

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

Annual Financial Report
For the Fiscal Year Ended June 30, 2012

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

Annual Financial Report
For the Fiscal Year Ended June 30, 2012

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

ADMINISTRATIVE ORGANIZATION

Board Members

Wallace Estfan
President

Michael R. Davis
Vice President

James H. Lundy
Secretary/Treasurer

Barbara Barone
Director

Bruce Covill
Director

Karlene Keogh
Director

City of Phoenix Administrative Staff

David Cavazos
City Manager

Jeffrey S. DeWitt
Chief Financial Officer





Report of Independent Certified Public Accountants

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

Grant Thornton LLP
2398 E Camelback Road, Suite 600
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We have audited the accompanying financial statements of the governmental activities and each major fund of the City of Phoenix Civic Improvement Corporation (the "Corporation"), a component unit of the City of Phoenix, Arizona, as of and for the year ended June 30, 2012, which collectively comprise the Corporation's basic financial statements. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements present only the Corporation, a component unit of the City of Phoenix, and do not purport to, and do not, present fairly the financial position of the City of Phoenix as of June 30, 2012, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the City of Phoenix Civic Improvement Corporation as of June 30, 2012, and the change in its financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 through 10, be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. This required supplementary information is the responsibility of management. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America established by the American Institute of Certified Public Accountants. These limited procedures consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

GRANT THORNTON LLP

Phoenix, Arizona
May 2, 2013

Management's Discussion and Analysis

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, 2012.

Overview of the Basic Financial Statements

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

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

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

Entity-wide financial statements. The *entity-wide financial statements* are designed to provide readers with a broad overview of the Corporation's finances, in a manner similar to a private-sector business. These statements are presented on pages 12-13 of this report. Summarized versions of these statements are included in this MD&A.

The *Statement of Net Assets* presents information on all of the Corporation's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods e.g., accounts payable. This is the full accrual method of accounting.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Corporation uses fund accounting to ensure and demonstrate compliance with finance-related legal activities. All of the funds of the Corporation are categorized as governmental funds. The fund financial statements are presented on pages 14-17 of this report.

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the entity-wide and fund financial statements. The notes to the basic financial statements can be found on pages 18-63 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, 2012. The prior year's financial position and results are presented for comparative purposes.

Summary of net assets (in thousands):

	<u>2012</u>	<u>2011</u>
Current assets	\$ 459,605	\$ 680,859
Long-term assets	5,375,350	5,138,314
Total assets	<u>5,834,955</u>	<u>5,819,173</u>
Current Liabilities	631,282	389,646
Long-term liabilities	5,226,113	5,377,637
Total liabilities	<u>5,857,395</u>	<u>5,767,283</u>
Net assets		
Restricted for debt service	152,334	152,897
Unrestricted	<u>(174,774)</u>	<u>(101,007)</u>
Total net deficit	<u>\$ (22,440)</u>	<u>\$ 51,890</u>

Summary of changes in net assets (in thousands):

	<u>2012</u>	<u>2011</u>
Program revenues	\$ 192,437	\$ 994,499
Investment income	467	1,382
Payments from the City of Phoenix	25,475	15,604
Other Government Participation	-	10,000
Total revenues	<u>218,379</u>	<u>1,021,485</u>
Cost of sales	57,007	835,946
Interest on long-term debt	229,980	241,085
Other expenses	5,722	10,935
Total expenses	<u>292,709</u>	<u>1,087,966</u>
Decrease in net assets	<u>\$ (74,330)</u>	<u>\$ (66,481)</u>

Total assets increased slightly in the current fiscal year from \$5,819,173 at June 30, 2011 to \$5,834,955 as of June 30, 2012. Total liabilities increased by 1.6% in the current fiscal year from \$5,767,283 in fiscal year 2011 to \$5,857,395 in fiscal year 2012. The increase in liabilities of \$90,112 is primarily due to the issuance of Water Bond Anticipation Notes during the year, offset by debt service payments made during the year. The net assets of the Corporation decreased \$74,330 for the fiscal year ended June 30, 2012.

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).

	<u>Fund Balances June 30, 2011</u>	<u>Net Change in Fund Balances</u>	<u>Fund Balances June 30, 2012</u>
General	\$ 72	\$ (30)	\$ 42
Debt Service	152,897	(563)	152,334
Capital Projects	256,729	(386,572)	(129,843)
Total	<u>\$ 409,698</u>	<u>\$ (387,165)</u>	<u>\$ 22,533</u>

The General Fund accounts for trustee fees and other miscellaneous expenditures. The decrease in fund balance is primarily due to a decrease in interest receivable from the Native American Connections, Inc (NACI) notes receivable that was restructured during fiscal year 2010, and the decrease in prepaid items. Fund balance for the rest of the general fund was essentially unchanged as the City provided financial resources to meet the expenditures of the fund.

The Debt Service Fund accounts primarily for current year principal and interest debt service payments. Fund balance decreased by \$563. Fund balance for the debt service fund was essentially unchanged as the City provides financial resources to meet the expenditures of the fund. The decline in fund balance is primarily due final spending of issuance costs during the current fiscal year.

The Capital Projects Fund accounts for the investment and expenditure of monies used for capital acquisitions and construction. As the Corporation did not issue any new debt for for capital projects during the fiscal year, current year capital outlay expenditures resulted in the decline in fund balance for the year.

Capital Asset and Debt Administration

The Corporation records assets under construction or purchased with bond proceeds as assets held for sale to the City of Phoenix. Upon completion of the purchase and construction of the assets they are sold to the City. The Corporation does not record the completed assets on its financial statements, as the Corporation does not own any capital assets.

During the fiscal year ended June 30, 2012, the Corporation's bond and certificates payable decreased by \$146,780. This decrease was due to refundings and routine debt service payments. During fiscal year 2012, the Corporation issued refunding bonds. The Corporation did not issue new revenue bonds during fiscal year 2012.

In February 2012, the Corporation issued \$175,000 in Water Revenue Bond Anticipation Notes, Series 2012A and 2012B (Water BANS). There is an additional \$25,000 in Water BANS that has been authorized.

In May 2012, the Corporation paid \$25,000 of the outstanding Wastewater Revenue Bond Anticipation Notes, Series 2009 (Wastewater BANS). Outstanding Wastewater BANS at June 30, 2012 were \$75,000.

Further detail pertaining to the Corporation's outstanding long-term debt is available in Note 6 on pages 36 -61.

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



CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION

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

STATEMENT OF NET ASSETS

June 30, 2012

(in thousands)

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Restricted Cash and Securities with Fiscal Agents	\$ 142,886
Investments	191,135
Interest Receivable	182
Receivable from the City of Phoenix	465
Prepaid Items	9
Current Portion of Sales Contracts Receivable	<u>124,928</u>
Total Current Assets	459,605
Notes Receivable	859
Sales Contracts Receivable, Less Current Portion	3,683,235
Assets Held for Sale to the City of Phoenix	<u>1,691,256</u>
Total Assets	<u>5,834,955</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	62,144
Advances from the City of Phoenix	142,550
Bond Anticipation Notes Payable	250,000
Current Portion of Bonds and Certificates Payable	<u>176,588</u>
Total Current Liabilities	631,282
Payable to the City of Phoenix	859
Bonds and Certificates Payable, Less Current Portion	5,014,615
Unamortized Premium	210,639
Total Liabilities	<u>5,857,395</u>
NET ASSETS	
Restricted for Debt Service	152,334
Unrestricted	<u>(174,774)</u>
Total Net Deficit	<u>\$ (22,440)</u>

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

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION

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

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2012

(in thousands)

	Governmental Activities
EXPENSES	
Cost of Sales	\$ 57,007
Interest on Long-Term Debt	229,980
Issuance Costs	3,272
Trustee Fees	53
Other	2,397
Total Expenses	<u>292,709</u>
PROGRAM REVENUES	
Sales Contracts Income	6,706
Sales Contracts Interest Income	185,097
Other Income	634
Total Program Revenues	<u>192,437</u>
Net Program Expenses	<u>(100,272)</u>
GENERAL REVENUES	
Investment Income	467
Payments from the City of Phoenix	25,475
Total General Revenues	<u>25,942</u>
Change in Net Assets	(74,330)
NET ASSETS, JULY 1, 2011	<u>51,890</u>
NET DEFICIT, JUNE 30, 2012	<u>\$ (22,440)</u>

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

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION

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

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2012

(in thousands)

	General	Debt Service	Capital Projects	Totals
ASSETS				
Cash and Securities with Fiscal Agents	\$ -	\$ 142,886	\$ -	\$ 142,886
Investments	-	9,867	181,268	191,135
Interest Receivable	32	-	150	182
Receivable from the City of Phoenix	378	87	-	465
Prepaid Items	9	-	-	9
Total Assets	\$ 419	\$ 152,840	\$ 181,418	\$ 334,677
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ 377	\$ 506	\$ 61,261	\$ 62,144
Bond Anticipation Notes Payable	-	-	250,000	250,000
Total Liabilities	377	506	311,261	312,144
Fund Balances				
Non-Spendable				
Prepaid Items	9	-	-	9
Spendable				
Restricted for Debt Service	-	152,334	-	152,334
Unassigned	33	-	(129,843)	(129,810)
Total Fund Balances	42	152,334	(129,843)	22,533
Total Liabilities and Fund Balances	\$ 419	\$ 152,840	\$ 181,418	\$ 334,677

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

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION

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

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS

June 30, 2012

(in thousands)

Fund balances - total governmental funds balance sheet	\$ 22,533
Amounts reported for governmental activities in the statement of net assets 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.	1,691,256
Sales contracts and notes receivable are not available to pay for current period expenditures and, therefore, are not reported in the governmental funds.	3,809,022
Advances from the City of Phoenix that are payments for long-term liabilities are not reported in the governmental funds.	(142,550)
Long-term liabilities, including bonds and certificates payable and rebatable arbitrage, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(5,402,701)
Net deficit of governmental activities - statement of net assets	<u>\$ (22,440)</u>

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

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION

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

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

For the Fiscal Year Ended June 30, 2012

(in thousands)

	General	Debt Service	Capital Projects	Totals
REVENUES				
Investment Income	\$ 26	\$ 45	\$ 396	\$ 467
Payments from the City of Phoenix	2,259	317,887	25,077	345,223
Other	-	634	-	634
Total Revenues	2,285	318,566	25,473	346,324
EXPENDITURES				
Debt Service				
Principal	-	127,530	-	127,530
Interest	-	235,300	-	235,300
Capital Outlay	-	-	360,908	360,908
Payments to the City of Phoenix	37	-	-	37
Issuance Costs	-	2,968	304	3,272
Trustee Fees	53	-	-	53
Letter of Credit and Other Miscellaneous Fees	2,225	-	172	2,397
Total Expenditures	2,315	365,798	361,384	729,497
Revenues Under Expenditures	(30)	(47,232)	(335,911)	(383,173)
OTHER FINANCING SOURCES (USES)				
Transfers from (to) Other Funds	-	50,661	(50,661)	-
Bond Proceeds	-	3,092	-	3,092
Proceeds from Refunding Bonds	-	348,518	-	348,518
Premium on Bonds	-	48,161	-	48,161
Deposit to Refunding Escrow	-	(403,763)	-	(403,763)
Net Decrease in Fund Balances	(30)	(563)	(386,572)	(387,165)
FUND BALANCES, JULY 1, 2011	72	152,897	256,729	409,698
FUND BALANCES (DEFICITS), JUNE 30, 2012	\$ 42	\$ 152,334	\$ (129,843)	22,533

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

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION

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

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

For the Fiscal Year Ended June 30, 2012
(in thousands)

Net change in fund balances - total governmental funds	\$ (387,165)
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.	360,908
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 assets.	(127,530)
Sales contracts income provides program revenue and cost of sales are an expense in the statement of activities. This is the amount by which the sales contracts income exceeded the costs of sales. Cost of sales and sales contracts income are not reported in the governmental funds.	(50,301)
Some expenses reported in the statement of activities including rebatable arbitrage and capital appreciation, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(16,473)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which repayments and amounts refunded (\$524,209) exceeded acquisitions (\$351,610).	172,599
Bond discounts and premiums are amortized in the statement of activities but do not require the use of current financial resources and, therefore, are not reported in the governmental funds.	<u>(26,368)</u>
Change in net assets of governmental activities - statement of activities	<u>\$ (74,330)</u>

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

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

NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2012

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

1. Summary of Significant Accounting Policies

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

a. Reporting Entity

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

b. Basic Financial Statements

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

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

The entity-wide Statement of Net Assets reports all financial resources of the entity. It is displayed in a format of assets less liabilities equal net assets, with the assets and liabilities shown in order of their relative liquidity. Net assets are displayed in two components: 1) restricted and 2) unrestricted. Restricted net assets are those with constraints placed on their use. Those constraints are either 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or 2) imposed by law through constitutional provisions or enabling legislation. All net assets 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 assets are available.

