the City's wastewater system.	Bonds maturing on or after July 1, 2034 are callable on 7/1/2033 and thereafter, in whole or in part at any time, at 100% par.

Fiscal Year Ending June 30	Principal	Interest	Total
<b>Subordinated Excise Tax Revenue Refunding Bonds, Series 2012A</b>			
2025	\$ 220,000	\$ 6,600	\$ 226,600
Total	<u>\$ 220,000</u>	<u>\$ 6,600</u>	<u>\$ 226,600</u>
Coupon rates		<u>3.00 - 5.00%</u>	
Effective interest rate		<u>2.30%</u>	
<b>Subordinated Excise Tax Revenue Refunding Bonds, Series 2015A</b>			
2025	\$ 17,050,000	\$ 12,805,100	\$ 29,855,100
2026	17,930,000	11,952,600	29,882,600
2027	11,830,000	11,056,100	22,886,100
2028	10,770,000	10,464,600	21,234,600
2029	11,305,000	9,926,100	21,231,100
2030 - 2034	65,345,000	40,843,000	106,188,000
2035 - 2039	83,400,000	22,788,500	106,188,500
2040 - 2041	39,490,000	2,985,750	42,475,750
Total	<u>\$ 257,120,000</u>	<u>\$ 122,821,750</u>	<u>\$ 379,941,750</u>
Coupon rates		<u>3.00 - 5.00%</u>	
Effective interest rate		<u>3.56%</u>	
<b>Subordinated Excise Tax Revenue Refunding Bonds, Series 2015B (Taxable)</b>			
2025	\$ 2,070,000	\$ 1,002,986	\$ 3,072,986
2026	2,125,000	939,810	3,064,810
2027	2,190,000	870,704	3,060,704
2028	2,260,000	797,295	3,057,295
2029	2,345,000	718,150	3,063,150
2030 - 2034	13,105,000	2,190,763	15,295,763
2035	2,945,000	117,565	3,062,565
Total	<u>\$ 27,040,000</u>	<u>\$ 6,637,273</u>	<u>\$ 33,677,273</u>
Coupon rates		<u>0.41 - 3.992%</u>	
Effective interest rate		<u>3.35%</u>	

Fiscal Year Ending June 30	Principal	Interest	Total
<b>Subordinated Excise Tax Revenue Bonds, Series 2017A</b>			
2025	\$ 6,585,000	\$ 1,674,100	\$ 8,259,100
2026	6,915,000	1,344,850	8,259,850
2027	7,260,000	999,100	8,259,100
2028	3,730,000	636,100	4,366,100
2029	3,880,000	486,900	4,366,900
2030 - 2032	12,350,000	748,350	13,098,350
Total	<u>\$ 40,720,000</u>	<u>\$ 5,889,400</u>	<u>\$ 46,609,400</u>
Coupon rates		<u>3.00 - 5.00%</u>	
Effective interest rate		<u>2.16%</u>	
<b>Subordinated Excise Tax Revenue Refunding Bonds, Series 2017B</b>			
2025	\$ 8,255,000	\$ 1,611,200	\$ 9,866,200
2026	8,660,000	1,198,450	9,858,450
2027	6,140,000	765,450	6,905,450
2028	6,440,000	458,450	6,898,450
2029	6,695,000	200,850	6,895,850
Total	<u>\$ 36,190,000</u>	<u>\$ 4,234,400</u>	<u>\$ 40,424,400</u>
Coupon rates		<u>3.00 - 5.00%</u>	
Effective interest rate		<u>2.02%</u>	
<b>Subordinated Excise Tax Revenue Bonds, Series 2020A</b>			
2025	\$ 5,915,000	\$ 5,662,250	\$ 11,577,250
2026	6,200,000	5,366,500	11,566,500
2027	6,510,000	5,056,500	11,566,500
2028	6,845,000	4,731,000	11,576,000
2029	7,185,000	4,388,750	11,573,750
2030 - 2034	41,670,000	16,183,750	57,853,750
2035 - 2039	26,800,000	6,015,000	32,815,000
2040 - 2044	13,815,000	2,322,400	16,137,400
2045	3,105,000	124,200	3,229,200
Total	<u>\$ 118,045,000</u>	<u>\$ 49,850,350</u>	<u>\$ 167,895,350</u>
Coupon rates		<u>4.00 - 5.00%</u>	
Effective interest rate		<u>1.90%</u>	

