

# Comprehensive Annual Financial Report



FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**City of Goodyear, Arizona**  
Finance Department



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# CITY OF GOODYEAR COMPREHENSIVE ANNUAL FINANCIAL REPORT For the Year Ended June 30, 2019

## Table of Contents

	<u>Page</u>
<b>I. INTRODUCTORY SECTION</b>	
Letter of Transmittal	1
GFOA Certificate of Achievement	7
City of Goodyear Officials	8
Organizational Chart	9
 <b>II. FINANCIAL SECTION</b>	
Independent Auditor's Report	11
A. Management's Discussion & Analysis	15
B. Basic Financial Statements	27
Government-wide Financial Statements	
Statement of Net Position	31
Statement of Activities	32
Fund Financial Statements	
Governmental Fund Financial Statements	
Balance Sheet	36
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	39
Statement of Revenues, Expenditures and Changes in Fund Balance	40
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	43
Proprietary Fund Financial Statements	
Statement of Net Position	44
Statement of Revenues, Expenses and Changes in Fund Net Position	45
Statement of Cash Flows	46
Fiduciary Fund Financial Statements	
Statement of Fiduciary Net Position	47
Statement of Changes in Fiduciary Net Position	48

Notes to the Financial Statements	<u>Page</u>
1. Summary of Significant Accounting Policies	51
2. Cash and Investments	58
3. Receivables	61
4. Capital Assets	62
5. Loan Payable	63
6. General Obligation Bonds Payable	64
7. Revenue Bonds Payable	65
8. Community Facilities Districts Bonds Payable	67
9. Changes in Long-term Liabilities	68
10. Interfund Receivables, Payables, and Transfers	69
11. Contingent Liabilities	69
12. Risk Management	70
13. Pensions and Other Postemployment Benefits	71
14. Excess of Expenditures Over Appropriations	84
15. Fund Balance Classifications	84
16. Commitments	85
17. Tax Abatement Agreements	85
18. Prior Period Adjustment	86
C. Required Supplementary Information	
Schedule of Revenues, Expenditures and Changes in Fund Balance- Budget and Actual General Fund	88
Schedule of Revenues, Expenditures and Changes in Fund Balance- Budget and Actual Ballpark Fund	90
Notes to Budget and Actual Schedules	91
Schedule of the Proportionate Share of the Net Pension Liability	92
Schedule of the Proportionate Share of the Net OPEB Liability	93
Schedule of Changes in the Net Pension Liability and Related Ratios	94
Schedule of Changes in the Net OPEB Liability and Related Ratios	96
Schedule of Pension/OPEB Contributions	98
Notes to the Pension/OPEB Plan Schedules	101
D. Other Supplementary Information	
 Budgetary Comparison Schedules - Major Governmental Funds	
GO Bonds – Capital Projects	104
McDowell Road Commercial Corridor ID – Debt Service	105
Community Facilities Districts – Debt Service	106
 Non-Major Governmental Funds – Financial Statements	
Combining Balance Sheet	108
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	110

Budgetary Comparison Schedules – Non-Major Governmental Funds	<u>Page</u>
Highway User Revenue Fund	112
Community Facilities Districts - General	113
Grants	114
Debt Service	115
Non-Utility Development Impact Fees	116
 Budgetary Comparison Schedules – Other Governmental Funds	
Park and Ride Marquee	118
Court Enhancement	119
Fill-The-Gap	120
JCEF	121
Impound	122
Officer Safety Equipment	123
 Budgetary Comparison Schedules – Enterprise Funds	
Water & Wastewater Enterprise Fund	124
Sanitation Enterprise Fund	125
 Fiduciary Funds – Financial Statements	
Combining Statement of Assets and Liabilities – Agency Funds	128
Combining Statement of Changes in Assets and Liabilities-Agency Funds	129

III. STATISTICAL SECTION	<u>Table</u>	<u>Page</u>
Net Position by Component	1	132
Changes in Net Position	2	134
Governmental Activities Tax Revenues by Source	3	141
Excise Tax Collections	4	142
Sales & Use Taxes	5	144
Fund Balances of Governmental Funds	6	146
Changes in Fund Balances of Governmental Funds	7	148
Property Tax Rates	8	152
Principal Property Taxpayers	9	157
Assessed Value and Estimated Actual Value of Taxable Property	10	158
Property Tax Levies and Collections	11	160
Utility Statistical Data Ten Largest Water Users	12	161
Utility Statistical Data Ten Largest Wastewater Users	13	163
Schedule of Existing and Adopted Monthly Water & Wastewater Service Charges	14	164

	<u>Table</u>	<u>Page</u>
Ratios of Outstanding Debt by Type	15	166
Ratios of General Bonded Debt Outstanding	16	168
Direct and Overlapping Governmental Activities Debt	17	169
Legal Debt Margin Information	18	170
Pledged Revenue Coverage	19	172
Demographic and Economic Statistics	20	173
Principal Employers	21	174
Full-Time Equivalent City Government Employees by Function	22	175
Operating Indicators by Function	23	176
Capital Asset Statistics by Function	24	180

#### IV. FEDERAL AND STATE REPORTS

Independent Auditors Report on Internal Control over Financial Reporting and on Compliance and Other Matters	183
Report on Compliance with State Laws and Regulations	185

# 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.

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November 22, 2019

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

State law requires that 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 be published annually by cities after the close of each fiscal year. 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, 2019.

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 HintonBurdick, PLLC, 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, 2019. 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 15-26 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. Located approximately 17 miles west of the downtown Phoenix business district, Goodyear has sustained continued growth and currently encompasses approximately 191 square miles in the western portion of Maricopa County. The city's growth is attributable to excellent transportation corridors, convenient access to the central valley, a variety of housing options, a sense of community and outstanding school districts. The population of the city is estimated at 84,659.

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 staggered 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 2019 a staff of 644 full-time equivalent authorized employees working within 15 different departments performed the various functions of Goodyear's city government. The city provides a full range of municipal services, including police, fire, residential sanitation, water, wastewater, streets, recreational programs, parks, cultural events, public transportation, planning and zoning, 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 223 acres. The city is community-driven and includes hundreds of volunteers that serve in various areas of the city. Through their efforts, the city saved more than \$829,578 in fiscal year 2019 alone. In addition, Goodyear continues to attract major employers with its location along Interstate 10 and State Route 303, availability of land, access to the entire region, 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 eliminated 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 Council has adopted a specific budget transfer policy which delegates the authority to perform many transfers to the City Manager or appropriate designee. The City Manager is generally authorized to transfer budgeted amounts within any specific department's expenditure

appropriation as well as transfers which are considered administrative in nature. Generally, budget revisions requiring a transfer between major program areas in the General Fund, from City reserves/contingencies 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**

Fiscal year 2019 is the fourth consecutive year that issuance of single-family residential permits has exceeded 1,000. A total of 1,230 single-family residential permits were issued during fiscal year 2019 representing a decrease of 62 permits from the prior fiscal year. In addition to residential growth, Goodyear continues to expand its commercial base with new commercial construction permits valued at over \$243 million issued during the fiscal year.

The City continues to budget conservatively and monitors the local, regional, and national economies in order to be ready to adapt to any changes, while still positioning ourselves for future growth.

### *Sales Tax*

Goodyear, like all Arizona cities, places significant reliance on city sales tax revenues. Goodyear's sales tax revenues remain strong and continue to increase year over year. Sales tax revenues for fiscal year 2019 increased by 10.3% over fiscal year 2018 levels.

### *State Shared Revenues*

The city receives revenue allocations from the State. These state shared revenues include allocations of the state income tax, sales tax, fuel tax, and motor vehicle license 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 18.2% of the general fund revenue for fiscal year 2019.

### *Property Tax*

In fiscal year 2019, the city's combined (primary and secondary) property tax rate rose slightly from \$1.7349 to \$1.7350 per \$100 of assessed valuation. Although the tax rate remained virtually unchanged, increased assessed valuation resulted in a property tax levy increase of \$1,030,690. The maintained stabilization in the tax rate ensures the city's ability to service outstanding debt and maintain basic infrastructure.

For the fiscal year 2020 budget, the Mayor and Council have adopted a total combined property tax rate of \$1.7332 per \$100 of assessed valuation, which is nearly the same as fiscal year 2019. In accordance with its budget policies, the city is below the targeted combined property tax rate of \$1.74 per \$100 of assessed valuation or less.

## **LONG-TERM FINANCIAL PLANNING**

In 2013, the Council began a process of redefining the long-term strategic priorities of the city. This strategic plan is discussed yearly with City Council to review progress and determine priorities for the annual plan update. Any new funding requests are evaluated in the context of their relationship to the strategic focus areas. 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: Maintaining a long-term view, we manage our fiscal, human, and physical resources in an efficient and effective manner. This effort is aligned across the organization with an emphasis on transparency. The city's business practices will be efficient, business friendly, and ensure exceptional customer service to all stakeholders and citizens.
2. Economic Vitality: We will continue to ensure the prosperity of our community by increasing the growth of our economy through diversity of industry, business investment, quality job creation, education, and tourism. To support this growing economy, we will invest in transportation and infrastructure and seek high quality retail and entertainment opportunities.
3. Sense of Community: The city will cultivate a sense of pride through programs, gathering places, and events where the community can come together to participate in opportunities of learning and recreation. We will continue to make Goodyear residents feel connected to their city government through community engagement, outstanding customer service, and clear, accessible communication.
4. Quality of Life: We will continue to make Goodyear a place to live, work, and play that provides diverse activities and amenities in a safe and well-maintained environment, while supporting the arts and promoting the health and wellness of our community.

The Strategic Action Plan establishes a road map of key strategic initiatives that best advance the vision for the city and is aligned with 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. Within each of the four focus areas, Goodyear City Council has adopted Guiding Principles to inform the way city business is carried out across the entire organization.

## **MAJOR INITIATIVES**

Goodyear is an award-winning community that provides a high quality of life with its master-planned communities, excellent schools, health care, trail systems and entertainment options, including major league sports venues.

- Goodyear was ranked by the U.S. Census Bureau as being among the fastest growing cities in the country.
- A NerdWallet study ranked Goodyear as one of the best cities in the nation for veterans, based on the level of economic opportunity for veterans.
- Goodyear ranks sixth in the nation in overall safety. This is supported by the 2018 Citizen Satisfaction Survey which revealed that 96% of residents feel safe in their neighborhood, with 95% of residents saying Goodyear is an excellent or good place to live.

During fiscal year 2019, the city began the design of a recreational campus that includes a 30-acre park, recreation center and an aquatics facility. These facilities are funded using voter authorized G.O. Bonds and impact fees. Other projects of significance funded in FY2019 include improvements to the Goodyear Water Reclamation Facility, a new surface water treatment facility, two fire stations and several streets projects.

## **AWARDS AND ACKNOWLEDGEMENTS**

### *Certificates of Achievement*

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, 2018. The City has achieved this prestigious award every 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. This 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 it to GFOA to determine its eligibility for another certificate.

In addition, the city also received the GFOA's Distinguished Budget Presentation Award, the highest form of recognition in governmental budgeting, for its annual budget document for the fiscal year beginning July 1, 2018. The City has received this award every 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, 2018**

*Christopher P. Morill*

Executive Director/CEO



**LIST OF PRINCIPAL OFFICIALS**

**MAYOR**

Georgia Lord

**VICE MAYOR**

William Stipp

**COUNCIL MEMBERS**

Joe Pizzillo

Sheri Lauritano

Wally Campbell

Brannon Hampton

Laura Kaino

**SENIOR MANAGEMENT STAFF**

Julie Arendall  
*City Manager*

Mayra Galindo  
*Presiding Judge*

Roric Massey  
*City Attorney*

Dan Cotterman  
*Deputy City Manager*

Wynette Reed  
*Deputy City Manager*

Darcie McCracken  
*City Clerk*

Lyman Locket  
*Human Resources Director*

Paul Luizzi  
*Fire Chief*

Doug Sandstrom  
*Finance Director*

Gerald Geier  
*Police Chief*

Christopher Baker  
*Development Services Director*

Alan Claypool  
*Information Technology Director*

Rebecca Zook  
*Engineering Director*

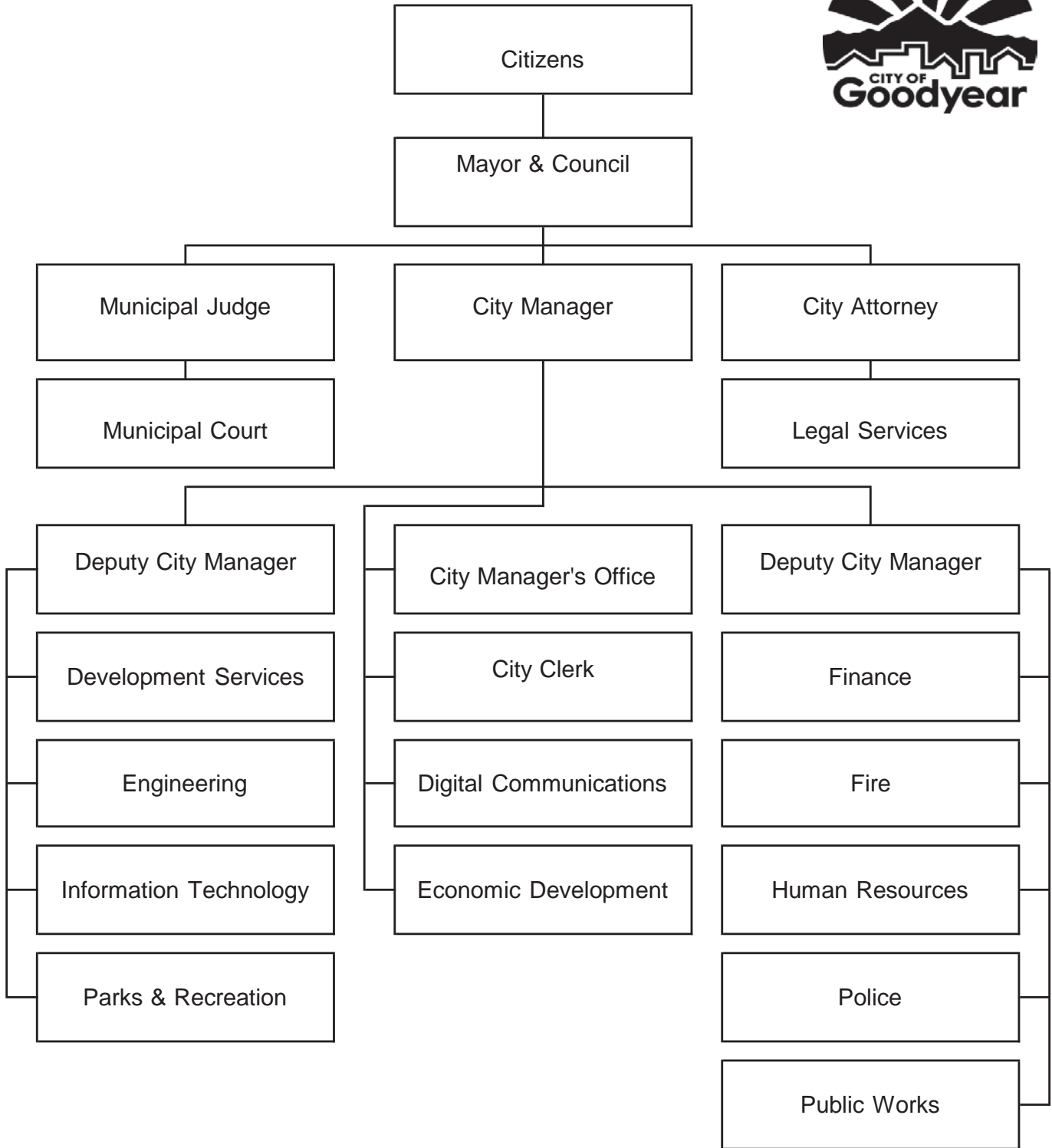
Nathan Torres  
*Park & Recreation Director*

Lori Gary  
*Economic Development Director*

Javier Setovich  
*Public Works Director*

Tammy Vo  
*Communications Director*







# FINANCIAL SECTION

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

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## **Independent Auditors' Report**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Goodyear, Arizona, as of and for the year ended June 30, 2019, 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 of 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, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Goodyear, Arizona, as of June 30, 2019, 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.

## ***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 the pension and OPEB schedules 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 of Goodyear, Arizona's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and the statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate 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 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 combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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



### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2019, on our consideration of the 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 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 the City of Goodyear, Arizona's internal control over financial reporting and compliance.



HintonBurdick, PLLC  
Gilbert, Arizona  
November 22, 2019

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## MANAGEMENT'S DISCUSSION AND ANALYSIS For The Year Ended June 30, 2019

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, 2019. 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 and is designed to be read in conjunction with the transmittal letter as well as the financial statements 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 \$795,641,773 (*net position*) at the close of fiscal year 2019. Of this amount, \$70,603,672 represents unrestricted net position, which may be used to meet the City's ongoing obligations to citizens and creditors.
- ◆ The \$59.9 million increase in net position of the City is the result of an increase in sales tax revenues and investment earnings as well as charges for water and wastewater services.
- ◆ As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$185.5 million, an increase of \$54.1 million (41.2 percent) in comparison with the prior year fund balance of \$131.4 million. Approximately 8.8 percent of this amount (\$16.4 million) is available for spending at the government's discretion (unassigned fund balance).
- ◆ At June 30, 2019, total unassigned fund balance for the general fund is \$16.5 million, a decrease of \$44.0 million (72.7 percent) from the prior fiscal year.

### 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, and sanitation 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.

**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*.

The City maintains 10 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, Ballpark – Special Revenue, GO Bond – Capital Projects, McDowell Road Commercial Corridor Improvement District – Debt Service, and Community Facilities Districts – Debt Service, 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.

**Proprietary Funds.** The City maintains three 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, and sanitation services. 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, the Self-Insurance Trust. The Self-Insurance Trust Fund reports activities related to self-insurance for employee health benefits. The internal service fund activities are reported as governmental activities on the government-wide statements.

**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.

**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.

**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 and OPEB benefits to its employees.

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.

Budget to actual comparison schedules for the enterprise funds are presented in the other supplementary information section.

## 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, 2019 with comparative information for the previous year.

### Net Position

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

**Table 1 Net Position**

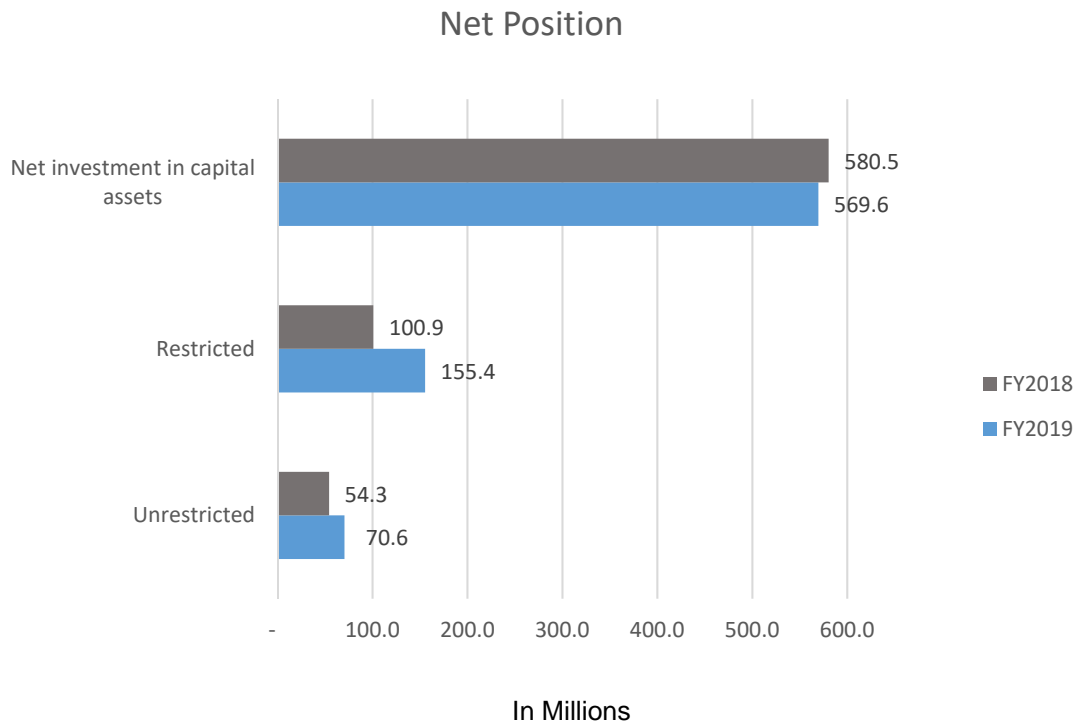
	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 271,996,832	\$ 218,766,500	\$ 48,066,718	\$ 52,987,723	\$ 320,063,550	\$ 271,754,223
Capital assets, net	633,814,533	644,680,645	318,716,810	298,998,510	952,531,343	943,679,155
Total assets	<u>905,811,365</u>	<u>863,447,145</u>	<u>366,783,528</u>	<u>351,986,233</u>	<u>1,272,594,893</u>	<u>1,215,433,378</u>
Deferred outflows	31,414,209	24,947,271	3,125,500	2,851,579	34,539,709	27,798,850
Current and other liabilities	26,112,482	23,638,432	9,163,126	9,452,444	35,275,608	33,090,876
Long-term liabilities	370,709,069	362,269,353	99,725,632	108,134,807	470,434,701	470,404,160
Total liabilities	<u>396,821,551</u>	<u>385,907,785</u>	<u>108,888,758</u>	<u>117,587,251</u>	<u>505,710,309</u>	<u>503,495,036</u>
Deferred inflows	5,072,806	3,596,176	709,714	382,323	5,782,520	3,978,499
Net position:						
Net investment in capital assets	342,610,234	381,473,262	227,004,152	199,032,946	569,614,386	580,506,208
Restricted for:						
Charter mandates	4,582,213	4,377,576	-	-	4,582,213	4,377,576
Capital projects	43,953,339	19,453,023	3,636,777	7,569,091	47,590,116	27,022,114
Community facilities	10,164,456	2,453,112	-	-	10,164,456	2,453,112
Debt service	58,788,876	59,379,423	2,709,427	5,899,617	61,498,303	65,279,040
Other purposes	31,588,627	1,772,242	-	-	31,588,627	1,772,242
Unrestricted	43,643,472	29,981,817	26,960,200	24,366,584	70,603,672	54,348,401
Total net position	<u>\$ 535,331,217</u>	<u>\$ 498,890,455</u>	<u>\$ 260,310,556</u>	<u>\$ 236,868,238</u>	<u>\$ 795,641,773</u>	<u>\$ 735,758,693</u>

The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$795.6 million at the close of fiscal year 2019 and by \$735.7 million in 2018, providing an overall increase in the City's net position of \$59.9 million. Current and other assets increased by \$57.2 million. This increase is primarily due to the issuance of general obligation bonds during the fiscal year. Current and other liabilities decreased by \$1.1 million as a result of a decrease in accrued interest payable.

The largest portion of the City's net position totaling \$569.6 million (71.6 percent 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 \$155.4 million (19.5 percent of total net position) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$70.6 million (8.9 percent 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 2019, 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 \$36.4 million from the prior fiscal year for an ending balance of \$535.3 million. The City's sales tax revenue increased \$6.1 million due to an overall improvement in the economy. Charges for services increased by \$12.3 million as a result of the continued increase in commercial and residential development within the City. Additionally a significant prepayment of an assessment in the McDowell Road Commercial Corridor Improvement District was made in fiscal year 2019, increasing the Charges for services.

## Business-type Activities

The City business-type activities reported an increase of \$23.4 million in net position bringing the total net position to \$260.3 million. Charges for services revenue increased by \$7.7 million due to an increase in water and wastewater rates as well as an increase in the usage of those services.

