

Comprehensive Annual Financial Report

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

City of Goodyear
Finance Department



CITY OF GOODYEAR COMPREHENSIVE ANNUAL FINANCIAL REPORT For the Year Ended June 30, 2016

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INTRODUCTORY SECTION

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



December 1, 2016

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, 2016.

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 made available 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, 2016. 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 3-17 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 2015 census was 75,557.

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 City 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 2016 a staff of 531 full-time employees working within 14 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 17 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 \$661,717 in fiscal year 2016 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 of Home Rule 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 major program area 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 major program areas 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

During fiscal year 2016 there were 1,014 new single-family resident permits issued which represents an increase of 120 permits from the prior fiscal year. Fiscal year 2016 was the first year since before the recession that single-family resident permits were over 1,000. Goodyear's sales tax revenues remain strong and continue to increase year over year.

The City continues to budget conservatively and monitors the changes taking place in the local, regional, and national economies in order to be ready to adapt to any changes and to position ourselves 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 2016 increased by 8.8% over fiscal year 2015 levels.

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 19% of the general fund revenue for fiscal year 2016.

Property Tax

In fiscal year 2016, the city's combined (primary and secondary) property tax rate remained \$1.87 per \$100 of assessed valuation. Although the tax rate remained the same, assessed values increased resulting in a property tax levy increase of \$607,383. The stabilization in the tax rate ensured the city's ability to service currently outstanding debt and maintain basic infrastructure.

For the fiscal year 2017 budget, the Mayor and Council have adopted a total combined property tax rate of \$1.86 per \$100 of assessed valuation, which is a slight decrease from fiscal year 2016. In accordance with its budget policies, the city will sell no new general obligation bonds until a combined property tax rate of \$1.74 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

Goodyear was fortunate during fiscal year 2016 to be named one of the top ten cities in which to live by 24/7 Wall Street. This ranking was based on Goodyear's high average household income, low poverty rate, low incidence of crime and positive employment growth. The city's management and the Economic Development Department leverages these opportunities to market the city

toward attracting new businesses, retaining and facilitating expansions for current Goodyear businesses, and assisting in the formation of new businesses.

During fiscal year 2016, more than one million square feet of commercial buildings were under construction, including the expansion of Sub-Zero and the construction of a new fixed-base operator facility, offices and new hangar space at the Phoenix Goodyear Airport. Goodyear's Oregon's Pizza Bistro continued to be its busiest location in Arizona, and has already undergone an expansion since its 2015 opening.

More than 150 entrepreneurs were assisted through Goodyear's InnovationHub during fiscal year 2016. The InnovationHub is designed to create a place for individuals who have an idea for a new business to receive mentoring. Small business activity was also in high-gear during fiscal year 2016, when more than 100 small business owners were assisted through various stages of the city's development processes. At the end of the fiscal year, nearly 100 active business attraction prospects were evaluating Goodyear for expansion or relocation.

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, 2015. The City has received this prestigious award each year since 2007. 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, 2016.

In addition, the city also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning 2015. The City has received the highest form of recognition in governmental budgeting each year since 1994.

Acknowledgement

The preparation of this Comprehensive Annual Financial Report could not have been accomplished without the dedicated commitment of every member of the Finance Department. 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 continued support in planning and conducting the financial affairs of the city in a responsible and progressive manner.

Sincerely,



Doug Sandstrom
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, 2015

Executive Director/CEO



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

Dan Cotterman
Deputy City Manager

Wynette Reed
Deputy City Manager

Maureen Scott
City Clerk

Lyman Locket
Human Resources Director

Paul Luizzi
Fire Chief

Doug Sandstrom
Finance Director

Gerald Geier
Police Chief

Christopher Baker
Development Services Director

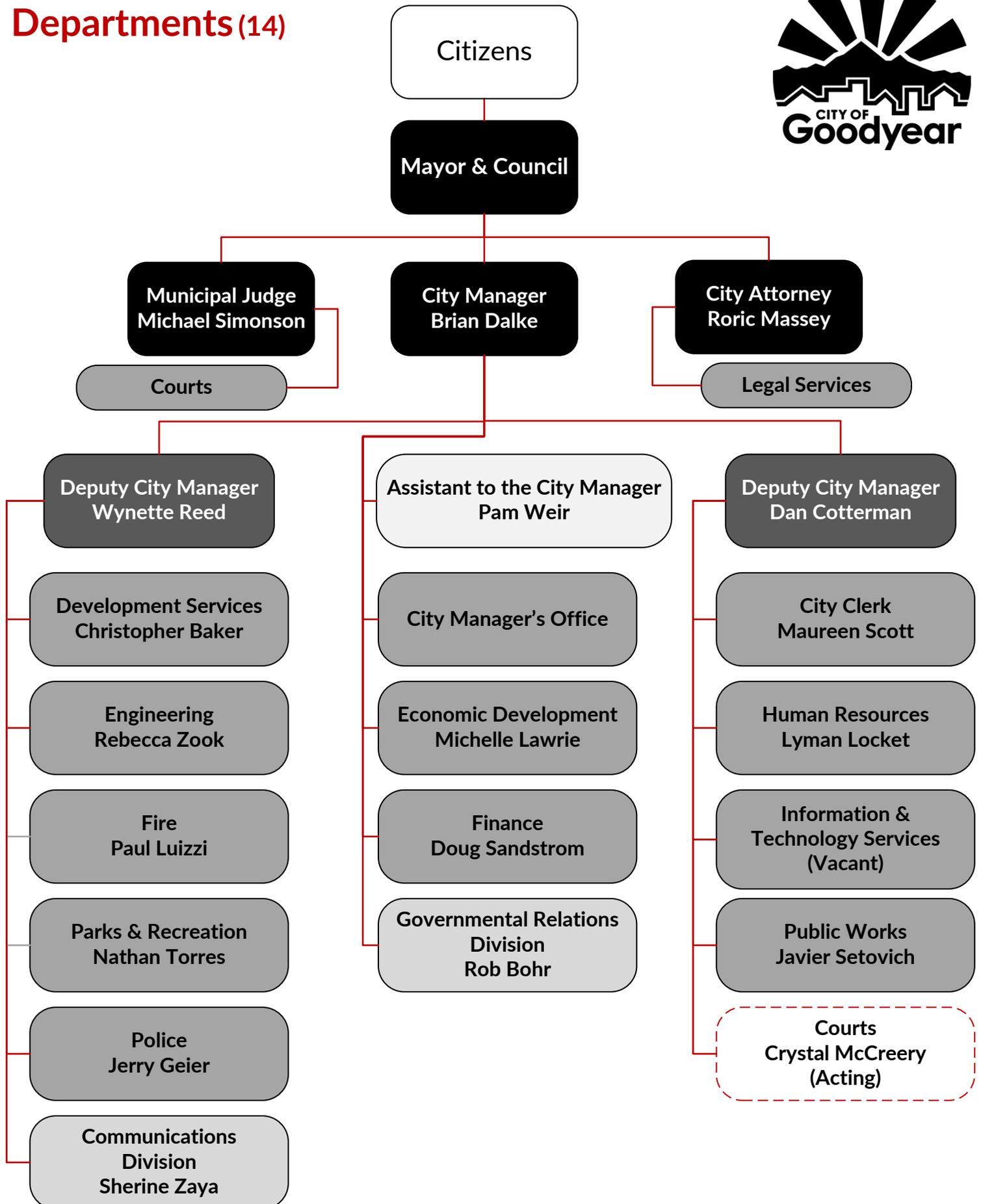
Dan Cotterman
Information Technology Director (interim)

Rebecca Zook
Engineering Director

Nathan Torres
Park & Recreation Director

Organizational Chart

Departments (14)



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, Required Supplementary Information, and Other Supplementary 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, 2016, 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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof 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. 72, *Fair Value Measurement and Application*, for the year ended June 30, 2016, 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, budgetary comparison information 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 December 1, 2016, 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.

Heinfeld, Meech & Co., P.C.
Phoenix, Arizona
December 1, 2016

Management's Discussion and Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS For The Year Ended June 30, 2016

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, 2016. 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 v-ix of this report and is designed to be read in conjunction with the transmittal letter as well as the financial statements beginning on page 19 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 \$679.3 million (*net position*) at the close of fiscal year 2016. Of this amount, \$26.5 million represents unrestricted net position, which may be used to meet the City's ongoing obligations to citizens and creditors.
- ◆ The \$18.1 million increase in net position of the City is the result of a \$10.2 million increase in net position of governmental activities and \$8.0 million increase in net position of business-type activities. The increase in net position of governmental activities and business-type activities is \$9.8 million less than that seen in fiscal year 2015 due to an increase in the City's pension obligation of \$5.9 million and the expenditure of \$4.4 million in special assessment bond proceeds.
- ◆ As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$93.6 million, an increase of \$3.7 million (4.1%) in comparison with the prior year fund balance of \$89.9 million. Approximately 56.2% of this amount (\$52.6 million) is available for spending at the government's discretion (unassigned fund balance).
- ◆ At June 30, 2016, total unassigned fund balance for the general fund is \$52.6 million, an increase of \$2.8 million (5.7%) from the prior fiscal year. This increase is primarily due to actual revenues exceeding estimated revenues and capital projects budgeted, but not completed as of fiscal year end. The unassigned fund balance is approximately 68.5% 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, liabilities, and deferred inflow of resources, 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 that 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 the operations of 10 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 19-21 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 27 and 31 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, McDowell Road Commercial Corridor Improvement District – Debt Service, Community Facilities Districts – 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 98 of this report.

The governmental fund financial statements can be found on pages 24-31 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 34-39 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 41-42 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 43-88 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 budget to actual comparison and progress in funding its obligation to provide pension benefits to its employees. The required supplementary information can be found on pages 89-95 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 98-101 and 111-122 of this report.

Budget to actual comparison schedules for the enterprise funds are presented in the other supplementary information section on pages 123-125 of this report. Additional schedules related to capital assets are also presented in this section on pages 127-130 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, 2016 with comparative information for the previous year.

Net Position

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

	Governmental		Business-type		Total		Percent Change
	Activities		Activities		Primary Government		
	2016	2015	2016	2015	2016	2015	
Current and other assets	\$ 170,732,974	\$ 170,613,815	\$ 50,132,038	\$ 39,923,777	\$ 220,865,012	\$ 210,537,592	4.91%
Capital assets	533,089,517	533,818,875	396,494,737	397,169,523	929,584,254	930,988,398	-0.15%
Total assets	<u>703,822,491</u>	<u>704,432,690</u>	<u>446,626,775</u>	<u>437,093,300</u>	<u>1,150,449,266</u>	<u>1,141,525,990</u>	0.78%
Deferred outflows of resources	11,868,720	9,239,015	1,591,183	1,439,127	13,459,903	10,678,142	26.05%
Current and other liabilities	17,791,141	18,909,748	9,558,392	10,470,933	27,349,533	29,380,681	-6.91%
Long-term liabilities	221,432,440	224,774,737	231,882,497	228,777,200	453,314,937	453,551,937	-0.05%
Total liabilities	<u>239,223,581</u>	<u>243,684,485</u>	<u>241,440,889</u>	<u>239,248,133</u>	<u>480,664,470</u>	<u>482,932,618</u>	-0.47%
Deferred inflows of resources	3,303,597	6,997,526	624,697	1,105,228	3,928,294	8,102,754	-51.52%
Net position:							
Net investment in capital assets	361,739,970	365,019,949	180,640,162	176,380,867	542,380,132	541,400,816	0.18%
Restricted for:							
Charter mandates	4,009,183	3,841,444	-	-	4,009,183	3,841,444	4.37%
Court	178,351	240,631	-	-	178,351	240,631	-25.88%
Law enforcement	427,243	309,112	-	-	427,243	309,112	38.22%
Highway user funds	721	174,025	-	-	721	174,025	-99.59%
Grants	6,988	-	-	-	6,988	-	100.00%
Development impact fees	12,882,857	9,833,567	13,545,609	5,139,404	26,428,466	14,972,971	76.51%
Community facilities operations	1,442,536	1,111,964	-	-	1,442,536	1,111,964	29.73%
Debt service	72,480,741	75,991,785	4,586,110	2,468,498	77,066,851	78,460,283	-1.78%
Transit	847,446	745,210	-	-	847,446	745,210	13.72%
Unrestricted	19,147,997	5,722,007	7,380,491	14,190,297	26,528,488	19,912,304	33.23%
Total net position	<u>\$ 473,164,033</u>	<u>\$ 462,989,694</u>	<u>\$ 206,152,372</u>	<u>\$ 198,179,066</u>	<u>\$ 679,316,405</u>	<u>\$ 661,168,760</u>	2.74%

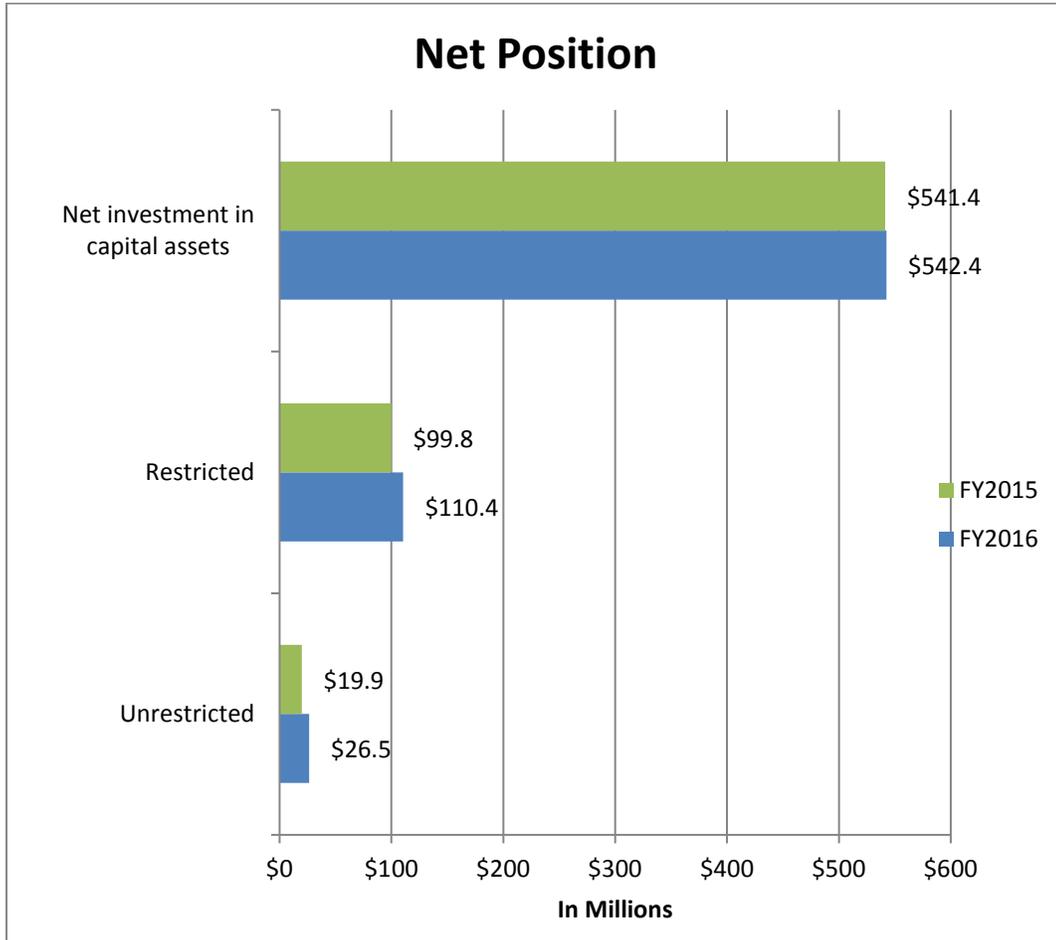
The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$679.3 million at the close of fiscal year 2016 and by \$661.2 million in 2015, providing an overall increase in the City's net position of \$18.1 million. Current and other assets increased by \$10.3 million. This increase is primarily due to an increase in cash and cash equivalents as a result of expenses being lower than budgeted. Long-term liabilities for business-type activities increased by \$3.3 million as a result of the issuance of water revenue bonds in the amount of \$7.5 million.

The largest portion of the City's net position totaling \$542.4 million (79.8% of total net position) reflects its net investment in capital assets (e.g., land and improvements, buildings, furniture, 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 \$110.4 million (16.3% of total net position) represents resources that are subject to external restrictions on how they may be used. The remaining

balance of \$26.5 million (3.91% of total net position) is unrestricted and may be used to meet the City's ongoing obligations to its citizens and creditors.

At the end of fiscal year 2016, the City reported positive balances in all three 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.



Governmental Activities

During the current fiscal year, the net position for governmental activities increased \$10.2 million from the prior fiscal year for an ending balance of \$473.2 million. The City's sales tax revenue increased \$4.0 million due to an increase in construction and retail activity. Capital grants and contributions also increased by \$3.9 million as a result of infrastructure conveyed to the City.

Business-type Activities

The City business-type activities reported an increase of \$8.0 million in net position bringing the total net position to \$206.2 million. Charges for services revenue increased by \$3.3 million due to an increase in water and wastewater rates.

Changes in Net Position

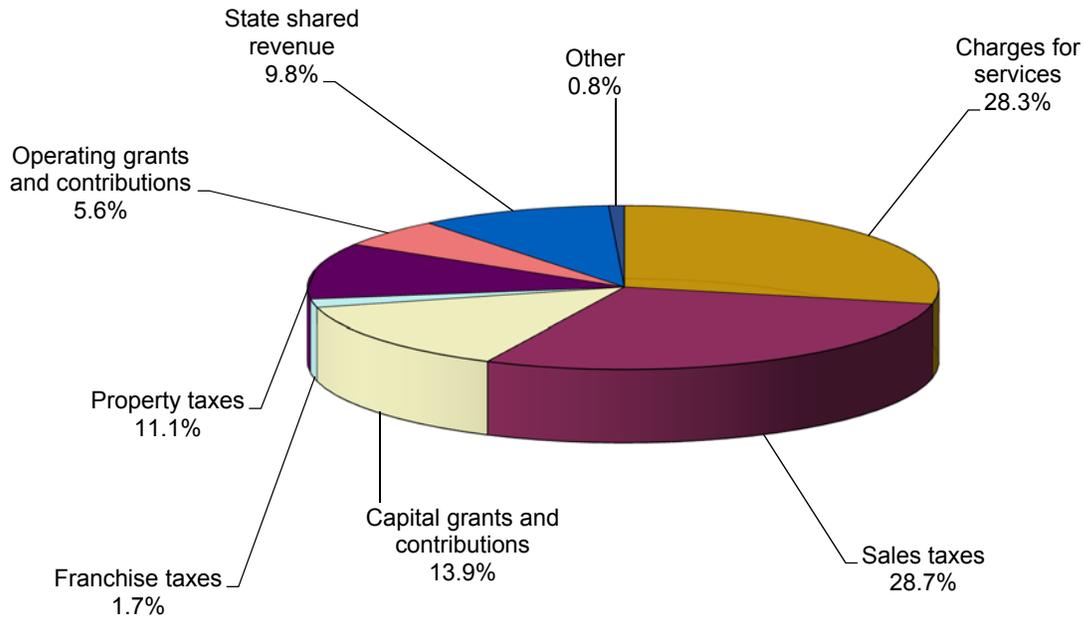
The following table compares the revenues and expenses for the current and previous fiscal year:

	Changes in Net Position for Year End June 30						Percent Change
	Governmental Activities		Business-type Activities		Total Primary Government		
	2016	2015	2016	2015	2016	2015	
REVENUES:							
Program revenues:							
Charges for services	\$ 11,541,151	\$ 10,161,786	\$ 37,083,883	\$ 33,810,471	\$ 48,625,034	\$ 43,972,257	10.58%
Operating grants and contributions	9,518,206	10,777,134	110,837	-	9,629,043	10,777,134	-10.65%
Capital grants and contributions	12,134,476	8,252,449	11,692,490	14,454,883	23,826,966	22,707,332	4.93%
General revenues:							
Sales taxes	49,309,600	45,333,649	-	-	49,309,600	45,333,649	8.77%
Property taxes	19,114,087	18,171,606	-	-	19,114,087	18,171,606	5.19%
Franchise taxes	2,832,759	2,718,204	-	-	2,832,759	2,718,204	4.21%
State shared revenue	16,848,837	16,361,588	-	-	16,848,837	16,361,588	2.98%
Investment income	710,040	361,146	237,615	151,405	947,655	512,551	84.89%
Special Assessments	-	4,980,000	-	-	-	4,980,000	-100.00%
Miscellaneous	393,977	975,258	22,955	103,482	416,932	1,078,740	-61.35%
Total revenues	122,403,133	118,092,820	49,147,780	48,520,241	171,550,913	166,613,061	2.96%
EXPENSES:							
Program activities:							
Governmental activities:							
General government	19,824,313	18,168,821	-	-	19,824,313	18,168,821	9.11%
Public safety	34,823,588	33,289,918	-	-	34,823,588	33,289,918	4.61%
Highways and streets	20,753,487	17,941,162	-	-	20,753,487	17,941,162	15.68%
Public works	7,920,958	3,361,822	-	-	7,920,958	3,361,822	135.62%
Culture and recreation	6,880,654	6,422,764	-	-	6,880,654	6,422,764	7.13%
Development Services	7,981,904	7,005,308	-	-	7,981,904	7,005,308	13.94%
Interest on long-term debt	8,479,284	8,763,353	-	-	8,479,284	8,763,353	-3.24%
Business activities:							
Water and sewer	-	-	27,647,487	25,489,522	27,647,487	25,489,522	8.47%
Sanitation	-	-	6,444,459	5,802,163	6,444,459	5,802,163	11.07%
Stadium	-	-	12,647,134	12,407,494	12,647,134	12,407,494	1.93%
Total expenses	106,664,188	94,953,148	46,739,080	43,699,179	153,403,268	138,652,327	10.64%
Increase in net position							
before transfers	15,738,945	23,139,672	2,408,700	4,821,062	18,147,645	27,960,734	-35.10%
Transfers	(5,564,606)	(582,797)	5,564,606	582,797	-	-	0.00%
Changes in net position	10,174,339	22,556,875	7,973,306	5,403,859	18,147,645	27,960,734	-35.10%
Net position, beginning of year	462,989,694	477,788,373	198,179,066	201,805,827	661,168,760	679,594,200	-2.71%
Restatement*	-	(37,355,554)	-	(9,030,620)	-	(46,386,174)	-100.00%
Net position, beginning of year-restated	462,989,694	440,432,819	198,179,066	192,775,207	661,168,760	633,208,026	4.42%
Net position, end of year	\$ 473,164,033	\$ 462,989,694	\$ 206,152,372	\$ 198,179,066	\$ 679,316,405	\$ 661,168,760	2.74%

*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 71.4% of total revenues, while business activities account for 28.6% of total revenues. Sales tax revenue is the largest source of City revenue at 28.7%, an 8.8% increase from the previous fiscal year due to an increase in construction and retail activity within the City. The second largest source of City revenue are charges for services at 28.3% of total revenue, which increased 10.6% over the previous fiscal year due to an increase in water and wastewater rates.

