

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,
2025





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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

Marian Yim
Director

Rosellen C. Papp
Director

Vacant
Director

City of Phoenix Administrative Staff

Ed Zuercher
City Manager

Melinda Holguin
Interim Chief Financial Officer

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION

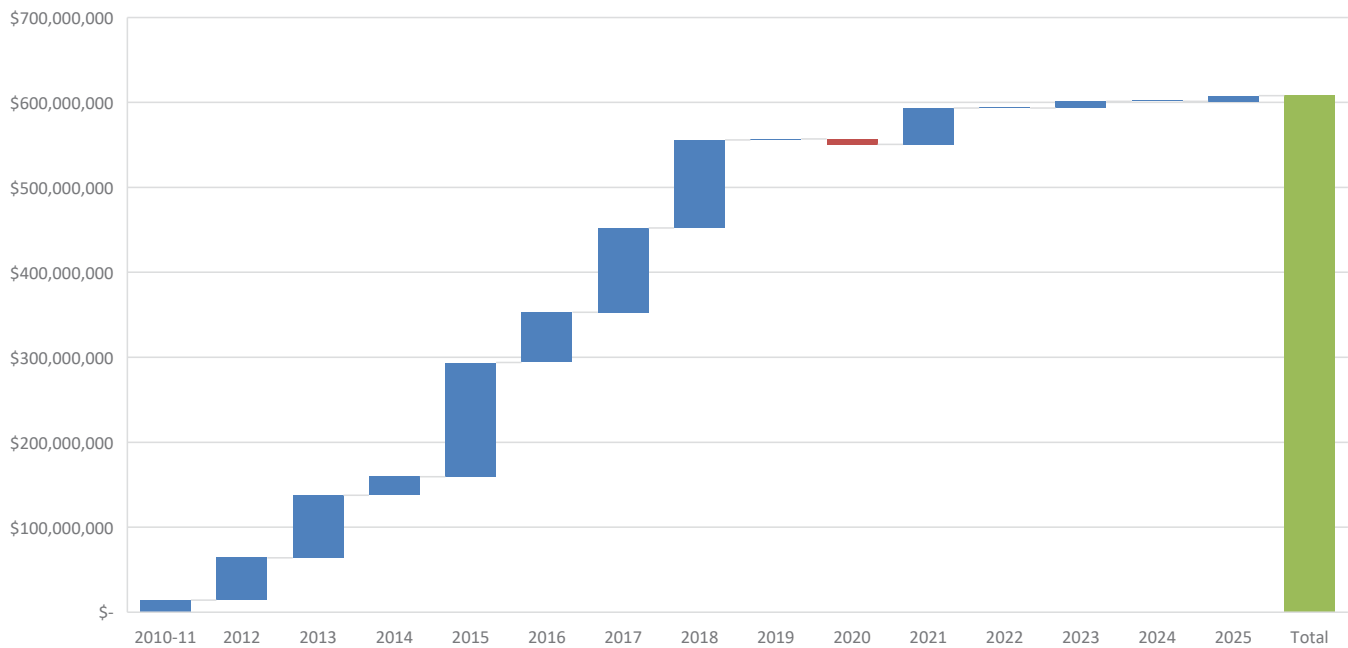
(A Component Unit of the City of Phoenix, Arizona)

SAVINGS FROM BOND REFUNDINGS

Bonds are refunded to retire all or a portion of an outstanding bond issue. Typically, refundings are done to refinance at a lower interest rate to reduce overall debt service. See Notes to Financial Statements, Note 5 (page 28) for additional information. Since fiscal year 2010, bond refundings have saved:

\$608.0 million

Savings from Bond Refundings by Fiscal Year



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



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Financial
section



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City of Phoenix
FINANCE DEPARTMENT
FINANCIAL ACCOUNTING AND REPORTING DIVISION

March 30, 2026

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, 2025. 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, 2025, 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, 2025, projects that received proceeds from the Corporation's bond issuances included various improvements to the City's public safety equipment including fire protection apparatus, police aerial fleet, and emergency radio communications; various sewer and fire safety improvements to the City's municipal court buildings and libraries; and renovations and improvements for the building at 100 West Washington Street which will be the City's new police headquarters and 911 call center.

The Corporation issued two new bond series in the fiscal year ended June 30, 2025. The Subordinated Excise Tax Revenue Bonds, Series 2024 issued \$180,000,000 in July 2024 to fund the costs of acquiring, constructing, and improving real and personal property for the City. The Junior Lien Airport Revenue Refunding Bonds, Series 2025 issued \$84,635,000 in June 2025 to refund the Junior Lien Airport Revenue Bonds, Series 2015A and refund the Junior Lien Airport Revenue Refunding Bonds, Series 2015B.

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,

Jodi Nicholson

Jodi Nicholson
Deputy Finance Director

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, 2025.

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 19-46 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, 2025. The prior year's financial position and results are presented for comparative purposes.

