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 capital data resources
 Forecast Expenditure payment agency Revenue
 assets Government audit debt trust accounting
CITY OF GOODYEAR
Comprehensive Annual
Financial Report
 for the Fiscal Year Ended June 30, 2015
 Reimbursement statements
 Comprehensive
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 Assets
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INTRODUCTORY SECTION

The Introductory Section includes the City's Transmittal Letter, the Certificate of Achievement for Excellence in Financial Reporting, and the City's Organizational Chart.



November 25, 2015

Honorable Mayor, City Council, City Manager, and Citizens of the City of Goodyear, Arizona:

State law requires that cities annually publish after the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards (GAAS) by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) to the City of Goodyear, Arizona (City) for the fiscal year ended June 30, 2015.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free from any material misstatements.

This document represents management's report to its governing body, constituents, legislative and oversight bodies, investors and creditors. Copies of this report will be sent to elected officials, management personnel, bond rating agencies, Municipal Securities Rulemaking Board's Electronic Municipal Market Access system (EMMA), and other agencies which have expressed interest in the city's financial matters. Copies of this financial report will be placed on the city's website for use by the general public.

The accounting firm of Heinfeld, Meech & Co., P.C., Certified Public Accountants, an independent public accounting firm, performed the city's annual financial statement audit. The auditors have issued an unmodified ("clean") opinion of the City of Goodyear's financial statements for the fiscal year ended June 30, 2015. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report on pages 5-18 and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

CITY OF GOODYEAR PROFILE

The City of Goodyear, incorporated in 1946 and chartered in 1988, started as a small town cultivating cotton for the production of rubber tires during World War I. Over the years, Goodyear has sustained continued growth and currently encompasses approximately 191 square miles in the western portion of Maricopa County and is approximately 17 miles west of the downtown Phoenix business district. The city's growth is attributable to excellent housing, a small-town atmosphere, convenient access to the central valley, and outstanding school districts. The population as of the 2010 census was 65,275, with current estimates as of fiscal year ended June 30, 2015 to be approximately 77,000.

Goodyear has a Council/Manager form of government consisting of the Mayor and six council members. The Mayor and council members are elected at-large to four-year terms. The City Council is vested with policy and legislative authority and is responsible for passing ordinances, adopting the budget, appointing committee, commission, and board members, and appointing the positions of City Manager, City Attorney, and Judge. The City Manager is responsible for carrying out the policies and ordinances of the City Council, as well as overseeing the day-to-day operations of the city.

In fiscal year 2015 a staff of 527 full-time employees working within 15 different departments performed the various functions of Goodyear's city government and its operation. The city provides a full range of municipal services, including police and fire protection, sanitation services, water and wastewater services, construction and maintenance of streets, recreational programs, parks and cultural events, public transportation, planning and zoning services, and general administrative services. Goodyear offers a wide range of community facilities including the Goodyear Ballpark, library, community center, swimming pool, and 18 parks encompassing 204 acres. The city is community-driven and includes hundreds of volunteers that serve in various areas and, through their efforts, saved the city more than \$645,736 in fiscal year 2015 alone. In addition, Goodyear continues to attract major employers with its availability of land, access to the central valley, and available commercial space.

FINANCIAL CONTROLS

Internal Controls

The management of the City of Goodyear is responsible for establishing and maintaining a system of internal controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: 1) the safeguarding of assets against loss from unauthorized use or disposition, and 2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes: 1) the cost of a control should not exceed the benefits likely to be derived, and 2) the valuation of costs and benefits requires estimates and judgments by management.

The system of internal control is subject to periodic evaluation by management and is also considered by the independent auditors in connection with the annual audit of the city's financial statements. All internal control evaluations occur within the above framework. The city's internal accounting controls are considered to adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary Controls

The City of Goodyear, like all cities in the State of Arizona, is subject to numerous budget and related legal requirements. Article IX, Section 20 (1) of the Arizona Constitution sets limits on the city's legal budget capacity. At a general election held on March 11, 2003, citizens of Goodyear approved a permanent adjustment of the 1979 expenditure base for population and inflation growth. The city may utilize the additional expenditure authority for any local budgetary purposes. The permanent adjustment eliminates the need for voter approval every four years.

The city maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Mayor and Council. Activities of the general fund, special revenue funds, debt service funds, capital projects funds, enterprise funds, and internal service fund are included in the annual appropriated budget. The legal level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is the total budget, as adopted by the City Council. All funds of the City have legally adopted budgets. The initial budget for the fiscal year may be amended during the year in a legally permissible manner. The City adopts the budget by departments for the General Fund and by fund for all others. The City Manager is generally authorized to transfer budgeted amounts within any specific department's expenditure appropriation. Any budget revisions requiring a transfer between departments in the General Fund or a transfer between funds must be approved by the City Council. In addition to maintaining budgetary control via a formal appropriation, the city maintains an encumbrance accounting system. Encumbrances are made against appropriations upon the issuance of a purchase order. Encumbered appropriations lapse at fiscal year-end and are re-encumbered as needed in the next fiscal year.

LOCAL ECONOMIC CONDITION AND OUTLOOK

Goodyear continues its gradual recovery from the economic recession. During fiscal year 2015 there were 894 new single-family resident permits issued which represents an increase of 34 permits from the prior fiscal year. At June 30, 2015, Goodyear was ranked sixth in market-share for single-family starts in the Phoenix area. Goodyear's sales tax revenues remain strong and continue to increase year over year.

With the lasting uncertainty, the city continues to budget conservatively and monitor the changes taking place in the national and local economies, as adaptation is imperative to keeping the budget balanced and positioning the city for future growth.

Sales Tax

Goodyear, like all Arizona cities, places significant reliance on city sales tax revenues. City sales tax revenues for fiscal year 2015 increased by approximately 4% over fiscal year 2014 levels. The 4% rate increase during fiscal year 2015 compared to fiscal year 2014 is the annual target growth increase as anticipated.

State Shared Revenues

The city receives revenue allocations from the State. These state shared revenues include allocations of the state-collected income tax, sales tax, fuel tax, and motor vehicle in-lieu taxes. A significant portion of this revenue is placed in the city's general fund where it is used to support day-to-day activities. The city's state shared revenues represented about 20% of the general fund revenue for fiscal year 2015.

During fiscal year 2016 the City of Goodyear is participating in the Special Census. Arizona Cities and Towns receive money from state-shared revenue, which is divided amongst all cities according to their population. This allocation currently is based on population figures from the 2010 census at which time Goodyear had 65,275 residents. Based on the number of new dwelling units constructed since 2010, the city now estimates the population to be closer to 77,000. As a result of this increase, the city could see its annual revenue increase by as much as \$1.5 million.

Property Tax

In fiscal year 2015, the city's combined (primary and secondary) property tax rate decreased from \$1.90 to \$1.87 per \$100 of assessed valuation. This decrease in the tax rate kept the levy (revenues) consistent, mitigating the impact of the decline in property valuation due to the recession. This stabilization ensured the city's ability to service currently outstanding debt and maintain basic infrastructure.

For the fiscal year 2016 budget, the Mayor and Council have adopted a total combined property tax rate of \$1.87 per \$100 of assessed valuation, no change from the fiscal year 2015 combined rate. In accordance with its budget policies, the city will sell no new general obligation bonds until the combined property tax rate of \$1.60 per \$100 of assessed valuation can be achieved.

LONG-TERM FINANCIAL PLANNING

In 2013, the Council began a process of redefining the long-term strategic priorities of the city and adopted the first City Strategic Action Plan since 2002. During fiscal year 2014, the Council re-affirmed this plan and adopted the FY15-17 City Strategic Action Plan. The plan establishes the city's vision and mission and also identifies priority focus areas for strategic initiatives that help to define its goals and actions. The City of Goodyear's mission is as follows:

The City of Goodyear will provide the finest municipal services and promote a quality environment to enhance our community's prosperity through citizen and employee participation. We are committed to the stewardship of resources and fulfillment of the public trust.

Four focus priorities are identified within the Strategic Action Plan:

1. **Fiscal and Resource Management**: The City of Goodyear will implement innovative and responsible policies and business practices to effectively manage its fiscal and human resources. The city will maintain a stable financial environment that is transparent and that maintains an outstanding quality of life for our citizens. Business practices will be efficient, business friendly, and ensure exceptional customer service to all stakeholders and citizens.
2. **Economic Vitality**: The City of Goodyear will seek diverse, high quality development, and will foster local jobs through the strategic pursuit of industries including renewable energy, engineering, technology, aerospace, medical, manufacturing, and internet fulfillment. Business investment and sustainability will be fostered through streamlined processes, strategic marketing, developing ongoing relationships, and encouraging tourism.
3. **Sense of Community**: The City of Goodyear will provide programs, gathering places, and events where the community can come together to participate in opportunities of learning and recreation. Sustainable relationships with the community will be cultivated through citizen engagement, outstanding customer service, and clear, accessible communication.
4. **Quality of Life**: The City of Goodyear will implement programs and projects that create a clean, well-maintained, safe, and sustainable environment and that provides citizens with opportunities for an engaged, healthy, and active lifestyle.

The Strategic Action Plan establishes a road map of key strategic initiatives that best advance the vision for the city and is aligned with many other planning documents used by the city, including departmental plans (which include specific strategic plans, master plans, and operational plans) which guide department priorities and individual employee performance evaluation goals. For each of these four focus priorities, long-range goals have been identified and assigned to various departments for follow-up. These priorities are also a key fundamental factor in the development of the city's annual budget.

MAJOR INITIATIVES

The city's management and the Economic Development Department work to recruit new business, as well as assist existing businesses with additional job creation and expansions. The Council adopted the Economic Development's "Focus on Success" strategic plan in fiscal year 2014, providing guidance and strategies for achieving key

goals such as bringing jobs into Goodyear and working to make the city one of the largest employment bases in the West Valley. One of the strategies recommended in the strategic plan was a marketing and branding campaign. In the spring of 2015, the Economic Development Department rolled out the “Goodyear is Geared for Growth” campaign to a crowd of over 300 business leaders.

The Geared for Growth campaign highlights major corridors in the city that will have a great influence on the community’s future: the Phoenix-Goodyear Airport/GYR corridor with 1,200 acres of mixed use development, the Loop 303 corridor with 2,000 acres, and the 801/85 Employment Center corridor with 1,700 acres for manufacturing and industrial business. Economic Development’s “Focus on Success” plan identifies strategic industries to focus on to build these corridors including aviation/aerospace, medical, high-tech manufacturing, and higher education.

Goodyear continues to grow and attract a variety of business. In fiscal year 2014-2015, the Economic Development Department assisted in the location or expansion of 18 companies, creating 1,300 jobs and \$172 million in capital investment. This included, among others, Recreational Equipment, Inc. (REI), Michael Lewis Company, Macy’s, Snyder’s of Hanover, and the renovation of Hangar 18 at the Phoenix-Goodyear Airport by Aeroturbine. In addition, Harkins Theatres broke ground on a 16-screen megaplex theater beginning the first phase of the Estrella Falls Mall with the theater slated to open in the spring of 2016.

AWARDS AND ACKNOWLEDGEMENTS

Certificates of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Goodyear, Arizona, for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014. This is the seventh year the city has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. That report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for one year only. We believe our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program’s requirements and we are submitting this report to the GFOA to determine its eligibility for a certificate for fiscal year ended June 30, 2015.

In addition, the city also received the GFOA’s Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning 2014. This is the twentieth year that the city has received the highest form of recognition in governmental budgeting.

Acknowledgement

The preparation of this Comprehensive Annual Financial Report could not have been accomplished without the efficient and dedicated services of the staff of the Finance Department, especially the Accounting, Community Facilities District, and Utility Customer Service divisions. We also wish to thank the Mayor and members of the City Council, the city's Audit Committee, and the City Manager's Office for their interest and support in planning and conducting the financial affairs of the city in a responsible and progressive manner.

Sincerely,

A handwritten signature in black ink, appearing to read 'L. Lange', written in a cursive style.

Larry A. Lange
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Goodyear
Arizona**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

CITY OF GOODYEAR

LIST OF PRINCIPAL OFFICIALS

MAYOR

Georgia Lord

VICE MAYOR

Sheri Lauritano

COUNCIL MEMBERS

Joanne Osborne

Joe Pizzillo

Wally Campbell

William Stipp

Sharolyn Hohman

SENIOR MANAGEMENT STAFF

Brian Dalke
City Manager

Michael Simonson
Presiding Judge

Roric Massey
City Attorney

Robert Beckley
Deputy City Manager

Wynette Reed
Deputy City Manager

Maureen Scott
City Clerk

Lyman Locket
Human Resources Director

Paul Luizzi
Fire Chief

Larry Lange
Finance Director

Gerald Geier
Police Chief

Christopher Baker
Development Services Director

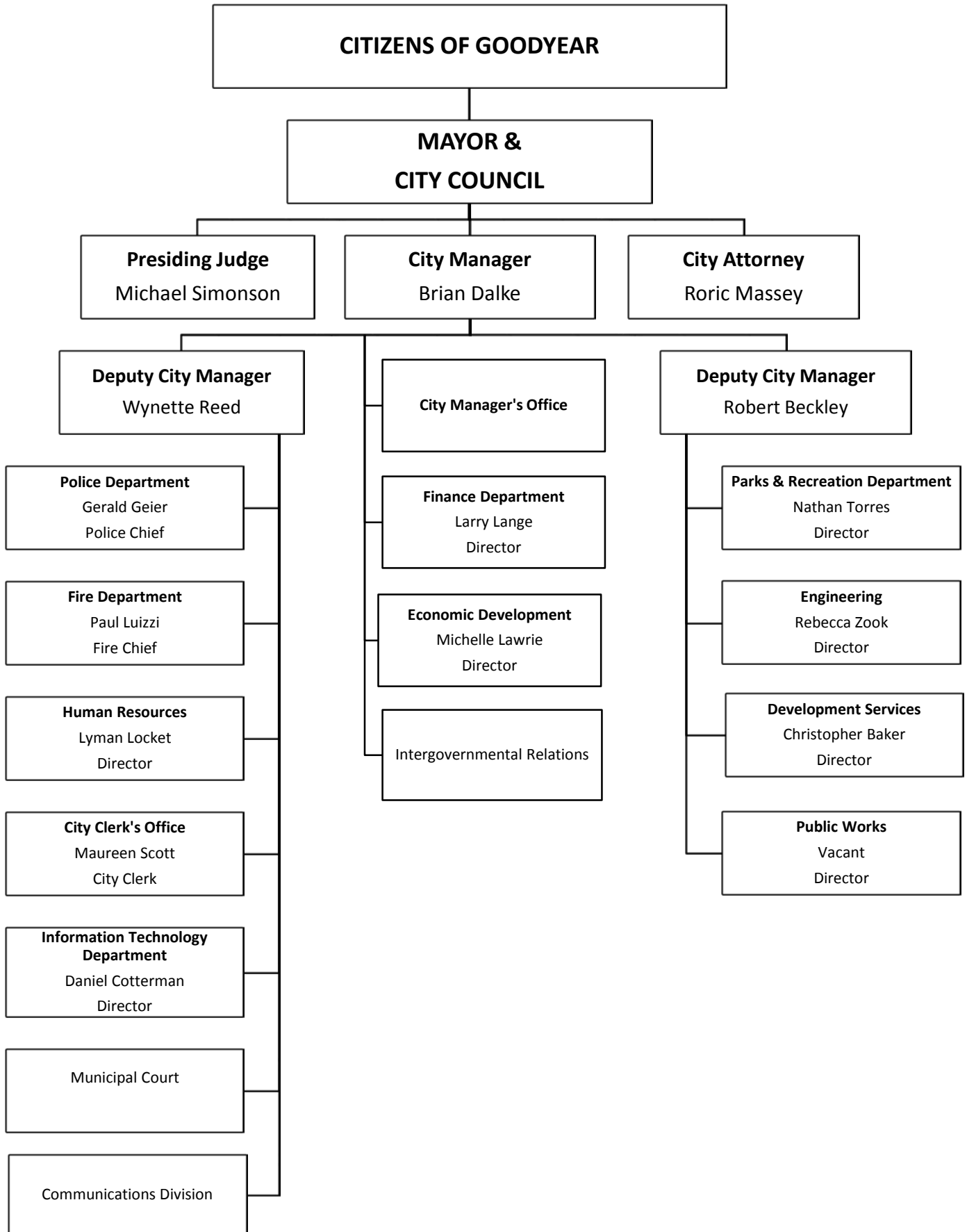
Daniel Cotterman
Information Technology Director

Rebecca Zook
Engineering Director

Nathan Torres
Park & Recreation Director

Michelle Lawrie
Economic Development Director

Vacant
Public Works Director



FINANCIAL SECTION

The Financial Section includes the Independent Auditor's Report, Management's Discussion and Analysis, the Audited Financial Statements, Notes to the Audited Financial Statements, and Supplemental Information.

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council
City of Goodyear, Arizona

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of City of Goodyear, Arizona (City) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities each major fund, and the aggregate remaining fund information of the City of Goodyear, Arizona, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 1, the City implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, for the year ended June 30, 2015, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Introductory Section, Other Supplementary Information, and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Other Supplementary Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Other Supplementary Information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The Introductory Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2015, on our consideration of City of Goodyear, Arizona's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Goodyear, Arizona's internal control over financial reporting and compliance.



HEINFELD, MEECH & CO., P.C.
CPAs and Business Consultants

November 25, 2015

Management's Discussion and Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS For The Year Ended June 30, 2015

As management of the City of Goodyear, Arizona (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2015. This discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the City's financial activity, (3) identify changes in the City's financial position, (4) identify any material deviations from the financial plan (the approved annual budget), and (5) identify individual fund issues or concerns.

The management's discussion and analysis (MD&A) has different focus and purpose than the letter of transmittal presented on pages i-vi of this report and is designed to be read in conjunction with the transmittal letter as well as the financial statements beginning on page 21 and the accompanying notes to the financial statements.

FINANCIAL HIGHLIGHTS

- ◆ The City's government-wide assets and deferred outflows exceeded its liabilities and deferred inflows by \$661.2 million (*net position*) at the close of fiscal year 2015. Of this amount, \$19.9 million represents unrestricted net position, which may be used to meet the City's ongoing obligations to citizens and creditors.
- ◆ The \$18.4 million decrease in the net position of the City as of June 30, 2014 is the result of a \$14.8 million decrease in the net position of the governmental activities and of a \$3.6 million decrease in the net position of the business type activities. The decrease in the net position of the governmental activities is primarily the result of restating beginning net position to recognize net pension liability of \$38.6 million (per the implementation of GASB No. 68 as of June 30, 2015) which is offset by an increase of \$7.7 million in contributions over the prior fiscal year totals. The decrease in the net position of the business type activities is primarily the result of recognizing net pension liability of \$6.3 million (per the implementation of GASB No. 68 as of June 30, 2015) which is offset by an increase of \$8.5 million in capital contributions over the prior fiscal year total.
- ◆ As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$89.9 million, an increase of \$11.7 million (14.9%) in comparison with the prior year fund balance of \$78.2 million. Approximately 55.3% of this amount (\$49.7 million) is available for spending at the government's discretion (unassigned fund balance).
- ◆ At June 30, 2015, total unassigned fund balance for the general fund is \$49.7 million, an increase of \$6.1 million (13.9%) from the prior fiscal year. This increase is mainly due to actual revenues exceeding estimated revenues and to capital outlay & one-time expenditures not completed at the end of the fiscal year being carried over for fiscal year 2016. The unassigned fund balance is approximately 70.7% of total general fund expenditures.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private sector

business. All of the activities of the City, except those of a fiduciary nature, are included in these statements. The activities of the City are shown in two columns on these statements – governmental activities and business-type activities. A total column for the City is also provided.

The **Statement of Net Position** presents information on all of the City's assets, deferred outflow of resources, and liabilities, with the net of all categories being reported as the City's *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The **Statement of Activities** presents information demonstrating how the City's net position changed during the most recent fiscal year as compared with the previous fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences). The net revenue (expenses) show the financial burden that was placed on the City's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

- **Governmental activities** – Most of the City's basic services are included here, such as general government (administration), public safety (police, fire and court), highways and streets, public works, culture and recreation, and development services. These activities are generally supported by taxes and general revenues.
- **Business-type activities** – The services provided by the City included here are water, wastewater, sanitation, and stadium services. These activities are primarily supported through user charges or fees.

The government-wide financial statements include not only the City itself (known as the primary government), but also include the operations of numerous Community Facilities Districts. Although legally separate from the City, these component units are blended with the primary government because of their governance and financial relationship to the City. Separate financial statements may be obtained at the City of Goodyear's Finance Department, 190 North Litchfield Road, Goodyear, Arizona 85338.

The government-wide financial statements can be found on pages 21-23 of this report.

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 City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Since the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this

comparison between *governmental funds* and *governmental activities*. These reconciliations are on pages 31 and 35, respectively.

The City maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Community Facilities Districts – Debt Service, McDowell Road Improvements District – Debt Service, and Non-Utility Development Impact Fees, all of which are considered to be major funds. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules beginning on page 114 of this report.

The governmental fund financial statements can be found on pages 28-33 of this report.

Proprietary Funds. The City maintains four proprietary funds. Proprietary funds (enterprise and internal service) utilize full accrual accounting, the same method used by private sector business. The City uses separate enterprise funds to account for its water and wastewater services, sanitation services and stadium operations. These funds are considered to be major funds of the City. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The city has one internal service fund – Fleet Management. The Fleet Management Fund reports activities that provide preventative maintenance, repairs and safety inspections for City vehicles and equipment. The Internal service fund activities are reported as governmental activities on the government-wide statements.

The proprietary fund financial statements can be found on pages 40-45 of this report.

Fiduciary Funds. The City maintains five fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The accounting method used for fiduciary funds is similar to the accounting method used for proprietary funds.

The fiduciary fund financial statements can be found on pages 49-50 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 55-96 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension benefits to its employees. The required supplementary information can be found on pages 100-105 of this report.

The combining statements referred to earlier in connection with non-major governmental funds is presented immediately following the notes to the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 114-117 and 133-138 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following tables, graphs and analysis discuss the financial position and changes to the financial position of the City as a whole as of the year ended June 30, 2015 with comparative information for the previous year.

Net Position

The following table was derived from the current and prior years Statement of Net Position:

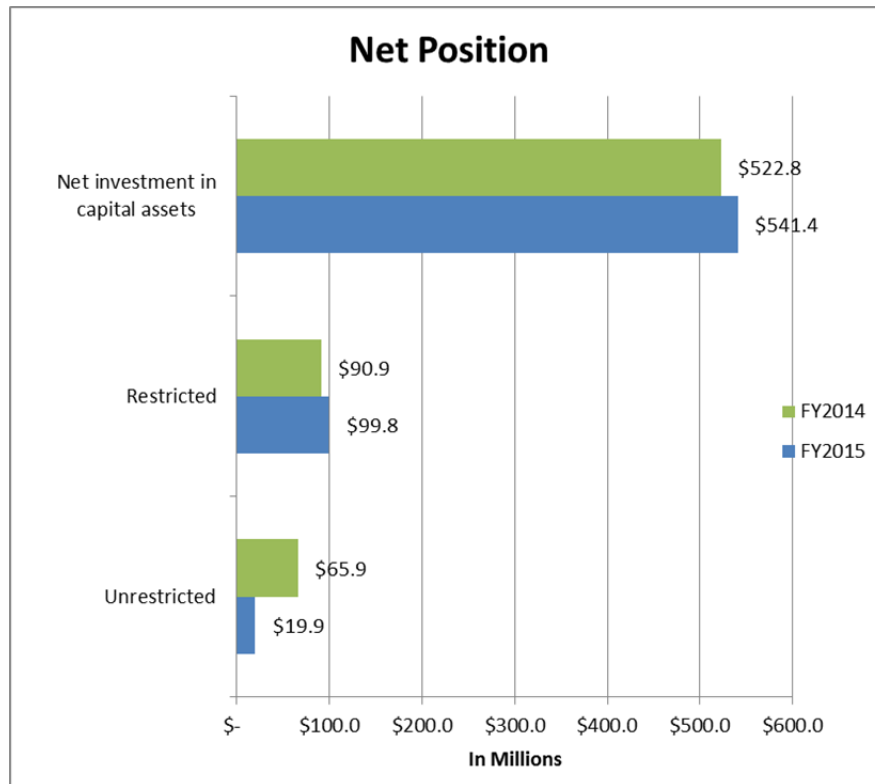
	Governmental		Business-type		Total		Percent Change
	Activities		Activities		Primary Government		
	2015	2014	2015	2014	2015	2014	
Current and other assets:	\$ 170,613,815	\$ 152,815,195	\$ 39,923,777	\$ 41,863,365	\$ 210,537,592	\$ 194,678,560	8.15%
Capital assets	533,818,875	530,755,574	397,169,523	399,600,310	930,988,398	930,355,884	0.07%
Total assets	<u>704,432,690</u>	<u>683,570,769</u>	<u>437,093,300</u>	<u>441,463,675</u>	<u>1,141,525,990</u>	<u>1,125,034,444</u>	1.47%
Deferred outflows of resources:							
Pension plan items	8,448,657	-	968,037	-	9,416,694	-	100.00%
Loss on refunding	790,358	670,993	471,090	520,672	1,261,448	1,191,665	5.86%
Total deferred outflow of resources	<u>9,239,015</u>	<u>670,993</u>	<u>1,439,127</u>	<u>520,672</u>	<u>10,678,142</u>	<u>1,191,665</u>	
Other liabilities:	20,443,998	24,241,258	10,686,261	11,922,064	31,130,259	36,163,322	-13.92%
Long-term liabilities outstanding	223,240,487	182,212,131	228,561,872	228,256,456	451,802,359	410,468,587	10.07%
Total liabilities	<u>243,684,485</u>	<u>206,453,389</u>	<u>239,248,133</u>	<u>240,178,520</u>	<u>482,932,618</u>	<u>446,631,909</u>	8.13%
Deferred inflows of resources:							
Pension plan items	6,997,526	-	1,105,228	-	8,102,754	-	100.00%
Total deferred inflow of resources	<u>6,997,526</u>	<u>-</u>	<u>1,105,228</u>	<u>-</u>	<u>8,102,754</u>	<u>-</u>	100.00%
Net position:							
Net Investment in Capital Assets	365,019,949	345,513,895	176,380,867	177,274,142	541,400,816	522,788,037	3.56%
Restricted for:							
Charter Mandates	3,841,444	-	-	-	3,841,444	-	100.00%
Courts	240,631	221,290	-	-	240,631	221,290	8.74%
Law enforcement	309,112	274,392	-	-	309,112	274,392	12.65%
Highways and streets	174,025	697,914	-	-	174,025	697,914	-75.06%
Capital projects	9,833,567	8,166,897	5,139,404	2,976,525	14,972,971	11,143,422	34.37%
Community facilities	1,111,964	803,837	-	-	1,111,964	803,837	38.33%
Debt service	75,991,785	74,438,000	2,468,498	2,663,967	78,460,283	77,101,967	1.76%
Transit	745,210	644,135	-	-	745,210	644,135	15.69%
Unrestricted	5,722,007	47,028,013	14,190,297	18,891,193	19,912,304	65,919,206	-69.79%
Total net position	<u>\$ 462,989,694</u>	<u>\$ 477,788,373</u>	<u>\$ 198,179,066</u>	<u>\$ 201,805,827</u>	<u>\$ 661,168,760</u>	<u>\$ 679,594,200</u>	-2.71%

The net position over time, may serve as a useful indicator of a government's financial position. The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$661.2 million at the close of fiscal year 2015 and by \$679.6 million in 2014, providing an overall decrease in the City's net position of \$18.4 million. Current and other assets increased by \$15.9 million. This increase is primarily due to an increase in contributions. Long-term liabilities increased by \$34.9 million. The increase in long term liabilities is primarily the result of recognizing net pension liability of \$44.9 million (per the implementation of GASB No. 68 as of June 30, 2015) and a decrease of \$9.3 million in bonds payable.

The largest portion of the City's net position totaling \$541.4 million (81.9% of total net position) reflects its net investment in capital assets (e.g., land and improvements, buildings, machinery, equipment, vehicles, artwork, and infrastructure), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position totaling \$99.8 million (15.10% of total net position) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$19.9 million (3.0% of total net position) is unrestricted and may be used to meet the City's ongoing obligations to its citizens and creditors. The large decrease in unrestricted net position between fiscal year 2014 and 2015 is due to the recognition of net pension liability of \$45 million (per the implementation of GASB No. 68 as of June 30, 2015).

At the end of the fiscal year 2015, the City is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year for investment in capital assets, restricted net position, and unrestricted net position.



Governmental Activities

During the current fiscal year, the net position for governmental activities decreased \$14.8 million from the prior fiscal year, for an ending balance of \$462.9 million. The City's sales tax revenue increased \$1.6 million due to an increase in retail activity. State shared revenue also increased by \$1.1 million. The City had more operating grants and contributions this current fiscal year increasing revenue by \$3.2 million. A decrease of \$37.3 million in net position resulted primarily due to a prior fiscal year restatement per the implementation of GASB No. 68 as of June 30, 2015.

Business-type Activities

The City business-type activities reported a decrease of \$3.6 million in net position bringing the total net position to \$198.2 million. Capital grants and contributions increased revenue by \$8.5 million. A decrease of \$9.0 million in net position resulted primarily due to a prior fiscal year restatement per the implementation of GASB No. 68 as of June 30, 2015.