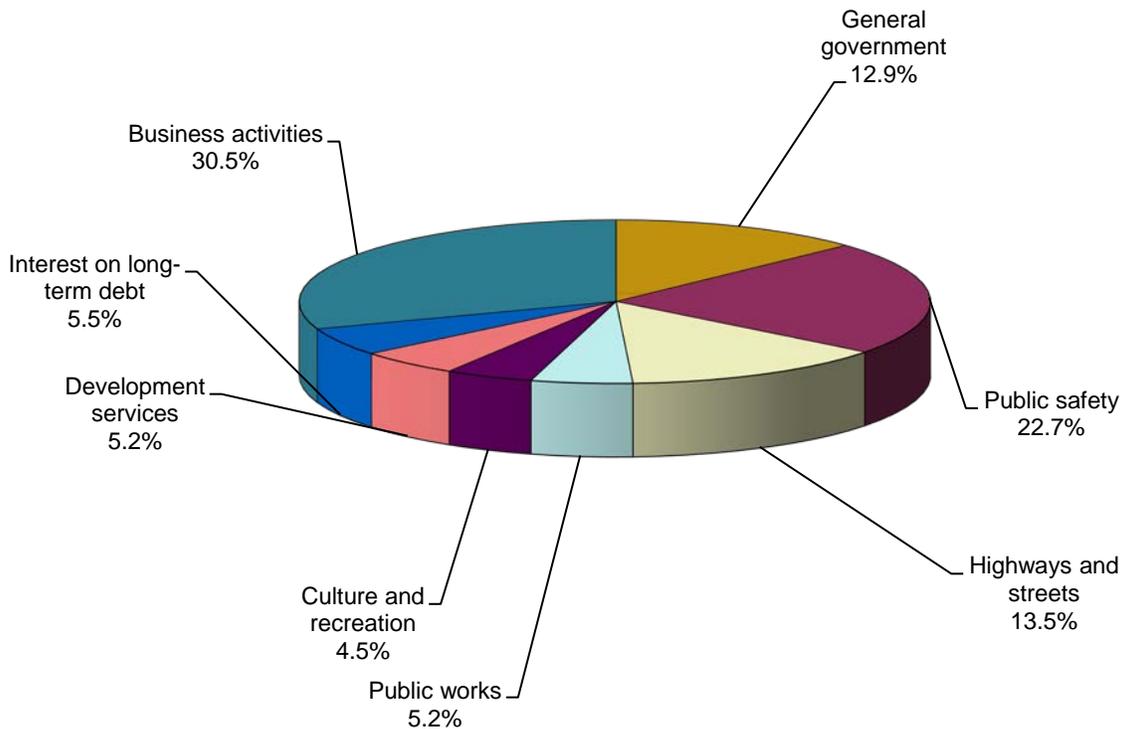
Government-Wide Revenue Sources Fiscal Year 2016



The reported expenses for fiscal year 2016 increased by \$14.8 million (10.6%) over the prior year. As seen in the following pie chart for government-wide functional expenses, governmental activities account for 69.5% of total functional expenses, while business-type activities account for 30.5% of total functional expenses. The line items that experienced notable changes were:

- Public works expenses account for 5.2% of the total government-wide expenses, an increase of \$4.6 million (135.6%) from the prior year. This increase is due to a \$4.4 million developer reimbursement for infrastructure conveyed to the City in the Montecito II Special Assessment District.
- Highways and streets expenses account for 13.5% of the total government-wide expenses, an increase of \$2.8 million (15.7%) from the prior year. The increase is primarily due to an increase in roadway preservation and maintenance expenses during the year.
- Sanitation expenses account for 4.2% of the total government-wide expenses, an increase of \$642,296 (11.1%) from the prior year. This increase is attributed to an increase in the sanitation department's share of the total pension obligation resulting in an increase in pension expense.

Government-Wide Functional Expenses Fiscal Year 2016



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 24-31) 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 98-101.

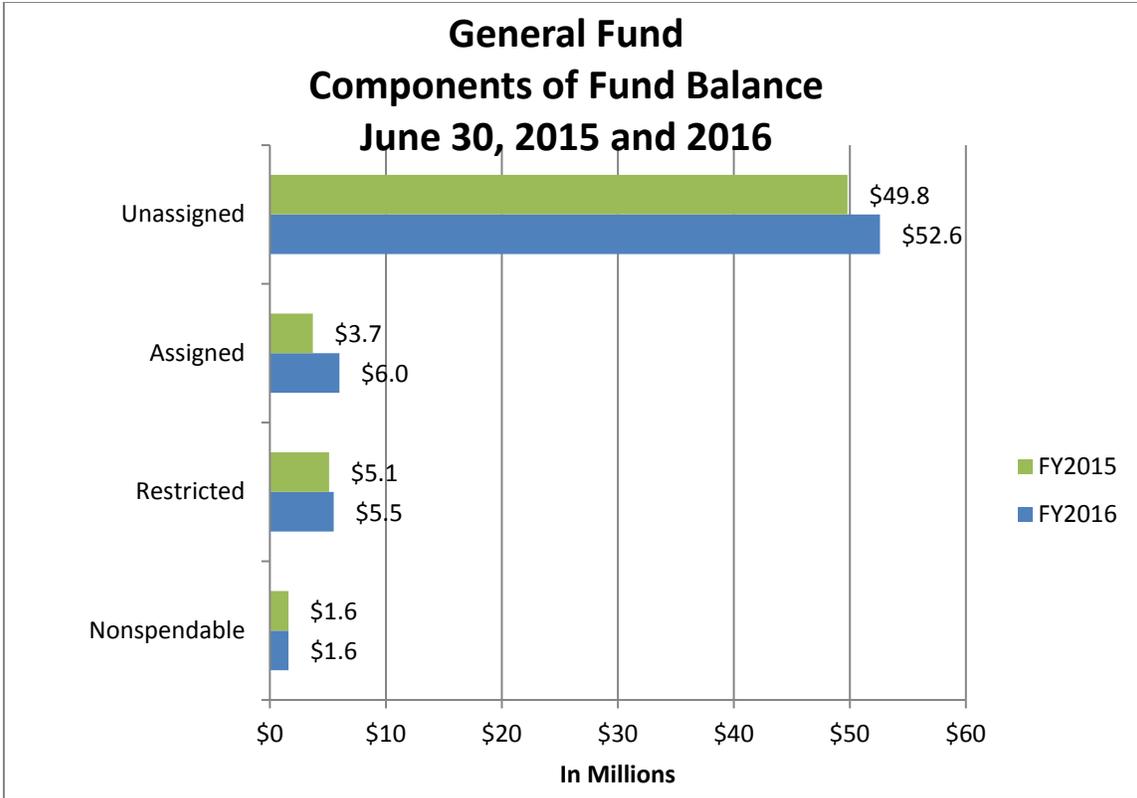
At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$93.6 million, an increase of 4.1% from the previous year. The increase in fund balance is due to revenues exceeding expenditures. Revenues increased by \$6.7 million and expenditures increased by \$9.7 million. Approximately 56.2% of the fund balance (\$52.6 million) constitutes unassigned fund balance, which is available for spending at the City'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 (\$2.2 million), 2) restricted for particular purposes (\$32.8 million) or 3) assigned for particular purposes (\$6.0 million).

Revenues for governmental functions overall totaled \$116.0 million in the fiscal year ended June 30, 2016, which represents an increase of \$6.7 million (4.1%) from the prior fiscal year. The most significant reason for this change is due to an increase in tax revenue of \$5.1 million. The increase in tax revenue was primarily due to increased sales tax collection related to construction and retail activities. Charges for services increased \$1.2 million (26.6%) from the prior fiscal year primarily due to an increase in development fees collected.

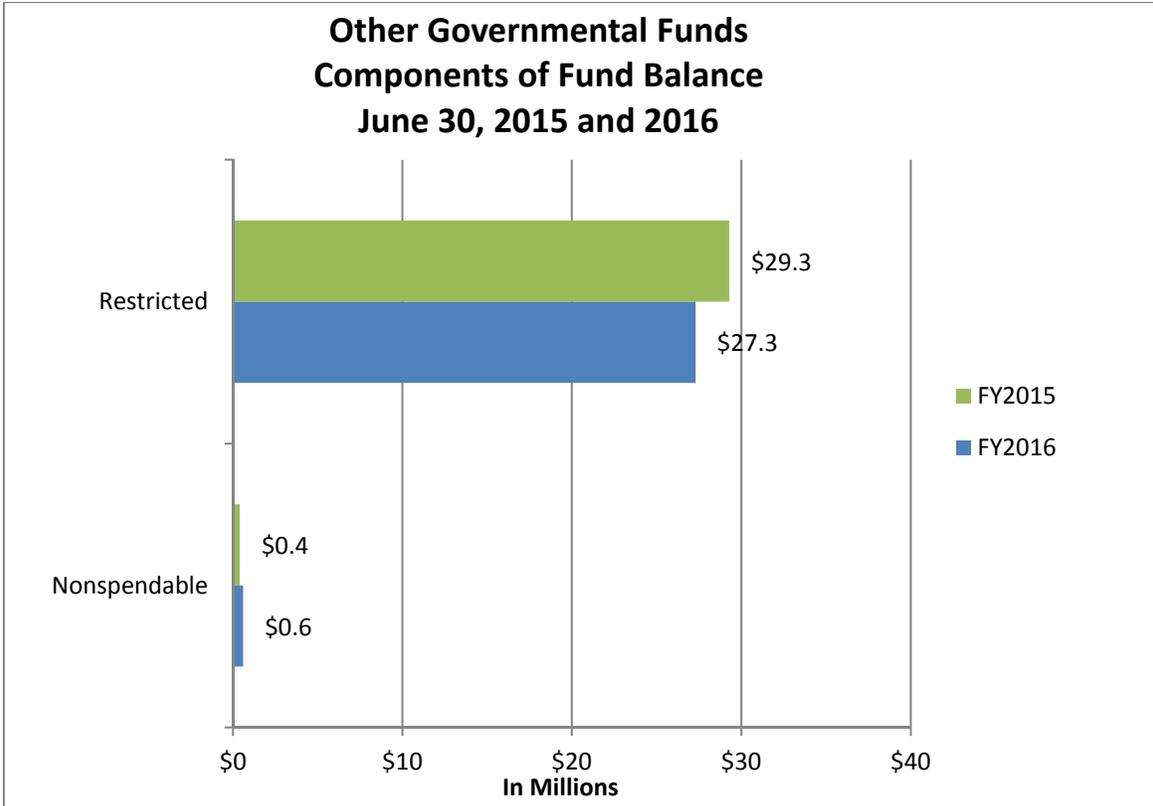
The expenditures for governmental functions totaled \$107.2 million, an increase of \$9.7 million (10.0%) from the prior year. The majority of this increase is attributed to capital outlay. Capital outlay accounted for \$16.0 million in expenditures for the current fiscal year, an increase of \$4.7 million from the prior fiscal year.

Major additions to capital outlay include the following:

- The City spent \$3.4 million constructing a Patrol Operations Building to maximize the efficiency of police operations, increase collaboration between Police Department divisions and provide necessary speciality facilities. This building will include suspect and witness interview rooms, evidence and property processing, a forensics lab, offices for patrol officers and specialized functions, and a multi-lane indoor firing range.
- During fiscal year 2016, \$513,034 was spent to make improvements to Goodyear Boulevard. A traffic signal was constructed at the intersection of Estrella Parkway and West Goodyear Boulevard. Also the need for a deceleration lane on Estrella Parkway north of West Goodyear Boulevard was identified. These improvements will include full pavement construction and widening to accommodate full build out conditions.
- To address citizen concerns, the City spent \$463,619 to construct a traffic signal at Yuma Road and Canyon Trails Boulevard.



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 \$52.6 million, while total fund balance increased to \$65.8 million. As a measure of the general funds solvency, it may be useful to compare both unassigned fund balance and total fund balance to general fund expenditures. The unassigned fund balance represents approximately 68.5% of general fund expenditures, while total fund balance represents approximately 85.6% of general fund expenditures.



The fund balance of the City’s general fund increased by \$5.6 million in the current fiscal year due primarily to an increase of \$3.7 million in tax revenues. This was primarily driven by growth in construction sales tax.

The fund balance of the McDowell road commercial corridor ID debt service fund decreased \$7,231 from the prior fiscal year.

The fund balance of the community facilities debt service fund decreased by \$826,983 from the prior fiscal year as a result of the Community Facilities Utility District utilizing cash reserves to keep tax rates stable.

The non-utility development impact fee fund had an increase in fund balance during the current fiscal year of \$3.0 million to bring the year end fund balance to \$12.9 million. The increase in fund balance is predominantly due to the aforementioned increase in construction sales tax. Currently 1% of construction sales tax is recorded in the non-utility development impact fee fund to comply with requirements of state law 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 34-39.

The proprietary funds net position totals \$206.2 million, resulting from an increase of \$8.0 million from the previous fiscal year. The water and wastewater fund had an increase in net position of \$10.2 million, which is \$2.3 million less than that seen in fiscal year 2015 due to a reduction in capital contributions.

The sanitation fund had a decrease in net position of \$205,971 due to an increase pension expense. The stadium fund had a net position decrease of \$2.0 million primarily due to depreciation on stadium assets.

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 schedule can be found in the Required Supplementary Information section on page 89. The other budgetary comparison schedules can be found in the Other Supplementary Information section on pages 107-125.

There were no significant changes to the original adopted budget. During the fiscal year there were two General Fund expenditure categories that came in significantly below estimates as shown below:

	Budgeted <u>Expenditures</u>	Actual <u>Expenditures</u>	<u>Difference</u>
Support Services	\$13,044,969	\$10,482,892	\$2,562,077
Capital Outlay	25,825,355	7,809,095	18,016,260

General Fund actual inflows (revenues and other financing sources) of \$90.5 million, was more than budgeted inflows of \$88.2 million, while expenditures and other financing uses of \$85.0 million was only 64.9% of final budgeted outflows of \$130.9 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, 2016 amounts to \$929.6 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 decrease of \$1.4 million from the prior year.

Capital Assets at June 30
(Net of depreciation)

	Governmental Activities		Business-type Activities		Total Primary Government		Percent Change
	2016	2015	2016	2015	2016	2015	
Land and improvements	\$ 24,743,807	\$ 24,867,068	\$ 15,435,875	\$ 15,435,875	\$ 40,179,682	\$ 40,302,943	-0.3%
Artwork	204,750	204,750	146,978	146,978	351,728	351,728	0.0%
Construction in progress	13,493,098	10,026,474	4,969,700	2,802,773	18,462,798	12,829,247	43.9%
Right of way	90,518,661	90,397,883	-	-	90,518,661	90,397,883	0.1%
Water rights	-	-	17,911,634	17,856,614	17,911,634	17,856,614	0.3%
Streetscape	9,061,008	9,061,008	-	-	9,061,008	9,061,008	0.0%
Infrastructure	252,888,198	252,174,241	179,278,924	178,574,586	432,167,122	430,748,827	0.3%
Building and improvements	125,818,081	131,044,931	173,045,381	177,666,157	298,863,462	308,711,088	-3.2%
Vehicles, furniture and equipment	16,361,913	16,042,521	5,706,245	4,686,541	22,068,158	20,729,062	6.5%
Total	<u>\$ 533,089,516</u>	<u>\$ 533,818,876</u>	<u>\$ 396,494,737</u>	<u>\$ 397,169,524</u>	<u>\$ 929,584,253</u>	<u>\$ 930,988,400</u>	-0.2%

The governmental capital assets increased in fiscal 2016 for construction in progress and infrastructure. The increase in construction in progress of \$3.5 million is largely due to the construction of the police operations facility. Overall there was a decrease in business-type capital assets of \$674,786.

Additional information on the City's capital assets can be found in Note 4 on pages 58-59 and in the schedules on pages 127-130 of this report.

Debt Administration

At the end of the current fiscal year, the City had total long-term debt outstanding of \$387.2 million. Of this amount \$90.3 million is general obligation bonds backed by the full faith and credit of the City, \$102.3 million is Community Facilities Districts bonds which are paid by the property owners within those districts, \$190.8 million of revenue bonds which are payable from user fees, assessments, and general fund revenues and \$3.9 million loan payable to Water Infrastructure Finance Authority of Arizona (WIFA) which is payable from user fees. The following schedule shows the outstanding debt obligation as of June 30, 2016 and 2015:

	Governmental Activities		Business-type Activities		Total		Percent Change
	2016	2015	2016	2015	2016	2015	
General obligation debt	\$ 18,105,233	\$ 21,035,322	\$ 72,164,767	\$ 76,754,678	\$ 90,270,000	\$ 97,790,000	-7.7%
Community facilities districts bonds	102,340,000	106,856,000	-	-	102,340,000	106,856,000	-4.2%
Loan payable	-	-	3,854,322	9,096,237	3,854,322	9,096,237	-57.6%
Revenue bonds	46,883,994	49,555,088	143,885,000	132,840,000	190,768,994	182,395,088	4.6%
Total outstanding bonds	<u>\$167,329,227</u>	<u>\$177,446,410</u>	<u>\$219,904,089</u>	<u>\$218,690,915</u>	<u>\$387,233,316</u>	<u>\$396,137,325</u>	-2.2%

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 \$40.3 million. In addition, the State constitution limit 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 \$134.2 million. The City has \$90.3 million of outstanding general obligation debt of which \$90,065,000 is subject to the 20 percent limit.

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	Aa3	AA-
Improvement District Bonds	A3	A

Additional information on the City's long-term debt can be found in Notes 5 – 9 on pages 60-68 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The unemployment rate for Goodyear for June 2016 was 5.5%, which is lower than the state rate of 5.8% but higher than the national rate of 4.9%. 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, the state of the economy will likely coincide with current unemployment rates.

The City is projecting a positive outlook for revenues in fiscal year 2017 in comparison to revenues for fiscal year 2016. Sales taxes are the dominant revenue source for the City and are conservatively projected to increase from \$48.1 million to \$49.1 million, which is an increase of 2.0%. Property taxes are projected to increase from \$7.8 million to \$8.2 million, which is an increase of 5.1%. 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 \$16.7 million to \$20.1 million in fiscal year 2017. The City's operational budget is projected to increase by 9.1%, from \$108.9 million in fiscal year 2016 to \$118.8 million in fiscal year 2017. The City's capital improvement program expenditures are budgeted for \$73.0 million which includes carryover funds of \$27.5 million for projects started in the fiscal year 2016 budget to be completed in fiscal year 2017 and an additional \$45.5 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, by mail at P.O. Box 5100, Goodyear, Arizona 85338 or by email at gyfinance@goodyearaz.gov.



Basic Financial Statements

Government-wide Financial Statements – includes the Statement of Net Position and Statement of Activities that use the full 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 full 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, 2016**

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Current assets:			
Cash and cash equivalents	\$ 35,600,915	\$ 15,202,488	\$ 50,803,403
Investments	46,467,760	15,518,782	61,986,542
Receivables	69,023,270	5,182,316	74,205,586
Due from other governments	1,241,673		1,241,673
Inventories	764,796	575,309	1,340,105
Prepays	667,798		667,798
Total current assets	153,766,212	36,478,895	190,245,107
Noncurrent assets:			
Internal balances	961,840	(961,840)	
Restricted cash and cash equivalents	16,004,922	14,614,983	30,619,905
Non-depreciable capital assets	134,656,469	20,552,553	155,209,022
Depreciable capital assets	398,433,048	375,942,184	774,375,232
Total noncurrent assets	550,056,279	410,147,880	960,204,159
Total assets	703,822,491	446,626,775	1,150,449,266
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Loss on refunding	1,667,857	509,676	2,177,533
Pension plan items	10,200,863	1,081,507	11,282,370
Total deferred outflows of resources	11,868,720	1,591,183	13,459,903
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	2,359,734	1,465,443	3,825,177
Accrued payroll and employee benefits	2,209,896	286,036	2,495,932
Accrued interest payable	2,066,118	3,493,009	5,559,127
Deposits	6,497,764	4,313,904	10,811,668
Unearned revenue	4,657,629		4,657,629
Compensated absences payable	1,590,785	218,691	1,809,476
Bonds payable	7,243,527	295,000	7,538,527
Total current liabilities	26,625,453	10,072,083	36,697,536
Noncurrent liabilities:			
Accrued interest payable		414,132	414,132
Non-current portion of long-term obligations	212,598,128	230,954,674	443,552,802
Total noncurrent liabilities	212,598,128	231,368,806	443,966,934
Total liabilities	239,223,581	241,440,889	480,664,470
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension plan items	3,303,597	624,697	3,928,294
<u>NET POSITION</u>			
Net investment in capital assets	361,739,970	180,640,162	542,380,132
Restricted for:			
Charter mandates	4,009,183		4,009,183
Capital projects	12,882,857	13,545,609	26,428,466
Community facilities	1,442,536		1,442,536
Debt service	72,480,741	4,586,110	77,066,851
Transit	847,446		847,446
Other purposes	613,303		613,303
Unrestricted	19,147,997	7,380,491	26,528,488
Total net position	\$ 473,164,033	\$ 206,152,372	\$ 679,316,405

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, 2016**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government					
Governmental activities:					
General government	\$ 19,824,313	\$ 2,398,256	\$	\$	\$ (17,426,057)
Public safety	34,823,588	1,713,627	356,979	14,241	(32,738,741)
Highways and streets	20,753,487		4,429,349	9,672,126	(6,652,012)
Public works	7,920,958				(7,920,958)
Culture and recreation	6,880,654	386,041			(6,494,613)
Development services	7,981,904	7,043,227	703,182	2,448,109	2,212,614
Interest on long-term debt	8,479,284		4,028,696		(4,450,588)
Total governmental activities	106,664,188	11,541,151	9,518,206	12,134,476	(73,470,355)
Business-type activities:					
Water and wastewater	27,647,487	27,724,410	110,837	11,637,322	
Sanitation	6,444,459	7,125,427			
Stadium	12,647,134	2,234,046		55,168	
Total business-type activities	46,739,080	37,083,883	110,837	11,692,490	
Total primary government	\$ 153,403,268	\$ 48,625,034	\$ 9,629,043	\$ 23,826,966	(73,470,355)
General revenues:					
Taxes:					
Sales taxes					49,309,600
Property taxes					19,114,087
Franchise taxes					2,832,759
State shared revenues					16,848,837
Investment income					710,040
Miscellaneous					393,977
Transfers					(5,564,606)
Total general revenues and transfers					83,644,694
Changes in net position					10,174,339
Net position, beginning of year					462,989,694
Net position, end of year					\$ 473,164,033

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
\$	\$ (17,426,057)
	(32,738,741)
	(6,652,012)
	(7,920,958)
	(6,494,613)
	2,212,614
	(4,450,588)
	(73,470,355)
11,825,082	11,825,082
680,968	680,968
(10,357,920)	(10,357,920)
2,148,130	2,148,130
2,148,130	(71,322,225)
	49,309,600
	19,114,087
	2,832,759
	16,848,837
237,615	947,655
22,955	416,932
5,564,606	
5,825,176	89,469,870
7,973,306	18,147,645
198,179,066	661,168,760
\$ 206,152,372	\$ 679,316,405



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.

McDowell Road Commercial Corridor ID Debt Service Fund

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

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 properties within each district's boundaries.