Summary of net position (in thousands):

	2025	2024
Current assets	\$ 1,223,790	\$ 1,243,807
Noncurrent assets	5,131,591	5,145,812
Total assets	<u>6,355,381</u>	<u>6,389,619</u>
Deferred outflows of resources	-	-
Current liabilities	723,757	697,536
Noncurrent liabilities	5,610,672	5,738,607
Total liabilities	<u>6,334,429</u>	<u>6,436,143</u>
Deferred inflows of resources	-	-
Net position		
Restricted for debt service	269,122	257,700
Unrestricted (deficit)	<u>(248,170)</u>	<u>(304,224)</u>
Total net position (deficit)	<u>\$ 20,952</u>	<u>\$ (46,524)</u>

Summary of changes in net position (in thousands):

	2025	2024
Program revenues	\$ 268,630	\$ 266,611
Investment income	10,103	14,370
Payments from the City of Phoenix	83	79
Total revenues	<u>278,816</u>	<u>281,060</u>
Cost of sales	2,004	10,266
Interest on long-term debt, net	206,889	200,728
Other expenses	2,447	2,456
Total expenses	<u>211,340</u>	<u>213,450</u>
Change in net position	<u>\$ 67,476</u>	<u>\$ 67,610</u>

Total assets decreased by \$34.2 million in the current fiscal year to \$6.4 billion. Total liabilities decreased by \$101.7 million in the current fiscal year to \$6.3 billion. The decrease in both assets and liabilities are due to the payment of principal and amortization of premium. New bond issuances in fiscal year 2025 were the Subordinated Excise Tax Revenue Bonds, Series 2024 and the Junior Lien Airport Revenue Refunding Bonds, Series 2025 (Non-AMT).

Program revenues increased by \$2.0 million, or 0.8% in fiscal year 2025 due to an increase in sales contracts interest income. No projects were completed in fiscal years 2025 or 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 2025. The increase in payments from the City of Phoenix relates to professional fees that were paid to consultants for refundings and new issuances during fiscal year 2025 while there was only one new bond issuance in fiscal year 2024. Total expenses decreased in fiscal year 2025 by \$2.1 million, or 1.0%. When 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 \$67.5 million for fiscal year 2025 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, 2024	Net Change in Fund Balances	Fund Balances June 30, 2025
General	\$ 18	\$ (1)	\$ 17
Debt Service	257,700	11,422	269,122
Capital Projects	508,454	(24,517)	483,937
Total	<u>\$ 766,172</u>	<u>\$ (13,096)</u>	<u>\$ 753,076</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 2025. Fund balance increased during fiscal year 2025 primarily due to receiving proceeds from the issuance of the Junior Lien Airport Revenue Refunding Bonds, Series 2025.

The Capital Projects Fund accounts for the investment and expenditure of monies used for capital acquisitions and construction. The decrease in fund balance was due to capital outlay costs during the fiscal year being more than the proceeds received from the issuance of the Subordinated Excise Tax Revenue Bonds, Series 2024.

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, 2025, the Corporation's bonds payable, excluding premiums, decreased by \$74.8 million. This decrease was due to the continued payment of principal during the year and the issuance of the Subordinated Excise Tax Revenue Bonds, Series 2024 and the Junior Lien Airport Revenue Refunding Bonds, Series 2025.

Further detail pertaining to the Corporation's outstanding long-term debt is available in Note 6 on pages 28-45.

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, 2025

(in thousands)

	Governmental Activities
	<hr/>
ASSETS	
Current Assets	
Restricted Cash with Fiscal Agents	\$ 465,672
Investments	535,476
Prepaid Items	17
Current Portion of Sales Contracts Receivable	222,625
Total Current Assets	<hr/> 1,223,790
Noncurrent Assets	
Restricted Cash with Fiscal Agents	165,103
Sales Contracts Receivable, Less Current Portion	3,134,145
Assets Held for Sale to the City of Phoenix	1,832,343
Total Noncurrent Assets	<hr/> 5,131,591
Total Assets	<hr/> 6,355,381
DEFERRED OUTFLOWS OF RESOURCES	
Total Deferred Outflows of Resources	<hr/> -
LIABILITIES	
Current Liabilities	
Accounts Payable	39,432
Advances from the City of Phoenix	53,925
Matured Bonds Payable	242,780
Interest Payable	130,980
Current Portion of Bonds Payable	256,640
Total Current Liabilities	<hr/> 723,757
Noncurrent Liabilities	
Bonds Payable, Less Current Portion	5,082,185
Unamortized Premium	528,487
Total Noncurrent Liabilities	<hr/> 5,610,672
Total Liabilities	<hr/> 6,334,429
DEFERRED INFLOWS OF RESOURCES	
Total Deferred Inflows of Resources	<hr/> -
NET POSITION (DEFICIT)	
Restricted for Debt Service	269,122
Unrestricted (Deficit)	(248,170)
Total Net Position	<hr/> <u>\$ 20,952</u>

The accompanying notes are an integral part of these financial statements

STATEMENT OF ACTIVITIES
(Unaudited)
For the Fiscal Year Ended June 30, 2025
(in thousands)