Changes in Net Position

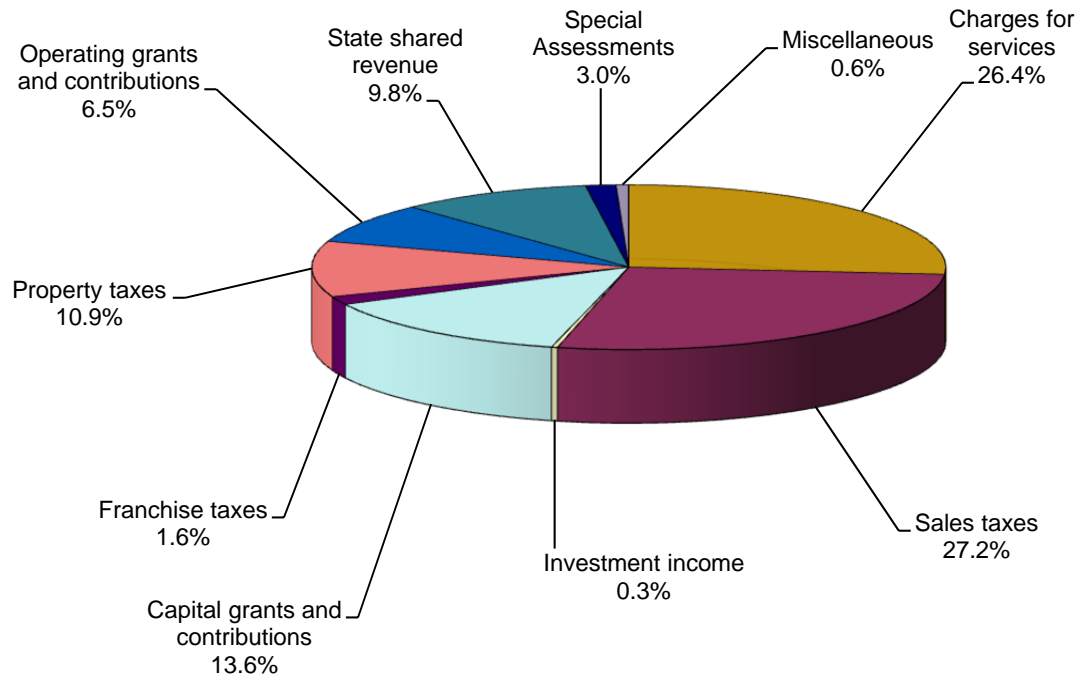
The following table compares the revenues and expenses for the current and previous fiscal year:

	Changes in Net Position for Year End June 30						Percent Change
	Governmental Activities		Business-type Activities		Total Primary Government		
	2015	2014	2015	2014	2015	2014	
REVENUES:							
Program revenues:							
Charges for services	\$ 10,161,786	\$ 10,650,768	\$ 33,810,471	\$ 33,591,024	\$ 43,972,257	\$ 44,241,792	-0.61%
Operating grants and contributions	10,777,134	7,565,511	-	-	10,777,134	7,565,511	42.45%
Capital grants and contributions	8,252,449	6,171,185	14,454,883	5,962,050	22,707,332	12,133,235	87.15%
General revenues:							
Sales taxes	45,333,649	43,775,464	-	-	45,333,649	43,775,464	3.56%
Property taxes	18,171,606	17,109,458	-	-	18,171,606	17,109,458	6.21%
Franchise taxes	2,718,204	2,611,061	-	-	2,718,204	2,611,061	4.10%
State shared revenue	16,361,588	15,285,440	-	-	16,361,588	15,285,440	7.04%
Investment income	361,146	414,689	151,405	136,531	512,551	551,220	-7.02%
Special Assessments	4,980,000	2,189,906	-	-	4,980,000	2,189,906	127.41%
Miscellaneous	975,258	1,183,618	103,482	222,911	1,078,740	1,406,529	-23.30%
Total revenues	<u>118,092,820</u>	<u>106,957,100</u>	<u>48,520,241</u>	<u>39,912,516</u>	<u>166,613,061</u>	<u>146,869,616</u>	13.44%
EXPENSES:							
Program activities:							
Governmental activities:							
General government	18,168,821	16,728,173	-	-	18,168,821	16,728,173	8.61%
Public safety	33,289,918	32,198,189	-	-	33,289,918	32,198,189	3.39%
Highways and streets	17,941,162	19,368,539	-	-	17,941,162	19,368,539	-7.37%
Public works	3,361,822	2,773,348	-	-	3,361,822	2,773,348	21.22%
Culture and recreation	6,422,764	5,827,309	-	-	6,422,764	5,827,309	10.22%
Development Services	7,005,308	5,836,254	-	-	7,005,308	5,836,254	20.03%
Interest on long-term debt	8,763,353	9,282,269	-	-	8,763,353	9,282,269	-5.59%
Business activities:							
Water and sewer	-	-	25,489,522	23,511,395	25,489,522	23,511,395	8.41%
Sanitation	-	-	5,802,163	5,472,534	5,802,163	5,472,534	6.02%
Stadium	-	-	12,407,494	12,529,987	12,407,494	12,529,987	-0.98%
Total expenses	<u>94,953,148</u>	<u>92,014,081</u>	<u>43,699,179</u>	<u>41,513,916</u>	<u>138,652,327</u>	<u>133,527,997</u>	3.84%
Increase in net position							
before transfers	23,139,672	14,943,019	4,821,062	(1,601,400)	27,960,734	13,341,619	109.58%
Transfers	(582,797)	(5,138,252)	582,797	5,138,252	-	-	0.00%
Changes in net position	<u>22,556,875</u>	<u>9,804,767</u>	<u>5,403,859</u>	<u>3,536,852</u>	<u>27,960,734</u>	<u>13,341,619</u>	109.58%
Net position, beginning of year	477,788,373	467,983,606	201,805,827	198,268,975	679,594,200	666,252,581	2.00%
Restatement*	(37,355,554)	-	(9,030,620)	-	(46,386,174)	-	100.00%
Net position, beginning of year-restated	<u>440,432,819</u>	<u>-</u>	<u>192,775,207</u>	<u>-</u>	<u>633,208,026</u>	<u>-</u>	100.00%
Net position, end of year	<u>\$ 462,989,694</u>	<u>\$ 477,788,373</u>	<u>\$ 198,179,066</u>	<u>\$ 201,805,827</u>	<u>\$ 661,168,760</u>	<u>\$ 679,594,200</u>	-2.71%

*For fiscal year ended June 30, 2015 the City adopted GASB Statement No. 68, which resulted in a restatement. For more information please refer to the Comprehensive Annual Financial Report for the Year Ended June 30, 2015.

The pie chart below is a depiction of Government-Wide Revenue Sources, governmental activities accounts for 70.9% of total revenues, while business activities account for 29.1% of total revenues. Sales tax revenue is the largest source of City revenues at 27.2%, a 3.5% increase from the previous fiscal year. This is a result of the gradual economic recovery with the leading category of growth being retail sales. The second largest source of City revenues are charges for services at 26.4% of total revenue, which decreased slightly (.6%) over the previous fiscal year.

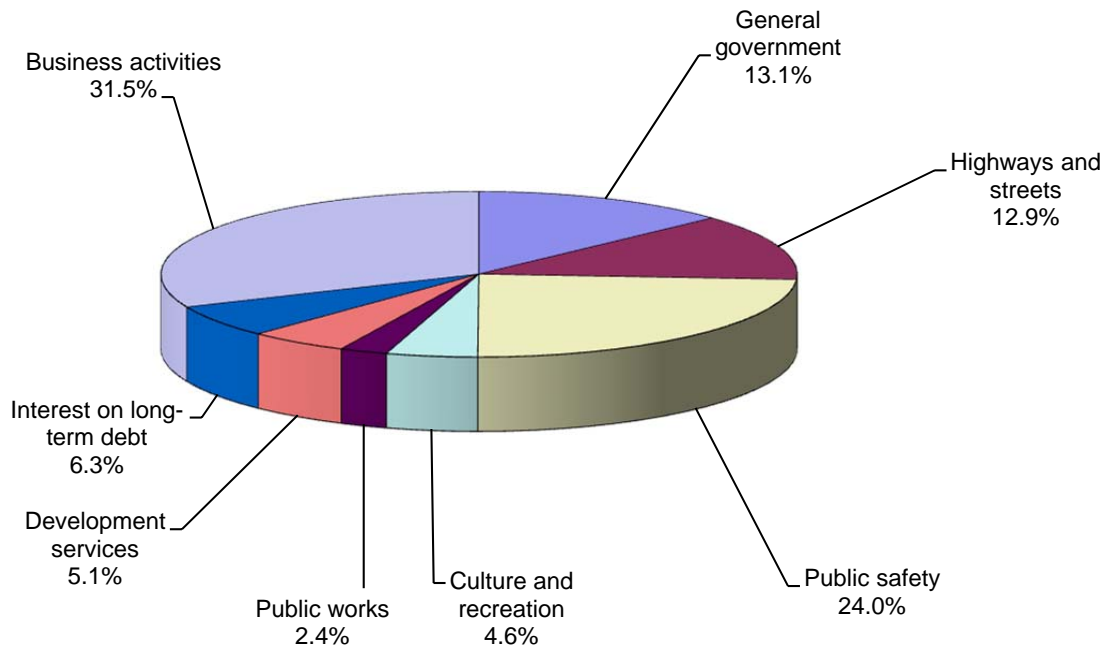
Government-Wide Revenue Sources Fiscal Year 2015



The reported expenses for fiscal year 2015 increased by \$5.1 million (3.8%) over the prior year. As seen in the following pie chart for Government-Wide Functional Expenses, governmental activities account for 68.5% of total functional expenses, while business-type activities account for 31.5% of total functional expenses. The lines items that experienced notable changes were:

- Public safety expenses account for 24.0% of the total government-wide expenses, an increase of \$1.1 million (3.4%) from the prior year. This increase is mainly due to an increase in operational costs within the fire department. There were various modest increases which include training, equipment, and contractual obligations for fiscal year 2015. There were also modest increases in personnel costs due to constant staffing related to wildfire and training coverage.
- Development services account for 5.1% of the total government-wide expenses, an increase of \$1.2 million (20.0%) from the prior year. This increase incorporates several new positions added for fiscal year 2015 and funding for the mid-decade census to meet the City's growing demands.
- Business activities expenses account for 31.5% of the total government-wide expenses, an increase of \$2.2 million (5.26%) from the prior year. This increase is attributed to implementing water conservation projects.

Government-Wide Functional Expenses Fiscal Year 2015



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City maintains fund accounting to demonstrate compliance with budgetary and legal requirements. The following is a brief discussion of financial highlights from the fund financial statements.

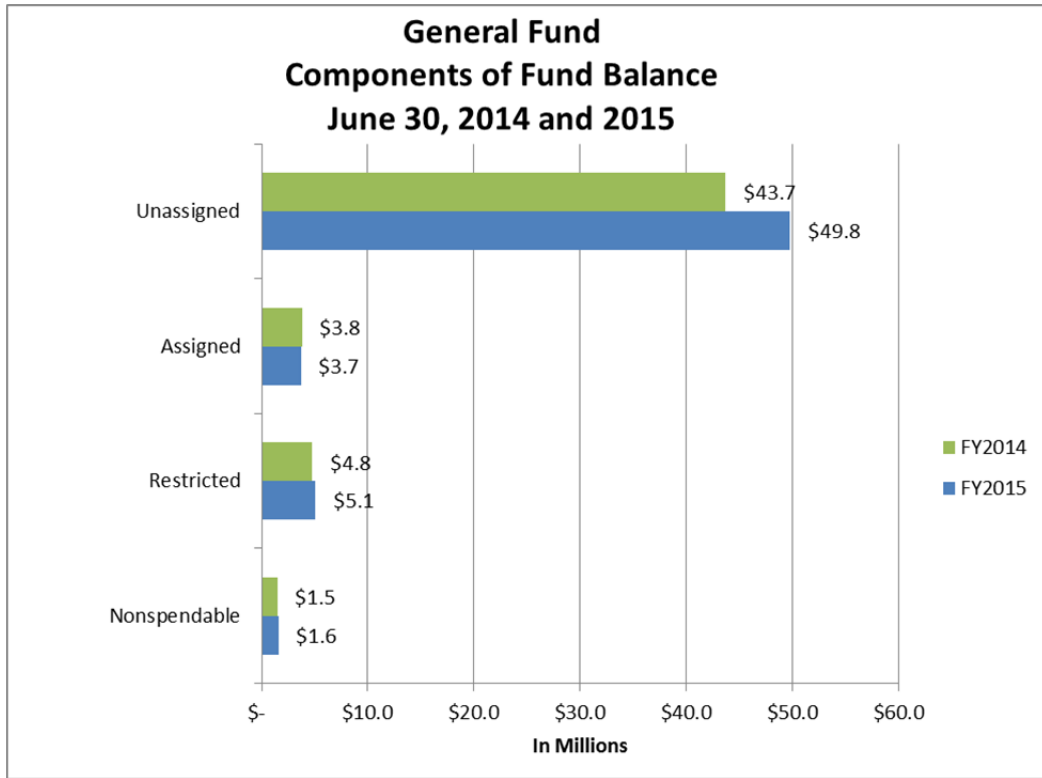
Governmental Funds

The focus of the City's governmental funds (pages 28-33) is to provide information on near-term inflows, outflows, and balances of spendable resources. All major governmental funds are discreetly presented on these financial statements, while non-major funds are combined into a single column. The combining statements for non-major funds may be found on pages 114-117.

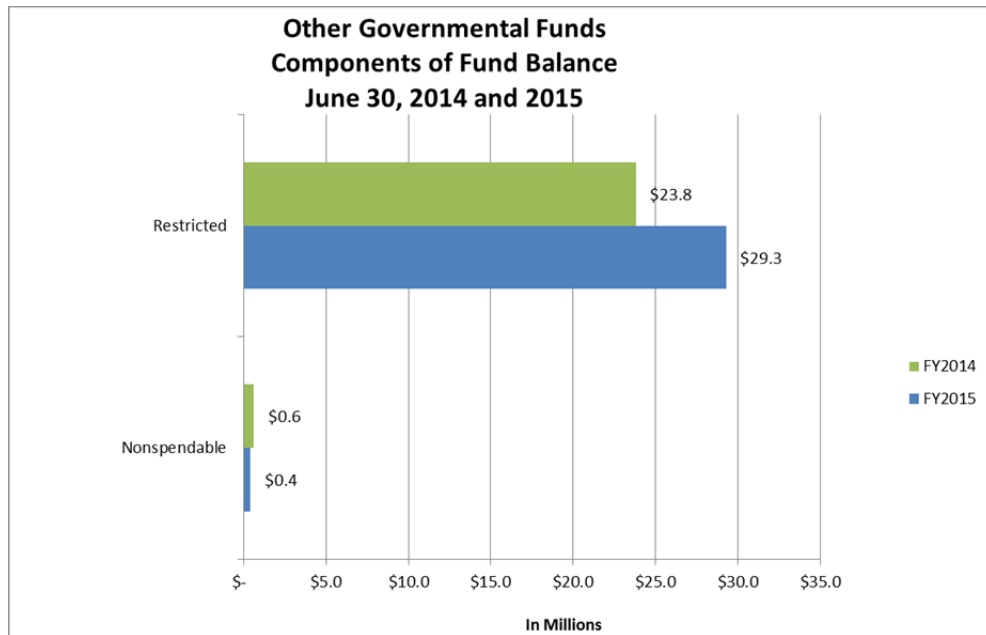
At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$89.9 million, an increase of 14.9% from the previous year. The increase in fund balance is due to revenues being slightly higher than expenditures. Revenues increased by \$3.4 million and expenditures decreased by \$3.8 million. Approximately 55.3% of the fund balance (\$49.7 million) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either non-spendable, restricted or assigned to indicate that it is 1) not in spendable form (\$2.0 million), 2) restricted for particular purposes (\$34.5 million) or 3) assigned for particular purposes (\$3.7 million).

Revenues for governmental functions overall totaled \$109.3 million in the fiscal year ended June 30, 2015, which represents an increase of \$3.4 million (3.2%) from the prior fiscal year. The most significant reason for this increase is due primarily to increase of tax revenue of \$2.6 million. The increase in tax revenue was due primarily to the resurgence in sales taxes for retail. Intergovernmental revenues increased \$2.4 million (12.5%) from the prior fiscal year. The increase is due to an increase in state shared revenue.

The expenditures for governmental functions totaled \$97.5 million, a decrease of \$3.8 million (3.8%) from the prior year. The majority of this decrease is attributed to capital outlay. Capital outlay accounted for \$11.3 million in expenditures for the current fiscal year, which resulted in a decrease of \$7.2 million from the prior fiscal year's total for capital outlay expenditures. The decrease in capital outlay expenditures for fiscal year 2015 is due to the majority of projects being carried forward into fiscal year 2016.



The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$49.8 million, while total fund balance increased to \$60.1 million. As a measure of the general funds liquidity, it may be useful to compare both unassigned fund balance and total fund balance to general fund expenditures. The unassigned fund balance represents approximately 70.7% of general fund expenditures, while total fund balance represents approximately 85.5% of that same amount.



The fund balance of the City's general fund balance increased by \$6.4 million in the current fiscal year due primarily to an increases of \$2.2 million in contributions and intergovernmental revenues. This was driven by growth related revenues exceeding expectations. This is an 11.9% increase in fund balance from the prior year.

The non-utility development impact fee fund had an increase in fund balance during the current fiscal year of \$1.9 million to bring the year end fund balance to \$9.8 million. The increase in fund balance is predominantly due to 1% of construction sales tax being previously reported in the general fund (\$1.4 million) and now reported in the non-utility development impact fee fund to comply with requirements of the impact fee study effective August 1, 2014.

Proprietary Funds

The proprietary fund financial statements are prepared on the same accounting basis and measurement focus as the government-wide financial statements, but provide additional detail since each major enterprise fund is shown discretely. The proprietary funds statements can be found on pages 40-45.

The proprietary funds net position totals \$198.2 million, resulting from a decrease of \$3.6 million from the previous fiscal year. The Water and Wastewater fund had a positive increase in net position of \$5.8 million. This increase in net position of the proprietary funds is due primarily to an increase in contributed capital. The Stadium fund had a net position decrease of \$9.3 million. This decrease is contributable to the stadium infrastructure project being completed during fiscal year 2015. The stadium infrastructure project transferred capital assets of \$5.48 million to the governmental funds.

BUDGETARY HIGHLIGHTS

The City's annual budget is the legally adopted expenditure control document of the City. The schedules filed with the Auditor General's office list the original budget adopted for the prior year, estimated expenditures through the end of the fiscal year and the adopted current year's budget. Budgetary comparison schedules are required for the General Fund, all major funds, non-major funds and enterprise funds. The General Fund budgetary comparison statement can be found on page 36. The other budgetary comparison schedules can be found in the Other Supplementary Information section on pages 127-140.

During the fiscal year there were two General Fund expenditure sources that came in significantly below estimates as shown below:

	Estimated <u>expenditures</u>	Actual <u>expenditures</u>	<u>Difference</u>
ITS	\$5,193,689	\$3,410,264	\$1,783,425
Capital Outlay	24,701,995	8,624,515	16,077,480

Due to the economic recovery, the City has increased the budgeted inflows and outflows in 2015. General Fund actual inflows (revenues and other financing sources) of \$85.5 million, was more than budgeted inflows of \$82.8 million by \$2.7 million (3.2%), while expenditures and other financing uses of \$79.1 million was only 64.8% of final budgeted outflows of \$122.0 million.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets (net of accumulated depreciation) for its governmental and business-type activities as of June 30, 2015 amounts to \$931 million. Capital assets include land and improvements, artwork, construction in progress, right of way, water rights, streetscape, infrastructure, buildings and improvements and vehicles, furniture and equipment. In total, there was a slight increase of \$600 thousand from the prior year.

Capital Assets at June 30
(Net of depreciation)

	Governmental Activities		Business-type Activities		Total Primary Government		Percent Change
	2015	2014	2015	2014	2015	2014	
Land and improvements	\$ 24,867,068	\$ 21,409,153	\$ 15,435,875	\$ 15,404,260	\$ 40,302,943	\$ 36,813,413	9.5%
Artwork	204,750	204,750	146,978	146,978	351,728	351,728	0.0%
Construction in progress	10,026,474	8,648,103	2,802,773	4,308,014	12,829,247	12,956,117	-1.0%
Right of way	90,397,883	89,451,622	-	-	90,397,883	89,451,622	1.1%
Water rights	-	-	17,856,614	16,055,937	17,856,614	16,055,937	11.2%
Streetscape	9,061,008	9,061,008	-	-	9,061,008	9,061,008	0.0%
Infrastructure	252,174,241	256,586,014	178,574,586	169,012,558	430,748,827	425,598,572	1.2%
Building and improvements	131,044,931	132,432,832	177,666,157	189,926,512	308,711,088	322,359,344	-4.2%
Vehicles, furniture and equipment	16,042,521	12,962,091	4,686,541	4,746,050	20,729,062	17,708,141	17.1%
Total	<u>\$ 533,818,876</u>	<u>\$ 530,755,573</u>	<u>\$ 397,169,524</u>	<u>\$ 399,600,309</u>	<u>\$ 930,988,400</u>	<u>\$ 930,355,882</u>	0.1%

The governmental capital assets increased in fiscal 2015 for land and improvements & vehicles, furniture, and equipment. The increase in land and improvements of \$3.5 million is due to land improvements for a public works yard (\$1.3 million), police operations facility (\$1.2 million), and park improvements (\$1.0 million). The increase in vehicles, furniture and equipment of \$3.1 million is due to replacement of aging vehicles. The overall decrease in business capital assets of \$2.4 million is primarily contributable to the correction of overstatement of assets in previous years. Please see Note 17 for the restatement total.

For government-wide financial statement presentation, all depreciable capital assets are depreciated from acquisition date to the end of the current fiscal year. Additional information on the City's capital assets can be found in Note 4 on pages 68-69 and in the schedules on pages 143-146 of this report.

Debt Administration

At the end of the current fiscal year, the City had total long-term debt outstanding of \$396.1 million. Of this amount \$97.8 million is general obligation bonds backed by the full faith and credit of the City, \$106.9 million is Community Facilities Districts bonds which are paid by the property owners within those districts, \$182.4 million of revenue bonds which are payable from user fees and assessments, and \$9.1 million loan payable to Water Infrastructure Finance Authority of Arizona (WIFA) by user fees. The following schedule shows the outstanding debt obligation as of June 30, 2015 and 2014:

	Governmental Activities		Business-type Activities		Total		Percent Change
	2015	2014	2015	2014	2015	2014	
General obligation debt	\$ 21,035,322	\$ 23,863,737	\$ 76,754,678	\$ 81,161,263	\$ 97,790,000	\$ 105,025,000	-6.9%
Community Facilities Districts bonds	106,856,000	105,912,000	-	-	106,856,000	105,912,000	0.9%
Loan payable	-	-	9,096,237	10,064,007	9,096,237	10,064,007	-9.6%
Revenue bonds	49,555,088	51,982,376	132,840,000	133,340,000	182,395,088	185,322,376	-1.6%
Total outstanding bonds	<u>\$177,446,410</u>	<u>\$181,758,113</u>	<u>\$218,690,915</u>	<u>\$224,565,270</u>	<u>\$396,137,325</u>	<u>\$406,323,383</u>	-2.5%

The outstanding revenue bonds listed under Governmental Activities include \$39.6 million in McDowell Road Corridor Improvement District that is secured by pledges of specific revenue sources of the City. The additional revenue bonds of \$142.8 million are for Public Improvement Corporation bonds totaling \$102.2 million for the Stadium, \$9.9 million for City municipal buildings, and \$30.7 million for Water & Wastewater Revenue bonds.

The State constitution limits the amount of general obligation debt a city may issue to 6 percent of its total assessed valuation. The current 6 percent debt limitation for the City is \$39.6 million. In addition, the State constitution limits allows a city to issue an additional 20 percent of its total assessed valuation for water, wastewater, lights, transportation, public safety, open space preserves, parks, playgrounds and recreational facilities. The current 20% debt limitation for the City is \$131.9 million. The City has \$97.8 million outstanding general obligation debt for these purposes.

During the year, the City maintained the following bond ratings:

Type of Debt	Moody's Investors Service	Standard & Poor's
General Obligation	Aa2	AA
Water & Sewer (Revenue)	A2	AA-
Public Improvement Corporation Improvement District Bonds	Aa3	AA-
	A3	A

Additional information on the City's long-term debt can be found in Notes 5 – 9 on pages 70-77 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The unemployment rate for Goodyear for June 2015 was 5.7%, which is lower than the state rate of 6.9% but higher than the national rate of 5.3%. Arizona cities remain dependent on sales taxes and other economically sensitive tax revenues and are susceptible to slowdowns in the economy. While unemployment is not a leading economic indicator, a strong economic recovery will likely coincide with a significant improvement in current unemployment rates.

The City is projecting a positive outlook for budgeted revenues in fiscal year 2016 in comparison to budgeted revenues for fiscal year 2015. Sales taxes are the dominant revenue source for the City and are projected to increase from \$42.8 million to \$45.4 million, which is an increase of 6.1%. Property taxes are projected to increase in from \$7.5 million to \$7.8 million, which is an increase of 4%. State shared revenues which are a combination of state shared sales tax, state shared income tax, and vehicle license tax are projected to increase from \$16.1 million to \$16.7 million in fiscal year 2016. The City's operational budget is projected to increase by 2.6%, from \$106.1 million in fiscal year 2015 to \$108.9 million in fiscal year 2016, due to increased operating costs. The City's capital improvement project expenditures are budgeted for \$66.3 million which includes carryover funds of \$36.1 million for projects started prior to fiscal year 2016 and an additional \$34.9 million for new projects.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the resources it receives. A copy of the City's Comprehensive Annual Financial Report is available on-line at www.goodyearaz.gov/cafr. If you have questions about this report or need additional information, contact the City's Controller, City of Goodyear, 190 N. Litchfield Road, or by mail at P.O. Box 5100, Goodyear, Arizona 85338.

Basic Financial Statements

Government-Wide Financial Statements - includes the Statement of Net Position and Statement of Activities that use the accrual basis of accounting for financial reporting.

Governmental Funds Financial Statements - includes the Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance for the governmental funds that use the modified accrual basis of reporting. This section also includes the reconciliations to the government-wide financial statements.

Proprietary Funds Financial Statements - includes the Statement of Net Position, Statement of Revenues, Expenses, and Changes in Fund Net Position, and Statement of Cash Flows for the business-type activities that use the accrual basis of accounting for financial reporting.

Fiduciary Funds Financial Statements - includes the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position for assets being held for the benefit of parties outside of the City.

Notes to the Financial Statements

CITY OF GOODYEAR, ARIZONA
STATEMENT OF NET POSITION
JUNE 30, 2015

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Current assets:			
Cash and cash equivalents	\$ 36,124,210	\$ 4,518,431	\$ 40,642,641
Investments	44,573,391	15,018,582	59,591,973
Receivables	70,803,166	4,212,604	75,015,770
Due from other governments	99,912		99,912
Internal balances	961,840	(961,840)	
Inventories	679,987	531,956	1,211,943
Prepays	573,473		573,473
Total current assets	<u>153,815,979</u>	<u>23,319,733</u>	<u>177,135,712</u>
Noncurrent assets:			
Restricted cash and cash equivalents	16,797,836	15,046,371	31,844,207
Restricted investments		1,557,673	1,557,673
Non-depreciable capital assets	130,896,467	18,385,626	149,282,093
Depreciable capital assets	402,922,408	378,783,897	781,706,305
Total noncurrent assets	<u>550,616,711</u>	<u>413,773,567</u>	<u>964,390,278</u>
Total assets	<u>704,432,690</u>	<u>437,093,300</u>	<u>1,141,525,990</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Loss on refunding	790,358	471,090	1,261,448
Pension plan items	8,448,657	968,037	9,416,694
Total deferred outflows of resources	<u>9,239,015</u>	<u>1,439,127</u>	<u>10,678,142</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	3,232,941	1,916,866	5,149,807
Accrued payroll and employee benefits	1,839,263	215,308	2,054,571
Accrued interest payable	2,371,239	3,497,359	5,868,598
Deposits	6,930,853	4,829,350	11,760,203
Unearned revenue	4,535,452	12,050	4,547,502
Compensated absences payable	1,534,250	215,328	1,749,578
Bonds payable	6,553,094	290,000	6,843,094
Total current liabilities	<u>26,997,092</u>	<u>10,976,261</u>	<u>37,973,353</u>
Noncurrent liabilities:			
Accrued interest payable		626,464	626,464
Non-current portion of long-term obligations	216,687,393	227,645,408	444,332,801
Total noncurrent liabilities	<u>216,687,393</u>	<u>228,271,872</u>	<u>444,959,265</u>
Total liabilities	<u>243,684,485</u>	<u>239,248,133</u>	<u>482,932,618</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension plan items	6,997,526	1,105,228	8,102,754
<u>NET POSITION</u>			
Net investment in capital assets	365,019,949	176,380,867	541,400,816
Restricted for:			
Charter mandates	3,841,444		3,841,444
Capital projects	9,833,567	5,139,404	14,972,971
Community facilities	1,111,964		1,111,964
Debt service	75,991,785	2,468,498	78,460,283
Transit	745,210		745,210
Other purposes	723,768		723,768
Unrestricted	5,722,007	14,190,297	19,912,304
Total net position	<u>\$ 462,989,694</u>	<u>\$ 198,179,066</u>	<u>\$ 661,168,760</u>

The notes to the basic financial statements are an integral part of this statement.

**CITY OF GOODYEAR, ARIZONA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government					
Governmental activities:					
General government	\$ 18,168,821	\$ 1,906,661	\$ 389,771	\$	\$ (15,872,389)
Public safety	33,289,918	2,484,740	400,543	44,944	(30,359,691)
Highways and streets	17,941,162		4,011,401	5,786,806	(8,142,955)
Public works	3,361,822		296,725		(3,065,097)
Culture and recreation	6,422,764	416,607			(6,006,157)
Development services	7,005,308	5,353,778	1,695,140	2,420,699	2,464,309
Interest on long-term debt	8,763,353		3,983,554		(4,779,799)
Total governmental activities	<u>94,953,148</u>	<u>10,161,786</u>	<u>10,777,134</u>	<u>8,252,449</u>	<u>(65,761,779)</u>
Business-type activities:					
Water and sewer	25,489,522	24,650,687		13,747,067	
Sanitation	5,802,163	6,922,425			
Stadium	12,407,494	2,237,359		707,816	
Total business-type activities	<u>43,699,179</u>	<u>33,810,471</u>		<u>14,454,883</u>	
Total primary government	<u>\$ 138,652,327</u>	<u>\$ 43,972,257</u>	<u>\$ 10,777,134</u>	<u>\$ 22,707,332</u>	<u>(65,761,779)</u>
General revenues:					
Taxes:					
Sales taxes					45,333,649
Property taxes					18,171,606
Franchise taxes					2,718,204
State shared revenues					16,361,588
Investment income					361,146
Special assessments					4,980,000
Miscellaneous					975,258
Transfers					<u>(582,797)</u>
Total general revenues and transfers					<u>88,318,654</u>
Changes in net position					22,556,875
Net position, beginning of year, as restated					<u>440,432,819</u>
Net position, end of year					<u>\$ 462,989,694</u>

The notes to the basic financial statements are an integral part of this statement.

Net (Expense) Revenue and
Changes in Net Position

Business-type Activities	Totals
\$	\$ (15,872,389)
	(30,359,691)
	(8,142,955)
	(3,065,097)
	(6,006,157)
	2,464,309
	(4,779,799)
	<u>(65,761,779)</u>
12,908,232	12,908,232
1,120,262	1,120,262
(9,462,319)	(9,462,319)
<u>4,566,175</u>	<u>4,566,175</u>
<u>4,566,175</u>	<u>(61,195,604)</u>
	45,333,649
	18,171,606
	2,718,204
	16,361,588
151,405	512,551
	4,980,000
103,482	1,078,740
582,797	
<u>837,684</u>	<u>89,156,338</u>
5,403,859	27,960,734
<u>192,775,207</u>	<u>633,208,026</u>
<u>\$ 198,179,066</u>	<u>\$ 661,168,760</u>



Governmental Funds Financial Statements

Major Funds

General Fund

This fund is the general operating fund of the City. It accounts for all financial resources of the City, except those required to be accounted for in other funds.

Community Facilities Districts Debt Service Fund

This fund accounts for the debt portion of the City's Community Facilities Districts, which are component units that provide general infrastructure and capital assets for the property within each district's boundaries.

McDowell Road Commercial Corridor Improvement Debt Service Fund

This fund accounts for the debt portion of the McDowell Road Improvement Assessments.

Non-Utility Development Impact Fee Fund

This fund accounts for the receipt and expenditure of development impact or expansion fees for all governmental activities.

Non - Major Funds

Other governmental funds not listed above are non-major funds that are classified as special revenue, capital projects, and debt service funds.



**CITY OF GOODYEAR, ARIZONA
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2015**

	General	Community Facilities Districts Debt Service	McDowell Road Commercial Corridor ID Debt Service
<u>ASSETS</u>			
Cash and cash equivalents	\$ 22,114,387	\$	\$ 111,692
Investments	40,068,364		
Taxes receivable	5,322,640	118,142	
Interest receivable	81,846		
Accounts receivable	971,856		
Special assessments receivable		22,509,572	39,610,000
Due from other governments			
Due from other funds	864,993		
Advances to other funds	961,840		
Inventories	21,656		
Prepays	573,473		
Notes receivable	1,675,250		
Restricted cash and cash equivalents	255,426	16,542,410	
Total assets	\$ 72,911,731	\$ 39,170,124	\$ 39,721,692
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 2,396,664	\$ 86,232	\$
Accrued payroll and employee benefits	1,767,910		
Deposits	6,703,302		
Due to other funds			
Unearned revenue		2,830,575	
Total liabilities	10,867,876	2,916,807	
Deferred inflows of resources:			
Unavailable revenues - property taxes	88,326	48,721	
Unavailable revenues - special assessments		22,506,078	39,610,000
Unavailable revenues - intergovernmental			
Unavailable revenues - other	1,773,549		
Total deferred inflows of resources	1,861,875	22,554,799	39,610,000
Fund balances (deficits):			
Nonspendable	1,556,969		
Restricted	5,136,397	13,698,518	111,692
Assigned	3,704,854		
Unassigned	49,783,760		
Total fund balances	60,181,980	13,698,518	111,692
 Total liabilities, deferred inflows of resources and fund balances	 \$ 72,911,731	 \$ 39,170,124	 \$ 39,721,692

The notes to the basic financial statements are an integral part of this statement.