Fiscal Year Ending June 30	Principal	Interest	Total
<b>Subordinated Excise Tax Revenue Bonds, Series 2020B (Taxable)</b>			
2025	\$ 5,155,000	\$ 2,861,454	\$ 8,016,454
2026	5,205,000	2,812,018	8,017,018
2027	5,265,000	2,751,796	8,016,796
2028	5,335,000	2,685,615	8,020,615
2029	5,410,000	2,607,991	8,017,991
2030 - 2034	28,495,000	11,594,127	40,089,127
2035 - 2039	31,750,000	8,343,833	40,093,833
2040 - 2044	36,060,000	4,023,033	40,083,033
2045	7,810,000	211,182	8,021,182
Total	<u>\$ 130,485,000</u>	<u>\$ 37,891,049</u>	<u>\$ 168,376,049</u>
Coupon rates		<u>0.457 - 2.704%</u>	
Effective interest rate		<u>2.39%</u>	
<b>Subordinated Excise Tax Revenue Refunding Bonds, Series 2020C (Taxable)</b>			
2025	\$ 12,375,000	\$ 1,277,642	\$ 13,652,642
2026	12,460,000	1,158,965	13,618,965
2027	13,490,000	1,014,803	14,504,803
2028	14,075,000	845,234	14,920,234
2029	8,905,000	640,443	9,545,443
2030 - 2034	21,190,000	1,616,563	22,806,563
2035 - 2036	4,295,000	144,723	4,439,723
Total	<u>\$ 86,790,000</u>	<u>\$ 6,698,373</u>	<u>\$ 93,488,373</u>
Coupon rates		<u>0.679 - 2.255%</u>	
Effective interest rate		<u>1.58%</u>	
<b>Subordinated Excise Tax Revenue Bonds, Series 2022</b>			
2025	\$ 3,180,000	\$ 6,582,500	\$ 9,762,500
2026	3,335,000	6,423,500	9,758,500
2027	3,505,000	6,256,750	9,761,750
2028	3,680,000	6,081,500	9,761,500
2029	3,865,000	5,897,500	9,762,500
2030 - 2034	22,410,000	26,389,500	48,799,500
2035 - 2039	28,595,000	20,198,500	48,793,500
2040 - 2044	36,500,000	12,298,000	48,798,000
2045 - 2047	26,580,000	2,701,250	29,281,250
Total	<u>\$ 131,650,000</u>	<u>\$ 92,829,000</u>	<u>\$ 224,479,000</u>
Coupon rates		<u>5.00%</u>	
Effective interest rate		<u>3.79%</u>	

Fiscal Year Ending June 30	Principal	Interest	Total
<b>State of Arizona Distribution Revenue Bonds (Civic Plaza Expansion Project), Series 2005B</b>			
2025	\$ 7,115,000	\$ 18,883,700	\$ 25,998,700
2026	8,005,000	18,492,375	26,497,375
2027	8,945,000	18,052,100	26,997,100
2028	9,935,000	17,560,125	27,495,125
2029	10,985,000	17,013,700	27,998,700
2030 - 2034	72,250,000	74,740,050	146,990,050
2035 - 2039	98,010,000	51,974,175	149,984,175
2040 - 2044	128,095,000	21,889,450	149,984,450
Total	<u>\$ 343,340,000</u>	<u>\$ 238,605,675</u>	<u>\$ 581,945,675</u>

Coupon rates 3.85 - 5.50%

Effective interest rate 4.72%

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

2025	\$ 4,065,000	\$ 8,424,250	\$ 12,489,250
2026	4,270,000	8,221,000	12,491,000
2027	4,480,000	8,007,500	12,487,500
2028	4,710,000	7,783,500	12,493,500
2029	4,945,000	7,548,000	12,493,000
2030 - 2034	28,680,000	33,775,500	62,455,500
2035 - 2039	36,600,000	25,852,000	62,452,000
2040 - 2044	46,720,000	15,740,000	62,460,000
2045 - 2047	34,015,000	3,456,750	37,471,750
Total	<u>\$ 168,485,000</u>	<u>\$ 118,808,500</u>	<u>\$ 287,293,500</u>