	Governmental Activities
PROGRAM REVENUES	
Sales Contracts Adjustments Due to Refundings	\$ (4,487)
Sales Contracts Interest Income	272,519
Other Income	598
Total Program Revenues	268,630
EXPENSES	
Cost of Sales	2,004
Interest on Long-Term Debt, net	206,889
Issuance Costs	2,363
Trustee Fees	50
Other	34
Total Expenses	211,340
Net Program Revenues (Expenses)	57,290
GENERAL REVENUES	
Investment Income	10,103
Payments from the City of Phoenix	83
Total General Revenues	10,186
Change in Net Position	67,476
NET DEFICIT, JULY 1, 2024	(46,524)
NET POSITION, JUNE 30, 2025	\$ 20,952

The accompanying notes are an integral part of these financial statements

BALANCE SHEET - GOVERNMENTAL FUNDS

(Unaudited)

June 30, 2025

(in thousands)

	General	Debt Service	Capital Projects	Totals
ASSETS				
Cash with Fiscal Agents	\$ -	\$ 630,775	\$ -	\$ 630,775
Investments	-	12,107	523,369	535,476
Prepaid Items	17	-	-	17
Total Assets	<u>17</u>	<u>642,882</u>	<u>523,369</u>	<u>1,166,268</u>
DEFERRED OUTFLOWS OF RESOURCES				
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES				
Accounts Payable	-	-	39,432	39,432
Matured Bonds Payable	-	242,780	-	242,780
Interest Payable	-	130,980	-	130,980
Total Liabilities	<u>-</u>	<u>373,760</u>	<u>39,432</u>	<u>413,192</u>
DEFERRED INFLOWS OF RESOURCES				
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Fund Balances				
Nonspendable - Prepaid Items	17	-	-	17
Restricted	-	269,122	483,937	753,059
Total Fund Balances	<u>\$ 17</u>	<u>\$ 269,122</u>	<u>\$ 483,937</u>	<u>\$ 753,076</u>

The accompanying notes are an integral part of these financial statements

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

June 30, 2025
(in thousands)

Fund balances - total governmental funds balance sheet	\$ 753,076
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.	1,832,343
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.	3,356,770
Advances from the City of Phoenix that are payments for long-term liabilities are not reported in the governmental funds.	(53,925)
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>(5,867,312)</u>
Net position (deficit) of governmental activities - statement of net position	<u>\$ 20,952</u>

The accompanying notes are an integral part of these financial statements

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

(Unaudited)

For the Fiscal Year Ended June 30, 2025

(in thousands)

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals</u>
REVENUES				
Investment Income	\$ -	\$ 6,497	\$ 3,606	\$ 10,103
Payments from the City of Phoenix	83	515,299	-	515,382
Other	-	598	-	598
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	83	522,394	3,606	526,083
EXPENDITURES				
Debt Service				
Principal	-	242,780	-	242,780
Interest	-	262,099	-	262,099
Capital Outlay	-	-	228,546	228,546
Issuance Costs	-	1,008	1,355	2,363
Trustee Fees	50	-	-	50
Professional and Other Miscellaneous Fees	34	-	-	34
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	84	505,887	229,901	735,872
Revenues Over (Under) Expenditures	<hr/>	<hr/>	<hr/>	<hr/>
	(1)	16,507	(226,295)	(209,789)
OTHER FINANCING SOURCES (USES)				
Bond Proceeds	-	-	180,000	180,000
Proceeds from Refunding Bonds	-	84,635	-	84,635
Premium on Bonds	-	7,033	21,778	28,811
Deposit to Refunding Escrow	-	(96,753)	-	(96,753)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	-	(5,085)	201,778	196,693
Net Increase (Decrease) in Fund Balances	<hr/>	<hr/>	<hr/>	<hr/>
	(1)	11,422	(24,517)	(13,096)
FUND BALANCES, JULY 1, 2024	<hr/>	<hr/>	<hr/>	<hr/>
	18	257,700	508,454	766,172
FUND BALANCES, JUNE 30, 2025	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 17	\$ 269,122	\$ 483,937	\$ 753,076

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, 2025

(in thousands)

Net change in fund balances - total governmental funds	\$ (13,096)
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.	228,546
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.	(242,780)
Sales contracts income provides program revenue and cost of sales are an expense in the statement of activities. This amount includes the cost of sales in excess of the sales contract income and the adjustment to sales contract income resulting from refundings. Cost of sales and sales contracts income are not reported in the governmental funds.	(6,491)
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 difference between additions (\$264,635) and the effects of refundings and repayments (\$339,533).	74,898
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 (\$28,811) and the amortization of premiums (\$55,210) in the current year.	<u>26,399</u>
Change in net position of governmental activities - statement of activities	<u>\$ 67,476</u>

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

1. **Summary of Significant Accounting Policies**

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

a) **Reporting Entity**

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

b) **Basic Financial Statements**

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

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

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

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

c) **Fund Accounting**

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

The Corporation considers the following funds to be major funds:

General Fund - 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, 2025, the City has recorded \$35.5 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 2025:

GASB Statement No. 101, **Compensated Absences**, supersedes Statement 16, *Accounting for Compensated Absences*, issued in 1992. This Standard updates the recognition and measurement guidance for compensated absences by aligning the guidance under a unified model. The Corporation has implemented this Statement in fiscal year 2025.