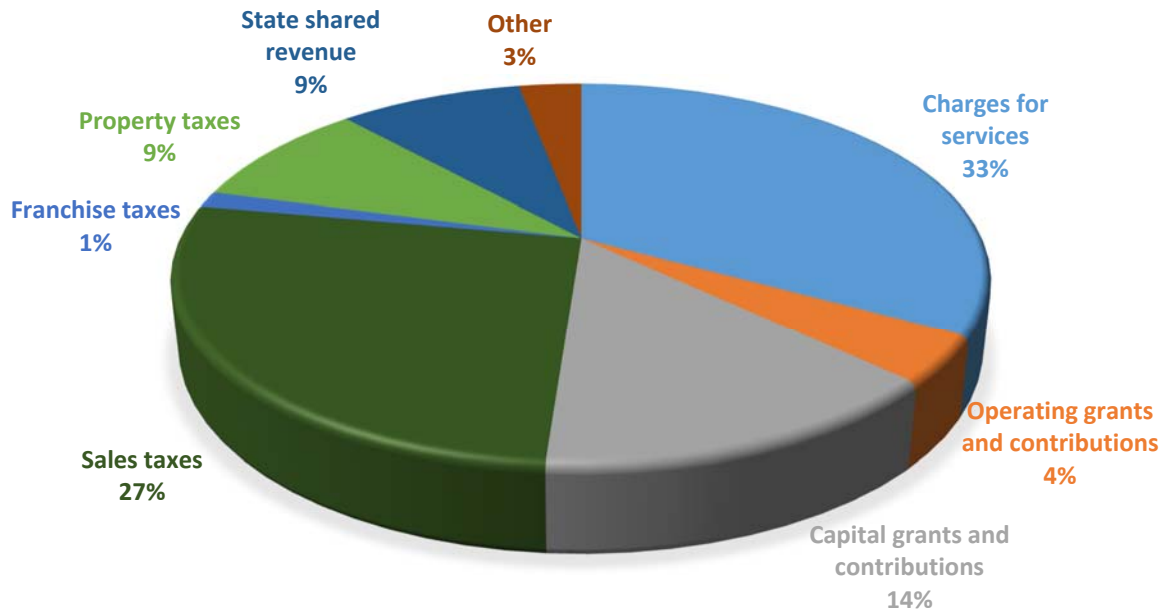
## Changes in Net Position

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 29,742,658	\$ 17,448,370	\$ 50,717,046	\$ 43,015,750	\$ 80,459,704	\$ 60,464,120
Operating grants and contributions	9,809,818	16,164,698	-	-	9,809,818	16,164,698
Capital grants and contributions	21,231,123	7,442,815	12,962,807	12,237,823	34,193,930	19,680,638
General revenues:						
Sales taxes	64,940,363	58,831,503	-	-	64,940,363	58,831,503
Franchise taxes	3,274,113	3,181,840	-	-	3,274,113	3,181,840
Property taxes	22,099,698	20,649,103	-	-	22,099,698	20,649,103
State shared revenue	21,244,412	19,967,694	-	-	21,244,412	19,967,694
Investment earnings	4,661,685	1,196,857	1,595,877	47,246	6,257,562	1,244,103
Miscellaneous	934,949	341,814	40,902	37,024	975,851	378,838
<b>Total revenues</b>	<b>177,938,819</b>	<b>145,224,694</b>	<b>65,316,632</b>	<b>55,337,843</b>	<b>243,255,451</b>	<b>200,562,537</b>
<b>Expenses:</b>						
General government	23,478,993	23,781,937	-	-	23,478,993	23,781,937
Public safety	52,241,594	45,439,446	-	-	52,241,594	45,439,446
Highways and streets	21,330,274	26,460,464	-	-	21,330,274	26,460,464
Public works	7,972,935	4,232,567	-	-	7,972,935	4,232,567
Culture and recreation	19,083,232	19,080,188	-	-	19,083,232	19,080,188
Development services	8,380,985	6,591,111	-	-	8,380,985	6,591,111
Interest on long-term debt	8,797,275	11,582,014	-	-	8,797,275	11,582,014
Water and wastewater	-	-	31,493,180	26,853,794	31,493,180	26,853,794
Sanitation	-	-	6,681,134	6,206,843	6,681,134	6,206,843
<b>Total expenses</b>	<b>141,285,288</b>	<b>137,167,727</b>	<b>38,174,314</b>	<b>33,060,637</b>	<b>179,459,602</b>	<b>170,228,364</b>
<b>Changes in net position before Transfers</b>	<b>36,653,531</b>	<b>8,056,967</b>	<b>27,142,318</b>	<b>22,277,206</b>	<b>63,795,849</b>	<b>30,334,173</b>
Transfers	3,700,000	3,700,000	(3,700,000)	(3,700,000)	-	-
Special item	-	(36,893)	-	-	-	(36,893)
<b>Changes in net position</b>	<b>40,353,531</b>	<b>11,720,074</b>	<b>23,442,318</b>	<b>18,577,206</b>	<b>63,795,849</b>	<b>30,297,280</b>
Net position, beginning	498,890,455	487,341,768	236,868,238	218,290,038	735,758,693	705,631,806
Net effect of prior period adjustments	(3,912,769)	(171,387)	-	994	(3,912,769)	(170,393)
Net position, beginning restated	494,977,686	487,170,381	236,868,238	218,291,032	731,845,924	705,461,413
<b>Net position, ending</b>	<b>\$ 535,331,217</b>	<b>\$ 498,890,455</b>	<b>\$ 260,310,556</b>	<b>\$ 236,868,238</b>	<b>\$ 795,641,773</b>	<b>\$ 735,758,693</b>

The pie chart below is a depiction of government-wide revenue sources. Governmental activities accounts for 73 percent of total revenues, while business activities account for 27 percent of total revenues. Charges for services are the largest source of City revenue at 33 percent which is a 33 percent increase from the previous fiscal year due to increased water and wastewater rates and an increase in the usage of those services. The second largest source of City revenue are sales taxes at 27 percent of total revenue, which increased 10 percent over the previous fiscal year due to an increase in taxable sales as a result of an improved economy.

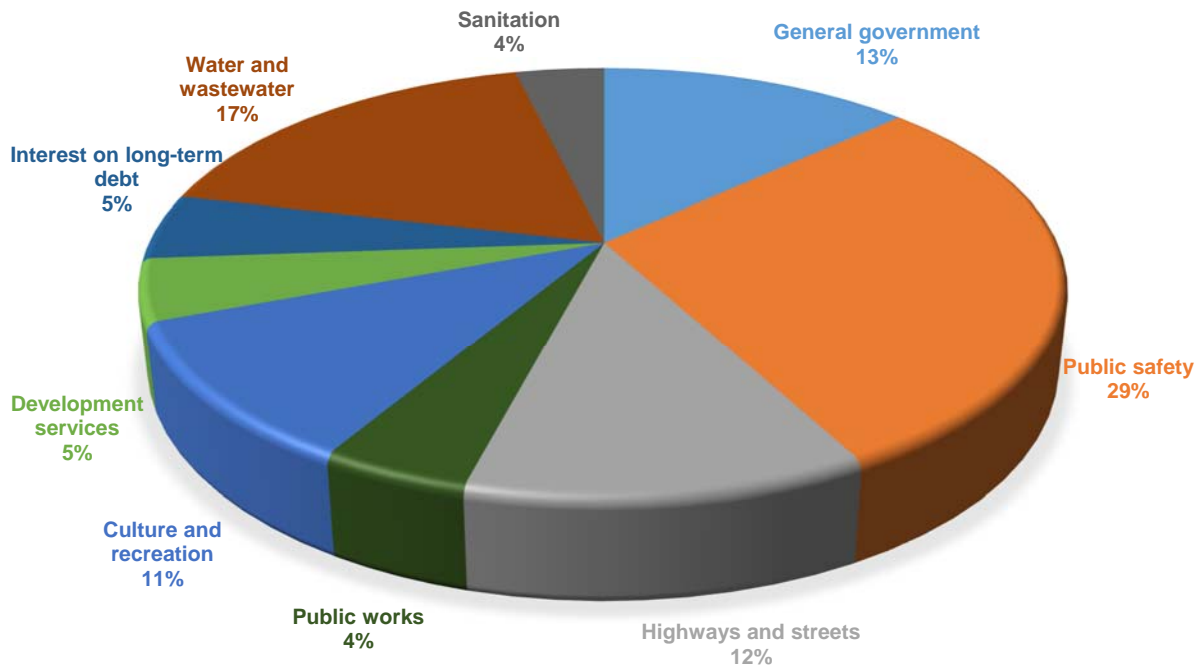
### GOVERNMENT-WIDE REVENUE SOURCES FISCAL YEAR 2019 - \$243,255,451



The reported expenses for fiscal year 2019 increased by \$9.2 million (five percent) over the prior year. As seen in the following pie chart for government-wide functional expenses, governmental activities account for 79 percent of total functional expenses, while business-type activities account for 21 percent of total functional expenses. The line items that experienced notable changes were:

- Highways and streets expenses account for 12 percent of the total government-wide expenses, a decrease of \$5.1 million (-19 percent) from the prior year. The decrease is primarily due to decreased capital expenditures.
- Public safety expenses account for 29 percent of the total government-wide expenses, an increase of \$6.8 million, a 15 percent increase from the prior year. The increase is primarily due to the purchase of land for two new fire stations.
- Culture and recreation expenses account for 11 percent of the total government-wide expenses, which is consistent with the prior year.

## GOVERNMENT-WIDE FUNCTIONAL EXPENSES FISCAL YEAR 2019 - \$179,459,602



## 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 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.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$185.5 million, an increase of 41.2 percent from the previous year. The increase in fund balance is due to the issuance of general obligation bonds and a decrease in capital expenditures. Revenues increased by \$15.6 million and expenditures decreased by \$10.0 million. Approximately 8.8 percent of the fund balance (\$16.4 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, committed or assigned to indicate that it is 1) not in spendable form (\$2.4 million), 2) restricted for particular purposes (\$96.2 million), 3) committed for particular purposes (\$2.6 million) or 4) assigned for particular purposes (\$68.0 million).

Revenues for governmental functions overall totaled \$163.1 million in the fiscal year ended June 30, 2019, which represents an increase of \$15.6 million (11 percent) from the prior fiscal year. The most significant reasons for this change is due to an increase in sales tax revenues and investment income and multiple prepayments of special assessments on the McDowell Road Commercial Corridor Improvement District and Estrella Mountain Ranch Community Facilities District.

The expenditures for governmental functions totaled \$147.8 million, a decrease of \$10.0 million (-6.34 percent) from the prior year. The majority of this decrease is attributed to the reduction in capital outlay and debt service. Capital outlays accounted for \$17.1 million in expenditures for the current fiscal year, a decrease of \$13.3 million from the prior fiscal year. Debt service expenditures accounted for \$34.4 million in expenditures for the current fiscal year, a decrease of \$5.6 million from prior fiscal year. In fiscal year 2018 the city issued several refunding bonds which resulted in payments to refunded bonds escrow agent, which were not a debt service expenditure in fiscal year 2019.

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 \$16.5 million, while total fund balance increased to \$92.8 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 18 percent of general fund expenditures, while total fund balance represents approximately 99.8 percent of general fund expenditures.

The fund balance of the City's general fund increased by \$13.3 million in the current fiscal year due primarily to growth in sales tax revenue and investment income.

The fund balance of the ball park special revenue fund increased by \$0.6 million resulting from a reduction in capital outlay expenditures. In fiscal year 2018, capital outlay expenditures were high due to improvements being done to the Cleveland Indians clubhouse.

The fund balance of the general obligation capital projects fund increased by \$22.1 million due to a bond issue of \$26.9 million to fund public safety and park improvements.

The fund balance of the McDowell road commercial corridor ID debt service fund remained consistent with the prior fiscal year.

The fund balance of the community facilities debt service fund increased by \$0.7 million from the prior fiscal year as a result of a reduction in debt service payments. In fiscal year 2018, Estrella Mountain



Ranch Community Facilities District refunded four special assessment revenue bonds, resulting in a large payment to refunded bonds escrow agent.

**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 net position totals \$260.3 million, resulting from an increase of \$23.4 million from the previous fiscal year. The water and wastewater fund had an increase in net position of \$22.9 million, which is due to an increase in charges for services as a result of an increase in rates as well as usage. The sanitation fund had an increase in net position of \$562,312 which is similar to the increase in the prior year.

**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. The other budgetary comparison schedules can be found in the Other Supplementary Information section.

The decrease in original adopted budget of the City Manager is offset by increases to the Digital Communications and Human Resources original adopted budget. These changes are due to the reorganization of several departments. The original adopted budget for Development Services was adjusted upwards by \$2.6 million due to increased development in the City. During the fiscal year there were two General Fund categories that came in significantly below estimates as shown below:

	Budgeted Expenditures	Actual Expenditures	Difference
Capital outlay	\$ 13,451,286	\$ 8,872,249	\$ 4,579,037
Transfers out	16,793,300	14,254,246	2,539,054

General Fund actual inflows (revenues and other financing sources) of \$120.5 million, was more than budgeted inflows of \$104.7 million due to construction sales tax and development related revenues, while expenditures and other financing uses of \$107.2 million was only 69 percent of final budgeted outflows of \$155.5 million as a result of unspent capital outlay, budgeted transfers out that were not necessary and \$24.2 million in budgeted contingency that remained untouched throughout the fiscal year.

## 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, 2019 amounts to \$952.5 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 an increase of \$8.8 million from the prior year.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Land and improvements	\$ 32,820,279	\$ 31,983,773	\$ 7,770,072	\$ 7,570,661	\$ 40,590,351	\$ 39,554,434
Artwork	276,115	256,115	146,978	146,978	423,093	403,093
Construction in progress	4,940,832	9,107,572	34,981,208	12,015,646	39,922,040	21,123,218
Right of way	90,844,947	90,844,947	-	-	90,844,947	90,844,947
Water rights	-	-	18,272,804	18,009,011	18,272,804	18,009,011
Streetscape	9,061,008	9,061,008	-	-	9,061,008	9,061,008
Infrastructure	270,718,263	272,454,225	162,770,700	164,220,712	433,488,963	436,674,937
Building and improvements	206,659,262	213,228,438	88,602,052	90,828,593	295,261,314	304,057,031
Vehicles, furniture and equipment	18,493,827	17,744,567	6,172,996	6,206,909	24,666,823	23,951,476
Total	<u>\$ 633,814,533</u>	<u>\$ 644,680,645</u>	<u>\$ 318,716,810</u>	<u>\$ 298,998,510</u>	<u>\$ 952,531,343</u>	<u>\$ 943,679,155</u>

The change in governmental capital assets is due to an increase in accumulated depreciation which was offset by a land purchase for a fire station. The change in business-type capital assets is the result of the increase in various water and wastewater capital projects including a water treatment plant and reclamation facility.

Additional information on the City's capital assets can be found in Note 4.

### Debt Administration

At the end of the current fiscal year, the City had total long-term debt outstanding of \$370.3 million. Of this amount \$113.0 million is general obligation bonds backed by the full faith and credit of the City, \$87.7 million is Community Facilities Districts bonds which are paid by the property owners within those districts, \$166.5 million of revenue bonds which are payable from user fees, assessments, and general fund revenues and \$3.0 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, 2019 and 2018:

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
General obligation bonds	\$ 64,022,751	\$ 41,990,387	\$ 48,957,246	\$ 55,074,633	\$ 112,979,997	\$ 97,065,020
Community facilities districts bonds	87,655,298	90,160,000	-	-	87,655,298	90,160,000
Loan payable	-	-	3,050,815	3,323,972	3,050,815	3,323,972
Revenue bonds	129,286,526	144,712,865	37,175,000	39,830,000	166,461,526	184,542,865
Total	<u>\$ 280,964,575</u>	<u>\$ 276,863,252</u>	<u>\$ 89,183,061</u>	<u>\$ 98,228,605</u>	<u>\$ 370,147,636</u>	<u>\$ 375,091,857</u>

The State constitution limits the amount of general obligation debt a city may issue to six percent of its total assessed valuation. The current six percent debt limitation for the City is \$62.6 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 percent debt limitation for the City is \$208.7 million. The City has \$113.0 million of outstanding general obligation debt of which all is subject to the 20 percent limit.

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

Bonded Debt Ratings  
As of June 30, 2019

Type of Debt	Moody's Investors Service	Standard & Poor's
General Obligation	Aa1	AA
Water & Wastewater (Revenue)	Aa3	AA-
Public Improvement Corporation	Aa3	A
Improvement District Bonds	Aa2	AA-

Additional information on the City's long-term debt can be found in Notes 5 through 9.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The unemployment rate for Goodyear for June 2019 was 4.8 percent, which is lower than the state rate of 4.9 percent but higher than the national rate of 3.7 percent. 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.

Total sales tax collections for fiscal year 2019 performed above anticipated budget and exceed fiscal year 2018 collections by 10.3 percent. For fiscal year 2019 non-construction sales taxes, which make up just over half of the on-going General Fund revenues, have performed above last year by 8.7 percent. This is reflective of ongoing steady growth in the local economy, including rising population that is consistent with high levels of building permit activity for new housing and growing sales taxes. Construction sales taxes, which are planned conservatively in the budget, performed well above budget and are above fiscal year 2018 by 18 percent. Development Services revenue activity is above the prior year levels which is reflected in higher than budgeted revenue collections from development agreements, building permits, and development related plan reviews.

The fiscal year 2020 budget assumes continued moderate growth and a conservative approach. Consistent with Council adopted financial policies, the primary property tax is maximized at the allowed two-percent growth in the levy plus the tax on new properties. At 48 percent of General Fund revenues, non-construction sales tax are estimated at 3 percent above fiscal year 2019 budget. State shared sales, income and vehicle license taxes are more than 20 percent of the General Fund revenues and are based on population estimates provided by the state. In combination, the fiscal year 2019 state-shared General Fund revenues are projected at slightly above the fiscal year 2019 budget primarily due to changes in the corporate income taxation which has lowered state income tax collections. The fiscal year 2020 all funds budget totals \$514.2 million, which is an increase of \$66.8 million over fiscal year 2019. This increase can be mainly attributed to a \$51.9 million increase in capital improvement projects. The largest category of expenses is capital projects and includes a carryover of \$106 million for the multi-year surface water project. In addition, the budget reflects a new financial policy to adopt contingencies of 15 percent of operating revenues for the three enterprise funds, which contributes to almost a 29% increase in the contingencies portion of the fiscal year 2020 budget. Debt service decreased by \$1.4 million in principal and interest payments. Operating costs increased by \$12.7 million of which approximately 64 percent is from ongoing supplemental budget additions, with the balance attributed to salary and benefit increases.

## **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 online at [www.goodyearaz.gov/cafr](http://www.goodyearaz.gov/cafr). If you have questions about this report or need additional information, contact the City of Goodyear, 190 N. Litchfield Road, by mail at P.O. Box 5100, Goodyear, Arizona 85338 or by email at [gyfinance@goodyearaz.gov](mailto:gyfinance@goodyearaz.gov).

**BASIC FINANCIAL STATEMENTS**



**GOVERNMENT-WIDE FINANCIAL STATEMENTS**





**CITY OF GOODYEAR, ARIZONA**  
**Statement of Net Position**  
**June 30, 2019**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 123,125,222	\$ 10,643,898	\$ 133,769,120
Investments	68,268,744	27,286,021	95,554,765
Receivables (net of allowance)	66,517,493	6,152,726	72,670,219
Inventory	990,488	712,641	1,703,129
Prepaid items/deposits	1,526,624	-	1,526,624
Net pension/OPEB asset	122,586	14,681	137,267
Temporarily restricted assets:			
Cash and cash equivalents	9,770,425	3,256,751	13,027,176
Notes receivable	1,675,250	-	1,675,250
Capital assets (net of accumulated depreciation):			
Land	30,197,312	7,770,072	37,967,384
Artwork	276,115	146,978	423,093
Right of way	90,844,947	-	90,844,947
Streetscape	9,061,008	-	9,061,008
Construction in progress	4,940,832	34,981,208	39,922,040
Buildings	206,659,262	88,602,052	295,261,314
Infrastructure	270,718,263	162,770,700	433,488,963
Land improvements	2,622,967	-	2,622,967
Vehicles, furniture, and equipment	18,493,827	6,172,996	24,666,823
Water rights	-	18,272,804	18,272,804
Total assets	<u>905,811,365</u>	<u>366,783,528</u>	<u>1,272,594,893</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows related to pensions/OPEB	24,604,951	1,220,323	25,825,274
Deferred charge on refunding	6,809,258	1,905,177	8,714,435
Total deferred outflows	<u>31,414,209</u>	<u>3,125,500</u>	<u>34,539,709</u>
<b>Liabilities</b>			
Accounts payable and other current liabilities	11,082,909	6,474,011	17,556,920
Interest payable	1,717,736	-	1,717,736
Deposits	12,664,687	2,683,785	15,348,472
Unearned revenues	647,150	5,330	652,480
Noncurrent liabilities:			
Due within one year	21,552,687	6,201,484	27,754,171
Due in more than one year	282,500,420	88,007,013	370,507,433
Net pension and OPEB liability	66,655,962	5,517,135	72,173,097
Total liabilities	<u>396,821,551</u>	<u>108,888,758</u>	<u>505,710,309</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows related to pensions/OPEB	5,072,806	709,155	5,781,961
Unavailable revenue - other	-	559	559
Total deferred inflows	<u>5,072,806</u>	<u>709,714</u>	<u>5,782,520</u>
<b>Net Position</b>			
Net investment in capital assets	342,610,234	227,004,152	569,614,386
Restricted for:			
Charter mandates	4,582,213	-	4,582,213
Capital projects	43,953,339	3,636,777	47,590,116
Community facilities	10,164,456	-	10,164,456
Debt service	58,788,876	2,709,427	61,498,303
Other purposes	31,588,627	-	31,588,627
Unrestricted	43,643,472	26,960,200	70,603,672
Total net position	<u>\$ 535,331,217</u>	<u>\$ 260,310,556</u>	<u>\$ 795,641,773</u>

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

**CITY OF GOODYEAR, ARIZONA**  
**Statement of Activities**  
**For the Year Ended June 30, 2019**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>		
		<b>Charges for Services</b>	<b>Operating Grants &amp; Contributions</b>	<b>Capital Grants &amp; Contributions</b>
<b>Governmental activities:</b>				
General government	\$ 23,478,993	\$ 4,965,435	\$ 2,560	\$ 499,337
Public safety	52,241,594	6,987,626	429,235	1,844,608
Highways and streets	21,330,274	382,531	5,672,646	3,323,775
Public works	7,972,935	405,393	-	138,229
Culture and recreation	19,083,232	4,008,274	-	2,826,271
Development services	8,380,985	12,993,399	-	12,598,903
Interest on long-term debt	8,797,275	-	3,705,377	-
Total governmental activities	<u>141,285,288</u>	<u>29,742,658</u>	<u>9,809,818</u>	<u>21,231,123</u>
<b>Business-type activities:</b>				
Water and wastewater	31,493,180	42,658,585	-	12,962,807
Sanitation	6,681,134	8,058,461	-	-
Total business-type activities	<u>38,174,314</u>	<u>50,717,046</u>	<u>-</u>	<u>12,962,807</u>
Total primary government	<u>\$ 179,459,602</u>	<u>\$ 80,459,704</u>	<u>\$ 9,809,818</u>	<u>\$ 34,193,930</u>

General Revenues:  
Taxes:  
City sales tax  
Franchise tax  
Property tax  
Auto lieu tax (unrestricted)  
State sales tax (unrestricted)  
Urban revenue sharing (unrestricted)  
Unrestricted investment earnings  
Other  
Transfers  
Total general revenues & transfers  
Change in net position  
Net position - beginning  
Prior period adjustment  
Net position - ending

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

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**Net (Expense) Revenue and Changes in Net Position**

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<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (18,011,661)	\$ -	\$ (18,011,661)
(42,980,125)	-	(42,980,125)
(11,951,322)	-	(11,951,322)
(7,429,313)	-	(7,429,313)
(12,248,687)	-	(12,248,687)
17,211,317	-	17,211,317
(5,091,898)	-	(5,091,898)
<u>(80,501,689)</u>	<u>-</u>	<u>(80,501,689)</u>
-	24,128,212	24,128,212
-	<u>1,377,327</u>	<u>1,377,327</u>
-	<u>25,505,539</u>	<u>25,505,539</u>
64,940,363	-	64,940,363
3,274,113	-	3,274,113
22,099,698	-	22,099,698
3,452,313	-	3,452,313
8,121,305	-	8,121,305
9,670,794	-	9,670,794
4,661,685	1,595,877	6,257,562
934,949	40,902	975,851
3,700,000	<u>(3,700,000)</u>	<u>-</u>
<u>120,855,220</u>	<u>(2,063,221)</u>	<u>118,791,999</u>
40,353,531	23,442,318	63,795,849
498,890,455	236,868,238	735,758,693
(3,912,769)	-	(3,912,769)
<u>\$ 535,331,217</u>	<u>\$ 260,310,556</u>	<u>\$ 795,641,773</u>

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



**FUND FINANCIAL STATEMENTS**

**CITY OF GOODYEAR, ARIZONA**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2019**

	General	Ball Park Special Revenue	GO Bonds Capital Projects
<b>ASSETS</b>			
Cash and cash equivalents	\$ 59,011,111	\$ 1,762,830	\$ 23,181,125
Investments	38,313,687	980,282	20,744,556
Receivables:			
Taxes	9,568,034	-	-
Interest	257,785	6,541	141,718
Other	2,201,710	40,595	-
Assessments	-	-	-
Intergovernmental	-	-	-
Due from other funds	1,536,175	-	-
Inventories	311,940	-	-
Prepaid items	1,402,473	-	-
Notes receivable	1,675,250	-	-
Restricted cash and investments	-	-	-
Total assets	<u>\$ 114,278,165</u>	<u>\$ 2,790,248</u>	<u>\$ 44,067,399</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 4,108,434	\$ 104,992	\$ 114,060
Accrued wages and benefits	2,258,109	98,148	-
Accrued interest payable	-	-	-
Accrued liabilities	27,641	-	-
Deposits held	11,743,496	-	-
Due to other funds	-	-	-
Current bonds payable	-	-	-
Unearned revenue	12,755	31,730	-
Total liabilities	<u>18,150,435</u>	<u>234,870</u>	<u>114,060</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue-property taxes	53,069	-	-
Unavailable revenue-special assessments	-	-	-
Unavailable revenue-intergovernmental	-	-	-
Unavailable revenue-other	3,287,782	-	-
Total deferred inflows of resources	<u>3,340,851</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>			
Nonspendable	1,714,413	-	-
Restricted	6,536,990	-	43,953,339
Committed	-	2,555,378	-
Assigned	67,989,257	-	-
Unassigned	16,546,219	-	-
Total fund balances	<u>92,786,879</u>	<u>2,555,378</u>	<u>43,953,339</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 114,278,165</u>	<u>\$ 2,790,248</u>	<u>\$ 44,067,399</u>

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

McDowell Road Commercial Corridor ID Debt Service	Community Facilities Districts Debt Service	Non-major Funds	Total Governmental Funds
\$ 300,545	\$ -	\$ 34,635,918	\$ 118,891,529
-	-	8,230,219	68,268,744
-	147,136	619,141	10,334,311
-	-	55,792	461,836
-	50,012	3,433	2,295,750
28,910,000	23,965,104	-	52,875,104
-	-	550,492	550,492
-	-	-	1,536,175
-	-	678,548	990,488
-	-	-	1,402,473
-	-	-	1,675,250
-	9,770,425	-	9,770,425
<u>\$ 29,210,545</u>	<u>\$ 33,932,677</u>	<u>\$ 44,773,543</u>	<u>\$ 269,052,577</u>
\$ -	\$ -	\$ 447,323	\$ 4,774,809
-	-	56,636	2,412,893
-	1,188,451	529,285	1,717,736
-	-	-	27,641
-	-	921,191	12,664,687
-	-	1,536,175	1,536,175
-	3,330,000	-	3,330,000
8,000	-	594,665	647,150
<u>8,000</u>	<u>4,518,451</u>	<u>4,085,275</u>	<u>27,111,091</u>
-	47,105	44,586	144,760
28,910,000	23,965,104	-	52,875,104
-	-	136,512	136,512
-	-	-	3,287,782
<u>28,910,000</u>	<u>24,012,209</u>	<u>181,098</u>	<u>56,444,158</u>
-	-	678,548	2,392,961
292,545	5,402,017	40,017,516	96,202,407
-	-	-	2,555,378
-	-	-	67,989,257
-	-	(188,894)	16,357,325
<u>292,545</u>	<u>5,402,017</u>	<u>40,507,170</u>	<u>185,497,328</u>
<u>\$ 29,210,545</u>	<u>\$ 33,932,677</u>	<u>\$ 44,773,543</u>	<u>\$ 269,052,577</u>





**CITY OF GOODYEAR, ARIZONA**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**June 30, 2019**

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Total governmental fund balances \$ 185,497,328

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Governmental capital assets	\$ 884,089,408	
Less accumulated depreciation	(250,274,875)	
		633,814,533

Net OPEB asset is not an available resource and, therefore is not reported in the funds.