Coupon rates 5.00%

Effective interest rate 3.84%

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

2025	\$ 7,565,000	\$ 7,413,750	\$ 14,978,750
2026	7,945,000	7,035,500	14,980,500
2027	8,340,000	6,638,250	14,978,250
2028	8,760,000	6,221,250	14,981,250
2029	9,195,000	5,783,250	14,978,250
2030 - 2034	53,355,000	21,542,250	74,897,250
2035 - 2038	53,115,000	6,801,000	59,916,000
Total	<u>\$ 148,275,000</u>	<u>\$ 61,435,250</u>	<u>\$ 209,710,250</u>

Coupon rates 5.00%

Effective interest rate 3.23%

Fiscal Year Ending June 30	Principal	Interest	Total
<b>Senior Lien Airport Revenue Bonds, Series 2018 (AMT)</b>			
2025	\$ 4,345,000	\$ 10,071,500	\$ 14,416,500
2026	4,560,000	9,854,250	14,414,250
2027	4,790,000	9,626,250	14,416,250
2028	5,025,000	9,386,750	14,411,750
2029	5,275,000	9,135,500	14,410,500
2030 - 2034	30,630,000	41,444,750	72,074,750
2035 - 2039	39,090,000	32,982,500	72,072,500
2040 - 2044	49,880,000	22,183,750	72,063,750
2045 - 2048	61,835,000	8,309,500	70,144,500
Total	<u>\$ 205,430,000</u>	<u>\$ 152,994,750</u>	<u>\$ 358,424,750</u>
Coupon rates		<u>4.00 - 5.00%</u>	
Effective interest rate		<u>4.22%</u>	
<b>Senior Lien Airport Revenue Refunding Bonds, Series 2023 (AMT)</b>			
2025	\$ 9,220,000	\$ 4,403,000	\$ 13,623,000
2026	9,685,000	3,942,000	13,627,000
2027	10,170,000	3,457,750	13,627,750
2028	10,675,000	2,949,250	13,624,250
2029	11,210,000	2,415,500	13,625,500
2030 - 2032	37,100,000	3,770,250	40,870,250
Total	<u>\$ 88,060,000</u>	<u>\$ 20,937,750</u>	<u>\$ 108,997,750</u>
Coupon rates		<u>5.00%</u>	
Effective interest rate		<u>3.50%</u>	
<b>Junior Lien Airport Revenue Bonds, Taxable Series 2010B (Recovery Zone Economic Development Bonds - Direct Payment)</b>			
2025	\$ -	\$ 1,408,770	\$ 1,408,770
2026	-	1,408,770	1,408,770
2027	-	1,408,770	1,408,770
2028	-	1,408,770	1,408,770
2029	-	1,408,770	1,408,770
2030 - 2034	-	7,043,850	7,043,850
2035 - 2039	-	7,043,850	7,043,850
2040	21,345,000	1,408,770	22,753,770
Total	<u>\$ 21,345,000</u>	<u>\$ 22,540,320</u>	<u>\$ 43,885,320</u>
Coupon rates		<u>6.60%</u>	
Effective interest rate		<u>3.67%</u>	



Fiscal Year Ending June 30	Principal	Interest	Total
<b>Junior Lien Airport Revenue Bonds, Series 2015A (Non-AMT)</b>			
2025	\$ 2,270,000	\$ 3,914,750	\$ 6,184,750
2026	2,385,000	3,801,250	6,186,250
2027	2,505,000	3,682,000	6,187,000
2028	2,630,000	3,556,750	6,186,750
2029	2,760,000	3,425,250	6,185,250
2030 - 2034	16,010,000	14,913,000	30,923,000
2035 - 2039	20,320,000	10,606,750	30,926,750
2040 - 2044	25,525,000	5,402,150	30,927,150
2045	5,890,000	294,500	6,184,500
Total	<u>\$ 80,295,000</u>	<u>\$ 49,596,400</u>	<u>\$ 129,891,400</u>

Coupon rates 4.00 - 5.00%

Effective interest rate 3.99%

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

2025	\$ -	\$ 932,750	\$ 932,750
2026	-	932,750	932,750
2027	-	932,750	932,750
2028	-	932,750	932,750
2029	-	932,750	932,750
2030 - 2034	18,655,000	4,663,750	23,318,750
Total	<u>\$ 18,655,000</u>	<u>\$ 9,327,500</u>	<u>\$ 27,982,500</u>