GASB Statement No. 102, **Certain Risk Disclosures**, supersedes the Statement by the National Council of Governmental Accounting (NCGA) Interpretation 6, *Notes to the Financial Statements Disclosure*, paragraph 5. This Standard establishes financial reporting requirements for risks related to vulnerabilities due to certain concentrations or constraints. The Corporation has implemented this Statement in fiscal year 2025.

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:

GASB Statement No.	GASB Accounting Standard	Effective Fiscal Year
103	<i>Financial Reporting Model Improvements</i>	2026
104	<i>Disclosure of Certain Capital Assets</i>	2026
105	<i>Subsequent Events</i>	2027

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, 2025 was \$630.8 million. Included in this amount are the below amounts, which are held for July 1, 2025 maturities (in thousands):

	Principal	Interest	Total
Municipal Corporation Obligations	\$242,780	\$130,980	\$373,760

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, 2025, is as follows (in thousands):

	Fair Value	Weighted Average Maturity (years)
U.S. Treasury Securities	\$ 424,841	0.196
U.S. Government Agency Securities FNMA Notes	4,440	0.041
U.S. Government Agency Securities FHLMC Notes	11,470	0.041
U.S. Government Agency Securities FHLB Notes	94,725	0.189
Total Investments by fair value level	\$ 535,476	0.190

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	\$	11,470
Subordinated Excise Tax Revenue Bonds, Series 2017A		168
Junior Lien Airport Revenue Bonds, Series 2019A		32,142
Junior Lien Airport Revenue Bonds, Series 2019B		57,843
Junior Lien Water System Revenue Bonds, Series 2020B		31,151
Subordinated Excise Tax Revenue Bonds, Series 2020A		55,945
Junior Lien Water System Revenue Bonds, Series 2021A		30,735
Subordinated Excise Tax Revenue Bonds, Series 2022		63,103
Junior Lien Wastewater System Revenue Bonds, Series 2023		87,868
Subordinated Excise Tax Revenue Bonds, Series 2024		164,415
Junior Lien Airport Revenue Refunding Bonds, Series 2025		636
Total	\$	535,476

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, 2025 (in thousands):

Investments by Fair Value Level	Fair Value Measurement Using:			
	6/30/25	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	\$ 424,841	\$ -	\$ 424,841	\$ -
U.S. Government agency obligations	110,635	-	110,635	-
Total investments by fair value level	<u>\$ 535,476</u>	<u>\$ -</u>	<u>\$ 535,476</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, 2025, 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	\$94,725

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, 2025 are as follows (in thousands):

Total receivable from the City of Phoenix	\$ 4,862,766
Less: Interest Portion	<u>(1,505,996)</u>
Sales Contracts Receivable	3,356,770
Less: Current Portion	<u>(222,625)</u>
Sales Contracts Receivable - long-term	<u>\$ 3,134,145</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 2025.

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 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.

Subordinated Excise Tax Revenue Bonds, Series 2024

On July 17, 2024, 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, equipping and improving real and personal property for the City through the issuance of \$180.0 million of Subordinated Excise Tax Revenue Bonds, Series 2024.

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 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, Series 2025 (Non-AMT)

The issuance of \$84.6 million of Junior Lien Airport Revenue Refunding Bonds, Series 2025 (Non-AMT), dated June 11, 2025, refunded \$78.0 million of Junior Lien Airport Revenue Bonds, Series 2015A (Non-AMT) and \$18.7 million of Junior Lien Airport Revenue Refunding Bonds, Series 2015B (Non-AMT). The proceeds from the issuance of \$84.6 million of Junior Lien Airport Revenue Refunding Bonds, Series 2025 (Non-AMT) were transferred to the paying agent for the bonds and interest being 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 Charge 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.

	Junior Lien Airport Revenue	
Series		2025
Closing Date		06/11/25
Net Interest Rate		4.32%
Refunding Bonds Issued	\$	84,635
Premium (Discount)		7,033
Underwriter's Discount		(373)
Issuance Costs and Insurance		(635)
Net Proceeds	\$	90,660
Refunded Amount	\$	96,680
Decrease in Debt Service	\$	17,730
Economic Gain (Loss)	\$	6,167
Number of Years Affected		20

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, 2025 (in thousands), which are held as restricted cash with fiscal agents - noncurrent assets:

		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 2017D, 2019A, 2019B, 2025		91,375
Senior Lien Airport Parity Reserve for Series 2017A, 2017B, 2018, 2023		51,049
	\$	165,103