Reservations or designations of net assets imposed by the reporting entity, whether by administrative policy or legislative actions of the reporting entity, are not shown on the entity-wide financial statements. Cash is restricted for capital project expenditures, debt service, and trustee fees.

The governmental fund financial statements are prepared on a current financial resources measurement focus and modified accrual basis of accounting. Since the governmental fund financial statements are presented on a different basis than the entity-wide financial statements, reconciliation is provided immediately following each fund statement. These reconciliations explain the adjustments necessary to transform the fund financial statements into the entity-wide financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2012

c. Fund Accounting

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

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

The Corporation considers the following funds to be major funds.

General Fund

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

Debt Service Fund

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

Capital Projects Fund

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

d. Fund Balances

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

Nonspendable – The nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

Restricted – The fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors through debt covenants, grantors, contributors, or laws or regulation of other governments or it's imposed by law through enabling legislation.

Committed – The committed fund balance includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution) of the City Council. Those committed amounts cannot be used for other purposes unless the City Council removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. The Corporation has no authority to formally commit funds separate from the authorization to raise the underlying revenue. Therefore, committed fund balance does not apply to the Corporation.

Assigned – Amounts in the assigned fund balance are intended to be used by the City for specific

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

NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2012

purposes but do not meet the criteria to be classified as restricted or committed. In the General Fund assigned amounts represent intended uses established by the City Council or City Management.

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

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

e. Basis of Accounting

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

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. Reservations and Designations

Reservations and designations of fund balance are recorded to signify that a portion of fund balance is not appropriable for expenditure, or is legally segregated or earmarked by management for specific future use. The Corporation's fund balances are reserved for debt service and capital encumbrances.

h. Assets Held for Sale to the City of Phoenix

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

i. 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.

j. Long-Term Obligations

In the entity-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond premiums and discounts are deferred and amortized over the life of the bonds using the interest method. Bonds payable are reported net of the applicable bond

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

NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2012

premium or discount.

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

k. Deferred Gains and Losses

From time to time, the corporation issues refunding bonds, wherein the proceeds and additional resources are used to purchase securities guaranteed by the United States government which are deposited in an irrevocable trust under an escrow agreement that states that all proceeds from the trust are to be used to fund principal and interest payments of the refunded debt. In accordance with the Corporation's stated purpose to promote the common good and general welfare of the City, any gains and/or losses realized as a result of a refunding issuance are not gains and/or losses of the Corporation, rather the gains and/or losses are realized by the City. Deferred gains and losses are due to the unamortized premium and discounts on the original bonds at the time of the refunding and the net book value difference between the original bonds and the refunding bonds. As of June 30, 2012, the City has recorded \$45 million of net deferred gains and losses from refunding.

l. Use of Estimates

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

m. New Accounting Pronouncements

General Accounting Standards Board (GASB) Statement No. 61, ***The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34***, improves financial reporting for a governmental financial reporting entity. The requirements of this Statement result in financial reporting entity financial statements being more relevant by improving guidance for including, presenting, and disclosing information about component units and equity interest transactions of a financial reporting entity. This Statement provides amendments to Statement No. 14, *The Financial Reporting Entity*, and Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. The requirements of this statement are effective for fiscal periods beginning after June 15, 2012. The Corporation will implement this Statement in fiscal year 2013.

General Accounting Standards Board (GASB) Statement No. 62, ***Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements***, improves financial reporting by contributing to the GASB's efforts to codify all sources of GAAP for state and local governments from a single source. The requirements of this statement are effective for fiscal periods beginning after December 15, 2011. The Corporation will implement this Statement in fiscal year 2013.

GASB Statements No. 63, ***Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position***, and No. 65, ***Items Previously Reported as Assets and Liabilities***, establishes accounting standards and provides financial reporting guidance for deferred outflows of resources and deferred inflow of resources. Concepts Statement No. 4, *Elements of Financial*

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Statements, introduced and defined those elements as consumption and an acquisition of net assets by the government that is applicable to a future reporting period. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. Statement No. 65 identifies items that should be reclassified as part of Statement No. 63. The requirements of statements No. 63 and No. 65 are effective for fiscal periods beginning after December 15, 2011 and December 15, 2012, respectively. The Corporation will implement these Statements in fiscal year 2013.

The Corporation has not fully determined the effects on the Corporation's financial statements.

2. Investments

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

Investments are stated at fair value. Fair value is defined as the price at which two willing parties would complete the exchange. Management intends to hold these investments until maturity. The fair value of these securities at June 30, 2012, is as follows (in thousands):

	Credit Quality Rating	Fair Value	Weighted Average Maturity (Years)
U.S. Treasury Securities	N/A (1)	\$ 15,212	0.349
U.S. Government Agency Securities			
FHLB Notes	AA+	49,990	0.174
FHLMC Notes	AA+	59,227	0.205
FNMA Notes	AA+	66,706	0.110
Total U.S. Government Agency Securities		175,923	0.160
Total Investments		\$ 191,135	0.175
(1) U.S. Government Guaranteed			

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

Subordinated Excise Tax Revenue Bonds (Solid Waste Improvements), Series 2006A	5,383
Subordinated Excise Tax Revenue Bonds, Series 2006B	174
Subordinated Excise Tax Revenue Bonds, Series 2007A	2,891
State of Arizona Distribution Revenue Bonds (Civic Plaza Expansion Project), Series 2005B	9,447
Transit Excise Tax Revenue Bonds (Light Rail Project), Series 2004	27,997
Senior Lien Airport Revenue Bonds, Series 2008A (Non-AMT)	21,274
Senior Lien Airport Revenue Bonds, Series 2008B (AMT)	16,635
Wastewater Bond Anticipation Notes, Series 2009	9,031
Junior Lien Airport Revenue Bonds, Series 2010	41,950
Senior Lien Excise Tax Revenue Bonds, Series 2011	16,092
Water Bond Anticipation Notes, Series 2012	39,841
Senior Lien Excise Tax Revenue Refunding Bonds, Series 2012	420
Totals	\$ 191,135

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Interest Rate Risk

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

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

Credit Risk

Investments are limited to those with the top ratings issued by nationally recognized statistical rating organizations such as Standard & Poor's (S&P) and Moody's Investors Service (Moody's). The portfolio is primarily invested in securities issued by the U.S. Treasury or by U.S. Government Agency Securities which are rated Aaa by Moody's and AA+ by S&P.

Concentration of Credit Risk

Investments in any one issuer that represent 5% or more of total investments are as follows (in thousands):

<u>Issuer</u>	<u>Investment Type</u>	<u>Fair Value</u>
FHLB	U.S. Government Agency Securities	\$ 49,990
FHLMC	U.S. Government Agency Securities	59,227
FNMA	U.S. Government Agency Securities	66,706

3. Sales Contracts Receivable

Under the terms of the sales contract agreements, the City agrees to pay a purchase price equal to the debt service requirements of the bonds and certificates issued by the Corporation to finance or refinance the purchases or construction of the property and equipment, plus expenses incurred by the Corporation for purposes approved by the City, less interest income earned on the Corporation's investments. Asset acquisition and construction costs are recorded as assets held for sale to the City. When construction is completed the asset is sold to the City.

The accompanying statement of net assets reflects the amounts due for completed assets as a receivable from the City. Principal and interest payments due from the City at June 30, 2012 are as follows (in thousands):

Total receivable from the City of Phoenix	\$6,335,511
Less: Deferred interest	<u>(2,527,348)</u>
	3,808,163
Less: Current portion	<u>(124,928)</u>
Sales Contracts Receivable	<u>\$3,683,235</u>

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

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Senior Lien Excise Tax Revenue Refunding Bonds, Series 2003

The issuance of \$47,600,000 of Senior Lien Excise Tax Revenue Refunding Bonds, Series 2003, dated May 1, 2003, refunded the outstanding \$46,645,000 of Senior Lien Excise Tax Revenue Bonds (New City Hall Project), Series 1993. The proceeds from the issuance of \$47,600,000 in Senior Lien Excise Tax Revenue Refunding Bonds, Series 2003, were placed in an irrevocable trust to provide for future debt service payments on the refunded bonds.

In June 2007, \$19,915,000 of Senior Lien Excise Tax Revenue Refunding Bonds, Series 2003 was refunded. The proceeds from the issuance of \$103,605,000 in Senior Lien Excise Tax Revenue Refunding Bonds, Series 2007 were placed in an irrevocable trust to be applied to a portion of the maturing annual principal payments dated July 1, 2008 through July 1, 2026. Debt service payments and other costs related to the Senior Lien Excise Tax Revenue Refunding Bonds, Series 2003 which were not refunded are included in the Senior Lien Excise Tax Revenue Refunding Bonds, Series 2003.

In June 2011, \$4,664,050 of principal and interest of the Senior Lien Excise Tax Revenue Refunding Bonds, Series 2003 was refunded. The proceeds from the issuance of \$47,110,000 in Senior Lien Excise Tax Revenue Refunding Bonds, Series 2011C and 2011D were placed in an irrevocable trust to be applied to the principal and interest payments for 2011 and 2012. Debt service payments and other costs related to the Senior Lien Excise Tax Revenue Refunding Bonds, Series 2003 which were not refunded are included in the Senior Lien Excise Tax Revenue Refunding Bonds, Series 2003.

In June 2012, \$16,570,000 of Senior Lien Excise Tax Revenue Refunding Bonds, Series 2003 was refunded. The proceeds from the issuance of \$15,205,000 in Senior Lien Excise Tax Revenue Refunding Bonds, Series 2012 were placed in an irrevocable trust to be applied to a portion of the maturing annual principal payments dated July 1, 2014 through July 1, 2029. Debt service payments and other costs related to the Senior Lien Excise Tax Revenue Refunding Bonds, Series 2003 which were not refunded are included in the Senior Lien Excise Tax Revenue Refunding Bonds, Series 2003.

Senior Lien Excise Tax Revenue Refunding Bonds, Series 2007

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

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

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Senior Lien Excise Tax Revenue Bonds, Series 2011A

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

Senior Lien Excise Tax Revenue Bonds, Taxable Series 2011B

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

Senior Lien Excise Tax Revenue Refunding Bonds, Series 2011C

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

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

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

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Senior Lien Excise Tax Revenue Refunding Bonds, Series 2012

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

	(in thousands)
Refunding Bonds Issued	\$ 15,205
Original Issue Premium	2,182
Issuance Costs	<u>(96)</u>
Net Proceeds	<u>\$ 17,291</u>
Refunded Amount	\$ 16,570
Increase in Debt Service	1,544
Economic Gain	1,346
Number of Years Affected	17

Subordinated Excise Tax Revenue Bonds (Solid Waste Improvements), Series 2003A

On May 1, 2003, the Corporation entered into an agreement with the City under which the Corporation assisted in the financing of the acquisition of equipment and real property and construction of certain improvements to the City's solid waste collection and disposal system through the issuance of \$80,000,000 in Subordinated Excise Tax Revenue Bonds, Series 2003A.