Coupon rates 5.00%

Effective interest rate 4.08%

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

2025	\$ 19,055,000	\$ 19,277,006	\$ 38,332,006
2026	20,010,000	18,324,256	38,334,256
2027	21,005,000	17,323,757	38,328,757
2028	22,060,000	16,273,506	38,333,506
2029	23,160,000	15,170,505	38,330,505
2030 - 2034	114,385,000	57,280,282	171,665,282
2035 - 2039	170,190,000	26,497,050	196,687,050
2040	17,300,000	692,000	17,992,000
Total	<u>\$ 407,165,000</u>	<u>\$ 170,838,362</u>	<u>\$ 578,003,362</u>

Coupon rates 3.13 - 5.00%

Effective interest rate 3.36%

Fiscal Year Ending June 30	Principal	Interest	Total
<b>Junior Lien Airport Revenue Bonds, Series 2019A (Non-AMT)</b>			
2025	\$ -	\$ 15,269,000	\$ 15,269,000
2026	-	15,269,000	15,269,000
2027	-	15,269,000	15,269,000
2028	-	15,269,000	15,269,000
2029	-	15,269,000	15,269,000
2030 - 2034	-	76,345,000	76,345,000
2035 - 2039	-	76,345,000	76,345,000
2040 - 2044	131,815,000	67,826,000	199,641,000
2045 - 2049	209,280,000	29,145,150	238,425,150
Total	<u>\$ 341,095,000</u>	<u>\$ 326,006,150</u>	<u>\$ 667,101,150</u>

Coupon rates 3.00 - 5.00%

Effective interest rate 3.61%

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

2025	\$ 8,025,000	\$ 17,523,600	\$ 25,548,600
2026	8,425,000	17,122,350	25,547,350
2027	8,845,000	16,701,100	25,546,100
2028	9,290,000	16,258,850	25,548,850
2029	9,755,000	15,794,350	25,549,350
2030 - 2034	56,595,000	71,149,000	127,744,000
2035 - 2039	71,790,000	55,958,100	127,748,100
2040 - 2044	89,175,000	38,564,750	127,739,750
2045 - 2049	112,070,000	15,681,238	127,751,238
Total	<u>\$ 373,970,000</u>	<u>\$ 264,753,338</u>	<u>\$ 638,723,338</u>

Coupon rates 3.25 - 5.00%

Effective interest rate 3.44%

**Junior Lien Airport Revenue Refunding Bonds, Taxable Series 2019C**

2025	\$ 10,030,000	\$ 237,711	10,267,711
Total	<u>\$ 10,030,000</u>	<u>\$ 237,711</u>	<u>\$ 10,267,711</u>

Coupon rates 2.20 - 2.37%

Effective interest rate 2.38%

Fiscal Year Ending June 30	Principal	Interest	Total
<b>Rental Car Facility Charge Revenue Bonds, Series 2019A (Non-AMT)</b>			
2025	\$ -	\$ 11,651,200	\$ 11,651,200
2026	-	11,651,200	11,651,200
2027	-	11,651,200	11,651,200
2028	6,910,000	11,651,200	18,561,200
2029	9,235,000	11,305,700	20,540,700
2030 - 2034	53,600,000	49,121,000	102,721,000
2035 - 2039	68,395,000	34,313,500	102,708,500
2040 - 2044	86,435,000	16,276,500	102,711,500
2045	19,670,000	870,150	20,540,150
Total	<u>\$ 244,245,000</u>	<u>\$ 158,491,650</u>	<u>\$ 402,736,650</u>

Coupon rates 4.00 - 5.00%

Effective interest rate 3.33%

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

2025	\$ 8,185,000	\$ 708,201	\$ 8,893,201
2026	8,385,000	505,377	8,890,377
2027	8,605,000	287,535	8,892,535
2028	1,925,000	53,823	1,978,823
Total	<u>\$ 27,100,000</u>	<u>\$ 1,554,936</u>	<u>\$ 28,654,936</u>

Coupon rates 2.007 - 2.796%

Effective interest rate 2.60%

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

2025	\$ 40,175,000	\$ 10,025,550	\$ 50,200,550
2026	42,185,000	8,016,800	50,201,800
2027	44,215,000	5,987,550	50,202,550
2028	46,425,000	3,776,800	50,201,800
2029	48,205,000	1,919,800	50,124,800
Total	<u>\$ 221,205,000</u>	<u>\$ 29,726,500</u>	<u>\$ 250,931,500</u>