122,586

Some liabilities, including bonds payable and capital leases, are not due and payable in the current period and therefore are not reported in the funds.

Bonds payable	\$ (298,013,557)	
Deferred charge on refunding	6,809,258	
Net pension and OPEB liabilities	(66,655,962)	
Compensated absences	(6,039,550)	
		(363,899,811)

Some receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.

Property taxes	\$ 144,760	
Special assessments	52,875,104	
Intergovernmental	136,512	
Other	3,287,782	
		56,444,158

Internal service funds are used by management to charge costs of certain activities to individual funds. This amount represents the assets and liabilities of the internal service funds reported as governmental activities

3,820,278

Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future reporting periods and, therefore, are not reported in the funds.

Deferred outflows	\$ 24,604,951	
Deferred inflows	(5,072,806)	
		19,532,145

Total net position of governmental activities \$ 535,331,217

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

**CITY OF GOODYEAR, ARIZONA**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2019**

<b>REVENUES</b>	<u>General</u>	<u>Ball Park Special Revenue</u>	<u>GO Bonds Capital Projects</u>
Taxes	\$ 72,619,200	\$ -	\$ -
Licenses, permits and fees	12,314,128	-	-
Intergovernmental revenue	21,244,411	-	-
Charges for services	3,139,714	2,561,561	-
Fines and forfeitures	1,044,516	-	-
Investment income	2,868,641	76,916	645,824
Special assessments	-	-	-
Contributions	2,419,466	1,344,967	-
Other revenues	836,195	379	-
Total revenues	<u>116,486,271</u>	<u>3,983,823</u>	<u>645,824</u>
<b>EXPENDITURES</b>			
Current:			
General government	19,958,156	-	-
Public safety	43,085,779	-	-
Highways and streets	-	-	-
Public works	2,827,607	-	-
Culture and recreation	9,166,697	4,941,775	-
Development services	7,641,804	-	-
Capital outlay	8,892,340	674,130	5,528,568
Debt service			
Debt issuance cost	-	-	-
Principal	1,256,338	5,600,000	-
Interest and fiscal charges	153,984	4,566,272	-
Total expenditures	<u>92,982,705</u>	<u>15,782,177</u>	<u>5,528,568</u>
Excess (deficiency) of revenues over (under) expenditures	<u>23,503,566</u>	<u>(11,798,354)</u>	<u>(4,882,744)</u>
<b>OTHER FINANCING</b>			
<b>SOURCES (USES)</b>			
Debt proceeds	-	-	26,960,000
Sale of assets	320,846	25,278	-
Transfers out	(14,254,246)	-	-
Transfers in	3,700,000	12,364,604	-
Total other financing sources (uses)	<u>(10,233,400)</u>	<u>12,389,882</u>	<u>26,960,000</u>
Net change in fund balances	13,270,166	591,528	22,077,256
Fund balances, beginning of year	<u>79,516,713</u>	<u>1,963,850</u>	<u>21,876,083</u>
Fund balances, end of year	<u>\$ 92,786,879</u>	<u>\$ 2,555,378</u>	<u>\$ 43,953,339</u>

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

McDowell Road Commercial Corridor ID Debt Service	Community Facilities Districts Debt Service	Non-major Funds	Total Governmental Funds
\$ -	\$ 6,430,913	\$ 11,250,644	\$ 90,300,757
-	-	-	12,314,128
-	-	6,214,054	27,458,465
-	-	6,533,274	12,234,549
-	-	-	1,044,516
59,939	79,488	875,225	4,606,033
7,558,242	2,310,134	-	9,868,376
-	195,634	76,699	4,036,766
36,686	-	319,260	1,192,520
<u>7,654,867</u>	<u>9,016,169</u>	<u>25,269,156</u>	<u>163,056,110</u>
-	-	843,114	20,801,270
-	-	373,685	43,459,464
-	-	7,563,123	7,563,123
-	-	-	2,827,607
-	-	-	14,108,472
-	-	-	7,641,804
-	-	1,971,838	17,066,876
-	-	553,693	553,693
5,960,000	4,020,000	4,927,613	21,763,951
1,491,718	4,302,961	1,531,018	12,045,953
<u>7,451,718</u>	<u>8,322,961</u>	<u>17,764,084</u>	<u>147,832,213</u>
<u>203,149</u>	<u>693,208</u>	<u>7,505,072</u>	<u>15,223,897</u>
-	-	7,871,083	34,831,083
-	-	-	346,124
-	-	-	(14,254,246)
-	-	1,889,642	17,954,246
-	-	9,760,725	38,877,207
203,149	693,208	17,265,797	54,101,104
89,396	4,708,809	23,241,373	131,396,224
<u>\$ 292,545</u>	<u>\$ 5,402,017</u>	<u>\$ 40,507,170</u>	<u>\$ 185,497,328</u>



**CITY OF GOODYEAR, ARIZONA**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures, and Changes in Fund Balance of Governmental Funds**  
**to the Statement of Activities**  
**For the Year Ended June 30, 2019**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ 54,101,104
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the difference between capital outlay and depreciation in the current period.	
Capital outlay	\$ 11,669,399
Depreciation expense	<u>(22,380,916)</u>
	(10,711,517)
Disposals and transfers of capital assets are not reported in the governmental funds. The net effect of these transactions decreased net position.	(743,631)
Governmental funds do not report contributions of capital assets as revenue, unless the assets will be held for sale. However, in the statement of activities, the donation of capital assets is reported as revenue.	3,323,775
Some revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	
Property taxes	\$ (58,305)
Special assessments	340,835
Intergovernmental	116,924
Other	<u>1,587,560</u>
	1,987,014
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources in the governmental funds but increases long-term liabilities in the statement of net position.	(34,831,083)
Repayment of long-term debt (e.g., bonds, leases) principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Bond principal retirement	\$ 21,763,951
Amortization of deferred charges	22,529
Amortization of premiums and discounts	<u>1,437,398</u>
	23,223,878
Pension and OPEB contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the net pension and OPEB liability is measured a year before the City's report date. Pension and OPEB expense, which is the change in the net pension and OPEB liability adjusted for changes in deferred outflows and inflows of resources related to pensions and OPEB, is reported in the Statement of Activities.	
Pension and OPEB contributions	\$ 7,939,541
Pension and OPEB expense	<u>(7,733,998)</u>
	205,543
Compensated absences are reported in the statement of activities and do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	19,434
Accrued interest for long-term debt is not reported as an expenditure for the current period while it is recorded in the statement of activities.	2,342,444
The net revenues of certain activities of the internal service fund is reported with governmental activities.	<u>1,436,570</u>
Change in net position of governmental activities	<u>\$ 40,353,531</u>

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

**CITY OF GOODYEAR, ARIZONA**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2019**

	Business-type Activities - Enterprise Funds			Governmental
	Water & Wastewater	Sanitation	Totals	Self-Insurance Trust Internal Service Fund
<b>ASSETS</b>				
Current Assets:				
Cash	\$ 8,231,759	\$ 2,412,139	\$ 10,643,898	\$ 4,233,693
Investments	26,538,317	747,704	27,286,021	-
Receivables (net of allowance)	4,976,557	993,367	5,969,924	-
Interest receivable	177,814	4,988	182,802	-
Inventories	712,641	-	712,641	-
Prepaid items	-	-	-	124,151
Total current assets	40,637,088	4,158,198	44,795,286	4,357,844
Noncurrent Assets:				
Restricted cash and investments	3,256,751	-	3,256,751	-
Net pension/OPEB asset	12,820	1,861	14,681	-
Land	7,770,072	-	7,770,072	-
Artwork	146,978	-	146,978	-
Construction in progress	34,981,208	-	34,981,208	-
Buildings	115,354,949	150,522	115,505,471	-
Infrastructure	218,832,241	-	218,832,241	-
Vehicles, furniture, and equipment	14,877,932	1,757,361	16,635,293	-
Water rights	20,486,526	-	20,486,526	-
Accumulated depreciation	(94,746,672)	(894,307)	(95,640,979)	-
Total noncurrent assets	320,972,805	1,015,437	321,988,242	-
<b>Total Assets</b>	<b>361,609,893</b>	<b>5,173,635</b>	<b>366,783,528</b>	<b>4,357,844</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Loss on refunding	1,905,177	-	1,905,177	-
Deferred outflows related to pensions/OPEB	1,069,477	150,846	1,220,323	-
Total deferred outflows of resources	2,974,654	150,846	3,125,500	-
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	5,804,736	444,525	6,249,261	85,951
Accrued wages and benefits	189,749	35,001	224,750	-
Claims payable	-	-	-	451,615
Unearned revenue	2,300	3,030	5,330	-
Customer deposits	2,683,785	-	2,683,785	-
Compensated absences - current portion	192,814	19,957	212,771	-
Loans payable - current portion	278,620	-	278,620	-
Bonds payable - current portion	5,710,093	-	5,710,093	-
Total current liabilities	14,862,097	502,513	15,364,610	537,566
Noncurrent liabilities:				
Compensated absences	324,060	53,831	377,891	-
Net pension/OPEB liability	4,847,463	669,672	5,517,135	-
Loans payable, net of current portion	2,772,194	-	2,772,194	-
Bonds payable, net of current portion	84,856,928	-	84,856,928	-
Total noncurrent liabilities	92,800,645	723,503	93,524,148	-
<b>Total liabilities</b>	<b>107,662,742</b>	<b>1,226,016</b>	<b>108,888,758</b>	<b>537,566</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to pensions/OPEB	622,943	86,212	709,155	-
Unavailable revenue-other	559	-	559	-
Total deferred inflows of resources	623,502	86,212	709,714	-
<b>NET POSITION</b>				
Net investment in capital assets	225,990,576	1,013,576	227,004,152	-
Restricted for capital projects	3,636,777	-	3,636,777	-
Restricted for debt service	2,709,427	-	2,709,427	-
Unrestricted	23,961,523	2,998,677	26,960,200	3,820,278
<b>Total net position</b>	<b>\$ 256,298,303</b>	<b>\$ 4,012,253</b>	<b>\$ 260,310,556</b>	<b>\$ 3,820,278</b>

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

**CITY OF GOODYEAR, ARIZONA**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2019**

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water & Wastewater	Sanitation	Totals	Self-Insurance Trust Internal Service Fund
<b>Operating Revenues</b>				
Charges for services	\$ 42,620,408	\$ 8,038,655	\$ 50,659,063	\$ -
Self insurance premiums	-	-	-	9,516,217
Other revenues	38,177	19,806	57,983	50
Total operating revenues	<u>42,658,585</u>	<u>8,058,461</u>	<u>50,717,046</u>	<u>9,516,267</u>
<b>Operating Expenses</b>				
Salaries, wages and benefits	5,009,783	754,359	5,764,142	-
Cost of sales and services	14,574,791	5,766,256	20,341,047	1,173,948
Claims expense	-	-	-	6,961,401
Depreciation	8,030,481	160,519	8,191,000	-
Total operating expenses	<u>27,615,055</u>	<u>6,681,134</u>	<u>34,296,189</u>	<u>8,135,349</u>
Operating income (loss)	<u>15,043,530</u>	<u>1,377,327</u>	<u>16,420,857</u>	<u>1,380,918</u>
<b>Non-operating Revenues (Expenses)</b>				
Investment income	1,510,892	84,985	1,595,877	55,652
Interest expense and fiscal charges	(3,878,125)	-	(3,878,125)	-
Gain (loss) on sale of assets	40,902	-	40,902	-
Total non-operating revenue (expense)	<u>(2,326,331)</u>	<u>84,985</u>	<u>(2,241,346)</u>	<u>55,652</u>
Income (loss) before contributions and transfers	12,717,199	1,462,312	14,179,511	1,436,570
Capital contributions	12,962,807	-	12,962,807	-
Transfers out	(5,056,487)	(900,000)	(5,956,487)	-
Transfers in	2,256,487	-	2,256,487	-
Change in net position	22,880,006	562,312	23,442,318	1,436,570
Total net position, beginning of year	<u>233,418,297</u>	<u>3,449,941</u>	<u>236,868,238</u>	<u>2,383,708</u>
Total net position, end of year	<u>\$ 256,298,303</u>	<u>\$ 4,012,253</u>	<u>\$ 260,310,556</u>	<u>\$ 3,820,278</u>

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

**CITY OF GOODYEAR, ARIZONA**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2019**

	Water & Wastewater	Sanitation	Totals	Self-Insurance Trust Internal Service Fund
<b>Cash Flows From Operating Activities:</b>				
Cash received from customers	\$ 42,620,190	\$ 7,966,798	\$ 50,586,988	\$ -
Cash received from contributions	-	-	-	9,516,267
Cash paid to suppliers	(13,419,005)	(5,762,307)	(19,181,312)	(1,255,908)
Cash paid to employees	(5,474,623)	(760,697)	(6,235,320)	-
Cash paid for claims	-	-	-	(6,989,533)
Cash flows from operating activities	<u>23,726,562</u>	<u>1,443,794</u>	<u>25,170,356</u>	<u>1,270,826</u>
<b>Cash Flows From Noncapital</b>				
<b>Financing Activities:</b>				
Transfers	(2,800,000)	(900,000)	(3,700,000)	-
Cash flows from noncapital financing activities	<u>(2,800,000)</u>	<u>(900,000)</u>	<u>(3,700,000)</u>	<u>-</u>
<b>Cash Flows From Capital and Related</b>				
<b>Financing Activities:</b>				
Proceeds from long term debt	5,152,243	-	5,152,243	-
Purchase of capital assets	(14,627,347)	(319,147)	(14,946,494)	-
Proceeds from sale of capital assets	40,902	-	40,902	-
Principal paid on long term debt	(13,272,896)	-	(13,272,896)	-
Interest paid	(5,159,600)	-	(5,159,600)	-
Cash flows from capital and related financing activities	<u>(27,866,698)</u>	<u>(319,147)</u>	<u>(28,185,845)</u>	<u>-</u>
<b>Cash Flows From Investing Activities:</b>				
Sale (purchase) of investments	1,644,173	(10,818)	1,633,355	-
Investment income	755,668	60,174	815,842	55,652
Cash flows from investing activities	<u>2,399,841</u>	<u>49,356</u>	<u>2,449,197</u>	<u>55,652</u>
Net change in cash and cash equivalents	(4,540,295)	274,003	(4,266,292)	1,326,478
Cash and cash equivalents, including temporarily restricted cash, beginning of year	<u>16,028,805</u>	<u>2,138,136</u>	<u>18,166,941</u>	<u>2,907,215</u>
<b>Cash and cash equivalents, including temporarily restricted cash, end of year</b>	<u>\$ 11,488,510</u>	<u>\$ 2,412,139</u>	<u>\$ 13,900,649</u>	<u>\$ 4,233,693</u>
Reconciliation of operating income to net cash flows from operating activities:				
Net operating income (loss)	\$ 15,043,530	\$ 1,377,327	\$ 16,420,857	\$ 1,380,918
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation/amortization	8,030,481	160,519	8,191,000	-
Pension/OPEB expense	288,927	36,999	325,926	-
Employer pension/OPEB contributions	(409,714)	(56,590)	(466,304)	-
Changes in operating assets and liabilities:				
(Increase) decrease in receivables	(41,254)	(94,693)	(135,947)	-
(Increase) decrease in prepaid items & deposits	-	-	-	(124,151)
(Increase) decrease in inventory	(67,533)	-	(67,533)	-
Increase (decrease) in payables	1,223,319	3,949	1,227,268	14,059
Increase (decrease) in accrued liabilities & deposits	(344,053)	13,253	(330,800)	-
Increase (decrease) in unearned revenue	2,859	3,030	5,889	-
Net cash flows from operating activities	<u>\$ 23,726,562</u>	<u>\$ 1,443,794</u>	<u>\$ 25,170,356</u>	<u>\$ 1,270,826</u>
<b>Supplemental Schedule of Non-cash</b>				
<b>Financing and Investing Activities:</b>				
Contributed capital assets	\$ 12,962,807	\$ -	\$ 12,962,807	\$ -
Unrealized gains and losses on investments	\$ (755,224)	\$ (24,811)	\$ (780,035)	\$ -

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



**CITY OF GOODYEAR, ARIZONA**  
**Statement of Net Position**  
**Fiduciary Funds**  
**June 30, 2019**

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	Pension Trust	Agency
<b><u>Assets</u></b>		
Cash and cash equivalents	\$ 31,269	\$ 53,605
Mutual funds	478,394	-
<b>Total assets</b>	<b>509,663</b>	<b>\$ 53,605</b>
<b><u>Liabilities</u></b>		
Deposits held for others	-	\$ 53,605
<b>Total liabilities</b>	<b>-</b>	<b>\$ 53,605</b>
<b><u>Net Position</u></b>		
Net position restricted for pensions	<b>\$ 509,663</b>	

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

**CITY OF GOODYEAR, ARIZONA**  
**Statement of Changes in Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2019**

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	<u>Pension Trust</u>
<b><u>Additions</u></b>	
Investment Income	\$ 27,466
<b>Total assets</b>	<b>27,466</b>
 <b><u>Deductions</u></b>	
Benefits	9,244
<b>Total liabilities</b>	<b>9,244</b>
<b>Changes in net position</b>	<b>18,222</b>
Net position, beginning of year	491,441
Net position, end of year	<b>\$ 509,663</b>

The accompanying notes are an integral part of 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.

<u>Note</u>	<u>Page</u>
1. Summary of Significant Accounting Policies	51
2. Cash and Investments	58
3. Receivables	61
4. Capital Assets	62
5. Loan Payable	63
6. General Obligation Bonds Payable	64
7. Revenue Bonds Payable	65
8. Community Facilities Districts Bonds Payable	67
9. Changes in Long-Term Liabilities	68
10. Interfund Receivables, Payables, and Transfers	69
11. Contingent Liabilities	69
12. Risk Management	70
13. Pensions and Other Postemployment Benefits	71
14. Excess of Expenditures Over Appropriations	84
15. Fund Balance Classifications	84
16. Commitments	85
17. Tax Abatement Agreements	85
18. Prior Period Adjustment	86



## 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, 2019, the City implemented the provisions of GASB Statement No. 83, *Certain Asset Retirement Obligations*. This Statement requires the measurement of an “asset retirement obligation” (ARO) to be based on the best estimate of the current value of outlays expected to be incurred. The deferred outflow of resources associated with an ARO will be measured at the amount of the corresponding liability upon initial measurement and generally recognized as an expense during the reporting periods that the asset provides service.

During the year ended June 30, 2019, the City also implemented the provisions of GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses.

### 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

Complete financial statements of the individual component units may be obtained at the entities' administrative offices or online at [www.goodyearaz.gov/cfd](http://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, 2019, 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.

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, police and fire equipment, parks and traffic signal asset management reserves. In addition, amounts encumbered related to projects that carry over into the next fiscal year are reported as assigned. 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.

## NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 contingency reserve in the amount of \$14.6 million which includes the \$4.6 million of charter mandates. These charter mandates are Restricted Funds. The contingency reserve 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 contingency reserve is equal to or greater than 15 percent of fiscal year 2019 on-going revenues.

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

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

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

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

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

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.

## NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Ballpark Special Revenue Fund - This fund accounts for the revenue portion of the ballpark.

GO Bond Capital Projects Fund - This fund accounts for the capital projects financed by the GO bond debt.

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.

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.

Internal Service Fund – This fund is used to account for self-insurance for employee benefits. The Internal service fund activities are reported as governmental activities on the government-wide statements.

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

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.

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



## NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Debt Service Fund

### Capital Projects Funds

#### Non-Utility Development Impact Fees Fund

#### 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

### 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. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition 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.

### 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 loss on refunding and deferred outflows related to pensions and OPEB 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 three items that qualify for reporting in this category. It is unavailable revenue, which arises only under a modified accrual basis of accounting, deferred inflow related to pensions and OPEB, and deferred gain on refunding.

## NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 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 are amortized over the life of the bonds using the straight-line method. Deferred amounts on refunding result from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding 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.

### 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 2019.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

In practice, the City Council approves all budget transfers that cross appropriation lines on a monthly basis. 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.

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 for enterprise funds.

R. Pensions and Other Postemployment Benefits

For purposes of measuring the net pension and other postemployment benefit (OPEB) assets and liabilities, related deferred outflows of resources and deferred inflows of resources, and related expenses, information about the pension and OPEB plans’ fiduciary net position and additions to/deductions from the plans’ 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, 2019, cash and cash equivalents are presented as follows:

	Governmental Activities	Busines Activities	Fiduciary Funds	Total
Cash and cash equivalents	\$ 123,125,222	\$ 10,643,898	\$ 84,874	\$ 133,853,994
Restricted cash and cash equivalents	9,770,425	3,256,751	-	13,027,176
Total	<u>\$ 132,895,647</u>	<u>\$ 13,900,649</u>	<u>\$ 84,874</u>	<u>\$ 146,881,170</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, 2019, the City had \$16,060 of cash on hand. The carrying amount of the City’s deposits totaled \$6,188,224, and the bank balance was \$6,597,996. Of the bank balance, \$250,000 was covered by federal depository insurance, \$3,118,834 was covered by the Statewide Pooled Collateral Program, and \$3,257,113 were securities held by the pledging financial institution’s trust department in the City’s name.

## NOTE 2 CASH AND INVESTMENTS

### Cash Equivalents

The City invests in the Local Government Investment Pool 5 and Pool 7 (LGIP) investment pools 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 18 months from the settlement date of the purchase and variable-rate securities with final maturity less than 2 years. The weighted average to maturity shall not exceed 90 days. The net asset value per share of the pool at June 30, 2019 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](http://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, 2019, the City's funds invested with the State Treasurer totaled \$140,676,886.

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 5	\$ 84,950,938	\$ 84,850,938
LGIP 7	55,725,948	55,725,948
Total	<u>\$140,676,886</u>	<u>\$140,676,886</u>

Investment Type	Total	Rating as of Year End AAA
LGIP 5	\$ 84,950,938	\$ 84,850,938
LGIP 7	55,725,948	55,725,948
Total	<u>\$140,676,886</u>	<u>\$140,676,886</u>

### 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 and Money Market Accounts are valued using quoted market prices (Level 1 inputs); while Federal Agency Securities, Corporate Notes, Mutual Funds and Negotiable Certificates of Deposit are valued using a matrix pricing model (Level 2 inputs).

NOTE 2 CASH AND INVESTMENTS

At June 30, 2019 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	\$ 48,359,531	\$ 1,591,563	\$ 18,347,310	\$28,420,659	49%
Federal Agency Securities	11,213,067		6,388,528	4,824,539	12%
Corporate Notes	23,780,621	2,849,495	11,173,435	9,757,692	25%
Negotiable Certificates of Deposit	12,137,093	4,644,674	7,492,419		13%
Money Market Fund	64,452	64,452			0%
Mutual Funds	511,597	511,597			1%
<b>Total</b>	<b>\$ 96,066,361</b>	<b>\$ 9,661,781</b>	<b>\$ 43,401,691</b>	<b>\$43,002,889</b>	<b>100%</b>

Investment Type	Total	AAA	AA+	AA	AA-	A-1+	A-1	A+	A	A-	BBB+	AAAm	Not Rated
U.S. Treasuries	\$ 48,359,531.00	\$	\$ 48,359,531.00	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Federal Agency Securities	11,213,067		11,213,067										
Corporate Notes	23,780,621	195,168	778,564	1,515,238	1,685,935			4,053,100	7,191,944	4,393,762	3,966,909		
Negotiable Certificates of Deposit	12,137,093				3,752,682	928,324	3,716,350	1,861,219	1,878,519				
Mutual Funds	511,597												511,597
Money Market Fund	64,452											64,452	
<b>Total</b>	<b>\$ 96,066,361</b>	<b>\$195,168</b>	<b>\$ 60,351,162</b>	<b>\$1,515,238</b>	<b>\$5,438,617</b>	<b>\$928,324</b>	<b>\$3,716,350</b>	<b>\$5,914,319</b>	<b>\$9,070,463</b>	<b>\$4,393,762</b>	<b>\$3,966,909</b>	<b>\$64,452</b>	<b>\$511,597</b>

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.

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 three years) consistent with the primary investment objective of safety, liquidity and yield. As of June 30, 2019 the average duration to maturity is 1.91 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. Although the City's investment policy states that it will mitigate credit risk it does not impose any specific limitations.

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 five percent 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:

Receivables:	General Fund	Ballpark Special Revenue Fund	GO Bond Debt Capital Projects Fund	McDowell Road Commercial Corridor ID Debt Service	Community Facilities Districts Debt Service	Non-Major Governmental Funds	Total
Taxes	\$ 9,568,034	\$ -	\$ -	\$ -	\$ 147,136	\$ 619,141	\$ 10,334,311
Interest	257,785	6,541	141,718	-	-	55,792	461,836
Accounts	2,201,710	40,595	-	-	50,012	3,433	2,295,750
Special assessments	-	-	-	28,910,000	23,965,104	-	52,875,104
Notes	1,675,250	-	-	-	-	-	1,675,250
Total Receivables	\$ 13,702,779	\$ 47,136	\$ 141,718	\$ 28,910,000	\$ 24,162,252	\$ 678,366	\$ 67,642,251

As of June 30, 2019, the special assessment and notes receivable balances are not expected to be collected within the next year. Special assessment receivables will be collected in conjunction with the debt retirement schedule for the related bonds outstanding. The notes receivable mature in 2044 and accrue interest at 3.26 percent annum.

The following table summarizes the City's receivables for the proprietary funds as of June 30, 2019.

Receivables:	Water and Wastewater Fund	Sanitation Fund	Total
Interest	\$ 177,814	\$ 4,988	\$ 182,802
Accounts	5,051,264	1,021,605	6,072,869
	<u>5,229,078</u>	<u>1,026,593</u>	<u>6,255,671</u>
Less:			
Allowance	74,707	28,238	102,945
Total Receivables	<u>\$ 5,154,371</u>	<u>\$ 998,355</u>	<u>\$ 6,152,726</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 \$112,282 and \$35,561, respectively.