Non-Utility Development Impact Fees Fund

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

Non-Major Governmental 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, 2016

	General	McDowell Road Commercial Corridor ID Debt Service	Community Facilities Districts Debt Service
<u>ASSETS</u>			
Cash and cash equivalents	\$ 22,355,061	\$ 104,461	\$
Investments	42,151,661		
Taxes receivable	6,630,010		88,297
Interest receivable	103,872		
Accounts receivable	987,195		
Special assessments receivable		38,110,000	21,296,201
Due from other governments	740,500		
Due from other funds	839,370		
Advances to other funds	961,840		
Inventories			
Prepays	667,798		
Notes receivable	1,675,250		
Restricted cash and cash equivalents	256,975		15,747,947
Total assets	\$ 77,369,532	\$ 38,214,461	\$ 37,132,445
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 1,341,057	\$	\$ 89,527
Accrued payroll and employee benefits	2,114,018		
Deposits	6,274,588		
Due to other funds			
Unearned revenue	10,400		2,837,543
Total liabilities	9,740,063		2,927,070
Deferred inflows of resources:			
Unavailable revenues - property taxes	71,304		40,332
Unavailable revenues - special assessments		38,110,000	21,293,508
Unavailable revenues - intergovernmental			
Unavailable revenues - other	1,801,688		
Total deferred inflows of resources	1,872,992	38,110,000	21,333,840
Fund balances (deficits):			
Nonspendable	1,629,638		
Restricted	5,462,223	104,461	12,871,535
Assigned	6,043,771		
Unassigned	52,620,845		
Total fund balances	65,756,477	104,461	12,871,535
Total liabilities, deferred inflows of resources and fund balances	\$ 77,369,532	\$ 38,214,461	\$ 37,132,445

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
\$ 10,254,451	\$ 2,886,792	\$ 35,600,765
3,440,064	876,035	46,467,760
	119,109	6,837,416
8,476	2,159	114,507
	2,695	989,890
		59,406,201
	501,173	1,241,673
		839,370
		961,840
	564,639	564,639
		667,798
		1,675,250
		16,004,922
<u>\$ 13,702,991</u>	<u>\$ 4,952,602</u>	<u>\$ 171,372,031</u>

\$ 749,509	\$ 175,294	\$ 2,355,387
	67,166	2,181,184
70,625	152,551	6,497,764
	672,116	672,116
	1,809,686	4,657,629
<u>820,134</u>	<u>2,876,813</u>	<u>16,364,080</u>

	56,133	167,769
		59,403,508
	35,725	35,725
		1,801,688
	<u>91,858</u>	<u>61,408,690</u>

	564,639	2,194,277
12,882,857	1,448,029	32,769,105
		6,043,771
	(28,737)	52,592,108
<u>12,882,857</u>	<u>1,983,931</u>	<u>93,599,261</u>

<u>\$ 13,702,991</u>	<u>\$ 4,952,602</u>	<u>\$ 171,372,031</u>
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CITY OF GOODYEAR, ARIZONA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2016

Total governmental fund balances		\$	93,599,261
<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	\$ 701,408,027		
Less accumulated depreciation	<u>(168,318,511)</u>		533,089,516
<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	167,769		
Special Assessments	59,403,508		
Intergovernmental	35,725		
Other	<u>1,801,688</u>		61,408,690
<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>			
			(2,066,118)
<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	10,200,863		
Deferred inflows of resources related to pensions	<u>(3,303,597)</u>		6,897,266
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.</p>			
Bonds payable	(173,017,403)		
Loss on refunding	1,667,857		
Net pension liability	(43,453,770)		
Compensated absences payable	<u>(4,961,266)</u>		<u>(219,764,582)</u>
Net position of governmental activities		\$	<u>473,164,033</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, 2016

	General	McDowell Road Commercial Corridor ID Debt Service	Community Facilities Districts Debt Service
Revenues:			
Taxes	\$ 57,729,304	\$	\$ 5,465,015
Licenses and permits	7,357,205		
Intergovernmental	16,848,837		
Charges for services	3,340,308		
Fines and forfeits	839,108		
Investment income	622,479		12,840
Special assessments		3,533,669	2,562,343
Contributions	703,182		643,211
Miscellaneous	439,705		
Total revenues	87,880,128	3,533,669	8,683,409
Expenditures:			
Current -			
General government	17,018,252		
Public safety	32,529,758		
Highways and streets			
Public works	2,255,101		
Culture and recreation	5,434,043		
Development services	7,933,367		
Capital outlay	10,222,116		
Debt service -			
Principal retirement	1,171,094	1,500,000	4,171,000
Interest and debt cost	254,428	2,040,900	5,357,204
Bond issuance costs			457,825
Total expenditures	76,818,159	3,540,900	9,986,029
Excess (deficiency) of revenues over expenditures	11,061,969	(7,231)	(1,302,620)
Other financing sources (uses):			
Refunding bonds issued			18,535,000
Refunding bonds premium			2,047,350
Payment to refunded bond escrow agent			(20,106,713)
Transfer in	2,800,000		
Transfer out	(8,287,472)		
Total other financing sources (uses):	(5,487,472)		475,637
Changes in fund balances	5,574,497	(7,231)	(826,983)
Fund balances, beginning of year	60,181,980	111,692	13,698,518
Fund balances, end of year	\$ 65,756,477	\$ 104,461	\$ 12,871,535

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
\$ 2,174,146	\$ 5,918,735	\$ 71,287,200
		7,357,205
	4,962,735	21,811,572
2,448,109	4,530	5,792,947
		839,108
52,278	22,443	710,040
		6,096,012
	320	1,346,713
	289,225	728,930
<u>4,674,533</u>	<u>11,197,988</u>	<u>115,969,727</u>
414	949,969	17,968,635
	351,890	32,881,648
333,353	5,347,564	5,680,917
		2,255,101
278,148		5,712,191
		7,933,367
1,013,328	4,753,457	15,988,901
	2,930,089	9,772,183
	936,101	8,588,633
		457,825
<u>1,625,243</u>	<u>15,269,070</u>	<u>107,239,401</u>
<u>3,049,290</u>	<u>(4,071,082)</u>	<u>8,730,326</u>
		18,535,000
		2,047,350
		(20,106,713)
	739,227	3,539,227
	(803,588)	(9,091,060)
	<u>(64,361)</u>	<u>(5,076,196)</u>
<u>3,049,290</u>	<u>(4,135,443)</u>	<u>3,654,130</u>
9,833,567	6,119,374	89,945,131
<u>\$ 12,882,857</u>	<u>\$ 1,983,931</u>	<u>\$ 93,599,261</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, 2016

Net changes in fund balances - total governmental funds **\$ 3,654,130**

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	9,517,983	
Expenditures for capitalized assets	7,323,807	
Less current year depreciation	<u>(17,195,283)</u>	(353,493)

Issuance of bonds provides current financial resources to governmental funds, but the issuance increases long term liabilities in the Statement of Net Position. (20,582,350)

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

Property taxes	(30,754)	
Special assessments	(2,712,570)	
Intergovernmental	(6,300)	
Other	<u>28,139</u>	(2,721,485)

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. 305,121

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	9,772,183	
Bond principal refunded	<u>20,106,713</u>	29,878,896

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	4,695,554	
Pension expense	<u>(4,078,621)</u>	616,933

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	(375,865)	
Compensated absences	<u>(509,601)</u>	(885,466)

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. 262,053

Changes in net position in governmental activities **\$ 10,174,339**

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



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, 2016**

	Enterprise Funds		
	Water & Wastewater	Sanitation	Stadium
<u>ASSETS</u>			
Current assets:			
Cash and cash equivalents	\$ 13,414,132	\$ 1,323,680	\$ 464,676
Investments	14,602,947	223,750	692,085
Interest receivable	35,986	551	1,705
Accounts receivable	4,220,413	754,849	168,812
Inventories	575,309		
Total current assets	<u>32,848,787</u>	<u>2,302,830</u>	<u>1,327,278</u>
Noncurrent assets:			
Restricted cash and cash equivalents	11,911,127		2,703,856
Non-depreciable capital assets	9,177,497		11,375,056
Depreciable capital assets	272,675,477	836,690	102,430,017
Total noncurrent assets	<u>293,764,101</u>	<u>836,690</u>	<u>116,508,929</u>
Total assets	<u>326,612,888</u>	<u>3,139,520</u>	<u>117,836,207</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Loss on refunding	189,403		320,273
Pension plan items	659,131	105,405	316,971
Total deferred outflows of resources	<u>848,534</u>	<u>105,405</u>	<u>637,244</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	983,864	439,946	41,633
Accrued payroll and employee benefits	165,476	30,179	90,381
Accrued interest payable	789,153		2,703,856
Deposits	4,269,761		44,143
Due to other funds			
Compensated absences payable	135,431	21,648	61,612
Revenue bonds payable	295,000		
Total current liabilities	<u>6,638,685</u>	<u>491,773</u>	<u>2,941,625</u>
Noncurrent liabilities:			
Accrued interest payable	414,132		
Advances from other funds			961,840
Non-current portion of long-term obligations	117,351,124	794,167	112,809,383
Total noncurrent liabilities	<u>117,765,256</u>	<u>794,167</u>	<u>113,771,223</u>
Total liabilities	<u>124,403,941</u>	<u>1,285,940</u>	<u>116,712,848</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension plan items	374,818	62,470	187,409
<u>NET POSITION</u>			
Net investment in capital assets	176,185,432	836,690	3,618,040
Restricted for:			
Capital projects	12,623,721		921,888
Debt service	4,586,110		
Unrestricted	9,287,400	1,059,825	(2,966,734)
Total net position	<u>\$ 202,682,663</u>	<u>\$ 1,896,515</u>	<u>\$ 1,573,194</u>

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

<u>Enterprise Funds</u>	Governmental Activities: Internal Service Funds
<u>Totals</u>	<u>Funds</u>
\$ 15,202,488	\$ 150
15,518,782	
38,242	
5,144,074	6
575,309	200,157
<u>36,478,895</u>	<u>200,313</u>
14,614,983	
20,552,553	
375,942,184	
<u>411,109,720</u>	
<u>447,588,615</u>	<u>200,313</u>
509,676	
<u>1,081,507</u>	
<u>1,591,183</u>	
1,465,443	4,347
286,036	28,712
3,493,009	
4,313,904	
	167,254
218,691	
295,000	
<u>10,072,083</u>	<u>200,313</u>
414,132	
961,840	
230,954,674	
<u>232,330,646</u>	
<u>242,402,729</u>	<u>200,313</u>
<u>624,697</u>	
180,640,162	
13,545,609	
4,586,110	
7,380,491	
<u>\$ 206,152,372</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, 2016

	Enterprise Funds		
	Water & Wastewater	Sanitation	Stadium
Operating revenues:			
Charges for services	\$ 27,724,410	\$ 7,125,427	\$ 2,234,046
Miscellaneous	15,130	6,564	1,261
Total operating revenues	<u>27,739,540</u>	<u>7,131,991</u>	<u>2,235,307</u>
Operating expenses:			
Administration	4,229,457	1,037,325	2,528,854
Costs of sales and services	10,975,637	5,422,171	1,778,293
Depreciation and amortization	7,409,039	87,298	2,750,184
Total operating expenses	<u>22,614,133</u>	<u>6,546,794</u>	<u>7,057,331</u>
Operating income (loss)	<u>5,125,407</u>	<u>585,197</u>	<u>(4,822,024)</u>
Nonoperating revenues (expenses):			
Intergovernmental	110,837		
Investment income	225,342	6,497	5,776
Gain on sale of assets	6,147	102,335	8,865
Interest expense	(5,039,501)		(5,598,668)
Total nonoperating revenues (expenses)	<u>(4,697,175)</u>	<u>108,832</u>	<u>(5,584,027)</u>
Income (loss) before capital contributions and transfers	<u>428,232</u>	<u>694,029</u>	<u>(10,406,051)</u>
Capital contributions	11,650,095		55,168
Transfer in			8,351,833
Transfer out	<u>(1,900,000)</u>	<u>(900,000)</u>	
Changes in net position	<u>10,178,327</u>	<u>(205,971)</u>	<u>(1,999,050)</u>
Total net position, beginning of year	192,504,336	2,102,486	3,572,244
Total net position, end of year	<u>\$ 202,682,663</u>	<u>\$ 1,896,515</u>	<u>\$ 1,573,194</u>

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

<u>Enterprise Funds</u>	Governmental Activities: Internal Service Funds
<u>Totals</u>	<u>Funds</u>
\$ 37,083,883	\$ 1,894,412
22,955	4,267
37,106,838	1,898,679
7,795,636	44,459
18,176,101	1,854,220
10,246,521	
36,218,258	1,898,679
888,580	
110,837	
237,615	
117,347	
(10,638,169)	
(10,172,370)	
(9,283,790)	
11,705,263	
8,351,833	
(2,800,000)	
7,973,306	
198,179,066	
\$ 206,152,372	\$

**CITY OF GOODYEAR, ARIZONA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Water & Wastewater</u>	<u>Sanitation</u>	<u>Stadium</u>
Cash flows from operating activities:			
Receipts from customers	\$ 26,865,645	\$ 7,177,638	\$ 2,098,568
Payments to suppliers for goods and services	(11,516,068)	(5,402,546)	(2,286,319)
Payments to employees for services	(4,082,346)	(636,093)	(2,473,213)
Net cash provided (used) by operating activities	<u>11,267,231</u>	<u>1,138,999</u>	<u>(2,660,964)</u>
Cash flows from noncapital financing activities:			
Transfers in			8,351,833
Transfers out	(1,900,000)	(900,000)	
Due to/from other funds	3,739,071		(3,739,071)
Net cash provided (used) for noncapital financing activities	<u>1,839,071</u>	<u>(900,000)</u>	<u>4,612,762</u>
Cash flows from capital and related financing activities:			
Principal paid on long-term debt	(4,963,354)		(489,796)
Interest and fiscal fees	(3,988,785)		(5,728,451)
Bond proceeds	11,540,000		
Payment to WIFA for loan refunding	(5,072,682)		
Build America Bond interest subsidy	110,837		
Change in capital assets	(3,359,034)	(596,856)	(82,195)
Development impact fees received	6,288,959		-
Net cash provided (used) for capital and related financing activities	<u>555,941</u>	<u>(596,856)</u>	<u>(6,300,442)</u>
Cash flows from investing activities:			
Proceeds from sale of investments	998,855		268,217
Investment income received	26,486	3,369	
Net cash provided (used) for investing activities	<u>1,025,341</u>	<u>3,369</u>	<u>268,217</u>
Net increase (decrease) in cash and cash equivalents	<u>14,687,584</u>	<u>(354,488)</u>	<u>(4,080,427)</u>
Cash and cash equivalents, beginning of year, as restated	<u>10,637,675</u>	<u>1,678,168</u>	<u>7,248,959</u>
Cash and cash equivalents, end of year	<u>\$ 25,325,259</u>	<u>\$ 1,323,680</u>	<u>\$ 3,168,532</u>
Cash and cash equivalents	\$ 13,414,132	\$ 1,323,680	\$ 464,676
Restricted cash and cash equivalents	11,911,127		2,703,856
	<u>\$ 25,325,259</u>	<u>\$ 1,323,680</u>	<u>\$ 3,168,532</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	\$ 5,125,407	\$ 585,197	\$ (4,822,024)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	7,409,039	87,298	2,750,184
(Increase) decrease in accounts receivable	(873,678)	45,647	(143,515)
(Increase) decrease in inventories	(43,353)		
Increase (decrease) in accounts payable	36,978	19,625	(508,026)
Increase (decrease) in accrued payroll and benefits	36,695	11,498	22,535
Increase (decrease) in Unearned Revenue	(217)		(12,050)
Increase (decrease) in Deposits held for others	(534,056)		18,826
Increase (decrease) in Compensated absences payable	42,178	18,141	(10,096)
Increase (decrease) in pension expense	68,238	371,593	43,202
Net cash provided (used) by operating activities	<u>\$ 11,267,231</u>	<u>\$ 1,138,999</u>	<u>\$ (2,660,964)</u>
Noncash investing, capital and financing activities:			
Contributions of capital assets	\$ 5,361,136		\$ 55,168
Amortization of bond premiums and discounts	95,614		162,147
Amortization of deferred loss on refunding	17,218		32,364

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

<u>Total</u>	<u>Governmental Activities-Internal Service Funds</u>
\$ 36,141,851	\$ 1,898,673
(19,204,933)	(1,885,314)
<u>(7,191,652)</u>	<u>(37,762)</u>
<u>9,745,266</u>	<u>(24,403)</u>

8,351,833	
(2,800,000)	
	24,403
<u>5,551,833</u>	<u>24,403</u>

(5,453,150)	
(9,717,236)	
11,540,000	
(5,072,682)	
110,837	
(4,038,085)	
6,288,959	
<u>(6,341,357)</u>	

1,267,072	
29,855	
<u>1,296,927</u>	

<u>10,252,669</u>	
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<u>19,564,802</u>	<u>150</u>
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<u>\$ 29,817,471</u>	<u>\$ 150</u>
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\$ 15,202,488	\$ 150
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14,614,983	
------------	--

<u>\$ 29,817,471</u>	<u>\$ 150</u>
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\$ 888,580	\$
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10,246,521	
(971,546)	(6)
(43,353)	(29,238)
(451,423)	(1,856)
70,728	6,697
(12,267)	
(515,230)	
50,223	
483,033	
<u>\$ 9,745,266</u>	<u>\$ (24,403)</u>

\$ 5,416,304	
257,761	
49,582	



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 four agency funds. The agency funds account for monies donated for G.A.I.N., Fill-A-Need, Shop With A Cop, and Arizona in Action.

**CITY OF GOODYEAR, ARIZONA
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2016**

	Pension Trust	Agency
<u>ASSETS</u>		
Cash and cash equivalents	\$ 1,716	\$ 26,198
Investments	402,754	
Total assets	404,470	\$ 26,198
<u>LIABILITIES</u>		
Accounts payable	1,560	\$
Deposits held for others		26,198
Total liabilities	1,560	\$ 26,198
<u>NET POSITION</u>		
Held in trust	\$ 402,910	

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

**CITY OF GOODYEAR, ARIZONA
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2016**

	Pension Trust
Deductions:	
Benefits	\$ 38,675
Investment loss	9,977
Total deductions	48,652
Changes in net position	(48,652)
Net position, beginning of year	451,562
Net position, end of year	\$ 402,910

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.

During the year ended June 30, 2016, the City implemented the provisions of GASB Statement No. 72, Fair Value Measurement and Application. This Statement addresses accounting and financial reporting issues related to fair value measurements and establishes a hierarchy of inputs to valuation techniques used to measure fair value. This Statement also enhances accountability and transparency through revised note disclosures.

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 - Community Facilities Districts 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. The following are the community facilities districts currently operating in the City of Goodyear.

- Goodyear Community Facilities General District No. 1
- Goodyear Community Facilities Utilities District No. 1
- Wildflower Ranch Community Facilities District No.1
- Wildflower Ranch Community Facilities 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
- King Ranch Community Facilities District

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Complete financial statements of the individual component units may be obtained at the entities' administrative offices or online at www.goodyearaz.gov/cfd.

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, 2016, 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, risk management, and parks asset management reserves. The accumulated appropriations for these purposes 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 \$12.3 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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 either required to be accounted for in other funds or when the city determines there is an operational advantage to do so.

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

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.

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

The City reports the following major 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)

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, sanitation, and stadium 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.

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 four agency funds. The four funds account for monies donated by individuals for the GAIN, Fill-A-Need, Shop With A Cop, and Arizona in Action activities.

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 position and changes in net position and employs accounting principles similar to proprietary funds. Fiduciary funds are not included in the government-wide financial statements considering they are not assets of the City available to support City programs.

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)

Community Facilities Districts

Grants Fund

Debt Service Fund

Community Facilities Districts Capital Projects Fund

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. 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, Furniture 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 fall 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 2016.

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 major program area 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 enterprise funds are considered revenue; (2) capital outlays for enterprise funds are treated as expenses; (3) debt service principal payments are treated as expenses for enterprise funds; (4) accrued compensated absences are not recognized as expenses; (5) depreciation and amortization are not recognized as expenses; (6) contributions to pension plans are recognized as an expense rather than pension expense for enterprise funds.

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.

NOTE 2 CASH AND INVESTMENTS

At June 30, 2016, cash and cash equivalents are presented as follows:

	Governmental Activities	Business Activities	Fiduciary Funds	Total
Cash and cash equivalents	\$ 35,600,915	\$ 15,202,488	\$ 27,914	\$ 50,831,317
Restricted cash and cash equivalents	16,004,922	14,614,983	-	30,619,905
	<u>\$ 51,605,837</u>	<u>\$ 29,817,471</u>	<u>\$ 27,914</u>	<u>\$ 81,451,222</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 the cash and cash equivalents in the Community Facilities Districts Debt Service Fund.

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, 2016, the City had \$12,250 of cash on hand. The carrying amount of the City’s cash in bank totaled \$6,191,990 and the bank balance was \$8,262,998. Of the bank balance, \$273,723 was covered by federal depository insurance and the remaining balance of \$7,989,275 was covered by the Statewide Pooled Collateral Program.

NOTE 2 CASH AND INVESTMENTS (Continued)

Cash Equivalents

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 weighted average to maturity is 22 days. The net asset value per share of the pool at June 30, 2016 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 or www.aztreasury.gov.

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, 2016, the City’s funds invested with the State Treasurer totaled \$50,563,144.

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
LGIP	\$ 50,563,144	\$ 50,563,144
Total	\$ 50,563,144	\$ 50,563,144
		Rating as of Year End
Investment Type	Total	AAAF/S1+
LGIP	\$ 50,563,144	\$ 50,563,144
Total	\$ 50,563,144	\$ 50,563,144

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. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. U.S. Treasury securities are valued using quoted market prices (Level 1 inputs); while U.S. Agencies, Corporate Notes, Mutual Funds and Commercial Paper are valued using a matrix pricing model (Level 2 inputs).

NOTE 2 CASH AND INVESTMENTS (Continued)

At June 30, 2016 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	\$ 24,995,825	\$ 3,002,694	\$ 11,725,539	\$ 10,267,592	40.06%
Federal Agency Securities	23,392,180	-	10,770,508	12,621,672	37.49%
Corporate Notes	9,959,088	1,701,428	3,906,307	4,351,353	15.96%
Commercial Paper	3,580,829	3,580,829	-	-	5.74%
Mutual Fund	402,720	402,720	-	-	0.65%
Goldman Sachs Govt Fund	58,654	58,654	-	-	0.09%
Total	\$ 62,389,296	\$ 8,746,325	\$ 26,402,354	\$ 27,240,617	100.00%

Investment Type	Total	Ratings as of Year End							
		AA+	AA	AA-	A	A-	A-1	AAAm	Not Rated
U.S. Treasuries	\$ 24,995,825	\$ 24,995,825	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Agency Securities	23,392,180	23,392,180	-	-	-	-	-	-	-
Corporate Notes	9,959,088	1,200,188	691,384	3,811,090	1,839,144	2,417,282	-	-	-
Commercial Paper	3,580,829	-	-	-	-	-	3,580,829	-	-
Mutual Fund	402,720	-	-	-	-	-	-	-	402,720
Goldman Sachs Govt Fund	58,654	-	-	-	-	-	-	58,654	-
Total	\$ 62,389,296	\$ 49,588,193	\$ 691,384	\$ 3,811,090	\$ 1,839,144	\$ 2,417,282	\$ 3,580,829	\$ 58,654	\$ 402,720

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, and Bankers Trust. The money market accounts have a value of \$24,683,838 at June 30, 2016.

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, 2016 the average portfolio duration was 1.8 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.

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	McDowell Road Commerical Corridor Improvement District Debt Service Fund	Community Facilities Districts Debt Service Fund	Non-Utility Development Impact Fees Fund	Non-Major Governmental Funds	Total
Receivables:						
Taxes	\$ 6,630,010	\$ -	\$ 88,297	\$ -	\$ 119,109	\$ 6,837,416
Interest	103,872	-	-	8,476	2,159	114,507
Accounts	987,195	-	-	-	2,695	989,890
Special assessments	-	38,110,000	21,296,201	-	-	59,406,201
Notes	1,675,250	-	-	-	-	1,675,250
Total receivables	<u>\$ 9,396,327</u>	<u>\$ 38,110,000</u>	<u>\$ 21,384,498</u>	<u>\$ 8,476</u>	<u>\$ 123,963</u>	<u>\$ 69,023,264</u>

The following table summarizes the City's receivables for the proprietary funds as of June 30, 2016.

	Water and Wastewater Fund	Sanitation Fund	Stadium Fund	Total
Receivables:				
Interest	\$ 35,986	\$ 551	\$ 1,705	\$ 38,242
Accounts	4,237,601	761,439	168,812	5,167,852
	<u>4,273,587</u>	<u>761,990</u>	<u>170,517</u>	<u>5,206,094</u>
Less:				
Allowance	(17,188)	(6,590)	-	(23,778)
Net receivables	<u>\$ 4,256,399</u>	<u>\$ 755,400</u>	<u>\$ 170,517</u>	<u>\$ 5,182,316</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 \$49,535 and \$7,818, respectively.

NOTE 4 CAPITAL ASSETS

A summary of capital assets activity for the fiscal year ended June 30, 2016 follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 21,206,352	\$ 172,600	\$ -	\$ 21,378,952
Artwork	204,750	-	-	204,750
Construction in progress	10,026,474	5,047,352	(1,580,728)	13,493,098
Right of Way	90,397,883	120,778	-	90,518,661
Streetscape	9,061,008	-	-	9,061,008
Total capital assets not being depreciated	<u>130,896,467</u>	<u>5,340,730</u>	<u>(1,580,728)</u>	<u>134,656,469</u>
Capital assets, being depreciated:				
Land improvements	4,443,171	-	-	4,443,171
Infrastructure	347,411,674	8,912,712	-	356,324,387
Buildings and improvements	165,612,371	569,904	-	166,182,275
Vehicles, furniture and equipment	38,068,463	3,586,399	(1,853,136)	39,801,726
Total capital assets being depreciated	<u>555,535,679</u>	<u>13,069,015</u>	<u>(1,853,136)</u>	<u>566,751,559</u>
Less accumulated depreciation for:				
Land improvements	(782,455)	(295,861)		(1,078,316)
Infrastructure	(95,237,434)	(8,198,754)		(103,436,188)
Buildings and improvements	(34,567,441)	(5,796,753)		(40,364,194)
Vehicles, furniture and equipment	(22,025,942)	(2,903,916)	1,490,044	(23,439,813)
Total accumulated depreciation	<u>(152,613,271)</u>	<u>(17,195,283)</u>	<u>1,490,044</u>	<u>(168,318,511)</u>
Total capital assets, being depreciated, net	<u>402,922,408</u>	<u>(4,126,268)</u>	<u>(363,092)</u>	<u>398,433,048</u>
Governmental activities capital assets, net	<u>\$ 533,818,876</u>	<u>\$ 1,214,462</u>	<u>\$ (1,943,820)</u>	<u>\$ 533,089,516</u>

NOTE 4 CAPITAL ASSETS (Continued)

Business-Type Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 15,435,875	\$ -	\$ -	\$ 15,435,875
Artwork	146,978	-	-	146,978
Construction in progress	<u>2,802,773</u>	<u>2,195,776</u>	<u>(28,849)</u>	<u>4,969,700</u>
Total capital assets not being depreciated	<u>18,385,626</u>	<u>2,195,776</u>	<u>(28,849)</u>	<u>20,552,553</u>
Capital assets, being depreciated:				
Infrastructure	221,361,139	5,326,142	-	226,687,281
Buildings & improvements	206,399,167	95,338	-	206,494,505
Vehicles, machinery and equipment	14,904,533	1,828,512	(971,568)	15,761,477
Water rights	<u>19,315,648</u>	<u>247,066</u>	<u>-</u>	<u>19,562,714</u>
Total capital assets being depreciated	<u>461,980,486</u>	<u>7,497,059</u>	<u>(971,568)</u>	<u>468,505,977</u>
Less accumulated depreciation for:				
Infrastructure	(42,786,553)	(4,621,804)		(47,408,357)
Buildings and improvements	(28,733,010)	(4,716,114)		(33,449,124)
Vehicles, machinery and equipment	(10,217,992)	(716,557)	879,317	(10,055,232)
Water rights amortization	<u>(1,459,034)</u>	<u>(192,046)</u>	<u>-</u>	<u>(1,651,080)</u>
Total accumulated depreciation	<u>(83,196,589)</u>	<u>(10,246,521)</u>	<u>879,317</u>	<u>(92,563,793)</u>
Total capital assets, being depreciated, net	<u>378,783,897</u>	<u>(2,749,462)</u>	<u>(92,251)</u>	<u>375,942,184</u>
Business-Type activities capital assets, net	<u>\$ 397,169,523</u>	<u>\$ (553,686)</u>	<u>\$ (121,099)</u>	<u>\$ 396,494,737</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 599,983
Public safety	2,184,954
Highway and streets	12,361,147
Culture and recreation	804,011
Public works	<u>1,245,188</u>
Total depreciation expense	<u>\$ 17,195,283</u>
Business-type activities	
Water and wastewater	\$ 7,409,039
Sanitation	87,298
Stadium	<u>2,750,184</u>
Total depreciation expense	<u>\$ 10,246,521</u>

NOTE 5 LOAN PAYABLE

The City received a loan from the Water Infrastructure Finance Authority. The loan was used for expansion of an effluent wastewater facility and to rehabilitate an existing effluent lift station. The loan payable at June 30, 2016, is as follows:

Description	Interest Rate (Including Fees)	Maturity	Outstanding Principal June 30, 2016	Due Within One Year
Business-type activities:				
Water Infrastructure Finance Authority Loan	2.00%	7/1/17 - 29	\$ 3,854,322	\$ -
Total Business-type activities			<u>\$ 3,854,322</u>	<u>\$ -</u>

Annual debt service requirements to maturity on the loans payable at June 30, 2016 are summarized as follows:

Fiscal Year Ending June 30,	Business-Type Activities	
	Principal	Interest
2017	\$ -	\$ 79,661
2018	262,550	74,461
2019	267,801	69,157
2020	273,157	63,748
2021	278,620	58,230
2022-2026	1,478,950	204,443
2027-2030	<u>1,293,244</u>	<u>52,370</u>
Total	<u>\$ 3,854,322</u>	<u>\$ 602,070</u>

NOTE 6 GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at June 30, 2016, consisted of the outstanding general obligation and refunding bonds presented below. The bonds are generally callable with interest payable semi-annually. Of the total amounts originally authorized, \$167,660,449 remains unissued. The bonds payable at June 30, 2016 are presented below.