Coupon rates 3.00 - 5.00%

Effective interest rate 2.64%

Fiscal Year Ending June 30	Principal	Interest	Total
<b>Junior Lien Water System Revenue Refunding Bonds, Series 2016</b>			
2025	\$ 15,335,000	\$ 16,548,000	\$ 31,883,000
2026	16,105,000	15,781,250	31,886,250
2027	16,910,000	14,976,000	31,886,000
2028	17,760,000	14,130,500	31,890,500
2029	18,640,000	13,242,500	31,882,500
2030 - 2034	108,160,000	51,264,000	159,424,000
2035 - 2039	138,050,000	21,380,500	159,430,500
Total	<u>\$ 330,960,000</u>	<u>\$ 147,322,750</u>	<u>\$ 478,282,750</u>

Coupon rates 1.00 - 5.00%

Effective interest rate 3.59%

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

2025	\$ -	\$ 8,255,750	\$ 8,255,750
2026	-	8,255,750	8,255,750
2027	-	8,255,750	8,255,750
2028	-	8,255,750	8,255,750
2029	-	8,255,750	8,255,750
2030 - 2034	23,335,000	39,058,500	62,393,500
2035 - 2039	29,775,000	32,613,000	62,388,000
2040 - 2044	112,005,000	17,346,750	129,351,750
Total	<u>\$ 165,115,000</u>	<u>\$ 130,297,000</u>	<u>\$ 295,412,000</u>

Coupon rates 5.00%

Effective interest rate 3.14%

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

2025	\$ -	\$ 11,400,750	\$ 11,400,750
2026	-	11,400,750	11,400,750
2027	-	11,400,750	11,400,750
2028	-	11,400,750	11,400,750
2029	-	11,400,750	11,400,750
2030 - 2034	32,220,000	53,939,500	86,159,500
2035 - 2039	41,125,000	45,035,750	86,160,750
2040 - 2044	154,670,000	23,954,500	178,624,500
Total	<u>\$ 228,015,000</u>	<u>\$ 179,933,500</u>	<u>\$ 407,948,500</u>

Coupon rates 5.00%

Effective interest rate 3.14%

Fiscal Year Ending June 30	Principal	Interest	Total
<b>Junior Lien Water System Revenue Bonds, Series 2021A</b>			
2025	\$ -	\$ 12,028,950	\$ 12,028,950
2026	7,620,000	12,028,950	19,648,950
2027	8,005,000	11,647,950	19,652,950
2028	8,405,000	11,247,700	19,652,700
2029	8,825,000	10,827,450	19,652,450
2030 - 2034	51,195,000	47,060,750	98,255,750
2035 - 2039	65,330,000	32,917,250	98,247,250
2040 - 2044	81,905,000	16,347,600	98,252,600
2045	18,715,000	935,750	19,650,750
Total	<u>\$ 250,000,000</u>	<u>\$ 155,042,350</u>	<u>\$ 405,042,350</u>

Coupon rates 4.00 - 5.00%

Effective interest rate 2.45%

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

2025	16,215,000	1,662,000	17,877,000
2026	17,025,000	851,250	17,876,250
Total	<u>\$ 33,240,000</u>	<u>\$ 2,513,250</u>	<u>\$ 35,753,250</u>

Coupon rates 5.00%

Effective interest rate 0.52%

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

2025	\$ -	\$ 3,666,074	\$ 3,666,074
2026	2,905,000	3,666,074	6,571,074
2027	6,850,000	3,636,559	10,486,559
2028	6,940,000	3,541,893	10,481,893
2029	7,055,000	3,432,102	10,487,102
2030 - 2034	37,420,000	15,013,690	52,433,690
2035 - 2039	42,015,000	10,409,224	52,424,224
2040 - 2044	48,095,000	4,329,274	52,424,274
Total	<u>\$ 151,280,000</u>	<u>\$ 47,694,890</u>	<u>\$ 198,974,890</u>