## NOTE 4 CAPITAL ASSETS

A summary of capital assets activity for the fiscal year ended June 30, 2019 follows:

Governmental activities:	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 28,984,564	\$ 1,212,748	\$ -	\$ 30,197,312
Artwork	256,115	20,000	-	276,115
Construction in progress	9,107,572	6,979,376	11,146,116	4,940,832
Right of way	90,844,947	-	-	90,844,947
Streetscape	9,061,008	-	-	9,061,008
Total capital assets, not being depreciated	138,254,206	8,212,124	11,146,116	135,320,214
Capital assets, being depreciated:				
Land improvements	4,669,247	-	-	4,669,247
Infrastructure	397,902,121	7,890,635	603,705	405,189,051
Buildings and improvements	284,567,983	2,686,763	318,850	286,935,896
Vehicles, furniture and equipment	48,014,300	4,615,029	654,329	51,975,000
Total capital assets, being depreciated	735,153,651	15,192,427	1,576,884	748,769,194
Less accumulated depreciation for:				
Land improvements	(1,670,038)	(376,242)	-	(2,046,280)
Infrastructure	(125,447,896)	(9,022,892)	-	(134,470,788)
Buildings and improvements	(71,339,545)	(9,021,168)	84,079	(80,276,634)
Vehicles, furniture and equipment	(30,269,733)	(3,960,614)	749,174	(33,481,173)
Total accumulated depreciation	(228,727,212)	(22,380,916)	833,253	(250,274,875)
Total capital assets, being depreciated, net	506,426,439	(7,188,489)	743,631	498,494,319
Governmental activities capital assets, net	\$ 644,680,645	\$ 1,023,635	\$ 11,889,747	\$ 633,814,533
	Beginning Balance	Increase	Decrease	Ending Balance
Business-type activities:	as restated			
Capital assets, not being depreciated:				
Land	\$ 7,570,661	\$ 199,411	\$ -	\$ 7,770,072.00
Artwork	146,978	-	-	146,978
Construction in progress	12,015,646	24,374,238	1,408,676	34,981,208
Total capital assets, not being depreciated	19,733,285	24,573,649	1,408,676	42,898,258
Capital assets, being depreciated:				
Infrastructure	216,161,613	2,670,628	-	218,832,241
Buildings and improvements	114,585,625	919,846	-	115,505,471
Vehicles, furniture and equipment	16,058,536	692,712	115,955	16,635,293
Water rights	20,046,104	440,422	-	20,486,526
Total capital assets, being depreciated	366,851,878	4,723,608	115,955	371,459,531
Less accumulated depreciation for:				
Infrastructure	(51,940,901)	(4,120,640)	-	(56,061,541)
Buildings and improvements	(23,757,032)	(3,146,387)	-	(26,903,419)
Vehicles, furniture and equipment	(9,851,627)	(726,664)	115,994	(10,462,297)
Water rights	(2,016,413)	(197,309)	-	(2,213,722)
Total accumulated depreciation	(87,565,973)	(8,191,000)	115,994	(95,640,979)
Total capital assets, being depreciated, net	279,285,905	(3,467,392)	(39)	275,818,552
Business-type activities capital assets, net	\$ 299,019,190	\$ 21,106,257	\$ 1,408,637	\$ 318,716,810



NOTE 4 CAPITAL ASSETS

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 511,648
Public safety	3,221,544
Highway and streets	13,433,282
Culture and recreation	3,858,248
Public works	1,356,194
Total depreciation expense	<u>\$ 22,380,916</u>
Business-type activities:	
Water and wastewater	\$ 8,030,481
Sanitation	160,519
Total depreciation expense	<u>\$ 8,191,000</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, 2019, is as follows:

Description	Interest Rate (Including Fees)	Maturity	Outstanding Principal June 30, 2019	Due Within One Year
Business-type activities				
Water Infrastructure Finance Authority Loan	2.00%	7/1/20-29	\$ 3,050,815	\$ 278,620
Total business-type activities			<u>\$ 3,050,815</u>	<u>\$ 278,620</u>

Annual debt service requirements to maturity on the loans payable at June 30, 2019 are summarized as follows:

Year ending June 30:	Business-type Activities	
	Principal	Interest
2020	\$ 278,620	\$ 61,016
2021	284,193	55,444
2022	289,877	49,760
2023	295,674	43,962
2024	301,588	38,050
2025-29	1,600,863	97,320
Total	<u>\$ 3,050,815</u>	<u>\$ 345,552</u>

NOTE 6 GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at June 30, 2019, 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, \$115,681,616 remains unissued. The bonds payable at June 30, 2019 are presented below.

Purpose	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2019	Due Within One Year
<b>Governmental activities:</b>				
General Obligation Bonds Refunding Series 2010 (Build America Bonds)	5.40-6.00%	7/1/20-30	\$ 105,000	\$ 105,000
General Obligation Bonds Refunding Series 2016	2.00-4.00%	7/1/20-37	16,657,751	2,514,907
General Obligation Bonds Series 2017	3.00-5.00%	7/1/20-37	20,300,000	450,000
General Obligation Bonds Series 2019	2.00-3.00%	7/1/20-38	26,960,000	1,655,000
Total governmental activities			<u>\$ 64,022,751</u>	<u>\$ 4,724,907</u>
<b>Business-type activities:</b>				
General Obligation Bonds Refunding Series 2010 (Build America Bonds)	5.40-6.30%	7/1/21-30	\$ 5,710,000	\$ -
General Obligation Bonds Refunding Series 2010	4.018-5.125%	7/1/21-30	4,610,000	-
General Obligation Bonds Refunding Series 2014	3.60-4.00%	7/1/2020	3,150,000	3,150,000
General Obligation Bonds Refunding Series 2016	2.00-4.00%	7/1/20-37	31,382,246	1,170,093
General Obligation Bonds Refunding Series 2019	3.00-5.00%	7/1/27-29	4,105,000	-
Total business-type activities			<u>\$ 48,957,246</u>	<u>\$ 4,320,093</u>
Total			<u>\$ 112,979,997</u>	<u>\$ 9,045,000</u>

Annual debt service requirements to maturity on general obligation bonds payable at June 30, 2019 are summarized as follows:

Year ending June 30:	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2020	\$ 4,724,907	\$ 2,068,641	\$ 4,320,093	\$ 1,886,337
2021	4,503,314	1,976,383	2,921,667	1,752,779
2022	1,620,698	1,828,609	3,169,301	1,621,054
2023	1,643,495	1,795,711	3,251,504	1,528,864
2024	2,688,629	1,729,455	3,426,371	1,386,208
2025-29	14,939,888	7,144,843	18,940,111	4,599,862
2030-34	17,569,601	4,502,190	8,150,399	1,418,484
2035-39	16,332,219	1,323,138	4,777,800	290,522
Total	<u>\$ 64,022,751</u>	<u>\$ 22,368,970</u>	<u>\$ 48,957,246</u>	<u>\$ 14,484,110</u>

On May 29, 2019, the City issued \$26,960,000 of new general obligation bonds and \$4,225,000 of refunding bonds. The new bonds have an average interest rate of 2.98 percent and the refunding bonds have an average interest rate of 5.00 percent. The net proceeds of \$32,599,869, that included a bond premium of \$1,899,503, (after payment of \$421,682 in underwriting fees, insurance, and other issuance costs) were immediately split between the City capital project funds (\$26,877,000) to finance public infrastructure and an escrow agent (\$5,722,869) for the purposes of refunding general obligation bonds. In addition to the funds available for the refunding, the City contributed \$604,314 in cash to the effort. The refunding was undertaken to reduce total debt service payments by \$2,202,029 over the next eleven years and resulted in an economic gain of \$1,211,750.

NOTE 7 REVENUE BONDS PAYABLE

Revenue bonds payable at June 30, 2019 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, 2019 are presented below:

Purpose	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2019	Due Within One Year
<b>Governmental activities:</b>				
Public Improvement Corporation Municipal Facilities				
Revenue Bonds, Series 2011A	2.00-5.25%	7/1/20-27	\$ 24,015,000	\$ 245,000
Public Improvement Corporation Municipal Facilities				
Revenue Refunding Bonds, Series 2016A	3.00-5.00%	7/1/20-32	37,570,000	3,090,000
Public Improvement Corporation Municipal Facilities				
Revenue Refunding Bonds, Series 2016B	4.00-5.00%	7/1/20-31	25,650,000	1,795,000
McDowell Road Commercial Corridor Improvement				
District Refunding Bonds, Series 2018	1.95-3.60%	1/1/20-31	28,910,000	2,240,000
Total			<u>116,145,000</u>	<u>7,370,000</u>
<b>Direct borrowings or direct placements:</b>				
Public Improvement Corporation Municipal Facilities				
Tax-Exempt Revenue Bonds, Series 2012A	2.48%	12/15/20-6/15/23	3,866,249	931,126
Public Improvement Corporation Municipal Facilities				
Taxable Revenue Bonds, Series 2012B	3.44%	12/15/20-6/15/23	470,277	111,624
Public Improvement Corporation Subordination Municipal				
Facilities Revenue Bonds, Series 2017	3.31%	7/1/20-27	8,805,000	980,000
Total direct borrowings or direct placements			<u>13,141,526</u>	<u>2,022,750</u>
Total governmental activities			<u>\$ 129,286,526</u>	<u>\$ 9,392,750</u>
<b>Business-type activities:</b>				
Revenue Bonds, Series 2009	6.75%	7/1/49	\$ 325,000	\$ -
Revenue Bonds, Series 2010	5.00-5.625%	7/1/22-39	14,950,000	-
Revenue Bonds, Series 2011	2.00-5.50%	7/1/20-41	13,310,000	345,000
Revenue Bonds, Series 2016	2.00-5.00%	7/1/20-45	8,590,000	1,045,000
Total business-type activities			<u>\$ 37,175,000</u>	<u>\$ 1,390,000</u>
Total			<u>\$ 166,461,526</u>	<u>\$ 10,782,750</u>

Revenue bond debt service requirements to maturity are as follows:

Year ending June 30:	Governmental Activities				Business-type Activities	
	Principal	Interest	Direct borrowings or direct placements		Principal	Interest
2020	\$ 7,370,000	\$ 4,868,425	\$ 2,022,750	\$ 396,817	\$ 1,390,000	\$ 1,904,381
2021	7,670,000	4,564,132	2,079,858	337,271	1,480,000	1,848,781
2022	7,990,000	4,241,695	2,142,682	276,017	835,000	1,808,531
2023	8,330,000	3,896,493	2,206,236	212,877	875,000	1,767,444
2024	8,690,000	3,532,578	1,115,000	155,239	920,000	1,727,319
2025-29	49,570,000	11,502,480	3,575,000	239,148	5,270,000	7,928,463
2030-34	26,525,000	1,647,005	-	-	9,505,000	6,143,182
2035-39	-	-	-	-	12,380,000	3,269,643
2040-44	-	-	-	-	3,770,000	661,590
2045-49	-	-	-	-	750,000	130,932
Total	<u>\$ 116,145,000</u>	<u>\$ 34,252,808</u>	<u>\$ 13,141,526</u>	<u>\$ 1,617,369</u>	<u>\$ 37,175,000</u>	<u>\$ 27,190,266</u>

## NOTE 7 REVENUE BONDS PAYABLE

### 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 water and wastewater 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 water and wastewater system. Principal and interest paid for the current year and total water and wastewater customer net revenues were \$3,627,518 and \$23,074,011, respectively.

#### B. Public Improvement Corporation Municipal Facilities Revenue Bonds

The public improvement corporation municipal facilities revenue bonds are secured by excise taxes or other undesignated general fund revenues and 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 were \$10,403,216 and \$90,636,231, 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 1/1/2031. At June 30, 2019, 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 \$7,451,718 and \$7,744,262, 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, 2019 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, 2019, are presented below.

Purpose	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2019	Due Within One Year
<b>General District No. 1:</b>				
General Obligation Refunding Bonds, Series 2013	5.00%	7/15/28	\$ 7,740,000	\$ 670,000
<b>Palm Valley:</b>				
General Obligation Refunding Bonds, Series 2016	2.00-4.00%	7/15/32	\$ 5,320,000	\$ 340,000
<b>Utilities District No. 1:</b>				
General Obligation Refunding Bonds, Series 2014	4.00%	7/15/28	8,514,298	210,000
General Obligation Refunding Bonds, Series 2015	3.00-4.125%	7/15/29	5,445,000	430,000
General Obligation Refunding Bonds, Series 2016	2.00-4.00%	7/15/32	17,270,000	630,000
<b>Wildflower Ranch District 1:</b>				
General Obligation Bonds, Series 1997	6.50%	7/15/22	145,000	45,000
General Obligation Bonds, Series 1998	5.70-5.75%	7/15/23	245,000	45,000
<b>Wildflower Ranch District 2:</b>				
General Obligation Bonds, Series 2000	6.75-7.00%	7/15/25	290,000	40,000
General Obligation Bonds, Series 2001	5.875-5.90%	7/15/26	335,000	40,000
<b>Estrella Mountain Ranch:</b>				
Special Assessment Revenue Bonds, Series 2015	2.50-5.00%	7/1/39	4,399,000	142,000
General Obligation Refunding Bonds, Series 2017	3.00-5.00%	7/1/32	11,925,000	725,000
Special Assessment Revenue Bonds Series 2019 Lucero	2.60-4.75%	7/1/43	6,913,000	-
Total			<u>68,541,298</u>	<u>3,317,000</u>
<b>Direct borrowings or direct placements:</b>				
<b>Centerra:</b>				
General Obligation Refunding Bonds, Series 2016	2.70%	7/15/31	2,587,000	182,000
General Obligation Bonds, Series 2016	2.70%	7/15/31	323,000	-
<b>Cortina:</b>				
General Obligation Refunding Bonds, Series 2017	3.18%	7/15/31	1,745,000	120,000
<b>Cottonflower:</b>				
General Obligation Refunding Bonds, Series 2017	2.92%	7/15/28	1,700,000	170,000
<b>Estrella Mountain Ranch:</b>				
Special Assessment Revenue Refunding Bonds Series 2018 Desert Village	3.15%	7/1/26	1,815,000	262,000
Special Assessment Revenue Refunding Bonds Series 2018 Golf Village	2.81%	7/1/24	1,526,000	353,000
Special Assessment Revenue Refunding Bonds Series 2018 Golf Village 2	3.67%	7/1/30	4,478,000	373,000
Special Assessment Revenue Refunding Bonds Series 2018 Montecito 2	3.75%	7/15/31	4,940,000	362,000
Total direct borrowings or direct placements			<u>19,114,000</u>	<u>1,822,000</u>
Total			<u>\$ 87,655,298</u>	<u>\$ 5,139,000</u>

NOTE 8 COMMUNITY FACILITIES DISTRICTS BONDS PAYABLE

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

Year ending June 30:	Governmental Activities			
			Direct borrowings or direct placements	
	Principal	Interest	Principal	Interest
2020	\$ 3,317,000	\$ 2,838,228	\$ 1,822,000	\$ 633,346
2021	3,771,000	2,667,638	1,896,000	574,218
2022	4,188,000	2,520,223	1,951,000	512,677
2023	4,693,000	2,350,231	1,900,000	449,331
2024	4,773,000	2,159,258	1,865,000	387,118
2025-29	25,759,000	7,815,562	7,621,000	1,070,500
2030-34	17,155,000	2,799,989	2,059,000	101,031
2035-39	3,271,000	903,950	-	-
2040-44	1,614,298	210,664	-	-
<b>Total</b>	<b>\$ 68,541,298</b>	<b>\$ 24,265,743</b>	<b>\$ 19,114,000</b>	<b>\$ 3,728,221</b>

On April 16, 2019, the Estrella Mountain Ranch Community Facilities District issued \$6,913,000 in special assessment revenue bonds, with an average interest rate of 4.462 percent. The net proceeds of \$6,774,740, plus an additional contribution of \$319,260 from the major landowner, (after payment of \$319,260 in underwriting fees, insurance, and other issuance costs) were immediately transferred to the district to finance public infrastructure.

NOTE 9 CHANGES IN LONG-TERM LIABILITIES

Long-term liabilities activity for the year ended June 30, 2019 was as follows:

	Beginning Balance, as restated	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Compensated absences payable	\$ 6,058,984	\$ 5,080,086	\$ 5,099,522	\$ 6,039,548	\$ 2,296,030
General obligation bonds payable	41,990,387	26,960,000	4,927,636	64,022,751	4,724,907
Community Facilities District bonds payable	64,751,298	6,913,000	3,123,000	68,541,298	3,317,000
Direct borrowings or direct placements-CFD	20,011,000	-	897,000	19,114,000	1,822,000
Public improvement bonds payable	92,124,999	-	4,889,999	87,235,000	5,130,000
Direct borrowings or direct placements-PIC	15,107,865	-	1,966,339	13,141,526	2,022,750
Revenue bonds payable	34,870,000	-	5,960,000	28,910,000	2,240,000
Premiums	17,853,644	667,265	1,439,042	17,081,867	-
Discounts	(34,529)	-	(1,644)	(32,885)	-
Net OPEB liability	197,696	59,301	-	256,997	-
Net pension liability	61,330,306	5,068,659	-	66,398,965	-
<b>Governmental activities long-term liabilities</b>	<b>\$ 354,261,650</b>	<b>\$ 44,748,311</b>	<b>\$ 28,300,894</b>	<b>\$ 370,709,067</b>	<b>\$ 21,552,687</b>
<b>Business-type activities:</b>					
Compensated absences payable	\$ 548,761	\$ 426,458	\$ 384,558	\$ 590,661	\$ 212,771
General obligation bonds payable	55,074,633	4,225,000	10,342,387	48,957,246	4,320,093
Revenue bonds payable	38,515,000	-	1,340,000	37,175,000	1,390,000
Loans payable - Direct borrowing	3,323,972	-	273,157	3,050,815	278,620
Premiums	4,301,319	901,350	300,300	4,902,369	-
Discounts	(489,821)	-	(22,227)	(467,594)	-
Net OPEB liability	12,911	8,060	-	20,971	-
Net pension liability	5,533,032	-	36,868	5,496,164	-
<b>Business-type activities long-term liabilities</b>	<b>\$ 106,819,807</b>	<b>\$ 5,560,868</b>	<b>\$ 12,655,043</b>	<b>\$ 99,725,632</b>	<b>\$ 6,201,484</b>

**NOTE 9 CHANGES IN LONG-TERM LIABILITIES**

The City’s outstanding notes from direct borrowings and direct placements related to community facilities districts’ debt of \$19,114,000 are secured by either (1) an ad valorem tax on all taxable property; (2) an assessment levied on each lot in the assessment district; or (3) a debt reserve fund. These notes contain a provision that in the event of default the interest rate will increase and the legal rights of the creditor will be enforced.

The City’s outstanding notes from direct borrowings and direct placements related to the Public Improvement Corporation’s debt of \$13,141,526 are secured by the lease rental payments received pursuant to a Taxable and a Tax-Exempt Lease Agreement. These outstanding notes contain a provision that in an event of default the interest rate will increase and the legal rights of the creditor will be enforced.

The City’s outstanding note from direct borrowings and direct placements related to the business-type activities of \$3,050,815 is secured by pledged water and wastewater revenues. This outstanding note contains a provision that in an event of default a late charge of 6% per annum will be charged and the legal rights of the creditor will be enforced.

**NOTE 10 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

At June 30, 2019, interfund balances were as follows:

	Receivable Amount	Payable Amount
General Fund	\$ 1,536,175	\$ -
Non-Major Governmental Funds	-	1,536,175
Total	\$ 1,536,175	\$ 1,536,175

Interfund balances resulted from (1) the borrowing of cash to cover cash deficits. All interfund balances are expected to be paid within one year.

Transfers during the fiscal year were as follows:

	Transfers Out	Transfers In
General Fund	\$ 14,254,246	\$ 3,700,000
Ball Park Fund	-	12,364,604
Non-Major Governmental Funds	-	1,889,642
Water and Wastewater Fund	5,056,487	2,256,487
Sanitation Fund	900,000	-
Total	\$ 20,210,733	\$ 20,210,733

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, 2019; 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.

NOTE 11 CONTINGENT LIABILITIES

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 property and liability 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.

During the year ended June 30, 2019, the City established a Self-Insurance Trust (an Internal Service Fund) to account for and finance its uninsured risks of loss related to healthcare benefits. Under this program, the Fund provides coverage for up to a maximum of \$250,000 for each claim, not to exceed an annual aggregate of \$8,110,193. The Fund purchases commercial insurance for claims in excess of this coverage. Settled claims have not exceeded this coverage in any of the past four fiscal years.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from subrogation, are another component of the claims liability estimate. Changes in the balances of claims liabilities during the past two years are as follows:

	<u>Claims Payable Beginning of Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Claims Payable at End of Year</u>
<u>Healthcare Benefits</u>				
2018-19	\$ 479,747	\$ 6,933,269	\$ 6,961,401	\$ 451,615

The City continues to carry commercial insurance for workers compensation. Settled claims have not exceeded commercial insurance coverage in any of the past four fiscal years.



NOTE 13 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

**Aggregate Amounts.** At June 30, 2019, the City reported the following aggregate amounts related to pensions and other postemployment benefits (OPEB) for all plans to which it contributes.

	FY2019		Total
	Governmental Activities	Business-type Activities	
Net pension and OPEB assets	\$ 122,586	\$ 14,681	\$ 137,267
Net pension and OPEB liability	66,655,962	5,517,135	72,173,097
Deferred outflows of resources	24,604,951	1,220,323	25,825,274
Deferred inflows of resources	5,072,806	709,155	5,781,961
Pension and OPEB expense	10,813,358	333,502	11,146,860

The City reported \$10,813,358 of pension and OPEB contributions as expenditures in the governmental funds related to all plans to which it contributes.

**A. Arizona State Retirement System**

**Plan Description.** City employees 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](http://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 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Retired and disabled members, with at least five years of credited service, are eligible to receive health insurance premium benefits. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. For members with 10 or more years of service, benefits range from \$150 per month to \$215 per month depending on the age of the member and dependents. For members with five to nine years of service, the benefits are the same dollar amounts as above multiplied by a vesting fraction based on completed years of service.

Active members are eligible for a long-term disability benefit in the event they become unable to perform their work. The monthly benefit is equal to two-thirds of their monthly earnings. Members receiving benefits continue to earn service credit up to their normal retirement dates. Members with long-term disability commencement dates after June 30, 1999 are limited to 30 years of service or the service on record as of the effective disability date, if their service is greater than 30 years.

**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 11.80 percent (11.64 percent for retirement and 0.16 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 11.80 percent (11.18 percent for retirement, 0.46 percent for health insurance premium benefit, and 0.16 percent for long-term disability) of the active members' annual covered payroll. The City's contributions for the year ended June 30, 2019 were as follows:

	Contributions
Pension	\$ 2,891,615
Health Insurance Premium	116,609
Long-Term Disability	42,439

Employers are also required to pay an Alternate Contribution Rate (ACR), for retired members who return to work in positions that would typically be filled by an employee who contributes to ASRS. The City was required by statute to contribute at the actuarially determined rate of 10.53 percent (10.41 for retirement, 0.06 percent for health insurance premium benefit, and 0.06 percent for long-term disability). ACR contributions are included in employer contributions presented above.

The City's pension and OPEB contributions are paid by the same funds as the employee's salary, with the largest components coming from the General Fund and the Water and Wastewater Fund.

**Pension and OPEB Assets/Liability.** The net pension and OPEB assets/liability were measured as of June 30, 2018. The total liability used to calculate the net asset or net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2017, to the measurement date of June 30, 2018. The City's proportion of the net asset/liability was based on the City's actual contributions to the applicable plan relative to the total of all participating employers' contributions to the plan for the year ended June 30, 2018.

NOTE 13 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

At June 30, 2019, the City reported the following amounts for its proportionate share of the ASRS plans net assets/liability. In addition, at June 30, 2018, the City's percentage proportion for each plan and the related change from its proportion measured as of June 30, 2017 was:

	Net (Assets) Liability	City % Proportion	Increase (Decrease)
Pension	\$ 37,221,762	0.267	0.02
Health Insurance Premium	(97,837)	0.272	
Long-Term Disability	139,754	0.267	

**Pension/OPEB Expense and Deferred Outflows/Inflows of Resources.** The City has deferred outflows and inflows of resources related to the net pension and OPEB assets/liability. Certain changes in the net pension and OPEB assets/liability are recognized as pension and OPEB expense over a period of time rather than the year of occurrence. For the year ended June 30, 2019, the City recognized pension and OPEB expense as follows:

	Expense
Pension	\$ 2,268,254
Health Insurance Premium	(18,598)
Long-Term Disability	9,407

The City reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Deferred Outflows of Resources		
	Pension	Health Insurance Premium	Long-Term Disability
Differences between expected and actual experience	\$ 1,025,429	\$ -	\$ 3,574
Changes of assumptions or other inputs	984,956	188,679	30,270
Net difference between projected and actual earnings on pension investments	-	-	-
Changes in porportion and differences between contributions and proportionate share of contributions	2,807,434	1,472	9,526
Contributions subsequent to the measurement date	2,891,615	116,609	42,439
Total	<u>\$ 7,709,434</u>	<u>\$ 306,760</u>	<u>\$ 85,809</u>

	Deferred Inflows of Resources		
	Pension	Health Insurance Premium	Long-Term Disability
Differences between expected and actual experience	\$ 205,197	\$ 90,299	\$ -
Changes of assumptions or other inputs	3,300,220	-	-
Net difference between projected and actual earnings on pension investments	895,095	195,443	13,537
Changes in porportion and differences between contributions and proportionate share of contributions	99,711	127	11
Total	<u>\$ 4,500,223</u>	<u>\$ 285,869</u>	<u>\$ 13,548</u>

NOTE 13 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The amounts of deferred outflows of resources resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as an adjustment of the net pension and OPEB assets/liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized in pension and OPEB expense as follows:

Year Ending June 30:	Pension	Health Insurance Premium	Long-Term Disability
2020	\$ 1,639,621	\$ (37,594)	\$ 1,731
2021	437,185	(37,595)	1,732
2022	(1,357,794)	(37,595)	1,732
2023	(401,416)	4,046	5,358
2024	-	13,020	6,023
Thereafter	-	-	13,246

**Actuarial Assumptions.** The significant actuarial assumptions used to measure the total pension and OPEB liability are as follows:

Actuarial valuation date	June 30, 2017
Actuarial roll forward date	June 30, 2018
Actuarial cost method	Entry age normal
Investment rate of return	7.5%
Projected salary increases	2.7-7.2% for pensions/not applicable for OPEB
Inflation	2.3%
Permanent base increases	Included for pensions/not applicable for OPEB
Mortality rates	2017 SRA Scale U-MP for pensions and health insurance premium benefit
Recovery rates	2012 GLDT for long-term disability
Healthcare cost trend rate	Not applicable

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2016. 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, 2017, 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 plan investments was determined to be 7.5 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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 for all ASRS plans are summarized in the following table:

Asset Class	Target Allocation	Long-Term Geometric Real Rate of Return
Equity	50%	5.50%
Fixed income	30	3.83
Real estate	20	5.85
Total	100%	

NOTE 13 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

**Discount Rate.** The discount rate used to measure the ASRS total pension and OPEB liability was 7.5 percent, which was a decrease of 0.5 from the discount rate used as of June 30, 2018. 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 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 investments was applied to all periods of projected benefit payments to determine the total pension and OPEB liability.