Description	Interest Rate	Maturity	Outstanding Principal June 30, 2016	Due Within One Year
Governmental activities:				
General Obligation Bonds				
Series 2007	3.00 - 5.00%	7/1/17 - 26	\$ 6,753,851	\$ -
General Obligation Bonds				
Series 2008	4.25 - 6.00%	7/1/17 - 37	7,141,882	-
General Obligation Refunding				
Bonds Series 2009	5.00 - 5.25%	7/1/27 - 29	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	4.00%	7/1/17 - 18	<u>3,500,000</u>	-
Total Governmental activities			<u>\$ 18,105,233</u>	<u>\$ -</u>
Business-type activities:				
General Obligation Bonds				
Series 2007	3.00 - 5.00%	7/1/17 - 26	\$ 16,421,149	\$ -
General Obligation Bonds				
Series 2008	4.25 - 6.00%	7/1/17 - 37	29,233,118	-
General Obligation Refunding				
Bonds Series 2009	5.00 - 5.25%	7/1/27 - 29	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	4.00 - 5.125%	7/1/21 - 30	4,610,000	-
General Obligation Refunding				
Bonds Series 2014	2.00%	7/1/17 - 20	<u>11,215,000</u>	-
Total Business-type activities			<u>\$ 72,164,767</u>	<u>\$ -</u>
Total			<u>\$ 90,270,000</u>	<u>\$ -</u>

NOTE 6 GENERAL OBLIGATION BONDS PAYABLE (Continued)

Annual debt service requirements to maturity on general obligation bonds payable at June 30, 2016 are summarized as follows:

Fiscal Year Ending June 30,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2017	\$ -	\$ 877,431	\$ -	\$ 3,222,407
2018	3,058,957	753,125	4,856,043	3,048,038
2019	2,095,540	639,137	5,054,460	2,864,752
2020	872,305	568,467	5,627,695	2,670,548
2021	1,021,174	522,839	5,858,826	2,466,808
2022-2026	5,273,104	1,872,590	20,166,894	9,400,831
2027-2031	3,113,924	836,539	19,671,078	4,476,746
2032-2036	1,811,240	382,281	7,413,760	1,564,750
2037-2038	858,989	37,029	3,516,011	151,565
Total	<u>\$ 18,105,233</u>	<u>\$ 6,489,438</u>	<u>\$ 72,164,767</u>	<u>\$ 29,866,445</u>

NOTE 7 REVENUE BONDS PAYABLE

Revenue bonds payable at June 30, 2016 consisted of the outstanding revenue bonds and refunding bonds presented below. The bonds are generally callable after 10 years with interest payable semi-annually. The bonds payable at June 30, 2016 are presented below:

Description	Interest Rate	Maturity	Outstanding Principal June 30, 2016	Due Within One Year
Governmental activities:				
Public Improvement Corporation Municipal Facilities Revenue Bonds, Series 2011A	3.00%	7/1/16 - 21	\$ 1,465,000	\$ 235,000
Public Improvement Corporation Municipal Facilities Revenue Tax-Exempt Revenue Bonds, Series 2012A	2.48%	12/15/16 - 6/15/23	6,525,805	864,760
Public Improvement Corporation Municipal Facilities Revenue Taxable Revenue Bonds, Series 2012B	3.44%	12/15/16 - 6/15/23	783,189	100,767
McDowell Road Corridor Improvement District Bonds	5.25%	1/1/17 - 32	<u>38,110,000</u>	<u>1,580,000</u>
Total Governmental activities			<u>\$ 46,883,994</u>	<u>\$ 2,780,527</u>
Business-type activities:				
Revenue Bonds, Series 1999	4.708 - 4.782%	7/1/17 - 18	\$ 330,000	\$ -
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%	7/1/16 - 41	14,560,000	295,000
Public Improvement Corporation Municipal Facilities Revenue Bonds, Series 2011A	3.00 - 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	-
Revenue Bonds, Series 2016	2.00 - 5.00%	7/1/17 - 45	<u>11,540,000</u>	<u>-</u>
Total Business-type activities			<u>\$ 143,885,000</u>	<u>\$ 295,000</u>

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
2017	\$ 2,780,527	\$ 2,223,794	\$ 295,000	\$ 7,720,629
2018	2,895,602	2,108,569	1,420,000	7,623,631
2019	3,011,337	1,988,333	2,990,000	7,579,268
2020	3,122,750	1,862,771	6,595,000	7,128,255
2021	3,254,862	1,731,788	7,945,000	6,742,574
2022-2026	13,798,916	6,649,684	31,105,000	28,678,247
2027-2031	14,620,000	3,273,374	52,935,000	18,906,723
2032-2036	3,400,000	178,500	25,925,000	6,061,542
2037-2041	-	-	11,425,000	2,271,124
2042-2046	-	-	2,925,000	339,550
2047-2050	-	-	325,000	76,781
Total	<u>\$ 46,883,994</u>	<u>\$ 20,016,813</u>	<u>\$ 143,885,000</u>	<u>\$ 93,128,324</u>

On June 7, 2016, the City issued \$11,540,000 of Revenue Bonds, with an average interest rate of 4.35%, to finance \$7,500,000 in water system improvements and to refund \$4,984,513 of an outstanding 2002 Water Infrastructure Finance Authority (WIFA) Loan. Additionally, \$761,384 of the bond proceeds were placed into reserve. The WIFA loan was defeased with \$4,227,164 of bond proceeds and \$845,518 of City cash on hand. Although the refunding resulted in the recognition of a deferred loss on refunding of \$88,169 for the fiscal year ended June 30, 2016, the City in effect reduced its aggregate debt service payments by \$837,101 over the next five years and obtained an economic gain (difference between the present values of the old and new debt service payments) of \$282,454.

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 with the last scheduled debt service payment occurring on 7/1/2049. 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 \$3,655,834 and \$12,759,787, 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. The last scheduled debt service payment on the bonds is 7/1/2032. Principal and interest paid for the current year and total pledged revenues for business type activity revenue bonds were \$5,686,663 and \$67,903,484, 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 infrastructure improvements. The last scheduled debt service payment on the bond is 1/1/2032. At June 30, 2016, 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. Principal and interest paid for the current year and total net revenues and fund balance available to service the debt were \$3,540,900 and \$3,645,361, respectively.

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, 2016 consisted of outstanding general obligation and special assessment bonds. The bonds are generally callable with interest payable semiannually. Community facilities district bonds payable at June 30, 2016, are presented below.

NOTE 8 COMMUNITY FACILITIES DISTRICTS BONDS PAYABLE (Continued)

Description	Interest Rate	Maturity	Outstanding Principal June 30, 2016	Due Within One Year
General District No. 1:				
G.O. Refunding Bonds, Series 2013	4.00 - 5.00%	07/15/28	\$ 9,915,000	\$ 480,000
Palm Valley:				
G.O. Bonds, Series 2006	5.00 - 5.30%	07/15/31	3,475,000	145,000
G.O. Bonds, Series 2007	4.95 - 5.80%	07/15/32	3,250,000	105,000
Utilities District No. 1:				
G.O. Bonds, Series 2007	4.00 - 4.50%	07/15/17	1,080,000	525,000
G.O. Refunding Bonds, Series 2014	4.00%	07/15/28	13,985,000	840,000
G.O. Refunding Bonds, Series 2015	2.00 - 4.125%	07/15/29	7,015,000	360,000
G.O. Refunding Bonds, Series 2016	2.00 - 4.00%	07/15/32	18,535,000	-
Wildflower Ranch General District 1:				
G.O. Bonds, Series 1997	6.25 - 6.50%	07/15/22	295,000	35,000
G.O. Bonds, Series 1998	5.70 - 5.75%	07/15/23	400,000	35,000
Wildflower Ranch General District 2:				
G.O. Bonds, Series 2000	6.75 - 7.00%	07/15/25	430,000	30,000
G.O. Bonds, Series 2001	5.50 - 5.90%	07/15/26	475,000	30,000
Cottonflower:				
G.O. Bonds, Series 2003	5.00 - 5.70%	07/15/28	1,200,000	65,000
G.O. Bonds, Series 2004	6.20 - 6.75%	07/15/28	960,000	50,000
Estrella Mountain Ranch:				
Assessment Bonds, Series 2001(A)	7.875%	07/01/25	2,963,000	284,000
Assessment Bonds, Series 2002	7.375%	07/01/27	2,608,000	164,000
G.O. Bonds, Series 2005	5.45 - 5.80%	07/15/30	3,790,000	160,000
Assessment Bonds, Series 2007(M)	5.25 - 5.80%	07/01/32	5,938,000	231,000
G.O. Bonds, Series 2007	5.375 - 6.20%	07/15/32	10,630,000	360,000
Assessment Bonds, Series 2007(G)	6.00 - 6.75%	07/01/32	5,557,000	234,000
Assessment Bonds, Series 2015(M2)	2.00 - 5.00%	07/01/39	4,844,000	135,000
Centerra:				
G.O. Bonds, Series 2005	5.50%	07/15/29	1,755,000	85,000
G.O. Bonds, Series 2006	4.75 - 5.15%	07/15/31	560,000	10,000
G.O. Bonds, Series 2008	6.125 - 6.625%	07/15/32	645,000	15,000
Cortina:				
G.O. Bonds, Series 2005	5.25 - 5.70%	07/15/29	1,235,000	60,000
G.O. Bonds, Series 2006	5.00 - 5.375%	07/15/31	800,000	25,000
Total			<u>\$ 102,340,000</u>	<u>\$ 4,463,000</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
2017	\$ 4,463,000	\$ 4,713,009
2018	4,588,000	4,772,316
2019	4,819,000	4,537,029
2020	5,071,000	4,303,469
2021	5,336,000	4,055,517
2022-2026	30,374,000	15,892,976
2027-2031	32,366,000	7,836,686
2032-2036	14,363,000	1,104,156
2037-2039	960,000	97,500
Total	\$ 102,340,000	\$ 47,312,658

On May 25, 2016, the District issued \$18,535,000 of General Obligation Bonds with an average interest rate of 3.95 percent to advance refund \$18,880,000 of outstanding 2007 Series General Obligation Bonds with an average interest rate of 4.84 percent. The net proceeds of \$20,106,713 (after payment of \$473,025 in underwriting fees and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for future debt service payments on the 2007 Series General Obligation Bonds. As a result, a portion of the 2007 Series General Obligation Bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements. Although the advance refunding resulted in the recognition of a deferred loss on refunding of \$994,971 for the fiscal year ended June 30, 2016, the District in effect reduced its aggregate debt service payments by \$2,916,204 over the next 17 years and obtained an economic gain (difference between the present values of the old and new debt service payments) of \$2,444,650.

NOTE 9 CHANGES IN LONG-TERM LIABILITIES

Long-term liabilities activity for the year ended June 30, 2016 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Compensated absences	\$ 4,451,666	\$ 2,699,657	\$ 2,190,056	\$ 4,961,267	\$ 1,590,785
General obligation bonds payable	21,035,322	-	2,930,089	18,105,233	-
Community Facilities					
Districts bonds payable	106,856,000	18,535,000	23,051,000	102,340,000	4,463,000
Public improvement bonds	9,945,088	-	1,171,094	8,773,994	1,200,527
Revenue bonds payable	39,610,000	-	1,500,000	38,110,000	1,580,000
Premiums	4,291,554	2,047,350	612,911	5,725,993	-
Discounts	(39,461)	-	(1,644)	(37,817)	-
Net pension liability	38,624,568	4,829,202	-	43,453,770	-
Governmental activities long-term liabilities	<u>\$ 224,774,737</u>	<u>\$ 28,111,209</u>	<u>\$ 31,453,506</u>	<u>\$ 221,432,440</u>	<u>\$ 8,834,312</u>
Business-type Activities:					
Compensated absences	\$ 570,676	\$ 331,220	\$ 280,997	\$ 620,899	\$ 218,691
General obligation bonds payable	76,754,678	-	4,589,911	72,164,767	-
Public improvement bonds	102,180,000	-	-	102,180,000	-
Revenue bonds payable	30,660,000	11,540,000	495,000	41,705,000	295,000
Loans payable	9,096,237	-	5,241,915	3,854,322	-
Premiums	3,125,334	1,234,957	279,987	4,080,304	-
Discounts	(556,502)	-	(22,227)	(534,275)	-
Net pension liability	6,320,314	1,077,034	-	7,397,348	-
Business-type activities long-term liabilities	<u>\$ 228,150,737</u>	<u>\$ 14,183,211</u>	<u>\$ 10,865,583</u>	<u>\$ 231,468,365</u>	<u>\$ 513,691</u>

NOTE 10 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At June 30, 2016, interfund balances were as follows:

Fund	Receivable Amount	Payable Amount
General Fund	\$ 1,801,210	\$ -
Non-Major Governmental Funds	-	672,116
Stadium Fund	-	961,840
Internal Service Fund	-	167,254
Total	\$ 1,801,210	\$ 1,801,210

Interfund balances resulted from (1) the borrowing of cash to cover cash deficits, (2) to account for the amount due for Community Facilities Districts' operational expenditures paid from the General Fund, and (3) to account for a long-term loan from the General Fund to the Stadium Fund to purchase commercial retail liners at the ballpark. All interfund balances are expected to be paid within one year with the exception of the Stadium balance which will be paid back when the commercial retail liners are sold to enterprises.

Fund	Transfers Out	Transfers In
General Fund	\$ 8,287,472	\$ 2,800,000
Non-Major Governmental Funds	803,588	739,227
Water and Wastewater Fund	1,900,000	-
Sanitation Fund	900,000	-
Stadium Fund	-	8,351,833
Total	\$ 11,891,060	\$ 11,891,060

All transfers made during the year were to cover operations or debt service as approved during budget development.

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, 2016; 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 payments 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 City continues to carry commercial insurance for workers compensation. Settled claims have not exceeded commercial insurance coverage in any of the past three fiscal years.

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 \$4,642,797 of pension expenditures in the governmental funds and \$540,462 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:

	Retirement Initial Membership Date:	
	Before July 1, 2011	On or After July 1, 2011
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 11.47 percent (11.35 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 11.47 percent (10.85 percent for retirement, 0.50 percent for health insurance premium benefit, and 0.12 percent for long-term disability) of the members' annual covered payroll. The City's contributions to the pension plan for the year ended June 30, 2016 were \$2,452,025.

In addition for the current fiscal year, the City was required by statute to contribute at the actuarially determined rate of 9.36 percent (9.30 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:		
2016	\$ 112,997	\$ 27,119
2015	128,393	26,114
2014	121,012	48,402

Pension Liability

At June 30, 2016, the City reported a liability of \$36,986,742 for its proportionate share of the ASRS net pension liability. The net pension liability was measured as of June 30, 2015. 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, 2014, to the measurement date of June 30, 2015. 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, 2015 the City's proportion was .237450 percent, which was an increase of .012636 from its proportion measured as of June 30, 2014.

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, 2016, the City recognized pension expense for ASRS of \$3,035,040 and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 1,009,288	\$ 1,938,143
Net difference between projected and actual earnings on pension plan investments		1,185,343
Changes in proportion and differences between city contributions and proportionate share of contributions	1,959,721	
Contributions subsequent to the measurement date	<u>2,452,025</u>	
Total	<u>\$ 5,421,034</u>	<u>\$ 3,123,486</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, 2017. 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:	
2017	\$ (268,627)
2018	553,372
2019	725,401
Thereafter	(855,669)

Actuarial Assumptions

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

Actuarial valuation date	June 30, 2014
Actuarial roll forward date	June 30, 2015
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, 2014 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, 2014, 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	58%	6.79%
Fixed income	25	3.7
Commodities	2	3.93
Real estate	10	4.25
Multi-asset class	5	3.41
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	\$48,465,272	\$ 36,986,742	\$ 29,120,188

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:	
	Before January 1, 2012	On or After January 1, 2012
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. In addition, from and after December 31, 2015 the Legislature may enact permanent one-time increases after a Joint Legislative Budget Committee analysis of the increase's effects on the plan. 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, 2016, the following employees were covered by the agent pension plans' benefit terms:

	PSPRS	PSPRS
	Police	Fire
Inactive employees or beneficiaries currently receiving benefits	17	5
Inactive employees entitled to but not yet receiving benefits	14	0
Active employees	89	92
Total	120	97

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, 2016 are indicated below. Rates are a percentage of active members' annual covered payroll.

	PSPRS Police	PSPRS Fire
	<hr/>	<hr/>
Active members - pension	11.65%	11.65%
City of Goodyear:		
Pension	21.25	13.45
Health insurance	0.41	0.40

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, 2016, were:

	PSPRS Police	PSPRS Fire
	<hr/>	<hr/>
Pension:		
Contributions made	\$ 1,597,875	\$ 1,133,359
Health insurance premium benefit:		
Annual OPEB cost		
Contributions made	30,830	33,706

Pension Liability

At June 30, 2016, the City reported the following net pension liabilities:

PSPRS - Police	\$ 10,363,865
PSPRS - Fire	3,500,511

The net pension liabilities were measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. In May 2016 voters approved Proposition 124 that authorized certain statutory adjustments to PSPRS' automatic cost-of-living adjustments. The statutory adjustments change the basis for future cost-of-living adjustments from excess investment earnings to the change in the consumer price index, limited to a maximum annual

NOTE 13 RETIREMENT PLANS (Continued)

B. Public Safety Personnel Retirement System (Continued)

increase of two percent. The change in the City's net pension liability as a result of the statutory adjustments is not known.

Actuarial Assumptions

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

	<u>PSPRS</u>
Actuarial valuation date	June 30, 2015
Actuarial cost method	Entry age normal
Asset valuation	
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, 2015, 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%	0.75%
Absolute return	5	4.11
Risk parity	4	5.13
Fixed income	7	2.92
Real assets	8	4.77
GTAA	10	4.38
Private equity	11	9.50
Real estate	10	4.48
Credit opportunities	13	7.08
Non-U.S. equity	14	8.25
U.S. equity	<u>16</u>	6.23
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, 2015	\$ 29,232,918	\$ 19,683,544	\$ 9,549,374
Changes for the year:			
Service cost	1,278,133		1,278,133
Interest on the total pension liability	2,301,498		2,301,498
Changes of benefit terms			
Differences between expected and actual experience in the measurement of the pension liability	(159,382)		(159,382)
Changes of assumptions or other inputs			
Contributions - employer		1,173,950	(1,173,950)
Contributions - employee		768,858	(768,858)
Net investment income		739,152	(739,152)
Benefit payments, including refunds of employee contributions	(1,107,068)	(1,107,068)	
Administrative expense		(18,421)	18,421
Other Changes		(57,781)	57,781
Net changes	2,313,181	1,498,690	814,491
Balances at June 30, 2016	<u>\$ 31,546,099</u>	<u>\$ 21,182,234</u>	<u>\$ 10,363,865</u>

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, 2015	\$ 22,851,411	\$ 20,720,720	\$ 2,130,691
Changes for the year:			
Service cost	1,409,380		1,409,380
Interest on the total pension liability	1,822,450		1,822,450
Changes of benefit terms			
Differences between expected and actual experience in the measurement of the pension liability	1,030,908		1,030,908
Changes of assumptions or other inputs			
Contributions - employer		968,726	(968,726)
Contributions - employee		848,048	(848,048)
Net investment income		791,715	(791,715)
Benefit payments, including refunds of employee contributions	(680,367)	(680,367)	
Administrative expense		(19,707)	19,707
Other		304,136	(304,136)
Net changes	<u>3,582,371</u>	<u>2,212,551</u>	<u>1,369,820</u>
Balances at June 30, 2016	<u>\$ 26,433,782</u>	<u>\$ 22,933,271</u>	<u>\$ 3,500,511</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	\$ 14,725,354	\$ 10,363,865	\$ 6,778,039
PSPRS-Fire:			
Rate	6.85%	7.85%	8.85%
Net Pension Liability	\$ 7,801,838	\$ 3,500,511	\$ (25,765)

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, 2016, the City recognized the following pension expense:

	<u>Pension Expense</u>
PSPRS - Police	\$ 1,538,144
PSPRS - Fire	476,363

Pension Deferred Outflows/Inflows of Resources

At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
PSPRS - Police:		
Differences between expected and actual experience	\$ 189,646	\$ 137,229
Changes of assumptions or other inputs	1,273,239	
Net difference between projected and actual earnings on pension plan investments	96,957	
Contributions subsequent to the measurement date	<u>1,597,875</u>	
Total	<u>\$ 3,157,717</u>	<u>\$ 137,229</u>
PSPRS - Fire:		
Differences between expected and actual experience	\$ 936,546	\$ 667,579
Changes of assumptions or other inputs	508,433	
Net difference between projected and actual earnings on pension plan investments	125,281	
Contributions subsequent to the measurement date	<u>1,133,359</u>	
Total	<u>\$ 2,703,619</u>	<u>\$ 667,579</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, 2017. 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
2017	226,139	59,354
2018	226,139	59,354
2019	226,140	59,355
2020	416,703	255,094
2021	249,541	76,969
Thereafter	77,951	392,555

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, 2016	30,830	100.0%	-
June 30, 2015	65,983	100.0%	-
June 30, 2014	63,164	100.0%	-
PSPRS - Fire - Health Insurance			
June 30, 2016	33,706	100.0%	-
June 30, 2015	53,722	100.0%	-
June 30, 2014	46,653	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 actuarial methods and assumptions used to establish the fiscal year 2016 contribution requirements, are as follows:

	<u>PSPRS</u>
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	4.0%-8.0%
includes inflation at	4.00%

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, 2015, actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement.

	<u>PSPRS</u>
Actuarial valuation date	June 30, 2015
Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	21 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	4.0%-8.0% 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, 2015.

	<u>PSPRS-Police</u>	<u>PSPRS-Fire</u>
Actuarial value of assets	\$ 724,777	\$ 543,197
Actuarial accrued liability	744,531	670,220
Unfunded actuarial accrued liability (funding excess)	19,754	127,023
Funded ratio	97.3%	81.0%
Annual Covered Payroll	\$ 7,012,489	\$ 7,822,842
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll	0.28%	1.62%

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, 2016. As of June 30, 2016, there were 5 eligible employees participating in the plan. The plan is administered by Innes Associates LTD.