Coupon rates 1.016 - 2.974%

Effective interest rate 2.61%

Fiscal Year Ending June 30	Principal	Interest	Total
<b>Junior Lien Wastewater System Revenue Refunding Bonds, Series 2014</b>			
2025	9,905,000	2,736,750	\$ 12,641,750
2026	10,400,000	2,241,500	12,641,500
2027	10,920,000	1,721,500	12,641,500
2028	11,470,000	1,175,500	12,645,500
2029	12,040,000	602,000	12,642,000
Total	<u>\$ 54,735,000</u>	<u>\$ 8,477,250</u>	<u>\$ 63,212,250</u>
Coupon rates		<u>1.75 - 5.00%</u>	
Effective interest rate		<u>3.00%</u>	
<b>Junior Lien Wastewater System Revenue Refunding Bonds, Series 2016</b>			
2025	\$ 10,860,000	\$ 7,923,000	\$ 18,783,000
2026	11,460,000	7,380,000	18,840,000
2027	12,090,000	6,807,000	18,897,000
2028	12,760,000	6,202,500	18,962,500
2029	13,460,000	5,564,500	19,024,500
2030 - 2034	79,265,000	16,954,500	96,219,500
2035	18,565,000	928,250	19,493,250
Total	<u>\$ 158,460,000</u>	<u>\$ 51,759,750</u>	<u>\$ 210,219,750</u>
Coupon rates		<u>5.00%</u>	
Effective interest rate		<u>2.89%</u>	
<b>Junior Lien Wastewater System Revenue Refunding Bonds, Series 2018A</b>			
2025	\$ 4,390,000	\$ 6,296,200	\$ 10,686,200
2026	4,610,000	6,076,700	10,686,700
2027	4,840,000	5,846,200	10,686,200
2028	5,080,000	5,604,200	10,684,200
2029	5,335,000	5,350,200	10,685,200
2030 - 2034	30,950,000	22,473,500	53,423,500
2035 - 2039	39,505,000	13,921,750	53,426,750
2040 - 2043	38,560,000	4,182,950	42,742,950
Total	<u>\$ 133,270,000</u>	<u>\$ 69,751,700</u>	<u>\$ 203,021,700</u>
Coupon rates		<u>3.50 - 5.00%</u>	
Effective interest rate		<u>3.66%</u>	

Fiscal Year Ending June 30	Principal	Interest	Total
<b>Junior Lien Wastewater System Revenue Bonds, Series 2023</b>			
2025	\$ -	\$ 19,353,175	\$ 19,353,175
2026	-	19,353,175	19,353,175
2027	-	19,353,175	19,353,175
2028	11,530,000	19,353,175	30,883,175
2029	12,105,000	18,776,675	30,881,675
2030 - 2034	70,235,000	84,176,125	154,411,125
2035 - 2039	89,640,000	64,771,625	154,411,625
2040 - 2044	114,405,000	40,005,375	154,410,375
2045 - 2047	83,705,000	8,938,913	92,643,913
Total	<u>\$ 381,620,000</u>	<u>\$ 294,081,413</u>	<u>\$ 675,701,413</u>

Coupon rates	<u>5.00 - 5.25%</u>
Effective interest rate	<u>4.64%</u>

<b>Total Bonds Payable</b>			
2025	\$ 237,560,000	\$ 253,499,219	\$ 491,059,219
2026	248,810,000	242,808,970	491,618,970
2027	237,705,000	231,441,599	469,146,599
2028	255,425,000	220,694,086	476,119,086
2029	261,775,000	209,440,686	471,215,686
2030 - 2034	1,118,605,000	885,295,300	2,003,900,300
2035 - 2039	1,199,300,000	607,959,395	1,807,259,395
2040 - 2044	1,271,795,000	317,779,002	1,589,574,002
2045 - 2049	582,675,000	70,668,583	653,343,583
Total	<u>\$ 5,413,650,000</u>	<u>\$ 3,039,586,840</u>	<u>\$ 8,453,236,840</u>

Changes in long-term debt during fiscal year 2023-24 are summarized as follows (in thousands):

Bonds Payable, July 1	\$ 5,295,205
Additions	381,620
Reductions	(263,175)
Bonds Payable, June 30	<u>\$ 5,413,650</u>
Amounts Due Within One Year	<u>\$ 237,560</u>



**7. Construction Commitments**

As of June 30, 2024, the Corporation has outstanding construction commitments of \$153.7 million related to the various bond issues. The commitments have not been recorded in the accompanying financial statements. Only the currently payable portion of the contracts have been included in accounts payable in the accompanying financial statements.

**8. Subsequent Events**

Debt Issuance

On June 26, 2024, the City of Phoenix Civic Improvement Corporation issued \$180.0 million of Subordinated Excise Tax Revenue Bonds, Series 2024. The bonds were issued at an all-in true interest cost of 3.77% and were dated and delivered July 17, 2024.

Bond Rating

On August 28, 2024, in conjunction with an update to the US Cities and Counties Methodology, Moody's announced an upgrade to its financial strength rating on the State Distribution Revenue Bonds to "Aa1" from "Aa2." The credit has a stable outlook.



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