Non-Utility Development Impact Fees	Non-Major Governmental Funds	Total Governmental Funds
\$ 6,616,256	\$ 7,281,725	\$ 36,124,060
3,394,530	1,110,497	44,573,391
	504,038	5,944,820
7,305	2,390	91,541
	127	971,983
		62,119,572
	99,912	99,912
		864,993
		961,840
	487,413	509,069
		573,473
		1,675,250
		16,797,836
<u>\$ 10,018,091</u>	<u>\$ 9,486,102</u>	<u>\$ 171,307,740</u>

\$ 109,524	\$ 634,319	\$ 3,226,739
	49,338	1,817,248
75,000	152,551	6,930,853
	722,142	722,142
	1,704,877	4,535,452
<u>184,524</u>	<u>3,263,227</u>	<u>17,232,434</u>

	61,476	198,523
		62,116,078
	42,025	42,025
		1,773,549
	<u>103,501</u>	<u>64,130,175</u>

	487,413	2,044,382
9,833,567	5,698,448	34,478,622
		3,704,854
	(66,487)	49,717,273
<u>9,833,567</u>	<u>6,119,374</u>	<u>89,945,131</u>

<u>\$ 10,018,091</u>	<u>\$ 9,486,102</u>	<u>\$ 171,307,740</u>
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CITY OF GOODYEAR, ARIZONA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2015

Total governmental fund balances		\$	89,945,131
<p>Amounts reported for <i>governmental activities</i> in the Statement of Net Position are different because:</p>			
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>			
Governmental capital assets	\$ 686,432,146		
Less accumulated depreciation	<u>(152,613,271)</u>		533,818,875
<p>Some receivables will not be available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.</p>			
Property taxes	198,523		
Special Assessments	62,116,078		
Intergovernmental	42,025		
Other	<u>1,773,549</u>		64,130,175
<p>Interest payable on long-term debt, is not due and payable in the current period and, therefore, is not reported in the funds.</p>			
			(2,371,239)
<p>Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.</p>			
Deferred outflows of resources related to pensions	8,448,657		
Deferred inflows of resources related to pensions	<u>(6,997,526)</u>		1,451,131
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.</p>			
Bonds payable	(181,698,503)		
Loss on refunding	790,358		
Net pension liability	(38,624,568)		
Compensated absences payable	<u>(4,451,666)</u>		<u>(223,984,379)</u>
Net position of governmental activities		\$	<u>462,989,694</u>

The notes to the basic financial statements are an integral part of this statement.

CITY OF GOODYEAR, ARIZONA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

	General	Community Facilities Districts Debt Service	McDowell Road Commercial Corridor ID Debt Service
Revenues:			
Taxes	\$ 54,028,726	\$ 5,072,509	\$
Licenses and permits	6,558,607		
Intergovernmental	16,361,588		
Charges for services	2,741,727		
Fines and forfeits	860,313		
Investment income	307,561	7,174	2,481
Special assessments		2,218,610	3,543,685
Contributions	1,695,140	674,477	
Miscellaneous	118,502		
Total revenues	82,672,164	7,972,770	3,546,166
Expenditures:			
Current -			
General government	15,674,612		
Public safety	30,523,969		
Highways and streets			
Public works	2,268,109		
Culture and recreation	5,074,871		
Development services	6,933,854		
Capital outlay	8,624,515		
Debt service -			
Principal retirement	1,002,288	4,036,000	1,425,000
Interest and debt cost	285,703	5,329,348	2,117,681
Bond issuance costs		267,507	
Total expenditures	70,387,921	9,632,855	3,542,681
Excess (deficiency) of revenues over expenditures	12,284,243	(1,660,085)	3,485
Other financing sources (uses):			
CFD bond issuance			
Refunding bonds issued		7,015,000	
Refunding bonds premium		452,099	
Payment to refunded bond escrow agent		(7,168,901)	
Discount on sale of bonds			
Transfer in	2,800,000	418,784	
Transfer out	(8,697,848)		
Total other financing sources (uses):	(5,897,848)	716,982	
Changes in fund balances	6,386,395	(943,103)	3,485
Fund balances, beginning of year	53,795,585	14,641,621	108,207
Fund balances, end of year	\$ 60,181,980	\$ 13,698,518	\$ 111,692

The notes to the basic financial statements are an integral part of this statement.

Non-Utility Development Impact Fees	Non-Major Governmental Funds	Total Governmental Funds
\$ 1,428,486	\$ 5,673,719	\$ 66,203,440
		6,558,607
	5,387,798	21,749,386
1,833,752	1,139	4,576,618
		860,313
30,741	13,189	361,146
		5,762,295
	607,025	2,976,642
4,500	120,471	243,473
<u>3,297,479</u>	<u>11,803,341</u>	<u>109,291,920</u>
	988,244	16,662,856
	400,543	30,924,512
159,587	5,334,500	5,494,087
		2,268,109
190,083	500	5,265,454
		6,933,854
1,007,033	1,694,555	11,326,103
	2,828,415	9,291,703
	1,019,711	8,752,443
	303,252	570,759
<u>1,356,703</u>	<u>12,569,720</u>	<u>97,489,880</u>
<u>1,940,776</u>	<u>(766,379)</u>	<u>11,802,040</u>
	4,980,000	4,980,000
		7,015,000
		452,099
		(7,168,901)
	(39,461)	(39,461)
	1,369,235	4,588,019
	(1,225,400)	(9,923,248)
	<u>5,084,374</u>	<u>(96,492)</u>
<u>1,940,776</u>	<u>4,317,995</u>	<u>11,705,548</u>
7,892,791	1,801,379	78,239,583
<u>\$ 9,833,567</u>	<u>\$ 6,119,374</u>	<u>\$ 89,945,131</u>



CITY OF GOODYEAR, ARIZONA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015

Net changes in fund balances - total governmental funds **\$ 11,705,548**

Amounts reported for *governmental activities* in the Statement of Activities are different because:

Governmental funds report the portion of capital outlay for capitalized assets as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense.

Capital contributions	11,047,313	
Expenditures for capitalized assets	10,010,311	
Less current year depreciation	<u>(16,546,781)</u>	4,510,843

Issuance of bonds provides current financial resources to governmental funds, but the issuance increases long term liabilities in the Statement of Net Position. (12,407,638)

Some revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	20,019	
Special assessments	2,526,782	
Intergovernmental	(40,001)	
Other	<u>731,785</u>	3,238,585

Interest expense in the Statement of Activities differs from the amount reported in the governmental funds because accrued interest was calculated for bonds and notes payable for the Statement of Activities, but is expensed when due for the governmental fund statements. (23,971)

Repayments of bond principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Bond principal retirement	9,291,703	
Bond principal refunded	<u>7,168,901</u>	16,460,604

Governmental funds report pension contributions as expenditures. However, they are reported as deferred outflows of resources in the Statement of Net Position. The change in the net pension liability, adjusted for deferred pension items, is reported as pension expense in the Statement of Activities.

Current year pension contributions	4,039,377	
Pension expense	<u>(4,039,483)</u>	(106)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Disposal of capital assets	(769,165)	
Compensated absences	<u>(438,393)</u>	(1,207,558)

Premiums, discounts, and losses on refunding are sources and uses of current financial resources for governmental fund reporting, but are amortized over the life of the debt in the Statement of Activities. 280,568

Changes in net position in governmental activities **\$ 22,556,875**

The notes to the basic financial statements are an integral part of this statement.

CITY OF GOODYEAR, ARIZONA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 53,952,877	\$ 53,952,877	\$ 54,028,726	\$ 75,849
Licenses and permits	5,824,797	5,824,797	6,558,607	733,810
Intergovernmental revenues	16,107,687	16,107,687	16,361,588	253,901
Charges for services	1,768,000	1,768,000	2,741,727	973,727
Fines and forfeitures	787,850	787,850	860,313	72,463
Investment earnings	115,500	115,500	307,561	192,061
Contributions	505,000	505,000	1,695,140	1,190,140
Miscellaneous	56,350	56,350	118,502	62,152
Total revenues	<u>79,118,061</u>	<u>79,118,061</u>	<u>82,672,164</u>	<u>3,554,103</u>
Expenditures:				
General Government				
Mayor and council	304,901	304,901	244,425	60,476
City clerk	764,331	764,331	630,946	133,385
City manager	2,880,115	2,865,215	2,752,029	113,186
City attorney	945,675	945,675	710,980	234,695
Finance	3,095,233	3,095,233	2,301,997	793,236
ITS	3,435,416	5,193,689	3,410,264	1,783,425
Human resources	2,764,313	3,258,125	2,953,546	304,579
Non-departmental	7,290,795	4,536,211	2,670,425	1,865,786
Reserved for contingency	16,347,842	16,347,842		16,347,842
Public Safety:				
Police	17,065,677	16,547,797	15,827,210	720,587
Fire	13,229,337	13,229,124	13,277,993	(48,869)
Municipal court	1,344,691	1,344,691	1,022,066	322,625
City prosecutor	458,621	458,621	396,700	61,921
Public Works:				
Administration	361,294	377,134	356,038	21,096
Building services	2,005,463	2,005,463	1,912,071	93,392
Culture and recreation:				
Parks	3,757,745	4,204,641	3,655,403	549,238
Recreation and aquatics	1,455,238	1,446,138	1,419,468	26,670
Development Services:				
Economic development	571,520	821,340	810,424	10,916
Development services	1,679,674	1,908,458	1,667,276	241,182
Engineering	2,550,299	3,092,603	2,910,850	181,753
Building inspections	1,320,138	1,249,305	1,275,325	(26,020)
Code compliance	283,373	283,373	269,979	13,394
Capital outlay	24,217,957	24,701,995	8,624,515	16,077,480
Debt service:				
Principal retirement	1,147,289	1,147,289	1,002,288	145,001
Interest and debt cost	327,133	327,133	285,703	41,430
Total expenditures	<u>109,604,070</u>	<u>110,456,327</u>	<u>70,387,921</u>	<u>40,068,406</u>
Excess (deficiency) of revenues over expenditures	<u>(30,486,009)</u>	<u>(31,338,266)</u>	<u>12,284,243</u>	<u>43,622,509</u>
Other financing sources (uses):				
Transfers in	3,700,000	3,700,000	2,800,000	(900,000)
Transfers out	(11,558,300)	(11,558,300)	(8,697,848)	2,860,452
Total other financing sources (uses)	<u>(7,858,300)</u>	<u>(7,858,300)</u>	<u>(5,897,848)</u>	<u>1,960,452</u>
Changes in fund balances	<u>(38,344,309)</u>	<u>(39,196,566)</u>	<u>6,386,395</u>	<u>45,582,961</u>
Fund balances, beginning of year	53,795,586	53,795,586	53,795,585	
Fund balances (deficits), end of year	<u>\$ 15,451,277</u>	<u>\$ 14,599,020</u>	<u>\$ 60,181,980</u>	<u>\$ 45,582,961</u>

Proprietary Funds Financial Statements

Business-type Activities-Enterprise Funds

Water and Wastewater Fund

This fund accounts for the City's water and wastewater utility operations, including the Utility Development Impact Fees.

Sanitation Fund

This fund is used to account for the activities of the City's sanitation operations.

Stadium Fund

This fund is used to account for the activities of the City's stadium operations.

Governmental Activities-Internal Service Fund

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the government on a cost reimbursement basis.

Fleet Management Fund

This is the City's only internal service fund which provides preventative maintenance, repairs, and safety inspections for City vehicles and equipment.



CITY OF GOODYEAR, ARIZONA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

	Enterprise Funds		
	Water & Sewer	Sanitation	Stadium
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 2,840,263	\$ 1,678,168	\$ 954,175
Investments	13,843,712	220,695	954,175
Interest receivable	37,547	475	2,054
Accounts receivable	3,346,735	800,497	25,296
Due from other funds	3,739,071		
Inventories	531,956		
Total current assets	<u>24,339,284</u>	<u>2,699,835</u>	<u>981,525</u>
Noncurrent assets:			
Restricted cash and cash equivalents	7,797,412		7,248,959
Restricted investments	1,557,673		
Non-depreciable capital assets	7,010,570		11,375,056
Depreciable capital assets	273,525,127	224,797	105,033,973
Total noncurrent assets	<u>289,890,782</u>	<u>224,797</u>	<u>123,657,988</u>
Total assets	<u>314,230,066</u>	<u>2,924,632</u>	<u>124,639,513</u>
DEFERRED OUTFLOWS OF RESOURCES			
Loss on refunding	118,453		352,637
Pension plan items	603,958	65,612	298,467
Total deferred outflows of resources	<u>722,411</u>	<u>65,612</u>	<u>651,104</u>
LIABILITIES			
Current liabilities:			
Accounts payable	946,887	420,321	549,658
Accrued payroll and employee benefits	128,781	18,681	67,846
Accrued interest payable	793,503		2,703,856
Deposits	4,804,034		25,316
Due to other funds			3,739,071
Unearned revenue			12,050
Compensated absences payable	136,879	16,989	61,460
Revenue bonds payable	290,000		
Total current liabilities	<u>7,100,084</u>	<u>455,991</u>	<u>7,159,257</u>
Noncurrent liabilities:			
Accrued interest payable	626,464		
Advances from other funds			961,840
Non-current portion of long-term obligations	114,023,554	373,597	113,248,257
Total noncurrent liabilities	<u>114,650,018</u>	<u>373,597</u>	<u>114,210,097</u>
Total liabilities	<u>121,750,102</u>	<u>829,588</u>	<u>121,369,354</u>
DEFERRED INFLOWS OF RESOURCES			
Pension plan items	698,039	58,170	349,019
NET POSITION			
Net investment in capital assets	170,553,653	224,797	5,602,417
Restricted for:			
Capital projects	4,175,886		963,518
Debt service	2,468,498		
Unrestricted	15,306,299	1,877,689	(2,993,691)
Total net position	<u>\$ 192,504,336</u>	<u>\$ 2,102,486</u>	<u>\$ 3,572,244</u>

The notes to the basic financial statements are an integral part of this statement.

Enterprise Funds

<u>Totals</u>	<u>Governmental Activities: Internal Service Funds</u>
\$ 4,518,431	\$ 150
15,018,582	
40,076	
4,172,528	
3,739,071	
531,956	170,918
<u>28,020,644</u>	<u>171,068</u>
15,046,371	
1,557,673	
18,385,626	
<u>378,783,897</u>	
<u>413,773,567</u>	
<u>441,794,211</u>	<u>171,068</u>
471,090	
968,037	
<u>1,439,127</u>	
1,916,866	6,202
215,308	22,015
3,497,359	
4,829,350	
3,739,071	142,851
12,050	
215,328	
290,000	
<u>14,715,332</u>	<u>171,068</u>
626,464	
961,840	
<u>227,645,408</u>	
<u>229,233,712</u>	
<u>243,949,044</u>	<u>171,068</u>
<u>1,105,228</u>	
176,380,867	
5,139,404	
2,468,498	
14,190,297	
<u>\$ 198,179,066</u>	<u>\$</u>

CITY OF GOODYEAR, ARIZONA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Enterprise Funds		
	Water & Sewer	Sanitation	Stadium
Operating revenues:			
Charges for services	\$ 24,650,687	\$ 6,922,425	\$ 2,237,359
Miscellaneous	98,115	4,149	1,218
Total operating revenues	<u>24,748,802</u>	<u>6,926,574</u>	<u>2,238,577</u>
Operating expenses:			
Administration	3,898,977	537,917	2,376,654
Costs of sales and services	9,506,676	5,186,168	1,681,215
Depreciation and amortization	7,138,670	72,363	2,740,654
Total operating expenses	<u>20,544,323</u>	<u>5,796,448</u>	<u>6,798,523</u>
Operating income (loss)	<u>4,204,479</u>	<u>1,130,126</u>	<u>(4,559,946)</u>
Nonoperating revenues (expenses):			
Investment income	139,389	2,591	9,425
Gain on sale of assets	9,501		13,166
Interest expense	(4,954,700)		(5,622,137)
Loss on disposal of assets		(5,715)	(5,484,998)
Total nonoperating revenues (expenses)	<u>(4,805,810)</u>	<u>(3,124)</u>	<u>(11,084,544)</u>
Income (loss) before capital contributions and transfers	<u>(601,331)</u>	<u>1,127,002</u>	<u>(15,644,490)</u>
Capital contributions	14,479,633		707,816
Transfer in	505,119		8,135,229
Transfer out	<u>(1,900,000)</u>	<u>(900,000)</u>	<u>(505,119)</u>
Changes in net position	<u>12,483,421</u>	<u>227,002</u>	<u>(7,306,564)</u>
Total net position, beginning of year, as restated	180,020,915	1,875,484	10,878,808
Total net position, end of year	<u>\$ 192,504,336</u>	<u>\$ 2,102,486</u>	<u>\$ 3,572,244</u>

The notes to the basic financial statements are an integral part of this statement.

Enterprise Funds

Governmental
Activities:
Internal Service
Funds

Totals
\$ 33,810,471
103,482
33,913,953

\$ 2,042,882
10,090
2,052,972

6,813,548
16,374,059
9,951,687
33,139,294

52,592
2,000,380
2,052,972

774,659

151,405
22,667
(10,576,837)
(5,490,713)
(15,893,478)

(15,118,819)

15,187,449
8,640,348
(3,305,119)
5,403,859

5,403,859

192,775,207

\$ 198,179,066

\$

**CITY OF GOODYEAR, ARIZONA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Water & Sewer</u>	<u>Sanitation</u>	<u>Stadium</u>
Cash flows from operating activities:			
Receipts from customers	\$ 24,531,660	\$ 6,881,220	\$ 2,377,363
Payments to suppliers for goods and services	(10,695,236)	(5,164,510)	(1,222,655)
Payments to employees for services	(3,828,750)	(540,100)	(2,344,795)
Net cash provided (used) by operating activities	<u>10,007,674</u>	<u>1,176,610</u>	<u>(1,190,087)</u>
Cash flows from noncapital financing activities:			
Transfers in	505,119		8,135,229
Transfers out	(1,900,000)	(900,000)	(5,990,117)
Due to/from other funds	(3,739,071)		3,739,071
Net cash provided (used) for noncapital financing activities	<u>(5,133,952)</u>	<u>(900,000)</u>	<u>5,884,183</u>
Cash flows from capital and related financing activities:			
Principal paid on long-term debt	(5,404,967)		(469,388)
Interest and fiscal fees	(5,408,245)		(5,751,920)
Change in capital assets	(3,519,744)	(45,697)	12,370
Development impact fees received	7,960,177		684,707
Net cash provided (used) for capital and related financing activities	<u>(6,372,779)</u>	<u>(45,697)</u>	<u>(5,524,231)</u>
Cash flows from investing activities:			
Investment income received	147,135	2,680	10,152
Net increase (decrease) in cash and cash equivalents	<u>(1,351,922)</u>	<u>233,592</u>	<u>(819,983)</u>
Cash and cash equivalents, beginning of year	<u>27,390,982</u>	<u>1,665,271</u>	<u>9,023,117</u>
Cash and cash equivalents, end of year	<u>\$ 26,039,060</u>	<u>\$ 1,898,863</u>	<u>\$ 8,203,134</u>
Cash and cash equivalents	\$ 2,840,263	\$ 1,678,168	
Investments	13,843,712	220,695	954,175
Restricted cash and cash equivalents	7,797,412		7,248,959
Restricted investments	1,557,673		
	<u>\$ 26,039,060</u>	<u>\$ 1,898,863</u>	<u>\$ 8,203,134</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	\$ 4,204,479	\$ 1,130,126	\$ (4,559,946)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	7,138,670	72,363	2,740,654
(Increase) decrease in accounts receivable	(214,231)	(45,355)	112,732
(Increase) decrease in inventories	139,560		
Increase (decrease) in accounts payable	21,457	21,658	458,560
Increase (decrease) in accrued payroll and benefits	15,444	3,948	1,262
Increase (decrease) in Due to other funds			
Increase (decrease) in Unearned Revenue	(2,911)		12,050
Increase (decrease) in Deposits held for others	(1,349,577)		14,004
Increase (decrease) in Compensated absences payable	35,616	7,554	17,502
Increase (decrease) in pension expense	19,167	(13,685)	13,095
Net cash provided (used) by operating activities	<u>\$ 10,007,674</u>	<u>\$ 1,176,610</u>	<u>\$ (1,190,087)</u>
Noncash investing, capital and financing activities:			
Contributions of capital assets	\$ 6,519,457		\$ 13,241
Amortization of bond premiums and discounts	95,614		162,147
Amortization of deferred loss on refunding	17,219		32,364

<u>Total</u>	<u>Governmental Activities-Internal Service Funds</u>
\$ 33,790,243	\$ 2,052,972
(17,082,400)	(1,990,973)
<u>(6,713,645)</u>	<u>(48,259)</u>
<u>9,994,197</u>	<u>13,740</u>
8,640,348	
(8,790,117)	
-	(13,740)
<u>(149,769)</u>	<u>(13,740)</u>
(5,874,355)	
(11,160,165)	
(3,553,072)	
<u>8,644,884</u>	
<u>(11,942,707)</u>	
159,967	
<u>(1,938,313)</u>	<u>-</u>
<u>38,079,370</u>	<u>150</u>
<u>\$ 36,141,057</u>	<u>\$ 150</u>
\$ 4,518,431	\$ 150
15,018,582	
15,046,371	
<u>1,557,673</u>	
<u>\$ 36,141,057</u>	<u>\$ 150</u>
\$ 774,659	\$
9,951,687	
(146,854)	448
139,560	9,121
501,675	(162)
20,654	4,333
9,139	
(1,335,573)	
60,672	
<u>18,577</u>	
<u>\$ 9,994,197</u>	<u>\$ 13,740</u>
\$ 6,532,698	
257,761	
49,583	



Fiduciary Funds Financial Statements

Pension Trust Fund

This fund is used to account for the City's Volunteer Firefighter's Relief and Pension Fund, a defined contribution plan for which the assets are held by the City in a trustee capacity. The Pension Trust Fund is reported using the accrual basis of accounting.

Agency Funds

The City holds these assets as an agent for individuals, private organizations or others in a temporary custodial capacity. The City currently maintains five agency funds. The agency funds account for monies donated for G.A.I.N., Fill-A-Need, Payshare, Shop With A Cop, and Arizona in Action.

**CITY OF GOODYEAR, ARIZONA
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2015**

	Pension Trust	Agency
<u>ASSETS</u>		
Cash and cash equivalents	\$ 86,622	\$ 30,034
Investments:		
Mutual Fund	364,929	
Interest receivable	11	
Total assets	451,562	\$ 30,034
 <u>LIABILITIES</u>		
Deposits held for others		\$ 30,034
Total liabilities		\$ 30,034
 <u>NET POSITION</u>		
Held in trust	\$ 451,562	

**CITY OF GOODYEAR, ARIZONA
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2015**

	<u>Pension Trust</u>
Deductions:	
Benefits	\$ 4,939
Investment loss	2,219
Total deductions	<u>7,158</u>
Changes in net position	<u>(7,158)</u>
Net position, beginning of year	458,720
Net position, end of year	<u><u>\$ 451,562</u></u>

The notes to the basic financial statements are an integral part of this statement.

Notes to the Financial Statements

Notes to the Financial Statements

The notes to the basic financial statements include a summary of significant accounting policies and other disclosures considered necessary for a clear understanding of the accompanying financial statements.

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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Goodyear, Arizona (City) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity

The City is a municipal entity governed by an elected mayor and six-member governing council (council). As required by accounting principles generally accepted in the United States of America, these financial statements present the City and its blended component units, entities for which the City is considered financially accountable. In accordance with GASB Statement No. 14, and as amended by GASB Statement No. 61, the component units discussed below have been included in the City's reporting entity because of the significance of their operational or financial relationship with the city.

The financial reporting entity consists of a primary government, and its component units. The City is a primary government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, component units are combined with the City for financial statement presentation purposes, and are not included in any other governmental reporting entity. Consequently, the City's financial statements include the funds of those organizational entities for which its elected governing body is financially accountable.

Blended Component Units - The Goodyear Community Facilities General District No. 1, Goodyear Community Facilities Utilities District No. 1, Wildflower Ranch Community Facilities General District No. 1, Wildflower Ranch Community Facilities General District No. 2, Estrella Mountain Ranch Community Facilities District, Cottonflower Community Facilities District, Centerra Community Facilities District, Cortina Community Facilities District, Palm Valley Community Facilities District No. 3, and King Ranch Community Facilities District were formed for the purpose of acquiring and improving public infrastructure in specified land areas. As special purpose districts and separate political subdivisions under the Arizona Constitution, the Districts can levy taxes and issue bonds independently of the City. Property owners in the designated areas are assessed for District taxes and thus for the cost of operating the Districts. The City Council serves as the Board of Directors; however, the City has no liability for the Districts' debt. Although it is legally separate from the City, the Districts are reported as if it is part of the primary government because the District's governing body is substantively the same as the governing body of the City and management of the City has operational responsibility for the Districts.

Complete financial statements for each of the individual component units may be obtained at the entities' administrative offices.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information about the City as a whole. Generally, the effect of interfund activity has been removed from the government-wide financial statements. Net interfund activity and balances between the governmental activities and the business-type activities are shown in the government-wide financial statements. The “doubling up” effect of internal service fund activity has been removed from the government-wide statements with the expenses shown in the various functions on the Statement of Activities. These statements are to distinguish between the governmental and business-type activities of the City. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, state-shared revenues, investment income and other items not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Fund Balances – Governmental Funds

As of June 30, 2015, fund balances of the governmental funds are classified as follows:

Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed - amounts that can be used only for specific purposes determined by a formal action of City Council. City Council is the highest level of decision-making authority for the City. Commitments may be established, modified, or rescinded only through resolutions approved by City Council.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Balances – Governmental Funds (Continued)

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the City's adopted policy, the City appropriates funding for information technology (IT) replacement, fleet replacement and risk management reserves. Accumulated appropriations which have not been spent are reflected as assigned fund balances. Only City Council or the City's Finance Director may assign amounts for specific purposes.

Unassigned - includes all spendable amounts not contained in the other classifications. The General Fund is the only fund that can report a positive unassigned fund balance. In other governmental funds, other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

The General Fund has Unassigned Funds consisting of a Stabilization Arrangement in the amount of \$12.5 million. The Stabilization Arrangement is used to set aside resources to cover unanticipated deficits or revenue reductions that may be caused by adverse economic conditions or public emergency. The amount of the Stabilization Arrangement is a minimum of 3 months of operating expenditures which is estimated from the prior year's budgeted expenditures.

When an expenditure is incurred for purposes for which both restricted and unassigned fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless City Council or the City's Finance Director has provided otherwise in its commitment or assignment actions.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide Financial Statements - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the grantor or provider have been met. As a general rule, the effect on internal activity has been eliminated from the government-wide financial statements.

Fund Financial Statements - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures are generally recognized when the related fund liability is incurred, as under accrual accounting. However, debt services expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Property taxes, sales taxes, franchise taxes, licenses and permits, charges for service, special assessments and investment income associated with the current fiscal period are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Grants and similar awards are recognized as revenues as soon as all eligibility requirements imposed by the grantor or provider have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

General Fund - This fund is the general operating fund of the City. It accounts for all financial resources of the City, except those required to be accounted for in other funds.

Community Facilities Districts - Debt Service Fund - This fund accounts for the debt portion of the City's Community Facilities Districts, which are component units that provide general infrastructure and capital assets for the property within each District's boundaries.

McDowell Road Commercial Corridor Improvement Debt Service Fund - This fund accounts for the debt portion of the McDowell Road Improvement District.

Non-Utility Development Impact Fees Fund - This fund collects fees to defray the costs of development of infrastructure.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for water, wastewater, and sanitation services. Operating expenses for these funds include the administrative expenses, cost of sales and services, and depreciation. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The City reports the following proprietary funds:

Water and Wastewater Fund - This fund accounts for the City's water and wastewater utility operations, including the utility development impact fees.

Sanitation Fund - This fund is used to account for the activities of the City's sanitation operations.

Stadium Fund - This fund is used to account for the activities of the City's stadium operations.

Internal Service Fund - This fund is used to account for citywide preventative maintenance, repairs, and safety inspections for City vehicles and equipment. The Internal service fund activities are reported as governmental activities on the government-wide statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Fiduciary funds account for assets held by the City in a trustee or agency capacity on behalf of others. The reporting focus is upon net assets and changes in net assets and employs accounting principles similar to proprietary funds. Fiduciary funds are not included in the government-wide financial statements since they are not assets of the City available to support City programs. The City maintains the following fiduciary funds:

Pension Trust Fund – This fund is used to account for the Goodyear Volunteer and Reserve Firefighter Retirement Trust Plan Fund, a defined contribution plan for which the assets are held by the City in a trustee capacity. The Pension Trust Fund is reported using the accrual basis of accounting.

Agency Funds – The City holds these assets as an agent for individuals, private organizations or others in a temporary custodial capacity. The City currently maintains five agency funds. The five funds account for monies donated by individuals for the GAIN, Payshare (Utility Assistance), Fill-A-Need, Shop With A Cop, and Arizona in Action activities.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources, as they are needed. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The City's non-major funds are as follows:

Special Revenue Funds

Highway User Revenue Fund (HURF)

Grants Fund

Community Facilities Districts

Debt Service Fund

Capital Projects Funds

Capital Improvement Projects Fund

Community Facilities Districts Capital Projects

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Cash and Cash Equivalents

Cash represents amounts in demand deposits and amounts held in trust by financial institutions. The funds held in trust are available to the City upon demand. The City considers short-term investments (including restricted assets) in the State of Arizona investment pool, mutual fund-money market, U.S. Treasury bills and notes with maturities of three months or less at acquisition date to be cash equivalents.

F. Investments

Goodyear maintains investment accounts for funds that are not legally required to be maintained separately. Each fund's equity in investments represents that fund's position in the consolidated accounts and determines that fund's allocation of interest earned. The Arizona Revised Statutes regulate the investment of surplus cash. Goodyear limits its investments to U.S. government securities, certificates of deposit, bonds, repurchase agreements, corporate notes, commercial paper, and money market accounts. Investments are stated at fair value based on quoted market prices and cash equivalents are stated at amortized cost.

G. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of inter-fund loans) or "advances to/from other funds" (i.e., the non-current portion of the inter-fund loans).

All trade and property tax receivables are shown net of allowance for uncollectibles. Trade accounts receivable in excess of 180 days comprise the trade accounts receivables allowance for uncollectibles.

Property taxes are levied by the City and collected by the Maricopa County Treasurer. Property taxes are levied no later than the third Monday of August and are payable in two installments due October 1 of the current year and March 1 of the subsequent year. Taxes become delinquent after the first business day of November and May, respectively. Interest attaches on installments after the delinquent date. A lien attaches to the property on the first day of January preceding the assessment and levy of taxes. Delinquent amounts bear interest at the rate of 16 percent. Maricopa County, at no charge to the taxing entities, bills and collects all property taxes. Public auctions of properties which have delinquent real estate taxes are held in February.

H. Inventory

Inventories are valued at average cost using the first-in, first-out (FIFO) flow method. Inventory, which consists of expendable supplies and vehicle repair parts, is recorded as an expenditure at the time individual inventory items are consumed rather than when purchased.

I. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures when consumed rather than when purchased.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Restricted Assets

Certain proceeds of the City's bonds, as well as certain resources set aside for their repayment, are classified as restricted cash and cash equivalents on the government-wide Statement of Net Position, the Balance Sheet and Proprietary Statement of Net Position because their use is limited by applicable bond covenants.

K. Capital Assets

Capital assets, which include land, land improvements, artwork, right of way, streetscape, buildings and improvements, vehicles, machinery, equipment, construction in progress, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Major outlays for capital assets and improvements are capitalized as projects as they are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Certain capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Infrastructure	20-65
Land Improvements	15
Buildings and Improvements	7-50
Vehicles, Machinery and Equipment	3-20
Water Rights	100

The City has a collection of artwork presented both in buildings and public outdoor spaces. The true value of the art is expected to either be maintained at cost or appreciate over time, and thus, the art is not depreciated. If individual pieces are lost or destroyed, the loss is recorded.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has two items that qualify for reporting in this category. It is the deferred charge on refunding and deferred outflows related to pensions reported in the government-wide statement of net position.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government only has two items that qualify for reporting in this category. It is unavailable revenue, which arises only under a modified accrual basis of accounting, and the deferred inflow related to pensions.

M. Compensated Absences

The City's employee vacation and sick leave policies provide for granting vacation and sick leave with pay. Sick leave and vacation benefits vest at the employee's current rate of pay. The current and long-term liabilities for accumulated vacation and sick leave are reported on the government-wide financial statements and in the proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignation and retirements. Resources from the General Fund are generally used to liquidate the governmental funds liabilities for compensated absences.

N. Long-term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net position. Bond premiums and discounts, as well as, the difference between the reacquisition price and the net carrying amount of the old debt, are deferred and amortized over the life of the bonds using the straight-line method over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Inter-fund Activity

Flows of cash from one fund to another without a requirement for repayment are reported as inter-fund transfers. Inter-fund transfers between governmental funds are eliminated in the Statement of Activities. Inter-fund services provided and used are not eliminated in the process of consolidation. Inter-fund transfers in the fund statements are reported as other financing sources/uses in governmental funds and follow below the non-operating revenues/expenses in the proprietary funds.

P. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Q. Budgetary Data

According to the laws of the State of Arizona, all operating budgets must be approved by their governing board on or before the second Monday in August to allow sufficient time for legal announcements and hearings required for the adoption of the property tax levy on the third Monday in August.