As of June 30, 2016, the plan's assets consisted of the following:

Cash and Cash Equivalents	\$	1,716
Investments		<u>402,754</u>
	\$	404,470

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, 2016, the Grants Fund contains a deficit fund balance of \$28,737 in the fund financial statements. Future revenues are expected to cover this deficit.

NOTE 15 FUND BALANCE CLASSIFICATIONS

	General	McDowell Road Commerical Corridor Improvement Debt Service	Community Facilities Districts 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					564,639	564,639
Prepaid items	667,798					667,798
Restricted:						
Charter mandates	4,009,183					4,009,183
Court	178,351					178,351
Law enforcement	427,243					427,243
Debt Service		104,461	12,871,535		13,202	12,989,198
Development impact fees				12,882,857		12,882,857
Highway user funds					721	721
Transit	847,446					847,446
Community facilities districts operations					1,434,106	1,434,106
Assigned:						
IT replacement	498,851					498,851
Fleet replacement	3,196,101					3,196,101
Risk management	1,077,452					1,077,452
Parks management	1,271,367					1,271,367
Unassigned	52,620,845				(28,737)	52,592,108
Total fund balances	<u>\$ 65,756,477</u>	<u>\$ 104,461</u>	<u>\$ 12,871,535</u>	<u>\$ 12,882,857</u>	<u>\$ 1,983,931</u>	<u>\$ 93,599,261</u>

NOTE 16 COMMITMENTS

The City has active construction projects as of June 30, 2016. The balances for work not yet complete as of June 30, 2016 were as follows:

Goodyear Blvd NW Quad Improvement Ph. 1&2 ST1404	\$ 25,036
PD Operations Building - Phase 1 FA1404	1,866,493
Median Improvements 4 Areas ST1601	105,310
Fiber Optic - Yuma Rd/Estrella Pkwy/Cotton Lane ST1603	22,662
Adaman Well & Treatment WA1510	176,120
Vadose BOR Grant WR1401	381,938
Van Buren: Estrella to Cotton Lane ST1504	3,350
GWRF N. Digester Rehab. WW1604	339,328
GWRF 2 MGD Expansion Design WW1302	401,228
	<u>\$ 3,321,465</u>

These commitments are being financed from existing fund balances.

NOTE 17 SUBSEQUENT EVENTS

City of Goodyear – Debt Issuance

In October 2016, the City issued \$54,975,000 of General Obligation Bonds with an average interest rate of 3.25 percent to advance refund \$54,975,000 of outstanding 2007 and 2008 Series General Obligation Bonds with an average interest rate of 4.37 percent. The net proceeds of \$58,536,868 (after payment of \$499,835 in underwriting fees and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for future debt service payments on the 2007 and 2008 Series General Obligation Bonds with the exception of \$1,900,000 and \$2,675,000 remaining maturities after refunding on the 2007 and 2008 Series General Obligation Bonds, respectively. As a result, the bonds are considered to be defeased and the liability for those bonds will be removed from the financial statements. The City is expected to have a net present value savings of \$6,666,850.

Public Improvement Corporation – Debt Issuance

In October 2016, the Public Improvement Corporation issued \$71,695,000 of Municipal Facilities Revenue Bonds with an average interest rate of 4.38 percent to advance refund \$77,150,000 of outstanding 2007A and 2008 Series Municipal Facilities Revenue Bonds with an average interest rate of 5.45 percent. The net proceeds of \$82,821,953 (after payment of \$658,360 in underwriting fees and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2007A and 2008 Series Municipal Facilities Revenue Bonds. As a result, the 2007A and 2008 Series Municipal Facilities Revenue Bonds are considered to be defeased and the liability for those bonds will be removed from the financial statements. The Public Improvement Corporation is expected to have a net present value savings of \$16,477,970.

Palm Valley Community Facility District – Debt Issuance

In October 2016, the District issued \$6,435,000 of General Obligation Bonds with an average interest rate of 3.69 percent to advance refund \$6,475,000 of outstanding 2006 and 2007 Series General Obligation Bonds with an average interest rate of 5.56 percent. The net proceeds of \$6,710,214 (after payment of \$254,842 in underwriting fees and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2006 and 2007 Series General Obligation Bonds. As a result, the 2006 and 2007 Series General Obligation Bonds are considered to be defeased and the liability for those bonds will be removed from the financial statements. The District is expected to have a net present value savings of \$1,180,565.

NOTE 17 SUBSEQUENT EVENTS (Continued)

Centerra Community Facility District – Debt Issuance

In November 2016, the District issued \$3,423,000 of General Obligation Bonds with an average interest rate of 2.70 percent to advance refund \$2,820,000 of outstanding 2005, 2006 and 2008 Series General Obligation Bonds with an average interest rate of 5.71 percent and to reimburse a developer for infrastructure costs incurred in the Centerra Community Facilities District. Proceeds of \$2,936,696 were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for future debt service payments with the exception of the 2008 Series General Obligation Bonds which was partially refunded with remaining maturities of \$30,000 after refunding. As a result, the refunded General Obligation Bonds are considered to be defeased and the liability for those bonds will be removed from the financial statements. The District is expected to have a net present value savings of \$449,189.

Required Supplementary Information

CITY OF GOODYEAR, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 56,900,642	\$ 56,900,642	\$ 57,729,304	\$ 828,662
Licenses and permits	5,173,023	5,173,023	7,357,205	2,184,182
Intergovernmental revenues	16,674,902	16,674,902	16,848,837	173,935
Charges for services	4,592,992	4,592,992	3,239,808	(1,353,184)
Fines and forfeitures	739,700	739,700	761,958	22,258
Investment earnings	165,500	165,500	616,768	451,268
Contributions	612,275	612,275	703,182	90,907
Miscellaneous	531,250	531,250	439,706	(91,544)
Total revenues	<u>85,390,284</u>	<u>85,390,284</u>	<u>87,696,768</u>	<u>2,306,484</u>
Expenditures:				
Administrative services	8,727,731	8,612,905	7,413,372	1,199,533
Support services	12,353,746	13,044,969	10,482,892	2,562,077
Public safety	32,512,832	32,695,049	31,381,607	1,313,442
Development services	8,672,830	8,822,985	7,933,367	889,618
Public works	2,381,936	2,381,936	2,255,101	126,835
Parks & recreation	5,651,209	6,054,009	5,434,042	619,967
Impound fund	184,515	184,515	105,936	78,579
Debt service	1,430,521	1,430,521	1,425,521	5,000
Contingency	16,601,748	16,601,748	-	16,601,748
Fleet reserve	1,927,534	1,927,534	1,651,839	275,695
Technology replacement reserve	650,000	650,000	609,450	40,550
Risk replacement reserve	1,087,947	1,087,947	13,000	1,074,947
Parks replacement reserve	1,108,500	1,108,500	166,633	941,867
Capital projects	27,263,834	25,825,355	7,809,095	18,016,260
Total expenditures	<u>120,554,883</u>	<u>120,427,973</u>	<u>76,681,855</u>	<u>43,746,118</u>
Excess (deficiency) of revenues over expenditures	<u>(35,164,599)</u>	<u>(35,037,689)</u>	<u>11,014,913</u>	<u>46,052,602</u>
Other financing sources (uses):				
Transfers in	2,800,000	2,800,000	2,800,000	-
Transfers out	(10,439,024)	(10,439,024)	(8,287,472)	2,151,552
Total other financing sources (uses)	<u>(7,639,024)</u>	<u>(7,639,024)</u>	<u>(5,487,472)</u>	<u>2,151,552</u>
Changes in fund balances	<u>(42,803,623)</u>	<u>(42,676,713)</u>	<u>5,527,441</u>	<u>48,204,154</u>
Fund balances, beginning of year			58,686,307	58,686,307
Fund balances (deficits), end of year	<u>\$ (42,803,623)</u>	<u>\$ (42,676,713)</u>	<u>\$ 64,213,748</u>	<u>\$ 106,890,461</u>

See accompanying notes to this schedule.

CITY OF GOODYEAR
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ARIZONA STATE RETIREMENT SYSTEM
LAST TWO FISCAL YEARS

	<u>2016</u>	<u>2015</u>
City of Goodyear's proportion of the net pension liability (asset)	0.24%	0.22%
City of Goodyear's proportionate share of the net pension liability (asset)	\$ 36,986,742	\$ 33,264,817
City of Goodyear's covered-employee payroll	\$ 21,761,494	\$ 20,166,796
City of Goodyear's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	169.96%	164.95%
Plan fiduciary net position as a percentage of the total pension liability	68.35%	69.49%

Note: Data prior to 2015 is not available.

See accompanying notes to this schedule.

**CITY OF GOODYEAR
SCHEDULE OF CONTRIBUTIONS
ALL PENSION PLANS
LAST TWO FISCAL YEARS**

	<u>2016</u>	<u>2015</u>
Arizona State Retirement System:		
Actuarially determined contribution	\$ 2,452,025	\$ 2,369,823
Contributions in relation to the actuarially determined contribution	<u>2,452,025</u>	<u>2,369,823</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>
City of Goodyear's covered-employee payroll	<u>22,599,315</u>	<u>\$ 21,761,494</u>
Contributions as a percentage of covered-employee payroll	10.85%	10.89%
 Public Safety Personnel Retirement System - Police:		
Actuarially determined contribution	\$ 1,597,875	\$ 1,173,949
Contributions in relation to the actuarially determined contribution	<u>1,597,875</u>	<u>1,173,949</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>
City of Goodyear's covered-employee payroll	\$ 7,519,412	\$ 6,957,993
Contributions as a percentage of covered-employee payroll	21.25%	16.87%
 Public Safety Personnel Retirement System - Fire:		
Actuarially determined contribution	\$ 1,133,359	\$ 968,539
Contributions in relation to the actuarially determined contribution	<u>1,133,359</u>	<u>968,539</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>
Town's covered-employee payroll	\$ 8,426,461	\$ 7,674,635
Contributions as a percentage of covered-employee payroll	13.45%	12.62%

Note: Data prior to 2015 is not available.

See accompanying notes to this schedule.

**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:						
2015	\$ 724,777	\$ 744,531	\$ (19,754)	97.35 %	\$ 7,012,489	0.28 %
2014	638,160	732,738	(94,578)	87.09	6,630,426	1.43
2013		708,612	(708,612)	-	6,582,586	10.76
Public Safety Personnel Retirement System - Fire:						
2015	\$ 543,197	\$ 670,220	\$ (127,023)	81.05 %	\$ 7,822,842	1.62 %
2014	466,897	634,667	(167,770)	73.57	7,338,828	2.29
2013		543,584	(543,584)	-	7,232,076	7.52

See accompanying notes to this schedule.

CITY OF GOODYEAR
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM - POLICE
LAST TWO FISCAL YEARS

	<u>2016</u>	<u>2015</u>
Total pension liability		
Service cost	\$ 1,278,133	\$ 1,278,071
Interest	2,301,498	1,966,048
Changes of benefit terms		186,683
Differences between expected and actual	(159,382)	260,090
Changes of assumptions		1,746,183
Benefit payments, including refunds	<u>(1,107,068)</u>	<u>(1,220,650)</u>
Net change in total pension liability	2,313,181	4,216,425
Total pension liability—beginning	29,232,918	25,016,493
Total pension liability—ending	<u>\$ 31,546,099</u>	<u>\$ 29,232,918</u>
 Plan fiduciary net position		
Contributions—employer	\$ 1,173,950	\$ 1,116,495
Contributions—employee	768,858	704,171
Net investment income	739,152	2,330,439
Benefit payments, including refunds	(1,107,068)	(1,220,650)
Administrative expense	(18,421)	(18,769)
Other	<u>(57,781)</u>	<u>31,204</u>
Net change in plan fiduciary net position	1,498,690	2,942,890
Plan fiduciary net position—beginning	19,683,544	16,740,654
Plan fiduciary net position—ending	<u>\$ 21,182,234</u>	<u>\$ 19,683,544</u>
 Net pension liability—ending	<u>\$ 10,363,865</u>	<u>\$ 9,549,374</u>
 Plan fiduciary net position as a percentage of the total pension liability	67.15%	67.33%
 Covered-employee payroll	\$ 7,012,489	\$ 6,630,426
 Net pension liability as a percentage of covered- employee payroll	147.79%	144.02%

Note: Data prior to 2015 is not available.

See accompanying notes to this schedule.

CITY OF GOODYEAR
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM - FIRE
LAST TWO FISCAL YEARS

	<u>2016</u>	<u>2015</u>
Total pension liability		
Service cost	\$ 1,409,380	\$ 1,405,013
Interest	1,822,450	1,640,015
Changes of benefit terms		(18,156)
Differences between expected and actual	1,030,908	(813,497)
Changes of assumptions		619,565
Benefit payments, including refunds	<u>(680,367)</u>	<u>(341,865)</u>
Net change in total pension liability	3,582,371	2,491,075
Total pension liability—beginning	22,851,411	20,360,336
Total pension liability—ending	<u>\$ 26,433,782</u>	<u>\$ 22,851,411</u>
Plan fiduciary net position		
Contributions—employer	\$ 968,726	\$ 948,481
Contributions—employee	848,048	754,465
Net investment income	791,715	2,393,724
Benefit payments, including refunds	(680,367)	(341,865)
Administrative expense	(19,707)	(19,278)
Other	304,136	137,157
Net change in plan fiduciary net position	<u>2,212,551</u>	<u>3,872,684</u>
Plan fiduciary net position—beginning	20,720,720	16,848,036
Plan fiduciary net position—ending	<u>\$ 22,933,271</u>	<u>\$ 20,720,720</u>
Net pension liability—ending	<u>\$ 3,500,511</u>	<u>\$ 2,130,691</u>
Plan fiduciary net position as a percentage of the total pension liability	86.76%	90.68%
Covered-employee payroll	\$ 7,822,842	\$ 7,338,828
Net pension liability as a percentage of covered-employee payroll	44.75%	29.03%

Note: Data prior to 2015 is not available.

See accompanying notes to this schedule.

CITY OF GOODYEAR, ARIZONA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

The City budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America, except for the following items:

- Certain activities reported in the General Fund are budgeted in separate funds.

The following schedule reconciles fund balance reported at the end of the year:

	<u>Beginning Fund</u>			<u>Ending Fund</u>
	<u>Balance</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Balance</u>
Statement of Revenues, Expenditures and Changes in Fund Balance-Governmental Funds	\$ 60,181,980	\$ 87,880,128	\$ (76,818,159)	\$ 65,756,477
Activity budgeted as special revenue funds	(1,013,783)	(180,849)	38,524	(1,156,108)
Activity budgeted as capital projects fund	<u>(481,890)</u>	<u>(2,511)</u>	<u>97,780</u>	<u>(386,621)</u>
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual-General Fund	<u>\$ 58,686,307</u>	<u>\$ 87,696,768</u>	<u>\$ (76,681,855)</u>	<u>\$ 64,213,748</u>

NOTE 2 – 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, 2014, 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, 2014, actuarial valuation. The study did not include an analysis of the assumed investment rate of return.

The actuarial assumptions used in the June 30, 2015, valuation for PSPRS were based on the results of an actuarial experience study for the five-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.



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.
- Community Facilities Districts – CFDs represent special districts formed for the purpose of financing the acquisition, construction, operation, and maintenance of the public infrastructure benefiting the community.
- Grants Fund – Based on application to granting agencies by the City and availability of funding by grantors.

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 property tax levy sufficient to meet the debt service requirements.

Community Facilities Districts Capital Projects Fund

This fund accounts for acquisition of infrastructure within the boundaries of the City's Community Facilities Districts.



CITY OF GOODYEAR, ARIZONA
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

	Special Revenue		
	Highway User Revenue	Community Facilities Districts	Grants
<u>ASSETS</u>			
Cash and cash equivalents	\$	\$ 2,007,237	\$ 879,555
Investments			876,035
Taxes receivable		20,696	
Interest receivable			2,159
Accounts receivable		72	2,623
Due from other governments	434,628		66,545
Inventories	564,639		
Total assets	<u>\$ 999,267</u>	<u>\$ 2,028,005</u>	<u>\$ 1,826,917</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 114,961	\$ 52,285	\$ 8,048
Accrued payroll and employee benefits	64,971		2,195
Deposits	152,551		
Due to other funds	101,424	533,184	
Unearned revenue			1,809,686
Total liabilities	<u>433,907</u>	<u>585,469</u>	<u>1,819,929</u>
Deferred inflows of resources:			
Unavailable revenues - property taxes		8,430	
Unavailable revenues - intergovernmental			35,725
Total deferred inflows of resources		<u>8,430</u>	<u>35,725</u>
Fund balances (deficits):			
Nonspendable	564,639		
Restricted	721	1,434,106	
Unassigned			(28,737)
Total fund balances	<u>565,360</u>	<u>1,434,106</u>	<u>(28,737)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 999,267</u>	<u>\$ 2,028,005</u>	<u>\$ 1,826,917</u>

<u>Debt Service</u>	<u>Total Non-Major Governmental Funds</u>
Debt Service	
\$	\$ 2,886,792
	876,035
98,413	119,109
	2,159
	2,695
	501,173
	564,639
<u>\$ 98,413</u>	<u>\$ 4,952,602</u>

\$	\$ 175,294
	67,166
	152,551
37,508	672,116
	1,809,686
<u>37,508</u>	<u>2,876,813</u>

	56,133
	35,725
<u>47,703</u>	<u>91,858</u>

	564,639
13,202	1,448,029
	(28,737)
<u>13,202</u>	<u>1,983,931</u>

<u>\$ 98,413</u>	<u>\$ 4,952,602</u>
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CITY OF GOODYEAR, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016

	Special Revenue		
	Highway User Revenue	Community Facilities Districts	Grants
Revenues:			
Taxes	\$	\$ 1,195,522	\$
Intergovernmental	4,264,827		695,865
Charges for services	4,530		
Investment income	1,524	3,397	15,811
Contributions			320
Miscellaneous	135,237	75,584	78,404
Total revenues	<u>4,406,118</u>	<u>1,274,503</u>	<u>790,400</u>
Expenditures:			
Current -			
General government		949,969	
Public safety			351,890
Highways and streets	5,156,358		191,206
Capital outlay	84,999		251,896
Debt service -			
Principal retirement			
Interest and debt cost			
Total expenditures	<u>5,241,357</u>	<u>949,969</u>	<u>794,992</u>
Excess (deficiency) of revenues over expenditures	<u>(835,239)</u>	<u>324,534</u>	<u>(4,592)</u>
Other financing sources (uses):			
Transfer in	739,194		33
Transfer out	(33)		
Total other financing sources (uses):	<u>739,161</u>		<u>33</u>
Changes in fund balances	<u>(96,078)</u>	<u>324,534</u>	<u>(4,559)</u>
Fund balances (deficits), beginning of year	661,438	1,109,572	(24,178)
Fund balances (deficits), end of year	<u>\$ 565,360</u>	<u>\$ 1,434,106</u>	<u>\$ (28,737)</u>

<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
<u>Debt Service</u>	<u>Community Facilities Districts Capital Projects</u>	<u>Funds</u>
\$ 4,723,213	\$	\$ 5,918,735
2,043		4,962,735
	1,711	4,530
		22,443
		320
		289,225
<u>4,725,256</u>	<u>1,711</u>	<u>11,197,988</u>
		949,969
		351,890
		5,347,564
	4,416,562	4,753,457
2,930,089		2,930,089
936,101		936,101
<u>3,866,190</u>	<u>4,416,562</u>	<u>15,269,070</u>
<u>859,066</u>	<u>(4,414,851)</u>	<u>(4,071,082)</u>
		739,227
<u>(803,555)</u>		<u>(803,588)</u>
<u>(803,555)</u>		<u>(64,361)</u>
<u>55,511</u>	<u>(4,414,851)</u>	<u>(4,135,443)</u>
(42,309)	4,414,851	6,119,374
<u>\$ 13,202</u>	<u>\$</u>	<u>\$ 1,983,931</u>



Fiduciary Fund Financial Statements

Combining Statement of Assets and Liabilities

Combining Statement of Changes in Assets and Liabilities

Agency Funds

- G.A.I.N.
- Fill-A-Need
- Shop With A Cop
- Arizona in Action



**CITY OF GOODYEAR, ARIZONA
 COMBINING STATEMENT OF ASSETS AND LIABILITIES
 AGENCY FUNDS
 JUNE 30, 2016**

	GAIN	Fill-A-Need	Shop With A Cop
<u>ASSETS</u>			
Cash and cash equivalents	\$ 8,662	\$ 111	\$ 14,195
Total assets	\$ 8,662	\$ 111	\$ 14,195
 <u>LIABILITIES</u>			
Deposits held for others	\$ 8,662	\$ 111	\$ 14,195
Total liabilities	\$ 8,662	\$ 111	\$ 14,195

<u>Arizona in Action</u>	<u>Totals</u>
\$ 3,230	\$ 26,198
<u>\$ 3,230</u>	<u>\$ 26,198</u>

\$ 3,230	\$ 26,198
<u>\$ 3,230</u>	<u>\$ 26,198</u>

CITY OF GOODYEAR, ARIZONA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2016

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016
GAIN:				
Assets				
Cash and cash equivalents	\$ 9,030	\$ -	\$ (368)	\$ 8,662
Liabilities				
Deposits held for others	\$ 9,030	\$ -	\$ (368)	\$ 8,662
Fill-A-Need:				
Assets				
Cash and cash equivalents	\$ 6,084	\$ 7,428	\$ (13,401)	\$ 111
Liabilities				
Deposits held for others	\$ 6,084	\$ 7,428	\$ (13,401)	\$ 111
Shop With A Cop:				
Assets				
Cash and cash equivalents	\$ 11,690	\$ 7,505	\$ (5,000)	\$ 14,195
Liabilities				
Deposits held for others	\$ 11,690	\$ 7,505	\$ (5,000)	\$ 14,195
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	\$ 30,034	\$ 14,933	\$ (18,769)	\$ 26,198
Liabilities				
Deposits held for others	\$ 30,034	\$ 14,933	\$ (18,769)	\$ 26,198

Budgetary Comparison Schedules

Major Governmental Funds

**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, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Special assessments	\$ 3,540,451	\$ 3,540,451	\$ 3,533,669	\$ (6,782)
Total revenues	<u>3,540,451</u>	<u>3,540,451</u>	<u>3,533,669</u>	<u>(6,782)</u>
Expenditures:				
Debt service -				
Principal retirement	1,500,000	1,500,000	1,500,000	
Interest and debt cost	2,040,451	2,040,951	2,040,900	51
Total expenditures	<u>3,540,451</u>	<u>3,540,951</u>	<u>3,540,900</u>	<u>51</u>
Changes in fund balances		(500)	(7,231)	(6,731)
Fund balances, beginning of year			111,692	111,692
Fund balances (deficits), end of year	<u>\$</u>	<u>\$ (500)</u>	<u>\$ 104,461</u>	<u>\$ 104,961</u>

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, 2016

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original & Final	Actual	
Revenues:			
Taxes	\$ 5,491,771	\$ 5,465,015	\$ (26,756)
Investment income	4,930	12,840	7,910
Special assessments	4,336,173	2,562,343	(1,773,830)
Contributions	672,000	643,211	(28,789)
Total revenues	<u>10,504,874</u>	<u>8,683,409</u>	<u>(1,821,465)</u>
Expenditures:			
Debt service -			
Principal retirement	8,874,000	4,171,000	4,703,000
Interest and debt cost	8,172,941	5,357,204	2,815,737
Bond issuance costs		457,825	(457,825)
Total expenditures	<u>17,046,941</u>	<u>9,986,029</u>	<u>7,060,912</u>
Excess (deficiency) of revenues over expenditures	<u>(6,542,067)</u>	<u>(1,302,620)</u>	<u>5,239,447</u>
Other financing sources (uses):			
Refunding bonds issued		18,535,000	18,535,000
Refunding bonds premium		2,047,350	2,047,350
Payment to refunded bond escrow agent		(20,106,713)	(20,106,713)
Total other financing sources (uses):		<u>475,637</u>	<u>475,637</u>
Changes in fund balances	<u>(6,542,067)</u>	<u>(826,983)</u>	<u>5,715,084</u>
Fund balances, beginning of year	12,652,933	13,698,518	1,045,585
Fund balances, end of year	<u>\$ 6,110,866</u>	<u>\$ 12,871,535</u>	<u>\$ 6,760,669</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 1,285,714	\$ 1,285,714	\$ 2,174,146	\$ 888,432
Charges for services	3,379,582	3,379,582	2,448,109	(931,473)
Investment income			52,278	52,278
Total revenues	<u>4,665,296</u>	<u>4,665,296</u>	<u>4,674,533</u>	<u>9,237</u>
Expenditures:				
Current -				
General government			414	(414)
Highways and streets	229,346	281,728	333,353	(51,625)
Culture and recreation	193,500	227,500	278,148	(50,648)
Capital outlay	5,121,902	5,400,296	1,013,328	4,386,968
Total expenditures	<u>5,544,748</u>	<u>5,909,524</u>	<u>1,625,243</u>	<u>4,284,281</u>
Changes in fund balances	<u>(879,452)</u>	<u>(1,244,228)</u>	<u>3,049,290</u>	<u>4,293,518</u>
Fund balances, beginning of year			9,833,567	9,833,567
Fund balances (deficits), end of year	<u>\$ (879,452)</u>	<u>\$ (1,244,228)</u>	<u>\$ 12,882,857</u>	<u>\$ 14,127,085</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 4,038,191	\$ 4,038,191	\$ 4,264,827	\$ 226,636
Charges for services	10,000	10,000	4,530	(5,470)
Investment income			1,511	1,511
Miscellaneous	25,000	25,000	135,237	110,237
Total revenues	<u>4,073,191</u>	<u>4,073,191</u>	<u>4,406,105</u>	<u>332,914</u>
Expenditures:				
Current -				
Highways and streets	5,426,231	5,500,231	5,140,885	359,346
Capital outlay		84,999	84,999	
Total expenditures	<u>5,426,231</u>	<u>5,585,230</u>	<u>5,225,884</u>	<u>359,346</u>
Excess (deficiency) of revenues over expenditures	<u>(1,353,040)</u>	<u>(1,512,039)</u>	<u>(819,779)</u>	<u>692,260</u>
Other financing sources (uses):				
Transfer in	1,353,040	1,353,040	739,194	(613,846)
Total other financing sources (uses):	<u>1,353,040</u>	<u>1,353,040</u>	<u>739,194</u>	<u>(613,846)</u>
Changes in fund balances		<u>(158,999)</u>	<u>(80,585)</u>	<u>78,414</u>
Fund balances, beginning of year			645,945	645,945
Fund balances (deficits), end of year	<u>\$</u>	<u>\$ (158,999)</u>	<u>\$ 565,360</u>	<u>\$ 724,359</u>