Issue	Issue Date	Original Issuance
Subordinated Excise Tax Revenue Refunding Bonds, Series 2015A	05/12/15	\$ 319,305,000
Subordinated Excise Tax Revenue Refunding Bonds, Series 2015B (Taxable)	05/12/15	\$ 60,895,000
Subordinated Excise Tax Revenue Bonds, Series 2017A	06/01/17	\$ 116,835,000
Subordinated Excise Tax Revenue Refunding Bonds, Series 2017B	06/01/17	\$ 101,895,000
Subordinated Excise Tax Revenue 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
Subordinated Excise Tax Revenue Bonds, Series 2024	7/17/2024	\$ 180,000,000
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 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 costs of acquiring, constructing, equipping and improving real and personal property for the City.	Bonds maturing on or after July 1, 2035 are callable on 7/1/2034 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 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, Series 2025 (Non-AMT)	6/11/2025	\$ 84,635,000
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 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 Bonds, Series 2015A (Non-AMT) and refund the Junior Lien Airport Revenue Refunding Bonds, Series 2015B (Non-AMT).	Bonds maturing on and after July 1, 2036 are callable on 7/1/2035 and thereafter, in whole or in part at any time, at 100% of par.
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
Subordinated Excise Tax Revenue Refunding Bonds, Series 2015A			
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	11,825,000	9,411,750	21,236,750
2031 - 2035	68,615,000	37,575,750	106,190,750
2036 - 2040	87,570,000	18,618,500	106,188,500
2041	20,225,000	1,011,250	21,236,250
Total	<u>\$ 240,070,000</u>	<u>\$ 110,016,650</u>	<u>\$ 350,086,650</u>

Coupon rates 3.00 - 5.00%

Effective interest rate 3.56%

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

2026	\$ 2,125,000	\$ 939,810	\$ 3,064,810
2027	2,190,000	870,704	3,060,704
2028	2,260,000	797,296	3,057,296
2029	2,345,000	718,150	3,063,150
2030	2,425,000	633,684	3,058,684
2031 - 2035	13,625,000	1,674,644	15,299,644
Total	<u>\$ 24,970,000</u>	<u>\$ 5,634,288</u>	<u>\$ 30,604,288</u>

Coupon rates 0.41 - 3.992%

Effective interest rate 3.35%

Subordinated Excise Tax Revenue Bonds, Series 2017A

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	3,995,000	370,500	4,365,500
2031 - 2032	8,355,000	377,850	8,732,850
Total	<u>\$ 34,135,000</u>	<u>\$ 4,215,300</u>	<u>\$ 38,350,300</u>

Coupon rates 3.00 - 5.00%

Effective interest rate 2.16%

Fiscal Year Ending June 30	Principal	Interest	Total
Subordinated Excise Tax Revenue Refunding Bonds, Series 2017B			
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>\$ 27,935,000</u>	<u>\$ 2,623,200</u>	<u>\$ 30,558,200</u>
Coupon rates		<u>3.00 - 5.00%</u>	
Effective interest rate		<u>2.02%</u>	
Subordinated Excise Tax Revenue Bonds, Series 2020A			
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	7,540,000	4,029,500	11,569,500
2031 - 2035	43,750,000	14,100,250	57,850,250
2036 - 2040	19,730,000	4,745,800	24,475,800
2041 - 2045	14,370,000	1,769,800	16,139,800
Total	<u>\$ 112,130,000</u>	<u>\$ 44,188,100</u>	<u>\$ 156,318,100</u>
Coupon rates		<u>4.00 - 5.00%</u>	
Effective interest rate		<u>1.90%</u>	
Subordinated Excise Tax Revenue Bonds, Series 2020B (Taxable)			
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	2,607,990	8,017,990
2030	5,495,000	2,522,242	8,017,242
2031 - 2035	29,050,000	11,040,904	40,090,904
2036 - 2040	32,540,000	7,551,483	40,091,483
2041 - 2045	37,030,000	3,057,547	40,087,547
Total	<u>\$ 125,330,000</u>	<u>\$ 35,029,595</u>	<u>\$ 160,359,595</u>
Coupon rates		<u>0.457 - 2.704%</u>	
Effective interest rate		<u>2.39%</u>	

Fiscal Year Ending June 30	Principal	Interest	Total
Subordinated Excise Tax Revenue Refunding Bonds, Series 2020C (Taxable)			
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	640,442	9,545,442
2030	4,960,000	499,298	5,459,298
2031 - 2035	18,355,000	1,213,055	19,568,055
2036	2,170,000	48,934	2,218,934
Total	<u>\$ 74,415,000</u>	<u>\$ 5,420,731</u>	<u>\$ 79,835,731</u>

Coupon rates 0.679 - 2.255%

Effective interest rate 1.58%

Subordinated Excise Tax Revenue Bonds, Series 2022

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	4,055,000	5,704,250	9,759,250
2031 - 2035	23,530,000	25,269,000	48,799,000
2036 - 2040	30,025,000	18,768,750	48,793,750
2041 - 2045	38,325,000	10,473,000	48,798,000
2046 - 2047	18,150,000	1,372,250	19,522,250
Total	<u>\$ 128,470,000</u>	<u>\$ 86,246,500</u>	<u>\$ 214,716,500</u>

Coupon rates 5.00%

Effective interest rate 3.79%

Subordinated Excise Tax Revenue Bonds, Series 2024

2026	\$ 5,725,000	\$ 8,739,000	\$ 14,464,000
2027	6,010,000	8,452,750	14,462,750
2028	6,310,000	8,152,250	14,462,250
2029	6,625,000	7,836,750	14,461,750
2030	6,955,000	7,505,500	14,460,500
2031 - 2035	40,365,000	31,949,000	72,314,000
2036 - 2040	51,510,000	20,797,500	72,307,500
2041 - 2044	51,280,000	6,566,250	57,846,250
Total	<u>\$ 174,780,000</u>	<u>\$ 99,999,000</u>	<u>\$ 274,779,000</u>