In April, the proposed budget for the following fiscal year is presented by the City Manager to the City Council. The budget includes proposed expenditures and the means of financing them. A public meeting is held to obtain citizen comment.

Prior to June 30, the City Council legally enacts the budget, through the passage of an ordinance. The ordinance sets the limit for expenditures for the year, within the voter mandated state expenditure limitation. Additional expenditures may be authorized if directly necessitated by a natural or man-made disaster as prescribed in the state constitution. There were no supplemental appropriations made during fiscal year 2015.

The maximum legal expenditure permitted for the year is the total budget as adopted. All funds of the City have legally adopted budgets. The initial budget for the fiscal year may be amended during the year in a legally permissible manner. The City adopts the budget by departments for the General Fund and by fund for all others.

The City Manager is generally authorized to transfer budgeted amounts within any specific department's expenditure appropriation. Any budget revisions requiring a transfer between departments in the General Fund or a transfer between any other fund must be approved by the City Council. All unencumbered expenditure appropriations expire at the end of the fiscal year. Encumbered amounts are re-budgeted in the following year as deemed appropriate and necessary after review by the Budget Office. Budgetary carry forwards are approved by the City Council through the budgetary process.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. Budgetary Data (continued)

The budgets are adopted on a basis differing from GAAP in that for budgetary purposes: (1) bond proceeds for proprietary funds are considered revenue; (2) capital outlays for enterprise funds are treated as expenditures; (3) debt service principal payments are treated as expenditures for enterprise funds; (4) accrued compensated absences are not recognized as expenditures; (5) depreciation and amortization are not recognized as expenditures.

R. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

S. Change in Accounting Principle

During the year ended June 30, 2015, the City implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. This Statement requires governments providing defined benefit pensions to recognize the long-term obligation for pension benefits as a liability, and to more comprehensively and comparably measure the annual costs of pension benefits. This Statement also enhances accountability and transparency through revised note disclosures and new required supplementary information.

NOTE 2 CASH AND INVESTMENTS

At June 30, 2015, cash and cash equivalents are presented as follows:

	Governmental Activities	Business Activities	Fiduciary Funds	Total
Cash and cash equivalents	\$ 36,124,210	\$ 4,518,431	\$ 33,244	\$ 40,675,885
Restricted cash and cash equivalents	16,797,836	15,046,371	-	31,844,207
	<u>\$ 52,922,046</u>	<u>\$ 19,564,802</u>	<u>\$ 33,244</u>	<u>\$ 72,520,092</u>

The restricted cash and cash equivalents are proceeds from debt issuances that are held in trustee accounts for the purpose of major capital improvements as well as funds held in trustee accounts for the purpose of debt service payments. The City also restricts cash and cash equivalents for Utility Development Fees which are reserved for the purpose of major capital improvements.

NOTE 2 CASH AND INVESTMENTS (Continued)

Deposits

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the government-wide Statement of Net Position, and on the fund financial statements, as "Cash and cash equivalents" and "Investments".

At June 30, 2015, the City had \$13,400 of cash on hand. The carrying amount of the City's cash in bank totaled \$7,891,345 and the bank balance was \$8,649,372. Of the bank balance, \$500,015 was covered by federal depository insurance and the remaining balance of \$8,149,357 was covered by the Statewide Pooled Collateral Program.

Cash Equivalents

The City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The City's highly liquid investments that are reflected in the financial statements as cash equivalents total \$65,282,109. The investments presented on the statement of cash flows have a maturity in excess of three months, but are callable at any time.

The City invests in the Local Government Investment Pool 5 (LGIP), an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. The LGIP is not registered with the Securities Exchange Commission under the 1940 Investment Advisors Act. The State Board of Investment has oversight responsibilities of the investment pool in accordance with ARS 35-311. The pool's policy is to invest in fixed-rate securities with a final maturity less than 36 months from the settlement date of the purchase and variable-rate securities with final maturity less than 5 years. The dollar weighted average portfolio maturity is less than 240 days. The net asset value per share of the pool at June 30, 2015 was \$1.00. The Arizona State Treasurer issues a publicly available financial report that includes financial statements and required supplementary information. Copies may be obtained by contacting the Arizona State Treasurer, 1700 West Washington, Phoenix, Arizona 85007.

Funds held in the State Treasurer's Local Government Investment Pool represent a proportionate interest in the pool's portfolio; however, the City's portion is not identified with specific investments and is not subject to custodial credit risk. At June 30, 2015, the City's funds invested with the State Treasurer totaled \$43,201,803.

The City's investment in the State of Arizona's local government investment pool is stated at fair value which also approximates the value of the investment upon withdrawal.

Investment Type	Total	Remaining Maturity (In Years)	
		Less Than 1	Concentration of Credit Risk
LGIP	\$ 43,201,803	\$ 43,201,803	100.00%
Total	\$ 43,201,803	\$ 43,201,803	100.00%

Investment Type	Total	Rating as of Year End
		AAAF/S1+
LGIP	\$ 43,201,803	\$ 43,201,803
Total	\$ 43,201,803	\$ 43,201,803

NOTE 2 CASH AND INVESTMENTS (Continued)

Investments

The City's portfolio complies with Arizona Revised Statutes (ARS) and the City's investment policy. The Arizona Revised Statutes regulate the investment of surplus cash. Goodyear limits its investments to U.S. government securities, certificates of deposit, bonds, repurchase agreements, corporate notes, commercial paper, and money market accounts. Investments are stated at fair value based on quoted market prices and cash equivalents are stated at amortized cost.

At June 30, 2015 the City's investments included the following:

Investment Type	Total	Remaining Maturity (In Years)			Concentration of Credit Risk
		Less Than 1	1 to 2	More than 2	
U.S. Treasuries	\$ 43,792,163	\$ 2,829,692	\$ 21,282,643	\$ 19,679,828	68.05%
Federal Agency Securities	7,598,958	-	4,871,314	2,727,644	11.81%
Corporate Notes	9,784,387	1,217,108	6,150,621	2,416,657	15.21%
Commercial Paper	2,622,684	2,622,684	-	-	4.08%
Mutual Fund	364,928	364,928	-	-	0.56%
Goldman Sachs Govt Fund	186,240	186,240	-	-	0.29%
Total	\$64,349,360	\$ 7,220,652	\$ 32,304,579	\$24,824,129	100.00%

Investment Type	Total	Ratings as of Year End							
		AA+	AA	AA-	A+	A	A-1	AAAm	Not Rated
U.S. Treasuries	\$43,792,164	\$ 43,792,164	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Agency Securities	7,598,958	7,598,958	-	-	-	-	-	-	-
Corporate Notes	9,784,387	2,412,578	1,219,637	2,547,151	1,224,277	2,380,743	-	-	-
Commercial Paper	2,622,684	-	-	-	-	-	2,622,684	-	-
Mutual Fund	364,928	-	-	-	-	-	-	-	364,928
Goldman Sachs Govt Fund	186,240	-	-	-	-	-	-	186,240	-
Total	\$64,349,360	\$ 53,803,700	\$ 1,219,637	\$ 2,547,151	\$1,224,277	\$2,380,743	\$2,622,684	\$186,240	\$364,928

Custodial Credit Risk

To control custodial credit risk, State law and the City's investment policy requires all securities and collateral to be held by an independent third party custodian in the City's name. The custodian provides the City with monthly market values. The City is invested in treasury money market accounts through the trust department of Wells Fargo, US Bank, Zions Bank and Bankers Trust. The money market accounts have a value of \$18,662,171 at June 30, 2015.

Interest Rate Risk

Interest rate risk is the risk of changes in market interest rates that will adversely affect the fair value of an investment. In order to limit interest rate and market risk, State law and the City's investment policy sets a maximum maturity on any investment to five years. In addition, the City has adopted an average portfolio duration limitation (ranging from 90 days to 3 years) consistent with the primary investment objective of safety, liquidity and yield. As of June 30, 2015 the average portfolio duration was 1.7 years.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

NOTE 2 CASH AND INVESTMENTS (Continued)

Concentration of Credit Risk

The City's investment policy limits the diversification on both security types and length of maturity. At the time of purchase a maximum of 5% of the market value of the portfolio may be invested in debt issues by any single entity. Debt backed by the U.S. Treasury or Government Sponsored Enterprises (GSEs) are exempt from this concentration criterion.

NOTE 3 RECEIVABLES

Receivables, net of allowance for uncollectibles, as of year-end for the City's individual major governmental funds and non-major governmental funds in the aggregate are as follows:

	General Fund	Community Facilities Districts- Debt Service Fund	McDowell Road Commerical Corridor Improvement District Debt Service Fund	Non-Utility Development Impact Fees Fund	Non-Major Governmental Fund	Total
Receivables:						
Taxes	\$ 5,322,640	\$ 118,142	\$ -	\$ -	\$ 504,038	\$ 5,944,820
Interest	81,846	-	-	7,305	2,390	91,541
Accounts	971,856	-	-	-	127	971,983
Special assessments	-	22,509,572	39,610,000	-	-	62,119,572
Total receivables	<u>\$ 6,376,342</u>	<u>\$ 22,627,714</u>	<u>\$ 39,610,000</u>	<u>\$ 7,305</u>	<u>\$ 506,555</u>	<u>\$ 69,127,916</u>

The following table summarizes the City's receivables for the enterprise funds as of June 30, 2015:

	Water and Wastewater Fund	Sanitation Fund	Stadium Fund	Total
Receivables:				
Interest	\$ 37,547	\$ 475	\$ 2,054	\$ 40,076
Accounts	3,392,549	814,562	25,296	4,232,407
	<u>3,430,096</u>	<u>815,037</u>	<u>27,350</u>	<u>4,272,483</u>
Less:				
Allowance	(45,814)	(14,065)	-	(59,879)
Net receivables	<u>\$ 3,384,282</u>	<u>\$ 800,972</u>	<u>\$ 27,350</u>	<u>\$ 4,212,604</u>

Revenues of the Water & Wastewater Fund and Sanitation Fund are reported net of uncollectible amounts. Total bad debt expense related to the Water & Wastewater Fund revenues and Sanitation Fund revenues for the current year are \$49,942 and \$533, respectively.

NOTE 4 CAPITAL ASSETS

A summary of capital assets activity for the fiscal year ended June 30, 2015 follows:

Governmental Activities	Beginning Balance (as restated)	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 19,461,536	\$ 2,240,970	\$ (496,154)	\$ 21,206,352
Artwork	204,750	-	-	204,750
Construction in progress	8,648,104	9,930,064	(8,551,694)	10,026,474
Right of Way	89,451,622	946,261	-	90,397,883
Streetscape	9,061,008	-	-	9,061,008
Total capital assets not being depreciated	<u>126,827,020</u>	<u>13,117,295</u>	<u>(9,047,848)</u>	<u>130,896,467</u>
Capital assets, being depreciated:				
Land improvements	2,549,608	1,893,563	-	4,443,171
Infrastructure	343,846,392	3,565,282	-	347,411,674
Buildings and improvements	159,861,711	5,750,660	-	165,612,371
Vehicles, furniture and equipment	44,665,460	4,590,972	(11,187,969)	38,068,463
Total capital assets being depreciated	<u>550,923,171</u>	<u>15,800,478</u>	<u>(11,187,969)</u>	<u>555,535,679</u>
Less accumulated depreciation for:				
Land improvements	(601,991)	(180,464)		(782,455)
Infrastructure	(87,280,686)	(7,956,748)		(95,237,434)
Buildings and improvements	(28,949,059)	(5,618,382)		(34,567,441)
Vehicles, furniture and equipment	(30,345,104)	(2,791,188)	11,110,350	(22,025,942)
Total accumulated depreciation	<u>(147,176,840)</u>	<u>(16,546,781)</u>	<u>11,110,350</u>	<u>(152,613,271)</u>
Total capital assets, being depreciated, net	<u>403,746,331</u>	<u>(746,303)</u>	<u>(77,619)</u>	<u>402,922,408</u>
Governmental activities capital assets, net	<u>\$ 530,573,351</u>	<u>\$ 12,370,992</u>	<u>\$ (9,125,467)</u>	<u>\$ 533,818,876</u>

NOTE 4 CAPITAL ASSETS (Continued)

Business-Type Activities	Beginning Balance (as restated)	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 15,404,260	\$ 31,615	\$ -	\$ 15,435,875
Artwork	146,978	-	-	146,978
Construction in progress	<u>4,308,014</u>	<u>7,869,338</u>	<u>(9,374,580)</u>	<u>\$ 2,802,773</u>
Total capital assets not being depreciated	<u>19,859,252</u>	<u>7,900,953</u>	<u>(9,374,580)</u>	<u>18,385,626</u>
Capital assets, being depreciated:				
Infrastructure	210,970,779	10,391,726	(1,365)	221,361,139
Buildings & improvements	206,089,719	314,950	(5,502)	206,399,167
Vehicles, machinery and equipment	14,700,050	658,513	(454,029)	14,904,533
Water rights	<u>19,079,324</u>	<u>236,324</u>	<u>-</u>	<u>19,315,648</u>
Total capital assets being depreciated	<u>450,839,872</u>	<u>11,601,512</u>	<u>(460,896)</u>	<u>461,980,487</u>
Less accumulated depreciation for:				
Infrastructure	(38,525,433)	(4,262,485)	1,365	(42,786,553)
Buildings and improvements	(23,941,721)	(4,796,791)	5,502	(28,733,010)
Vehicles, machinery and equipment	(9,953,993)	(702,736)	438,737	(10,217,992)
Water rights amortization	<u>(1,269,355)</u>	<u>(189,679)</u>	<u>-</u>	<u>(1,459,034)</u>
Total accumulated depreciation	<u>(73,690,502)</u>	<u>(9,951,691)</u>	<u>445,604</u>	<u>(83,196,589)</u>
Total capital assets, being depreciated, net	<u>377,149,370</u>	<u>1,649,821</u>	<u>(15,292)</u>	<u>378,783,898</u>
Business-Type activities capital assets, net	<u>\$ 397,008,622</u>	<u>\$ 9,550,774</u>	<u>\$ (9,389,871)</u>	<u>\$ 397,169,524</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 702,277
Public safety	2,111,290
Highway and streets	11,916,448
Culture and recreation	787,813
Public works	<u>1,028,953</u>
Total depreciation expense	<u>\$ 16,546,781</u>
Business-type activities	
Water and wastewater	\$ 7,138,673
Sanitation	72,363
Stadium	<u>2,740,655</u>
Total depreciation expense	<u>\$ 9,951,691</u>

NOTE 5 LOANS PAYABLE

The City received three loans from the Water Infrastructure Finance Authority. The first loan was used to acquire the rights and make improvements to existing capacity in the wastewater treatment plant. The second loan was used to finance the planning and design of a pilot recharge project and to construct a well distribution line. The third loan was used for expansion of an effluent wastewater facility and to rehabilitate an existing effluent lift station. The loans payable at June 30, 2015, are as follows:

Description	Interest Rate (Including Fees)	Maturity	Outstanding Principal June 30, 2015	Due Within One Year
Business-type activities:				
Water Infrastructure Finance Authority Loan	4.06%	7/1/07 - 21	\$ 1,719,183	\$ -
Water Infrastructure Finance Authority Loan	4.06%	7/1/07 - 21	3,265,329	-
Water Infrastructure Finance Authority Loan	2.00%	7/1/10 - 29	<u>4,111,725</u>	<u>-</u>
Total Business-type activities			<u>\$ 9,096,237</u>	<u>\$ -</u>

Annual debt service requirements to maturity on the loans payable at June 30, 2015 are summarized as follows:

Fiscal Year Ending June 30,	Business-Type Activities	
	Principal	Interest
2016	\$ -	\$ 301,438
2017	1,001,834	266,735
2018	1,037,176	230,730
2019	1,073,846	193,370
2020	1,111,895	154,604
2021-2025	3,270,623	309,102
2026-2030	<u>1,600,863</u>	<u>81,311</u>
Total	<u>\$ 9,096,237</u>	<u>\$ 1,537,290</u>

NOTE 6 GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at June 30, 2015, consisted of the outstanding general obligation and refunding bonds presented below. The bonds are generally callable with interest payable semiannually. Of the total amounts originally authorized, \$167,660,449 remains unissued. The bonds payable at June 30, 2015 are presented below.

Description	Interest Rate	Maturity	Outstanding Principal June 30, 2015	Due Within One Year
Governmental activities:				
General Obligation Bonds				
Series 2007	3.00 - 5.00%	7/1/08 - 26	\$ 7,278,423	\$ -
General Obligation Bonds				
Series 2008	4.25 - 6.00%	7/1/09 - 38	7,382,399	-
General Obligation Refunding				
Bonds Series 2009	5.25 - 5.125%	7/1/27 - 30	604,500	-
General Obligation Bonds				
Series 2010 (Build				
America Bonds)	5.40 - 6.30%	7/1/20 - 30	105,000	-
General Obligation Refunding				
Bonds Series 2012	3.90 - 4.25%	7/1/13 - 18	5,665,000	-
Total Governmental activities			\$ 21,035,322	\$ -
Business-type activities:				
General Obligation Bonds				
Series 2007	3.00 - 5.00%	7/1/08 - 26	\$ 17,696,577	\$ -
General Obligation Bonds				
Series 2008	4.25 - 6.00%	7/1/09 - 27	30,217,601	-
General Obligation Refunding				
Bonds Series 2009	5.25 - 5.125%	7/1/27 - 30	4,975,500	-
General Obligation Bonds				
Series 2010 (Build				
America Bonds)	5.40 - 6.30%	7/1/21 - 30	5,710,000	-
General Obligation Refunding				
Bonds Series 2010	4.018 - 5.125%	7/1/21 - 30	4,610,000	-
General Obligation Refunding				
Bonds Series 2014	2.00%	7/1/14 - 20	13,545,000	-
Total Business-type activities			\$ 76,754,678	\$ -
Total			\$ 97,790,000	\$ -

NOTE 6 GENERAL OBLIGATION BONDS PAYABLE (Continued)

Annual debt service requirements to maturity on general obligation bonds payable at June 30, 2015 are summarized as follows:

Fiscal Year Ending June 30,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2016	\$ -	\$ 978,175	\$ -	\$ 3,388,413
2017	2,930,269	877,431	4,589,911	3,222,407
2018	3,058,957	753,125	4,856,043	3,048,038
2019	2,095,540	639,137	5,054,461	2,864,749
2020	872,305	568,467	5,627,695	2,670,548
2021-2025	5,141,660	2,123,754	21,603,345	10,384,971
2026-2030	3,952,218	987,657	21,552,591	5,434,123
2031-2035	1,727,795	457,884	8,327,208	1,906,019
2036-2038	1,256,578	81,984	5,143,424	335,578
Total	<u>\$ 21,035,322</u>	<u>\$ 7,467,614</u>	<u>\$ 76,754,678</u>	<u>\$ 33,254,846</u>

NOTE 7 REVENUE BONDS PAYABLE

Revenue bonds payable at June 30, 2015 consisted of the outstanding revenue bonds and refunding bonds presented below. The bonds are generally callable after 10 years with interest payable semiannually. The bonds payable at June 30, 2015 are presented below:

Description	Interest Rate	Maturity	Outstanding Principal June 30, 2015	Due Within One Year
Governmental activities:				
Public Improvement Corporation Municipal Facilities Revenue Bonds, Series 2011A	2.00 - 3.00%	7/1/14 - 21	\$ 1,695,000	\$ 230,000
Public Improvement Corporation Municipal Facilities Revenue Tax-Exempt Revenue Bonds, Series 2012A	2.48%	6/15/13 - 6/15/23	7,369,511	843,706
Public Improvement Corporation Municipal Facilities Revenue Taxable Revenue Bonds, Series 2012B	3.44%	6/15/13 - 6/15/23	880,577	97,388
McDowell Road Corridor Improvement District Bonds	5.25%	1/1/10 - 32	39,610,000	1,500,000
Total Governmental activities			\$ 49,555,088	\$ 2,671,094
Business-type activities:				
Revenue Bonds, Series 1999	4.47 - 6.73%	7/1/07 - 18	\$ 535,000	\$ -
Public Improvement Corporation Municipal Facilities Revenue Bonds, Series 2007A	4.50 - 5.00%	7/1/19 - 32	44,200,000	-
Public Improvement Corporation Municipal Facilities Revenue Bonds, Series 2008	5.00 - 6.375%	7/1/19 - 31	32,950,000	-
Revenue Bonds, Series 2009	6.75%	7/1/2049	325,000	-
Revenue Bonds, Series 2010	5.00 - 5.625%	7/1/22 - 39	14,950,000	-
Revenue Bonds, Series 2011	2.00 - 5.500%	7/1/12 - 41	14,850,000	290,000
Public Improvement Corporation Municipal Facilities Revenue Bonds, Series 2011A	2.00 - 5.25%	7/1/23 - 27	23,515,000	-
Public Improvement Corporation Municipal Facilities Revenue Bonds, Series 2011B	3.00%	7/1/2018	1,515,000	-
Total Business-type activities			\$ 132,840,000	\$ 290,000

NOTE 7 REVENUE BONDS PAYABLE (Continued)

Revenue bond debt service requirements to maturity are as follows:

Fiscal Year Ending June 30,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2016	\$ 2,671,094	\$ 2,333,953	\$ 290,000	\$ 7,292,307
2017	2,780,527	2,223,794	500,000	7,273,163
2018	2,895,602	2,108,569	475,000	7,223,032
2019	3,011,337	1,988,333	1,995,000	7,198,568
2020	3,122,750	1,862,771	5,585,000	6,777,856
2021-2025	14,553,778	7,304,169	30,025,000	28,877,252
2026-2030	13,890,000	4,002,600	44,575,000	20,288,920
2031-2035	6,630,000	526,574	36,245,000	6,781,703
2036-2040	-	-	10,890,000	2,226,768
2041-2045	-	-	1,935,000	217,627
2046-2050	-	-	325,000	98,719
Total	<u>\$ 49,555,088</u>	<u>\$ 22,350,763</u>	<u>\$ 132,840,000</u>	<u>\$ 94,255,915</u>

Pledged Revenue

A. Revenue Bonds

Revenue bonds are collateralized by a pledge of the gross revenues of the utility systems, as defined in the bond indentures. The bonds are payable solely from wastewater and water customer net revenues. Proceeds of the bonds were used for improvements to the City's wastewater and water system. Principal and interest paid for the current year and total wastewater and water customer net revenues were \$3,675,184 and \$11,343,149, respectively.

B. Public Improvement Corporation Municipal Facilities Revenue Bonds

The public improvement corporation municipal facilities revenue bonds for business-type activities are secured by excise taxes or other undesignated general fund revenues and the governmental activity revenue bonds are secured by the property referred to as Goodyear Municipal Complex. Proceeds from the bonds were used to construct a major league baseball training facility as well as other municipal facilities. Principal and interest paid for the current year and total pledged revenues for business type activity revenue bonds were \$5,688,563 and \$59,861,110, respectively.

C. McDowell Road Corridor Improvement District bonds

The City acts as an administrator for the McDowell Road Corridor Improvement District whereby it collects the assessments levied against owners of property within the established district and disburses the amounts collected to retire the bonds issued to finance the improvements. At June 30, 2015, the special assessments receivable, together with amounts paid in advance and interest to be received over the life of the assessment period, is adequate for the scheduled maturities of the bonds payable and the related interest.

The McDowell Road Corridor Improvement District bonds are collateralized by properties within the district. In the event of default by the property owner(s), the City may enforce an auction sale to satisfy the debt service requirements of the improvement bonds. The City is contingently liable on the bonds to the extent that proceeds from auction sales are insufficient to retire outstanding bonds.

NOTE 8 COMMUNITY FACILITIES DISTRICTS BONDS PAYABLE

Community Facilities District General Obligation Bonds are issued by Community Facilities Districts (CFDs), which are special purpose districts created specifically to acquire and improve public infrastructure in specified land areas. CFD bonds are repaid by ad valorem taxes levied directly by the districts and collected by the county. Property owners in the districts are assessed for district taxes and thus for all costs associated with the districts. The City has no liability for CFD bonds.

Community facilities district bonds payable at June 30, 2015 consisted of outstanding general obligation and special assessment bonds. The bonds are generally callable with interest payable semiannually. The community facilities district bonds payable at June 30, 2015, are presented below.

Description	Interest Rate	Maturity	Outstanding Principal June 30, 2015	Due Within One Year
General District No. 1:				
G.O. Refunding Bonds, Series 2013	2.0% - 5.0%	07/15/28	\$ 10,350,000	\$ 435,000
Palm Valley:				
GO Bond Series 2006	4.25 - 5.30 %	07/15/31	3,610,000	135,000
GO Bond Series 2007	4.25 - 5.80 %	07/15/32	3,355,000	105,000
Utilities District No. 1:				
G.O. Bond Series 2007	4.00 - 5.00 %	07/15/32	20,460,000	500,000
G.O. Refunding Bonds, Series 2014	2.0% - 4.0%	07/15/28	14,755,000	770,000
G.O. Refunding Bonds, Series 2015	2.000% - 4.125%	07/15/29	7,015,000	-
Wildflower Ranch General District 1:				
G.O. Bonds, Series 1997	5.875 - 6.5 %	07/15/22	330,000	35,000
G.O. Bonds, Series 1998	5.2 - 5.75 %	07/15/23	430,000	30,000
Wildflower Ranch General District 2:				
G.O. Bonds, Series 2000	6.0 - 7.0 %	07/15/25	460,000	30,000
G.O. Bonds, Series 2001	4.5 - 5.9 %	07/15/26	505,000	30,000
Cottonflower:				
G.O. Bonds, Series 2003	4.1 - 5.70 %	07/15/28	1,265,000	65,000
G.O. Bonds, Series 2004	3.7 - 6.75 %	07/15/28	1,005,000	45,000
Estrella Mountain Ranch:				
Assessment Bonds, Series 2001(A)	7.875%	07/01/25	3,382,000	254,000
Assessment Bonds, Series 2002	7.375%	07/01/27	2,833,000	174,000
G.O. Bonds, Series 2005	5.0 - 5.8 %	07/15/30	3,940,000	150,000
Assessment Bonds, Series 2007(M)	4.65 - 5.80 %	07/01/32	6,210,000	241,000
G.O. Bonds, Series 2007	4.50 - 6.20 %	07/15/32	10,975,000	345,000
Assessment Bonds, Series 2007(G)	6.00 - 6.75 %	07/01/32	5,816,000	223,000
Assessment Bonds, Series 2015(M2)	2.0% - 5.0%	07/01/39	4,980,000	130,000
Centerra:				
G.O. Bonds, Series 2005	5.5%	07/15/29	1,835,000	80,000
G.O. Bonds, Series 2006	4.75 - 5.15 %	07/15/31	570,000	10,000
G.O. Bonds, Series 2008	4.875 - 6.625 %	07/15/32	660,000	15,000
Cortina:				
G.O. Bonds, Series 2005	5.0 - 5.7 %	07/15/29	1,295,000	60,000
G.O. Bonds, Series 2006	5.0 - 5.375 %	07/15/31	820,000	20,000
Total			<u>\$ 106,856,000</u>	<u>\$ 3,882,000</u>

NOTE 8 COMMUNITY FACILITIES DISTRICTS BONDS PAYABLE (Continued)

Community Facilities District bonds debt service requirements to maturity are as follows:

Fiscal year ending June 30,	Governmental Activities	
	Principal	Interest
2016	\$ 3,882,000	\$ 5,288,881
2017	4,327,000	5,198,598
2018	4,582,000	4,985,726
2019	4,814,000	4,754,290
2020	5,079,000	4,506,903
2021-2025	29,325,000	18,249,797
2026-2030	32,850,000	10,100,339
2031-2035	20,747,000	2,149,798
2036-2039	1,250,000	160,000
Total	\$ 106,856,000	\$ 55,394,332

On June 10, 2015, Community Facilities Utilities District No. 1 (CFUD) issued \$7,015,000 of General Obligation Bonds, with an average interest rate of 3.79%, to do an advanced refunding for the remaining outstanding principal of the CFUD 2005 and CFUD Refunding 2005 General Obligation Bonds. Under the terms of the refunding issue, sufficient assets to pay \$6,210,000 of the 2005 and \$805,000 of the Refunding 2005 principal and interest on the refunding bonds issued have been placed in irrevocable trust accounts at commercial banks and invested in U.S. Government Securities, which together with interest earned thereon will provide an amount sufficient for future payment of principal and interest of the issues refunded. The transaction will reduce total debt service payments by \$484,553 and result in an economic gain (difference between the present value of the debt service on the old and the new bonds) of approximately \$500,095. The \$238,955 deferred amount on retirement of bonds is being amortized over the shorter of the lives for the refunding bonds on a straight-line basis.

NOTE 9 CHANGES IN LONG-TERM LIABILITIES

Long-term liabilities activity for the year ended June 30, 2015 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Compensated absences	\$ 4,013,273	\$ 2,406,332	\$ 1,967,939	\$ 4,451,666	\$ 1,534,250
General obligation bonds payable	23,863,737	-	2,828,415	21,035,322	-
Community Facilities					
Districts bonds payable	105,912,000	11,995,000	11,051,000	106,856,000	3,882,000
Public improvement bonds	10,947,376		1,002,288	9,945,088	1,171,094
Revenue bonds payable	41,035,000	-	1,425,000	39,610,000	1,500,000
Premiums	4,204,494	452,099	365,039	4,291,554	-
Discounts	(49,935)	(39,461)	(49,935)	(39,461)	-
Net Pension Liability	40,994,707	-	2,370,139	38,624,568	-
Governmental activities long-term liabilities	<u>\$ 230,920,652</u>	<u>\$ 14,813,970</u>	<u>\$ 20,959,885</u>	<u>\$ 224,774,737</u>	<u>\$ 8,087,344</u>
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities:					
Compensated absences	\$ 510,003	\$ 261,750	\$ 201,077	\$ 570,676	\$ 215,328
General obligation bonds payable	81,161,263	-	4,406,585	76,754,678	-
Public improvement bonds	102,180,000	-	-	102,180,000	-
Revenue bonds payable	31,160,000	-	500,000	30,660,000	290,000
Loans payable	10,064,007	-	967,770	9,096,237	-
Premiums	3,405,323	-	279,989	3,125,334	-
Discounts	(578,729)	-	(22,227)	(556,502)	-
Net Pension Liability	6,850,923	-	530,609	6,320,314	-
Business-type activities long-term liabilities	<u>\$ 234,752,790</u>	<u>\$ 261,750</u>	<u>\$ 6,863,803</u>	<u>\$ 228,150,737</u>	<u>\$ 505,328</u>

NOTE 10 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At June 30, 2015, interfund balances were as follows:

Fund	Receivable Amount	Payable Amount
General Fund	\$ 1,826,833	\$ -
Non-Major Governmental Funds	-	722,142
Water and Sewer Fund	3,739,071	-
Stadium Fund	-	4,700,911
Internal Service Fund	-	142,851
Total	\$ 5,565,904	\$ 5,565,904

All interfund borrowing resulted from the borrowing of funds to cover cash deficit, except for the \$961,840 payable amount in the Stadium Fund. This amount is an interfund borrowing transaction from the general fund for the commercial retail liners at the ballpark and will be paid back when the commercial retail liners are sold to enterprises.

Fund	Transfers Out	Transfers In
General Fund	\$ 8,697,848	\$ 2,800,000
CFD-Debt Service		\$ 418,784
Non-Major Governmental Funds	1,225,400	1,369,235
Water and Wastewater Fund	1,900,000	505,119
Sanitation Fund	900,000	-
Stadium Fund	505,119	8,135,229
Total	\$ 13,228,367	\$ 13,228,367

All transfers made during the year were to cover operations or debt service as approved during budget development, or were necessary for grant matching purposes.

NOTE 11 CONTINGENT LIABILITIES

Federal and State grants and loans - The City has received a number of grants and loans from both the Federal and State governments. Although the programs have been audited, not all audits have been approved as of June 30, 2015; however, the City expects no material disallowances of expenditures.

Lawsuits - The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

Commitments - The City is contingently liable for \$1.7 million to be paid from the general fund to entities that the City has entered into job credit agreements for establishing businesses within the City. These credits will be paid out when the established criteria are met for job creation and other economic growth factors as specified by the development agreements. Each year the City appropriates for these obligations through the budget process.

NOTE 12 RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The City's insurance protection is provided by the Arizona Municipal Risk Retention Pool, of which the City is a participating member. The Arizona Municipal Risk Retention Pool is structured such that member premiums are based on an actuarial review that will provide adequate reserves to allow the pool to meet its expected financial obligations. The pool has authority to assess its members additional premiums should reserve and annual premiums be insufficient to meet the pool's obligations. The maximum liability for the City for the fiscal year is \$500,000 and the deductible is \$250,000 per occurrence. The City has funds set aside in the budget for the fiscal year ending June 30, 2015 for any expected claims in excess of \$250,000.