**CITY OF GOODYEAR, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
LTAF I
YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts <u>Original & Final</u>	Non-GAAP Actual <u>Actual</u>	Variance with Final Budget Positive (Negative) <u>(Negative)</u>
Revenues:			
Investment income	\$	\$ 13	\$ 13
Total revenues	<u>13</u>	<u>13</u>	<u>13</u>
Expenditures:			
Current -			
Highways and streets	15,475	15,473	2
Total expenditures	<u>15,475</u>	<u>15,473</u>	<u>2</u>
Excess (deficiency) of revenues over expenditures	<u>(15,475)</u>	<u>(15,460)</u>	<u>15</u>
Other financing sources (uses):			
Transfer out		(33)	(33)
Total other financing sources (uses):		<u>(33)</u>	<u>(33)</u>
Changes in fund balances	<u>(15,475)</u>	<u>(15,493)</u>	<u>(18)</u>
Fund balances, beginning of year		15,493	15,493
Fund balances (deficits), end of year	<u>\$ (15,475)</u>	<u>\$</u>	<u>\$ 15,475</u>

CITY OF GOODYEAR, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
PARK AND RIDE MARQUEE
YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original & Final	Non-GAAP Actual	
Revenues:			
Charges for services	\$ 100,500	\$ 100,500	\$
Investment income		1,736	1,736
Total revenues	<u>100,500</u>	<u>102,236</u>	<u>1,736</u>
Changes in fund balances	<u>100,500</u>	<u>102,236</u>	<u>1,736</u>
Fund balances, beginning of year		745,210	745,210
Fund balances, end of year	<u>\$ 100,500</u>	<u>\$ 847,446</u>	<u>\$ 746,946</u>

**CITY OF GOODYEAR, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
COURT ENHANCEMENT
YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original & Final	Non-GAAP Actual	
Revenues:			
Fines and forfeits	\$ 60,000	\$ 43,813	\$ (16,187)
Investment income		358	358
Total revenues	<u>60,000</u>	<u>44,171</u>	<u>(15,829)</u>
Expenditures:			
Current -			
Public safety	60,000	38,524	21,476
Total expenditures	<u>60,000</u>	<u>38,524</u>	<u>21,476</u>
Changes in fund balances		<u>5,647</u>	<u>5,647</u>
Fund balances, beginning of year		86,219	86,219
Fund balances, end of year	<u>\$</u>	<u>\$ 91,866</u>	<u>\$ 91,866</u>

CITY OF GOODYEAR, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
JCEF
YEAR ENDED JUNE 30, 2016

	Budgeted Amounts	Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original & Final		
Revenues:			
Fines and forfeits	\$ 16,000	\$ 12,583	\$ (3,417)
Investment income		851	851
Total revenues	16,000	13,434	(2,566)
Expenditures:			
Current -			
Public safety	60,000		60,000
Total expenditures	60,000		60,000
Changes in fund balances	(44,000)	13,434	57,434
Fund balances, beginning of year		73,051	73,051
Fund balances (deficits), end of year	\$ (44,000)	\$ 86,485	\$ 130,485

CITY OF GOODYEAR, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FILL THE GAP
YEAR ENDED JUNE 30, 2016

	Budgeted Amounts	Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original & Final	Actual	(Negative)
Revenues:			
Fines and forfeits	\$ 7,000	\$ 7,034	\$ 34
Investment income		250	250
Total revenues	<u>7,000</u>	<u>7,284</u>	<u>284</u>
Changes in fund balances	<u>7,000</u>	<u>7,284</u>	<u>284</u>
Fund balances, beginning of year		81,360	81,360
Fund balances, end of year	<u>\$ 7,000</u>	<u>\$ 88,644</u>	<u>\$ 81,644</u>

**CITY OF GOODYEAR, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
OFFICER SAFETY EQUIPMENT
YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts	Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	<u>Original & Final</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:			
Fines and forfeits	\$ 14,400	\$ 13,720	\$ (680)
Investment income		4	4
Total revenues	<u>14,400</u>	<u>13,724</u>	<u>(676)</u>
Changes in fund balances	<u>14,400</u>	<u>13,724</u>	<u>(676)</u>
Fund balances, beginning of year		27,943	27,943
Fund balances, end of year	<u>\$ 14,400</u>	<u>\$ 41,667</u>	<u>\$ 27,267</u>

CITY OF GOODYEAR, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
COMMUNITY FACILITIES DISTRICTS
YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original & Final	Actual	
Revenues:			
Taxes	\$ 1,200,455	\$ 1,195,522	\$ (4,933)
Investment income	1,100	3,397	2,297
Miscellaneous	315,771	75,584	(240,187)
Total revenues	<u>1,517,326</u>	<u>1,274,503</u>	<u>(242,823)</u>
Expenditures:			
Current -			
General government	1,611,366	949,969	661,397
Total expenditures	<u>1,611,366</u>	<u>949,969</u>	<u>661,397</u>
Changes in fund balances	<u>(94,040)</u>	<u>324,534</u>	<u>418,574</u>
Fund balances, beginning of year	890,291	1,109,572	219,281
Fund balances, end of year	<u>\$ 796,251</u>	<u>\$ 1,434,106</u>	<u>\$ 637,855</u>

CITY OF GOODYEAR, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GRANTS
YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,229,717	\$ 2,229,717	\$ 695,865	\$ (1,533,852)
Investment income			15,811	15,811
Contributions			320	320
Miscellaneous			78,404	78,404
Total revenues	<u>2,229,717</u>	<u>2,229,717</u>	<u>790,400</u>	<u>(1,439,317)</u>
Expenditures:				
Current -				
General government	2,000,000	1,434,573		1,434,573
Public safety		362,317	351,890	10,427
Highways and streets	416,939	488,939	191,206	297,733
Capital outlay	229,717	426,237	251,896	174,341
Total expenditures	<u>2,646,656</u>	<u>2,712,066</u>	<u>794,992</u>	<u>1,917,074</u>
Excess (deficiency) of revenues over expenditures	<u>(416,939)</u>	<u>(482,349)</u>	<u>(4,592)</u>	<u>477,757</u>
Other financing sources (uses):				
Transfer in			33	33
Total other financing sources (uses):			<u>33</u>	<u>33</u>
Changes in fund balances	<u>(416,939)</u>	<u>(482,349)</u>	<u>(4,559)</u>	<u>477,790</u>
Fund balances (deficits), beginning of year			(24,178)	(24,178)
Fund balances (deficits), end of year	<u>\$ (416,939)</u>	<u>\$ (482,349)</u>	<u>\$ (28,737)</u>	<u>\$ 453,612</u>

**CITY OF GOODYEAR, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICE
YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 4,738,940	\$ 4,738,940	\$ 4,723,213	\$ (15,727)
Intergovernmental			2,043	2,043
Total revenues	<u>4,738,940</u>	<u>4,738,940</u>	<u>4,725,256</u>	<u>(13,684)</u>
Expenditures:				
Debt service -				
Principal retirement	3,419,885	2,930,089	2,930,089	
Interest and debt cost	1,319,055	1,005,297	936,101	69,196
Total expenditures	<u>4,738,940</u>	<u>3,935,386</u>	<u>3,866,190</u>	<u>69,196</u>
Excess (deficiency) of revenues over expenditures		<u>803,554</u>	<u>859,066</u>	<u>55,512</u>
Other financing sources (uses):				
Transfer out			(803,555)	(803,555)
Total other financing sources (uses):			<u>(803,555)</u>	<u>(803,555)</u>
Changes in fund balances		<u>803,554</u>	<u>55,511</u>	<u>(748,043)</u>
Fund balances (deficits), beginning of year			(42,309)	(42,309)
Fund balances, end of year	<u>\$</u>	<u>\$ 803,554</u>	<u>\$ 13,202</u>	<u>\$ (790,352)</u>

**CITY OF GOODYEAR, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL IMPROVEMENT PROJECTS
YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$	\$	2,511	2,511
Total revenues			<u>2,511</u>	<u>2,511</u>
Expenditures:				
Capital outlay	686,538	478,804	97,780	381,024
Total expenditures	<u>686,538</u>	<u>478,804</u>	<u>97,780</u>	<u>381,024</u>
Changes in fund balances	<u>(686,538)</u>	<u>(478,804)</u>	<u>(95,269)</u>	<u>383,535</u>
Fund balances, beginning of year			481,890	481,890
Fund balances (deficits), end of year	<u>\$ (686,538)</u>	<u>\$ (478,804)</u>	<u>\$ 386,621</u>	<u>\$ 865,425</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, 2016

	Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
	Original & Final		
Revenues:			
Investment income	\$ 5,000	\$ 1,711	\$ (3,289)
Total revenues	<u>5,000</u>	<u>1,711</u>	<u>(3,289)</u>
Expenditures:			
Capital outlay	4,830,706	4,416,562	414,144
Total expenditures	<u>4,830,706</u>	<u>4,416,562</u>	<u>414,144</u>
Changes in fund balances	<u>(4,825,706)</u>	<u>(4,414,851)</u>	<u>410,855</u>
Fund balances, beginning of year	4,825,706	4,414,851	(410,855)
Fund balances, end of year	<u>\$</u>	<u>\$</u>	<u>\$</u>

CITY OF GOODYEAR, ARIZONA
SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL
WATER AND WASTEWATER ENTERPRISE FUND
YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 27,189,785	\$ 27,189,785	\$ 27,724,410	\$ 534,625
Miscellaneous	73,000	73,000	15,130	(57,870)
Total operating revenues	<u>27,262,785</u>	<u>27,262,785</u>	<u>27,739,540</u>	<u>476,755</u>
Operating expenses:				
Administration	4,088,276	4,237,442	4,119,041	118,401
Cost of sales and services	39,591,239	39,143,706	14,369,667	24,774,039
Total operating expenses	<u>43,679,515</u>	<u>43,381,148</u>	<u>18,488,708</u>	<u>24,892,440</u>
Operating income (loss)	<u>(16,416,730)</u>	<u>(16,118,363)</u>	<u>9,250,832</u>	<u>25,369,195</u>
Nonoperating revenues (expenses):				
Intergovernmental	-	-	110,837	110,837
Investment income	18,380	18,380	225,342	206,962
Bond proceeds	7,500,000	7,500,000	12,774,957	5,274,957
Debt service	(10,639,047)	(10,639,047)	(14,969,699)	(4,330,652)
Total nonoperating revenues (expenses)	<u>(3,120,667)</u>	<u>(3,120,667)</u>	<u>(1,858,563)</u>	<u>1,262,104</u>
Income before capital contributions and transfers	<u>(19,537,397)</u>	<u>(19,239,030)</u>	<u>7,392,269</u>	<u>26,631,299</u>
Capital contributions	8,268,542	8,268,542	6,288,959	(1,979,583)
Transfers out	(2,213,906)	(2,213,906)	(1,900,000)	313,906
Change in net position	<u>(13,482,761)</u>	<u>(13,184,394)</u>	<u>11,781,228</u>	<u>24,965,622</u>
Net position, beginning of year			192,504,336	192,504,336
Net position, end of year	<u>\$ (13,482,761)</u>	<u>\$ (13,184,394)</u>	<u>\$ 204,285,564</u>	<u>\$ 217,469,958</u>

CITY OF GOODYEAR, ARIZONA
SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL
SANITATION ENTERPRISE FUND
YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 7,195,474	\$ 7,195,474	\$ 7,125,427	\$ (70,047)
Miscellaneous	3,500	3,500	6,564	3,064
Total operating revenues	<u>7,198,974</u>	<u>7,198,974</u>	<u>7,131,991</u>	<u>(66,983)</u>
Operating expenses:				
Administration	751,078	751,078	647,592	103,486
Cost of sales and services	6,655,041	6,423,818	6,121,363	302,455
Total operating expenses	<u>7,406,119</u>	<u>7,174,896</u>	<u>6,768,955</u>	<u>405,941</u>
Operating income (loss)	<u>(207,145)</u>	<u>24,078</u>	<u>363,036</u>	<u>338,958</u>
Nonoperating revenues (expenses):				
Investment income	2,500	2,500	6,497	3,997
Total nonoperating revenues (expenses)	<u>2,500</u>	<u>2,500</u>	<u>6,497</u>	<u>3,997</u>
Income before transfers	<u>(204,645)</u>	<u>26,578</u>	<u>369,533</u>	<u>342,955</u>
Transfers out	(900,000)	(900,000)	(900,000)	-
Change in net position	<u>(1,104,645)</u>	<u>(873,422)</u>	<u>(530,467)</u>	<u>342,955</u>
Net position, beginning of year			2,102,486	2,102,486
Net position, end of year	<u>\$ (1,104,645)</u>	<u>\$ (873,422)</u>	<u>\$ 1,572,019</u>	<u>\$ 2,445,441</u>

CITY OF GOODYEAR, ARIZONA
SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL
STADIUM ENTERPRISE FUND
YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 1,854,152	\$ 1,854,152	\$ 2,234,046	\$ 379,894
Miscellaneous	40,000	40,000	1,261	(38,739)
Total operating revenues	<u>1,894,152</u>	<u>1,894,152</u>	<u>2,235,307</u>	<u>341,155</u>
Operating expenses:				
Administration	2,383,190	2,515,169	2,495,748	19,421
Cost of sales and services	3,984,515	2,193,389	1,869,353	324,036
Total operating expenses	<u>6,367,705</u>	<u>4,708,558</u>	<u>4,365,101</u>	<u>343,457</u>
Operating income (loss)	<u>(4,473,553)</u>	<u>(2,814,406)</u>	<u>(2,129,794)</u>	<u>684,612</u>
Nonoperating revenues (expenses):				
Investment income	2,000	2,000	5,776	3,776
Debt service	(5,416,214)	(6,219,767)	(6,088,464)	131,303
Total nonoperating revenues (expenses)	<u>(5,414,214)</u>	<u>(6,217,767)</u>	<u>(6,082,688)</u>	<u>135,079</u>
Income before transfers	<u>(9,887,767)</u>	<u>(9,032,173)</u>	<u>(8,212,482)</u>	<u>819,691</u>
Transfers in	7,800,270	7,800,270	8,351,833	551,563
Change in net position	<u>(2,087,497)</u>	<u>(1,231,903)</u>	<u>139,351</u>	<u>1,371,254</u>
Net position, beginning of year			3,572,244	3,572,244
Net position, end of year	<u>\$ (2,087,497)</u>	<u>\$ (1,231,903)</u>	<u>\$ 3,711,595</u>	<u>\$ 4,943,498</u>



Capital Assets Schedules

CITY OF GOODYEAR
CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS
SCHEDULE BY SOURCE
For the fiscal year ended June 30, 2016

Governmental funds capital assets

Land	\$ 21,378,952
Land Improvements	4,443,171
Right of Way	90,518,661
Streetscape	9,061,008
Buildings and improvements other than buildings	166,182,275
Vehicles, machinery and equipment	39,801,726
Infrastructure	356,324,387
Artwork	204,750
Construction in progress	13,493,098
Total governmental funds capital assets	<u>\$ 701,408,028</u>

Investment in governmental funds capital assets by source:

Government funds	\$ 701,408,028
Total governmental funds capital assets	<u>\$ 701,408,028</u>

CITY OF GOODYEAR
CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
For the fiscal year ended June 30, 2016

Function	Land, Land Improvements, Artwork, Right of Way, Streetscape	Buildings	Improvements Other Than Buildings
General Government	\$ 3,781,508	\$ -	\$ 2,380,333
Public Safety	1,992,705	25,557,510	89,024
Highways and Streets	99,579,669	-	89,766,766
Culture and Recreation	13,218,409	813,910	15,924,236
Public Works	7,034,251	25,417,045	6,233,450
Total governmental funds capital assets	<u>\$ 125,606,542</u>	<u>\$ 51,788,465</u>	<u>\$ 114,393,809</u>

Vehicles, Machinery and Equipment	Infrastructure	Construction in Progress	Total
\$ 7,622,676	\$ -	\$ 5,285,059	\$ 19,069,576
21,142,886	-	-	48,782,125
7,854,610	356,324,387	8,150,847	561,676,281
1,689,481	-	57,191	31,703,227
1,492,073	-	-	40,176,819
<u>\$ 39,801,726</u>	<u>\$ 356,324,387</u>	<u>\$ 13,493,098</u>	<u>\$ 701,408,028</u>

CITY OF GOODYEAR
CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
For the fiscal year ended June 30, 2016

Function	Governmental Funds Capital Assets July 1, 2015	Additions	Deductions	Governmental Funds Capital Assets June 30, 2016
General Government	\$ 15,165,433	\$ 5,103,183	\$ (1,199,040)	\$ 19,069,576
Public Safety	48,634,418	704,153	(556,446)	48,782,125
Highways and Streets	550,343,175	12,098,019	(764,913)	561,676,281
Culture and Recreation	31,917,019	442,085	(655,877)	31,703,227
Public Works	40,372,101	62,305	(257,587)	40,176,819
Total governmental funds capital assets	<u>\$ 686,432,146</u>	<u>\$ 18,409,745</u>	<u>\$ (3,433,863)</u>	<u>\$ 701,408,028</u>

STATISTICAL SECTION

STATISTICAL SECTION

	<u>Contents Page</u>
Financial Trends (Table 1 – 7)	132
<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)	152
<p>These schedules contain information to help the reader assess the City’s local revenue sources, property tax, and sales & use taxes.</p>	
Debt Capacity (Table 15 – 19)	166
<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)	173
<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)	175
<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>	

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Report for the relevant year.

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

	Fiscal Year				
	2016	2015	2014**	2013	2012*
Governmental Activities					
Net investment in capital assets	\$ 361,739,970	\$ 365,019,949	\$ 345,513,895	\$ 333,034,884	\$ 329,064,345
Restricted	92,276,066	92,247,738	85,246,465	99,128,020	108,246,415
Unrestricted	<u>19,147,997</u>	<u>5,722,007</u>	<u>9,672,461</u>	<u>35,820,702</u>	<u>20,147,669</u>
Total Governmental Activities Net Position	<u>473,164,033</u>	<u>462,989,694</u>	<u>440,432,822</u>	<u>467,983,606</u>	<u>457,458,429</u>
Business-type Activities					
Net investment in capital assets	180,640,162	176,380,867	177,274,142	178,456,590	178,432,900
Restricted	18,131,719	7,607,902	5,640,492	3,196,131	3,799,026
Unrestricted	<u>7,380,491</u>	<u>14,190,297</u>	<u>9,860,573</u>	<u>16,616,254</u>	<u>11,229,680</u>
Total Business-type Activities Net Position	<u>206,152,372</u>	<u>198,179,066</u>	<u>192,775,207</u>	<u>198,268,975</u>	<u>193,461,606</u>
Primary Government					
Net investment in capital assets	542,380,132	541,400,816	522,788,037	511,491,474	507,497,245
Restricted	110,407,785	99,855,640	90,886,957	102,324,151	112,045,441
Unrestricted	<u>26,528,488</u>	<u>19,912,304</u>	<u>19,533,034</u>	<u>52,436,956</u>	<u>31,377,349</u>
Total Primary Government Net Position	<u>\$ 679,316,405</u>	<u>\$ 661,168,760</u>	<u>\$ 633,208,029</u>	<u>\$ 666,252,581</u>	<u>\$ 650,920,035</u>

Notes:

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

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

Source: Statement of Net Position

Table 1

Fiscal Year				
2011	2010	2009	2008	2007
\$ 327,503,686	\$ 317,162,459	\$ 309,491,989	\$ 256,047,572	\$ 206,294,183
110,105,296	115,881,050	117,787,315	70,835,115	60,388,579
<u>18,249,626</u>	<u>19,272,548</u>	<u>20,522,420</u>	<u>36,122,934</u>	<u>57,992,720</u>
<u>455,858,608</u>	<u>452,316,057</u>	<u>447,801,724</u>	<u>363,005,621</u>	<u>324,675,482</u>
179,254,929	191,582,614	199,696,564	159,530,687	101,366,083
3,567,237	-	-	-	-
<u>9,263,439</u>	<u>4,365,725</u>	<u>(11,409,545)</u>	<u>(13,193,174)</u>	<u>8,166,207</u>
<u>192,085,605</u>	<u>195,948,339</u>	<u>188,287,019</u>	<u>146,337,513</u>	<u>109,532,290</u>
506,758,615	508,745,073	509,188,553	415,578,259	307,660,266
113,672,533	115,881,050	117,787,315	70,835,115	60,388,579
<u>27,513,065</u>	<u>23,638,273</u>	<u>9,112,875</u>	<u>22,929,760</u>	<u>66,158,927</u>
<u>\$ 647,944,213</u>	<u>\$ 648,264,396</u>	<u>\$ 636,088,743</u>	<u>\$ 509,343,134</u>	<u>\$ 434,207,772</u>

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

	Fiscal Year				
	2016	2015	2014	2013	2012
Expenses***					
Governmental Activities:					
General government	\$ 19,824,313	\$ 19,624,056	\$ 18,216,169	\$ 17,652,646	\$ 18,353,630
Public safety	34,823,588	31,834,683	30,710,193	27,987,404	25,423,233
Community services**	-	-	-	-	-
Highways and streets	20,753,487	17,941,162	19,368,539	14,355,644	13,179,678
Public works	7,920,958	3,361,822	2,773,348	3,090,345	4,168,252
Culture and recreation	6,880,654	6,422,764	5,827,309	5,539,612	4,962,070
Development services	7,981,904	7,005,308	5,836,254	7,194,428	6,225,917
Interest on long-term debt	8,479,284	8,763,353	9,282,269	10,411,562	10,441,684
Total Governmental Activities Expenses	<u>\$ 106,664,188</u>	<u>\$ 94,953,148</u>	<u>\$ 92,014,081</u>	<u>\$ 86,231,641</u>	<u>\$ 82,754,464</u>
Business-type Activities					
Water utility	\$ 16,515,949	\$ 14,565,710	\$ 13,832,573	\$ 11,570,223	\$ 11,907,022
Wastewater utility	11,131,538	10,923,812	9,678,822	10,342,364	8,747,778
Sanitation	6,444,459	5,802,163	5,472,534	5,246,666	5,154,201
Stadium*	12,647,134	12,407,494	12,529,987	12,204,354	11,634,491
Total Business-type Activities Expenses	<u>\$ 46,739,080</u>	<u>\$ 43,699,179</u>	<u>\$ 41,513,916</u>	<u>\$ 39,363,607</u>	<u>\$ 37,443,492</u>
Total Primary Government Expenses	<u>\$ 153,403,268</u>	<u>\$ 138,652,327</u>	<u>\$ 133,527,997</u>	<u>\$ 125,595,248</u>	<u>\$ 120,197,956</u>

Notes:

* Stadium Fund did not have operating activity until 2008

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

*** Beginning in fiscal year 2016 expense functions were consolidated to align with the basic financial statements

Source: Statement of Activities

Table 2

Fiscal Year				
2011	2010	2009	2008	2007
\$ 17,207,556	\$ 15,810,359	\$ 14,147,399	\$ 18,425,609	\$ 12,163,207
28,032,217	27,463,658	27,830,608	27,331,416	21,220,241
-	454,550	1,248,219	1,290,021	1,277,245
14,798,670	12,179,531	8,436,341	9,104,717	9,581,333
3,658,756	11,070,853	14,370,096	59,138,044	25,397,680
4,439,181	4,023,639	5,435,750	1,909,303	3,181,071
5,150,677	2,555,353	9,583,326	14,731,322	19,683,385
<u>10,710,302</u>	<u>11,210,504</u>	<u>12,001,714</u>	<u>9,710,526</u>	<u>5,785,031</u>
<u>\$ 83,997,359</u>	<u>\$ 84,768,447</u>	<u>\$ 93,053,453</u>	<u>\$ 141,640,958</u>	<u>\$ 98,289,192</u>
\$ 12,454,200	\$ 10,475,189	\$ 11,608,878	\$ 11,794,505	\$ 10,866,043
8,279,732	7,649,704	7,046,385	5,189,053	4,872,792
4,815,314	4,782,565	5,090,150	4,839,626	4,401,267
<u>11,958,862</u>	<u>11,547,500</u>	<u>6,475,960</u>	<u>861,000</u>	<u>-</u>
<u>\$ 37,508,108</u>	<u>\$ 34,454,958</u>	<u>\$ 30,221,373</u>	<u>\$ 22,684,184</u>	<u>\$ 20,140,102</u>
<u>\$ 121,505,467</u>	<u>\$ 119,223,405</u>	<u>\$ 123,274,826</u>	<u>\$ 164,325,142</u>	<u>\$ 118,429,294</u>

continued

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

	Fiscal Year				
	2016	2015	2014	2013	2012
Program Revenue*					
Governmental Activities:					
Charges for Services:					
General government	\$ 2,398,256	\$ 2,766,974	\$ 2,603,723	\$ 2,884,854	\$ 1,691,455
Public safety	1,713,627	1,624,427	714,614	1,176,336	807,498
Public works	-	-	-	-	-
Culture and recreation	386,041	416,607	433,384	304,128	322,215
Developmental services	7,043,227	5,353,778	6,899,047	6,206,750	4,163,050
Operating Grants and Contributions	9,518,206	10,777,134	7,565,511	4,654,268	7,636,691
Capital Grants and Contributions	<u>12,134,476</u>	<u>8,252,449</u>	<u>6,171,185</u>	<u>11,358,824</u>	<u>9,701,254</u>
Total Governmental Activities Program Revenues	<u>\$ 33,193,833</u>	<u>\$ 29,191,369</u>	<u>\$ 24,387,464</u>	<u>\$ 26,585,160</u>	<u>\$ 24,322,163</u>
Business-type Activities					
Charges for Services:					
Water utility	\$ 14,113,484	\$ 11,691,267	\$ 12,417,092	\$ 11,746,194	\$ 10,573,584
Wastewater utility	13,610,926	12,959,420	12,350,336	10,921,207	9,531,422
Sanitation	7,125,427	6,922,425	6,641,318	6,368,920	6,115,977
Stadium*	2,234,046	2,237,359	2,182,278	1,741,609	1,633,230
Operating Grants and Contributions	110,837	-	-	-	-
Capital Grants and Contributions	<u>11,692,490</u>	<u>14,454,883</u>	<u>5,962,050</u>	<u>7,987,680</u>	<u>9,252,599</u>
Total Business-type Activities Revenues	<u>48,887,210</u>	<u>48,265,354</u>	<u>39,553,074</u>	<u>38,765,610</u>	<u>37,106,812</u>
Total Primary Government Revenues	<u>\$ 82,081,043</u>	<u>\$ 77,456,723</u>	<u>\$ 63,940,538</u>	<u>\$ 65,350,770</u>	<u>\$ 61,428,975</u>
Net (Expense)/Revenue					
Governmental Activities	\$ (73,470,355)	\$ (65,761,779)	\$ (67,626,617)	\$ (59,646,481)	\$ (58,432,301)
Business-type Activities	<u>2,148,130</u>	<u>4,566,175</u>	<u>(1,960,842)</u>	<u>(597,997)</u>	<u>(336,680)</u>
Total Primary Government Net Revenues	<u>\$ (71,322,225)</u>	<u>\$ (61,195,604)</u>	<u>\$ (69,587,459)</u>	<u>\$ (60,244,478)</u>	<u>\$ (58,768,981)</u>

Note:

* Beginning in fiscal year 2016 program revenues were consolidated to align with the basic financial statements

Source: Statement of Activities

Table 2

Fiscal Year				
2011	2010	2009	2008	2007
\$ 1,977,735	\$ 1,715,692	\$ 1,031,722	\$ 4,674,927	\$ 1,035,160
628,671	657,270	264,347	268,337	182,927
-	-	-	-	3,527,777
325,552	287,805	357,039	343,274	272,516
3,879,823	3,615,255	4,776,076	12,183,231	13,241,940
5,818,158	5,648,867	4,843,140	4,587,630	895,854
<u>13,951,581</u>	<u>16,436,375</u>	<u>102,028,190</u>	<u>85,108,447</u>	<u>62,732,783</u>
<u>\$ 26,581,520</u>	<u>\$ 28,361,264</u>	<u>\$ 113,300,514</u>	<u>\$ 107,165,846</u>	<u>\$ 81,888,957</u>
\$ 9,391,674	\$ 9,022,576	\$ 8,880,151	\$ 8,894,793	\$ 7,588,225
8,243,147	7,235,503	6,389,190	6,244,742	6,137,152
5,774,010	5,790,357	5,625,426	5,145,922	4,392,794
1,564,324	1,530,799	1,014,221	-	-
-	-	25,000	762,200	20,000
<u>4,570,849</u>	<u>6,211,533</u>	<u>41,595,562</u>	<u>27,405,133</u>	<u>24,414,623</u>
<u>29,544,004</u>	<u>29,790,768</u>	<u>63,529,550</u>	<u>48,452,790</u>	<u>42,552,794</u>
<u>\$ 56,125,524</u>	<u>\$ 58,152,032</u>	<u>\$ 176,830,064</u>	<u>\$ 155,618,636</u>	<u>\$ 124,441,751</u>
\$ (57,415,839)	\$ (56,407,183)	\$ 20,247,061	\$ (34,475,112)	\$ (16,672,751)
<u>(7,964,104)</u>	<u>(4,664,190)</u>	<u>33,308,177</u>	<u>25,768,606</u>	<u>22,412,692</u>
<u>\$ (65,379,943)</u>	<u>\$ (61,071,373)</u>	<u>\$ 53,555,238</u>	<u>\$ (8,706,506)</u>	<u>\$ 5,739,941</u>

continued

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

	Fiscal Year				
	2016	2015	2014	2013	2012
Revenues and Other Changes in Net Position					
Governmental Activities:					
Taxes	\$ 71,256,446	\$ 66,223,459	\$ 63,495,983	\$ 58,957,595	\$ 55,301,512
Intergovernmental	16,848,837	16,361,588	15,285,440	14,194,960	12,704,826
Investment income	710,040	361,146	414,689	439,982	319,017
Special assessments*	-	4,980,000	2,189,906	-	-
Miscellaneous	393,977	975,258	1,183,618	1,455,665	493,244
Transfers	<u>(5,564,606)</u>	<u>(582,797)</u>	<u>(5,138,252)</u>	<u>(4,876,544)</u>	<u>(3,892,665)</u>
Total Governmental Activities	<u>\$ 83,644,694</u>	<u>\$ 88,318,654</u>	<u>\$ 77,431,384</u>	<u>\$ 70,171,658</u>	<u>\$ 64,925,934</u>
Business-type Activities					
Investment income	\$ 237,615	\$ 151,405	\$ 136,531	\$ 95,839	\$ 92,945
Proceeds from the sale of water rights	-	-	-	-	-
Miscellaneous	22,955	103,482	222,911	432,983	117,103
Transfers	<u>5,564,606</u>	<u>582,797</u>	<u>5,138,252</u>	<u>4,876,544</u>	<u>3,892,665</u>
Total Business-type Activities	<u>\$ 5,825,176</u>	<u>\$ 837,684</u>	<u>\$ 5,497,694</u>	<u>\$ 5,405,366</u>	<u>\$ 4,102,713</u>
Total Primary Government	<u>\$ 89,469,870</u>	<u>\$ 89,156,338</u>	<u>\$ 82,929,078</u>	<u>\$ 75,577,024</u>	<u>\$ 69,028,647</u>
Changes in Net Position					
Governmental Activities	\$ 10,174,339	\$ 22,556,875	\$ 9,804,767	\$ 10,525,177	\$ 6,493,633
Business-type Activities	<u>7,973,306</u>	<u>5,403,859</u>	<u>3,536,852</u>	<u>4,807,369</u>	<u>3,766,033</u>
Total Primary Government	<u>\$ 18,147,645</u>	<u>\$ 27,960,734</u>	<u>\$ 13,341,619</u>	<u>\$ 15,332,546</u>	<u>\$ 10,259,666</u>

Note:

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

Source: Statement of Activities

Table 2

Fiscal Year				
2011	2010	2009	2008	2007
\$ 53,595,119	\$ 55,623,884	\$ 59,003,971	\$ 61,251,635	\$ 59,428,806
9,699,146	10,907,518	12,236,437	12,654,235	15,053,501
227,446	179,114	148,687	4,268,448	4,723,886
-	-	-	-	-
827,619	2,026,285	911,254	4,075,011	1,029,445
(3,390,940)	(7,815,285)	(7,751,307)	(9,444,077)	(56,622)
<u>\$ 60,958,390</u>	<u>\$ 60,921,516</u>	<u>\$ 64,549,042</u>	<u>\$ 72,805,252</u>	<u>\$ 80,179,016</u>
\$ 71,819	\$ 57,527	\$ 121,900	\$ 1,379,832	\$ 1,447,446
-	4,352,000	-	-	-
638,611	100,698	78,586	212,708	26,683
3,390,940	7,815,285	7,751,307	9,444,077	56,622
<u>\$ 4,101,370</u>	<u>\$ 12,325,510</u>	<u>\$ 7,951,793</u>	<u>\$ 11,036,617</u>	<u>\$ 1,530,751</u>
<u>\$ 65,059,760</u>	<u>\$ 73,247,026</u>	<u>\$ 72,500,835</u>	<u>\$ 83,841,869</u>	<u>\$ 81,709,767</u>
\$ 3,542,551	\$ 4,514,333	\$ 84,796,103	\$ 38,330,140	\$ 63,505,623
(3,862,734)	7,661,320	41,259,970	36,375,158	23,943,443
<u>\$ (320,183)</u>	<u>\$ 12,175,653</u>	<u>\$ 126,056,073</u>	<u>\$ 74,705,298</u>	<u>\$ 87,449,066</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	
2016	\$ 19,114,087	\$ 49,309,600	\$ 2,832,759	\$ 8,988,686	\$ 7,859,101	\$ 4,264,827
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

Source: City Financial Records and Reports

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

	Fiscal Year				
	2016	2015	2014	2013	2012
City Privilege (Sales) Tax	\$ 49,309,600	\$ 45,333,649	\$ 43,775,464	\$ 40,222,752	\$ 36,364,557
State-Shared Sales Tax	6,258,721	5,965,400	5,681,717	5,342,879	5,100,608
State-Shared Income Tax	7,859,101	7,901,942	7,275,727	6,667,701	5,509,258
State-Share Vehicle License Tax	2,729,966	2,494,245	2,327,996	2,184,380	2,094,960
Fines and Forfeitures	839,108	860,313	884,735	809,334	825,971
Franchise Taxes	2,832,759	2,718,204	2,611,016	2,529,456	2,460,521
Total	<u>\$ 69,829,255</u>	<u>\$ 65,273,754</u>	<u>\$ 62,556,655</u>	<u>\$ 57,756,502</u>	<u>\$ 52,355,875</u>

Source: City Financial Records and Reports

Table 4

Fiscal Year				
2011	2010	2009	2008	2007
\$ 32,729,749	\$ 31,448,398	\$ 34,205,906	\$ 41,036,060	\$ 45,240,435
3,661,678	3,391,361	3,676,853	4,247,158	4,392,400
4,498,039	5,966,584	6,855,644	6,503,557	5,246,824
1,539,429	1,549,573	1,678,823	1,854,435	1,914,872
849,060	846,143	686,557	678,594	584,316
2,316,820	2,233,909	2,195,748	2,071,378	1,817,387
<u>\$ 45,594,775</u>	<u>\$ 45,435,968</u>	<u>\$ 49,299,531</u>	<u>\$ 56,391,182</u>	<u>\$ 59,196,234</u>

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

	Fiscal Year						
	2016	2015	2014	2013	2012	2011	2010
Mining & Government	\$ 6,534	\$ 7,159	\$ 4,024	\$ 970	\$ 9,534	\$ 5,234	\$ 15,141
Construction	7,545,663	5,559,142	7,988,471	7,027,296	4,755,592	3,251,977	5,365,079
Manufacturing	1,410,894	1,318,999	931,362	759,858	701,876	642,255	535,972
Utilities	4,077,652	4,051,837	3,819,536	3,656,309	3,469,559	3,275,325	3,085,682
Wholesale Trade	1,032,679	1,130,527	1,072,608	977,475	924,842	598,098	540,630
Retail Trade	17,279,498	16,348,224	15,787,043	14,265,735	13,576,350	12,950,291	11,569,427
Restaurant & Bar	7,032,111	6,343,415	5,450,424	5,079,528	4,763,951	4,415,910	4,161,539
Real Estate	5,575,550	5,480,481	4,467,373	4,405,695	3,480,031	3,510,263	2,692,806
Hotels	1,096,710	1,067,357	849,052	885,571	873,241	764,996	820,902
Services	2,833,590	2,424,312	1,764,488	1,700,258	1,640,296	1,771,527	1,388,178
Miscellaneous	839,592	1,032,464	968,896	873,005	1,414,929	1,055,398	640,388
Total*	<u>\$ 48,730,473</u>	<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>	<u>\$ 30,815,744</u>

Note: 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		
2009	2008	2007
\$ 11,412	\$ 6,391	\$ 1,055
12,779,596	17,256,194	19,305,179
508,454	451,147	405,882
2,448,686	2,397,905	2,115,344
538,279	775,843	815,930
9,568,935	9,526,853	9,789,605
3,687,991	3,740,867	3,996,446
2,227,491	2,698,200	2,603,404
854,203	1,006,334	944,488
1,176,780	1,451,721	3,725,380
<u>622,042</u>	<u>1,035,306</u>	<u>2,286,662</u>
<u>\$ 34,423,869</u>	<u>\$ 40,346,762</u>	<u>\$ 45,989,375</u>

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

	Fiscal Year				
	2016	2015	2014	2013	2012
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
Prepaid items	667,798	573,473	504,865	486,842	500,911
Restricted by:					
Charter mandates	4,009,183	3,841,444	3,676,547	3,528,982	3,377,572
Court	178,351	240,631	221,290	234,813	261,229
Law enforcement	427,243	309,112	274,392	208,085	125,812
Transit	847,446	745,210	644,135	543,022	-
Assigned to:					
IT replacement	498,851	108,301	1,484,148	170,684	437,873
Fleet replacement	3,196,101	2,508,319	1,502,483	3,032,429	1,730,168
Risk management	1,077,452	1,088,234	792,947	357,741	811,244
Parks management	1,271,367	-	-	-	-
Unassigned	52,620,845	49,783,760	43,707,677	33,325,255	23,074,844
Total General Fund	\$ 65,756,477	\$ 60,181,980	\$ 53,795,585	\$ 42,858,609	\$ 31,297,751
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	564,639	487,413	650,344	595,675	412,916
Prepaid items	-	-	-	36,182	45,225
Restricted by:					
Debt service	12,989,198	13,810,210	14,848,703	15,482,259	15,663,838
Development impact fees	12,882,857	9,833,566	7,892,792	16,241,644	21,720,718
Highway user funds	721	174,025	47,570	493,395	400,610
Capital projects	-	4,414,851	274,106	1,695,700	-
Community facilities districts operations	1,434,106	1,109,573	803,837	711,980	538,410
Unassigned	(28,737)	(66,487)	(73,354)	(26,073)	(9,854)
Total All Other Governmental Funds	\$ 27,842,784	\$ 29,763,151	\$ 24,443,998	\$ 35,230,762	\$ 38,771,863

Note:

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

Source: City Financial Records and Reports

Table 6

Fiscal Year					
2011 *	2010	2009	2008	2007	
\$ -	\$ 17,812,619	\$ -	\$ -	\$ -	\$ -
-	10,742,777	29,117,875	42,219,809	61,037,128	
961,840	-	-	-	-	-
3,627	-	-	-	-	-
422,681	-	-	-	-	-
3,209,321	-	-	-	-	-
198,457	-	-	-	-	-
129,231	-	-	-	-	-
-	-	-	-	-	-
407,961	-	-	-	-	-
383,225	-	-	-	-	-
558,310	-	-	-	-	-
-	-	-	-	-	-
21,481,088	-	-	-	-	-
<u>\$ 27,755,741</u>	<u>\$ 28,555,396</u>	<u>\$ 29,117,875</u>	<u>\$ 42,219,809</u>	<u>\$ 61,037,128</u>	
\$ -	\$ 14,891,228	\$ 13,597,749	\$ 15,356,746	\$ 8,726,046	
-	1,393,549	4,110,554	10,942,787	7,810,178	
-	47,213	-	-	-	
-	20,452,179	23,153,403	25,851,665	20,649,813	
-	-	1,435,331	27,462,037	10,220,953	
289,782	-	-	-	-	
46,238	-	-	-	-	
15,113,512	-	-	-	-	
21,992,019	-	-	-	-	
285,914	-	-	-	-	
-	-	-	-	-	
536,230	-	-	-	-	
(2,336,765)	-	-	-	-	
<u>\$ 35,926,930</u>	<u>\$ 36,784,169</u>	<u>\$ 42,297,037</u>	<u>\$ 79,613,235</u>	<u>\$ 47,406,990</u>	

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

	Fiscal Year					
	2016	2015	2014	2013	2012	2011
Revenues						
Taxes	\$ 71,287,200	\$ 66,203,440	\$ 63,577,425	\$ 58,970,605	\$ 55,397,903	\$ 53,909,300
Licenses and permits	7,357,205	6,558,607	7,460,830	6,793,070	4,729,946	4,541,951
Intergovernmental	21,811,572	21,749,386	19,325,653	18,723,318	19,319,623	15,825,858
Charges for services	5,792,947	4,576,618	4,658,927	6,322,025	3,876,918	3,978,325
Fines and forfeits	839,108	860,313	884,735	809,334	825,971	849,060
Investment income	710,040	361,146	414,689	439,982	319,017	225,588
Special assessments	6,096,012	5,762,295	5,839,886	5,845,306	5,844,915	4,859,749
Contributions	1,346,713	2,976,642	2,408,357	4,024,175	3,099,952	2,707,926
Miscellaneous	728,930	243,473	1,327,008	567,839	361,202	157,090
Total Revenues	<u>115,969,727</u>	<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	17,968,635	18,081,622	16,895,276	17,376,427	16,953,769	15,913,718
Public safety	32,881,648	29,505,746	28,310,822	26,764,289	24,862,833	24,045,015
Community services*	-	-	-	-	-	-
Highways and streets	5,680,917	5,494,087	5,585,966	4,674,325	3,340,208	3,808,328
Public works	2,255,101	2,268,109	2,045,578	2,093,312	2,967,386	3,047,742
Culture and recreation	5,712,191	5,265,454	4,975,947	4,884,349	4,115,701	3,936,203
Development services	7,933,367	6,933,854	5,823,318	5,232,999	4,557,391	4,376,985
Capital outlay	15,988,901	11,326,103	18,496,444	18,252,039	6,437,600	9,234,659
Debt Service:						
Principal retirement	9,772,183	9,291,703	9,441,923	10,226,228	12,433,024	11,254,524
Interest and debt cost	9,046,458	9,323,202	9,765,514	10,987,906	10,687,152	10,645,162
Total Expenditures	<u>107,239,401</u>	<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>8,730,326</u>	<u>11,802,040</u>	<u>4,556,722</u>	<u>2,003,780</u>	<u>7,420,383</u>	<u>792,511</u>

Notes:

* Community Services was reorganized into General Government and Development Services for fiscal year 2010

** Beginning in fiscal year 2016 expenditure functions were consolidated to align with the basic financial statements

Source: Statement of Revenues, Expenditures and Changes in Fund Balances

Table 7

Fiscal Year			
2010	2009	2008	2007
\$ 55,590,530	\$ 58,734,426	\$ 61,112,204	\$ 59,346,833
629,979	3,091,729	7,160,922	8,905,743
16,464,531	16,827,730	17,361,565	16,456,618
7,402,083	6,387,350	19,117,473	14,921,767
846,143	686,557	678,594	584,316
178,715	148,220	4,268,447	4,723,886
6,522,924	3,065,304	2,228,149	2,228,646
3,042,851	3,403,370	8,260,888	14,245,039
<u>1,942,018</u>	<u>593,684</u>	<u>4,075,010</u>	<u>1,046,124</u>
<u>92,619,774</u>	<u>92,938,370</u>	<u>124,263,252</u>	<u>122,458,972</u>
15,316,159	14,752,949	16,714,850	15,546,781
24,367,955	26,043,960	24,573,051	19,104,839
-	1,248,219	1,329,505	1,255,467
4,098,986	5,686,483	3,994,494	4,756,383
3,075,759	3,901,157	4,261,005	4,294,102
3,882,621	4,393,748	4,667,176	3,431,934
4,654,052	9,723,957	9,262,010	6,028,162
13,494,149	47,556,824	135,249,363	71,999,738
10,942,758	7,392,618	5,141,143	4,836,000
<u>11,158,130</u>	<u>11,930,502</u>	<u>10,466,384</u>	<u>5,740,194</u>
<u>90,990,569</u>	<u>132,630,417</u>	<u>215,658,981</u>	<u>136,993,600</u>
<u>1,629,205</u>	<u>(39,692,047)</u>	<u>(91,395,729)</u>	<u>(14,534,628)</u>

continued

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

	Fiscal Year				
	2016	2015	2014	2013	2012
Other Financing Sources and (Uses)					
Transfer in	\$ 3,539,227	\$ 4,588,019	\$ 5,356,364	\$ 4,726,150	\$ 5,504,462
Transfer out	(9,091,060)	(9,923,248)	(10,494,616)	(9,602,694)	(9,397,127)
Debt issuance	-	4,980,000	-	10,500,000	1,780,000
Debt premium	-	(39,461)	-	-	129,958
Refunding bonds	18,535,000	7,015,000	14,755,000	10,685,000	11,530,000
Refunding bonds premium	2,047,350	452,099	1,114,908	672,545	949,267
Payment to refunded bond escrow agent	<u>(20,106,713)</u>	<u>(7,168,901)</u>	<u>(15,138,166)</u>	<u>(10,965,024)</u>	<u>(11,530,000)</u>
Total Other Financing Sources and (Uses)	<u>(5,076,196)</u>	<u>(96,492)</u>	<u>(4,406,510)</u>	<u>6,015,977</u>	<u>(1,033,440)</u>
Net Change in Fund Balances	<u>\$ 3,654,130</u>	<u>\$ 11,705,548</u>	<u>\$ 150,212</u>	<u>\$ 8,019,757</u>	<u>\$ 6,386,943</u>
Debt Service as a Percentage of Noncapital Expenditures	18.4%	20.6%	22.3%	25.8%	28.9%

Source: City Financial Records and Reports

Table 7

Fiscal Year				
2011	2010	2009	2008	2007
\$ 8,388,300	\$ 6,376,290	\$ 4,123,384	\$ 11,561,671	\$ 17,288,179
(10,837,705)	(14,191,575)	(11,874,691)	(21,005,748)	(17,387,710)
-	105,000	604,500	112,248,000	16,969,302
-	5,733	5,722	2,300,192	(72,151)
-	-	-	6,415,000	-
-	-	-	-	-
-	-	(3,585,000)	(6,734,459)	-
<u>(2,449,405)</u>	<u>(7,704,552)</u>	<u>(10,726,085)</u>	<u>104,784,656</u>	<u>16,797,620</u>
<u>\$ (1,656,894)</u>	<u>\$ (6,075,347)</u>	<u>\$ (50,418,132)</u>	<u>\$ 13,388,927</u>	<u>\$ 2,262,992</u>
27.3%	27.0%	21.5%	11.0%	12.4%

concluded

City of Goodyear
Property Tax Rates
Direct and Overlapping Governments
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
2016	1.1637	0.7063	1.8700	1.3609	0.0556	0.0116	0.1592	0.5054
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	-

Source: Maricopa County Assessor's Office

continued

Table 8

Overlapping Rates									
County-Wide Jurisdictions					School Districts				
Fiscal Year	Community College Rate	Central 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
2016	1.4940	0.1400		3.7267	9.4960	3.8352	7.6149	9.9303	7.8876
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

continued

City of Goodyear
Property Tax Rates
Direct and Overlapping Governments
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
	2016	0.0698	1.0000	27.1000	3.1327	2.5999	3.3377
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

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
2016	0.7075	1.1497	1.1097	0.3000	2.9103	3.1070
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

concluded



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

Taxpayer	Fiscal Year					
	2016			2007		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Arizona Public Service Company	\$ 20,875,460	1	3.11%	\$ 11,178,451	2	2.26%
VHS of South Phoenix, Inc.	14,196,349	2	2.12%			
First American Title Insurance Company	9,574,547	3	1.43%	10,790,514	4	2.18%
Macy's Retail Holdings, Inc.	8,372,268	4	1.25%	-		
Cardinal Capital Co	7,810,665	5	1.16%	-		
DH Goodyear LLC	7,042,194	6	1.05%	-		
Broadway Goodyear, LLC	6,808,160	7	1.01%	-		
Southwest Gas Corporation	4,824,209	8	0.72%	-		
The Market at Estrella Falls, LLC	4,737,035	9	0.71%	-		
TPP 211 Canyon Trails LLC	4,195,273	10	0.63%	-		
Sun MP LLC	-			16,048,088	1	3.24%
BT Goodyear LLC	-			6,635,498	5	1.34%
Suncor Development Company	-			10,991,797	3	2.22%
PVPW Corporation	-			4,218,587	7	0.85%
Byrd Enterprises of Arizona Inc.	-			4,307,193	6	0.87%
Snyders of Hanover	-			2,971,563	10	0.60%
Wal-Mart Stores Inc.	-			4,164,098	8	0.84%
NNP Estrella Mountain Ranch LLC	-			4,104,822	9	0.83%
Total	\$ 88,436,160		13.18%	\$ 75,410,611		15.24%

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				
2016	Limited Property Value	\$ 427,218,918	\$ 223,077,763	\$ 149,242,505	\$ 1,127,677	\$ 129,713,965	\$ 670,952,898
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

Notes: Beginning in fiscal year 2016, the Net Assessed Limited Property Value is statutorily required to be used for the calculation of primary and secondary property taxes. Prior to fiscal year 2016, the primary levy was calculated using the limited assessed valuation and the secondary levy was calculated using the full cash assessed valuation. Detail data prior to 2009 for "primary" is not available.