In June 2007, \$45,610,000 of Subordinated Excise Tax Revenue Bonds (Solid Waste Improvements), Series 2003A was refunded. The proceeds from the issuance of \$71,820,000 of Subordinated Excise Tax Revenue Refunding Bonds, Series 2007B were placed in an irrevocable trust to be applied to a portion of the maturing annual principal payment dated July 1, 2015 through July 1, 2023. Debt service payments and other costs related to the Subordinated Excise Tax Revenue Bonds (Solid Waste Improvements), Series 2003A which were not refunded are included in the Subordinated Excise Tax Revenue Bonds (Solid Waste Improvements), Series 2003A.

Municipal Facilities Subordinated Excise Tax Revenue Bonds, Series 2003B

On May 1, 2003, the Corporation entered into an agreement with the City under which the Corporation assisted in the financing of the acquisition of certain equipment and real property, and construction and renovation of certain improvements through the issuance of \$25,000,000 of Subordinated Excise Tax Revenue Bonds, Series 2003B.

In June 2011, \$4,373,300 of principal and interest of Municipal Facilities Subordinated Excise Tax Revenue Bonds, Series 2003B was refunded. The proceeds from the issuance of \$47,110,000 in Senior Lien Excise Tax Revenue Refunding Bonds, Series 2011C and 2011D were placed in an irrevocable trust to be applied to a the principal and interest payments for 2011 and 2012. Debt service payments and other costs related to the Municipal Facilities Subordinated Excise Tax Revenue Bonds, Series 2003B which were not refunded are included in the Municipal Facilities Subordinated Excise Tax Revenue Bonds, Series 2003B.

In June 2012, \$13,470,000 of Municipal Facilities Subordinated Excise Tax Revenue Bonds, Series 2003B was refunded. The proceeds from the issuance of \$17,510,000 in Subordinated Excise Tax Revenue Refunding Bonds, Series 2012A were placed in an irrevocable trust to be applied to a portion of the maturing annual principal payments dated July 1, 2014 through July 1, 2025. Debt service payments and other costs related to the Municipal Facilities Subordinated Excise Tax Revenue Bonds, Series 2003B which were not refunded are included in the

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Municipal Facilities Subordinated Excise Tax Revenue Bonds, Series 2003B.

Municipal Facilities Subordinated Excise Tax Revenue Bonds, Series 2003C and 2003D

On May 1, 2003, the Corporation entered into an agreement with the City under which the Corporation assisted in the financing of the acquisition and construction of economic development projects in downtown Phoenix through the issuance of \$35,000,000 of Subordinated Excise Tax Revenue Bonds, Series 2003C and 2003D.

In June 2012, \$31,045,000 of Municipal Facilities Subordinated Excise Tax Revenue Bonds, Series 2003C and 2003D was refunded. The proceeds from the issuance of \$33,095,000 in Subordinated Excise Tax Revenue Refunding Bonds, Series 2012B were placed in an irrevocable trust to be applied to a portion of the maturing annual principal payments dated July 1, 2014 through July 1, 2033. Debt service payments and other costs related to the Municipal Facilities Subordinated Excise Tax Revenue Bonds, Series 2003C and 2003D which were not refunded are included in the Municipal Facilities Subordinated Excise Tax Revenue Bonds, Series 2003C and 2003D.

Subordinated Excise Tax Revenue Bonds, Series 2004

On June 1, 2004, the Corporation entered into an agreement with the City under which the Corporation assisted in the financing of the acquisition of certain equipment and real property and construction of certain improvements through issuance of \$22,000,000 of Subordinated Excise Tax Revenue Bonds, Series 2004.

In June 2009, the City defeased \$1,810,000 of outstanding Municipal Facilities Subordinated Excise Tax Revenue Bonds, Series 2004 debt. Debt service payments and other costs related to the Subordinated Excise Tax Revenue Bonds, Series 2004 which were not defeased are included in the Subordinated Excise Tax Revenue Bonds, Series 2004.

In June 2011, \$4,841,975 of Subordinated Excise Tax Revenue Bonds, Series 2004 was refunded. The proceeds from the issuance of \$47,110,000 in Senior Lien Excise Tax Revenue Refunding Bonds, Series 2011C and 2011D were placed in an irrevocable trust to be applied to a the principal and interest payments for 2011 and 2012. Debt service payments and other costs related to the Subordinated Excise Tax Revenue Bonds, Series 2004 which were not refunded are included in the Subordinated Excise Tax Revenue Bonds, Series 2004.

In June 2012, \$5,430,000 of Subordinated Excise Tax Revenue Bonds, Series 2004 was refunded. The proceeds from the issuance of \$17,510,000 in Subordinated Excise Tax Revenue Refunding Bonds, Series 2012A were placed in an irrevocable trust to be applied to a portion of the maturing annual principal payments dated July 1, 2015 through July 1, 2024. Debt service payments and other costs related to the Subordinated Excise Tax Revenue Bonds, Series 2004 which were not refunded are included in the Subordinated Excise Tax Revenue Bonds, Series 2004

Subordinated Excise Tax Revenue Bonds (Civic Plaza Expansion Project), Series 2005A

In September 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 \$300,000,000 of Subordinated Excise Tax Revenue Bonds (Civic Plaza Expansion Project), Series 2005A.

Subordinated Excise Tax Revenue Bonds (Solid Waste Improvements), Series 2006A

On June 1, 2006, the Corporation entered into an agreement with the City under which the Corporation assisted in financing the acquisition of equipment and real property and construction of certain improvements to the City's solid waste collection and disposal system through the issuance of \$84,265,000 of Subordinated Excise Tax Revenue Bonds, Series 2006A.

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Subordinated Excise Tax Revenue Bonds, Series 2006B

On June 1, 2006, the Corporation entered into an agreement with the City under which the Corporation assisted in financing the acquisition of certain equipment and real property, and construction and renovation of certain improvements through the issuance of \$28,230,000 of Subordinated Excise Tax Revenue Bonds, Series 2006B.

In June 2011, \$8,094,850 of Subordinated Excise Tax Revenue Bonds, Series 2006B was refunded. The proceeds from the issuance of \$47,110,000 in Senior Lien Excise Tax Revenue Refunding Bonds, Series 2011C and 2011D were placed in an irrevocable trust to be applied to the principal and interest payments for 2011 and 2012. Debt service payments and other costs related to the Subordinated Excise Tax Revenue Bonds, Series 2006B which were not refunded are included in the Subordinated Excise Tax Revenue Bonds, Series 2006B.

Subordinated Excise Tax Revenue Bonds, Taxable Series 2006C

On June 1, 2006, the Corporation entered into an agreement with the City under which the Corporation assisted in financing the acquisition of certain equipment and real property, and construction and renovation of certain improvements through the issuance of \$41,920,000 of Subordinated Excise Tax Revenue Bonds, Series 2006C.

Subordinated Excise Tax Revenue Bonds, Series 2007A

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

Subordinated Excise Tax Revenue Refunding Bonds, Series 2007B

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

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

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

Subordinated Excise Tax Revenue Refunding Bonds, Taxable Series 2007C

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

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Subordinated Excise Tax Revenue Refunding Bonds, Taxable Series 2011

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

Subordinated Excise Tax Revenue Refunding Bonds, Series 2012A

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

	(in thousands)
Refunding Bonds Issued	\$ 17,510
Original Issue Premium	2,562
Issuance Costs	<u>(110)</u>
Net Proceeds	<u>\$ 19,962</u>
Refunded Amount	\$ 18,900
Increase in Debt Service	1,400
Economic Gain	1,346
Number of Years Affected	13

Subordinated Excise Tax Revenue Refunding Bonds, Taxable Series 2012B

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

	(in thousands)
Refunding Bonds Issued	\$ 33,095
Original Issue Discount	(170)
Issuance Costs	<u>(209)</u>
Net Proceeds	<u>\$ 32,716</u>
Refunded Amount	\$ 31,045
Increase in Debt Service	3,400
Economic Gain	3,396
Number of Years Affected	21

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

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

Transit Excise Tax Revenue Bonds (Light Rail Project), Series 2004

In December 2004, the Corporation entered into an agreement with the City under which the Corporation assisted the City in the financing of a portion of the design, acquisition, equipping and construction of the City's light rail transit system through the issuance of \$500,000,000 of Transit Excise Tax Revenue Bonds (Light Rail Project), Series 2004.

Senior Lien Airport Revenue Refunding Bonds, Series 2002A (AMT)

The issuance of \$23,225,000 in Senior Lien Airport Revenue Refunding Bonds, Series 2002A, dated May 1, 2002 refunded \$2,880,000 in Senior Lien Excise Tax Revenue Refunding Bonds (Airport Improvements), Series 1994; \$1,810,000 in Airport Terminal Senior Lien Excise Tax Revenue Refunding Bonds, Series 1998; and \$19,750,000 in various City General Obligation and Airport Revenue Bonds. The proceeds from the issuance of \$23,225,000 in Senior Lien Airport Revenue Refunding Bonds, Series 2002A were placed in an irrevocable trust to provide for the maturing principal amounts due on July 1, 2002 on the refunded bonds.

The City agreed to purchase the improvements funded with the proceeds of the refunded bonds pursuant to the City purchase agreement. The City's payments under the purchase agreement are to be made solely from net airport revenues. Net airport revenues generally include all income and revenue derived from the use and operation of the City's airports (excluding passenger facility charges, federal grants and special facility revenues) and net of all expenses reasonably incurred in connection with the operation and maintenance of the airports (excluding depreciation and interest on money borrowed).

Senior Lien Airport Revenue Bonds, Series 2002B (AMT)

On May 1, 2002, the Corporation entered into a purchase agreement with the City to pay a portion of the cost of certain improvements and expansion projects at the City's airports. The purchase was financed through the issuance of \$231,390,000 in Senior Lien Airport Revenue Bonds, Series 2002B.

The City agreed to purchase the improvements funded with the proceeds of the Senior Lien Airport Revenue Bonds, Series 2002B pursuant to the City purchase agreement. The City's payments under the purchase agreement are to be made solely from net airport revenues. Net airport revenues generally include all income and revenue derived from the use and operation of the City's airports (excluding passenger facility charges, federal grants and special facility revenues) and net of all expenses reasonably incurred in connection with the operation and maintenance of the airports (excluding depreciation and interest on money borrowed).

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

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

The City agreed to purchase the improvements funded with the proceeds of the Senior Lien Airport Revenue Bonds, Series 2008A pursuant to the City purchase agreement. The City's payments under the purchase agreement are to be made solely from net airport revenues or amounts available in the 2008 Bond Reserve Fund. Net airport revenues generally include all income and revenue derived from the use and operation of the City's

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airports (excluding passenger facility charges, federal grants and special facility revenues) and net of all expenses reasonably incurred in connection with the operation and maintenance of the airports (excluding depreciation and interest on money borrowed).

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

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

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

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

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

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

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

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

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

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

In September 2010, the Corporation issued \$21,345,000 of Junior Lien Airport Revenue Bonds, Taxable Series 2010B (Recovery Zone Economic Development Bonds-Direct Payment).

The Corporation elected to receive subsidy payments in the amount of 45% of each interest payment on the Recovery Zone Economic Development Bonds, paid directly to US Bank, National Association, as trustee, from the United States Treasury. Proceeds from the bonds will fund land acquisition for noise mitigation and related capital costs for the Phoenix Sky Train.