The City has workers compensation insurance through CopperPoint Mutual Insurance Company for potential work-related accidents.

NOTE 13 RETIREMENT PLANS

The City contributes to the pension plans described below. The plans are component units of the State of Arizona.

The City reported \$3,840,976 of pension expenditures in the governmental funds and \$472,935 in the proprietary funds related to all pension plans to which it contributes.

A. Arizona State Retirement System

Plan Description

City employees not covered by the other pension plans described after this section participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on the ASRS website at www.azasrs.gov.

Benefits Provided

The ASRS provides retirement, health insurance premium supplement, long-term disability, and survivor benefits. State statute establishes benefit terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

	<u>Retirement Initial Membership Date:</u>	
	<u>Before July 1, 2011</u>	<u>On or After July 1, 2011</u>
Years of service and age required to receive benefit	Sum of years and age equals 80 10 years age 62 5 years age 50* Any years age 65	30 years age 55 25 years age 60 10 years age 62 5 years age 50* Any years age 65
Final average salary is based on	Highest 36 months of last 120 months	Highest 60 months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%

*With actuarially reduced benefits

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earnings. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member's death. For retired members, the survivor benefit is determined by the retirement benefit option chosen. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contributions and employer's contributions, plus interest earned.

NOTE 13 RETIREMENT PLANS (Continued)

A. Arizona State Retirement System (Continued)

Contributions

In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.60 percent (11.48 percent for retirement and 0.12 percent for long-term disability) of the members' annual covered payroll, and the City was required by statute to contribute at the actuarially determined rate of 11.60 percent (10.89 percent for retirement, 0.59 percent for health insurance premium benefit, and 0.12 percent for long-term disability) of the members' annual covered payroll.

In addition for the current fiscal year, the City was required by statute to contribute at the actuarially determined rate of 9.57 percent (9.51 for retirement and 0.06 percent for long-term disability) of annual covered payroll of retired members who worked in positions that would typically be filled by an employee who contributes to ASRS.

The City's contributions for the current and two preceding years for the Arizona State Retirement System OPEB, all of which were equal to the required contributions, were as follows:

	Health Benefit Supplement Fund	Long-Term Disability Fund
Years Ended June 30:		
2015	\$ 128,393	\$ 26,114
2014	121,012	48,402
2013	117,973	45,830

Pension Liability

At June 30, 2015, the City reported a liability of \$33,264,817 for its proportionate share of the ASRS net pension liability. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2013, to the measurement date of June 30, 2014. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2014 the City's proportion was .224814 percent, which was an increase of .007918 from its proportion measured as of June 30, 2013.

NOTE 13 RETIREMENT PLANS (Continued)

A. Arizona State Retirement System (Continued)

Pension Expense and Deferred Outflows/Inflows of Resources

For the year ended June 30, 2015, the City recognized pension expense for ASRS of \$2,369,823 and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,690,615	\$ -
Net difference between projected and actual earnings on pension plan investments		5,816,990
Changes in proportion and differences between city contributions and proportionate share of contributions	915,190	
Contributions subsequent to the measurement date	2,369,823	
Total	<u>\$ 4,975,628</u>	<u>\$ 5,816,990</u>

The deferred outflows of resources related to ASRS pensions resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as follows:

Year Ending June 30:	
2016	\$ 321,289
2017	321,289
2018	1,114,360
Thereafter	1,454,247

Actuarial Assumptions

The significant actuarial assumptions used to measure the total ASRS pension liability are as follows:

Actuarial valuation date	June 30, 2013
Actuarial roll forward date	June 30, 2014
Actuarial cost method	Entry age normal
Investment rate of return	8%
Projected salary increases	3-6.75%
Inflation	3%
Permanent benefit increase	Included
Mortality rates	1994 GAM Scale BB

NOTE 13 RETIREMENT PLANS (Continued)

A. Arizona State Retirement System (Continued)

Actuarial Assumptions (Continued)

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2012. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2013, actuarial valuation. The study did not include an analysis of the assumed investment rate of return.

The long-term expected rate of return on ASRS pension plan investments was determined to be 8.79 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class of ASRS are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	63%	7.03%
Fixed income	25	3.20
Real estate	8	4.75
Commodities	4	4.50
Total	<u>100%</u>	

Discount Rate

The discount rate used to measure the ASRS total pension liability was 8.0 percent, which is less than the long term expected rate of return of 8.79 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 13 RETIREMENT PLANS (Continued)

A. Arizona State Retirement System (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 8.0 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.0 percent) or 1 percentage point higher (9.0 percent) than the current rate:

	1% Decrease (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
Proportionate share of the net pension liability	<u>\$42,045,023</u>	<u>\$ 33,264,817</u>	<u>\$28,501,115</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued ASRS financial report. The report is available on the ASRS website at www.azasrs.gov.

B. Public Safety Personnel Retirement System

Plan Descriptions

City public safety employees who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS). The PSPRS administers an agent multiple-employer defined benefit pension plan and an agent multiple-employer defined benefit health insurance premium benefit (OPEB) plan. A seven-member board known as the Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 4.

PSPRS issues publicly available financial reports that include their financial statements and required supplementary information. The reports are available on the PSPRS website at www.psprs.com.

Benefits Provided

PSPRS provides retirement, health insurance premium supplement, disability, and survivor benefits. State statute establishes benefits terms. Certain retirement and disability benefits are calculated on the basis of age, average monthly compensation, and service credit as follows. See the publicly available PSPRS financial reports for additional benefits information.

NOTE 13 RETIREMENT PLANS (Continued)

B. Public Safety Personnel Retirement System (Continued)

Public Safety Personnel Retirement System:

	Retirement Initial Membership Date:	
	<u>Before January 1, 2012</u>	<u>On or After January 1, 2012</u>
Years of service and age required to receive benefit	20 years any age 15 years age 62	25 years and age 52.5
Final average salary is based on	Highest 36 months of last 20 years	Highest 60 months of last 20 years
Normal retirement	50% less 2.0% for each year of credited service less than 20 years 04 plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	2.5% per year of credited service, not to exceed 80%
Accidental disability retirement	50 % or normal retirement, whichever is greater	
Survivor benefit: Retired members	80% of retired member's pension benefit	
Active members	80% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job	

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on excess investment earning. PSPRS also provides temporary disability benefits of 50 percent of the member's compensation for up to 12 months.

Employees Covered by Benefit Terms

At June 30, 2015, the following employees were covered by the agent pension plans' benefit terms:

	PSPRS	PSPRS
	<u>Police</u>	<u>Fire</u>
Inactive employees or beneficiaries currently receiving benefits	17	2
Inactive employees entitled to but not yet receiving benefits	9	1
Active employees	<u>88</u>	<u>90</u>
Total	114	93

NOTE 13 RETIREMENT PLANS (Continued)

B. Public Safety Personnel Retirement System (Continued)

Contributions and Annual OPEB Cost

State statutes establish the pension contribution requirements for active PSPRS employees. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for PSPRS pension and health insurance premium benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contributions rates for the year ended June 30, 2015 are indicated below. Rates are a percentage of active members' annual covered payroll.

	PSPRS Police	PSPRS Fire
Active members - pension	11.05%	11.05%
City of Goodyear:		
Pension	17.08	12.62
Health insurance	0.96	0.70

For the agent plans, the contributions to the pension plan and annual OPEB cost and contributions for the health insurance premium benefit for the year ended June 30, 2015, were:

	PSPRS Police	PSPRS Fire
Pension:		
Contributions made	\$ 1,173,949	\$ 968,539
Health insurance premium benefit:		
Annual OPEB cost		
Contributions made	65,983	53,722

Pension Liability

At June 30, 2015, the City reported the following net pension liabilities:

PSPRS - Police	\$ 9,549,374
PSPRS - Fire	2,130,691

The net pension liabilities were measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability as of June 30, 2014, reflects changes of benefit terms and actuarial assumptions for a court ruling for funding permanent benefit increases and decrease in the wage growth assumption.

NOTE 13 RETIREMENT PLANS (Continued)

B. Public Safety Personnel Retirement System (Continued)

Actuarial Assumptions

The significant actuarial assumptions used to measure the total pension liability are as follows:

	<u>PSPRS</u>
Actuarial valuation date	June 30, 2014
Actuarial cost method	Entry age normal
Discount rate	7.85%
Projected salary increases	4.0 - 8.0%
Inflation	4.00%
Permanent benefit increase	Included
Mortality rates	RP-2000 mortality table, adjusted by 105% for both males and females

Actuarial assumptions used in the June 30, 2014, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2011.

The long-term expected rate of return on PSPRS pension plan investments was determined to be 7.85 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class for all agent pension plans are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Short-term investments	2%	3.25%
Absolute return	4	6.75
Risk parity	4	6.04
Fixed income	7	4.75
Real assets	8	5.96
GTAA	10	5.73
Private equity	11	9.50
Real estate	11	6.50
Credit opportunities	13	8.00
Non-U.S. equity	14	8.63
U.S. equity	<u>16</u>	7.60
Total	<u>100%</u>	

NOTE 13 RETIREMENT PLANS (Continued)

B. Public Safety Personnel Retirement System (Continued)

Pension Discount Rates

The following discount rates were used to measure the total pension liabilities:

	PSPRS	PSPRS
	Police	Fire
Discount rates	7.85%	7.85%

The projection of cash flows used to determine the PSPRS discount rates assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Goodyear Police Department and the Goodyear Fire Department pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Agent Plans Net Pension Liability: PSPRS – Police

	Increase/Decrease		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at June 30, 2014	\$ 25,016,493	\$ 16,740,654	\$ 8,275,839
Changes for the year:			
Service cost	1,278,071		1,278,071
Interest on the total pension liability	1,966,048		1,966,048
Changes of benefit terms	186,683		186,683
Differences between expected and actual experience in the measurement of the pension liability	260,090		260,090
Changes of assumptions or other inputs	1,746,183		1,746,183
Contributions - employer		1,116,495	(1,116,495)
Contributions - employee		704,171	(704,171)
Net investment income		2,330,439	(2,330,439)
Benefit payments, including refunds of employee contributions	(1,220,650)	(1,220,650)	
Administrative expense		(18,769)	18,769
Other Changes		31,204	(31,204)
Net changes	4,216,425	2,942,890	1,273,535
Balances at June 30, 2015	\$ 29,232,918	\$ 19,683,544	\$ 9,549,374

NOTE 13 RETIREMENT PLANS (Continued)

B. Public Safety Personnel Retirement System (Continued)

Changes in the Agent Plans Net Pension Liability: PSPRS – Fire

	Increase/Decrease		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at June 30, 2014	\$ 20,360,336	\$ 16,848,036	\$ 3,512,300
Changes for the year:			
Service cost	1,405,013		1,405,013
Interest on the total pension liability	1,640,015		1,640,015
Changes of benefit terms	(18,156)		(18,156)
Differences between expected and actual experience in the measurement of the pension liability	(813,497)		(813,497)
Changes of assumptions or other inputs	619,565		619,565
Contributions - employer		948,481	(948,481)
Contributions - employee		754,465	(754,465)
Net investment income		2,393,724	(2,393,724)
Benefit payments, including refunds of employee contributions	(341,865)	(341,865)	
Administrative expense		(19,278)	19,278
Other		137,157	(137,157)
Net changes	<u>2,491,075</u>	<u>3,872,684</u>	<u>(1,381,609)</u>
Balances at June 30, 2015	<u>\$ 22,851,411</u>	<u>\$ 20,720,720</u>	<u>\$ 2,130,691</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's net pension liabilities calculated using the discount rates noted above, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
PSPRS-Police:			
Rate	6.85%	7.85%	8.85%
Net Pension Liability	\$13,692,936	\$9,549,374	\$ 6,148,482
PSPRS-Fire:			
Rate	6.85%	7.85%	8.85%
Net Pension Liability	\$ 5,905,259	\$2,130,691	\$ (957,746)

NOTE 13 RETIREMENT PLANS (Continued)

B. Public Safety Personnel Retirement System (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the separately issued PSPRS financial reports. The reports are available on the PSPRS website at www.psprs.com.

Pension Expense

For the year ended June 30, 2015, the City recognized the following pension expense:

	Pension Expense
PSPRS - Police	\$ 1,417,714
PSPRS - Fire	526,374

Pension Deferred Outflows/Inflows of Resources

At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
PSPRS - Police:		
Differences between expected and actual experience	\$ 224,868	\$ -
Changes of assumptions or other inputs	1,509,711	
Net difference between projected and actual earnings on pension plan investments		762,263
Contributions subsequent to the measurement date	1,173,949	
Total	<u>\$2,908,528</u>	<u>\$ 762,263</u>
PSPRS - Fire:		
Differences between expected and actual experience	\$ -	\$ 740,538
Changes of assumptions or other inputs	563,999	-
Net difference between projected and actual earnings on pension plan investments		782,963
Contributions subsequent to the measurement date	968,539	
Total	<u>\$1,532,538</u>	<u>\$1,523,501</u>

NOTE 13 RETIREMENT PLANS (Continued)

B. Public Safety Personnel Retirement System (Continued)

The amounts reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (or an increase in the net pension asset) in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	PSPRS	PSPRS
	Police	Fire
2016	\$ 81,128	\$ (213,134)
2017	81,128	(213,134)
2018	81,128	(213,134)
2019	81,128	(213,134)
2020	271,694	(17,393)
Thereafter	376,110	(89,573)

Agent Plan OPEB Trend Information

The table below presents the annual OPEB cost information for the health insurance premium benefit for the current and two preceding years:

Plan	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation
PSPRS - Police - Health Insurance			
June 30, 2015	65,983	100.0%	-
June 30, 2014	63,164	100.0%	-
June 30, 2013	50,038	100.0%	-
PSPRS - Fire - Health Insurance			
June 30, 2015	53,722	100.0%	-
June 30, 2014	46,653	100.0%	-
June 30, 2013	50,038	100.0%	-

NOTE 13 RETIREMENT PLANS (Continued)

B. Public Safety Personnel Retirement System (Continued)

Agent Plan OPEB Actuarial Assumptions

Actuarial valuations involve estimates of the reported amounts' value and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plans and the annual required contributions are subject to continual revision as actual results are compared to past expectations and new estimates are made. The required schedule of funding progress for the health insurance premium benefit presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of the plans' assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Projections of benefits are based on (1) the plans as understood by the City and plans' members and include the types of benefits inforce at the valuation date, and (2) the pattern of sharing benefit costs between the City and plans' members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The significant actuarial methods and assumptions used are the same for all PSPRS plans and related benefits (unless noted), and the actuarial methods and assumptions used to establish the fiscal year 2015 contribution requirements, are as follows:

	<u>PSPRS</u>
Actuarial valuation date	June 30, 2013
Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	23 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value (80%/120% market)
Actuarial assumptions:	
Investment rate of return	7.85%
Projected salary increases includes inflation at	4.5%-8.5% 4.50%

NOTE 13 RETIREMENT PLANS (Continued)

B. Public Safety Personnel Retirement System (Continued)

The funded status of the all the PSPRS health insurance premium benefit plans in the June 30, 2014, actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement.

	PSPRS
Actuarial valuation date	June 30, 2014
Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	22 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value (80%/120% market)
Actuarial assumptions:	
Investment rate of return	7.85%
Projected salary increases includes inflation at	4%-8% 4.00%

Agent Plan OPEB Funded Status

The following table represents the funded status of the health insurance premium benefit plans as of the most recent valuation date, June 30, 2014.

	PSPRS-Police	PSPRS-Fire
Actuarial value of assets	\$ 638,160	\$ 466,897
Actuarial accrued liability	732,738	634,667
Unfunded actuarial accrued liability (funding excess)	94,578	167,770
Funded ratio	87.1%	73.6%
Annual Covered Payroll	\$ 6,630,426	\$ 7,338,828
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll	1.43%	2.29%

NOTE 13 RETIREMENT PLANS (Continued)

C. Goodyear Volunteer and Reserve Firefighter Retirement Trust Plan

The Goodyear Volunteer and Reserve Firefighter Retirement Trust Plan is a single-employer defined contribution plan, which was approved by the City Council on February 27, 1990, under Arizona Revised Statutes Section 9-981. The authority to establish and amend benefit provisions rests with the City Council. In December 1999, the council revised the pension and benefit program for the part-time firefighters. The City discontinued using part-time firefighters as of December 1, 2005.

The assets of the plan are valued annually and the earnings or loss is distributed among the participant's accounts in the plan. The only expenditures being made from this fund are administration fees, benefit payments, and refunds to those firefighters who leave the service of the Fire Department before becoming eligible for pension benefits. The cost of administering the plan is financed from investment earnings. Retirement with full benefits can be at age fifty (50) or fifteen years of credited service. This plan was fully vested as of June 30, 2015. As of June 30, 2015, there were 6 eligible employees participating in the plan. The plan is administered by TD Ameritrade.

As of June 30, 2015, the plan's assets consisted of the following:

Cash and Cash Equivalents	\$	3,210
Investments		448,341
Interest Receivable		11
	\$	<u>451,562</u>

The plan has never had an actuarial valuation; however, benefits cannot exceed plan assets. The market values of mutual funds are determined from readily available market quotations. The fund uses the accrual basis of accounting. Contributions are recognized when earned; benefits and refunds are expensed when incurred. Separate audited financial statements of this employee benefit plan are not available.

NOTE 14 DEFICIT FUND BALANCES

Grants Fund Deficit Fund Balance - At June 30, 2015, the Grants Fund contains a deficit fund balance of \$24,178 in the fund financial statements. Future revenues are expected to cover this deficit.

Debt Service Deficit Fund Balance – At June 30, 2015, the Debt Service fund reported a deficit of \$42,309 in fund balance. The deficit arose because of timing differences between when the debt payments were made and the related tax collections were received. Future revenues are expected to cover this deficit.

NOTE 15 FUND BALANCE CLASSIFICATIONS

	General	Community Facilities Districts Debt Service	McDowell Road Commerical Corridor Improvement Debt Service	Non-Utility Development Impact Fees	Non-Major Governmental Funds	Total Governmental Funds
Fund balances (deficits):						
Nonspendable:						
Advances to other funds	\$ 961,840					\$ 961,840
Inventories	21,656				487,413	509,069
Prepaid items	573,473					573,473
Restricted:						
Charter mandates	3,841,444					3,841,444
Court	240,631					240,631
Law enforcement	309,112					309,112
Debt Service		13,698,518	111,692			13,810,210
Development impact fees				9,833,567		9,833,567
Capital projects					4,414,851	4,414,851
Highway user funds					174,025	174,025
Transit	745,210					745,210
Community facilities districts operations					1,109,572	1,109,572
Assigned:						
IT replacement	108,301					108,301
Fleet replacement	2,508,319					2,508,319
Risk management	1,088,234					1,088,234
Unassigned	49,783,760				(66,487)	49,717,273
Total fund balances	<u>\$ 60,181,980</u>	<u>\$ 13,698,518</u>	<u>\$ 111,692</u>	<u>\$ 9,833,567</u>	<u>\$ 6,119,374</u>	<u>\$ 89,945,131</u>

NOTE 16 COMMITMENTS

The City has active construction projects as of June 30, 2015. The balances for work not yet complete as of June 30, 2015 were as follows:

Goodyear Blvd NW Quad Improvement Phase 1 and 2	\$ 1,083,494
PD Operations Building - Phase 1	386,456
Bullard Wash LOMR	63,748
Library Building Improvements	54,929
Bullard Avenue Infrastructure	36,617
Remediated Waterline	49,737
Transportation Master Plan	30,482
Roadway to Sonoran Valley	14,965
Sarival: VanBuren to I-10	35,495
Van Buren: Estrella to Cotton Lane	8,339
Water Master Plan	353,805
Aeration Dome - Corgett	45,936
GWRP 2 MGD Expansion Design	868,481
	<u>\$ 3,032,484</u>

These commitments are being financed from existing fund balances.

NOTE 17 RESTATEMENT

Net position as of July 1, 2014, has been restated as follows for the implementation of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date and to correct overstatements for capital assets reported in prior years.

	Governmental Activities	Business-type Activities	Total
Net position, June 30, 2014, as previously reported	\$ 477,788,373	\$ 201,805,827	\$ 679,594,200
Net pension liability	(40,994,706)	(6,850,923)	(47,845,629)
Deferred outflows-contributions made during fiscal year 2014	3,821,378	411,995	4,233,371
Correction for overstatement of assets in prior years	(182,223)	(2,591,692)	(2,773,914)
Net position, July 1, 2014, as restated	<u>\$ 440,432,819</u>	<u>\$ 192,775,207</u>	<u>\$ 633,208,026</u>

Required Supplementary Information



CITY OF GOODYEAR
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ARIZONA STATE RETIREMENT SYSTEM
YEAR ENDED JUNE 30, 2015

	<u>2015</u>
City of Goodyear's proportion of the net pension liability (asset)	0.22%
City of Goodyear's proportionate share of the net pension liability (asset)	\$ 33,264,817
City of Goodyear's covered-employee payroll	\$ 20,166,796
City of Goodyear's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	164.95%
Plan fiduciary net position as a percentage of the total pension liability	69.49%

**CITY OF GOODYEAR
SCHEDULE OF CONTRIBUTIONS
ALL PENSION PLANS
YEAR ENDED JUNE 30, 2015**

2015

Arizona State Retirement System:

Actuarially determined contribution	\$ 2,369,823
Contributions in relation to the actuarially determined contribution	<u>2,369,823</u>
Contribution deficiency (excess)	<u>\$</u>
City of Goodyear's covered-employee payroll	<u>21,761,494</u>
Contributions as a percentage of covered-employee payroll	10.89%

Public Safety Personnel Retirement System - Police:

Actuarially determined contribution	\$ 1,173,949
Contributions in relation to the actuarially determined contribution	<u>1,173,949</u>
Contribution deficiency (excess)	<u>\$</u>
City of Goodyear's covered-employee payroll	\$ 6,957,993
Contributions as a percentage of covered-employee payroll	16.87%

Public Safety Personnel Retirement System - Fire:

Actuarially determined contribution	\$ 968,539
Contributions in relation to the actuarially determined contribution	<u>968,539</u>
Contribution deficiency (excess)	<u>\$</u>
Town's covered-employee payroll	\$ 7,674,635
Contributions as a percentage of covered-employee payroll	12.62%

Note: Data prior to 2015 is not available.

**CITY OF GOODYEAR
SCHEDULE OF FUNDING PROGRESS
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
OTHER POSTEMPLOYMENT BENEFITS
LAST THREE ACTUARIAL VALUATIONS**

<u>Actuarial Valuation Date</u>	<u>Actuarial Valuation of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAAL as a percentage of Covered Payroll</u>
Public Safety Personnel Retirement System - Police:						
2014	\$ 638,160	\$ 732,738	\$ (94,578)	87.09 %	\$ 6,630,426	1.43 %
2013		708,612	(708,612)	-	6,582,586	10.76
2012		699,552	(699,552)	-	6,321,537	11.07
Public Safety Personnel Retirement System - Fire:						
2014	\$ 466,897	\$ 634,667	\$ (167,770)	73.57 %	\$ 7,338,828	2.29 %
2013		543,584	(543,584)	-	7,232,076	7.52
2012		475,476	(475,476)	-	6,662,566	7.14

CITY OF GOODYEAR
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM - POLICE
YEAR ENDED JUNE 30, 2015

	2015
Total pension liability	
Service cost	\$ 1,278,071
Interest	1,966,048
Changes of benefit terms	186,683
Differences between expected and actual	260,090
Changes of assumptions	1,746,183
Benefit payments, including refunds	<u>(1,220,650)</u>
Net change in total pension liability	4,216,425
Total pension liability—beginning	<u>25,016,493</u>
Total pension liability—ending	<u><u>\$ 29,232,918</u></u>
 Plan fiduciary net position	
Contributions—employer	\$ 1,116,495
Contributions—employee	704,171
Net investment income	2,330,439
Benefit payments, including refunds	(1,220,650)
Administrative expense	(18,769)
Other	<u>31,204</u>
Net change in plan fiduciary net position	2,942,890
Plan fiduciary net position—beginning	<u>16,740,654</u>
Plan fiduciary net position—ending	<u><u>\$ 19,683,544</u></u>
 Net pension liability—ending	<u><u>\$ 9,549,374</u></u>
 Plan fiduciary net position as a percentage of the total pension liability	67.33%
 Covered-employee payroll	\$ 6,630,426
 Net pension liability as a percentage of covered- employee payroll	144.02%

Note: Data prior to 2015 is not available.

CITY OF GOODYEAR
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM - FIRE
YEAR ENDED JUNE 30, 2015

	2015
Total pension liability	
Service cost	\$ 1,405,013
Interest	1,640,015
Changes of benefit terms	(18,156)
Differences between expected and actual	(813,497)
Changes of assumptions	619,565
Benefit payments, including refunds	<u>(341,865)</u>
Net change in total pension liability	2,491,075
Total pension liability—beginning	<u>20,360,336</u>
Total pension liability—ending	<u><u>\$ 22,851,411</u></u>
 Plan fiduciary net position	
Contributions—employer	\$ 948,481
Contributions—employee	754,465
Net investment income	2,393,724
Benefit payments, including refunds	(341,865)
Administrative expense	(19,278)
Other	<u>137,157</u>
Net change in plan fiduciary net position	3,872,684
Plan fiduciary net position—beginning	<u>16,848,036</u>
Plan fiduciary net position—ending	<u><u>\$ 20,720,720</u></u>
 Net pension liability—ending	<u><u>\$ 2,130,691</u></u>
 Plan fiduciary net position as a percentage of the total pension liability	90.68%
 Covered-employee payroll	\$ 7,338,828
 Net pension liability as a percentage of covered- employee payroll	29.03%

Note: Data prior to 2015 is not available.

CITY OF GOODYEAR, ARIZONA
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015

NOTE 1 – PENSION PLAN SCHEDULES

Actuarial Assumptions for Valuations Performed. The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated, which is the most recent actuarial valuation. The actuarial assumptions used are disclosed in the notes to the financial statements.

Factors that Affect Trends. The actuarial assumptions used in the June 30, 2013, valuation for ASRS were based on the results of an actuarial experience study for the five-year period ended June 30, 2012. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2013, actuarial valuation. The study did not include an analysis of the assumed investment rate of return.

The actuarial assumptions used in the June 30, 2014, valuation for PSPRS were based on the results of an actuarial experience study for the 5-year period ended June 30, 2011. The total pension liability used to calculate the net pension liability for PSPRS was determined by an actuarial valuation as of that date. The total pension liability as of June 30, 2014, reflects changes of benefit terms and actuarial assumptions for a court ruling for funding permanent benefit increases and a decrease in the wage growth assumption from 4.5% to 4.0%.



Other Supplementary Information

Combining Statements and Budgetary Schedules

Non-Major Governmental Funds **Financial Statements**

Special Revenue Funds

- Highway User Revenue Fund (HURF) – Funded through fuel taxes distributed from the State of Arizona.
- Grants Fund - Based on application to granting agencies by the City and availability of funding by grantors.
- Community Facilities Districts – CFD's represent special districts formed for the purpose of financing the acquisition, construction, operation, and maintenance of the public infrastructure benefiting the community.

Debt Service Fund

This fund was established for the accumulation of resources and the servicing of long-term debt not being financed by the proprietary funds. Revenues are generated from the secondary property tax levy sufficient to meet the debt service.

Capital Improvement Projects Fund

This fund accounts for acquisition and construction of the government's major capital facilities, other than those financed by proprietary fund.



CITY OF GOODYEAR, ARIZONA
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	Special Revenue		
	Highway User Revenue	Grants	Community Facilities Districts
<u>ASSETS</u>			
Cash and cash equivalents	\$ 126,850	\$ 611,653	\$ 1,715,933
Investments		1,110,497	
Taxes receivable	377,550		18,096
Interest receivable		2,390	
Accounts receivable			127
Due from other governments		99,912	
Inventories	487,413		
Total assets	<u>\$ 991,813</u>	<u>\$ 1,824,452</u>	<u>\$ 1,734,156</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 128,486	\$ 4,819	\$ 88,576
Accrued payroll and employee benefits	49,338		
Deposits	152,551		
Due to other funds		96,909	533,617
Unearned revenue		1,704,877	
Total liabilities	<u>330,375</u>	<u>1,806,605</u>	<u>622,193</u>
Deferred inflows of resources:			
Unavailable revenues - property taxes			2,391
Unavailable revenues - intergovernmental		42,025	
Total deferred inflows of resources		<u>42,025</u>	<u>2,391</u>
Fund balances (deficits):			
Nonspendable	487,413		
Restricted	174,025		1,109,572
Unassigned		(24,178)	
Total fund balances	<u>661,438</u>	<u>(24,178)</u>	<u>1,109,572</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 991,813</u>	<u>\$ 1,824,452</u>	<u>\$ 1,734,156</u>

<u>Debt Service</u>	<u>Capital Projects</u>	
<u>Debt Service</u>	Community Facilities Districts Capital Projects	Total Non- Major Governmental Funds
\$	\$ 4,827,289	\$ 7,281,725
108,392		1,110,497
		504,038
		2,390
		127
		99,912
		487,413
<u>\$ 108,392</u>	<u>\$ 4,827,289</u>	<u>\$ 9,486,102</u>
\$	\$ 412,438	\$ 634,319
		49,338
91,616		152,551
		722,142
<u>91,616</u>	<u>412,438</u>	<u>1,704,877</u>
		<u>3,263,227</u>
59,085		61,476
<u>59,085</u>		<u>42,025</u>
		<u>103,501</u>
		487,413
	4,414,851	5,698,448
(42,309)		(66,487)
<u>(42,309)</u>	<u>4,414,851</u>	<u>6,119,374</u>
\$ 108,392	\$ 4,827,289	\$ 9,486,102
<u>\$ 108,392</u>	<u>\$ 4,827,289</u>	<u>\$ 9,486,102</u>

CITY OF GOODYEAR, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

	Special Revenue		
	Highway User Revenue	Grants	Community Facilities Districts
Revenues:			
Taxes	\$	\$	\$ 1,160,933
Intergovernmental	4,041,402	1,346,396	
Charges for services	1,139		
Investment income	451	8,271	1,745
Contributions			
Miscellaneous	16,789		93,235
Total revenues	<u>4,059,781</u>	<u>1,354,667</u>	<u>1,255,913</u>
Expenditures:			
Current -			
General government		38,066	950,178
Public safety		400,543	
Highways and streets	5,324,500	10,000	
Culture and recreation		500	
Capital outlay	140,992	856,382	
Debt service -			
Principal retirement			
Interest and debt cost			
Bond issuance costs			
Total expenditures	<u>5,465,492</u>	<u>1,305,491</u>	<u>950,178</u>
Excess (deficiency) of revenues over expenditures	<u>(1,405,711)</u>	<u>49,176</u>	<u>305,735</u>
Other financing sources (uses):			
CFD bond issuance			
Discount on sale of bonds			
Transfer in	1,369,235		
Transfer out			
Total other financing sources (uses):	<u>1,369,235</u>		
Changes in fund balances	<u>(36,476)</u>	<u>49,176</u>	<u>305,735</u>
Fund balances (deficits), beginning of year	697,914	(73,354)	803,837
Fund balances (deficits), end of year	<u>\$ 661,438</u>	<u>\$ (24,178)</u>	<u>\$ 1,109,572</u>

<u>Debt Service</u>	<u>Capital Projects</u>		
<u>Debt Service</u>	<u>Community Facilities Districts Capital Projects</u>	<u>Capital Improvement Projects</u>	<u>Total Non- Major Governmental Funds</u>
\$ 4,512,786	\$	\$	\$ 5,673,719
			5,387,798
			1,139
771	1,760	191	13,189
	607,025		607,025
		10,447	120,471
<u>4,513,557</u>	<u>608,785</u>	<u>10,638</u>	<u>11,803,341</u>
			988,244
			400,543
			5,334,500
			500
	412,437	284,744	1,694,555
2,828,415			2,828,415
1,019,711			1,019,711
	303,252		303,252
<u>3,848,126</u>	<u>715,689</u>	<u>284,744</u>	<u>12,569,720</u>
<u>665,431</u>	<u>(106,904)</u>	<u>(274,106)</u>	<u>(766,379)</u>
	4,980,000		4,980,000
	(39,461)		(39,461)
			1,369,235
<u>(806,616)</u>	<u>(418,784)</u>		<u>(1,225,400)</u>
<u>(806,616)</u>	<u>4,521,755</u>		<u>5,084,374</u>
<u>(141,185)</u>	<u>4,414,851</u>	<u>(274,106)</u>	<u>4,317,995</u>
98,876		274,106	1,801,379
<u>\$ (42,309)</u>	<u>\$ 4,414,851</u>	<u>\$</u>	<u>\$ 6,119,374</u>