**Sensitivity of the Proportionate Share of the Net Pension and OPEB Assets/Liability to Changes in the Discount Rate.** The following presents the City’s proportionate share of the net pension and OPEB assets/liability calculated using the discount rate of 7.5 percent, as well as what the proportionate share of the net pension and OPEB assets/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:

	Proportionate share of the net (assets) liability		
	1% Decrease	Current Discount Rate	1% Increase
Rate	6.5%	7.5%	8.5%
Pension	\$ 19,881,029	\$ 13,946,481	\$ 8,988,261
Health Insurance Premium	127,589	(36,009)	(175,362)
Long-Term Disability	59,214	52,250	45,494

**Pension and OPEB Plan Fiduciary Net Position.** Detailed information about the pension and OPEB 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](http://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 nine-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. Employees who were PSPRS members before July 1, 2017, participate in the agent plans, and those who became PSPRS members on or after July 1, 2017, participate in the cost-sharing plans (PSPRS Tier 3 Risk Pool).

The PSPRS issues a publicly available financial report that includes their financial statements and required supplementary information. The report is available on the PSPRS website at [www.psprs.com](http://www.psprs.com).

NOTE 13 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

	Retirement Initial Membership Date:		
	Tier 1	Tier 2	Tier 3
Years of service and age required to receive benefit	20 years of service, any age or 15 years of service, age 62	25 years or 15 years of credited service, age 52.5	15 years of credited service, age 52.5 or 15 or more years of service, age 55
Final average salary is based on	Highest 36 consecutive months of last 20 years	Highest 60 consecutive months of last 20 years	Highest 60 consecutive months of last 15 years
Normal retirement	50% less 4.0% for each year of credited service less than 20 years or plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	1.5 % to 2.5% per year of credited service, not to exceed 80%	1.5 % to 2.5% per year of credited service, not to exceed 80%
Accidental disability retirement	50% or normal retirement, whichever is greater		
Catastrophic disability retirement	90% of the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater		
Ordinary disability retirement	Normal retirement calculated with actual years of credited service or 20 years of credited service, whichever is greater, multiplied by years of credited service (not to exceed 20 years) divided by 20		
Survivor benefit:			
Retired members	80% to 100% 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 inflation. PSPRS also provides temporary disability benefits of 50 percent of the member's compensation for up to 12 months.

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. Benefits range from \$100 per month to \$260 per month depending on the age of the member and dependents.

NOTE 13 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

**Employees Covered by Benefit Terms.** At June 30, 2019 the following employees were covered by the agent plan's benefit terms:

	PSPRS - Police		PSPRS - Fire	
	Pension	Health Insurance	Pension	Health Insurance
Retirees and beneficiaries	24	24	10	10
Inactive, non-retired members	19	3	5	5
Active members	100	100	80	80
Total	143	127	95	95

**Contributions.** 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, 2019, are indicated below. Rates are a percentage of active members' annual covered payroll.

	Tier 1 & 2		Tier 3	
	PSPRS - Police	PSPRS - Fire	PSPRS - Police	PSPRS - Fire
Active members - pension	7.65% to 11.65%		9.68%	9.68%
<b>City of Gooyear:</b>				
Pension	30.37%	26.19%	25.08%	20.25%
Health insurance	0.33%	0.34%		

Employers are also required to pay an Alternate Contribution Rate (ACR), for retired members who return to work in positions that would typically be filled by an employee who contributes to PSPRS. The City was required by statute to contribute at the actuarially determined rate of 10.65 percent for the PSPRS. ACR contributions are included in employer contributions presented above.

The contributions to the pension and OPEB plans for the year ended were:

	Contributions	
	PSPRS - Police	PSPRS - Fire
Pension	\$ 2,009,159	\$ 2,098,502
Pension - Tier 2	847,895	148,063
Pension - Tier 3	150,519	116,036
Health insurance	21,831	27,243
Health insurance - Tier 2	9,213	1,922
Health insurance - Tier 3	1,636	1,506

The City's pension and OPEB contributions are paid by the same funds as the employee's salary, with the largest component coming from the General Fund.

NOTE 13 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

**Pension and OPEB Assets/Liability.** At June 30, 2019, the City reported the following assets and liabilities.

	Net (Asset) Liability	
	PSPRS - Police	PSPRS - Fire
Pension	\$ 19,361,024	\$ 15,312,345
Health insurance	(39,430)	138,215

The net pension and OPEB assets/liability were measured as of June 30, 2018. The total liability used to calculate the net asset or liability was determined by an actuarial valuation as of that date. The total liability as of June 30, 2018, reflects statutory changes in benefit terms for automatic cost-of-living adjustments. The basis of cost-of-living adjustments was changed from excess investment earnings to the change in the consumer price index, limited to a maximum annual increase of 2 percent.

**Actuarial Assumptions.** The significant actuarial assumptions used to measure the total pension/OPEB liability are as follows:

Actuarial valuation date	June 30, 2018
Actuarial cost method	Entry age normal
Investment rate of return	7.4%
Wage inflation	3.5% for pensions/not applicable for OPEB
Price inflation	2.5% for pensions/not applicable for OPEB
Cost-of-living adjustment	Included for pensions/not applicable for OPEB
Mortality rates	RP-2014 tables using MP-2016 improvement scale with adjustments to match current experience
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016.

The long-term expected rate of return on PSPRS plan investments was determined to be 7.40 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Short-term investments	2%	0.25%
Risk parity	4	5.00
Fixed income	5	1.25
Real assets	9	4.52
GTS	12	3.96
Private credit	16	6.75
Real estate	10	3.75
Private equity	12	5.83
Non-U.S. equity	14	8.70
U.S. equity	16	7.60
Total	100%	



## NOTE 13 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

**Discount Rate.** At June 30, 2018, the discount rate used to measure the total pension and OPEB liability was 7.4 percent, which was the same as the discount rate used as of June 30, 2017.

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 rate and the member rate.

Based on those assumptions, the 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 plan investments was applied to all periods of projected benefit payments for these plans to determine the total pension and OPEB liability.

NOTE 13 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

**Changes in Net (Assets)/Liability**

	Pension Increase (Decrease)			Health Insurance Increase (Decrease)		
	Total (Assets) Liability	Plan Fiduciary Net Position	Net (Assets) Liability	Total (Assets) Liability	Plan Fiduciary Net Position	Net (Assets) Liability
<b>PSPRS - Police</b>						
Balances at June 30, 2018	\$ 44,597,544	\$ 26,773,045	\$ 17,824,499	\$ 770,990	\$ 836,535	\$ (65,545)
Change for the year:						
Service cost	2,123,570	-	2,123,570	30,980	-	30,980
Interest on the total liability	3,331,300	-	3,331,300	57,711	-	57,711
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience in the measurement of the liability	1,802,331	-	1,802,331	11,892	-	11,892
Changes of assumptions or other inputs	-	-	-	-	-	-
Contributions - employer	-	3,953,950	(3,953,950)	-	17,033	(17,033)
Contributions - employee	-	947,565	(947,565)	-	-	-
Net investment income	-	1,918,567	(1,918,567)	-	58,322	(58,322)
Benefit payments, including refunds of employee contributions	(1,283,523)	(2,419,504)	1,135,981	(13,196)	(13,196)	-
Administrative expense	-	(29,900)	29,900	-	(888)	888
Other changes	-	66,475	(66,475)	-	1	(1)
Net changes	5,973,678	4,437,153	1,536,525	87,387	61,272	26,115
Balances at June 30, 2019	\$ 50,571,222	\$ 31,210,198	\$ 19,361,024	\$ 858,377	\$ 897,807	\$ (39,430)

	Pension Increase (Decrease)			Health Insurance Increase (Decrease)		
	Total (Assets) Liability	Plan Fiduciary Net Position	Net (Assets) Liability	Total (Assets) Liability	Plan Fiduciary Net Position	Net (Assets) Liability
<b>PSPRS - Fire</b>						
Balances at June 30, 2018	\$ 41,458,577	\$ 29,891,179	\$ 11,567,398	\$ 772,067	\$ 648,893	\$ 123,174
Change for the year:						
Service cost	2,044,963	-	2,044,963	22,849	-	22,849
Interest on the total liability	3,111,423	-	3,111,423	57,087	-	57,087
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience in the measurement of the liability	4,118,805	-	4,118,805	2,063	-	2,063
Changes of assumptions or other inputs	-	-	-	-	-	-
Contributions - employer	-	3,893,514	(3,893,514)	-	22,840	(22,840)
Contributions - employee	-	905,341	(905,341)	-	-	-
Net investment income	-	2,135,563	(2,135,563)	-	44,799	(44,799)
Benefit payments, including refunds of employee contributions	(869,611)	(2,293,703)	1,424,092	(24,100)	(24,100)	-
Administrative expense	-	(33,203)	33,203	-	(682)	682
Other changes	-	53,121	(53,121)	-	1	(1)
Net changes	8,405,580	4,660,633	3,744,947	57,899	42,858	15,041
Balances at June 30, 2019	\$ 49,864,157	\$ 34,551,812	\$ 15,312,345	\$ 829,966	\$ 691,751	\$ 138,215

NOTE 13 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

**Sensitivity of the Net Pension and OPEB Assets (Liability) to Changes in the Discount Rate.**

The following presents the **City/Town's** net pension and OPEB assets (liability) calculated using the discount rates noted above, as well as what the net assets (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
<b>PSPRS - Police</b>			
Rate	6.40%	7.40%	8.40%
Net pension (assets) liability	\$ 27,548,280	\$ 19,361,024	\$ 12,801,915
Net OPEB (assets) liability	82,640	(39,430)	(139,713)
<b>PSPRS - Fire</b>			
Rate	6.40%	7.40%	8.40%
Net pension (assets) liability	\$ 23,891,412	\$ 15,312,345	\$ 8,429,279
Net OPEB (assets) liability	261,478	138,215	36,979

**Plan Fiduciary Net Position.** Detailed information about the plans' fiduciary net position is available in the separately issued PSPRS financial report. The report is available on the PSPRS website at [www.psprs.com](http://www.psprs.com).

**Expense.** For the year ended June 30, 2019, the City recognized the following as pension and OPEB expense:

	Expense	
	PSPRS - Police	PSPRS - Fire
Pension	\$ 4,576,735	\$ 4,274,946
Health insurance	15,108	21,369

NOTE 13 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

**Deferred Outflows/Inflows of Resources.** At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension		Health Insurance	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>PSPRS - Police</b>				
Differences between expected and actual experience	\$ 2,249,213	\$ 70,770	\$ 13,912	\$ -
Changes of assumptions or other inputs	2,049,925	-	-	48,856
Net difference between projected and actual earnings on plan investments	284,443	-	-	16,148
Changes in proportion and differences between contributions and proportionate share of contributions	-	-	-	-
Contributions subsequent to the measurement date	3,007,572	-	32,680	-
Total	<u>\$ 7,591,153</u>	<u>\$ 70,770</u>	<u>\$ 46,592</u>	<u>\$ 65,004</u>
<b>PSPRS - Fire</b>				
Differences between expected and actual experience	\$ 5,748,218	\$ 759,244	\$ 18,696	\$ -
Changes of assumptions or other inputs	1,694,354	-	-	75,298
Net difference between projected and actual earnings on plan investments	309,332	-	-	12,002
Changes in proportion and differences between contributions and proportionate share of contributions	-	-	-	-
Contributions subsequent to the measurement date	2,362,601	-	30,671	-
Total	<u>\$ 10,114,505</u>	<u>\$ 759,244</u>	<u>\$ 49,367</u>	<u>\$ 87,300</u>

NOTE 13 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The amounts of deferred outflows of resources resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as an adjustment of the net pension and OPEB assets/liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized in pension and OPEB expense as follows:

Year Ending June 30:	PSPRS - Police		PSPRS - Fire	
	Pension	Health Insurance	Pension	Health Insurance
2020	\$ 1,234,980	\$ (12,457)	\$ 1,120,841	\$ (11,302)
2021	1,067,817	(12,457)	942,714	(11,302)
2022	584,343	(12,457)	595,022	(11,302)
2023	711,028	(6,089)	828,367	(6,460)
2024	363,654	(6,828)	794,403	(7,091)
Thereafter	550,989	(804)	2,711,313	(21,147)

**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, 2019. As of June 30, 2019, there were five eligible employees participating in the plan. The plan is administered by Innes Associates LTD.

As of June 30, 2019, the plan's assets consisted of the following:

Investments      \$478,394

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 EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended, June 30, 2019, expenditures did not exceed budget at the fund level in any funds.

NOTE 15 FUND BALANCE CLASSIFICATIONS

	General Fund	Ball Park	GO Bonds Capital Projects	McDowell Road Commerical Corridor ID Debt Service Fund	Community Facilities Districts Debt Service Fund	Non-Major Governmental Funds	Total Governmental Funds
Fund Balances (deficits):							
Nonspendable							
Inventory	\$ 311,940	\$ -	\$ -	\$ -	\$ -	\$ 678,548	\$ 990,488
Prepaid items	1,402,473	-	-	-	-	-	1,402,473
Restricted							
Capital projects	-	-	43,953,339	-	-	-	43,953,339
Charter mandates	4,582,213	-	-	-	-	-	4,582,213
Court	294,594	-	-	-	-	-	294,594
Law enforcement	470,847	-	-	-	-	249	471,096
Debt service	-	-	-	292,545	5,402,017	219,210	5,913,772
Development impact fees	-	-	-	-	-	29,633,601	29,633,601
Transit	1,189,336	-	-	-	-	-	1,189,336
Community facilities districts operations	-	-	-	-	-	10,164,456	10,164,456
Committed							
Ball park	-	2,555,378	-	-	-	-	2,555,378
Assigned							
IT replacement	1,988,219	-	-	-	-	-	1,988,219
Fleet replacement	3,910,722	-	-	-	-	-	3,910,722
Risk management	805,987	-	-	-	-	-	805,987
Parks management	3,280,541	-	-	-	-	-	3,280,541
Police asset reserve	156,142	-	-	-	-	-	156,142
Fire asset reserve	738,260	-	-	-	-	-	738,260
Traffic signal reserve	1,362,099	-	-	-	-	-	1,362,099
General Fund FY2020 Budget	55,747,287	-	-	-	-	-	55,747,287
Unassigned	16,546,219	-	-	-	-	(188,894)	16,357,325
Total fund balances	<u>\$ 92,786,879</u>	<u>\$ 2,555,378</u>	<u>\$ 43,953,339</u>	<u>\$ 292,545</u>	<u>\$ 5,402,017</u>	<u>\$ 40,507,170</u>	<u>\$ 185,497,328</u>

NOTE 16 COMMITMENTS

The City has active construction projects as of June 30, 2019. The commitments for these active projects are being financed from existing fund balances. The balances for work not yet complete as of June 30, 2019 were as follows:

<b>General Fund:</b>	
Questica Budget Software Implementation C2100013	\$ 255,850
FSIP - Tyler/Munis Implementation C2100008	270,925
EMR Fire Station C3000003	347,862
New EM590 DIF Pumper C3000003	764,612
Unit 382 Replacement Pumper	652,285
Fire Station 181 C3000004	528,843
New World Systems C3500003	137,120
Public Art – Recreation Center C50PA004	14,500
86 Acre Rec Campus Harrison St C4200001	2,837,975
Recreation Campus Estrella Pkwy Offsite C4200002	1,960,169
Recreation Campus RID Relocation C4200003	859,766
Sarival Ave - Jefferson to Yuma Rd C4200005	219,397
Traffic Signal – Estrella-San Miguel C4200013	434,345
	<u>9,283,649</u>
<b>GO Bonds Capital Projects:</b>	
Fire Station 181 New C3000004	496,093
Aquatic Facility C5000001	491,367
	<u>987,460</u>
<b>Non-Major Governmental Funds:</b>	
Non-Utility DI Fees - EMR Fire Station FD1801/C3000003	347,862
Non-Utility DI Fees - 30 Acre Recreation Campus 50002	3,574,274
Non-Utility DI Fees - Recreation Center C5000002	1,874,148
	<u>5,796,284</u>
<b>Water &amp; Wastewater Fund:</b>	
Site #12 Water Main/Improvements C60WA001	10,440,939
GY Well # 26 C60WA002	1,858,148
Surface Water Project C60WA003	6,386,304
Adaman Well & Treatment C60WA004	2,194,133
Liberty Interconnect Project C60WA005	267,300
GWRP Expansion 4 to 5 MGD C60WW001	6,355,439
QS 59 Sewer Pipe Rehab C60WW003	178,813
	<u>27,681,076</u>
<b>Total commitments</b>	<u><u>\$ 43,748,469</u></u>

NOTE 17 TAX ABATEMENT AGREEMENTS

GPLET

The City enters into government property lease agreements with private parties. All property taxes are abated on these lease agreements; however, the private party may be subject to a government property lease excise tax (GPLET) in lieu of property taxes. GPLET is calculated based on rates state statute establishes on the property's square footage and use. The property tax abatement applies to private parties developing and occupying a government property for at least 30 consecutive days.

Under the City's government property lease agreements, private parties are committed to the construction of any improvements and the operation and maintenance of the improvements. The City has no commitments under these agreements other than to abate taxes.

## NOTE 17 TAX ABATEMENT AGREEMENTS

For the year ended June 30, 2019, government property lease agreements the City entered into reduced the City tax revenues by \$372,659.

### Foreign Trade Zone

The City has a foreign trade zone within its limits. Arizona state law allows for any property within a foreign trade zone to be subject to a reduced property valuation rate of 5% down from 18%. Under the City's foreign trade zones, business can qualify one of four ways:

1. Developers can construct a zone I-1 site of at least 200,000 square feet in a foreign trade zone.
2. Qualifying manufacturing companies can invest at least \$25 million in capital equipment and real property, construct a 75,000 square feet building, employ a minimum of 75 full-time employees with 51% paid 125% of the state median annual wage and paid 75% of employees' health insurance premiums.
3. Internet fulfillment companies can locate within a designated foreign trade zone building, generate a minimum of \$25 million of Arizona end-user sales and invest at least \$25 million in capital equipment and real property.
4. Businesses can locate within one of the federally approved Magnet foreign trade zones and comply with the City's Foreign Trade Zone policy and federal requirements.

For the year ended June 30, 2019, properties within the foreign trade zones reduced the City tax revenues by \$178,727.

### Sales Tax Abatements

The City has entered into agreements with developers to reimburse for the construction of public infrastructure that will benefit the community. These reimbursements are paid to developers over time from the collection of sales taxes. Payments to developers are considered during the City's budget process. For the year ended June 30, 2019, the one developer agreement reduced City sales tax revenues by \$1,818,002.

## NOTE 18 PRIOR PERIOD ADJUSTMENT

In the previous fiscal year, governmental activities construction in progress was overstated by \$2,734,769 and assessments receivable was overstated by \$1,178,000. As a result, a prior period adjustment has been recorded in the current fiscal year to decrease governmental activities net position by \$3,912,769.



**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF GOODYEAR, ARIZONA**  
**GENERAL FUND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 65,984,900	\$ 65,984,900	\$ 72,619,200	\$ 6,634,300
Licenses and permits	6,968,800	6,968,800	12,314,128	5,345,328
Intergovernmental revenues	20,803,600	20,803,600	21,244,411	440,811
Charges for services	2,507,300	2,507,300	2,909,107	401,807
Fines and forfeitures	836,700	836,700	928,097	91,397
Investment income	425,000	425,000	2,833,485	2,408,485
Contributions	602,500	602,500	2,419,466	1,816,966
Other revenues	2,547,000	2,547,000	836,195	(1,710,805)
Total revenues	<u>100,675,800</u>	<u>100,675,800</u>	<u>116,104,089</u>	<u>15,428,289</u>
<b>EXPENDITURES</b>				
Current:				
<b>General government:</b>				
City attorney	1,714,500	1,714,500	1,574,689	139,811
City clerk	980,700	960,200	715,308	244,892
City manager	5,823,700	2,406,100	2,070,643	335,457
Communications	-	951,700	829,933	121,767
Finance	6,491,500	6,064,800	4,166,560	1,898,240
Human resources	1,709,500	4,491,400	3,582,880	908,520
ITS	5,381,000	5,479,770	4,720,875	758,895
Mayor and council	338,700	338,700	279,647	59,053
Non-departmental	4,748,000	3,248,000	2,017,478	1,230,522
Reserved for contingency	24,513,700	24,190,500	-	24,190,500
Total general government	<u>51,701,300</u>	<u>49,845,670</u>	<u>19,958,013</u>	<u>29,887,657</u>
<b>Public safety:</b>				
Fire	22,215,800	22,270,400	18,083,327	4,187,073
Municipal Court	1,429,400	1,419,698	1,184,564	235,134
Police	25,504,300	25,509,500	23,674,338	1,835,162
Total public safety	<u>49,149,500</u>	<u>49,199,598</u>	<u>42,942,229</u>	<u>6,257,369</u>
<b>Public works:</b>				
Administration	518,800	518,800	493,066	25,734
Building services	2,860,700	2,799,500	2,071,019	728,481
Fleet services	600	50,146	32,746	17,400
Program management	409,100	409,100	230,777	178,323
Total public works	<u>3,789,200</u>	<u>3,777,546</u>	<u>2,827,608</u>	<u>949,938</u>

(Continued)

**CITY OF GOODYEAR, ARIZONA**  
**GENERAL FUND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Culture and recreation:</b>				
Arts and culture	188,000	202,800	180,171	22,629
Parks	7,451,400	7,826,800	7,096,618	730,182
Recreation	2,077,000	1,988,000	1,889,908	98,092
Total culture and recreation	<u>9,716,400</u>	<u>10,017,600</u>	<u>9,166,697</u>	<u>850,903</u>
<b>Development services:</b>				
Development services	3,449,700	3,778,300	3,375,067	403,233
Economic development	1,168,400	2,677,100	967,638	1,709,462
Engineering	3,560,800	4,306,000	3,299,099	1,006,901
Total development services	<u>8,178,900</u>	<u>10,761,400</u>	<u>7,641,804</u>	<u>3,119,596</u>
Capital Outlay	<u>14,140,000</u>	<u>13,451,286</u>	<u>8,872,249</u>	<u>4,579,037</u>
Debt Service				
Principal	1,256,300	1,256,300	1,256,338	(38)
Interest	153,900	153,900	153,984	(84)
Total debt service	<u>1,410,200</u>	<u>1,410,200</u>	<u>1,410,322</u>	<u>(122)</u>
Total expenditures	<u>138,085,500</u>	<u>138,463,300</u>	<u>92,818,922</u>	<u>45,644,378</u>
Excess of revenues over expenditures	<u>(37,409,700)</u>	<u>(37,787,500)</u>	<u>23,285,167</u>	<u>61,072,667</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	-	320,846	320,846
Transfers out	(23,443,300)	(16,793,300)	(14,254,246)	2,539,054
Transfers in	10,350,000	3,700,000	3,700,000	-
Total other financing sources and (uses)	<u>(13,093,300)</u>	<u>(13,093,300)</u>	<u>(10,233,400)</u>	<u>2,859,900</u>
<b>Net change in fund balance</b>	(50,503,000)	(50,880,800)	13,051,767	63,932,567
Fund balance, beginning of year	<u>77,780,334</u>	<u>77,780,334</u>	<u>77,780,334</u>	<u>-</u>
Fund balance, end of year	<u>\$ 27,277,334</u>	<u>\$ 26,899,534</u>	<u>\$ 90,832,101</u>	<u>\$ 63,932,567</u>

**CITY OF GOODYEAR, ARIZONA**  
**BALLPARK**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Charges for services	\$ 3,857,600	\$ 3,857,600	\$ 2,561,561	\$ (1,296,039)
Investment income	2,000	2,000	76,916	74,916
Contributions	66,000	66,000	1,344,967	1,278,967
Miscellaneous	-	-	379	379
Total revenues	<u>3,925,600</u>	<u>3,925,600</u>	<u>3,983,823</u>	<u>58,223</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	6,311,300	6,311,300	4,941,775	1,369,525
Capital outlay	2,184,300	2,184,300	674,130	1,510,170
Debt Service:				
Principal	5,600,000	5,600,000	5,600,000	-
Interest	4,571,700	4,571,700	4,566,272	5,428
Total expenditures	<u>18,667,300</u>	<u>18,667,300</u>	<u>15,782,177</u>	<u>2,885,123</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,741,700)</u>	<u>(14,741,700)</u>	<u>(11,798,354)</u>	<u>2,943,346</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Assets	-	-	25,278	25,278
Transfers in	13,556,900	13,556,900	12,364,604	(1,192,296)
Total other financing sources (uses)	<u>13,556,900</u>	<u>13,556,900</u>	<u>12,389,882</u>	<u>(1,167,018)</u>
Net change in fund balance	(1,184,800)	(1,184,800)	591,528	1,776,328
Fund balance, beginning of year	<u>1,963,850</u>	<u>1,963,850</u>	<u>1,963,850</u>	<u>-</u>
Fund balance, end of year	<u>\$ 779,050</u>	<u>\$ 779,050</u>	<u>\$ 2,555,378</u>	<u>\$ 1,776,328</u>

**CITY OF GOODYEAR, ARIZONA**  
**Notes to Budget and Actual Schedules**  
**For the Year Ended June 30, 2019**

**Note 1. Budgetary Basis of Accounting**

The City's budget is prepared on a basis consistent with generally accepted accounting principles, 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:

	Beginning Fund Balance	Revenue	Expenditures	Ending Fund Balance
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 79,516,713	\$ 120,507,117	\$ 107,236,951	\$ 92,786,879
Activity budgeted as special revenue funds	<u>(1,736,379)</u>	<u>(382,182)</u>	<u>(163,783)</u>	<u>(1,954,778)</u>
Schedule of Revenues, Expenditures and Changes in Fund Balances - General Fund	<u>\$ 77,780,334</u>	<u>\$ 120,124,935</u>	<u>\$ 107,073,168</u>	<u>\$ 90,832,101</u>

**CITY OF GOODYEAR, ARIZONA**  
**Required Supplementary Information**  
**Schedule of the Proportionate Share of the Net Pension Liability**  
**June 30, 2019**

<b>ASRS - Pension</b>	<b>Reporting Fiscal Year</b>				
	<b>(Measurement Date)</b>				
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
	<b>(2018)</b>	<b>(2017)</b>	<b>(2016)</b>	<b>(2015)</b>	<b>(2014)</b>
Proportion of the net pension liability (asset)	0.27%	0.24%	0.24%	0.24%	0.22%
Proportionate share of the net pension liability (asset)	\$ 37,221,762	\$ 37,471,443	\$ 39,085,443	\$ 36,986,742	\$ 33,264,817
Covered payroll	\$ 25,325,110	\$ 23,806,419	\$ 22,599,315	\$ 21,761,494	\$ 20,166,769
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	146.98%	157.40%	172.95%	169.96%	164.95%
Plan fiduciary net position as a percentage of the total pension liability	73.40%	69.92%	67.06%	68.35%	69.49%

Note: The City implemented GASB 68 in fiscal year 2015. Prior year information is not available

**CITY OF GOODYEAR, ARIZONA**  
**Required Supplementary Information**  
**Schedule of the Proportionate Share of the Net OPEB Liability**  
**June 30, 2019**

<b>ASRS - Health insurance premium benefit</b>	<b>Reporting Fiscal Year</b>	
	<b>(Measurement Date)</b>	
	<b>2019</b>	<b>2018</b>
	<b>(2018)</b>	<b>(2017)</b>
Proportion of the net OPEB (asset)	0.271700%	0.243230%
Proportionate share of the net OPEB (asset)	\$ (97,837)	\$ (132,414)
Covered payroll	\$ 25,325,110	\$ 23,806,419
Proportionate share of the net OPEB (asset) as a percentage of its covered payroll	-0.39%	-0.56%
Plan fiduciary net position as a percentage of the total OPEB liability	102.20%	103.57%

<b>ASRS - Long-term disability</b>	<b>Reporting Fiscal Year</b>	
	<b>(Measurement Date)</b>	
	<b>2019</b>	<b>2018</b>
	<b>(2018)</b>	<b>(2017)</b>
Proportion of the net OPEB (asset)	0.267470%	0.241210%
Proportionate share of the net OPEB (asset)	\$ 139,754	\$ 87,433
Covered payroll	\$ 25,325,110	\$ 23,806,419
Proportionate share of the net OPEB (asset) as a percentage of its covered payroll	0.55%	0.37%
Plan fiduciary net position as a percentage of the total OPEB liability	77.83%	84.44%

Note: The City implemented GASB 75 in fiscal year 2018. Prior year information is not available.