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

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

Rental Car Facility Charge Revenue Bonds, Taxable Series 2004

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

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

Junior Lien Water System Revenue Refunding Bonds, Series 2001

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

Junior Lien Water System Revenue Refunding Bonds, Series 2003

The issuance of \$11,325,000 of Junior Lien Water System Revenue Refunding Bonds, Series 2003, dated October 1, 2003 refunded \$10,000,000 of the City's Senior Lien Water System Revenue Refunding Bonds, Series 1993 and refunded \$591,000 of interest that was coming due on January 1, 2004 with respect to the Corporation's Junior Lien Water System Revenue Bonds, Series 2002. The proceeds from the issuance of \$11,325,000 of Junior Lien Water System Revenue Refunding Bonds, Series 2003 were transferred to the respective paying agents for the bonds and interest being refunded.

Junior Lien Water System Refunding Certificates of Participation, Series 17

The issuance of \$27,775,000 of Junior Lien Water System Refunding Certificates of Participation, Series 17, dated July 21, 2004, refunded the outstanding Junior Lien Water System Refunding Certificates of Participation, Series 1. The proceeds from the issuance were placed in an irrevocable trust to provide for future debt service payments on the refunded certificates.

Junior Lien Water System Revenue Bonds, Series 2005

On June 1, 2005, the Corporation and the City entered into an agreement under which the Corporation assisted in the financing of certain improvements of the City's water system and for the purpose of refunding the Corporation's outstanding Water System Revenue Bond Anticipation Notes, Series 2003. This agreement was financed through the issuance of \$600,000,000 of Junior Lien Water System Revenue Bonds, Series 2005.

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Junior Lien Water System Revenue Bonds, Series 2009A

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

Junior Lien Water System Revenue Refunding Bonds, Series 2009B

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

Junior Lien Water System Revenue Refunding Bonds, Series 2011

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

	(in thousands)
Refunding Bonds Issued	\$ 167,510
Original Issue Premium	22,721
Issuance Costs	<u>(575)</u>
Net Proceeds	<u>\$ 189,656</u>
Refunded Amount	\$ 183,930
Decrease in Debt Service	21,751
Economic Gain	21,025
Number of Years Affected	15

Senior Lien Wastewater System Revenue Refunding Bonds, Series 2004B

In January 2005, the Corporation entered into an agreement with the City for the purpose of refunding the Corporation's outstanding Wastewater System Lease Revenue Bonds, Series 1993 and Wastewater System Lease Revenue Refunding Bonds, Series 1993. The Senior Lien Wastewater System Revenue Refunding Bonds were issued in two series. The Senior Lien Wastewater System Variable Rate Demand Revenue Refunding Bonds, Series 2004A, were issued in a par amount of \$130,260,000 as variable rate bonds and the Senior Lien Wastewater System Revenue Refunding Bonds, Series 2004B, were issued in a par amount of \$102,020,000 as fixed rate bonds.

Senior Lien Wastewater System Revenue Refunding Bonds, Series 2008

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

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Junior Lien Wastewater System Revenue Refunding Bonds, Series 2011

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

	(in thousands)
Refunding Bonds Issued	\$ 118,290
Original Issue Premium	19,264
Issuance Costs	<u>(490)</u>
Net Proceeds	<u>\$ 137,064</u>
Refunded Amount	\$ 137,060
Decrease in Debt Service	26,397
Economic Gain	22,449
Number of Years Affected	13

Junior Lien Wastewater System Revenue Bonds, Series 2004

On December 1, 2004, the Corporation and the City entered into an agreement to refund \$100,000,000 of the Corporation's outstanding Wastewater System Bond Anticipation Notes, Series 2003 and to pay the cost of certain improvements of the City's wastewater system through the issuance of \$180,000,000 in Junior Lien Wastewater System Revenue Bonds, Series 2004.

Junior Lien Wastewater System Revenue Bonds, Series 2007

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

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4. Notes Receivable

On June 15, 2000, the Corporation and the City entered into a purchase agreement to purchase property and pay the cost of certain improvements to the property. The Corporation simultaneously entered into a purchase and loan agreement with Native American Connections, Inc. (NACI) for the resale of the property to NACI and to act as the lender for the purchase of and improvements to the property. In fiscal year 2010, the City renegotiated the loan agreement with the NACI, adjusting the terms of the payment agreement. As of June 30, 2012, the note amount is \$859,016, with a maturity date of January 1, 2021, and an interest rate of 3%. The loan agreement has been recorded as a note receivable in the general fund.

The NACI makes monthly payments of \$3,361 each. Payments are applied to the accrued interest receivable balance and monthly interest until December 1, 2013. Monthly payments will then be applied to principal and interest. In addition to the monthly payments, the NACI will make regularly scheduled principal payments of \$150,000 on January 1, 2014, \$250,000 on January 1, 2016 and \$282,363 on January 1, 2021.

5. Refunded Obligations

Future debt service on refunded bonds has been provided through advance refunding bond issues whereby refunding bonds are issued and the net proceeds, plus any additional resources that may be required, are used to purchase securities issued or guaranteed by the United States government. These securities are then deposited in an irrevocable trust under an escrow agreement which states that all proceeds from the trust will be used to fund the principal and interest payments of the previously issued debt being refunded. The trust deposits have been computed so that the securities in the trust, along with future cash flows generated by securities, will be sufficient to service the previously issued bonds.

The outstanding balance of the refunded debt and the related assets held in trust are not included in the accompanying financial statements. Advance refunding arrangements at June 30, 2012 were as follows (in thousands):

Date Refunded/Defeased	Issue Dates	Type	Balance Outstanding	Assets Held in Trust (1)
06/27/07	01/15/98 - 06/01/02	Senior Lien Excise Tax Revenue	\$18,675	\$18,684
06/27/07	01/15/98 - 06/01/02	Subordinated Excise Tax Revenue	\$45,610	\$45,632
03/28/08	07/01/01 - 12/01/04	Wastewater System Revenue	\$4,960	\$5,073
06/26/09	08/30/00 - 06/27/07	Subordinated Excise Tax Revenue	\$7,945	\$7,640
06/07/11	08/01/00 - 06/01/07	Subordinated Excise Tax Revenue	\$1,250	\$1,905
06/21/12	05/01/03	Senior Lien Excise Tax Revenue	\$16,570	\$17,288
06/21/12	05/01/03 - 06/01/04	Subordinated Excise Tax Revenue	\$18,900	\$19,960
06/21/12	05/01/03 - 06/01/04	Subordinated Excise Tax Revenue (Taxable)	\$31,045	\$32,699

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

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6. Bonds and Certificates Payable

A schedule of the Corporation's long-term debt is as follows:

<u>Issue</u>	<u>Issue Date</u>	<u>Original Issuance</u>
Senior Lien Excise Tax Revenue Refunding Bonds, Series 2003	05/01/03	\$ 47,600,000
Senior Lien Excise Tax Revenue Refunding Bonds, Series 2007	06/01/07	\$ 103,605,000
Senior Lien Excise Tax Revenue Bonds, Series 2011A	06/07/11	\$ 27,530,000
Senior Lien Excise Tax Revenue Bonds, Series 2011B (Taxable)	06/07/11	\$ 59,195,000
Senior Lien Excise Tax Revenue Refunding Bonds, Series 2011C	06/07/11	\$ 24,305,000
Senior Lien Excise Tax Revenue Refunding Bonds, Series 2011D (Taxable)	06/07/11	\$ 22,805,000
Senior Lien Excise Tax Revenue Refunding Bonds, Series 2012	06/21/12	\$ 15,205,000

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To refund a portion of the Corporation's Senior Lien Excise Tax Revenue Bonds (New City Hall Project), Series 1993.	Bonds maturing on or after July 1, 2014 are callable on 7/1/13 and thereafter, in whole or in part at any time at 100% of par.
To refund a portion of the Senior Lien Excise Tax Revenue Refunding Bonds (New City Hall), Series 2003; a portion of the Senior Lien Excise Tax Revenue Bonds (Phoenix Municipal Courthouse), Series 1999A; a portion of the Senior Lien Excise Tax Revenue Bonds (Adams Street Garage), Series 1999B and a portion of Senior Lien Excise Tax Revenue Refunding Bonds (Airport Improvements), Series 1994.	Bonds maturing on or after July 1, 2018 are callable on 7/1/17 and thereafter, in whole or in part at any time, at 100% of par.
To fund the costs of vehicles and equipment identified as lease-purchase in the current and prior fiscal years.	Bonds maturing on or after July 1, 2022 are callable on 7/1/2021 and thereafter, in whole or in part at any time at 100% of par
To fund the costs of vehicles and equipment identified as lease-purchase in the current and prior fiscal years; the costs to complete the fourth and fifth floors of the ASU School of Nursing Building; and the purchase of the CityScape Parking Garage.	Bonds maturing on or after July 1, 2022 are callable on 7/1/2021 and thereafter, in whole or in part at any time at 100% of par.
To partially refund the Senior Lien Excise Tax Revenue Bonds (Adams Street Garage Project), Series 1999B, the Municipal Facilities Subordinated Excise Tax Revenue Bonds, Series 2000, the Municipal Facilities Subordinated Excise Tax Revenue Bonds, Series 2003B, the Senior Lien Excise Tax Revenue Refunding Bonds, Series 2003, the Subordinated Excise Tax Revenue Bonds, Series 2004, the Subordinated Excise Tax Revenue Bonds, Series 2006B, the Senior Lien Excise Tax Revenue Refunding Bonds, Series 2007, and the Subordinated Excise Tax Revenue Refunding Bonds, Series 2007B.	Bonds maturing on or after July 1, 2022 are callable on 7/1/2021 and thereafter, in whole or in part at any time at 100% of par.
To partially refund the Subordinated Excise Tax Revenue Bonds, Series 2004, the Senior Lien Excise Tax Revenue Refunding Bonds, Series 2007, the Subordinated Excise Tax Revenue Refunding Bonds, Series 2007B and Non-CIC debt.	Bonds maturing on or after July 1, 2022 are callable on 7/1/2021 and thereafter, in whole or in part at any time at 100% of par
To refund a portion of the Corporation's Senior Lien Excise Tax Revenue Refunding Bonds, Series 2003.	Bonds maturing on or after July 1, 2023 are callable on 7/1/22 and thereafter, in whole or in part at any time, at 100% of par.