Coupon rates 5.00%

Effective interest rate 3.77%

Fiscal Year Ending June 30	Principal	Interest	Total
State of Arizona Distribution Revenue Bonds (Civic Plaza Expansion Project), Series 2005B			
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	12,090,000	16,409,525	28,499,525
2031 - 2035	77,720,000	70,766,300	148,486,300
2036 - 2040	103,400,000	46,583,625	149,983,625
2041 - 2044	105,145,000	14,844,225	119,989,225
Total	<u>\$ 336,225,000</u>	<u>\$ 219,721,975</u>	<u>\$ 555,946,975</u>

Coupon rates 3.85 - 5.50%

Effective interest rate 4.72%

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

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	5,190,000	7,300,750	12,490,750
2031 - 2035	30,115,000	32,341,500	62,456,500
2036 - 2040	38,430,000	24,022,000	62,452,000
2041 - 2045	49,055,000	13,404,000	62,459,000
2046 - 2047	23,225,000	1,756,000	24,981,000
Total	<u>\$ 164,420,000</u>	<u>\$ 110,384,250</u>	<u>\$ 274,804,250</u>

Coupon rates 5.00%

Effective interest rate 3.84%

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

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	9,655,000	5,323,500	14,978,500
2031 - 2035	56,025,000	18,874,500	74,899,500
2036 - 2038	40,790,000	4,145,250	44,935,250
Total	<u>\$ 140,710,000</u>	<u>\$ 54,021,500</u>	<u>\$ 194,731,500</u>

Coupon rates 5.00%

Effective interest rate 3.23%

Fiscal Year Ending June 30	Principal	Interest	Total
Senior Lien Airport Revenue Bonds, Series 2018 (AMT)			
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	5,545,000	8,871,750	14,416,750
2031 - 2035	32,160,000	39,913,250	72,073,250
2036 - 2040	41,040,000	31,028,000	72,068,000
2041 - 2045	52,345,000	19,719,750	72,064,750
2046 - 2048	50,345,000	5,387,750	55,732,750
Total	<u>\$ 201,085,000</u>	<u>\$ 142,923,250</u>	<u>\$ 344,008,250</u>

Coupon rates	<u>4.00 - 5.00%</u>
Effective interest rate	<u>4.22%</u>

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

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	11,770,000	1,855,000	13,625,000
2031 - 2032	25,330,000	1,915,250	27,245,250
Total	<u>\$ 78,840,000</u>	<u>\$ 16,534,750</u>	<u>\$ 95,374,750</u>

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

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

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	-	1,408,770	1,408,770
2031 - 2035	-	7,043,850	7,043,850
2036 - 2040	21,345,000	7,043,850	28,388,850
Total	<u>\$ 21,345,000</u>	<u>\$ 21,131,550</u>	<u>\$ 42,476,550</u>

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

Fiscal Year Ending June 30	Principal	Interest	Total
Junior Lien Airport Revenue Refunding Bonds, Series 2017D (Non-AMT)			
2026	\$ 20,010,000	\$ 18,324,256	\$ 38,334,256
2027	21,005,000	17,323,756	38,328,756
2028	22,060,000	16,273,506	38,333,506
2029	23,160,000	15,170,507	38,330,507
2030	24,315,000	14,012,506	38,327,506
2031 - 2035	120,935,000	51,740,375	172,675,375
2036 - 2040	156,625,000	18,716,450	175,341,450
Total	<u>\$ 388,110,000</u>	<u>\$ 151,561,356</u>	<u>\$ 539,671,356</u>
Coupon rates		<u>3.13 - 5.00%</u>	
Effective interest rate		<u>3.36%</u>	
Junior Lien Airport Revenue Bonds, Series 2019A (Non-AMT)			
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	-	15,269,000	15,269,000
2031 - 2035	-	76,345,000	76,345,000
2036 - 2040	-	76,345,000	76,345,000
2041 - 2045	168,525,000	61,935,250	230,460,250
2046 - 2049	172,570,000	19,766,900	192,336,900
Total	<u>\$ 341,095,000</u>	<u>\$ 310,737,150</u>	<u>\$ 651,832,150</u>
Coupon rates		<u>3.00 - 5.00%</u>	
Effective interest rate		<u>3.61%</u>	
Junior Lien Airport Revenue Bonds, Series 2019B (AMT)			
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	10,245,000	15,306,600	25,551,600
2031 - 2035	59,425,000	68,319,250	127,744,250
2036 - 2040	74,925,000	52,818,500	127,743,500
2041 - 2045	93,435,000	34,306,000	127,741,000
2046 - 2049	91,600,000	10,602,738	102,202,738
Total	<u>\$ 365,945,000</u>	<u>\$ 247,229,738</u>	<u>\$ 613,174,738</u>
Coupon rates		<u>3.25 - 5.00%</u>	
Effective interest rate		<u>3.44%</u>	