**CITY OF GOODYEAR, ARIZONA**  
**Required Supplementary Information**  
**Schedule of Changes in the Net Pension Liability and Related Ratios**  
**June 30, 2019**

<b>PSPRS Police - Pension</b>	<b>Reporting Fiscal Year</b> <b>(Measurement Date)</b>				
	<b>2019</b> <b>(2018)</b>	<b>2018</b> <b>(2017)</b>	<b>2017</b> <b>(2016)</b>	<b>2016</b> <b>(2015)</b>	<b>2015</b> <b>(2014)</b>
<b>Total pension liability</b>					
Service cost	\$ 2,123,570	\$ 1,914,605	\$ 1,437,416	\$ 1,278,133	\$ 1,278,071
Interest on total pension liability	3,331,300	2,971,515	2,477,882	2,301,498	1,966,048
Changes of benefit terms	-	456,529	3,357,342	-	186,683
Difference between expected and actual experience of the total net pension liability	1,802,331	494,534	389,465	(159,382)	260,090
Changes of assumptions	-	824,808	1,580,891	-	1,746,183
Benefit payments, including refunds of employee contributions	(1,283,523)	(1,454,686)	(1,398,856)	(1,107,068)	(1,220,650)
<b>Net change in total pension liability</b>	<b>5,973,678</b>	<b>5,207,305</b>	<b>7,844,140</b>	<b>2,313,181</b>	<b>4,216,425</b>
<b>Total pension liability - beginning</b>	<b>44,597,544</b>	<b>39,390,239</b>	<b>31,546,099</b>	<b>29,232,918</b>	<b>25,016,493</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 50,571,222</b>	<b>\$ 44,597,544</b>	<b>\$ 39,390,239</b>	<b>\$ 31,546,099</b>	<b>\$ 29,232,918</b>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 3,953,950	\$ 1,633,633	\$ 1,597,875	\$ 1,173,950	\$ 1,116,495
Contributions - employee	947,565	930,370	885,129	768,858	704,171
Net investment income	1,918,567	2,810,340	130,212	739,152	2,311,670
Benefit payments, including refunds of employee contributions	(1,283,523)	(1,454,686)	(1,398,856)	(1,107,068)	(1,220,650)
Hall/Parker settlement	(1,135,981)	-	-	-	-
Plan administrative expenses	(29,900)	(25,267)	(19,137)	(18,421)	-
Other (net transfer)	66,475	333,337	167,861	(57,781)	(476,423)
<b>Net change in plan fiduciary net position</b>	<b>4,437,153</b>	<b>4,227,727</b>	<b>1,363,084</b>	<b>1,498,690</b>	<b>2,435,263</b>
<b>Plan fiduciary net position - beginning</b>	<b>26,773,045</b>	<b>22,545,318</b>	<b>21,182,234</b>	<b>19,683,544</b>	<b>17,248,281</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 31,210,198</b>	<b>\$ 26,773,045</b>	<b>\$ 22,545,318</b>	<b>\$ 21,182,234</b>	<b>\$ 19,683,544</b>
<b>Net pension liability - ending (a) - (b)</b>	<b>\$ 19,361,024</b>	<b>\$ 17,824,499</b>	<b>\$ 16,844,921</b>	<b>\$ 10,363,865</b>	<b>\$ 9,549,374</b>
Plan fiduciary net position as a percentage of the total pension liability	61.72%	60.03%	57.24%	67.15%	67.33%
Covered payroll	\$ 9,388,019	\$ 8,331,614	\$ 7,375,148	\$ 7,012,489	\$ 6,630,426
Net pension liability as a percentage of covered payroll	206.23%	213.94%	228.40%	147.79%	144.02%

Note: The City implemented GASB 68 in fiscal year 2015. Information prior to 2015 is not available.



**CITY OF GOODYEAR, ARIZONA**  
**Required Supplementary Information**  
**Schedule of Changes in the Net Pension Liability and Related Ratios**  
**June 30, 2019**

PSPRS Fire - Pension	Reporting Fiscal Year (Measurement Date)				
	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
<b>Total pension liability</b>					
Service cost	\$ 2,044,963	\$ 1,819,328	\$ 1,558,056	\$ 1,409,380	\$ 1,405,013
Interest on total pension liability	3,111,423	2,846,014	2,121,084	1,822,450	1,640,015
Changes of benefit terms	-	208,024	4,046,976	-	(18,156)
Difference between expected and actual experience of the total net pension liability	4,118,805	(389,024)	1,915,498	1,030,908	(813,497)
Changes of assumptions	-	222,373	1,632,401	-	619,565
Benefit payments, including refunds of employee contributions	(869,611)	(570,665)	(385,270)	(680,367)	(341,865)
<b>Net change in total pension liability</b>	<b>8,405,580</b>	<b>4,136,050</b>	<b>10,888,745</b>	<b>3,582,371</b>	<b>2,491,075</b>
<b>Total pension liability - beginning</b>	<b>41,458,577</b>	<b>37,322,527</b>	<b>26,433,782</b>	<b>22,851,411</b>	<b>20,360,336</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 49,864,157</b>	<b>\$ 41,458,577</b>	<b>\$ 37,322,527</b>	<b>\$ 26,433,782</b>	<b>\$ 22,851,411</b>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 3,893,514	\$ 1,153,600	\$ 1,173,975	\$ 968,726	\$ 948,481
Contributions - employee	905,341	1,109,821	992,221	848,048	754,465
Net investment income	2,135,563	3,112,669	141,788	791,715	2,374,446
Benefit payments, including refunds of employee contributions	(869,611)	(570,665)	(385,270)	(680,367)	(341,865)
Hall/Parker settlement	(1,424,092)	-	-	-	-
Plan administrative expenses	(33,203)	(27,942)	(20,803)	(19,707)	-
Other (net transfer)	53,121	301	278,213	304,136	(228,831)
<b>Net change in plan fiduciary net position</b>	<b>4,660,633</b>	<b>4,777,784</b>	<b>2,180,124</b>	<b>2,212,551</b>	<b>3,506,696</b>
<b>Plan fiduciary net position - beginning</b>	<b>29,891,179</b>	<b>25,113,395</b>	<b>22,933,271</b>	<b>20,720,720</b>	<b>17,214,024</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 34,551,812</b>	<b>\$ 29,891,179</b>	<b>\$ 25,113,395</b>	<b>\$ 22,933,271</b>	<b>\$ 20,720,720</b>
<b>Net pension liability - ending (a) - (b)</b>	<b>\$ 15,312,345</b>	<b>\$ 11,567,398</b>	<b>\$ 12,209,132</b>	<b>\$ 3,500,511</b>	<b>\$ 2,130,691</b>
Plan fiduciary net position as a percentage of the total pension liability	69.29%	72.10%	67.29%	86.76%	90.68%
Covered payroll	\$ 8,787,982	\$ 8,028,810	\$ 8,217,597	\$ 7,822,842	\$ 7,338,829
Net pension liability as a percentage of covered payroll	174.24%	144.07%	148.57%	44.75%	29.03%

Note: The City implemented GASB 68 in fiscal year 2015. Information prior to 2015 is not available.

**CITY OF GOODYEAR, ARIZONA**  
**Required Supplementary Information**  
**Schedule of Changes in the Net OPEB Liability and Related Ratios**  
**June 30, 2019**

<b>PSPRS Police Health Insurance Premium Benefit</b>	<b>Reporting Fiscal Year</b>	
	<b>(Measurement Date)</b>	
	<b>2019 (2018)</b>	<b>2018 (2017)</b>
<b>Total OPEB liability</b>		
Service cost	\$ 30,980	\$ 27,494
Interest on total OPEB liability	57,711	57,481
Changes of benefit terms	-	3,790
Difference between expected and actual experience of the total net OPEB liability	11,892	4,452
Changes of assumptions or other inputs	-	(66,210)
Benefit payments	(13,196)	(17,372)
<b>Net change in total OPEB liability</b>	<b>87,387</b>	<b>9,635</b>
<b>Total OPEB liability - beginning</b>	<b>770,990</b>	<b>761,355</b>
<b>Total OPEB liability - ending (a)</b>	<b>\$ 858,377</b>	<b>\$ 770,990</b>
<b>Plan fiduciary net position</b>		
Contributions - employer	\$ 17,033	\$ 30,113
Contributions - employee	-	-
Net investment income	58,322	87,559
Benefit payments	(13,196)	(17,372)
Administrative expense	(888)	(774)
Other changes	1	-
<b>Net change in plan fiduciary net position</b>	<b>61,272</b>	<b>99,526</b>
<b>Plan fiduciary net position - beginning</b>	<b>836,535</b>	<b>737,009</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 897,807</b>	<b>\$ 836,535</b>
<b>Net OPEB liability - ending (a) - (b)</b>	<b>\$ (39,430)</b>	<b>\$ (65,545)</b>
Plan fiduciary net position as a percentage of the total OPEB liability	104.59%	108.50%
Covered payroll	\$ 9,388,019	\$ 8,331,614
Net OPEB (asset) liability as a percentage of covered payroll	-0.42%	-0.79%

Note: The City implemented GASB 75 in fiscal year 2018. Information prior to 2018 is not available.

**CITY OF GOODYEAR, ARIZONA**  
**Required Supplementary Information**  
**Schedule of Changes in the Net OPEB Liability and Related Ratios**  
**June 30, 2019**

<b>PSPRS Fire Health Insurance Premium Benefit</b>	<b>Reporting Fiscal Year</b>	
	<b>(Measurement Date)</b>	
	<b>2019</b>	<b>2018</b>
	<b>(2018)</b>	<b>(2017)</b>
<b>Total OPEB liability</b>		
Service cost	\$ 22,849	\$ 20,875
Interest on total OPEB liability	57,087	58,459
Changes of benefit terms	-	375
Difference between expected and actual experience of the total net OPEB liability	2,063	21,035
Changes of assumptions or other inputs	-	(94,084)
Benefit payments	(24,100)	(7,230)
<b>Net change in total OPEB liability</b>	<b>57,899</b>	<b>(570)</b>
<b>Total OPEB liability - beginning</b>	<b>772,067</b>	<b>772,637</b>
<b>Total OPEB liability - ending (a)</b>	<b>\$ 829,966</b>	<b>\$ 772,067</b>
 <b>Plan fiduciary net position</b>		
Contributions - employer	\$ 22,840	\$ 31,049
Contributions - employee	-	-
Net investment income	44,799	66,973
Benefit payments	(24,100)	(7,230)
Administrative expense	(682)	(593)
Other changes	1	-
<b>Net change in plan fiduciary net position</b>	<b>42,858</b>	<b>90,199</b>
<b>Plan fiduciary net position - beginning</b>	<b>648,893</b>	<b>558,694</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 691,751</b>	<b>\$ 648,893</b>
 <b>Net OPEB liability - ending (a) - (b)</b>	<b>\$ 138,215</b>	<b>\$ 123,174</b>
 Plan fiduciary net position as a percentage of the total OPEB liability	83.35%	84.05%
 Covered payroll	\$ 8,787,982	\$ 8,028,810
 Net OPEB (asset) liability as a percentage of covered payroll	1.57%	1.53%

Note: The City implemented GASB 75 in fiscal year 2018. Information prior to 2018 is not available.

**CITY OF GOODYEAR, ARIZONA**  
**Required Supplementary Information**  
**Schedule of Pension/OPEB Contributions**  
**June 30, 2019**

**ASRS - Pension**

	<b>Reporting Fiscal Year</b>				
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Contractually required contribution	\$ 2,993,195	\$ 2,760,437	\$ 2,566,332	\$ 2,452,025	\$ 2,369,823
Contributions in relation to the contractually required contribution	\$ (2,993,195)	\$ (2,760,437)	\$ (2,566,332)	\$ (2,452,025)	\$ (2,369,823)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 23,747,686	\$ 25,325,110	\$ 23,806,419	\$ 22,599,315	\$ 21,761,494
Contributions as a percentage of covered payroll	12.60%	10.90%	10.78%	10.85%	10.89%

**PSPRS Police-Pension**

	<b>Reporting Fiscal Year</b>				
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Actuarially determined contribution	\$ 3,025,459	\$ 3,953,950	\$ 1,633,633	\$ 1,597,875	\$ 1,173,950
Contributions in relation to the actuarially determined contribution	\$ (3,025,459)	\$ (3,953,950)	\$ (1,633,633)	\$ (1,597,875)	\$ (1,173,950)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 9,854,916	\$ 9,388,019	\$ 8,331,614	\$ 7,375,148	\$ 7,012,489
Contributions as a percentage of covered-employee payroll	30.70%	42.12%	19.61%	21.67%	16.74%

**PSPRS Fire-Pension**

	<b>Reporting Fiscal Year</b>				
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Actuarially determined contribution	\$ 2,222,428	\$ 3,893,514	\$ 1,153,600	\$ 1,173,975	\$ 968,726
Contributions in relation to the actuarially determined contribution	(2,222,428)	(3,893,514)	(1,153,600)	(1,173,975)	(968,726)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 8,377,037	\$ 8,787,982	\$ 8,028,810	\$ 8,217,597	\$ 7,822,842
Contributions as a percentage of covered-employee payroll	26.53%	44.30%	14.37%	14.29%	12.38%

Note: The City implemented GASB 68 in fiscal year 2015. Information prior to 2015 is not available.

**CITY OF GOODYEAR, ARIZONA**  
**Required Supplementary Information**  
**Schedule of Pension/OPEB Contributions**  
**June 30, 2019**

<b>ASRS - Health insurance premium benefit</b>	<b>Reporting Fiscal Year</b>	
	<b>2019</b>	<b>2018</b>
Contractually required contribution	\$ 120,826	\$ 143,399
Contributions in relation to the contractually required contribution	(120,826)	(143,399)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 23,747,686	\$ 25,325,110
Contributions as a percentage of covered payroll	0.51%	0.57%
<b>ASRS - Long-term disability</b>	<b>Reporting Fiscal Year</b>	
	<b>2019</b>	<b>2018</b>
Contractually required contribution	\$ 43,937	\$ 40,972
Contributions in relation to the contractually required contribution	(43,937)	(40,972)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 23,747,686	\$ 25,325,110
Contributions as a percentage of covered payroll	0.19%	0.16%

Note: The City implemented GASB 75 in fiscal year 2018. Information prior to 2018 is not available.

**CITY OF GOODYEAR, ARIZONA**  
**Required Supplementary Information**  
**Schedule of Pension/OPEB Contributions**  
**June 30, 2019**

**PSPRS Police**

**Health Insurance Premium Benefit**

	<b>Reporting Fiscal Year</b>		
	<b>2019</b>	<b>2018</b>	<b>2017</b>
Actuarially determined contribution	\$ 32,521	\$ 17,033	\$ 30,113
Contributions in relation to the actuarially determined contribution	\$ (32,521)	\$ (17,033)	\$ (30,113)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 9,854,916	\$ 9,388,019	\$ 8,331,614
Contributions as a percentage of covered payroll	0.33%	0.18%	0.36%

**PSPRS Fire**

**Health Insurance Premium Benefit**

	<b>Reporting Fiscal Year</b>		
	<b>2019</b>	<b>2018</b>	<b>2017</b>
Actuarially determined contribution	\$ 28,482	\$ 22,840	\$ 31,049
Contributions in relation to the actuarially determined contribution	\$ (28,482)	\$ (22,840)	\$ (31,049)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 8,377,037	\$ 8,787,982	\$ 8,028,810
Contributions as a percentage of covered payroll	0.34%	0.26%	0.39%

Note: The City implemented GASB 75 in fiscal year 2018. Information prior to 2017 is not available.

**CITY OF GOODYEAR, ARIZONA**  
**Required Supplementary Information**  
**Notes to Pension/OPEB Plan Schedules**  
**June 30, 2019**

**Note 1. Actuarially Determined Contribution Rates**

Actuarially determined contribution rates for PSPRS are calculated as of June 30 two years prior to the end of the fiscal year in which contributions are made. The actuarial methods and assumptions used to establish the contribution requirements are as follows:

Actuarial cost method	Entry Age Normal
Amortization Method	Level percent-of-pay, closed
Remaining Amortization Period as of the 2017 actuarial valuation	19 years for unfunded liabilities; 20 years for excess
Asset valuation method	7-Year smoothed market; 80%/120% market corridor
Actuarial assumptions:	
Investment rate of return	In the 2017 actuarial valuation, the investment rates of return was decreased from 7.5% to 7.4%. In the 2016 actuarial valuation, the investment rate of return was decreased from 7.85% to 7.5%. In the 2013 actuarial valuation, the investment rate of return was decreased from 8.0% to 7.85%.
Projected salary increases	In the 2017 actuarial valuation, projected salary increases were decreased from 4.0%-8.0% to 3.5%-7.5%. In the 2014 actuarial valuation, projected salary increases were decreased from 4.5%-8.5% to 4.0%-8.0%. In the 2013 actuarial valuation, projected salary increases were decreased from 5.0%-9.0% to 4.5%-8.5%.
Wage growth	In the 2017 actuarial valuation, wage growth was decreased from 4% to 3.5%. In the 2014 actuarial valuation, wage growth was decreased from 4.5% to 4.0%. In the 2013 actuarial valuation, wage growth was decreased from 5.0% to 4.5%
Retirement age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006 - June 30, 2011.
Mortality	In the 2017 actuarial valuation, changed to RP-2014 tables, with 75% of MP-2016 fully generational projection scales. RP-2000 mortality table (adjusted by 105% for both males and females).

**CITY OF GOODYEAR, ARIZONA**  
**Required Supplementary Information**  
**Notes to Pension/OPEB Plan Schedules**  
**June 30, 2019**

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**Note 2.           Factors That Affect Trends**

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Arizona courts have ruled that provisions of a 2011 law that changed the mechanism for funding permanent pension benefit increases and increased employee pension contribution rates were unconstitutional or a breach of contract because those provisions apply to individuals who were members as of the law's effective date. As a result, the PSPRS changed benefit terms to reflect the prior mechanism for funding permanent benefit increases for those members and revised actuarial assumptions to explicitly value future permanent benefit increases. PSPRS also reduced those members' employee contribution rates. These changes are reflected in the plans' pension liabilities for fiscal year 2015 (measurement date 2014) for members who were retired as of the law's effective date and fiscal year 2018 (measurement date 2017) for members who retired or will retire after the law's effective date. These changes also increased the PSPRS required pension contributions beginning in fiscal year 2016 for members who were retired as of the law's effective date. These changes increased the required contributions beginning in fiscal year 2019 for members who retired or will retire after the law's effective date.



**SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULES**  
**MAJOR GOVERNMENTAL FUNDS**

**Capital Projects Funds**

- **GO Bonds Fund** – This fund accounts for the proceeds and interest of the sale of voter-approved general obligation bonds that are used for authorized improvements.

**Debt Service Funds**

- **McDowell Road Commercial Corridor ID Fund** – This fund accounts for the debt portion of the McDowell Road Improvement District.
- **Community Facilities Districts 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.

**CITY OF GOODYEAR, ARIZONA**  
**GO BONDS**  
**Capital Projects Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment income	\$ -	\$ -	\$ 645,824	\$ 645,824
Total revenues	<u>-</u>	<u>-</u>	<u>645,824</u>	<u>645,824</u>
<b>EXPENDITURES</b>				
Capital outlay	<u>43,190,500</u>	<u>32,283,695</u>	<u>5,528,568</u>	<u>26,755,127</u>
Total expenditures	<u>43,190,500</u>	<u>32,283,695</u>	<u>5,528,568</u>	<u>26,755,127</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(43,190,500)</u>	<u>(32,283,695)</u>	<u>(4,882,744)</u>	<u>27,400,951</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Debt proceeds	<u>21,500,000</u>	<u>21,500,000</u>	<u>26,960,000</u>	<u>5,460,000</u>
Total other financing Sources (Uses)	<u>21,500,000</u>	<u>21,500,000</u>	<u>26,960,000</u>	<u>5,460,000</u>
Net change in fund balances	(21,690,500)	(10,783,695)	22,077,256	32,860,951
Fund balance, beginning of year	<u>21,876,083</u>	<u>21,876,083</u>	<u>21,876,083</u>	<u>-</u>
Fund balance, end of year	<u>\$ 185,583</u>	<u>\$ 11,092,388</u>	<u>\$ 43,953,339</u>	<u>\$ 32,860,951</u>

**CITY OF GOODYEAR, ARIZONA**  
**MCDOWELL ROAD COMMERCIAL CORRIDOR ID**  
**Debt Service Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment income	\$ -	\$ -	\$ 59,939	\$ 59,939
Special assessments	3,534,700	3,534,700	7,558,242	4,023,542
Other revenues	-	-	36,686	36,686
Total revenues	<u>3,534,700</u>	<u>3,534,700</u>	<u>7,654,867</u>	<u>4,120,167</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	1,750,000	6,100,000	5,960,000	140,000
Interest and fiscal charges	<u>1,785,700</u>	<u>1,785,700</u>	<u>1,491,718</u>	<u>293,982</u>
Total expenditures	<u>3,535,700</u>	<u>7,885,700</u>	<u>7,451,718</u>	<u>433,982</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,000)</u>	<u>(4,351,000)</u>	<u>203,149</u>	<u>4,554,149</u>
Fund balance, beginning of year	<u>89,396</u>	<u>89,396</u>	<u>89,396</u>	<u>-</u>
Fund balance, end of year	<u>\$ 88,396</u>	<u>\$ (4,261,604)</u>	<u>\$ 292,545</u>	<u>\$ 4,554,149</u>

**CITY OF GOODYEAR, ARIZONA**  
**COMMUNITY FACILITIES DISTRICTS**  
**Debt Service Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 6,398,300	\$ 6,398,300	\$ 6,430,913	\$ 32,613
Investment income	30,800	30,800	79,488	48,688
Special assessments	2,570,100	2,570,100	2,310,134	(259,966)
Contributions	150,000	150,000	195,634	45,634
Total revenues	<u>9,149,200</u>	<u>9,149,200</u>	<u>9,016,169</u>	<u>(133,031)</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	4,706,000	4,706,000	4,020,000	686,000
Interest and fiscal charges	4,431,000	4,431,000	4,302,961	128,039
Total expenditures	<u>9,137,000</u>	<u>9,137,000</u>	<u>8,322,961</u>	<u>814,039</u>
Excess (deficiency) of revenues over (under) expenditures	<u>12,200</u>	<u>12,200</u>	<u>693,208</u>	<u>681,008</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Payments to refunding escrow	(1,077,000)	(1,077,000)	-	1,077,000
Total other financing sources (uses)	<u>(1,077,000)</u>	<u>(1,077,000)</u>	<u>-</u>	<u>1,077,000</u>
Net change in fund balance	(1,064,800)	(1,064,800)	693,208	1,758,008
Fund balance, beginning of year	<u>4,708,809</u>	<u>4,708,809</u>	<u>4,708,809</u>	<u>-</u>
Fund balance, end of year	<u>\$ 3,644,009</u>	<u>\$ 3,644,009</u>	<u>\$ 5,402,017</u>	<u>\$ 1,758,008</u>

**SUPPLEMENTARY INFORMATION**  
**COMBINING STATEMENTS**  
**AND BUDGETARY COMPARISON SCHEDULES**

**NON- MAJOR GOVERNMENTAL FUNDS:**

**Special Revenue Funds**

- **Highway User Revenue Fund (HURF)** – Funded through fuel taxes distributed from the State of Arizona.
- **Community Facilities Districts Fund** – 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 Funds**

- **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.

**Capital Projects Funds**

- **Non-Utility Development Impact Fees Fund** – This fund accounts for the receipt and expenditure of development impact or expansion fees for all governmental activities.