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Issue	Issue Date	Original Issuance
Subordinated Excise Tax Revenue Bonds (Solid Waste Improvements), Series 2003A	05/01/03	\$ 80,000,000
Municipal Facilities Subordinated Excise Tax Revenue Bonds, Series 2003B	05/01/03	\$ 25,000,000
Municipal Facilities Subordinated Excise Tax Revenue Bonds, Taxable Series 2003C and 2003D	05/01/03	\$ 35,000,000
Subordinated Excise Tax Revenue Bonds, Series 2004	06/01/04	\$ 22,000,000
Subordinated Excise Tax Revenue Bonds (Civic Plaza Expansion Project), Series 2005A	09/13/05	\$ 300,000,000
Subordinated Excise Tax Revenue Bonds (Solid Waste Improvements), Series 2006A	06/01/06	\$ 84,265,000
Subordinated Excise Tax Revenue Bonds, Series 2006B	06/01/06	\$ 28,230,000
Subordinated Excise Tax Revenue Bonds, Taxable Series 2006C	06/01/06	\$ 41,920,000
Subordinated Excise Tax Revenue Bonds, Series 2007A	06/01/07	\$ 21,115,000
Subordinated Excise Tax Revenue Refunding Bonds, Series 2007B	06/01/07	\$ 71,820,000
Subordinated Excise Tax Revenue Refunding Bonds, Series 2007C (Taxable)	06/01/07	\$ 35,670,000
Subordinated Excise Tax Revenue Refunding Bonds, Series 2011 (Taxable)	06/07/11	\$ 27,500,000

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To fund the acquisition of certain equipment and real property and construction of certain improvements to the City's solid waste collection and disposal system.	Bonds maturing on or after July 1, 2014 are callable on 7/1/13 and thereafter, in whole or in part at any time, at 100% of par.
To fund the acquisition of certain equipment and real property and funding the construction and renovation of certain improvements.	Bonds maturing on or after July 1, 2014 are callable on 7/1/13 and thereafter, in whole or in part at any time, at 100% of par.
To fund the acquisition and construction of economic development projects in downtown Phoenix.	Bonds maturing on or after July 1, 2014 are callable on 7/1/13 and thereafter, in whole or in part at any time, at 100% of par.
To fund the acquisition of certain equipment and real property and funding the construction of certain improvements.	Bonds maturing on or after July 1, 2015 are callable on 7/1/14 and thereafter, in whole or in part at any time, at 100% of par.
To fund a portion of the costs of the constructing, expanding, modifying and improving of the Phoenix Civic Plaza Convention Center.	Bonds maturing on or after July 1, 2017 are callable on 7/1/15 and thereafter, in whole or in part at any time, at 100% of par.
To fund the acquisition, construction, equipment, and improvement of certain real and personal property for the City's solid waste collection and disposal system.	Bonds maturing on or after July 1, 2017 are callable on 7/1/16 and thereafter, in whole or in part at any time, at 100% of par.
To fund the acquisition, construction, equipment, and improvement of certain real and personal property.	Bonds maturing on or after July 1, 2017 are callable on 7/1/16 and thereafter, in whole or in part at any time, at 100% of par.
To fund the acquisition, construction, equipment, and improvement of certain real and personal property.	Bonds maturing on or after July 1, 2017 are callable on 7/1/16 and thereafter, in whole or in part at any time, at 100% of par.
To fund the construction of a new City of Phoenix Police Precinct.	Bonds maturing on or after July 1, 2018 are callable on 7/1/17 and thereafter, in whole or in part at any time, at 100% of par.
To refund the outstanding Municipal Facilities Subordinated Excise Tax Revenue Refunding Bonds, Series 1997. Also, to refund a portion of Municipal Facilities Subordinated Excise Tax Revenue Bonds, Series 2000 and a portion of Subordinated Excise Tax Revenue Bonds (Solid Waste Improvements), Series 2003A.	Bonds maturing on or after July 1, 2018 are callable on 7/1/17 and thereafter, in whole or in part at any time, at 100% of par.
To refund the outstanding bonds issued by the Phoenix Civic Plaza Building Corporation in 1998 to build the Civic Plaza East Garage.	Bonds maturing on or after July 1, 2018 are callable on 7/1/17 and thereafter, in whole or in part at any time, at 100% of par.
To refund the Municipal Multipurpose Arena Subordinated Excise Tax Revenue Refunding Bonds, Taxable Series 1998.	Bonds maturing on or after July 1, 2022 are callable on 7/1/2021 and thereafter, in whole or in part at any time at 100% of par.

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Issue	Issue Date	Original Issuance
Subordinated Excise Tax Revenue Refunding Bonds, Series 2012A	06/21/12	\$ 17,510,000
Subordinated Excise Tax Revenue Refunding Bonds, Series 2012B	06/21/12	\$ 33,095,000
State of Arizona Distribution Revenue Bonds (Civic Plaza Expansion Project), Series 2005B	10/06/05	\$ 275,362,352
Transit Excise Tax Revenue Bonds (Light Rail Project), Series 2004	12/10/04	\$ 500,000,000
Senior Lien Airport Revenue Refunding Bonds, Series 2002A (AMT)	05/01/02	\$ 23,225,000
Senior Lien Airport Revenue Bonds, Series 2002B (AMT)	05/01/02	\$ 231,390,000
Senior Lien Airport Revenue Bonds, Series 2008A (Non-AMT)	06/18/08	\$ 206,840,000
Senior Lien Airport Revenue Bonds, Series 2008B (AMT)	06/18/08	\$ 43,160,000
Senior Lien Airport Revenue Refunding Bonds, Series 2008C (Non-AMT)	06/18/08	\$ 109,850,000
Senior Lien Airport Revenue Refunding Bonds, Series 2008D (AMT)	06/18/08	\$ 68,520,000

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Purpose	Call and Redemption Terms
To refund a portion of the Corporation's Municipal Facilities Excise Tax Revenue Bonds, Series 2003B and Subordinated Excise Tax Revenue Bonds, Series 2004.	Bonds maturing on or after July 1, 2023 are callable on 7/1/22 and thereafter, in whole or in part at any time, at 100% of par.
To refund a portion of the Corporation's Municipal Facilities Excise Tax Revenue Bonds, Series 2003C and 2003D.	Bonds maturing on or after July 1, 2023 are callable on 7/1/22 and thereafter, in whole or in part at any time, at 100% of par.
To 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 of the design, acquisition, equipping and construction of the City's light rail transit system.	Bonds maturing on or after July 1, 2015 are callable on 7/1/14 and thereafter, in whole or in part at any time, at 100% of par.
To refund a portion of the outstanding Senior Lien Excise Tax Revenue Refunding Bonds (Airport Improvements), Series 1994; a portion of the Airport Terminal Senior Lien Excise Tax Revenue Refunding Bonds, Series 1998; and a portion of various Airport General Obligation and Airport Revenue bonds.	Bonds maturing on or after July 1, 2013 are callable on 7/1/12 and thereafter, in whole or in part at any time, at 100% of par.
To fund a portion of certain improvements and expansion projects at the City's airports.	Bonds maturing on or after July 1, 2013 are callable on 7/1/12 and thereafter, in whole or in part at any time, at 100% of par.
To fund a portion of certain improvements at the City's airports.	Bonds maturing on or after July 1, 2019 are callable on 7/1/18 and thereafter, in whole or in part at any time, at 100% of par.
To fund a portion of certain improvements at the City's airports.	Bonds maturing on or after July 1, 2019 are callable on 7/1/18 and thereafter, in whole or in part at any time, at 100% of par.
To refund the Senior Lien Excise Tax Revenue Refunding Bonds (Airport Improvements), Series 1994 and a 1994 Airport general obligation bond. Refunding a portion of the Senior Lien Airport Revenue Bonds, Series 1998A and 1998B.	Bonds maturing on or after July 1, 2019 are callable on 7/1/18 and thereafter, in whole or in part at any time, at 100% of par.
To refund the Subordinated Excise Tax Variable Rate Demand Revenue Bonds (Airport Improvements), Series 1995 and the Airport Terminal Senior Lien Excise Tax Revenue Refunding Bonds, Series 1998. Refunding various Airport general obligation bonds.	Bonds maturing on or after July 1, 2019 are callable on 7/1/18 and thereafter, in whole or in part at any time, at 100% of par.

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Issue	Issue Date	Original Issuance
Junior Lien Airport Revenue Bonds, Series 2010A (Non-AMT)	09/01/10	\$ 642,680,000
Junior Lien Airport Revenue Bonds, Taxable Series 2010B (Recovery Zone Economic Development Bonds-Direct Payment)	09/01/10	\$ 21,345,000
Junior Lien Airport Revenue Refunding Bonds, Series 2010C (Non-AMT)	09/01/10	\$ 32,080,000
Rental Car Facility Charge Revenue Bonds, Taxable Series 2004	06/02/04	\$ 260,000,000
Junior Lien Water System Revenue Refunding Bonds, Series 2001	08/01/01	\$ 99,980,000
Junior Lien Water System Revenue Refunding Bonds, Series 2003	10/01/03	\$ 11,325,000
Junior Lien Water System Refunding Certificates of Participation, Series 17	07/21/04	\$ 27,775,000
Junior Lien Water System Revenue Bonds, Series 2005	06/01/05	\$ 600,000,000
Junior Lien Water System Revenue Bonds, Series 2009A	06/02/09	\$ 450,000,000
Junior Lien Water System Revenue Refunding Bonds, Series 2009B	06/02/09	\$ 90,295,000

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION

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

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2012

Purpose	Call and Redemption Terms
To fund a portion of the costs related to the Phoenix Sky Train, Phoenix Sky Train related land and other land acquisition costs. A portion of the proceeds will be applied to the payment of principal and interest on the Airport Revenue Bond Anticipation Notes, Series 2008A and 2008B.	Bonds maturing on or after July 1, 2021 (excluding the bond maturing on July 1, 2034), are callable on July 1, 2020 and thereafter, in whole or in part at any time, at 100% of par. The bond maturing on July 1, 2034 is callable on July 1, 2015 and thereafter, in whole or in part at any time, at 100% of par.
To fund land acquisition for noise mitigation and related capital costs for the Phoenix Sky Train.	The bonds are subject to redemption prior to their maturity date of July 1, 2040 in whole or in part at the make-whole premium.
To refund a portion of the Senior Lien Airport Revenue Bonds, Series 1998A and 1998B.	Bonds are callable on July 1, 2020 and thereafter, in whole or in part at any time, at 100% of par.
To fund the majority of the cost of designing, acquiring, constructing and equipping certain facilities, infrastructures, site development, and equipment necessary for the operation of a consolidated rental car center at the Airport.	Bonds are callable in whole or in part at any time prior to maturity at 100% of par plus the make-whole premium, if any.
To refund a portion of the outstanding Junior Lien Water System Revenue Bonds, Series 1994 and a portion of the outstanding Junior Lien Water System Revenue Bonds, Series 1996.	Bonds are not subject to redemption prior to stated maturity.
To refund the outstanding Senior Lien Water System Revenue Refunding Bonds, Series 1993 and paying a portion of the interest with respect to the Junior Lien Water System Revenue Bonds, Series 2002.	Bonds maturing on or after July 1, 2015 are callable in whole or in part at any time, at 100% of par.
To refund of the outstanding Junior Lien Water System Refunding Certificates of Participation, Series 1, dated September 1, 1992.	Certificates maturing after August 1, 2014 are callable prior to maturity in whole or in part on any interest payment date thereafter at 100% of par.
To refund the outstanding Water System Revenue Bond Anticipation Notes, Series 2003 and to fund the cost of certain improvements of the City's water system.	Bonds maturing on or after July 1, 2016 are callable in whole or in part at any time, at 100% of par.
To refund the outstanding Water System Revenue Bond Anticipation Notes, Series 2007A and 2007B and to fund the cost of certain improvements of the City's water system.	Bonds maturing on or after July 1, 2020 are callable on 7/1/19 and thereafter, in whole or in part at any time, at 100% of par.
To refund the outstanding Junior Lien Water System Revenue Refunding Bonds, Series 1998.	Bonds are not subject to redemption prior to maturity.