Fiduciary Fund Financial Statements

Combining Statement of Net Position

Statement of Changes in Net Position

Agency Funds

- G.A.I.N.
- Fill-A-Need
- Payshare (Utility Assistance)
- Shop With A Cop
- Arizona in Action



**CITY OF GOODYEAR, ARIZONA
 COMBINING STATEMENT OF ASSETS AND LIABILITIES
 AGENCY FUNDS
 JUNE 30, 2015**

	<u>GAIN</u>	<u>Fill-A-Need</u>	<u>Shop With A Cop</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 9,030	\$ 6,084	\$ 11,690
Total assets	<u>\$ 9,030</u>	<u>\$ 6,084</u>	<u>\$ 11,690</u>
 <u>LIABILITIES</u>			
Deposits held for others	\$ 9,030	\$ 6,084	\$ 11,690
Total liabilities	<u>\$ 9,030</u>	<u>\$ 6,084</u>	<u>\$ 11,690</u>

<u>Arizona in Action</u>	<u>Totals</u>
\$ 3,230	\$ 30,034
<u>\$ 3,230</u>	<u>\$ 30,034</u>

\$ 3,230	\$ 30,034
<u>\$ 3,230</u>	<u>\$ 30,034</u>

CITY OF GOODYEAR, ARIZONA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2015

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
GAIN:				
Assets				
Cash and cash equivalents	\$ 9,030	\$ -	-	\$ 9,030
Liabilities				
Deposits held for others	\$ 9,030	\$ -	-	\$ 9,030
Payshare:				
Assets				
Cash and cash equivalents	\$ 299	\$ -	\$ (299)	\$ -
Receivable	6	-	(6)	-
Total Assets	\$ 305	\$ -	\$ (305)	\$ -
Liabilities				
Deposits held for others	\$ 305	\$ -	\$ (305)	\$ -
Fill-A-Need:				
Assets				
Cash and cash equivalents	\$ 7,717	\$ 7,718	\$ (9,352)	\$ 6,084
Liabilities				
Deposits held for others	\$ 7,717	\$ 7,718	\$ (9,352)	\$ 6,084
Shop With A Cop:				
Assets				
Cash and cash equivalents	\$ 8,665	\$ 8,746	\$ (5,721)	\$ 11,690
Liabilities				
Deposits held for others	\$ 8,665	\$ 8,746	\$ (5,721)	\$ 11,690
Arizona in Action:				
Assets				
Cash and cash equivalents	\$ 3,230	\$ -	-	\$ 3,230
Liabilities				
Deposits held for others	\$ 3,230	\$ -	-	\$ 3,230
Total - All Agency Funds				
Assets				
Cash and cash equivalents	\$ 28,941	\$ 16,464	\$ (15,372)	\$ 30,034
Receivable	6	-	(6)	-
Total Assets	\$ 28,947	\$ 16,464	\$ (15,378)	\$ 30,034
Liabilities				
Deposits held for others	\$ 28,947	16,464	(15,378)	\$ 30,034
Total liabilities	\$ 28,947	\$ 16,464	\$ (15,378)	\$ 30,034

Budgetary Comparison Schedules

Major Governmental Funds

CITY OF GOODYEAR, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
COMMUNITY FACILITIES DISTRICTS DEBT SERVICE
YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Original & Final</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:			
Taxes	\$ 5,072,732	\$ 5,072,509	\$ (223)
Investment income	1,745	7,174	5,429
Special assessments	4,712,449	2,218,610	(2,493,839)
Contributions	796,675	674,477	(122,198)
Total revenues	<u>10,583,601</u>	<u>7,972,770</u>	<u>(2,610,831)</u>
Expenditures:			
Debt service -			
Principal retirement	8,195,000	4,036,000	4,159,000
Interest and debt cost	8,419,546	5,329,348	3,090,198
Bond issuance costs		267,507	(267,507)
Total expenditures	<u>16,614,546</u>	<u>9,632,855</u>	<u>6,981,691</u>
Excess (deficiency) of revenues over expenditures	<u>(6,030,945)</u>	<u>(1,660,085)</u>	<u>4,370,860</u>
Other financing sources (uses):			
Refunding bonds issued	403,000	7,015,000	6,612,000
Refunding bonds premium		452,099	452,099
Payment to refunded bond escrow agent		(7,168,901)	(7,168,901)
Transfer in		418,784	418,784
Total other financing sources (uses):	<u>403,000</u>	<u>716,982</u>	<u>313,982</u>
Changes in fund balances	<u>(5,627,945)</u>	<u>(943,103)</u>	<u>4,684,842</u>
Fund balances, beginning of year	14,641,621	14,641,621	
Fund balances, end of year	<u>\$ 9,013,676</u>	<u>\$ 13,698,518</u>	<u>\$ 4,684,842</u>

**CITY OF GOODYEAR, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MCDOWELL ROAD COMMERCIAL CORRIDOR ID DEBT SERVICE
YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Original & Final</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:			
Investment income	\$	\$ 2,481	\$ 2,481
Special assessments	3,541,932	3,543,685	1,753
Total revenues	<u>3,541,932</u>	<u>3,546,166</u>	<u>4,234</u>
Expenditures:			
Debt service -			
Principal retirement	1,427,975	1,425,000	2,975
Interest and debt cost	2,116,932	2,117,681	(749)
Total expenditures	<u>3,544,907</u>	<u>3,542,681</u>	<u>2,226</u>
Changes in fund balances	<u>(2,975)</u>	<u>3,485</u>	<u>6,460</u>
Fund balances, beginning of year	108,207	108,207	
Fund balances, end of year	<u>\$ 105,232</u>	<u>\$ 111,692</u>	<u>\$ 6,460</u>

**CITY OF GOODYEAR, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NON-UTILITY DEVELOPMENT IMPACT FEES
YEAR ENDED JUNE 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$	\$	\$ 1,428,486	\$ 1,428,486
Charges for services	4,430,055	4,430,055	1,833,752	(2,596,303)
Investment income	5,400	5,400	30,741	25,341
Miscellaneous			4,500	4,500
Total revenues	<u>4,435,455</u>	<u>4,435,455</u>	<u>3,297,479</u>	<u>(1,137,976)</u>
Expenditures:				
Current -				
Highways and streets		405,159	159,587	245,572
Culture and recreation	743,601	362,100	190,083	172,017
Capital outlay	10,620,881	5,264,185	1,007,033	4,257,152
Total expenditures	<u>11,364,482</u>	<u>6,031,444</u>	<u>1,356,703</u>	<u>4,674,741</u>
Changes in fund balances	<u>(6,929,027)</u>	<u>(1,595,989)</u>	<u>1,940,776</u>	<u>3,536,765</u>
Fund balances, beginning of year	7,892,793	7,892,793	7,892,791	(2)
Fund balances, end of year	<u>\$ 963,766</u>	<u>\$ 6,296,804</u>	<u>\$ 9,833,567</u>	<u>\$ 3,536,763</u>



Budgetary Comparison Schedules

Non-Major Governmental Funds and Enterprise Funds

**CITY OF GOODYEAR, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
HIGHWAY USER REVENUE
YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 3,715,086	\$ 3,715,086	\$ 4,041,402	\$ 326,316
Charges for services	10,000	10,000	1,139	(8,861)
Investment income			451	451
Miscellaneous	25,000	25,000	16,789	(8,211)
Total revenues	<u>3,750,086</u>	<u>3,750,086</u>	<u>4,059,781</u>	<u>309,695</u>
Expenditures:				
Current -				
Highways and streets	5,982,932	5,846,749	5,324,500	522,249
Capital outlay	370	200,000	140,992	59,008
Total expenditures	<u>5,983,302</u>	<u>6,046,749</u>	<u>5,465,492</u>	<u>581,257</u>
Excess (deficiency) of revenues over expenditures	<u>(2,233,216)</u>	<u>(2,296,663)</u>	<u>(1,405,711)</u>	<u>890,952</u>
Other financing sources (uses):				
Transfer in	2,233,216	2,233,216	1,369,235	(863,981)
Total other financing sources (uses):	<u>2,233,216</u>	<u>2,233,216</u>	<u>1,369,235</u>	<u>(863,981)</u>
Changes in fund balances		<u>(63,447)</u>	<u>(36,476)</u>	<u>26,971</u>
Fund balances, beginning of year	697,914	697,914	697,914	
Fund balances, end of year	<u>\$ 697,914</u>	<u>\$ 634,467</u>	<u>\$ 661,438</u>	<u>\$ 26,971</u>

**CITY OF GOODYEAR, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GRANTS
YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,300,000	\$ 2,300,000	\$ 1,346,396	\$ (953,604)
Investment income			8,271	8,271
Total revenues	<u>2,300,000</u>	<u>2,300,000</u>	<u>1,354,667</u>	<u>(945,333)</u>
Expenditures:				
Current -				
General government	2,000,000	633,072	38,066	595,006
Public safety		506,025	400,543	105,482
Highways and streets		10,000	10,000	
Culture and recreation		500	500	
Capital outlay	539,070	1,399,473	856,382	543,091
Total expenditures	<u>2,539,070</u>	<u>2,549,070</u>	<u>1,305,491</u>	<u>1,243,579</u>
Changes in fund balances	<u>(239,070)</u>	<u>(249,070)</u>	<u>49,176</u>	<u>298,246</u>
Fund balances (deficits), beginning of year	(73,354)	(73,354)	(73,354)	
Fund balances (deficits), end of year	<u>\$ (312,424)</u>	<u>\$ (322,424)</u>	<u>\$ (24,178)</u>	<u>\$ 298,246</u>

**CITY OF GOODYEAR, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
COMMUNITY FACILITIES DISTRICTS
YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Original & Final</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:			
Taxes	\$ 1,162,545	\$ 1,160,933	\$ (1,612)
Investment income	500	1,745	1,245
Miscellaneous	319,853	93,235	(226,618)
Total revenues	<u>1,482,898</u>	<u>1,255,913</u>	<u>(226,985)</u>
Expenditures:			
Current -			
General government	1,510,515	950,178	560,337
Total expenditures	<u>1,510,515</u>	<u>950,178</u>	<u>560,337</u>
Changes in fund balances	<u>(27,617)</u>	<u>305,735</u>	<u>333,352</u>
Fund balances, beginning of year	803,838	803,837	(1)
Fund balances, end of year	<u>\$ 776,221</u>	<u>\$ 1,109,572</u>	<u>\$ 333,351</u>

**CITY OF GOODYEAR, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICE
YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original & Final	Actual	
Revenues:			
Taxes	\$ 4,527,418	\$ 4,512,786	\$ (14,632)
Investment income		771	771
Total revenues	<u>4,527,418</u>	<u>4,513,557</u>	<u>(13,861)</u>
Expenditures:			
Debt service -			
Principal retirement	3,505,727	2,828,415	677,312
Interest and debt cost	1,327,406	1,019,711	307,695
Total expenditures	<u>4,833,133</u>	<u>3,848,126</u>	<u>985,007</u>
Excess (deficiency) of revenues over expenditures	<u>(305,715)</u>	<u>665,431</u>	<u>971,146</u>
Other financing sources (uses):			
Transfer out		(806,616)	(806,616)
Total other financing sources (uses):		<u>(806,616)</u>	<u>(806,616)</u>
Changes in fund balances	<u>(305,715)</u>	<u>(141,185)</u>	<u>164,530</u>
Fund balances, beginning of year	98,876	98,876	
Fund balances (deficits), end of year	<u>\$ (206,839)</u>	<u>\$ (42,309)</u>	<u>\$ 164,530</u>

CITY OF GOODYEAR, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
COMMUNITY FACILITIES DISTRICTS CAPITAL PROJECTS
YEAR ENDED JUNE 30, 2015

	Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
	Original & Final		
Revenues:			
Investment income	\$	\$ 1,760	\$ 1,760
Contributions	432,000	607,025	175,025
Total revenues	<u>432,000</u>	<u>608,785</u>	<u>176,785</u>
Expenditures:			
Capital outlay	6,099,000	412,437	5,686,563
Debt service -			
Interest and debt cost	430,000		430,000
Bond issuance costs		303,252	(303,252)
Total expenditures	<u>6,529,000</u>	<u>715,689</u>	<u>5,813,311</u>
Excess (deficiency) of revenues over expenditures	<u>(6,097,000)</u>	<u>(106,904)</u>	<u>5,990,096</u>
Other financing sources (uses):			
CFD bond issuance	6,097,000	4,980,000	(1,117,000)
Discount on sale of bonds		(39,461)	(39,461)
Transfer out		(418,784)	(418,784)
Total other financing sources (uses):	<u>6,097,000</u>	<u>4,521,755</u>	<u>(1,575,245)</u>
Changes in fund balances		<u>4,414,851</u>	<u>4,414,851</u>
Fund balances, beginning of year			
Fund balances, end of year	<u>\$</u>	<u>\$ 4,414,851</u>	<u>\$ 4,414,851</u>

**CITY OF GOODYEAR, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL IMPROVEMENT PROJECTS
YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$	\$	\$ 191	\$ 191
Miscellaneous			10,447	10,447
Total revenues			<u>10,638</u>	<u>10,638</u>
Expenditures:				
Capital outlay	18,880,665	20,262,614	284,744	19,977,870
Total expenditures	<u>18,880,665</u>	<u>20,262,614</u>	<u>284,744</u>	<u>19,977,870</u>
Excess (deficiency) of revenues over expenditures	<u>(18,880,665)</u>	<u>(20,262,614)</u>	<u>(274,106)</u>	<u>19,988,508</u>
Other financing sources (uses):				
CFD bond issuance	18,619,059	18,619,059		(18,619,059)
Total other financing sources (uses):	<u>18,619,059</u>	<u>18,619,059</u>		<u>(18,619,059)</u>
Changes in fund balances	<u>(261,606)</u>	<u>(1,643,555)</u>	<u>(274,106)</u>	<u>1,369,449</u>
Fund balances, beginning of year	274,106	274,106	274,106	
Fund balances (deficits), end of year	<u>\$ 12,500</u>	<u>\$ (1,369,449)</u>	<u>\$</u>	<u>\$ 1,369,449</u>

CITY OF GOODYEAR, ARIZONA
SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL
WATER AND SEWER ENTERPRISE FUND
YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 24,653,815	\$ 24,653,815	\$ 24,650,687	\$ (3,128)
Miscellaneous	96,000	96,000	98,115	2,115
Total operating revenues	<u>24,749,815</u>	<u>24,749,815</u>	<u>24,748,802</u>	<u>(1,013)</u>
Operating expenses:				
Administration	3,868,253	3,868,253	3,898,977	(30,724)
Cost of sales and services	27,242,590	31,067,299	9,506,676	21,560,623
Depreciation			7,138,670	(7,138,670)
Total operating expenses	<u>31,110,843</u>	<u>34,935,552</u>	<u>20,544,323</u>	<u>14,391,229</u>
Operating income (loss)	<u>(6,361,028)</u>	<u>(10,185,737)</u>	<u>4,204,479</u>	<u>14,390,216</u>
Nonoperating revenues (expenses):				
Investment income	26,900	26,900	139,389	112,489
Gain on sale of assets			9,501	9,501
Interest and debt cost	(10,584,371)	(10,584,371)	(4,954,700)	5,629,671
Total nonoperating revenues (expenses)	<u>(10,557,471)</u>	<u>(10,557,471)</u>	<u>(4,805,810)</u>	<u>5,751,661</u>
Income before capital contributions and transfers	<u>(16,918,499)</u>	<u>(20,743,208)</u>	<u>(601,331)</u>	<u>20,141,877</u>
Capital contributions	8,690,420	8,690,420	14,479,633	5,789,213
Transfers in	1,865,733	1,284,289	505,119	(779,170)
Transfers out	(3,948,390)	(3,948,390)	(1,900,000)	2,048,390
Change in net position	<u>(10,310,736)</u>	<u>(14,716,889)</u>	<u>12,483,421</u>	<u>27,200,310</u>
Net position, beginning of year, as restated	186,650,501	186,650,501	180,020,915	(6,629,586)
Net position, end of year	<u>\$ 176,339,765</u>	<u>\$ 171,933,612</u>	<u>\$ 192,504,336</u>	<u>\$ 20,570,724</u>

CITY OF GOODYEAR, ARIZONA
SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL
SANITATION ENTERPRISE FUND
YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 6,809,482	\$ 6,809,482	\$ 6,922,425	\$ 112,943
Miscellaneous	3,500	3,500	4,149	649
Total operating revenues	<u>6,812,982</u>	<u>6,812,982</u>	<u>6,926,574</u>	<u>113,592</u>
Operating expenses:				
Administration	569,775	569,775	537,917	31,858
Cost of sales and services	5,259,410	5,259,410	5,186,168	73,242
Depreciation			72,363	(72,363)
Total operating expenses	<u>5,829,185</u>	<u>5,829,185</u>	<u>5,796,448</u>	<u>32,737</u>
Operating income (loss)	<u>983,797</u>	<u>983,797</u>	<u>1,130,126</u>	<u>80,855</u>
Nonoperating revenues (expenses):				
Loss on sale of assets			(5,715)	(5,715)
Investment income	2,500	2,500	2,591	91
Total nonoperating revenues (expenses)	<u>2,500</u>	<u>2,500</u>	<u>(3,124)</u>	<u>(5,624)</u>
Income before transfers	<u>986,297</u>	<u>986,297</u>	<u>1,127,002</u>	<u>140,705</u>
Transfers out	(900,000)	(900,000)	(900,000)	
Change in net position	<u>86,297</u>	<u>86,297</u>	<u>227,002</u>	<u>140,705</u>
Net position, beginning of year, as restated	2,214,375	2,214,375	1,875,484	(338,891)
Net position, end of year	<u>\$ 2,300,672</u>	<u>\$ 2,300,672</u>	<u>\$ 2,102,486</u>	<u>\$ (198,186)</u>

CITY OF GOODYEAR, ARIZONA
SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL
STADIUM ENTERPRISE FUND
YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 1,740,926	\$ 1,740,926	\$ 2,237,359	\$ 496,433
Miscellaneous			1,218	1,218
Total operating revenues	<u>1,740,926</u>	<u>1,740,926</u>	<u>2,238,577</u>	<u>497,651</u>
Operating expenses:				
Administration	2,230,082	2,336,330	2,376,654	(40,324)
Cost of sales and services	7,038,808	8,193,015	1,681,215	6,511,800
Depreciation			2,740,654	(2,740,654)
Total operating expenses	<u>9,268,890</u>	<u>10,529,345</u>	<u>6,798,523</u>	<u>3,730,822</u>
Operating income (loss)	<u>(7,527,964)</u>	<u>(8,788,419)</u>	<u>(4,559,946)</u>	<u>4,228,473</u>
Nonoperating revenues (expenses):				
Investment income	2,000	2,000	9,425	7,425
Gain on sale of assets			13,166	13,166
Interest and debt cost	(5,362,263)	(5,362,263)	(5,622,137)	(259,874)
Total nonoperating revenues (expenses)	<u>(5,360,263)</u>	<u>(5,360,263)</u>	<u>(5,599,546)</u>	<u>(239,283)</u>
Income before transfers	<u>(12,888,227)</u>	<u>(14,148,682)</u>	<u>(10,159,492)</u>	<u>3,989,190</u>
Capital contributions			707,816	(707,816)
Transfers in	7,896,513	7,896,513	8,135,229	(238,716)
Transfers out			(5,990,117)	5,990,117
Change in net position	<u>(4,991,714)</u>	<u>(6,252,169)</u>	<u>(7,306,564)</u>	<u>(1,054,395)</u>
Net position, beginning of year, as restated	12,940,953	12,940,953	10,878,808	(2,062,145)
Net position, end of year	<u>\$ 7,949,239</u>	<u>\$ 6,688,784</u>	<u>\$ 3,572,244</u>	<u>\$ (3,116,540)</u>



CAPITAL ASSET SCHEDULES

CITY OF GOODYEAR
 CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS
 SCHEDULE BY SOURCE
 For the fiscal year ended June 30, 2015

Governmental funds capital assets

Land	\$ 21,206,352
Land Improvements	4,443,171
Right of Way	90,397,883
Streetscape	9,061,008
Buildings and improvements other than buildings	165,612,371
Vehicles, machinery and equipment	38,068,463
Infrastructure	347,411,674
Artwork	204,750
Construction in progress	10,026,474
Total governmental funds capital assets	<u><u>\$ 686,432,146</u></u>

Investment in governmental funds capital assets by source:

Government funds	\$ 686,432,146
Total governmental funds capital assets	<u><u>\$ 686,432,146</u></u>

CITY OF GOODYEAR
 CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS
 SCHEDULE BY FUNCTION
 For the fiscal year ended June 30, 2015

Function	Land, Land Improvements, Artwork, Right of Way, Streetscape	Buildings	Improvements Other Than Buildings
General Government	\$ 3,608,908	\$ -	\$ 2,380,333
Public Safety	1,992,706	25,557,510	89,024
Highways and Streets	99,458,891	-	89,196,862
Culture and Recreation	13,218,409	813,910	15,924,236
Public Works	7,034,251	25,417,046	6,233,450
Total governmental funds capital assets	\$ 125,313,164	\$ 51,788,466	\$ 113,823,905

Vehicles, Machinery and Equipment	Infrastructure	Construction in Progress	Total
\$ 7,136,701	\$ -	\$ 2,039,491	\$ 15,165,433
20,995,179	-	-	48,634,418
6,808,809	347,411,674	7,466,938	550,343,175
1,440,419	-	520,045	31,917,019
1,687,355	-	-	40,372,101
<u>\$ 38,068,463</u>	<u>\$ 347,411,674</u>	<u>\$ 10,026,474</u>	<u>\$ 686,432,146</u>

CITY OF GOODYEAR
 CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS
 SCHEDULE OF CHANGES BY FUNCTION
 For the fiscal year ended June 30, 2015

Function	Governmental Funds Capital Assets July 1, 2014	Additions	Deductions	Governmental Funds Capital Assets June 30, 2015
General Government	\$ 20,583,147	\$ 3,585,540	\$ (9,003,254)	\$ 15,165,433
Public Safety	49,320,526	5,276,716	(5,962,823)	48,634,418
Highways and Streets	537,781,900	12,990,397	(429,122)	550,343,175
Culture and Recreation	32,691,542	1,559,545	(2,334,068)	31,917,019
Public Works	37,373,075	5,505,577	(2,506,551)	40,372,101
 Total governmental funds capital assets	\$677,750,191	\$ 28,917,775	\$ (20,235,817)	\$ 686,432,146

STATISTICAL SECTION

STATISTICAL SECTION

	<u>Contents Page</u>
Financial Trends (Table 1 – 7)	152
<p>These schedules contain trend information to help the reader understand how the City’s financial performance and position has changed over time.</p>	
Revenue Capacity (Table 8 – 14)	168
<p>These schedules contain information to help the reader assess the City’s most significant local revenue sources, property tax, and sales and uses taxes.</p>	
Debt Capacity (Table 15 – 19)	184
<p>These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.</p>	
Demographic and Economic Statistics (Table 20 – 21)	192
<p>These schedules offer economic and demographic indicators to help the reader understand the environment within which the City’s financial activities take place.</p>	
Operating Information (Table 22 – 24)	194
<p>These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.</p>	
<p>Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive annual financial reports for the relevant year.</p>	

City of Goodyear
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	2015	2014**	2013	2012*	2011
Governmental Activities					
Net investment in capital assets	\$ 365,019,949	\$ 345,513,895	\$ 333,034,884	\$ 329,064,345	\$ 327,503,686
Restricted	92,247,738	85,246,465	99,128,020	108,246,415	110,105,296
Unrestricted	<u>5,722,007</u>	<u>9,672,461</u>	<u>35,820,702</u>	<u>20,147,669</u>	<u>18,249,626</u>
Total Governmental Activities Net Position	<u>462,989,694</u>	<u>440,432,822</u>	<u>467,983,606</u>	<u>457,458,429</u>	<u>455,858,608</u>
Business-type Activities					
Net investment in capital assets	176,380,867	177,274,142	178,456,590	178,432,900	179,254,929
Restricted	7,607,902	5,640,492	3,196,131	3,799,026	3,567,237
Unrestricted	<u>14,190,297</u>	<u>9,860,573</u>	<u>16,616,254</u>	<u>11,229,680</u>	<u>9,263,439</u>
Total Business-type Activities Net Position	<u>198,179,066</u>	<u>192,775,207</u>	<u>198,268,975</u>	<u>193,461,606</u>	<u>192,085,605</u>
Primary Government					
Net investment in capital assets	541,400,816	522,788,037	511,491,474	507,497,245	506,758,615
Restricted	99,855,640	90,886,957	102,324,151	112,045,441	113,672,533
Unrestricted	<u>19,912,304</u>	<u>19,533,034</u>	<u>52,436,956</u>	<u>31,377,349</u>	<u>27,513,065</u>
Total Primary Government Net Position	<u>\$ 661,168,760</u>	<u>\$ 633,208,029</u>	<u>\$ 666,252,581</u>	<u>\$ 650,920,035</u>	<u>\$ 647,944,213</u>

Source: Statement of Net Position

City financial records and reports

*Net position adjusted for adoption of GASB Statement No. 65

**Net position adjusted for adoption of GASB Statement No. 68

Table 1

Fiscal Year				
2010	2009	2008	2007	2006
\$ 317,162,459	\$ 309,491,989	\$ 256,047,572	\$ 206,294,183	\$ 144,405,463
115,881,050	117,787,315	70,835,115	60,388,579	67,199,030
<u>19,272,548</u>	<u>20,522,420</u>	<u>36,122,934</u>	<u>57,992,720</u>	<u>49,858,294</u>
<u>452,316,057</u>	<u>447,801,724</u>	<u>363,005,621</u>	<u>324,675,482</u>	<u>261,462,787</u>
191,582,614	199,696,564	159,530,687	101,366,083	61,259,814
-	-	-	-	-
<u>4,365,725</u>	<u>(11,409,545)</u>	<u>(13,193,174)</u>	<u>8,166,207</u>	<u>24,329,033</u>
<u>195,948,339</u>	<u>188,287,019</u>	<u>146,337,513</u>	<u>109,532,290</u>	<u>85,588,847</u>
508,745,073	509,188,553	415,578,259	307,660,266	205,665,277
115,881,050	117,787,315	70,835,115	60,388,579	67,199,030
<u>23,638,273</u>	<u>9,112,875</u>	<u>22,929,760</u>	<u>66,158,927</u>	<u>74,187,327</u>
<u>\$ 648,264,396</u>	<u>\$ 636,088,743</u>	<u>\$ 509,343,134</u>	<u>\$ 434,207,772</u>	<u>\$ 347,051,634</u>

City of Goodyear
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	2015	2014	2013	2012	2011
Expenses					
Governmental Activities:					
General Government	\$ 5,155,702	\$ 7,924,693	\$ 7,402,342	\$ 8,857,442	\$ 8,366,129
Police	17,513,485	17,827,312	15,448,830	14,136,863	14,788,614
Financial Services	3,016,233	2,740,549	2,687,728	2,661,635	2,866,494
Community Services**	-	-	-	-	-
Information Services	4,136,129	3,511,275	3,317,691	3,292,093	2,710,111
Fire	14,321,199	12,882,880	12,538,574	11,286,370	13,243,603
Municipal Services	1,455,235	1,487,996	1,360,884	1,266,469	1,442,029
Human Resources	5,860,757	2,551,655	2,884,001	2,275,991	1,822,793
Development Services	7,005,308	5,836,254	7,194,428	6,225,917	5,150,677
Culture and Recreation	6,422,764	5,827,309	5,539,612	4,962,070	4,439,181
Highways and Streets	17,941,162	19,368,539	14,355,644	13,179,678	14,798,670
Public Works	3,361,822	2,773,348	3,090,345	4,168,252	3,658,756
Interest on Long-term Debt	8,763,353	9,282,269	10,411,562	10,441,684	10,710,302
Total Governmental Activities Expenses	<u>\$ 94,953,148</u>	<u>\$ 92,014,081</u>	<u>\$ 86,231,641</u>	<u>\$ 82,754,464</u>	<u>\$ 83,997,359</u>
Business-type Activities					
Water Utility	\$ 14,565,710	\$ 13,832,573	\$ 11,570,223	\$ 11,907,022	\$ 12,454,200
Wastewater Utility	10,923,812	9,678,822	10,342,364	8,747,778	8,279,732
Sanitation	5,802,163	5,472,534	5,246,666	5,154,201	4,815,314
Stadium*	12,407,494	12,529,987	12,204,354	11,634,491	11,958,862
Total Business-type Activities Expenses	<u>\$ 43,699,179</u>	<u>\$ 41,513,916</u>	<u>\$ 39,363,607</u>	<u>\$ 37,443,492</u>	<u>\$ 37,508,108</u>
Total Primary Government Expenses	<u>\$ 138,652,327</u>	<u>\$ 133,527,997</u>	<u>\$ 125,595,248</u>	<u>\$ 120,197,956</u>	<u>\$ 121,505,467</u>

Note:

* Stadium Fund did not have operating activity until 2008

** Community Services was reorganized into General Government and Development Services for fiscal year 2011

Table 2

Fiscal Year				
2010	2009	2008	2007	2006
\$ 6,469,757	\$ 4,701,916	\$ 9,260,326	\$ 5,020,742	\$ 3,007,708
16,050,100	15,580,923	18,491,397	11,091,150	9,305,303
3,190,931	2,842,884	2,751,164	2,233,303	1,768,327
454,550	1,248,219	1,290,021	1,277,245	1,108,528
2,722,449	2,743,877	2,931,295	1,769,833	1,551,418
11,413,558	12,249,685	8,840,019	10,129,091	5,839,807
1,497,249	1,636,533	1,484,507	1,163,005	853,289
1,929,973	2,222,189	1,998,317	1,976,324	1,361,992
2,555,353	9,583,326	14,731,322	19,683,385	6,668,282
4,023,639	5,435,750	1,909,303	3,181,071	2,016,304
12,179,531	8,436,341	9,104,717	9,581,333	13,536,118
11,070,853	14,370,096	59,138,044	25,397,680	1,791,319
11,210,504	12,001,714	9,710,526	5,785,031	5,573,064
<u>\$ 84,768,447</u>	<u>\$ 93,053,453</u>	<u>\$ 141,640,958</u>	<u>\$ 98,289,192</u>	<u>\$ 54,381,459</u>
\$ 10,475,189	\$ 11,608,878	\$ 11,794,505	\$ 10,866,043	\$ 9,722,925
7,649,704	7,046,385	5,189,053	4,872,792	4,313,533
4,782,565	5,090,150	4,839,626	4,401,267	3,435,486
11,547,500	6,475,960	861,000	-	-
<u>\$ 34,454,958</u>	<u>\$ 30,221,373</u>	<u>\$ 22,684,184</u>	<u>\$ 20,140,102</u>	<u>\$ 17,471,944</u>
<u>\$ 119,223,405</u>	<u>\$ 123,274,826</u>	<u>\$ 164,325,142</u>	<u>\$ 118,429,294</u>	<u>\$ 71,853,403</u>

continued

City of Goodyear
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	2015	2014	2013	2012	2011
Program Revenue					
Governmental Activities:					
Charges for Services:					
General Government	\$ 1,906,661	\$ 1,734,895	\$ 2,075,520	\$ 865,484	\$ 1,128,675
Fire	1,458,534	546,613	817,463	676,932	500,562
Police	165,893	168,001	358,873	130,566	128,109
Municipal Services	860,313	868,828	809,334	825,971	849,060
Public Works	-	-	-	-	-
Culture and recreation	416,607	433,384	304,128	322,215	325,552
Developmental Services	5,353,778	6,899,047	6,206,750	4,163,050	3,879,823
Operating Grants and Contributions	10,777,134	7,565,511	4,654,268	7,636,691	5,818,158
Capital Grants and Contributions	8,252,449	6,171,185	11,358,824	9,701,254	13,951,581
Total Governmental Activities Program Revenues	<u>\$ 29,191,369</u>	<u>\$ 24,387,464</u>	<u>\$ 26,585,160</u>	<u>\$ 24,322,163</u>	<u>\$ 26,581,520</u>
Business-type Activities					
Charges for Services:					
Water Utility	\$ 11,691,267	\$ 12,417,092	\$ 11,746,194	\$ 10,573,584	\$ 9,391,674
Wastewater Utility	12,959,420	12,350,336	10,921,207	9,531,422	8,243,147
Sanitation	6,922,425	6,641,318	6,368,920	6,115,977	5,774,010
Stadium*	2,237,359	2,182,278	1,741,609	1,633,230	1,564,324
Operating Grants and Contributions	-	-	-	-	-
Capital Grants and Contributions	14,454,883	5,962,050	7,987,680	9,252,599	4,570,849
Total Business-type Activities Revenues	<u>48,265,354</u>	<u>39,553,074</u>	<u>38,765,610</u>	<u>37,106,812</u>	<u>29,544,004</u>
Total Primary Government Revenues	<u>\$ 77,456,723</u>	<u>\$ 63,940,538</u>	<u>\$ 65,350,770</u>	<u>\$ 61,428,975</u>	<u>\$ 56,125,524</u>
Net (Expense)/Revenue					
Governmental Activities	\$ (65,761,779)	\$ (67,626,617)	\$ (59,646,481)	\$ (58,432,301)	\$ (57,415,839)
Business-type Activities	4,566,175	(1,960,842)	(597,997)	(336,680)	(7,964,104)
Total Primary Government Net Revenues	<u>\$ (61,195,604)</u>	<u>\$ (69,587,459)</u>	<u>\$ (60,244,478)</u>	<u>\$ (58,768,981)</u>	<u>\$ (65,379,943)</u>