Source: Maricopa County Assessor's Office

Table 10

Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as Percentage of Actual Value
\$ 1.8700	\$ 6,479,932,484	10.4%
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%

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
2016	\$ 12,599,829	\$ 12,392,149	98.35%	-	\$ 12,392,149	98.35%
2015	11,992,446	11,808,563	98.47%	113,307	11,921,870	99.41%
2014	11,185,149	10,949,615	97.89%	51,739	11,001,355	98.36%
2013	10,714,099	10,523,654	98.22%	47,705	10,571,359	98.67%
2012	10,743,752	10,454,308	97.31%	101,729	10,556,037	98.25%
2011	11,650,452	11,291,963	96.92%	24,739	11,316,702	97.14%
2010	14,959,898	14,328,617	95.78%	317,754	14,646,371	97.90%
2009	14,460,290	13,724,436	94.91%	346,004	14,070,440	97.30%
2008	10,843,797	10,450,881	96.38%	212,386	10,663,267	98.34%
2007	7,424,246	7,188,488	96.82%	157,676	7,346,164	98.95%

(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 Eight Fiscal Years Ago
 (Unaudited)

Entity	Type of User	Fiscal Year			
		2016		2008	
		Rank	Fees & Charges	Rank	Fees & Charges
Canyon Trails 4 - South	Homeowner's Association	1	\$ 323,114	2	\$ 166,139
Las Brisas Community Assoc	Homeowner's Association	2	298,246		-
Avondale Elementary School Dist.	School	3	234,467	6	105,348
Canyon Trails HOA Unit 3	Homeowner's Association	4	232,358	8	93,896
Canyon Trails HOA Unit 4	Homeowner's Association	5	217,015	5	145,474
Sarival Paseo Joint Community	Homeowner's Association	6	196,995	3	154,195
Canyon Trails HOA	Homeowner's Association	7	188,427		-
Cancer Treatment Center	Hospital	8	171,801		-
Agua Fria Union High School Dist.	School	9	165,807	1	173,266
Centerra, LLC	Homeowner's Association	10	141,870	7	102,443
Evergreen Lawn Sprinklers	Homeowner's Association		-	4	148,800
Park Shadows	Apartments		-	9	76,401
Estrella Vista HOA	Homeowner's Association		-	10	64,527
Total			<u>\$ 2,170,100</u>		<u>\$ 1,230,489</u>
Total as a percent of total Water System Operating Revenue			<u>15.37%</u>		<u>13.94%</u>

Note: Water information not available prior to fiscal year 2008

Source: City customer service and billing records



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

Entity	Type of User	Rank	Fiscal Year	
			2016	2008
			Fees & Charges	Fees & Charges
Arizona State Prison/Perryville	Prison	1	\$ 1,387,822	1 \$ 317,331
Cancer Treatment Center	Hospital	2	115,763	-
Poore Brothers, Inc.	Food Manufacturer, Snacks	3	85,507	6 22,656
Park Shadows	Apartments	4	75,147	2 50,512
Fairfield Centerra LLC	Real Estate	5	68,621	-
Fairfield Goodyear LLC	Apartments	6	60,801	-
Avondale Elementary	Education	7	54,833	7 21,794
HSL Encantada Goodyear LLC	Apartments	8	49,595	-
Airport Training Center	Airport	9	48,053	5 22,656
Schoeller Arca Systems Inc	Manufacturer	10	46,215	-
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>\$ 1,992,358</u>	<u>\$ 546,100</u>
Total as a percent of total Wastewater System Operating Revenue			<u>14.64%</u>	<u>8.74%</u>

Note: Wastewater information not available prior to fiscal year 2008

Source: City customer service and billing records

City of Goodyear
Schedule of Existing and Adopted
Monthly Water & Sewer Service Charges (2011 - 2016)
(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>Adopted 2016 (1)</u>
Base Charge						
(Meter Size)						
3/4 Inch	\$ 12.70	\$ 9.94	\$ 10.05	\$ 10.23	\$ 11.24	\$ 12.70
1 Inch	17.56	11.81	12.74	14.14	15.54	17.56
1 1/2 Inch	28.39	16.36	19.74	22.86	25.12	28.39
2 Inches	45.96	26.22	32.02	37.01	40.67	45.96
3 Inches	77.67	48.43	61.64	70.67	77.67	77.67
4 Inches	126.65	83.36	99.58	115.24	126.65	126.65
6 Inches	240.36	159.83	189.08	218.71	240.36	240.36
Monthly Volume Charge - Residential						
0 - 6,000 gallons (per thousand)	\$ 1.47 (2)	\$ 1.32	\$ 1.46	\$ 1.18	\$ 1.30	\$ 1.47
6,001 - 12,000 (per thousand)	2.93 (3)	2.64	2.92	2.36	2.59	2.93
12,001 - 30,000 (per thousand)	4.40 (4)	3.96	4.38	3.54	3.89	4.40
30,001+ gallons (per thousand)	7.06 (5)	5.15	5.69	5.69	6.25	7.06
Monthly Volume Charge - Commercial						
0 - 40,000 gallons (per thousand)	\$ 3.73	\$ 2.30	\$ 2.60	\$ 3.00	\$ 3.30	\$ 3.73
40,001 - 100,000 gallons (per thousand)	5.97	3.68	4.16	4.80	5.28	5.97
100,001+ gallons (per thousand)	7.75	4.78	5.41	6.24	6.86	7.75

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 2016
- (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 (2011-2016)

Date	Rate Increase
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%
Fiscal Year 2016	13.00%

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.

Table 14

Description of Sewer System Services	Existing Fees	Adopted	Adopted	Adopted	Adopted
		2011	2012	2013	2016
Residential Sewer Service					
Base Charge	(See below)				
Volume Charge (per 1,000 gallons)	\$ 5.95	\$ 4.45	\$ 4.90	\$ 5.78	\$ 5.95
General Commercial Sewer Service					
Base Charge	(See below)				
Volume Charge (per 1,000 gallons)	\$ 5.95	\$ 4.45	\$ 4.90	\$ 5.78	\$ 5.95
Base Charge					
(Meter Size)					
3/4 Inch	\$ 21.75	\$ 17.52	\$ 18.96	\$ 21.12	\$ 21.75
1 Inch	33.38	23.70	28.02	32.41	33.38
1 1/2 Inch	41.14	29.75	34.61	39.94	41.14
2 Inches	79.91	54.57	67.16	77.58	79.91
3 Inches	115.22	84.74	99.68	115.22	115.22
4 Inches	152.86	130.37	139.10	152.86	152.86
6 Inches	378.70	285.03	328.83	378.70	378.70

Schedule of Wastewater System Rate Increases (2011-2016)

Date	Rate Increase
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
Fiscal Year 2016	3.00%

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	Greater Arizona Development Authority Loan	Public Improvement Corporation Municipal Facilities Revenue Bond	McDowell Road Corridor Improvement District	Community Facilities District Bonds
2016	\$ 18,564,501	\$ -	\$ -	\$ 8,859,189	\$ 39,304,278	\$ 106,289,435
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

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

Business-Type Activities							
Public							
General Obligation Bonds	Improvement Corporation Municipal Facilities Revenue Bond	Revenue Bonds	Water Infrastructure Finance Authority Loan	Water Rights	Total	Percentage of Personal Income	Per Capita
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	21.92%	5,582
85,384,431	102,180,000	31,390,000	10,998,942	-	421,153,409	21.26%	5,900
89,394,364	102,180,000	31,985,000	11,908,603	-	426,394,231	22.40%	6,341
91,121,543	102,300,000	32,245,000	12,554,096	-	439,926,724	20.74%	6,634
92,753,019	102,300,000	17,040,000	9,925,289	10,314,041	445,292,958	24.79%	6,822
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

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
2016	\$ 91,582,861	\$ 13,202	\$ 91,569,659	13.59%	\$ 1,177
2015	99,245,534	-	99,245,534	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%	1,837
2010	126,355,000	828,016	125,526,984	12.77%	1,923
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

Source: City Financial Records and Reports

City of Goodyear
Direct and Overlapping Governmental Activities Debt
As of June 30, 2016
(Unaudited)

Overlapping Jurisdiction	Net Assessed Limited Property Value	Debt Outstanding	Estimated Percentage Applicable (a)	Net Debt Amount
Maricopa County	\$ 34,623,670,323	\$ -	1.97 %	\$ -
Maricopa County Community College District	34,623,670,323	557,390,000	1.97	10,980,583
Western Maricopa Education Center	12,790,483,748	71,220,000	5.35	3,810,270
Liberty Elementary School District No. 25	197,234,465	17,035,000	57.89	9,861,562
Avondale Elementary School District No. 44	314,961,281	32,990,000	83.13	27,424,587
Littleton Elementary School District No. 65	212,667,831	19,140,000	0.03	5,742
Litchfield Elementary School District No. 79	661,374,248	44,425,000	44.78	19,893,515
Mobile Elementary School District No. 86	8,117,347	-	44.18	-
Buckeye Union High School District No. 201	656,613,462	65,100,000	18.35	11,945,850
Tolleson Union High School District No. 214	937,650,210	28,600,000	0.01	2,860
Agua Fria Union High School District No. 216	976,335,529	60,520,000	56.96	34,472,192
Wildflower Ranch Community Facilities District No. 1	4,305,958	695,000	100.00	695,000
Wildflower Ranch Community Facilities District No. 2	4,297,123	905,000	100.00	905,000
Community Facilities General District No. 1	110,488,180	9,915,000	100.00	9,915,000
Community Facilities Utility District No. 1	284,659,081	40,615,000	100.00	40,615,000
Estrella Mountain Ranch Community Facilities District	70,154,783	36,330,000	100.00	36,330,000
Cottonflower Community Facilities District	8,192,888	2,160,000	100.00	2,160,000
Centerra Community Facilities District	10,281,712	2,960,000	100.00	2,960,000
Cortina Community Facilities District	8,858,634	2,035,000	100.00	2,035,000
Palm Valley Community Facilities District	56,291,650	6,725,000	100.00	6,725,000
Subtotal of overlapping debt:	<u>\$ 86,560,308,776</u>	<u>\$ 998,760,000</u>		<u>\$ 220,737,161</u>
Direct Debt:				
City of Goodyear	\$ 670,952,898	\$ 64,989,227	100.00 %	\$ 64,989,227
Total Direct and Overlapping Debt				\$ 285,726,388
Total Governmental and Business-Type General Obligation Bonds	\$ 670,952,898	\$ 90,270,000	100.00 %	\$ 90,270,000

(a) Proportion applicable to the City of Goodyear, Arizona is computed on the ratio of net assessed limited property value for 2015/16.

Sources: Maricopa County Assessor's Office 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				
	2016	2015	2014	2013	2012
Secondary Assessed Value	\$ 670,952,898	\$ 659,588,897	\$ 590,258,652	\$ 605,642,183	\$ 673,001,828
<u>20% Limitation</u>					
Debt Limit Equal to 20% of Assessed Valuation	134,190,580	131,917,779	118,051,730	121,128,437	134,600,366
Total Debt Applicable to 20% Limit	<u>90,065,000</u>	<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>\$ 44,125,580</u>	<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	67.12%	73.96%	88.75%	92.21%	87.76%
<u>6% Limitation</u>					
Debt Limit Equal to 6% of Assessed Valuation	\$ 40,257,174	\$ 39,575,334	\$ 35,415,519	\$ 36,338,531	\$ 40,380,110
Total Debt Applicable to 6% Limit	<u>205,000</u>	<u>220,000</u>	<u>250,000</u>	<u>250,000</u>	<u>265,000</u>
Legal 6% Debt Margin (Available Borrowing Capacity)	<u>\$ 40,052,174</u>	<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	0.51%	0.56%	0.71%	0.69%	0.66%

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

Table 18

Fiscal Year				
2011	2010	2009	2008	2007
\$ 848,758,886	\$ 982,856,423	\$ 1,000,721,049	\$ 764,237,138	\$ 494,913,013
169,751,777	196,571,285	200,144,210	152,847,428	98,982,603
<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>47,546,777</u>	\$ <u>70,501,285</u>	\$ <u>76,314,210</u>	\$ <u>23,307,428</u>	\$ <u>8,787,603</u>
71.99%	64.13%	61.87%	84.75%	91.12%
\$ 50,925,533	\$ 58,971,385	\$ 60,043,263	\$ 45,854,228	\$ 29,694,781
<u>275,000</u>	<u>285,000</u>	<u>295,000</u>	<u>305,000</u>	<u>-</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>
0.54%	0.48%	0.49%	0.67%	0.00%

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		
2016	\$ 87,880,128	\$ 67,903,484	\$ 235,000	\$ 5,451,663	11.94	
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	
2016	\$ 27,964,881	\$ 15,205,094	\$ 12,759,787	\$ 1,496,834	\$ 2,159,000	3.49
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

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
2016	77,776	\$ 1,871,990	\$ 24,069	36.7	13 to 16	5.5%
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%

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		
	2016			2007		
	Employees	Rank	Percentage of Total City Employment*	Employees	Rank	Percentage of Total City Employment*
Abrazo West Campus	1,009	1	2.78%	350	7	1.82%
Macy's	1,008	2	2.78%			
Amazon.com	975	3	2.69%			
Arizona State Prison/Perryville	850	4	2.34%	750	2	3.90%
Cancer Treatment Centers of America	768	5	2.12%			
City of Goodyear	531	6	1.46%	560	3	2.91%
Sub-Zero / Wolf	472	7	1.30%			
McLane Sunwest	345	8	0.95%	510	4	2.65%
Cavco Industries, Inc.	325	9	0.90%	475	6	2.47%
Snyder's of Hanover	215	10	0.59%			
Lockheed Martin				800	1	4.16%
Rudolfo Brothers				260	9	1.35%
Walmart Supercenter				488	5	2.54%
Safeway				285	8	1.48%
Target				191	10	0.99%
Total	<u>6,498</u>		<u>17.90%</u>	<u>4,669</u>		<u>24.27%</u>

Source: City Records

*2016 labor force = 36,311 ; 2007 labor force = 19,240

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Government	55	69	55	55	52	52	53	47	52	52
Financial Services	29	28	27	29	28	30	30	30	28	27
Information Services	18	18	15	14	14	13	13	15	12	11
Police										
Officers	96	93	91	94	94	94	97	97	89	72
Civilians	35	30	29	30	27	29	29	30	26	24
Planning and Development	50	21	23	25	9	9	10	16	38	32
Fire										
Firefighters and Officers	92	90	91	90	91	87	90	91	93	70
Civilians	10	12	8	7	20	24	22	22	17	12
Human Resources	10	10	10	10	9	7	8	10	10	9
Community Services	0	0	0	0	0	0	0	0	11	12
Economic Development	6	5	4	4	6	7	7	4	5	3
Municipal Services	13	13	10	13	13	8	10	14	14	11
Public Works	63	87	75	73	65	78	79	87	64	52
Water	27	26	24	23	21	22	23	24	30	30
Wastewater	19	19	20	17	18	17	18	19	18	14
Sanitation	8	6	5	5	7	9	9	9	12	13
Total	<u>531</u>	<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>

Source: City Financial Records and Reports

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

Function	Fiscal Year		
	2016	2015	2014
General Government			
<i>City Clerk's Office</i>			
# of records requests	629	598	504
<i>City Prosecutor's Office</i>			
Charges filed/charges adjudicated (resolved)	3,608	3,623	3,170
<i>City Manager's Office</i>			
% of survey respondents rating "Your Neighborhood as a Place to Live" as good to excellent	93%	95%	95%
<i>Communications & Public Information</i>			
News releases/media updates	88	NA	76
Total newsletter pages sent to citizens	144	136	114
Number of visits to website	543,565	633,643	491,540
Number of web pages viewed	1,472,765	1,855,914	1,850,471
Number of graphics/photography projects completed	103	135	275
Police			
# of total arrests	2,661	2,846	2,612
# of moving violations citations	3,479	5,919	10,586
Fire			
# of emergency responses	6,002	6,972	8,298
# of fires extinguished	165	205	242
# of inspections	1,253	1,539	752
Financial Services			
# accounts payable checks issued	5,914	6,254	6,403
# purchase orders	1,442	1,009	1,091
# water meters read annually	201,704	196,863	191,189
Planning and Development			
Customer wait-time (in minutes) at One Stop Shop	NA	<1	<1
Total number of permits issued	5,610	2,868	3,580
Provide applicant with pre-application meeting within 30 days of submitting request	1	1	1
% of inspections performed within 24 hours of request	1	0.96	1
Human Resources			
# of new hires (FT & PT) (1)	362	144	180
HR budgeted operating cost as a % of City budgeted payroll	5.06%	5.05%	4.85%
Parks and Recreation			
# attending Park & Recreation facilities and Libraries annually (2)	188,000	74,527	74,527
# of square feet of medians and rights of way maintained	23,151,438	23,151,438	23,151,438

Table 23

2013	2012	2011	Fiscal Year 2010	2009	2008	2007
470	484	550	504	613	648	576
2,514	3,827	3,380	3,395	2,494	2,469	3,653
94%	94%	90%	90%	94%	94%	94%
59	49	150	235	161	182	129
112	136	144	176	186	136	116
804,542	771,938	703,174	715,285	738,949	1,509,717	1,322,259
2,185,489	2,203,995	2,104,553	2,208,180	2,346,423	7,203,478	4,865,081
254	262	230	217	200	200	175
2,532	2,402	2,254	4,731	2,829	2,614	2,814
10,259	11,468	12,581	11,810	13,313	11,452	12,422
5,604	7,195	6,597	5,570	5,328	3,431	3,236
243	271	235	226	270	143	154
969	212	3,229	4,262	3,953	3,427	2,403
6,298	6,132	6,413	8,024	10,184	9,949	9,305
1,238	1,229	1,344	1,147	918	1,043	1,002
184,638	178,466	170,657	168,647	163,444	155,805	147,241
<1	< 1	< 3	< 3	< 5	< 5	< 5
3,529	3,576	3,269	4,232	3,401	5,874	1,340
1	1	1	1	1	1	1
1	0.7	1	1	1	1	1
178	118	125	247	158	179	164
5.01%	4.86%	4.11%	4.18%	4.11%	4.36%	5.50%
69,596	63,256	54,428	52,241	51,844	49,111	50,093
23,151,438	23,151,438	22,696,736	22,175,027	22,118,000	15,320,000	15,320,000

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

Function	Fiscal Year		
	2016	2015	2014
Economic Vitality			
Sales Tax growth (% annual change)	8.86%	3.85%	8.76%
Bed Tax growth (% annual change)	2.75%	25.71%	-4.12%
Municipal Services			
# of homes serviced by Residential Refuse Collection	26,323	25,320	24,346
# of citizens serviced by Household Hazardous Waste collection program	503	536	550
Water Service			
# of residential customers	16,132	15,404	14,959
# of multifamily customers	36	36	35
# of commercial customers	865	1,055	1,025
Water Service Connections	17,034	17,533	17,533
Drinking Water Supplied (million gallons per day)	11.70	12.70	11.70
Reclaimed Water Supplied (million gallons per day)	0.63	0.63	0.32
Wastewater			
# of residential customers	16,064	15,335	14,877
# of multifamily customers	36	69	36
# of commercial customers	382	373	370
Sewer Service Connections	18,236	17,139	16,918
Sewage Treated (millions gallons per day)	4.15	3.81	4.20
Other Public Works			
Street resurfacing (miles)	109.00	83.23	19.20
Potholes repaired	1,339	1,253	1,166
Citizen & Neighborhood Resources			
# of new Code Enforcement cases processed per year	3,544	2,863	3,018

Source: City Financial Records and Reports

Table 23

	Fiscal Year					
2013	2012	2011	2010	2009	2008	2007
11.29%	10.45%	4.42%	-10.40%	-12.30%	-10.25%	20.71%
1.41%	14.15%	-7.31%	-3.90%	-15.00%	6.00%	6.98%
23,387	22,363	21,489	20,928	20,149	19,811	18,664
546	503	729	848	0	634	510
14,430	13,755	13,319	13,051	12,394	12,214	11,811
36	36	36	36	36	36	9
999	976	963	742	781	709	571
17,533	16,809	14,588	14,488	13,975	13,500	13,051
9.60	11.60	11.40	11.10	11.00	10.80	6.86
0.39	0.32	0.37	0.23	0.45	0.27	0.09
14,231	13,599	13,298	12,962	12,322	9,445	7,865
38	36	36	36	36	38	36
382	364	363	372	370	307	234
16,918	16,856	16,743	16,144	16,144	13,500	11,398
4.15	3.82	3.73	3.73	3.70	3.24	2.48
30.00	24.00	12.50	-	4.00	-	34.20
296	264	260	372	681	783	1,096
2,841	2,069	2,016	2,255	2,155	2,698	2,755

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

Function	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Public Safety										
Police:										
Stations	4	4	3	3	3	3	3	3	3	3
Police Vehicles	134	133	119	126	125	130	124	130	125	146
Fire Stations	7	6	6	6	6	6	6	6	6	4
Highways and Streets										
Street (miles)	934	934	934	934	934	704	704	563	450	360
Streetlights	9,041	8,832	8,832	8,660	8,465	8,438	8,329	7,969	7,391	7,391
Traffic signals	89	86	86	84	77	72	72	67	56	37
Culture and Recreation										
Parks	18	18	17	17	17	17	17	16	16	12
Parks Acreage	206	206	204	204	204	204	204	184	156	117
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Tennis Courts	6	6	6	6	6	6	6	6	6	6
Community Centers	1	1	1	1	1	1	1	1	1	1
Water										
Water Mains (miles)	330	308	308	308	308	308	308	307	286	257
Fire Hydrants	3,031	2,951	2,808	2,796	2,791	2,791	2,791	2,754	2,481	2,370
Storage capacity (thousands of gallons)	16	16	16	16	16	16	16	16	15	11
Wastewater										
Sanitary Sewers (miles)	254	242	239	229	227	229	223	225	236	152
Storm Sewers (miles)	54	55	63	57	57	57	54	58	80	105
Treatment capacity (MGD) (thousands of gallons)	5.6	5.6	5.6	5.6	5.6	5.6	5.6	5.6	5.5	4.6

Source: City Financial Records and Reports

City of Goodyear Comprehensive Annual Financial Report

City of Goodyear
Finance Department
190 N. Litchfield Rd.
Goodyear, AZ 85338
623-932-3015