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION

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

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2012

Issue	Issue Date	Original Issuance
Junior Lien Water System Revenue Refunding Bonds, Series 2011	11/22/11	\$ 167,510,000
Senior Lien Wastewater System Revenue Refunding Bonds, Series 2004B	01/11/05	\$ 102,020,000
Senior Lien Wastewater System Revenue Refunding Bonds, Series 2008	11/18/08	\$ 133,400,000
Junior Lien Wastewater System Revenue Bonds, Series 2004	12/16/04	\$ 180,000,000
Junior Lien Wastewater System Revenue Bonds, Series 2007	11/27/07	\$ 300,000,000
Junior Lien Wastewater System Revenue Refunding Bonds, Series 2011	12/22/11	\$ 118,290,000

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION

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

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2012

Purpose	Call and Redemption Terms
To refund the outstanding Junior Lien Water System Revenue Bonds, Series 2002.	Bonds maturing on and after July 1, 2022 are callable on 7/1/2021 and thereafter, in whole or in part at any time, at the make-whole premium.
To refund the outstanding Wastewater System Lease Revenue Bonds, Series 1993, and Wastewater System Lease Revenue Refunding Bonds, Series 1993.	Bonds maturing on or after July 1, 2019 are callable on 7/1/18 and thereafter, in whole or in part at any time, at 100% of par.
To refund the outstanding Senior Lien Wastewater System Variable Rate Demand Revenue Refunding Bonds, Series 2004.	Bonds maturing on or after July 1, 2019 are callable on 7/1/18 and thereafter, in whole or in part at any time, at 100% of par.
To refund the outstanding Wastewater System Bond Anticipation Notes, Series 2003 and to fund the cost of certain improvements of the City's wastewater system.	Bonds maturing on or after July 1, 2015 are callable on 7/1/14 and thereafter, in whole or in part at any time, at 100% of par.
To refund the outstanding Wastewater System Bond Anticipation Notes, Series 2006 and to fund the cost of certain improvements of the City's wastewater system.	Bonds maturing on or after July 1, 2018 are callable on 7/1/17 and thereafter, in whole at any time or in part on any interest payment date at 100% of par.
To refund the outstanding Junior Lien Wastewater System Revenue Refunding Bonds, Series 2001.	Bonds maturing on and after July 1, 2023 are callable on 7/1/2022 and thereafter, in whole or in part at any time, at the make-whole premium.

Maturities for the bond issues and certificates of participation are on the following pages.

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION

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

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2012

Fiscal Year Ending June 30	Principal	Interest	Total
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Senior Lien Excise Tax Revenue Refunding Bonds, Series 2003

2013	\$ 990,000	\$ 49,500	\$ 1,039,500
	<u>\$ 990,000</u>	<u>\$ 49,500</u>	<u>\$ 1,039,500</u>

Coupon rates	<u>2.00 - 5.00%</u>
Effective interest rate	<u>4.43%</u>

Senior Lien Excise Tax Revenue Refunding Bonds, Series 2007

2013	\$ 3,075,000	\$ 4,754,350	\$ 7,829,350
2014	3,235,000	4,600,600	7,835,600
2015	3,390,000	4,440,850	7,830,850
2016	3,555,000	4,278,175	7,833,175
2017	3,735,000	4,100,425	7,835,425
2018 - 2022	32,265,000	16,498,625	48,763,625
2023 - 2027	35,555,000	8,255,738	43,810,738
2028 - 2030	12,875,000	924,349	13,799,349
	<u>\$ 97,685,000</u>	<u>\$ 47,853,112</u>	<u>\$ 145,538,112</u>

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

Senior Lien Excise Tax Revenue Bonds, Series 2011A

2013	\$ -	\$ 1,105,077	\$ 1,105,077
2014	3,895,000	1,105,077	5,000,077
2015	2,675,000	1,027,177	3,702,177
2016	2,730,000	946,927	3,676,927
2017	3,915,000	837,727	4,752,727
2018 - 2022	10,500,000	1,758,248	12,258,248
2023 - 2027	1,950,000	646,479	2,596,479
2028 - 2032	1,865,000	210,086	2,075,086
	<u>\$ 27,530,000</u>	<u>\$ 7,636,798</u>	<u>\$ 35,166,798</u>

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

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION

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

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2012

Fiscal Year Ending June 30	Principal	Interest	Total
Senior Lien Excise Tax Revenue Bonds, Series 2011B (Taxable)			
2013	\$ -	\$ 2,611,405	\$ 2,611,405
2014	-	2,611,405	2,611,405
2015	3,695,000	2,611,405	6,306,405
2016	3,830,000	2,525,385	6,355,385
2017	3,960,000	2,420,903	6,380,903
2018 - 2022	19,595,000	9,837,322	29,432,322
2023 - 2027	7,990,000	6,743,478	14,733,478
2028 - 2032	10,160,000	4,468,265	14,628,265
2033 - 2036	9,965,000	1,423,526	11,388,526
	<u>\$ 59,195,000</u>	<u>\$ 35,253,094</u>	<u>\$ 94,448,094</u>

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

Senior Lien Excise Tax Revenue Refunding Bonds, Series 2011C

2013	\$ -	\$ 1,200,406	\$ 1,200,406
2014	-	1,200,406	1,200,406
2015	-	1,200,406	1,200,406
2016	-	1,200,406	1,200,406
2017	-	1,200,406	1,200,406
2018 - 2022	8,595,000	5,789,030	14,384,030
2023 - 2027	14,775,000	1,904,534	16,679,534
2028 - 2029	935,000	39,738	974,738
	<u>\$ 24,305,000</u>	<u>\$ 13,735,332</u>	<u>\$ 38,040,332</u>

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

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

2013	\$ -	\$ 836,683	\$ 836,683
2014	-	836,683	836,683
2015	810,000	836,683	1,646,683
2016	1,775,000	817,826	2,592,826
2017	3,795,000	769,404	4,564,404
2018 - 2022	16,425,000	1,519,249	17,944,249
	<u>\$ 22,805,000</u>	<u>\$ 5,616,528</u>	<u>\$ 28,421,528</u>

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

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION

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

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2012

Fiscal Year Ending June 30	Principal	Interest	Total
Senior Lien Excise Tax Revenue Refunding Bonds, Series 2012			
2013	\$ -	\$ 699,942	\$ 699,942
2014	1,385,000	681,025	2,066,025
2015	1,705,000	625,625	2,330,625
2016	1,770,000	557,425	2,327,425
2017	1,845,000	486,625	2,331,625
2018 - 2022	-	2,064,125	2,064,125
2023 - 2027	4,745,000	1,623,125	6,368,125
2028 - 2029	3,755,000	196,900	3,951,900
	<u>\$ 15,205,000</u>	<u>\$ 6,934,792</u>	<u>\$ 22,139,792</u>

Coupon rates 3.00 - 5.00%

Effective interest rate 2.97%

Subordinated Excise Tax Revenue Bonds (Solid Waste Improvements), Series 2003A

2013	\$ 3,750,000	\$ 384,500	\$ 4,134,500
2014	3,940,000	197,000	4,137,000
	<u>\$ 7,690,000</u>	<u>\$ 581,500</u>	<u>\$ 8,271,500</u>

Coupon rates 2.00 - 5.00%

Effective interest rate 4.17%

Municipal Facilities Subordinated Excise Tax Revenue Bonds, Series 2003B

2013	\$ 1,535,000	\$ 76,750	\$ 1,611,750
	<u>\$ 1,535,000</u>	<u>\$ 76,750</u>	<u>\$ 1,611,750</u>

Coupon rates 2.00 - 5.00%

Effective interest rate 4.03%

Municipal Facilities Subordinated Excise Tax Revenue Bonds, Taxable Series 2003C and 2003D

2013	\$ 860,000	\$ 40,543	\$ 900,543
	<u>\$ 860,000</u>	<u>\$ 40,543</u>	<u>\$ 900,543</u>

Coupon rates 3.95 - 5.75%

Effective interest rate 5.65%

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION

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

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2012

Fiscal Year Ending June 30	Principal	Interest	Total
Subordinated Excise Tax Revenue Bonds, Series 2004			
2013	\$ 1,360,000	\$ 166,163	\$ 1,526,163
2014	1,805,000	94,762	1,899,762
	<u>\$ 3,165,000</u>	<u>\$ 260,925</u>	<u>\$ 3,425,925</u>

Coupon rates	<u>3.00 - 5.63%</u>
Effective interest rate	<u>4.14%</u>

Subordinated Excise Tax Revenue Bonds (Civic Plaza Expansion Project), Series 2005A

2013	\$ -	\$ 14,925,000	\$ 14,925,000
2014	-	14,925,000	14,925,000
2015	-	14,925,000	14,925,000
2016	-	14,925,000	14,925,000
2017	6,310,000	14,925,000	21,235,000
2018 - 2022	36,630,000	69,562,750	106,192,750
2023 - 2027	46,735,000	59,444,000	106,179,000
2028 - 2032	59,370,000	46,814,250	106,184,250
2033 - 2037	75,650,000	30,542,500	106,192,500
2038 - 2041	75,305,000	9,642,750	84,947,750
	<u>\$ 300,000,000</u>	<u>\$ 290,631,250</u>	<u>\$ 590,631,250</u>

Coupon rates	<u>4.25 - 5.00%</u>
Effective interest rate	<u>4.62%</u>

Subordinated Excise Tax Revenue Bonds (Solid Waste Improvements), Series 2006A

2013	\$ 3,345,000	\$ 3,158,887	\$ 6,503,887
2014	3,530,000	3,025,088	6,555,088
2015	3,725,000	2,883,887	6,608,887
2016	3,930,000	2,734,888	6,664,888
2017	4,145,000	2,577,687	6,722,687
2018 - 2022	24,415,000	9,748,438	34,163,438
2023 - 2027	24,830,000	2,985,549	27,815,549
	<u>\$ 67,920,000</u>	<u>\$ 27,114,424</u>	<u>\$ 95,034,424</u>

Coupon rates	<u>4.00 - 5.00%</u>
Effective interest rate	<u>4.45%</u>

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION

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

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2012

Fiscal Year Ending June 30	Principal	Interest	Total
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Subordinated Excise Tax Revenue Bonds, Series 2006B

2013	\$ 2,270,000	\$ 90,800	\$ 2,360,800
	<u>\$ 2,270,000</u>	<u>\$ 90,800</u>	<u>\$ 2,360,800</u>

Coupon rates 4.00 - 5.00%

Effective interest rate 3.89%

Subordinated Excise Tax Revenue Bonds, Taxable Series 2006C

2013	\$ 1,015,000	\$ 2,354,107	\$ 3,369,107
2014	1,080,000	2,298,283	3,378,283
2015	1,145,000	2,238,342	3,383,342
2016	1,205,000	2,174,795	3,379,795
2017	1,010,000	2,107,315	3,117,315
2018 - 2022	6,040,000	9,512,200	15,552,200
2023 - 2027	8,085,000	7,298,625	15,383,625
2028 - 2032	10,835,000	4,481,400	15,316,400
2033 - 2036	8,185,000	1,001,400	9,186,400
	<u>\$ 38,600,000</u>	<u>\$ 33,466,467</u>	<u>\$ 72,066,467</u>

Coupon rates 5.50 - 6.50%

Effective interest rate 6.10%

Subordinated Excise Tax Revenue Bonds, Series 2007A

2013	\$ 840,000	\$ 818,900	\$ 1,658,900
2014	870,000	785,300	1,655,300
2015	910,000	748,325	1,658,325
2016	950,000	709,650	1,659,650
2017	990,000	669,275	1,659,275
2018 - 2022	5,685,000	2,595,000	8,280,000
2023 - 2027	7,220,000	1,060,438	8,280,438
	<u>\$ 17,465,000</u>	<u>\$ 7,386,888</u>	<u>\$ 24,851,888</u>

Coupon rates 4.00 - 5.00%

Effective interest rate 4.46%

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION

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

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2012

Fiscal Year Ending June 30	Principal	Interest	Total
Subordinated Excise Tax Revenue Refunding Bonds, Series 2007B			
2013	\$ 3,790,000	\$ 3,162,200	\$ 6,952,200
2014	3,460,000	2,982,700	6,442,700
2015	7,750,000	2,817,200	10,567,200
2016	7,140,000	2,437,200	9,577,200
2017	5,810,000	2,088,450	7,898,450
2018 - 2022	30,295,000	5,964,750	36,259,750
2023	6,120,000	290,700	6,410,700
	<u>\$ 64,365,000</u>	<u>\$ 19,743,200</u>	<u>\$ 84,108,200</u>