Fiscal Year Ending June 30	Principal	Interest	Total
Junior Lien Airport Revenue Refunding Bonds, Series 2025 (Non-AMT)			
2026	\$ 1,780,000	\$ 4,466,847	\$ 6,246,847
2027	2,105,000	4,142,750	6,247,750
2028	2,210,000	4,037,500	6,247,500
2029	2,315,000	3,927,000	6,242,000
2030	2,435,000	3,811,250	6,246,250
2031 - 2035	32,770,000	16,172,250	48,942,250
2036 - 2040	18,020,000	8,540,500	26,560,500
2041 - 2045	23,000,000	3,562,500	26,562,500
Total	<u>\$ 84,635,000</u>	<u>\$ 48,660,597</u>	<u>\$ 133,295,597</u>

Coupon rates 5.00%

Effective interest rate 4.18%

Rental Car Facility Charge Revenue Bonds, Series 2019A (Non-AMT)			
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	9,700,000	10,843,950	20,543,950
2031 - 2035	56,280,000	46,441,000	102,721,000
2036 - 2040	71,815,000	30,893,750	102,708,750
2041 - 2045	90,305,000	12,402,450	102,707,450
Total	<u>\$ 244,245,000</u>	<u>\$ 146,840,450</u>	<u>\$ 391,085,450</u>

Coupon rates 4.00 - 5.00%

Effective interest rate 3.33%

Rental Car Facility Charge Revenue Refunding Bonds, Taxable Series 2019B			
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>\$ 18,915,000</u>	<u>\$ 846,735</u>	<u>\$ 19,761,735</u>

Coupon rates 2.007 - 2.796%

Effective interest rate 2.60%

Fiscal Year Ending June 30	Principal	Interest	Total
Junior Lien Water System Revenue Refunding Bonds, Series 2014B			
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>\$ 181,030,000</u>	<u>\$ 19,700,950</u>	<u>\$ 200,730,950</u>
Coupon rates		<u>3.00 - 5.00%</u>	
Effective interest rate		<u>2.64%</u>	
Junior Lien Water System Revenue Refunding Bonds, Series 2016			
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	19,575,000	12,310,500	31,885,500
2031 - 2035	113,570,000	45,856,000	159,426,000
2036 - 2039	113,065,000	14,478,000	127,543,000
Total	<u>\$ 315,625,000</u>	<u>\$ 130,774,750</u>	<u>\$ 446,399,750</u>
Coupon rates		<u>1.00 - 5.00%</u>	
Effective interest rate		<u>3.59%</u>	
Junior Lien Water System Revenue Bonds, Series 2020A			
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	4,225,000	8,255,750	12,480,750
2031 - 2035	24,495,000	37,891,750	62,386,750
2036 - 2040	44,660,000	31,124,250	75,784,250
2041 - 2044	91,735,000	11,746,500	103,481,500
Total	<u>\$ 165,115,000</u>	<u>\$ 122,041,250</u>	<u>\$ 287,156,250</u>
Coupon rates		<u>5.00%</u>	
Effective interest rate		<u>3.14%</u>	

Fiscal Year Ending June 30	Principal	Interest	Total
Junior Lien Water System Revenue Bonds, Series 2020B (Sustainability Bonds)			
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	5,825,000	11,400,750	17,225,750
2031 - 2035	33,840,000	52,328,500	86,168,500
2036 - 2040	61,670,000	42,979,500	104,649,500
2041 - 2044	126,680,000	16,221,000	142,901,000
Total	<u>\$ 228,015,000</u>	<u>\$ 168,532,750</u>	<u>\$ 396,547,750</u>

Coupon rates 5.00%

Effective interest rate 3.14%

Junior Lien Water System Revenue Bonds, Series 2021A

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	9,265,000	10,386,200	19,651,200
2031 - 2035	53,755,000	44,501,000	98,256,000
2036 - 2040	68,595,000	29,650,750	98,245,750
2041 - 2045	85,530,000	12,723,400	98,253,400
Total	<u>\$ 250,000,000</u>	<u>\$ 143,013,400</u>	<u>\$ 393,013,400</u>

Coupon rates 4.00 - 5.00%

Effective interest rate 2.45%

Junior Lien Water System Revenue Refunding Bonds, Series 2021B

2026	\$ 17,025,000	\$ 851,250	\$ 17,876,250
Total	<u>\$ 17,025,000</u>	<u>\$ 851,250</u>	<u>\$ 17,876,250</u>