**CITY OF GOODYEAR, ARIZONA**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2019**

	Special Revenue		
	Highway User Revenue	Community Facilities District	Grants
<b>ASSETS</b>			
Cash	\$ 1,983,824	\$ 10,168,983	\$ -
Investments	-	-	102,854
Receivables:			
Taxes	-	30,210	-
Interest	-	-	581
Intergovernmental	497,784	-	52,708
Accounts	-	3,433	-
Inventories	678,548	-	-
Total assets	<u>\$ 3,160,156</u>	<u>\$ 10,202,626</u>	<u>\$ 156,143</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 318,358	\$ 27,909	\$ 1,738
Accrued wages and salaries	56,636	-	-
Accrued interest	-	-	-
Deposits held for others	190,208	-	-
Due to other funds	1,510,635	-	17,644
Unearned revenues	594,665	-	-
Total liabilities	<u>2,670,502</u>	<u>27,909</u>	<u>19,382</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenues - property taxes	-	10,261	-
Unavailable revenue-intergovernmental	-	-	136,512
Total deferred inflows of resources	<u>-</u>	<u>10,261</u>	<u>136,512</u>
<b>FUND BALANCES</b>			
Nonspendable	678,548	-	-
Restricted	-	10,164,456	249
Unassigned	(188,894)	-	-
Total fund balances	<u>489,654</u>	<u>10,164,456</u>	<u>249</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,160,156</u>	<u>\$ 10,202,626</u>	<u>\$ 156,143</u>

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<u>Debt Service</u>	<u>Capital Projects</u> <u>Non-Utility</u> <u>Development</u> <u>Impact Fees</u>	<u>Total</u>
\$ -	\$ 22,483,111	\$ 34,635,918
703,989	7,423,376	8,230,219
81,895	507,036	619,141
4,832	50,379	55,792
-	-	550,492
-	-	3,433
-	-	678,548
<u>\$ 790,716</u>	<u>\$ 30,463,902</u>	<u>\$ 44,773,543</u>
\$ -	\$ 99,318	\$ 447,323
-	-	56,636
529,285	-	529,285
-	730,983	921,191
7,896	-	1,536,175
-	-	594,665
<u>537,181</u>	<u>830,301</u>	<u>4,085,275</u>
34,325	-	44,586
-	-	136,512
<u>34,325</u>	<u>-</u>	<u>181,098</u>
-	-	678,548
219,210	29,633,601	40,017,516
-	-	(188,894)
<u>219,210</u>	<u>29,633,601</u>	<u>40,507,170</u>
<u>\$ 790,716</u>	<u>\$ 30,463,902</u>	<u>\$ 44,773,543</u>

**CITY OF GOODYEAR, ARIZONA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2019**

	Special Revenue		
	Highway User Revenue	Community Facilities Districts	Grants
<b>REVENUES</b>			
Taxes	\$ -	\$ 1,464,076	\$ -
Intergovernmental	5,672,646	-	541,408
Charges for services	44,704	-	-
Investment income	128,703	99,343	18,669
Contributions	-	76,699	-
Other revenues	-	319,260	-
Total revenues	<u>5,846,053</u>	<u>1,959,378</u>	<u>560,077</u>
<b>EXPENDITURES</b>			
Current:			
General government	-	843,114	-
Public safety	-	-	373,685
Public works/streets	7,563,123	-	-
Capital outlay	106,214	-	222,006
Debt service:			
Bond issuance costs	-	307,672	-
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>7,669,337</u>	<u>1,150,786</u>	<u>595,691</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,823,284)</u>	<u>808,592</u>	<u>(35,614)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Debt proceeds	-	6,913,000	-
Transfers in	<u>1,782,030</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses):	<u>1,782,030</u>	<u>6,913,000</u>	<u>-</u>
Net change in fund balances	(41,254)	7,721,592	(35,614)
Fund balances, beginning of year	<u>530,908</u>	<u>2,442,864</u>	<u>35,863</u>
Fund balances, end of year	<u>\$ 489,654</u>	<u>\$ 10,164,456</u>	<u>\$ 249</u>



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<u>Debt Service</u>	<u>Capital Projects</u>	
	<u>Non-Utility Development Impact Fees</u>	<u>Total</u>
\$ 5,138,505	\$ 4,648,063	\$ 11,250,644
-	-	6,214,054
-	6,488,570	6,533,274
48,559	579,951	875,225
-	-	76,699
-	-	319,260
<u>5,187,064</u>	<u>11,716,584</u>	<u>25,269,156</u>
-	-	843,114
-	-	373,685
-	-	7,563,123
-	1,643,618	1,971,838
246,021	-	553,693
4,927,613	-	4,927,613
1,531,018	-	1,531,018
<u>6,704,652</u>	<u>1,643,618</u>	<u>17,764,084</u>
<u>(1,517,588)</u>	<u>10,072,966</u>	<u>7,505,072</u>
958,083	-	7,871,083
-	107,612	1,889,642
<u>958,083</u>	<u>107,612</u>	<u>9,760,725</u>
(559,505)	10,180,578	17,265,797
<u>778,715</u>	<u>19,453,023</u>	<u>23,241,373</u>
<u>\$ 219,210</u>	<u>\$ 29,633,601</u>	<u>\$ 40,507,170</u>

**CITY OF GOODYEAR, ARIZONA**  
**HIGHWAY USER REVENUE**  
**Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Licenses and permits	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
Intergovernmental revenue	5,552,500	5,552,500	5,672,646	120,146
Charges for services	15,000	15,000	44,704	29,704
Investment income	1,500	1,500	128,703	127,203
Total revenues	<u>5,570,000</u>	<u>5,570,000</u>	<u>5,846,053</u>	<u>276,053</u>
<b>EXPENDITURES</b>				
Current:				
Highways and streets	8,129,900	8,156,900	7,563,123	593,777
Capital outlay	<u>719,600</u>	<u>657,400</u>	<u>106,214</u>	<u>551,186</u>
Total expenditures	<u>8,849,500</u>	<u>8,814,300</u>	<u>7,669,337</u>	<u>1,144,963</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,279,500)</u>	<u>(3,244,300)</u>	<u>(1,823,284)</u>	<u>1,421,016</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>3,236,400</u>	<u>3,236,400</u>	<u>1,782,030</u>	<u>(1,454,370)</u>
Total other financing sources (uses)	<u>3,236,400</u>	<u>3,236,400</u>	<u>1,782,030</u>	<u>(1,454,370)</u>
Net change in fund balance	(43,100)	(7,900)	(41,254)	(33,354)
Fund balance, beginning of year	<u>530,908</u>	<u>530,908</u>	<u>530,908</u>	<u>-</u>
Fund balance, end of year	<u>\$ 487,808</u>	<u>\$ 523,008</u>	<u>\$ 489,654</u>	<u>\$ (33,354)</u>

**CITY OF GOODYEAR, ARIZONA**  
**COMMUNITY FACILITIES DISTRICTS**  
**Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>REVENUES</b>				
Taxes	\$ 1,448,000	\$ 1,448,000	\$ 1,464,076	\$ 16,076
Investment income	13,600	13,600	99,343	85,743
Contributions	90,000	90,000	76,699	(13,301)
Other revenues	-	-	319,260	319,260
Total revenues	<u>1,551,600</u>	<u>1,551,600</u>	<u>1,959,378</u>	<u>407,778</u>
<b>EXPENDITURES</b>				
Current:				
General government	1,101,700	1,101,700	843,114	258,586
Debt service				
Bond issuance costs	<u>320,000</u>	<u>320,000</u>	<u>307,672</u>	<u>12,328</u>
Total expenditures	<u>1,421,700</u>	<u>1,421,700</u>	<u>1,150,786</u>	<u>270,914</u>
Excess (deficiency) of revenues over (under) expenditures	<u>129,900</u>	<u>129,900</u>	<u>808,592</u>	<u>678,692</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Debt proceeds	-	-	6,913,000	6,913,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>6,913,000</u>	<u>6,913,000</u>
Net change in fund balance	129,900	129,900	7,721,592	7,591,692
Fund balance, beginning of year	<u>2,442,864</u>	<u>2,442,864</u>	<u>2,442,864</u>	<u>-</u>
Fund balance, end of year	<u>\$ 2,572,764</u>	<u>\$ 2,572,764</u>	<u>\$ 10,164,456</u>	<u>\$ 7,591,692</u>

**CITY OF GOODYEAR, ARIZONA**  
**GRANTS**  
**Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental revenue	\$ 451,100	\$ 451,100	\$ 541,408	\$ 90,308
Investment income	-	-	18,669	18,669
Total revenues	<u>451,100</u>	<u>451,100</u>	<u>560,077</u>	<u>108,977</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	92,100	472,700	373,685	99,015
Highways and streets	-	160,800	-	160,800
Capital outlay	-	225,005	222,006	2,999
Total expenditures	<u>92,100</u>	<u>858,505</u>	<u>595,691</u>	<u>262,814</u>
Net change in fund balance	359,000	(407,405)	(35,614)	371,791
Fund balance, beginning of year	<u>35,863</u>	<u>35,863</u>	<u>35,863</u>	<u>-</u>
Fund balance, end of year	<u>\$ 394,863</u>	<u>\$ (371,542)</u>	<u>\$ 249</u>	<u>\$ 371,791</u>

**CITY OF GOODYEAR, ARIZONA**  
**DEBT SERVICE FUND**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 5,129,000	\$ 5,129,000	\$ 5,138,505	\$ 9,505
Investment income	-	-	48,559	48,559
Total revenues	<u>5,129,000</u>	<u>5,129,000</u>	<u>5,187,064</u>	<u>58,064</u>
<b>EXPENDITURES</b>				
Debt service				
Bond issuance cost	-	260,600	246,021	14,579
Principal	4,323,100	4,927,500	4,927,613	(113)
Interest and fiscal charges	1,448,400	1,533,500	1,531,018	2,482
Total expenditures	<u>5,771,500</u>	<u>6,721,600</u>	<u>6,704,652</u>	<u>16,948</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(642,500)</u>	<u>(1,592,600)</u>	<u>(1,517,588)</u>	<u>75,012</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Debt proceeds	-	-	958,083	958,083
Total other financing sources (uses)	<u>(9,100)</u>	<u>-</u>	<u>958,083</u>	<u>958,083</u>
Net change in fund balance	(651,600)	(1,592,600)	(559,505)	1,033,095
Fund balance, beginning of year	<u>778,715</u>	<u>778,715</u>	<u>778,715</u>	<u>-</u>
Fund balance, end of year	<u>\$ 127,115</u>	<u>\$ (813,885)</u>	<u>\$ 219,210</u>	<u>\$ 1,033,095</u>

**CITY OF GOODYEAR, ARIZONA**  
**NON-UTILITY DEVELOPMENT IMPACT FEES**  
**Capital Projects Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 3,147,400	\$ 3,147,400	\$ 4,648,063	\$ 1,500,663
Charges for services	11,230,400	11,230,400	6,488,570	(4,741,830)
Investment income	-	-	579,951	579,951
Total revenues	<u>14,377,800</u>	<u>14,377,800</u>	<u>11,716,584</u>	<u>(2,661,216)</u>
<b>EXPENDITURES</b>				
Capital outlay	<u>23,967,400</u>	<u>24,113,400</u>	<u>1,643,618</u>	<u>22,469,782</u>
Total expenditures	<u>23,967,400</u>	<u>24,113,400</u>	<u>1,643,618</u>	<u>22,469,782</u>
Excess (deficiency) of revenues over (under) expenditures	(9,589,600)	(9,735,600)	10,072,966	19,808,566
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	<u>107,612</u>	<u>107,612</u>
Total other financing Sources (Uses)	-	-	<u>107,612</u>	<u>107,612</u>
Net change in fund balances	(9,589,600)	(9,735,600)	10,180,578	19,916,178
Fund balance, beginning of year	<u>19,453,023</u>	<u>19,453,023</u>	<u>19,453,023</u>	-
Fund balance, end of year	<u>\$ 9,863,423</u>	<u>\$ 9,717,423</u>	<u>\$ 29,633,601</u>	<u>\$ 19,916,178</u>

**BUDGETARY COMPARISON SCHEDULES  
OTHER FUNDS**

**CITY OF GOODYEAR, ARIZONA**  
**PARK AND RIDE MARQUEE**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2019**

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	<u>Budgeted Amounts</u>		<u>Non-GAAP Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Charges for services	\$ 100,500	\$ 100,500	\$ 101,756	\$ 1,256
Investment income	-	-	22,828	22,828
Total revenues	<u>100,500</u>	<u>100,500</u>	<u>124,584</u>	<u>24,084</u>
Net change in fund balances	100,500	100,500	124,584	24,084
Fund balance, beginning of year	<u>1,064,752</u>	<u>1,064,752</u>	<u>1,064,752</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,165,252</u>	<u>\$ 1,165,252</u>	<u>\$ 1,189,336</u>	<u>\$ 24,084</u>



**CITY OF GOODYEAR, ARIZONA**  
**COURT ENHANCEMENT**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		<u>Non-GAAP Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Fines and forfeits	\$ 42,000	\$ 42,000	\$ 68,613	\$ 26,613
Investment income	-	-	1,768	1,768
Total revenues	<u>42,000</u>	<u>42,000</u>	<u>70,381</u>	<u>28,381</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	<u>46,200</u>	<u>46,200</u>	<u>34,627</u>	<u>11,573</u>
Total expenditures	<u>46,200</u>	<u>46,200</u>	<u>34,627</u>	<u>11,573</u>
Net change in fund balances	(4,200)	(4,200)	35,754	39,954
Fund balance, beginning of year	<u>148,579</u>	<u>148,579</u>	<u>148,579</u>	<u>-</u>
Fund balance, end of year	<u>\$ 144,379</u>	<u>\$ 144,379</u>	<u>\$ 184,333</u>	<u>\$ 39,954</u>

**CITY OF GOODYEAR, ARIZONA**  
**FILL-THE-GAP**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2019**

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	<u>Budgeted Amounts</u>		<u>Non-GAAP Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Fines and forfeits	\$ 7,500	\$ 7,500	\$ 6,052	\$ (1,448)
Investment income	-	-	1,007	1,007
Total revenues	<u>7,500</u>	<u>7,500</u>	<u>7,059</u>	<u>(441)</u>
Net change in fund balances	7,500	7,500	7,059	(441)
Fund balance, beginning of year	<u>102,932</u>	<u>102,932</u>	<u>102,932</u>	<u>-</u>
Fund balance, end of year	<u>\$ 110,432</u>	<u>\$ 110,432</u>	<u>\$ 109,991</u>	<u>\$ (441)</u>

**CITY OF GOODYEAR, ARIZONA**  
**JCEF**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2019**

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	<u>Budgeted Amounts</u>		<u>Non-GAAP Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Fines and forfeits	\$ 13,000	\$ 13,000	\$ 16,667	\$ 3,667
Investment income	-	-	3,209	3,209
Total revenues	<u>13,000</u>	<u>13,000</u>	<u>19,876</u>	<u>6,876</u>
Net change in fund balances	13,000	13,000	19,876	6,876
Fund balance, beginning of year	<u>90,386</u>	<u>90,386</u>	<u>90,386</u>	<u>-</u>
Fund balance, end of year	<u>\$ 103,386</u>	<u>\$ 103,386</u>	<u>\$ 110,262</u>	<u>\$ 6,876</u>

**CITY OF GOODYEAR, ARIZONA**  
**IMPOUND**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		<u>Non-GAAP Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Charges for services	\$ 140,000	\$ 140,000	\$ 128,850	\$ (11,150)
Investment income	-	-	6,344	6,344
Total revenues	<u>140,000</u>	<u>140,000</u>	<u>135,194</u>	<u>(4,806)</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	143	(143)
Public safety	194,700	194,700	108,922	85,778
Capital outlay	-	-	20,091	(20,091)
Total expenditures	<u>194,700</u>	<u>194,700</u>	<u>129,156</u>	<u>65,544</u>
Net change in fund balances	(54,700)	(54,700)	6,038	60,738
Fund balance, beginning of year	<u>302,796</u>	<u>302,796</u>	<u>302,796</u>	<u>-</u>
Fund balance, end of year	<u>\$ 248,096</u>	<u>\$ 248,096</u>	<u>\$ 308,834</u>	<u>\$ 60,738</u>

**CITY OF GOODYEAR, ARIZONA**  
**OFFICER SAFETY EQUIPMENT**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2019**

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	<u>Budgeted Amounts</u>		<u>Non-GAAP Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Fines and forfeits	\$ 13,000	\$ 13,000	\$ 25,087	\$ 12,087
Total revenues	<u>13,000</u>	<u>13,000</u>	<u>25,087</u>	<u>12,087</u>
Net change in fund balances	13,000	13,000	25,087	12,087
Fund balance, beginning of year	<u>26,936</u>	<u>26,936</u>	<u>26,936</u>	<u>-</u>
Fund balance, end of year	<u>\$ 39,936</u>	<u>\$ 39,936</u>	<u>\$ 52,023</u>	<u>\$ 12,087</u>

**CITY OF GOODYEAR, ARIZONA**  
**WATER AND WASTEWATER**  
**Enterprise Fund**  
**Schedule of Operations**  
**Budget and Actual**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Original		
<b>Operating Revenues</b>				
Charges for services	\$ 68,339,600	\$ 68,339,600	\$ 42,620,408	\$ (25,719,192)
Other revenues	16,500	16,500	38,177	21,677
Total operating revenues	<u>68,356,100</u>	<u>68,356,100</u>	<u>42,658,585</u>	<u>(25,697,515)</u>
<b>Operating Expenses</b>				
Salaries, wages and benefits	5,618,100	5,618,100	5,009,783	608,317
Cost of sales and services	176,387,800	175,333,300	14,574,791	160,758,509
Depreciation	-	-	8,030,481	(8,030,481)
Total operating expenses	<u>182,005,900</u>	<u>180,951,400</u>	<u>27,615,055</u>	<u>153,336,345</u>
Operating income (loss)	<u>(113,649,800)</u>	<u>(112,595,300)</u>	<u>15,043,530</u>	<u>127,638,830</u>
<b>Non-operating Revenues (Expenses)</b>				
Grant revenue	110,800	110,800	-	(110,800)
Investment income	143,600	143,600	1,510,892	1,367,292
Interest and debt cost	(13,306,700)	(18,571,100)	(3,878,125)	14,692,975
Gain (loss) on sale of assets	12,500	12,500	40,902	28,402
Total non-operating revenue (expense)	<u>(13,039,800)</u>	<u>(18,304,200)</u>	<u>(2,326,331)</u>	<u>15,977,869</u>
Income (loss) before contributions and transfers	(126,689,600)	(130,899,500)	12,717,199	143,616,699
Capital contributions	46,878,500	46,878,500	12,962,807	(33,915,693)
Debt proceeds	63,126,600	63,126,600	-	(63,126,600)
Transfers out	(5,056,600)	(5,056,600)	(5,056,487)	113
Transfers in	-	-	2,256,487	2,256,487
Change in net position	(21,741,100)	(25,951,000)	22,880,006	48,831,006
Total net position, beginning of year	<u>233,418,297</u>	<u>233,418,297</u>	<u>233,418,297</u>	<u>-</u>
Total net position, end of year	<u>\$ 211,677,197</u>	<u>\$ 207,467,297</u>	<u>\$ 256,298,303</u>	<u>\$ 48,831,006</u>

**CITY OF GOODYEAR, ARIZONA**  
**SANITATION**  
**Enterprise Fund**  
**Schedule of Operations**  
**Budget and Actual**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Original		
<b>Operating Revenues</b>				
Charges for services	\$ 8,088,400	\$ 8,088,400	\$ 8,038,655	\$ (49,745)
Other revenues	7,500	7,500	19,806	12,306
Total operating revenues	<u>8,095,900</u>	<u>8,095,900</u>	<u>8,058,461</u>	<u>(37,439)</u>
<b>Operating Expenses</b>				
Salaries, wages and benefits	884,600	932,200	754,359	177,841
Cost of sales and services	6,496,400	6,590,600	5,766,256	824,344
Depreciation	-	-	160,519	(160,519)
Total operating expenses	<u>7,381,000</u>	<u>7,522,800</u>	<u>6,681,134</u>	<u>841,666</u>
Operating income (loss)	<u>714,900</u>	<u>573,100</u>	<u>1,377,327</u>	<u>804,227</u>
<b>Non-operating Revenues (Expenses)</b>				
Investment income	<u>8,000</u>	<u>8,000</u>	<u>84,985</u>	<u>76,985</u>
Total non-operating revenue (expense)	<u>8,000</u>	<u>8,000</u>	<u>84,985</u>	<u>76,985</u>
Income (loss) before contributions and transfers	722,900	581,100	1,462,312	881,212
Transfers out	<u>(900,000)</u>	<u>(900,000)</u>	<u>(900,000)</u>	<u>-</u>
Change in net position	(177,100)	(318,900)	562,312	881,212
Total net position, beginning of year	<u>3,449,941</u>	<u>3,449,941</u>	<u>3,449,941</u>	<u>-</u>
Total net position, end of year	<u>\$ 3,272,841</u>	<u>\$ 3,131,041</u>	<u>\$ 4,012,253</u>	<u>\$ 881,212</u>





## **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, 2019**

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	GAIN	Fill-A-Need	Shop with a Cop	Arizona in Action	Totals
<b><u>Assets</u></b>					
Cash and cash equivalents	\$ 8,679	\$ 13,536	\$ 28,160	\$ 3,230	\$ 53,605
<b>Total assets</b>	<b>\$ 8,679</b>	<b>\$ 13,536</b>	<b>\$ 28,160</b>	<b>\$ 3,230</b>	<b>\$ 53,605</b>
<b><u>Liabilities</u></b>					
Deposits held for others	\$ 8,679	\$ 13,536	\$ 28,160	\$ 3,230	\$ 53,605
<b>Total liabilities</b>	<b>\$ 8,679</b>	<b>\$ 13,536</b>	<b>\$ 28,160</b>	<b>\$ 3,230</b>	<b>\$ 53,605</b>

**CITY OF GOODYEAR, ARIZONA**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the Year Ended June 30, 2019**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<b><u>GAIN</u></b>				
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 8,679	\$ -	\$ -	\$ 8,679
<b><u>Liabilities</u></b>				
Deposits held for others	\$ 8,679	\$ -	\$ -	\$ 8,679
<b><u>FILL-A-NEED</u></b>				
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 2,901	\$ 12,293	\$ 1,658	\$ 13,536
<b><u>Liabilities</u></b>				
Deposits held for others	\$ 2,901	\$ 12,293	\$ 1,658	\$ 13,536
<b><u>SHOP WITH A COP</u></b>				
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 22,798	\$ 10,610	\$ 5,248	\$ 28,160
<b><u>Liabilities</u></b>				
Deposits held for others	\$ 22,798	\$ 10,610	\$ 5,248	\$ 28,160
<b><u>ARIZONA IN ACTION</u></b>				
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 3,230	\$ -	\$ -	\$ 3,230
<b><u>Liabilities</u></b>				
Deposits held for others	\$ 3,230	\$ -	\$ -	\$ 3,230
<b><u>TOTAL AGENCY FUNDS</u></b>				
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 37,608	\$ 22,903	\$ 6,906	\$ 53,605
<b><u>Liabilities</u></b>				
Deposits held for others	\$ 37,608	\$ 22,903	\$ 6,906	\$ 53,605



## STATISTICAL SECTION

The statistical section presents financial statement trends as well as detailed financial and operational information not available elsewhere in the report. The statistical section is intended to enhance the reader's understanding of the information presented in the financial statements, notes to the financial statements, and other supplementary information presented in this report. The statistical section is comprised of the five categories of statistical information below.

### **Financial Trends**

These schedules contain trend information to help the reader understand how the City's financial position and financial activities have changed over time.

### **Revenue Capacity**

These schedules contain information to help the reader assess the factors affecting the City's ability to generate revenue.

### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the government's ability to issue additional debt in the future.

### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

### **Operating Information**

These schedules contain information about the City's operations and various resources to help the reader understand how the information in the City's financial report relates to the services the government provides and the activities it performs.

**Note:** For locally assessed property (i.e., excluding mines, utilities, etc.) Proposition 117, approved by voters in 2012, amended the Arizona Constitution to require that all property taxes after fiscal year 2014-15 be based upon property values limited to five percent in annual growth. The aggregate assessed value of all taxable properties within a taxing jurisdiction (i.e., after applying assessment ratios based on the use of a property), including property values with a growth limit, is currently referred to as net limited assessed value and formerly as primary assessed value. In accordance with Proposition 117, this value is used for all taxing purposes beginning fiscal year 2015-16. Aggregate assessed value without a growth limit is currently referred to as net full cash assessed value and formerly as secondary assessed value. This remains the value utilized for determining debt capacity limits.