Coupon rates	<u>3.75 - 4.50%</u>
Effective interest rate	<u>4.33%</u>

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

2013	\$ 2,110,000	\$ 1,550,096	\$ 3,660,096
2014	2,220,000	1,433,414	3,653,414
2015	2,350,000	1,309,893	3,659,893
2016	2,480,000	1,178,669	3,658,669
2017	2,615,000	1,039,441	3,654,441
2018 - 2022	15,515,000	2,775,812	18,290,812
	<u>\$ 27,290,000</u>	<u>\$ 9,287,325</u>	<u>\$ 36,577,325</u>

Coupon rates	<u>5.44 - 5.63%</u>
Effective interest rate	<u>5.81%</u>

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

2013	\$ 3,530,000	\$ 859,968	\$ 4,389,968
2014	3,595,000	799,393	4,394,393
2015	3,670,000	716,636	4,386,636
2016	3,770,000	612,848	4,382,848
2017	3,900,000	491,153	4,391,153
2018 - 2019	8,240,000	531,869	8,771,869
	<u>\$ 26,705,000</u>	<u>\$ 4,011,867</u>	<u>\$ 30,716,867</u>

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

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION

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

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2012

Fiscal Year Ending June 30	Principal	Interest	Total
Subordinated Excise Tax Revenue Refunding Bonds, Series 2012A			
2013	\$ -	\$ 793,290	\$ 793,290
2014	715,000	771,850	1,486,850
2015	2,795,000	750,400	3,545,400
2016	2,745,000	638,600	3,383,600
2017	1,450,000	528,800	1,978,800
2018 - 2022	6,785,000	1,698,450	8,483,450
2023 - 2025	3,020,000	231,550	3,251,550
	<u>\$ 17,510,000</u>	<u>\$ 5,412,940</u>	<u>\$ 22,922,940</u>

Coupon rates 3.00 - 5.00%

Effective interest rate 2.30%

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

2013	\$ -	\$ 1,251,241	\$ 1,251,241
2014	-	1,217,424	1,217,424
2015	-	1,217,424	1,217,424
2016	850,000	1,217,424	2,067,424
2017	1,425,000	1,201,835	2,626,835
2018 - 2022	7,675,000	5,467,894	13,142,894
2023 - 2027	9,020,000	4,133,699	13,153,699
2028 - 2032	11,460,000	2,139,981	13,599,981
2033	2,665,000	117,100	2,782,100
	<u>\$ 33,095,000</u>	<u>\$ 17,964,022</u>	<u>\$ 51,059,022</u>

Coupon rates 1.83 - 3.71%

Effective interest rate 4.01%

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

2013	\$ 19,232,800	\$ -	\$ 19,232,800
2014	-	20,449,000	20,449,000
2015	-	20,449,000	20,449,000
2016	-	20,449,000	20,449,000
2017	-	20,449,000	20,449,000
2018 - 2022	16,014,502	100,771,550	116,786,052
2023 - 2027	34,229,599	94,186,125	128,415,724
2028 - 2032	58,009,733	81,743,475	139,753,208
2033 - 2037	84,068,058	61,926,975	145,995,033
2038 - 2042	109,838,272	34,896,950	144,735,222
2043 - 2044	52,859,997	4,610,100	57,470,097
	<u>\$ 374,252,961</u>	<u>\$ 459,931,175</u>	<u>\$ 834,184,136</u>

Coupon rates 3.85 - 4.72%

Effective interest rate 4.72%

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION

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

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2012

Fiscal Year Ending June 30	Principal	Interest	Total
Transit Excise Tax Revenue Bonds (Light Rail Project), Series 2004			
2013	\$ 31,035,000	\$ 19,097,500	\$ 50,132,500
2014	35,090,000	17,545,750	52,635,750
2015	39,480,000	15,791,250	55,271,250
2016	44,215,000	13,817,250	58,032,250
2017	49,330,000	11,606,500	60,936,500
2018 - 2020	182,800,000	18,897,000	201,697,000
	<u>\$ 381,950,000</u>	<u>\$ 96,755,250</u>	<u>\$ 478,705,250</u>

Coupon rates	<u>5.00 - 5.25%</u>
Effective interest rate	<u>4.08%</u>

Senior Lien Airport Revenue Refunding Bonds, Series 2002A (AMT)

2013	\$ 6,100,000	\$ 350,750	\$ 6,450,750
	<u>\$ 6,100,000</u>	<u>\$ 350,750</u>	<u>\$ 6,450,750</u>

Coupon rates	<u>4.20 - 5.75%</u>
Effective interest rate	<u>5.51%</u>

Senior Lien Airport Revenue Bonds, Series 2002B (AMT)

2013	\$ -	\$ 12,410,137	\$ 12,410,137
2014	7,200,000	12,410,138	19,610,138
2015	7,615,000	11,996,138	19,611,138
2016	8,055,000	11,558,275	19,613,275
2017	8,515,000	11,095,112	19,610,112
2018 - 2022	50,385,000	47,673,476	98,058,476
2023 - 2027	65,295,000	32,770,238	98,065,238
2028 - 2032	84,325,000	13,733,999	98,058,999
	<u>\$ 231,390,000</u>	<u>\$ 153,647,513</u>	<u>\$ 385,037,513</u>

Coupon rates	<u>5.25 - 5.75%</u>
Effective interest rate	<u>5.51%</u>

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION

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

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2012

Fiscal Year Ending June 30	Principal	Interest	Total
Senior Lien Airport Revenue Bonds, Series 2008A (Non-AMT)			
2013	\$ -	\$ 10,339,550	\$ 10,339,550
2014	-	10,339,550	10,339,550
2015	-	10,339,550	10,339,550
2016	-	10,339,550	10,339,550
2017	-	10,339,550	10,339,550
2018 - 2022	21,355,000	50,664,750	72,019,750
2023 - 2027	43,330,000	42,237,250	85,567,250
2028 - 2032	55,290,000	30,276,300	85,566,300
2033 - 2037	70,565,000	15,003,500	85,568,500
2038	16,300,000	815,000	17,115,000
	<u>\$ 206,840,000</u>	<u>\$ 190,694,550</u>	<u>\$ 397,534,550</u>

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

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

2013	\$ 4,730,000	\$ 2,005,150	\$ 6,735,150
2014	4,965,000	1,768,650	6,733,650
2015	5,215,000	1,520,400	6,735,400
2016	5,490,000	1,246,613	6,736,613
2017	5,775,000	958,387	6,733,387
2018 - 2019	12,480,000	991,200	13,471,200
	<u>\$ 38,655,000</u>	<u>\$ 8,490,400</u>	<u>\$ 47,145,400</u>

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

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

2013	\$ 7,070,000	\$ 3,930,200	\$ 11,000,200
2014	7,405,000	3,597,850	11,002,850
2015	7,250,000	3,250,550	10,500,550
2016	7,615,000	2,888,050	10,503,050
2017	7,970,000	2,527,900	10,497,900
2018 - 2022	45,760,000	6,729,050	52,489,050
	<u>\$ 83,070,000</u>	<u>\$ 22,923,600</u>	<u>\$ 105,993,600</u>

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

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION

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

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2012

Fiscal Year Ending June 30	Principal	Interest	Total
Senior Lien Airport Revenue Refunding Bonds, Series 2008D (AMT)			
2013	\$ 4,005,000	\$ 1,769,762	\$ 5,774,762
2014	4,160,000	1,549,488	5,709,488
2015	3,590,000	1,320,687	4,910,687
2016	3,815,000	1,132,213	4,947,213
2017	4,050,000	931,925	4,981,925
2018 - 2020	13,940,000	1,463,325	15,403,325
	<u>\$ 33,560,000</u>	<u>\$ 8,167,400</u>	<u>\$ 41,727,400</u>

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

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

2013	\$ 11,710,000	\$ 31,748,731	\$ 43,458,731
2014	12,105,000	31,350,331	43,455,331
2015	12,705,000	30,751,081	43,456,081
2016	13,310,000	30,147,381	43,457,381
2017	13,960,000	29,497,831	43,457,831
2018 - 2022	80,370,000	136,917,855	217,287,855
2023 - 2027	102,115,000	115,166,094	217,281,094
2028 - 2032	130,020,000	87,267,665	217,287,665
2033 - 2037	166,465,000	50,844,163	217,309,163
2038 - 2040	99,920,000	9,122,000	109,042,000
	<u>\$ 642,680,000</u>	<u>\$ 552,813,132</u>	<u>\$ 1,195,493,132</u>

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

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

2013	\$ -	\$ 1,408,770	\$ 1,408,770
2014	-	1,408,770	1,408,770
2015	-	1,408,770	1,408,770
2016	-	1,408,770	1,408,770
2017	-	1,408,770	1,408,770
2018 - 2022	-	7,043,850	7,043,850
2023 - 2027	-	7,043,850	7,043,850
2028 - 2032	-	7,043,850	7,043,850
2033 - 2037	-	7,043,850	7,043,850
2038 - 2040	21,345,000	4,226,310	25,571,310
	<u>\$ 21,345,000</u>	<u>\$ 39,445,560</u>	<u>\$ 60,790,560</u>

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

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION

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

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2012

Fiscal Year Ending June 30	Principal	Interest	Total
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Junior Lien Airport Revenue Refunding Bonds, Series 2010C (Non-AMT)

2013	\$ -	\$ 1,604,000	\$ 1,604,000
2014	-	1,604,000	1,604,000
2015	-	1,604,000	1,604,000
2016	-	1,604,000	1,604,000
2017	-	1,604,000	1,604,000
2018 - 2022	-	8,020,000	8,020,000
2023 - 2025	32,080,000	3,260,250	35,340,250
	<u>\$ 32,080,000</u>	<u>\$ 19,300,250</u>	<u>\$ 51,380,250</u>

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

Rental Car Facility Charge Revenue Bonds, Taxable Series 2004

2013	\$ 7,845,000	\$ 13,431,473	\$ 21,276,473
2014	8,285,000	12,992,152	21,277,152
2015	8,750,000	12,526,536	21,276,536
2016	9,255,000	12,021,661	21,276,661
2017	9,795,000	11,478,392	21,273,392
2018 - 2022	58,500,000	47,872,549	106,372,549
2023 - 2027	78,885,000	27,496,418	106,381,418
2028 - 2029	38,870,000	3,680,937	42,550,937
	<u>\$ 220,185,000</u>	<u>\$ 141,500,118</u>	<u>\$ 361,685,118</u>

Coupon rates	<u>3.69-6.25%</u>
Effective interest rate	<u>6.20%</u>

Junior Lien Water System Revenue Refunding Bonds, Series 2001

2013	\$ 4,020,000	\$ 3,454,044	\$ 7,474,044
2014	4,225,000	3,253,043	7,478,043
2015	4,440,000	3,036,512	7,476,512
2016	4,670,000	2,803,412	7,473,412
2017	4,915,000	2,558,237	7,473,237
2018 - 2022	28,755,000	8,623,087	37,378,087
2023 - 2024	13,810,000	1,149,500	14,959,500
	<u>\$ 64,835,000</u>	<u>\$ 24,877,835</u>	<u>\$ 89,712,835</u>

Coupon rates	<u>4.00 - 5.50%</u>
Effective interest rate	<u>4.68%</u>

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION

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

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2012

Fiscal Year Ending June 30	Principal	Interest	Total
Junior Lien Water System Revenue Refunding Bonds, Series 2003			
2013	\$ 90,000	\$ 459,875	\$ 549,875
2014	90,000	456,500	546,500
2015	95,000	453,125	548,125
2016	100,000	449,325	549,325
2017	1,550,000	445,325	1,995,325
2018 - 2022	8,795,000	1,200,037	9,995,037
	<u>\$ 10,720,000</u>	<u>\$ 3,464,187</u>	<u>\$ 14,184,187</u>