Coupon rates 5.00%

Effective interest rate 0.52%

Fiscal Year Ending June 30	Principal	Interest	Total
Junior Lien Water System Revenue Refunding Bonds, Taxable Series 2021C			
2026	\$ 2,905,000	\$ 3,666,074	\$ 6,571,074
2027	6,850,000	3,636,559	10,486,559
2028	6,940,000	3,541,892	10,481,892
2029	7,055,000	3,432,102	10,487,102
2030	7,185,000	3,302,360	10,487,360
2031 - 2035	38,225,000	14,209,436	52,434,436
2036 - 2040	43,110,000	9,311,133	52,421,133
2041 - 2044	39,010,000	2,929,259	41,939,259
Total	<u>\$ 151,280,000</u>	<u>\$ 44,028,815</u>	<u>\$ 195,308,815</u>
Coupon rates		<u>1.016 - 2.974%</u>	
Effective interest rate		<u>2.61%</u>	
Junior Lien Wastewater System Revenue Refunding Bonds, Series 2014			
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>\$ 44,830,000</u>	<u>\$ 5,740,500</u>	<u>\$ 50,570,500</u>
Coupon rates		<u>1.75 - 5.00%</u>	
Effective interest rate		<u>3.00%</u>	
Junior Lien Wastewater System Revenue Refunding Bonds, Series 2016			
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	14,205,000	4,891,500	19,096,500
2031 - 2035	83,625,000	12,991,250	96,616,250
Total	<u>\$ 147,600,000</u>	<u>\$ 43,836,750</u>	<u>\$ 191,436,750</u>
Coupon rates		<u>5.00%</u>	
Effective interest rate		<u>2.89%</u>	

Fiscal Year Ending June 30	Principal	Interest	Total
Junior Lien Wastewater System Revenue Refunding Bonds, Series 2018A			
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	5,600,000	5,083,450	10,683,450
2031 - 2035	32,500,000	20,926,000	53,426,000
2036 - 2040	41,395,000	12,033,400	53,428,400
2041 - 2043	29,520,000	2,535,350	32,055,350
Total	<u>\$ 128,880,000</u>	<u>\$ 63,455,500</u>	<u>\$ 192,335,500</u>

Coupon rates 3.50 - 5.00%

Effective interest rate 3.66%

Junior Lien Wastewater System Revenue Bonds, Series 2023

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	12,710,000	18,171,425	30,881,425
2031 - 2035	73,745,000	80,664,375	154,409,375
2036 - 2040	94,125,000	60,289,625	154,414,625
2041 - 2045	120,185,000	34,222,212	154,407,212
2046 - 2048	57,220,000	4,544,400	61,764,400
Total	<u>\$ 381,620,000</u>	<u>\$ 274,728,237</u>	<u>\$ 656,348,237</u>

Coupon rates 5.00 - 5.25%

Effective interest rate 4.64%

Total Bonds Payable

2026	\$ 253,930,000	\$ 251,280,817	\$ 505,210,817
2027	243,315,000	239,422,348	482,737,348
2028	261,315,000	228,394,336	489,709,336
2029	267,955,000	216,846,436	484,801,436
2030	216,785,000	204,891,260	421,676,260
2031 - 2035	1,190,160,000	862,441,289	2,052,601,289
2036 - 2040	1,256,555,000	570,534,550	1,827,089,550
2041 - 2045	1,235,700,000	263,429,743	1,499,129,743
2046 - 2049	413,110,000	43,430,038	456,540,038
Total	<u>\$ 5,338,825,000</u>	<u>\$ 2,880,670,817</u>	<u>\$ 8,219,495,817</u>

Changes in long-term debt during fiscal year 2024-25 are summarized as follows (in thousands):

Bonds Payable, July 1	\$ 5,413,650
Additions	264,635
Reductions	(339,460)
Bonds Payable, June 30	<u>\$ 5,338,825</u>
Amounts Due Within One Year	<u>\$ 253,930</u>

7. Construction Commitments

As of June 30, 2025, the Corporation has outstanding construction commitments of \$104.5 million related to the various bond issues. The commitments have not been recorded in the accompanying financial statements. Only the currently payable portion of the contracts have been included in accounts payable in the accompanying financial statements.

8. Subsequent Events

City Manager

City Manager Jeffrey J. Barton retired on November 14, 2025, ending a 25-year career with the City. Mayor Kate Gallego and the Phoenix City Council have appointed Ed Zuercher as the new City Manager effective November 17, 2025. Ed previously worked at the City for 28 years, serving as City Manager from October 2013 to October 2021.

Chief Financial Officer

Chief Financial Officer Kathleen Gitkin retired on March 20, 2026, ending a 22-year career with the City. City Manager Ed Zuercher named Melinda Holguin as the Interim Chief Financial Officer effective March 23, 2026.

Debt Issuances

On June 24, 2025, the City of Phoenix Civic Improvement Corporation issued \$139.0 million of Subordinated Excise Tax Revenue Bonds, Series 2025A, \$26.0 million of Subordinated Excise Tax Revenue Bonds, Series 2025B (Taxable), and \$219.1 million of Subordinated Excise Tax Revenue Refunding Bonds, Series 2025C. The bonds were issued at an all-in true interest cost of 4.16%, 5.33%, and 3.83%, respectively, and were dated and delivered July 16, 2025.

On November 18, 2025, the City of Phoenix Civic Improvement Corporation issued \$179.2 million of Transportation Excise Tax Revenue Bonds, Series 2025. The bonds were issued at an all-in true interest cost of 2.99% and were dated and delivered December 10, 2025.

Bond Rating

The Transportation Excise Tax Revenue credit received initial ratings. On October 29, 2025, Fitch Ratings assigned a "AA+" rating with a stable outlook. On October 30, 2025, S&P assigned "AAA" with a stable outlook.



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