Table 2

Fiscal Year				
2010	2009	2008	2007	2006
\$ 863,192	\$ 301,151	\$ 3,988,792	\$ 396,770	\$ 286,419
336,303	24,054	57,630	54,887	61,456
320,967	240,293	210,707	128,040	67,264
852,500	730,571	686,135	638,390	529,007
-	-	-	3,527,777	-
287,805	357,039	343,274	272,516	126,800
3,615,255	4,776,076	12,183,231	13,241,940	14,584,804
5,648,867	4,843,140	4,587,630	895,854	648,756
<u>16,436,375</u>	<u>102,028,190</u>	<u>85,108,447</u>	<u>62,732,783</u>	<u>26,761,281</u>
<u>\$ 28,361,264</u>	<u>\$ 113,300,514</u>	<u>\$ 107,165,846</u>	<u>\$ 81,888,957</u>	<u>\$ 43,065,787</u>
\$ 9,022,576	\$ 8,880,151	\$ 8,894,793	\$ 7,588,225	\$ 5,952,571
7,235,503	6,389,190	6,244,742	6,137,152	4,846,569
5,790,357	5,625,426	5,145,922	4,392,794	3,185,387
1,530,799	1,014,221	-	-	-
-	25,000	762,200	20,000	240,000
<u>6,211,533</u>	<u>41,595,562</u>	<u>27,405,133</u>	<u>24,414,623</u>	<u>26,016,946</u>
<u>29,790,768</u>	<u>63,529,550</u>	<u>48,452,790</u>	<u>42,552,794</u>	<u>40,241,473</u>
<u>\$ 58,152,032</u>	<u>\$ 176,830,064</u>	<u>\$ 155,618,636</u>	<u>\$ 124,441,751</u>	<u>\$ 83,307,260</u>
\$ (56,407,183)	\$ 20,247,061	\$ (34,475,112)	\$ (16,672,751)	\$ (11,315,672)
(4,664,190)	33,308,177	25,768,606	22,412,692	22,769,529
<u>\$ (61,071,373)</u>	<u>\$ 53,555,238</u>	<u>\$ (8,706,506)</u>	<u>\$ 5,739,941</u>	<u>\$ 11,453,857</u>

continued

City of Goodyear
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	2015	2014	2013	2012	2011
Revenues and Other Changes in Net Position					
Governmental Activities:					
Taxes	\$ 66,223,459	\$ 63,495,983	\$ 58,957,595	\$ 55,301,512	\$ 53,595,119
Intergovernmental	16,361,588	15,285,440	14,194,960	12,704,826	9,699,146
Interest and Investment Income	361,146	414,689	439,982	319,017	227,446
Special Assessments*	4,980,000	2,189,906	-	-	-
Miscellaneous	975,258	1,183,618	1,455,665	493,244	827,619
Transfers	<u>(582,797)</u>	<u>(5,138,252)</u>	<u>(4,876,544)</u>	<u>(3,892,665)</u>	<u>(3,390,940)</u>
Total Governmental Activities	<u>\$ 88,318,654</u>	<u>\$ 77,431,384</u>	<u>\$ 70,171,658</u>	<u>\$ 64,925,934</u>	<u>\$ 60,958,390</u>
Business-type Activities					
Interest and Investment Income	\$ 151,405	\$ 136,531	\$ 95,839	\$ 92,945	\$ 71,819
Proceeds from the sale of water rights	-	-	-	-	-
Mitigation proceeds	-	-	-	-	-
Miscellaneous	103,482	222,911	432,983	117,103	638,611
Transfers	<u>582,797</u>	<u>5,138,252</u>	<u>4,876,544</u>	<u>3,892,665</u>	<u>3,390,940</u>
Total Business-type Activities	<u>\$ 837,684</u>	<u>\$ 5,497,694</u>	<u>\$ 5,405,366</u>	<u>\$ 4,102,713</u>	<u>\$ 4,101,370</u>
Total Primary Government	<u>\$ 89,156,338</u>	<u>\$ 82,929,078</u>	<u>\$ 75,577,024</u>	<u>\$ 69,028,647</u>	<u>\$ 65,059,760</u>
Changes in Net Position					
Governmental Activities	\$ 22,556,875	\$ 9,804,767	\$ 10,525,177	\$ 6,493,633	\$ 3,542,551
Business-type Activities	<u>5,403,859</u>	<u>3,536,852</u>	<u>4,807,369</u>	<u>3,766,033</u>	<u>(3,862,734)</u>
Total Primary Government	<u>\$ 27,960,734</u>	<u>\$ 13,341,619</u>	<u>\$ 15,332,546</u>	<u>\$ 10,259,666</u>	<u>\$ (320,183)</u>

*Prior to fiscal year 2014 Special Assessments were shown in Public Works-Capital Grants and Contributions

Source: Statement of Net Assets
City financial records and reports

Table 2

Fiscal Year				
2010	2009	2008	2007	2006
\$ 55,623,884	\$ 59,003,971	\$ 61,251,635	\$ 59,428,806	\$ 48,726,571
10,907,518	12,236,437	12,654,235	15,053,501	6,997,920
179,114	148,687	4,268,448	4,723,886	4,436,598
-	-	-	-	-
2,026,285	911,254	4,075,011	1,029,445	1,486,027
<u>(7,815,285)</u>	<u>(7,751,307)</u>	<u>(9,444,077)</u>	<u>(56,622)</u>	<u>(117,062)</u>
<u>\$ 60,921,516</u>	<u>\$ 64,549,042</u>	<u>\$ 72,805,252</u>	<u>\$ 80,179,016</u>	<u>\$ 61,530,054</u>
\$ 57,527	\$ 121,900	\$ 1,379,832	\$ 1,447,446	\$ 715,181
4,352,000	-	-	-	-
-	-	-	-	1,950,000
100,698	78,586	212,708	26,683	17,431
<u>7,815,285</u>	<u>7,751,307</u>	<u>9,444,077</u>	<u>56,622</u>	<u>117,062</u>
<u>\$ 12,325,510</u>	<u>\$ 7,951,793</u>	<u>\$ 11,036,617</u>	<u>\$ 1,530,751</u>	<u>\$ 2,799,674</u>
<u>\$ 73,247,026</u>	<u>\$ 72,500,835</u>	<u>\$ 83,841,869</u>	<u>\$ 81,709,767</u>	<u>\$ 64,329,728</u>
\$ 4,514,333	\$ 84,796,103	\$ 38,330,140	\$ 63,505,623	\$ 50,214,382
7,661,320	41,259,970	36,375,158	23,943,443	25,569,203
<u>\$ 12,175,653</u>	<u>\$ 126,056,073</u>	<u>\$ 74,705,298</u>	<u>\$ 87,449,066</u>	<u>\$ 75,783,585</u>

concluded



City of Goodyear
 Governmental Activities Tax Revenues By Source
 Last Ten Fiscal Years
 (accrual basis of accounting)
 (Unaudited)

Fiscal Year	Property Taxes	Sales & Use Taxes	Franchise Taxes	State Shared Revenues - not Restricted for Specific Programs		Highway User Revenue
				State Shared Sales	State Revenue Sharing	
2015	\$ 18,171,606	\$ 45,333,649	\$ 2,718,204	\$ 8,459,645	\$ 7,901,942	\$ 4,041,402
2014	17,109,458	43,775,464	2,611,061	8,009,713	7,275,727	3,681,156
2013	16,218,397	40,222,752	2,529,456	7,527,259	6,667,701	3,575,158
2012	16,572,825	36,364,557	2,460,521	7,195,568	5,509,258	3,269,285
2011	18,862,731	32,729,749	2,316,821	5,201,106	4,498,039	2,752,001
2010	21,908,223	31,448,398	2,233,908	4,940,934	5,966,584	2,626,096
2009	22,332,774	34,205,906	2,195,748	5,355,676	6,855,644	2,771,889
2008	18,004,766	41,036,060	2,071,378	6,101,593	6,503,557	3,173,351
2007	12,289,010	45,240,435	1,817,387	6,307,272	5,246,824	3,296,069
2006	9,769,889	37,420,012	1,479,868	3,225,710	1,979,970	1,614,364

Source: City financial records and reports

City of Goodyear
Excise Tax Collections
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	2015	2014	2013	2012	2011
City Privilege (Sales) Tax	\$ 45,333,649	\$ 43,775,464	\$ 40,222,752	\$ 36,364,557	\$ 32,729,749
State-Shared Sales Tax	5,965,400	5,681,717	5,342,879	5,100,608	3,661,678
State-Shared Income Tax	7,901,942	7,275,727	6,667,701	5,509,258	4,498,039
State-Share Vehicle License Tax	2,494,245	2,327,996	2,184,380	2,094,960	1,539,429
Fines and Forfeitures	860,313	884,735	809,334	825,971	849,060
Franchise Taxes	2,718,204	2,611,016	2,529,456	2,460,521	2,316,820
Total	<u>\$ 65,273,754</u>	<u>\$ 62,556,655</u>	<u>\$ 57,756,502</u>	<u>\$ 52,355,875</u>	<u>\$ 45,594,775</u>

Source: City Financial Records and Reports

Table 4

Fiscal Year				
2010	2009	2008	2007	2006
\$ 31,448,398	\$ 34,205,906	\$ 41,036,060	\$ 45,240,435	\$ 37,420,012
3,391,361	3,676,853	4,247,158	4,392,400	2,213,645
5,966,584	6,855,644	6,503,557	5,246,824	1,979,970
1,549,573	1,678,823	1,854,435	1,914,872	1,012,065
846,143	686,557	678,594	584,316	482,604
2,233,909	2,195,748	2,071,378	1,817,387	1,479,868
<u>\$ 45,435,968</u>	<u>\$ 49,299,531</u>	<u>\$ 56,391,182</u>	<u>\$ 59,196,234</u>	<u>\$ 44,588,164</u>

City of Goodyear
Sales & Use Taxes
by Industry Classification
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year				
	2015	2014	2013	2012	2011
Mining & Government	\$ 7,159	\$ 4,024	\$ 970	\$ 9,534	\$ 5,234
Construction	5,559,142	7,988,471	7,027,296	4,755,592	3,251,977
Manufacturing	1,318,999	931,362	759,858	701,876	642,255
Utilities	4,051,837	3,819,536	3,656,309	3,469,559	3,275,325
Wholesale Trade	1,130,527	1,072,608	977,475	924,842	598,098
Retail Trade	16,348,224	15,787,043	14,265,735	13,576,350	12,950,291
Restaurant & Bar	6,343,415	5,450,424	5,079,528	4,763,951	4,415,910
Real Estate	5,480,481	4,467,373	4,405,695	3,480,031	3,510,263
Hotels	1,067,357	849,052	885,571	873,241	764,996
Services	2,424,312	1,764,488	1,700,258	1,640,296	1,771,527
Miscellaneous	<u>1,032,464</u>	<u>968,896</u>	<u>873,005</u>	<u>1,414,929</u>	<u>1,055,398</u>
Total*	<u>\$ 44,763,917</u>	<u>\$ 43,103,277</u>	<u>\$ 39,631,700</u>	<u>\$ 35,610,202</u>	<u>\$ 32,241,274</u>

* Total may differ from Governmental Activities Tax Revenues By Source because of difference in reporting periods.

Source: Arizona Department of Revenue
North American Industry Code System (NAICS) Summary

Table 5

Fiscal Year				
2010	2009	2008	2007	2006
\$ 15,141	\$ 11,412	\$ 6,391	\$ 1,055	\$ 371
5,365,079	12,779,596	17,256,194	19,305,179	15,029,430
535,972	508,454	451,147	405,882	600,356
3,085,682	2,448,686	2,397,905	2,115,344	1,640,534
540,630	538,279	775,843	815,930	746,566
11,569,427	9,568,935	9,526,853	9,789,605	8,727,607
4,161,539	3,687,991	3,740,867	3,996,446	3,441,051
2,692,806	2,227,491	2,698,200	2,603,404	1,506,238
820,902	854,203	1,006,334	944,488	889,513
1,388,178	1,176,780	1,451,721	3,725,380	643,325
<u>640,388</u>	<u>622,042</u>	<u>1,035,306</u>	<u>2,286,662</u>	<u>641,428</u>
<u>\$ 30,815,744</u>	<u>\$ 34,423,869</u>	<u>\$ 40,346,762</u>	<u>\$ 45,989,375</u>	<u>\$ 33,866,419</u>

City of Goodyear
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	2015	2014	2013	2012	2011 *
General Fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable:					
Advances to other funds	961,840	961,840	961,840	961,840	961,840
Inventories	21,656	25,261	8,916	16,258	3,627
Prepaid items	573,473	504,865	486,842	500,911	422,681
Restricted by:					
Charter mandates	3,841,444	3,676,547	3,528,982	3,377,572	3,209,321
Court	240,631	221,290	234,813	261,229	198,457
Law enforcement	309,112	274,392	208,085	125,812	129,231
Transit	745,210	644,135	543,022	-	-
Assigned to:					
IT replacement	108,301	1,484,148	170,684	437,873	407,961
Fleet replacement	2,508,319	1,502,483	3,032,429	1,730,168	383,225
Risk management insurance	1,088,234	792,947	357,741	811,244	558,310
Unassigned	<u>49,783,760</u>	<u>43,707,677</u>	<u>33,325,255</u>	<u>23,074,844</u>	<u>21,481,088</u>
Total General Fund	<u>\$ 60,181,980</u>	<u>\$ 53,795,585</u>	<u>\$ 42,858,609</u>	<u>\$ 31,297,751</u>	<u>\$ 27,755,741</u>
All Other Governmental Funds					
Reserved, Reported in:					
Debt Service Funds	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Projects Funds	-	-	-	-	-
Community Facilities District	-	-	-	-	-
Unreserved, Reported in:					
Special Revenue Funds	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-
Nonspendable:					
Inventories	487,413	650,344	595,675	412,916	289,782
Prepaid items	-	-	36,182	45,225	46,238
Restricted by:					
Debt service	13,810,210	14,848,703	15,482,259	15,663,838	15,113,512
Development impact fees	9,833,566	7,892,792	16,241,644	21,720,718	21,992,019
Highway user funds	174,025	47,570	493,395	400,610	285,914
Capital Projects	4,414,851	274,106	1,695,700	-	-
Community Facilities Districts operations	1,109,573	803,837	711,980	538,410	536,230
Unassigned	<u>(66,487)</u>	<u>(73,354)</u>	<u>(26,073)</u>	<u>(9,854)</u>	<u>(2,336,765)</u>
Total All Other Governmental Funds	<u>\$ 29,763,151</u>	<u>\$ 24,443,998</u>	<u>\$ 35,230,762</u>	<u>\$ 38,771,863</u>	<u>\$ 35,926,930</u>

Source: Balance Sheet Governmental Funds
City financial records and reports

*Starting with fiscal year 2011, fund balances were stated in classification required by GASB Statement No. 54

Table 6

Fiscal Year				
2010	2009	2008	2007	2006
\$ 17,812,619	\$ -	\$ -	\$ -	\$ -
10,742,777	29,117,875	42,219,809	61,037,128	53,853,901
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 28,555,396</u>	<u>\$ 29,117,875</u>	<u>\$ 42,219,809</u>	<u>\$ 61,037,128</u>	<u>\$ 53,853,901</u>
\$ 14,891,228	\$ 13,597,749	\$ 15,356,746	\$ 8,726,046	\$ 7,833,170
1,393,549	4,110,554	10,942,787	7,810,178	21,303,978
47,213	-	-	-	-
20,452,179	23,153,403	25,851,665	20,649,813	19,835,781
-	1,435,331	27,462,037	10,220,953	3,354,296
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 36,784,169</u>	<u>\$ 42,297,037</u>	<u>\$ 79,613,235</u>	<u>\$ 47,406,990</u>	<u>\$ 52,327,225</u>

City of Goodyear
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	2015	2014	2013	2012	2011
Revenues					
Taxes	\$ 66,203,440	\$ 63,577,425	\$ 58,970,605	\$ 55,397,903	\$ 53,909,300
Licenses and permits	6,558,607	7,460,830	6,793,070	4,729,946	4,541,951
Intergovernmental	21,749,386	19,325,653	18,723,318	19,319,623	15,825,858
Charges for services	4,576,618	4,658,927	6,322,025	3,876,918	3,978,325
Fines and forfeits	860,313	884,735	809,334	825,971	849,060
Investment income	361,146	414,689	439,982	319,017	225,588
Special assessments	5,762,295	5,839,886	5,845,306	5,844,915	4,859,749
Contributions	2,976,642	2,408,357	4,024,175	3,099,952	2,707,926
Miscellaneous	243,473	1,327,008	567,839	361,202	157,090
Total Revenues	<u>109,291,920</u>	<u>105,897,510</u>	<u>102,495,654</u>	<u>93,775,447</u>	<u>87,054,847</u>
Expenditures					
General Government	7,997,049	7,030,866	8,060,892	8,248,394	8,194,510
Police	16,099,443	15,733,974	14,516,164	13,764,506	13,506,835
Financial Services	2,301,997	2,740,549	2,202,587	2,661,635	2,160,642
Community Services	-	-	-	-	-
Information Technology	3,410,264	3,511,275	2,868,061	2,501,280	2,346,507
Fire	13,406,303	12,576,848	12,248,125	11,098,327	10,538,180
Municipal Services	1,418,766	1,060,930	1,360,884	1,266,469	1,389,266
Human Resources	2,953,546	2,551,655	2,884,003	2,275,991	1,822,793
Development Services	6,933,854	5,823,318	5,232,999	4,557,391	4,376,985
Culture and Recreation	5,265,454	4,975,947	4,884,349	4,115,701	3,936,203
Highways and Streets	5,494,087	5,585,966	4,674,325	3,340,208	3,808,328
Public Works	2,268,109	2,045,578	2,093,312	2,967,386	3,047,742
Debt Service:					
Principal retirement	9,291,703	9,441,923	10,226,228	12,433,024	11,254,524
Interest and debt cost	9,323,202	9,765,514	10,987,906	10,687,152	10,645,162
Capital outlay	11,326,103	18,496,444	18,252,039	6,437,600	9,234,659
Total Expenditures	<u>97,489,880</u>	<u>101,340,788</u>	<u>100,491,874</u>	<u>86,355,064</u>	<u>86,262,336</u>
Excess of Revenues over (under)					
Expenditures	<u>11,802,040</u>	<u>4,556,722</u>	<u>2,003,780</u>	<u>7,420,383</u>	<u>792,511</u>

Table 7

Fiscal Year				
2010	2009	2008	2007	2006
\$ 55,590,530	\$ 58,734,426	\$ 61,112,204	\$ 59,346,833	\$ 48,669,770
629,979	3,091,729	7,160,922	8,905,743	10,593,032
16,464,531	16,827,730	17,361,565	16,456,618	7,691,531
7,402,083	6,387,350	19,117,473	14,921,767	12,590,311
846,143	686,557	678,594	584,316	482,604
178,715	148,220	4,268,447	4,723,886	4,436,598
6,522,924	3,065,304	2,228,149	2,228,646	2,197,445
3,042,851	3,403,370	8,260,888	14,245,039	1,717,842
1,942,018	593,684	4,075,010	1,046,124	1,433,513
<u>92,619,774</u>	<u>92,938,370</u>	<u>124,263,252</u>	<u>122,458,972</u>	<u>89,812,646</u>
6,943,802	3,945,126	5,486,915	8,637,828	3,871,939
13,752,875	14,082,452	13,295,314	10,262,437	8,674,983
2,605,931	4,803,801	4,850,217	2,209,677	1,550,946
-	1,248,219	1,329,505	1,255,467	1,190,116
2,339,204	2,221,606	2,834,417	1,622,556	1,593,403
10,615,080	11,961,508	11,277,737	8,842,402	7,332,103
1,497,249	1,567,179	1,547,460	1,102,875	848,612
1,929,973	2,215,237	1,995,841	1,973,845	1,360,762
4,654,052	9,723,957	9,262,010	6,028,162	6,599,788
3,882,621	4,393,748	4,667,176	3,431,934	2,381,569
4,098,986	5,686,483	3,994,494	4,756,383	3,647,507
3,075,759	3,901,157	4,261,005	4,294,102	2,154,782
10,942,758	7,392,618	5,141,143	4,836,000	3,777,600
11,158,130	11,930,502	10,466,384	5,740,194	5,313,243
<u>13,494,149</u>	<u>47,556,824</u>	<u>135,249,363</u>	<u>71,999,738</u>	<u>14,819,302</u>
<u>90,990,569</u>	<u>132,630,417</u>	<u>215,658,981</u>	<u>136,993,600</u>	<u>65,116,655</u>
<u>1,629,205</u>	<u>(39,692,047)</u>	<u>(91,395,729)</u>	<u>(14,534,628)</u>	<u>24,695,991</u>

continued

City of Goodyear
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	2015	2014	2013	2012	2011
Other Financing Sources and (Uses)					
Transfer in	\$ 4,588,019	\$ 5,356,364	\$ 4,726,150	\$ 5,504,462	\$ 8,388,300
Transfer out	(9,923,248)	(10,494,616)	(9,602,694)	(9,397,127)	(10,837,705)
Debt issuance	4,980,000	-	10,500,000	1,780,000	-
Debt premium	(39,461)	-	-	129,958	-
Refunding bonds	7,015,000	14,755,000	10,685,000	11,530,000	-
Refunding bonds premium	452,099	1,114,908	672,545	949,267	-
Payment to refunded bond escrow agent	(7,168,901)	(15,138,166)	(10,965,024)	(11,530,000)	-
 Total Other Financing Sources and (Uses)	 (96,492)	 (4,406,510)	 6,015,977	 (1,033,440)	 (2,449,405)
 Net Change in Fund Balances	 <u>\$ 11,705,548</u>	 <u>\$ 150,212</u>	 <u>\$ 8,019,757</u>	 <u>\$ 6,386,943</u>	 <u>\$ (1,656,894)</u>
 Debt Service as a Percentage of Noncapital Expenditures	 20.6%	 22.3%	 25.8%	 28.9%	 27.3%

Source: City financial records and reports

Table 7

Fiscal Year				
2010	2009	2008	2007	2006
\$ 6,376,290	\$ 4,123,384	\$ 11,561,671	\$ 17,288,179	\$ 18,210,420
(14,191,575)	(11,874,691)	(21,005,748)	(17,387,710)	(47,966,568)
105,000	604,500	112,248,000	16,969,302	5,005,000
5,733	5,722	2,300,192	(72,151)	-
-	-	6,415,000	-	-
-	-	-	-	-
-	(3,585,000)	(6,734,459)	-	-
<u>(7,704,552)</u>	<u>(10,726,085)</u>	<u>104,784,656</u>	<u>16,797,620</u>	<u>(24,751,148)</u>
<u>\$ (6,075,347)</u>	<u>\$ (50,418,132)</u>	<u>\$ 13,388,927</u>	<u>\$ 2,262,992</u>	<u>\$ (55,157)</u>
27.0%	21.5%	11.0%	12.4%	17.9%

concluded

City of Goodyear
Property Tax Rates
Direct and Overlapping Governments¹
Last Ten Fiscal Years
(Unaudited)

City Direct Rate				Overlapping Rates				
				County-Wide Jurisdictions				
Fiscal Year	Operating Rate	Debt Service Rate	Total City Rate	County Operating Rate	County Library District Rate	County Fire District Assistance Rate	County Flood District Rate	County Education Equalization Rate
2015	1.1836	0.6864	1.8700	1.3209	0.0556	0.0113	0.1392	0.5089
2014	1.1994	0.7006	1.9000	1.2807	0.0438	0.0121	0.1392	0.5123
2013	1.1115	0.6635	1.7750	1.2407	0.0492	0.0110	0.1780	0.4717
2012	0.9446	0.6554	1.6000	1.2407	0.0492	0.0084	0.1780	0.4259
2011	0.7603	0.6630	1.4233	1.0508	0.0412	0.0066	0.1489	0.3564
2010	0.6320	0.9679	1.5999	0.9909	0.0353	0.0057	0.1367	0.3306
2009	0.6678	0.9322	1.6000	1.0327	0.0353	0.0053	0.1367	-
2008	0.7321	0.8679	1.6000	1.1046	0.0391	0.0053	0.1533	-
2007	0.7945	0.7991	1.5936	1.1794	0.0507	0.0068	0.2047	-
2006	0.8222	0.7778	1.6000	1.1971	0.0521	0.0069	0.2119	0.4358

¹ Source: Maricopa County Assessor's Office

continued

Table 8

Overlapping Rates									
County-Wide Jurisdictions					School Districts				
Fiscal Year	Community College Rate	Arizona Project Rate	Special Health Care District Rate	Total County Rate	Agua Fria/Avondale Rate	Litchfield Rate	Buckeye/Liberty Rate	Tolleson/Littleton Rate	Mobile Rate
2015	1.5187	0.1400	-	3.6946	10.0022	3.7780	8.0102	10.4333	7.8876
2014	1.5340	0.1400	-	3.6621	8.2090	3.9772	7.1092	11.4641	7.7572
2013	1.3778	0.1000	-	3.4284	7.4945	3.8863	6.9607	9.2259	6.9350
2012	1.2082	0.1000	0.1494	3.3598	7.4753	3.2590	6.2698	7.8626	4.9490
2011	0.9728	0.1000	0.1122	2.7889	5.3923	5.3658	6.1069	6.1935	5.4994
2010	0.8844	0.1000	0.0914	2.5750	6.0066	5.3164	5.2568	5.8681	6.2147
2009	0.9386	0.1000	0.0856	2.3342	5.7554	4.9382	5.5581	6.3843	8.3984
2008	0.9760	0.1000	0.0935	2.4718	6.4298	5.3545	6.7267	6.8078	N/A
2007	1.0646	0.1200	0.1184	2.7446	7.8564	6.8558	7.3005	7.3586	N/A
2006	1.0315	0.1200	0.1206	3.1759	7.8631	6.9430	7.4944	8.3794	N/A

continued

City of Goodyear
Property Tax Rates
Direct and Overlapping Governments¹
Last Ten Fiscal Years
(Unaudited)

Overlapping Rates

Other Special Taxing Districts

Fiscal Year	West						Estrella
	Maricopa Education Center District Rate	Central Arizona GRD Rate	Roosevelt Irrigation District Rate	Centerra Community Facilities District Rate	Cortina Community Facilities District Rate	Cottonflower Community Facilities District Rate	Mtn. Ranch Community Facilities District Rate
2015	0.0810	1.0000	27.1000	3.0361	2.6034	3.2768	1.3000
2014	0.0592	1.0000	17.1000	3.3559	2.8500	3.9890	1.3000
2013	0.0500	1.0000	17.1000	3.2961	2.8500	3.8528	1.3000
2012	0.0500	1.0000	17.1000	2.1961	2.7298	3.4033	1.3000
2011	0.5000	1.0000	17.1000	2.3797	2.2087	2.9776	1.3000
2010	0.0500	1.0000	17.1000	2.6829	1.2146	2.1198	1.3000
2009	0.0500	1.0000	17.1000	2.6965	0.1520	1.2843	1.3000
2008	0.0500	1.0000	15.0000	3.0000	2.8500	1.7639	1.3000
2007	0.0500	1.0000	15.0000	3.0000	2.8500	3.0000	1.3000
2006	0.0500	1.0000	15.0000	3.0000	2.8500	3.0000	1.3000

continued

Table 8

Overlapping Rates						
Other Special Taxing Districts						
Fiscal Year	Goodyear Community Facilities General District #1 Rate	Goodyear Community Facilities Utilities District #1 Rate	Palm Valley Community Facilities District #3 Rate	King Ranch Community Facilities District Rate	Wildflower Community Facilities General District #1 Rate	Wildflower Community Facilities General District #2 Rate
2015	0.7334	1.0162	1.2592	0.3000	2.7761	3.0227
2014	1.0000	1.0000	1.7844	0.3000	3.4365	3.8922
2013	1.0000	1.0000	1.8035	0.3000	3.3150	3.3467
2012	0.8034	1.0000	1.2684	0.3000	2.8718	2.9933
2011	0.7570	1.0000	1.2952	0.3000	2.2891	2.5496
2010	0.6629	1.0000	0.2165	0.3000	1.5905	1.6561
2009	0.5313	1.0000	1.7949	0.3000	1.1703	1.3143
2008	0.8040	1.0000	1.6295	0.3000	1.3123	1.4154
2007	1.0000	1.0000	2.0000	0.3000	2.1340	2.3935
2006	1.0000	1.0000	0.3000	-	2.1893	2.3547

concluded



City of Goodyear
Principal Property Tax Payers
Current Fiscal Year and Nine Years Prior
(Unaudited)

Taxpayer	Fiscal Year					
	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Arizona Public Service Company	\$ 21,114,158	1	3.20%	\$ 9,142,805	3	2.34%
VHS of South Phoenix, Inc.	12,121,447	2	1.84%	7,647,436	4	1.95%
First American Title Insurance Company	7,771,023	3	1.18%	3,616,550	7	0.92%
Macy's Retail Holdings, Inc.	7,770,796	4	1.18%	-		
Cardinal Capital Co	7,465,061	5	1.13%	-		
The Market at Estrella Falls, LLC	4,848,713	6	0.74%	-		
Southwest Gas Corporation	4,805,489	7	0.73%	-		
Broadway Goodyear, LLC	4,782,845	8	0.73%	-		
DH Goodyear LLC	4,681,851	9	0.71%	-		
TPP 211 Canyon Trails LLC	4,173,031	10	0.63%	-		
Sun Chase Estrella LP	-			17,519,218	1	4.48%
BT Goodyear LLC	-			9,583,848	2	2.45%
Suncor Development Company	-			5,260,780	5	1.34%
PVPW Corporation	-			3,944,260	6	1.01%
Qwest Communications	-			3,191,327	8	0.82%
Snyders of Hanover	-			3,077,579	9	0.79%
McLane Company	-			2,829,601	10	0.72%
Total	<u>\$ 79,534,414</u>		<u>12.06%</u>	<u>\$ 65,813,404</u>		<u>16.82%</u>

Source: Maricopa County Treasurer

City of Goodyear
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended June 30		Total Assessed Value		Agricultural/ Vacant Land	Other	Less: Tax-Exempt Property	Net Assessed Value
		Residential Property	Commercial Property				
2015	Primary	\$ 393,827,703	\$ 192,119,198	\$158,537,781	\$1,158,177	\$ 115,918,333	\$ 629,724,526
	Secondary	416,834,896	196,638,563	169,043,455	1,167,249	122,400,093	661,284,070
2014	Primary	340,280,668	205,111,305	161,905,429	273,421	122,898,455	584,672,368
	Secondary	342,294,870	211,390,271	165,979,539	275,521	129,681,549	590,258,652
2013	Primary	338,747,451	220,657,668	163,082,414	240,243	120,560,037	602,167,739
	Secondary	339,165,652	228,812,312	167,084,029	244,254	129,664,064	605,642,183
2012	Primary	357,230,458	238,218,141	194,223,071	226,506	122,548,914	667,349,262
	Secondary	357,367,570	252,752,614	206,673,571	214,401	144,006,328	673,001,828
2011	Primary	404,164,550	265,580,527	246,048,945	70,064	126,711,288	789,152,798
	Secondary	405,850,285	297,842,341	308,078,489	33,349	163,045,578	848,758,886
2010	Primary	482,286,104	233,187,882	248,660,120	63,427	113,281,184	850,916,349
	Secondary	497,383,109	284,491,038	374,640,069	28,842	173,686,635	982,856,423
2009	Primary	434,868,600	179,455,120	191,759,294	62,183	71,196,812	734,948,385
	Secondary	586,181,619	211,360,209	323,172,973	30,053	120,023,805	1,000,721,049
2008	Primary						569,933,790
	Secondary	464,968,904	159,482,762	221,884,779	30,978	82,130,285	764,237,138
2007	Primary						448,211,802
	Secondary	259,063,526	131,663,157	164,267,777	47,639	60,129,086	494,913,013
2006	Primary						361,667,417
	Secondary	219,161,231	109,929,249	97,388,312	226,783	35,549,177	391,156,398

Note: Detail data prior to 2009 for "primary" is not available.