Coupon rates 2.00 - 4.50%

Effective interest rate 4.53%

Junior Lien Water System Refunding Certificates of Participation, Series 17

2013	\$ 2,930,000	\$ 598,650	\$ 3,528,650
2014	2,950,000	481,450	3,431,450
2015	2,860,000	363,450	3,223,450
2016	2,775,000	245,475	3,020,475
2017	2,685,000	127,537	2,812,537
	<u>\$ 14,200,000</u>	<u>\$ 1,816,562</u>	<u>\$ 16,016,562</u>

Coupon rates 2.50 - 4.75%

Effective interest rate 4.13%

Junior Lien Water System Revenue Bonds, Series 2005

2013	\$ 18,470,000	\$ 26,758,450	\$ 45,228,450
2014	19,495,000	25,834,950	45,329,950
2015	20,675,000	24,860,200	45,535,200
2016	21,910,000	23,826,450	45,736,450
2017	21,770,000	22,730,950	44,500,950
2018 - 2022	150,955,000	94,279,500	245,234,500
2023 - 2027	198,455,000	52,572,212	251,027,212
2028 - 2029	93,280,000	7,051,000	100,331,000
	<u>\$ 545,010,000</u>	<u>\$ 277,913,712</u>	<u>\$ 822,923,712</u>

Coupon rates 4.75 - 5.00%

Effective interest rate 4.28%

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION

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

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2012

Fiscal Year Ending June 30	Principal	Interest	Total
Junior Lien Water System Revenue Bonds, Series 2009A			
2013	\$ -	\$ 22,443,100	\$ 22,443,100
2014	9,445,000	22,443,100	31,888,100
2015	9,915,000	21,970,850	31,885,850
2016	-	21,475,100	21,475,100
2017	10,415,000	21,475,100	31,890,100
2018 - 2022	60,410,000	99,033,513	159,443,513
2023 - 2027	77,020,000	82,418,812	159,438,812
2028 - 2032	98,205,000	61,235,438	159,440,438
2033 - 2037	125,285,000	34,154,237	159,439,237
2038 - 2039	59,305,000	4,473,150	63,778,150
	<u>\$ 450,000,000</u>	<u>\$ 391,122,400</u>	<u>\$ 841,122,400</u>

Coupon rates 3.50 - 5.00%

Effective interest rate 4.63%

Junior Lien Water System Revenue Refunding Bonds, Series 2009B

2013	\$ 6,460,000	\$ 3,034,587	\$ 9,494,587
2014	9,155,000	2,729,638	11,884,638
2015	9,510,000	2,376,437	11,886,437
2016	9,945,000	1,940,438	11,885,438
2017	10,365,000	1,525,487	11,890,487
2018 - 2019	22,235,000	1,541,750	23,776,750
	<u>\$ 67,670,000</u>	<u>\$ 13,148,337</u>	<u>\$ 80,818,337</u>

Coupon rates 2.75 - 5.00%

Effective interest rate 2.78%

Junior Lien Water System Revenue Refunding Bonds, Series 2011

2013	\$ -	\$ 7,888,475	\$ 7,888,475
2014	7,620,000	7,888,475	15,508,475
2015	10,295,000	7,583,675	17,878,675
2016	10,685,000	7,193,875	17,878,875
2017	11,215,000	6,659,625	17,874,625
2018 - 2022	64,270,000	25,124,525	89,394,525
2023 - 2026	63,425,000	8,093,300	71,518,300
	<u>\$ 167,510,000</u>	<u>\$ 70,431,950</u>	<u>\$ 237,941,950</u>

Coupon rates 2.00 - 5.00%

Effective interest rate 3.12%

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION

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

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2012

Fiscal Year Ending June 30	Principal	Interest	Total
Senior Lien Wastewater System Revenue Refunding Bonds, Series 2004B			
2013	\$ 12,385,000	\$ 1,952,250	\$ 14,337,250
2014	13,005,000	1,333,000	14,338,000
2015	13,655,000	682,750	14,337,750
	<u>\$ 39,045,000</u>	<u>\$ 3,968,000</u>	<u>\$ 43,013,000</u>

Coupon rates 2.50 - 5.00%

Effective interest rate 3.67%

Senior Lien Wastewater System Revenue Refunding Bonds, Series 2008			
2013	\$ -	\$ 7,337,000	\$ 7,337,000
2014	-	7,337,000	7,337,000
2015	-	7,337,000	7,337,000
2016	14,390,000	7,337,000	21,727,000
2017	15,140,000	6,545,550	21,685,550
2018 - 2022	61,760,000	22,111,100	83,871,100
2023 - 2024	42,110,000	3,503,775	45,613,775
	<u>\$ 133,400,000</u>	<u>\$ 61,508,425</u>	<u>\$ 194,908,425</u>

Coupon rates 5.50%

Effective interest rate 5.02%

Junior Lien Wastewater System Revenue Bonds, Series 2004			
2013	\$ 6,275,000	\$ 7,889,787	\$ 14,164,787
2014	6,605,000	7,560,350	14,165,350
2015	1,990,000	7,213,588	9,203,588
2016	7,295,000	7,114,087	14,409,087
2017	7,660,000	6,749,338	14,409,338
2018 - 2022	44,400,000	27,660,337	72,060,337
2023 - 2027	56,640,000	15,410,437	72,050,437
2028 - 2029	26,825,000	2,001,124	28,826,124
	<u>\$ 157,690,000</u>	<u>\$ 81,599,048</u>	<u>\$ 239,289,048</u>

Coupon rates 3.40 - 5.25%

Effective interest rate 4.59%

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION

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

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2012

Fiscal Year Ending June 30	Principal	Interest	Total
Junior Lien Wastewater System Revenue Bonds, Series 2007			
2013	\$ 5,760,000	\$ 14,606,988	\$ 20,366,988
2014	6,075,000	14,318,988	20,393,988
2015	6,410,000	14,056,088	20,466,088
2016	6,760,000	13,772,337	20,532,337
2017	7,135,000	13,434,337	20,569,337
2018 - 2022	42,000,000	61,590,185	103,590,185
2023 - 2027	54,890,000	49,889,125	104,779,125
2028 - 2032	71,745,000	34,586,750	106,331,750
2033 - 2037	93,765,000	14,566,000	108,331,000
	<u>\$ 294,540,000</u>	<u>\$ 230,820,798</u>	<u>\$ 525,360,798</u>

Coupon rates 4.00 - 5.00%

Effective interest rate 4.65%

Junior Lien Wastewater System Revenue Refunding Bonds, Series 2011

2013	\$ -	\$ 5,493,950	\$ 5,493,950
2014	5,980,000	5,493,950	11,473,950
2015	405,000	5,224,950	5,629,950
2016	7,990,000	5,216,850	13,206,850
2017	8,340,000	4,867,350	13,207,350
2018 - 2022	73,640,000	16,209,750	89,849,750
2023 - 2024	21,935,000	1,627,750	23,562,750
	<u>\$ 118,290,000</u>	<u>\$ 44,134,550</u>	<u>\$ 162,424,550</u>

Coupon rates 2.00 - 5.00%

Effective interest rate 2.58%

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION

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

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2012

Fiscal Year Ending June 30	Principal	Interest	Total
Total Bonds and Certificates Payable			
2013	\$ 176,587,800	\$ 240,902,987	\$ 417,490,787
2014	193,585,000	253,711,533	447,296,533
2015	199,475,000	244,465,840	443,940,840
2016	215,005,000	234,942,330	449,947,330
2017	245,490,000	224,460,649	469,950,649
2018 - 2022	1,267,484,502	929,742,151	2,197,226,653
2023 - 2027	1,054,264,599	631,443,051	1,685,707,650
2028 - 2032	767,824,733	387,895,507	1,155,720,240
2033 - 2037	636,613,058	216,623,251	853,236,309
2038 - 2042	382,013,272	63,176,160	445,189,432
2043 - 2047	52,859,997	4,610,100	57,470,097
	<u>\$ 5,191,202,961</u>	<u>\$ 3,431,973,559</u>	<u>\$ 8,623,176,520</u>

Changes in long-term debt during fiscal year 2011-12 are summarized as follows (in thousands):

Bonds and Certificates Payable, July 1	\$ 5,337,983
Additions (1)	368,390
Reductions	(515,170)
Bonds and Certificates Payable, June 30	<u>\$ 5,191,203</u>

(1) Additions include \$16,780 for accrued interest on the State of Arizona Distribution Revenue Bonds (Civic Plaza Expansion Project), Series 2005B, capital appreciation bonds.

Interest payable amounts accrued through June 30 by the Corporation but not yet funded by the City have been recorded as a receivable from the City.

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION

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

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2012

7. Bond Anticipation Notes Payable

The City entered into purchase agreements with the the City of Phoenix Civic Improvement Corporation for the acquisition and construction of improvements to the wastewater and water systems of the City. The Corporation is currently authorized to issue up to an aggregate principal amount of \$150,000,000 of its Wastewater System Revenue Bond Anticipation Notes, Series 2009 (the "Wastewater BANS") and an aggregate principal amount of \$100,000,000 of its Water System Revenue Bond Anticipation Notes, Series 2012A (the "Water BANS, Series 2012A") and \$100,000,000 of its Water System Revenue Bond Anticipation Notes, Series 2012B (the "Water BANS, Series 2012B").

During fiscal year 2012, \$25,000,000 of Wastewater BANS were paid by the City of Phoenix. At June 30, 2012, \$75,000,000 of Wastewater BANS remain outstanding. The notes are issued as commercial paper in varying maturities up to 270 days. Interest rates paid on the notes range from 0.08% through 0.33%. The notes are secured by irrevocable, direct pay letters of credit issued by Bank of America N.A. (the "Bank"). While the City has not granted any lien on the wastewater system to the owners of the notes, under the purchase agreement, the City has granted the Bank lien of the respective junior subordinate lien revenues to secure its obligation to satisfy the Corporation's payment obligations under the reimbursement agreements.

During fiscal year 2012, the Corporation issued \$100,000,000 and \$75,000,000 of Water BANS, Series 2012A and Water BANS, Series 2012B, respectively, which remained outstanding at June 30, 2012. The notes are issued as commercial paper in varying maturities up to 270 days. Interest rates paid on the notes range from 0.12% through 0.17%. The notes are secured by irrevocable, direct pay letters of credit issued by RBC Capital Markets and Wells Fargo Securities (the "Banks") for Water BANS, Series 2012A and Water BANS, Series 2012B, respectively. While the City has not granted any lien on the water system to the owners of the notes, under the purchase agreement, the City has granted the Banks liens of the respective junior subordinate lien revenues to secure its obligation to satisfy the Corporation's payment obligations under the reimbursement agreements.

Changes in bond anticipation notes payable (in thousands):

Bond Anticipation Notes Payable, July 1	\$	100,000
Additions		175,000
Reductions		(25,000)
Bond Anticipation Notes Payable, June 30	\$	<u>250,000</u>

8. Construction Commitments

As of June 30, 2012, the Corporation has outstanding construction commitments 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.

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION

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NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2012

9. Subsequent Events

On July 11, 2012, the Corporation prepaid the remaining principal amount of \$14,200,000 payable by the City under the City Purchase Agreement with respect to the Arizona Municipal Financing Program of 1992 Refunding Certificates of Participation, Series 17 due on or before July 26, 2014. With such deposit, these certificates have been defeased and are no longer outstanding.

On November 7, 2012, the Corporation issued \$100,000,000 of Airport Revenue Bond Anticipation Notes, Series 2011B-1. The notes were issued as commercial paper in varying maturities up to 270 days and at various interest rates.

On February 5, 2013, the Corporation issued \$196,600,000 of Senior Lien Airport Revenue Refunding Bonds, Series 2013 (AMT). The bonds were issued at an all-in true interest cost of 3.278% and were delivered on March 5, 2013.

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NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2012