Source: Maricopa County Assessor's Office

Under Arizona law, there are two property valuations bases: PRIMARY and SECONDARY. The primary (limited) assessed valuation is used when levying for maintenance and operations. The secondary (full cash) assessed valuation is used when levying for debt retirement.

Table 10

Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as Percentage of Actual Value
\$ 1.1836	\$ 6,012,798,998	10.5%
\$ 0.6864	6,332,435,414	10.4%
1.1994	5,485,036,603	10.7%
0.7006	5,562,951,789	10.6%
1.1115	\$ 5,513,086,956	10.9%
0.6635	5,583,052,641	10.8%
0.9446	5,978,258,706	11.2%
0.6554	6,130,095,795	11.0%
0.7603	6,843,890,271	11.5%
0.6630	7,401,814,203	11.5%
0.6320	7,439,067,045	11.4%
0.9679	8,607,745,155	11.4%
0.6678	6,329,622,800	11.6%
0.9322	8,799,999,309	11.4%
0.7321		
0.8679	6,700,379,823	11.4%
0.7945		
0.7991	4,159,221,424	11.9%
0.8222		
0.7778	3,254,133,854	12.0%

City of Goodyear
Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year (a)	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	\$ 11,992,446	\$ 11,808,563	98.47%	\$ -	\$ 11,808,563	98.47%
2014	11,185,149	10,949,615	97.89%	69,418	11,019,033	98.51%
2013	10,714,099	10,523,654	98.22%	50,831	10,574,485	98.70%
2012	10,743,752	10,454,308	97.31%	101,115	10,555,423	98.25%
2011	11,650,452	11,291,963	96.92%	24,310	11,316,273	97.13%
2010	14,959,898	14,328,617	95.78%	317,632	14,646,249	97.90%
2009	14,460,290	13,724,436	94.91%	345,993	14,070,429	97.30%
2008	10,843,797	10,450,881	96.38%	212,377	10,663,258	98.34%
2007	7,424,246	7,188,488	96.82%	157,676	7,346,164	98.95%
2006	6,070,318	5,874,193	96.77%	99,539	5,973,732	98.41%

(a) Tax levy is reported by the Treasurer as of August of each fiscal year. Amount does not include adjustments made to levy amounts after the August report.

Source: Maricopa County Treasurer's Office

City of Goodyear
Utility Statistical Data
Ten Largest Water Users
Current Fiscal Year and Seven Fiscal Years Ago
(Unaudited)

Entity	Type of User	Rank	Fiscal Year	
			2015	2008
			Fees & Charges	Fees & Charges
Canyon Trails 4 - South	Homeowner's Association	1	\$ 281,998	2 \$ 166,139
Canyon Trails HOA	Homeowner's Association	2	238,517	-
Canyon Trails HOA Unit 4	Homeowner's Association	3	210,435	5 145,474
Sarival Paseo Joint Community	Homeowner's Association	4	189,034	3 154,195
Canyon Trails HOA Unit 3	Homeowner's Association	5	184,634	8 93,896
Las Brisas Community Assoc	Homeowner's Association	6	178,383	-
Agua Fria Union High School Dist.	School	7	167,713	1 173,266
Cancer Treatment Center	Hospital	8	160,816	-
Avondale Elementary School Dist.	School	9	157,459	6 105,348
Cottonflower Goodyear Community	Homeowner's Association	10	125,343	-
Evergreen Lawn Sprinklers	Homeowner's Association		-	4 148,800
Centerra, LLC	Homeowner's Association		-	7 102,443
Park Shadows	Apartments		-	9 76,401
Estrella Vista HOA	Homeowner's Association		-	10 64,527
Total			<u>\$ 1,894,333</u>	<u>\$ 1,230,489</u>
Total as a percent of total Water System Operating Revenue			<u>16.14%</u>	<u>13.94%</u>

Note: Water information not available prior to FY 2008

Source: City customer service and billing records



City of Goodyear
Utility Statistical Data
Ten Largest Wastewater Users
Current Fiscal Year and Seven Fiscal Years ago
(Unaudited)

Entity	Type of User	Rank	Fiscal Year			
			2015		2008	
			Fees & Charges	Rank	Fees & Charges	Rank
Arizona State Prison/Perryville	Prison	1	\$ 554,273	1	\$ 317,331	
Cancer Treatment Center	Hospital	2	121,682		-	
Park Shadows	Apartments	3	90,148	2	50,512	
Poore Brothers, Inc.	Food Manufacturer, Snacks	4	79,858	6	22,656	
Schoeller Arca Systems Inc	Manufacturer	5	76,641		-	
Fairfield Goodyear LLC	Apartments	6	75,124			
Fairfield Centerra LLC	Real Estate	7	69,377			
HSL Encantada Goodyear LLC	Apartments	8	49,812			
Avondale Elementary	Education	9	49,215	7	21,794	
Airport Training Center	Airport	10	47,700	5	22,656	
Agua Fria Union High School District	Education		-	3	32,000	
Wal-Mart Stores	Retail			4	24,273	
McLane Sunwest	Grocery Distributor			8	19,253	
La Jolla Court, Inc.	Apartments			9	18,044	
Estrella Joint Committee	HOA			10	17,581	
Total			<u>\$ 1,213,829</u>		<u>\$ 546,100</u>	
Total as a percent of total Wastewater System Operating Revenue			<u>9.30%</u>		<u>8.74%</u>	

Note: Wastewater information not available prior to FY 2008

Source: City customer service and billing records

City of Goodyear
 Schedule of Existing and Adopted
 Monthly Water & Sewer Service Charges (2011 - 2015)
 (Unaudited)

<u>Description of Water System Services</u>	<u>Existing Fees</u>	<u>Adopted 2011</u>	<u>Adopted 2012</u>	<u>Adopted 2013</u>	<u>Adopted 2015</u>	<u>(1)</u>
Base Charge						
(Meter Size)						
3/4 Inch	\$ 11.24	\$ 9.94	\$ 10.05	\$ 10.23	\$ 11.24	
1 Inch	15.54	11.81	12.74	14.14	15.54	
1 1/2 Inch	25.12	16.36	19.74	22.86	25.12	
2 Inches	40.67	26.22	32.02	37.01	40.67	
3 Inches	77.67	48.43	61.64	70.67	77.67	
4 Inches	126.65	83.36	99.58	115.24	126.65	
6 Inches	240.36	159.83	189.08	218.71	240.36	
Monthly Volume Charge - Residential						
0 - 6,000 gallons (per thousand)	\$ 1.30 (2)	\$ 1.32	\$ 1.46	\$ 1.18	\$ 1.30	
6,001 - 12,000 (per thousand)	2.59 (3)	2.64	2.92	2.36	2.59	
12,001 - 30,000 (per thousand)	3.89 (4)	3.96	4.38	3.54	3.89	
30,001+ gallons (per thousand)	6.25 (5)	5.15	5.69	5.69	6.25	
Monthly Volume Charge - Commercial						
0 - 40,000 gallons (per thousand)	\$ 3.30	\$ 2.30	\$ 2.60	\$ 3.00	\$ 3.30	
40,001 - 100,000 gallons (per thousand)	5.28	3.68	4.16	4.80	5.28	
100,001+ gallons (per thousand)	6.86	4.78	5.41	6.24	6.86	

Note: Rates shown are for customers within city limits. The rates for customers outside of the city limits are 25% greater than the customers within city limits. Rate increases are adopted at the direction of City Council.

- (1) Rates were updated during January 2015
- (2) Monthly volume change for fees is 0 - 6,000 gallons (per thousand).
- (3) Monthly volume change for fees is 6,001 - 12,000 gallons (per thousand).
- (4) Monthly volume change for fees is 12,001 - 30,000 gallons (per thousand).
- (5) Monthly volume change for fees is 30,001 - and over gallons (per thousand).

Schedule of Water System Rate Increases (2011-2015)

Date	<u>Rate Increase</u>
Fiscal Year 2011	7.50%
Fiscal Year 2012	9.40%
Fiscal Year 2013	0.00%
Fiscal Year 2014	N/A
Fiscal Year 2015	10.00%

Source: City Financial Records, Reports and Water & Sewer Rate Study.
 The table above reflects only certain fees and charges of the City's water system and is not a comprehensive statement of all such fees.

<u>Description of Sewer System Services</u>	<u>Existing Fees</u>	<u>Adopted 2011</u>	<u>Adopted 2012</u>	<u>Adopted 2013</u>
Residential Sewer Service				
Base Charge	(See below)			
Volume Charge (per 1,000 gallons)	\$ 5.78	\$ 4.45	\$ 4.90	\$ 5.78
General Commercial Sewer Service				
Base Charge	(See below)			
Volume Charge (per 1,000 gallons)	\$ 5.78	\$ 4.45	\$ 4.90	\$ 5.78
Base Charge				
(Meter Size)				
3/4 Inch	\$ 21.12	\$ 17.52	\$ 18.96	\$ 21.12
1 Inch	32.41	23.70	28.02	32.41
1 1/2 Inch	39.94	29.75	34.61	39.94
2 Inches	77.58	54.57	67.16	77.58
3 Inches	115.22	84.74	99.68	115.22
4 Inches	152.86	130.37	139.10	152.86
6 Inches	378.70	285.03	328.83	378.70

Schedule of Wastewater System Rate Increases (2011-2015)

<u>Date</u>	<u>Rate Increase</u>
Fiscal Year 2011	9.30%
Fiscal Year 2012	9.50%
Fiscal Year 2013	15.20%
Fiscal Year 2014	N/A
Fiscal Year 2015	N/A

City of Goodyear
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended June 30	Governmental Activities					
	General Obligation Bonds	Contract Payable	Public			
			Greater Arizona Development Authority Loan	Improvement Corporation Municipal Facilities Revenue Bond	McDowell Road Corridor Improvement District	Community Facilities District Bonds
2015	\$ 21,638,323	\$ -	\$ -	\$ 10,037,745	\$ 40,881,328	\$ 108,520,857
2014	24,616,149	-	-	11,047,495	42,383,378	107,194,657
2013	26,555,569	-	-	12,431,467	42,390,000	109,823,000
2012	29,000,636	1,755,628	-	2,940,000	43,675,000	113,555,000
2011	31,358,457	3,755,628	-	4,510,000	44,900,000	117,182,000
2010	33,601,981	5,755,628	-	5,230,000	46,060,000	122,313,000
2009	35,842,739	11,755,628	-	5,910,000	47,165,000	127,125,000
2008	41,719,857	-	-	6,415,000	47,165,000	131,116,000
2007	36,050,000	-	3,185,000	3,320,000	-	76,844,000
2006	27,280,000	-	3,645,000	3,485,000	-	73,000,000

Source: US Census Bureau, Applied Geographic Solutions/TIGER Geography, and City Financial Records

Business-Type Activities							
General Obligation Bonds	Public Improvement Corporation		Water Infrastructure		Total	Percentage of Personal Income	Per Capita
	Municipal Facilities Revenue Bond	Revenue Bonds	Finance Authority Loan	Water Rights			
\$ 77,607,211	\$ 103,970,274	\$ 30,114,933	\$ 9,096,237	\$ -	\$ 401,866,908	20.07%	5,377
82,113,973	104,096,689	30,596,520	10,064,007	-	412,112,868	20.81%	5,773
85,384,431	102,180,000	31,390,000	10,998,942	-	421,153,409	22.13%	6,264
89,394,364	102,180,000	31,985,000	11,908,603	-	426,394,231	20.10%	6,430
91,121,543	102,300,000	32,245,000	12,554,096	-	439,926,724	24.49%	6,740
92,753,019	102,300,000	17,040,000	9,925,289	10,314,041	445,292,958	25.14%	7,119
88,282,261	102,300,000	2,370,000	8,866,108	11,173,544	440,790,280	24.89%	7,047
88,125,143	67,850,000	2,345,000	9,443,400	-	394,179,400	25.65%	6,742
54,145,000	-	2,460,000	9,985,012	-	185,989,012	12.34%	3,335
28,990,000	-	2,580,000	10,505,512	-	149,485,512	11.74%	3,007

City of Goodyear
 Ratios of General Bonded Debt Outstanding
 Last Ten Fiscal Years
 (Unaudited)

Fiscal Year Ended June 30	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage Estimated Actual Taxable Value of Property	Per Capita
2015	\$ 99,245,534	\$ (42,309)	\$ 99,287,843	15.01%	\$ 1,328
2014	106,730,122	98,876	\$ 106,631,246	18.07%	1,444
2013	111,940,000	841,716	\$ 111,098,284	18.34%	1,556
2012	118,395,000	1,246,110	\$ 117,148,890	17.41%	1,742
2011	122,480,000	668,186	\$ 121,811,814	14.35%	1,830
2010	126,355,000	828,016	\$ 125,526,984	12.77%	1,933
2009	124,125,000	592,244	\$ 123,532,756	12.34%	1,975
2008	129,845,000	3,026,753	\$ 126,818,247	16.59%	2,169
2007	90,195,000	587,476	\$ 89,607,524	18.11%	1,607
2006	56,270,000	210,498	\$ 56,059,502	14.39%	1,128

Source: City Records (Does not include Enterprise, Special Assessment and CFD bonds)

City of Goodyear
Direct and Overlapping Governmental Activities Debt
As of June 30, 2015
(Unaudited)

Overlapping Jurisdiction	Secondary Assessed Valuation	Debt Outstanding	Estimated Percentage Applicable (a)	Net Debt Amount
Maricopa County	\$ 35,079,646,593	\$ -	1.84 %	\$ -
Maricopa County Community College District	35,079,646,593	654,190,000	1.84	12,037,096
Western Maricopa Education Center	13,001,468,671	59,075,000	5.07	2,995,103
Liberty Elementary School District No. 25	195,374,149	19,570,000	54.84	10,732,188
Avondale Elementary School District No. 44	322,479,123	33,725,000	81.96	27,641,010
Littleton Elementary School District No. 65	222,598,992	23,705,000	0.03	7,112
Litchfield Elementary School District No. 79	652,775,053	45,675,000	43.62	19,923,435
Mobile Elementary School District No. 86	9,886,432	None	32.99	None
Buckeye Union High School District No. 201	720,101,358	68,375,000	14.88	10,174,200
Tolleson Union High School District No. 214	945,905,222	43,300,000	0.01	4,330
Agua Fria Union High School District No. 216	975,254,176	58,270,000	56.30	32,806,010
Wildflower Ranch Community Facilities District No. 1	4,490,701	760,000	100.00	760,000
Wildflower Ranch Community Facilities District No. 2	4,491,838	965,000	100.00	965,000
Community Facilities General District No. 1	107,667,651	10,350,000	100.00	10,350,000
Community Facilities Utility District No. 1	274,057,952	42,230,000	100.00	42,230,000
Estrella Mountain Ranch Community Facilities District	66,296,235	14,915,000	100.00	14,915,000
Cottonflower Community Facilities District	8,497,582	2,270,000	100.00	2,270,000
Centerra Community Facilities District	10,755,841	3,065,000	100.00	3,065,000
Cortina Community Facilities District	9,168,527	2,115,000	100.00	2,115,000
Palm Valley Community Facilities District	54,837,082	6,965,000	100.00	6,965,000
Subtotal of overlapping debt:	<u>\$ 87,745,399,771</u>	<u>\$ 1,089,520,000</u>		<u>\$ 199,955,484</u>
Direct Debt:				
City of Goodyear (b)	659,588,897	97,790,000	100.00 %	105,025,000

(a) Proportion applicable to the City of Goodyear, Arizona is computed on the ratio of secondary assessed valuation for 2014/15.

(b) Direct debt includes General Obligation Bonds that are currently being paid by property tax and utility rates. This presentation is consistent with the city's official statements.

Sources: Maricopa County Department of Finance, Maricopa County Assessor's Office, Wedbush Securities and Official Statements.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Goodyear. This process recognizes that when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

City of Goodyear
Legal Debt Margin Information
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year			
	2015	2014	2013	2012
Secondary Assessed Value	\$ 659,588,897	\$ 590,258,652	\$ 605,642,183	\$ 673,001,828
<u>20% Limitation</u>				
Debt Limit Equal to 20% of Assessed Valuation	131,917,779	118,051,730	121,128,437	134,600,366
Total Debt Applicable to 20% Limit	<u>97,570,000</u>	<u>104,775,000</u>	<u>111,690,000</u>	<u>118,130,000</u>
Legal 20% Debt Margin (Available Borrowing Capacity)	<u>\$ 34,347,779</u>	<u>\$ 13,276,730</u>	<u>\$ 9,438,437</u>	<u>\$ 16,470,366</u>
Total net debt applicable to the limit as a percentage of debt limit	73.96%	88.75%	92.21%	87.76%
<u>6% Limitation</u>				
Debt Limit Equal to 6% of Assessed Valuation	\$ 39,575,334	\$ 35,415,519	\$ 36,338,531	\$ 40,380,110
Total Debt Applicable to 6% Limit	<u>220,000</u>	<u>250,000</u>	<u>250,000</u>	<u>265,000</u>
Legal 6% Debt Margin (Available Borrowing Capacity)	<u>\$ 39,355,334</u>	<u>\$ 35,165,519</u>	<u>\$ 36,088,531</u>	<u>\$ 40,115,110</u>
Total net debt applicable to the limit as a percentage of debt limit	0.56%	0.71%	0.69%	0.66%

Sources: Maricopa County Treasurer's Office
City financial records and reports

Table 18

Fiscal Year					
2011	2010	2009	2008	2007	2006
\$ 848,758,886	\$ 982,856,423	\$ 1,000,721,049	\$ 764,237,138	\$ 494,913,013	\$ 391,377,371
169,751,777	196,571,285	200,144,210	152,847,428	98,982,603	78,275,474
<u>122,205,000</u>	<u>126,070,000</u>	<u>123,830,000</u>	<u>129,540,000</u>	<u>90,195,000</u>	<u>47,795,000</u>
<u>\$ 47,546,777</u>	<u>\$ 70,501,285</u>	<u>\$ 76,314,210</u>	<u>\$ 23,307,428</u>	<u>\$ 8,787,603</u>	<u>\$ 30,480,474</u>
71.99%	64.13%	61.87%	84.75%	91.12%	61.06%
\$ 50,925,533	\$ 58,971,385	\$ 60,043,263	\$ 45,854,228	\$ 29,694,781	\$ 23,482,642
<u>275,000</u>	<u>285,000</u>	<u>295,000</u>	<u>305,000</u>	<u>-</u>	<u>8,475,000</u>
<u>\$ 50,650,533</u>	<u>\$ 58,686,385</u>	<u>\$ 59,748,263</u>	<u>\$ 45,549,228</u>	<u>\$ 29,694,781</u>	<u>\$ 15,007,642</u>
0.54%	0.48%	0.49%	0.67%	0.00%	36.09%

City of Goodyear
Pledged-Revenue Coverage
Last Ten Fiscal Years
(Unaudited)

Public Improvement Corporation Municipal Facilities Revenue Bonds*						
Fiscal Year Ended June 30	Operating Revenue	Pledged Revenue	Debt Service		Coverage	
			Principal	Interest		
2015	\$ 82,672,164	\$ 59,861,110	\$ 230,000	\$ 5,458,563	10.52	
2014	81,109,035	62,768,755	85,000	5,702,661	10.85	
2013	76,004,072	57,969,777	590,000	5,505,685	9.51	
2012	65,501,422	52,566,675	570,000	4,925,626	9.57	
2011	57,697,609	45,808,725	745,000	5,562,612	7.26	
2010	57,363,961	45,979,781	720,000	5,594,412	7.28	
2009	62,281,214	49,326,896	680,000	4,907,984	8.83	
2008	85,680,828	56,445,817	505,000	2,019,691	22.36	

Water & Sewer Bonds & Loans						
Fiscal Year Ended June 30	Operating Revenue	Less: Operating Expenses	Net Operating Revenue	Debt Service		Coverage
				Principal	Interest	
2015	\$ 24,748,802	\$ 13,405,653	\$ 11,343,149	\$ 1,467,770	\$ 2,207,414	3.09
2014	24,989,997	12,684,374	12,305,623	1,439,935	2,212,948	3.37
2013	23,133,152	10,837,296	12,295,856	1,504,661	5,819,924	1.68
2012	20,221,750	8,703,445	11,518,305	1,139,026	5,554,656	1.72
2011	18,271,778	8,965,363	9,306,415	1,167,815	1,802,534	3.13
2010	16,378,677	8,350,588	8,028,089	1,195,691	543,662	4.62
2009	15,300,056	9,733,836	5,566,220	877,292	540,523	3.93
2008	15,151,775	11,424,111	3,727,664	656,612	474,992	3.29
2007	13,760,462	11,008,102	2,752,360	640,500	506,104	2.40
2006	10,816,571	9,629,632	1,186,939	502,118	516,469	1.17

Note: *Public Improvement Corporation Municipal Facilities Revenue Bonds did not exist prior to 2008. The PIC 2007 Bonds were issued during 2008.

Source: City Financial Records and Reports

City of Goodyear
Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Median Age	Education Level in Years of Schooling	Unemployment Rate
2015	74,743	\$ 2,001,907	\$ 26,784	35.6	13 to 16	5.7%
2014	73,832	1,879,673	25,459	36.5	13 to 16	7.2%
2013	71,381	1,980,537	27,746	38.4	13 to 16	8.3%
2012	67,239	1,903,133	28,304	35.2	13 to 16	8.2%
2011	66,309	2,120,960	31,986	33.5	13 to 16	9.8%
2010	65,275	1,796,433	27,521	35.5	13 to 16	7.1%
2009	62,554	1,771,217	28,315	39.1	13 to 16	6.9%
2008	58,462	1,536,966	26,290	36.1	13 to 16	3.6%
2007	55,775	1,507,375	27,026	36.3	13 to 16	2.1%
2006	49,714	1,274,269	25,632	35.7	13 to 16	2.7%

Source: US Census Bureau, Applied Geographic Solutions/TIGER Geography, and City Financial Records

City of Goodyear
Principal Employers
Current Fiscal Year and Nine Fiscal Years Prior
(Unaudited)

Major Corporation	Fiscal Year			Fiscal Year		
	2015			2006		
	Employees	Rank	Percentage of Total City Employment*	Employees	Rank	Percentage of Total City Employment*
Arizona State Prison/Perryville	850	1	2.44%	750	2	4.47%
West Valley Hospital	750	2	2.16%	350	8	2.08%
Cancer Treatment Centers of America	650	3	1.87%			
Macy's	600	4	1.73%			
City of Goodyear	527	5	1.52%	471	6	2.81%
Amazon.com	500	6	1.44%			
Sub-Zero / Wolf	428	7	1.23%			
McLane Sunwest	360	8	1.04%	500	4	2.98%
Aeroturbine	300	9	0.86%			
Lockheed Martin	250	10	0.72%	800	1	4.76%
Rudolfo Brothers				562	3	3.35%
Cavco Industries, Inc.				475	5	2.83%
WalMart Supercenter				400	7	2.38%
Safeway				210	9	1.25%
Target				160	10	0.95%
Total	<u>5,215</u>		<u>15.00%</u>	<u>4,678</u>		<u>27.86%</u>

Source: City Records

*2015 labor force = 34,769 ; 2006 labor force = 16,791

City of Goodyear
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years
(Unaudited)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Government	69	55	55	52	52	53	47	52	52	41
Financial Services	28	27	29	28	30	30	30	28	27	21
Information Services	18	15	14	14	13	13	15	12	11	9
Police										
Officers	93	91	94	94	94	97	97	89	72	72
Civilians	30	29	30	27	29	29	30	26	24	18
Planning and Development	21	23	25	9	9	10	16	38	32	21
Fire										
Firefighters and Officers	90	91	90	91	87	90	91	93	70	65
Civilians	12	8	7	20	24	22	22	17	12	12
Human Resources	10	10	10	9	7	8	10	10	9	9
Community Services	0	0	0	0	0	0	0	11	12	8
Economic Development	5	4	4	6	7	7	4	5	3	3
Municipal Services	13	10	13	13	8	10	14	14	11	9
Public Works	87	75	73	65	78	79	87	64	52	49
Water	26	24	23	21	22	23	24	30	30	30
Wastewater	19	20	17	18	17	18	19	18	14	14
Sanitation	6	5	5	7	9	9	9	12	13	10
Total	<u>527</u>	<u>487</u>	<u>489</u>	<u>474</u>	<u>486</u>	<u>498</u>	<u>515</u>	<u>519</u>	<u>444</u>	<u>391</u>

Source: City Financial Records and Reports

City of Goodyear
Operating Indicators by Function
Last Ten Fiscal Years
(Unaudited)

Function	Fiscal Year		
	2015	2014	2013
General Government			
<i>City Clerk's Office</i>			
# of records requests	598	504	470
<i>City Prosecutor's Office</i>			
Charges filed/charges adjudicated (resolved)	3,623	3,170	2,514
<i>City Manager's Office</i>			
% of survey respondents rating "Your Neighborhood as a Place to Live" as good to excellent	95%	95%	94%
<i>Communications & Public Information</i>			
News releases/media updates		76	59
Total newsletter pages sent to citizens	136	114	112
Number of visits to website	633,643	491,540	804,542
Number of web pages viewed	1,855,914	1,850,471	2,185,489
Number of graphics/photography projects completed	135	275	254
Police			
# of total arrests	2,846	2,612	2,532
# of moving violations citations	5,919	10,586	10,259
Fire			
# of emergency responses	6,972	8,298	5,604
# of fires extinguished	205	242	243
# of inspections	1,539	752	969
Financial Services			
# accounts payable checks issued	6,254	6,403	6,298
# purchase orders	1,009	1,091	1,238
# water meters read annually	196,863	191,189	184,638
Planning and Development			
Customer wait-time (in minutes) at One Stop Shop	<1	<1	<1
Total number of permits issued	2,868	3,580	3,529
Provide applicant with pre-application meeting within 30 days of submitting request	1	1	1
% of inspections performed within 24 hours of request	0.96	1	1
Human Resources			
# of new hires (FT & PT)	144	180	178
HR budgeted operating cost as a % of City budgeted payroll	5.05%	4.85%	5.01%
Parks and Recreation			
# attending Park & Recreation facilities and Libraries annually		74,527	69,596
# of square feet of medians and rights of way maintained *	23,151,438	23,151,438	23,151,438

Table 23

							Fiscal Year						
2012	2011	2010	2009	2008	2007	2006							
484	550	504	613	648	576	180							
3,827	3,380	3,395	2,494	2,469	3,653	2,692							
94%	90%	90%	94%	94%	94%	91%							
49	150	235	161	182	129	92							
136	144	176	186	136	116	42							
771,938	703,174	715,285	738,949	1,509,717	1,322,259	840,757							
2,203,995	2,104,553	2,208,180	2,346,423	7,203,478	4,865,081	5,318,311							
262	230	217	200	200	175	140							
2,402	2,254	4,731	2,829	2,614	2,814	2,603							
11,468	12,581	11,810	13,313	11,452	12,422	12,175							
7,195	6,597	5,570	5,328	3,431	3,236	1,960							
271	235	226	270	143	154	150							
212	3,229	4,262	3,953	3,427	2,403	759							
6,132	6,413	8,024	10,184	9,949	9,305	9,014							
1,229	1,344	1,147	918	1,043	1,002	1,067							
178,466	170,657	168,647	163,444	155,805	147,241	125,382							
< 1	< 3	< 3	< 5	< 5	< 5	< 5							
3,576	3,269	4,232	3,401	5,874	1,340	7,859							
1	1	1	1	1	1	1							
0.7	1	1	1	1	1	1							
118	125	247	158	179	164	174							
4.86%	4.11%	4.18%	4.11%	4.36%	5.50%	5.26%							
63,256	54,428	52,241	51,844	49,111	50,093	46,330							
23,151,438	22,696,736	22,175,027	22,118,000	15,320,000	15,320,000	15,320,000							

continued

City of Goodyear
Operating Indicators by Function
Last Ten Fiscal Years
(Unaudited)

Function	Fiscal Year		
	2015	2014	2013
Economic Vitality			
Sales Tax growth (% annual change)	3.85%	8.76%	11.29%
Bed Tax growth (% annual change)	25.71%	-4.12%	1.41%
Municipal Services			
# of homes serviced by Residential Refuse Collection	25,320	24,346	23,387
# of citizens serviced by Household Hazardous Waste collection program	536	550	546
Water Service			
# of residential customers	15,404	14,959	14,430
# of multifamily customers	36	35	36
# of commercial customers	1,055	1,025	999
Water Service Connections	17,533	17,533	17,533
Drinking Water Supplied (million gallons per day)	12.70	11.70	9.60
Reclaimed Water Supplied (million gallons per day)	0.63	0.32	0.39
Wastewater			
# of residential customers	15,335	14,877	14,231
# of multifamily customers	69	36	38
# of commercial customers	373	370	382
Sewer Service Connections	17,139	16,918	16,918
Sewage Treated (millions gallons per day)	3.81	4.20	4.15
Other Public Works			
Street resurfacing (miles)	83.23	19.20	30.00
Potholes repaired	1,253	1,166	296
Citizen & Neighborhood Resources			
# of new Code Enforcement cases processed per year	2,863	3,018	2,841

Source: City Financial Records and Reports

Table 23

Fiscal Year						
2012	2011	2010	2009	2008	2007	2006
10.45%	4.42%	-10.40%	-12.30%	-10.25%	20.71%	70.19%
14.15%	-7.31%	-3.90%	-15.00%	6.00%	6.98%	22.81%
22,363	21,489	20,928	20,149	19,811	18,664	17,228
503	729	848	0	634	510	531
13,755	13,319	13,051	12,394	12,214	11,811	10,699
36	36	36	36	36	9	9
976	963	742	781	709	571	480
16,809	14,588	14,488	13,975	13,500	13,051	11,597
11.60	11.40	11.10	11.00	10.80	6.86	6.86
0.32	0.37	0.23	0.45	0.27	0.09	0.09
13,599	13,298	12,962	12,322	9,445	7,865	6,481
36	36	36	36	38	36	7
364	363	372	370	307	234	191
16,856	16,743	16,144	16,144	13,500	11,398	5,037
3.82	3.73	3.73	3.70	3.24	2.48	2.48
24.00	12.50	-	4.00	-	34.20	33.00
264	260	372	681	783	1,096	977
2,069	2,016	2,255	2,155	2,698	2,755	2,092

City of Goodyear
Capital Asset Statistics by Function
Last Ten Fiscal Years
(Unaudited)

Function	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Public Safety										
Police:										
Stations	4	3	3	3	3	3	3	3	3	1
Police Vehicles	133	119	126	125	130	124	130	125	146	107
Fire Stations	6	6	6	6	6	6	6	6	4	4
Highways and Streets										
Street (miles)	934	934	934	934	704	704	563	450	360	360
Streetlights	10,622	8,832	8,660	8,465	8,438	8,329	7,969	7,391	7,391	7,391
Traffic signals	86	86	84	77	72	72	67	56	37	30
Culture and Recreation										
Parks	18	17	17	17	17	17	16	16	12	11
Parks Acreage	206	204	204	204	204	204	184	156	117	82
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Tennis Courts	6	6	6	6	6	6	6	6	6	2
Community Centers	1	1	1	1	1	1	1	1	1	1
Water										
Water Mains (miles)	406	308	308	308	308	308	307	286	257	173
Fire Hydrants	2,951	2,808	2,796	2,791	2,791	2,791	2,754	2,481	2,370	2,053
Storage capacity (thousands of gallons)	16	16	16	16	16	16	16	15	11	12
Wastewater										
Sanitary Sewers (miles)	242	239	229	227	229	223	225	236	152	167
Storm Sewers (miles)	55	63	57	57	57	54	58	80	105	105
Treatment capacity (MGD) (thousands of gallons)	5.6	5.6	5.6	5.6	5.6	5.6	5.6	5.5	4.6	11.6

Source: City Financial Records and Reports



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