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

	Fiscal Year				
	2010	2011	2012*	2013	2014**
<b>Governmental Activities</b>					
Net investment in capital assets	\$ 317,162,459	\$ 327,503,686	\$ 329,064,345	\$ 333,034,884	\$ 345,513,895
Restricted	115,881,050	110,105,296	108,246,415	99,128,020	85,246,465
Unrestricted	<u>19,272,548</u>	<u>18,249,626</u>	<u>20,147,669</u>	<u>35,820,702</u>	<u>9,672,461</u>
Total Governmental Activities Net Position	<u>452,316,057</u>	<u>455,858,608</u>	<u>457,458,429</u>	<u>467,983,606</u>	<u>440,432,821</u>
<b>Business-type Activities</b>					
Net investment in capital assets	191,582,614	179,254,929	178,432,900	178,456,590	177,274,142
Restricted	-	3,567,237	3,799,026	3,196,131	5,640,492
Unrestricted	<u>4,365,725</u>	<u>9,263,439</u>	<u>11,229,680</u>	<u>16,616,254</u>	<u>9,860,573</u>
Total Business-type Activities Net Position	<u>195,948,339</u>	<u>192,085,605</u>	<u>193,461,606</u>	<u>198,268,975</u>	<u>192,775,207</u>
<b>Primary Government</b>					
Net investment in capital assets	508,745,073	506,758,615	507,497,245	511,491,474	522,788,037
Restricted	115,881,050	113,672,533	112,045,441	102,324,151	90,886,957
Unrestricted	<u>23,638,273</u>	<u>27,513,065</u>	<u>31,377,349</u>	<u>52,436,956</u>	<u>9,112,875</u>
Total Primary Government Net Position	<u>\$ 648,264,396</u>	<u>\$ 647,944,213</u>	<u>\$ 650,920,035</u>	<u>\$ 666,252,581</u>	<u>\$ 622,787,869</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				
2015	2016	2017	2018	2019
\$ 365,019,949	\$ 361,739,970	\$ 379,899,821	\$ 381,473,262	\$ 342,610,234
92,247,738	92,276,066	90,497,505	87,435,376	149,077,511
<u>5,722,007</u>	<u>19,147,997</u>	<u>16,944,442</u>	<u>29,981,817</u>	<u>43,643,472</u>
<u>462,989,694</u>	<u>473,164,033</u>	<u>487,341,768</u>	<u>498,890,455</u>	<u>535,331,217</u>
176,380,867	180,640,162	181,242,982	199,032,946	227,004,152
7,607,902	18,131,719	21,072,234	13,468,708	6,346,204
<u>14,190,297</u>	<u>7,380,491</u>	<u>15,974,822</u>	<u>24,366,584</u>	<u>26,960,200</u>
<u>198,179,066</u>	<u>206,152,372</u>	<u>218,290,038</u>	<u>236,868,238</u>	<u>260,310,556</u>
541,400,816	542,380,132	561,142,803	580,506,208	569,614,386
99,855,640	110,407,785	111,569,739	100,904,084	155,423,715
<u>19,912,304</u>	<u>26,528,488</u>	<u>32,919,264</u>	<u>54,348,401</u>	<u>70,603,672</u>
<u>\$ 661,168,760</u>	<u>\$ 679,316,405</u>	<u>\$ 705,631,806</u>	<u>\$ 735,758,693</u>	<u>\$ 795,641,773</u>

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

	2010	2011	2012	2013	2014
Expenses***					
Governmental Activities:					
General government	\$ 15,810,359	\$ 17,207,556	\$ 18,353,630	\$ 17,652,646	\$ 18,216,169
Public safety	27,463,658	28,032,217	25,423,233	27,987,404	30,710,193
Community services**	454,550	-	-	-	-
Highways and streets	12,179,531	14,798,670	13,179,678	14,355,644	19,368,539
Public works	11,070,853	3,658,756	4,168,252	3,090,345	2,773,348
Culture and recreation	4,023,639	4,439,181	4,962,070	5,539,612	5,827,309
Development services	2,555,353	5,150,677	6,225,917	7,194,428	5,836,254
Interest on long-term debt	11,210,504	10,710,302	10,441,684	10,411,562	9,282,269
Total Governmental Activities Expenses	<u>\$ 84,768,447</u>	<u>\$ 83,997,359</u>	<u>\$ 82,754,464</u>	<u>\$ 86,231,641</u>	<u>\$ 92,014,081</u>
Business-type Activities					
Water and wastewater	\$ 18,124,893	\$ 20,733,932	\$ 20,654,800	\$ 21,912,587	\$ 23,511,395
Sanitation	4,782,565	4,815,314	5,154,201	5,246,666	5,472,534
Stadium*	11,547,500	11,958,862	11,634,491	12,204,354	12,529,987
Total Business-type Activities Expenses	<u>\$ 34,454,958</u>	<u>\$ 37,508,108</u>	<u>\$ 37,443,492</u>	<u>\$ 39,363,607</u>	<u>\$ 41,513,916</u>
Total Primary Government Expenses	<u>\$ 119,223,405</u>	<u>\$ 121,505,467</u>	<u>\$ 120,197,956</u>	<u>\$ 125,595,248</u>	<u>\$ 133,527,997</u>

Notes:

- \* Stadium Fund did not have operating activity until 2008, and was reclassified to governmental activities in 2017
- \*\* 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

2015	2016	2017	2018	2019
\$ 19,624,056	\$ 19,824,313	\$ 20,151,975	\$ 23,781,937	\$ 23,478,993
31,834,683	34,823,588	47,535,184	45,439,446	52,241,594
-	-	-	-	-
17,941,162	20,753,487	19,181,162	26,460,464	21,330,274
3,361,822	7,920,958	3,569,658	4,232,567	7,972,935
6,422,764	6,880,654	15,363,752	19,080,188	19,083,232
7,005,308	7,981,904	7,316,935	6,591,111	8,380,985
8,763,353	8,479,284	12,131,284	11,582,014	8,797,275
<u>\$ 94,953,148</u>	<u>\$ 106,664,188</u>	<u>\$ 125,249,950</u>	<u>\$ 137,167,727</u>	<u>\$ 141,285,288</u>
\$ 25,489,522	\$ 27,647,487	\$ 30,139,626	\$ 26,853,794	\$ 31,493,180
5,802,163	6,444,459	5,868,228	6,206,843	6,681,134
12,407,494	12,647,134	-	-	-
<u>\$ 43,699,179</u>	<u>\$ 46,739,080</u>	<u>\$ 36,007,854</u>	<u>\$ 33,060,637</u>	<u>\$ 38,174,314</u>
<u>\$ 138,652,327</u>	<u>\$ 153,403,268</u>	<u>\$ 161,257,804</u>	<u>\$ 170,228,364</u>	<u>\$ 179,459,602</u>

continued

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

	Fiscal Year				
	2010	2011	2012	2013	2014
Program Revenue*					
Governmental Activities:					
Charges for Services:					
General government	\$ 1,715,692	\$ 1,977,735	\$ 1,691,455	\$ 2,884,854	\$ 2,603,723
Public safety	657,270	628,671	807,498	1,176,336	714,614
Highway and streets	-	-	-	-	-
Public works	-	-	-	-	-
Culture and recreation	287,805	325,552	322,215	304,128	433,384
Developmental services	3,615,255	3,879,823	4,163,050	6,206,750	6,899,047
Operating Grants and Contributions	5,648,867	5,818,158	7,636,691	4,654,268	7,565,511
Capital Grants and Contributions	16,436,375	13,951,581	9,701,254	11,358,824	6,171,185
Total Governmental Activities Program Revenues	<u>\$ 28,361,264</u>	<u>\$ 26,581,520</u>	<u>\$ 24,322,163</u>	<u>\$ 26,585,160</u>	<u>\$ 24,387,464</u>
Business-type Activities					
Charges for Services:					
Water and wastewater	\$ 16,258,079	\$ 17,634,821	\$ 20,105,006	\$ 22,667,401	\$ 24,767,428
Sanitation	5,790,357	5,774,010	6,115,977	6,368,920	6,641,318
Stadium*	1,530,799	1,564,324	1,633,230	1,741,609	2,182,278
Operating Grants and Contributions	-	-	-	-	-
Capital Grants and Contributions	6,211,533	4,570,849	9,252,599	7,987,680	5,962,050
Total Business-type Activities Revenues	<u>29,790,768</u>	<u>29,544,004</u>	<u>37,106,812</u>	<u>38,765,610</u>	<u>39,553,074</u>
Total Primary Government Revenues	<u>\$ 58,152,032</u>	<u>\$ 56,125,524</u>	<u>\$ 61,428,975</u>	<u>\$ 65,350,770</u>	<u>\$ 63,940,538</u>
Net (Expense)/Revenue					
Governmental Activities	\$ (56,407,183)	\$ (57,415,839)	\$ (58,432,301)	\$ (59,646,481)	\$ (67,626,617)
Business-type Activities	\$ (4,664,190)	(7,964,104)	(336,680)	(597,997)	(1,960,842)
Total Primary Government Net Revenues	<u>\$ (61,071,373)</u>	<u>\$ (65,379,943)</u>	<u>\$ (58,768,981)</u>	<u>\$ (60,244,478)</u>	<u>\$ (69,587,459)</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				
2015	2016	2017	2018	2019
\$ 2,766,974	\$ 2,398,256	\$ 2,368,056	\$ 2,592,414	\$ 4,965,435
1,624,427	1,713,627	1,313,160	1,373,556	6,987,626
-	-	-	81,727	382,531
-	-	-	-	405,393
416,607	386,041	3,135,416	2,984,530	4,008,274
5,353,778	7,043,227	9,079,431	10,416,143	12,993,399
10,777,134	9,518,206	10,546,333	16,164,698	9,809,818
8,252,449	12,134,476	12,246,216	7,442,815	21,231,123
<u>\$ 29,191,369</u>	<u>\$ 33,193,833</u>	<u>\$ 38,688,612</u>	<u>\$ 41,055,883</u>	<u>\$ 60,783,599</u>
\$ 24,650,687	\$ 27,724,410	\$ 31,358,803	\$ 35,203,483	\$ 42,658,585
6,922,425	7,125,427	7,577,840	7,812,267	8,058,461
2,237,359	2,234,046	-	-	-
-	110,837	110,718	-	-
<u>14,454,883</u>	<u>11,692,490</u>	<u>13,317,172</u>	<u>12,237,823</u>	<u>12,962,807</u>
<u>48,265,354</u>	<u>48,887,210</u>	<u>52,364,533</u>	<u>55,253,573</u>	<u>63,679,853</u>
<u>\$ 77,456,723</u>	<u>\$ 82,081,043</u>	<u>\$ 91,053,145</u>	<u>\$ 96,309,456</u>	<u>\$ 124,463,452</u>
\$ (65,761,779)	\$ (73,470,355)	\$ (86,561,338)	\$ (96,111,844)	\$ (80,501,689)
4,566,175	2,148,130	16,356,679	22,192,936	25,505,539
<u>\$ (61,195,604)</u>	<u>\$ (71,322,225)</u>	<u>\$ (70,204,659)</u>	<u>\$ (73,918,908)</u>	<u>\$ (54,996,150)</u>

continued

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

	Fiscal Year				
	2010	2011	2012	2013	2014
Revenues and Other Changes in Net Position					
Governmental Activities:					
Taxes	\$ 55,623,884	\$ 53,595,119	\$ 55,301,512	\$ 58,957,595	\$ 63,495,983
Intergovernmental	10,907,518	9,699,146	12,704,826	14,194,960	15,285,440
Investment income	179,114	227,446	319,017	439,982	414,689
Special assessments*	-	-	-	-	2,189,906
Miscellaneous	2,026,285	827,619	493,244	1,455,665	1,183,618
Transfers	(7,815,285)	(3,390,940)	(3,892,665)	(4,876,544)	(5,138,252)
Special item - Loss on debt extinguishment	-	-	-	-	-
Total Governmental Activities	<u>\$ 60,921,516</u>	<u>\$ 60,958,390</u>	<u>\$ 64,925,934</u>	<u>\$ 70,171,658</u>	<u>\$ 77,431,384</u>
Business-type Activities					
Investment income	\$ 57,527	\$ 71,819	\$ 92,945	\$ 95,839	\$ 136,531
Proceeds from the sale of water rights	4,352,000	-	-	-	-
Miscellaneous	100,698	638,611	117,103	432,983	222,911
Transfers	7,815,285	3,390,940	3,892,665	4,876,544	5,138,252
Total Business-type Activities	<u>\$ 12,325,510</u>	<u>\$ 4,101,370</u>	<u>\$ 4,102,713</u>	<u>\$ 5,405,366</u>	<u>\$ 5,497,694</u>
Total Primary Government	<u>\$ 73,247,026</u>	<u>\$ 65,059,760</u>	<u>\$ 69,028,647</u>	<u>\$ 75,577,024</u>	<u>\$ 82,929,078</u>
Changes in Net Position					
Governmental Activities	\$ 4,514,333	\$ 3,542,551	\$ 6,493,633	\$ 10,525,177	\$ 9,804,767
Business-type Activities	7,661,320	(3,862,734)	3,766,033	4,807,369	3,536,852
Total Primary Government	<u>\$ 12,175,653</u>	<u>\$ (320,183)</u>	<u>\$ 10,259,666</u>	<u>\$ 15,332,546</u>	<u>\$ 13,341,619</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				
2015	2016	2017	2018	2019
\$ 66,223,459	\$ 71,256,446	\$ 74,899,373	\$ 82,662,446	\$ 90,314,174
16,361,588	16,848,837	20,019,457	19,967,694	21,244,412
361,146	710,040	560,547	1,196,857	4,661,685
4,980,000	-	-	-	-
975,258	393,977	886,502	341,814	934,949
(582,797)	(5,564,606)	2,800,000	3,700,000	3,700,000
-	-	-	(36,893)	-
<u>\$ 88,318,654</u>	<u>\$ 83,644,694</u>	<u>\$ 99,165,879</u>	<u>\$ 107,868,811</u>	<u>\$ 120,855,220</u>
\$ 151,405	\$ 237,615	\$ 123,100	\$ 47,246	\$ 1,595,877
-	-	-	-	-
103,482	22,955	31,081	37,024	40,902
582,797	5,564,606	(2,800,000)	(3,700,000)	(3,700,000)
<u>\$ 837,684</u>	<u>\$ 5,825,176</u>	<u>\$ (2,645,819)</u>	<u>\$ (3,615,730)</u>	<u>\$ (2,063,221)</u>
<u>\$ 89,156,338</u>	<u>\$ 89,469,870</u>	<u>\$ 96,520,060</u>	<u>\$ 104,253,081</u>	<u>\$ 118,791,999</u>
\$ 22,556,875	\$ 10,174,339	\$ 12,604,541	\$ 11,756,967	\$ 40,353,531
5,403,859	7,973,306	13,710,860	18,577,206	23,442,318
<u>\$ 27,960,734</u>	<u>\$ 18,147,645</u>	<u>\$ 26,315,401</u>	<u>\$ 30,334,173</u>	<u>\$ 63,795,849</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	
2010	\$21,908,223	\$ 31,448,398	\$ 2,233,908	\$ 4,940,934	\$ 5,966,584	\$ 2,626,096
2011	18,862,731	32,729,749	2,316,821	5,201,106	4,498,039	2,752,001
2012	16,572,825	36,364,557	2,460,521	7,195,568	5,509,258	3,269,285
2013	16,218,397	40,222,752	2,529,456	7,527,259	6,667,701	3,575,158
2014	17,109,458	43,775,464	2,611,061	8,009,713	7,275,727	3,681,156
2015	18,171,606	45,333,649	2,718,204	8,459,645	7,901,942	4,041,402
2016	19,114,087	49,309,600	2,832,759	8,988,686	7,859,101	4,264,827
2017	19,875,628	52,085,570	2,941,175	10,324,010	9,665,448	5,066,574
2018	20,649,103	58,831,503	3,181,840	10,354,186	9,613,508	5,042,068
2019	22,099,698	64,940,363	3,274,113	11,573,618	9,670,794	5,463,045

Source: City Financial Records and Reports

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

	Fiscal Year				
	2010	2011	2012	2013	2014
City Privilege (Sales) Tax	\$ 31,448,398	\$ 32,729,749	\$ 36,364,557	\$ 40,222,752	\$ 43,775,464
State-Shared Sales Tax	3,391,361	3,661,678	5,100,608	5,342,879	5,681,717
State-Shared Income Tax	5,966,584	4,498,039	5,509,258	6,667,701	7,275,727
State-Share Vehicle License Tax	1,549,573	1,539,429	2,094,960	2,184,380	2,327,996
Fines and Forfeitures	846,143	849,060	825,971	809,334	884,735
Franchise Taxes	2,233,909	2,316,820	2,460,521	2,529,456	2,611,016
<b>Total</b>	<b><u>\$ 45,435,968</u></b>	<b><u>\$ 45,594,775</u></b>	<b><u>\$ 52,355,875</u></b>	<b><u>\$ 57,756,502</u></b>	<b><u>\$ 62,556,655</u></b>

Source: City Financial Records and Reports



Table 4

Fiscal Year				
2015	2016	2017	2018	2019
\$ 45,333,649	\$ 49,309,600	\$ 52,085,570	\$ 58,831,503	\$ 64,940,363
5,965,400	6,258,721	7,217,395	7,151,224	8,121,305
7,901,942	7,859,101	9,665,448	9,613,508	9,670,794
2,494,245	2,729,966	3,106,615	3,202,962	3,452,313
860,313	839,108	925,314	1,044,317	1,044,516
2,718,204	2,832,759	2,941,175	3,181,840	3,274,113
<u>\$ 65,273,754</u>	<u>\$ 69,829,255</u>	<u>\$ 75,941,517</u>	<u>\$ 83,025,354</u>	<u>\$ 90,503,404</u>

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

	Fiscal Year				
	2010	2011	2012	2013	2014
Mining & Government	\$ 15,141	\$ 5,234	\$ 9,534	\$ 970	\$ 4,024
Construction	5,365,079	3,251,977	4,755,592	7,027,296	7,988,471
Manufacturing	535,972	642,255	701,876	759,858	931,362
Utilities	3,085,682	3,275,325	3,469,559	3,656,309	3,819,536
Wholesale Trade	540,630	598,098	924,842	977,475	1,072,608
Retail Trade	11,569,427	12,950,291	13,576,350	14,265,735	15,787,043
Restaurant & Bar	4,161,539	4,415,910	4,763,951	5,079,528	5,450,424
Real Estate	2,692,806	3,510,263	3,480,031	4,405,695	4,467,373
Hotels	820,902	764,996	873,241	885,571	849,052
Services	1,388,178	1,771,527	1,640,296	1,700,258	1,764,488
Miscellaneous	640,388	1,055,398	1,414,929	873,005	968,896
<b>Total*</b>	<b><u>\$30,815,744</u></b>	<b><u>\$32,241,274</u></b>	<b><u>\$35,610,202</u></b>	<b><u>\$39,631,700</u></b>	<b><u>\$43,103,277</u></b>

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				
2015	2016	2017	2018	2019
\$ 7,159	\$ 6,534	\$ 1,411	\$ 2,064	\$ 4,740
5,559,142	7,545,663	7,276,208	9,248,956	13,142,689
1,318,999	1,410,894	1,430,501	1,195,577	1,806,767
4,051,837	4,077,652	4,088,382	4,143,475	4,257,678
1,130,527	1,032,679	1,071,275	1,432,261	1,671,721
16,348,224	17,279,498	18,204,620	19,381,848	21,332,016
6,343,415	7,032,111	7,551,936	8,567,822	8,765,915
5,480,481	5,575,550	6,043,628	6,485,025	7,313,314
1,067,357	1,096,710	1,054,997	1,142,972	1,154,739
2,424,312	2,833,590	2,900,952	3,209,135	3,820,523
1,032,464	839,592	1,256,834	1,804,279	1,936,161
<u>\$44,763,917</u>	<u>\$48,730,473</u>	<u>\$50,880,744</u>	<u>\$56,613,413</u>	<u>\$65,206,263</u>

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

	Fiscal Year				
	2010	2011 *	2012	2013	2014
<b>General Fund</b>					
Reserved	\$ 17,812,619	\$ -	\$ -	\$ -	\$ -
Unreserved	10,742,777	-	-	-	-
Nonspendable:					
Advances to other funds	-	961,840	961,840	961,840	961,840
Inventories	-	3,627	16,258	8,916	25,261
Prepaid items	-	422,681	500,911	486,842	504,865
Restricted by:					
Charter mandates	-	3,209,321	3,377,572	3,528,982	3,676,547
Court	-	198,457	261,229	234,813	221,290
Law enforcement	-	129,231	125,812	208,085	274,392
Transit	-	-	-	543,022	644,135
Assigned to:					
IT replacement	-	407,961	437,873	170,684	1,484,148
Fleet replacement	-	383,225	1,730,168	3,032,429	1,502,483
Risk management	-	558,310	811,244	357,741	792,947
Parks management	-	-	-	-	-
Police asset reserve	-	-	-	-	-
Fire asset reserve	-	-	-	-	-
Traffic signal reserve	-	-	-	-	-
General Fund FY2020 Budget	-	-	-	-	-
Unassigned	-	21,481,088	23,074,844	33,325,255	43,707,677
<b>Total General Fund</b>	<u>\$ 28,555,396</u>	<u>\$ 27,755,741</u>	<u>\$ 31,297,751</u>	<u>\$ 42,858,609</u>	<u>\$ 53,795,585</u>
<b>All Other Governmental Funds</b>					
Reserved, Reported in:					
Debt Service Funds	\$ 14,891,228	\$ -	\$ -	\$ -	\$ -
Capital Projects Funds	1,393,549	-	-	-	-
Community Facilities District	47,213	-	-	-	-
Unreserved, Reported in:					
Special revenue funds	20,452,179	-	-	-	-
Capital projects funds	-	-	-	-	-
Nonspendable:					
Inventories	-	289,782	412,916	595,675	650,344
Prepaid items	-	46,238	45,225	36,182	-
Restricted by:					
Debt service	-	15,113,512	15,663,838	15,482,259	14,848,703
Development impact fees	-	21,992,019	21,720,718	16,241,644	7,892,792
Highway user funds	-	285,914	400,610	493,395	47,570
Transit	-	-	-	-	-
Capital projects	-	-	-	1,695,700	274,106
Community facilities districts operations	-	536,230	538,410	711,980	803,837
Committed	-	-	-	-	-
Unassigned	-	(2,336,765)	(9,854)	(26,073)	(73,354)
<b>Total All Other Governmental Funds</b>	<u>\$ 36,784,169</u>	<u>\$ 35,926,930</u>	<u>\$ 38,771,863</u>	<u>\$ 35,230,762</u>	<u>\$ 24,443,998</u>

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				
2015	2016	2017	2018	2019
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
961,840	961,840	1,251,242	1,045,531	-
21,656	-	-	-	311,940
573,473	667,798	683,056	758,946	1,402,473
3,841,444	4,009,183	4,186,816	4,377,576	4,582,213
240,631	178,351	200,753	238,965	294,594
309,112	427,243	384,144	432,662	470,847
745,210	847,446	952,239	1,064,752	1,189,336
108,301	498,851	1,829,656	1,956,201	1,988,219
2,508,319	3,196,101	1,251,242	4,504,416	3,910,722
1,088,234	1,077,452	933,704	888,212	805,987
-	1,271,367	2,729,350	3,033,620	3,280,541
-	-	2,147,582	134,146	156,142
-	-	403,209	454,872	738,260
-	-	-	74,699	1,362,099
-	-	-	-	55,747,287
<u>49,783,760</u>	<u>52,620,845</u>	<u>53,399,369</u>	<u>60,552,115</u>	<u>16,546,219</u>
<u>\$ 60,181,980</u>	<u>\$ 65,756,477</u>	<u>\$ 70,352,362</u>	<u>\$ 79,516,713</u>	<u>\$ 92,786,879</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
487,413	564,639	533,304	553,663	678,548
-	-	-	-	-
13,810,210	12,989,198	13,219,610	5,576,920	5,913,772
9,833,566	12,882,857	12,428,141	19,453,023	29,633,601
174,025	721	37,130	-	-
-	-	-	35,863	249
4,414,851	-	9,869,218	21,876,083	43,953,339
1,109,573	1,434,106	1,846,863	2,442,864	10,164,456
-	-	1,647,416	1,963,850	2,555,378
<u>(66,487)</u>	<u>(28,737)</u>	<u>(105,729)</u>	<u>(22,755)</u>	<u>(188,894)</u>
<u>\$ 29,763,151</u>	<u>\$ 27,842,784</u>	<u>\$ 39,475,953</u>	<u>\$ 51,879,511</u>	<u>\$ 92,710,449</u>

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

	Fiscal Year				
	2010	2011	2012	2013	2014
<b>Revenues</b>					
Taxes	\$ 55,590,530	\$ 53,909,300	\$ 55,397,903	\$ 58,970,605	\$ 63,577,425
Licenses and permits	629,979	4,541,951	4,729,946	6,793,070	7,460,830
Intergovernmental	16,464,531	15,825,858	19,319,623	18,723,318	19,325,653
Charges for services	7,402,083	3,978,325	3,876,918	6,322,025	4,658,927
Fines and forfeits	846,143	849,060	825,971	809,334	884,735
Investment income	178,715	225,588	319,017	439,982	414,689
Special assessments	6,522,924	4,859,749	5,844,915	5,845,306	5,839,886
Contributions	3,042,851	2,707,926	3,099,952	4,024,175	2,408,357
Miscellaneous	1,942,018	157,090	361,202	567,839	1,327,008
Total Revenues	<u>92,619,774</u>	<u>87,054,847</u>	<u>93,775,447</u>	<u>102,495,654</u>	<u>105,897,510</u>
<b>Expenditures *</b>					
General government	15,316,159	15,913,718	16,953,769	17,376,427	16,895,276
Public safety	24,367,955	24,045,015	24,862,833	26,764,289	28,310,822
Highways and streets	4,098,986	3,808,328	3,340,208	4,674,325	5,585,966
Public works	3,075,759	3,047,742	2,967,386	2,093,312	2,045,578
Culture and recreation	3,882,621	3,936,203	4,115,701	4,884,349	4,975,947
Development services	4,654,052	4,376,985	4,557,391	5,232,999	5,823,318
Capital outlay	13,494,149	9,234,659	6,437,600	18,252,039	18,496,444
Debt Service:					
Principal retirement	10,942,758	11,254,524	12,433,024	10,226,228	9,441,923
Interest and debt cost	11,158,130	10,645,162	10,687,152	10,987,906	9,765,514
Payment to refunded bond escrow agent	-	-	-	-	-
Total Expenditures	<u>90,990,569</u>	<u>86,262,336</u>	<u>86,355,064</u>	<u>100,491,874</u>	<u>101,340,788</u>
Excess of Revenues over (under)					
Expenditures	<u>1,629,205</u>	<u>792,511</u>	<u>7,420,383</u>	<u>2,003,780</u>	<u>4,556,722</u>

Notes:

\* 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				
2015	2016	2017	2018	2019
\$ 66,203,440	\$ 71,287,200	\$ 74,924,078	\$ 82,602,447	\$ 90,300,757
6,558,607	7,357,205	9,302,729	10,636,668	12,314,128
21,749,386	21,811,572	25,780,719	26,773,324	27,458,465
4,576,618	5,792,947	9,227,037	10,418,539	12,234,549
860,313	839,108	925,314	1,044,317	1,044,516
361,146	710,040	560,547	1,196,857	4,606,033
5,762,295	6,096,012	6,009,405	5,968,798	9,868,376
2,976,642	1,346,713	1,638,229	6,358,002	4,036,766
243,473	728,930	516,160	2,485,672	1,192,520
<u>109,291,920</u>	<u>115,969,727</u>	<u>128,884,218</u>	<u>147,484,624</u>	<u>163,056,110</u>
18,081,622	17,968,635	19,191,902	20,825,896	20,801,270
29,505,746	32,881,648	36,905,961	39,779,006	43,459,464
5,494,087	5,680,917	5,748,952	5,517,174	7,563,123
2,268,109	2,255,101	2,598,519	2,897,716	2,827,607
5,265,454	5,712,191	12,090,866	11,315,720	14,108,472
6,933,854	7,933,367	7,187,389	7,159,767	7,641,804
11,326,103	15,988,901	17,628,611	30,366,883	17,066,876
9,291,703	9,772,183	14,581,544	19,642,573	21,763,951
9,323,202	9,046,458	12,968,581	15,708,001	12,599,646
-	-	-	4,622,056	-
<u>97,489,880</u>	<u>107,239,401</u>	<u>128,902,325</u>	<u>157,834,792</u>	<u>147,832,213</u>
<u>11,802,040</u>	<u>8,730,326</u>	<u>(18,107)</u>	<u>(10,350,168)</u>	<u>15,223,897</u>

continued

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

	Fiscal Year				
	2010	2011	2012	2013	2014
Other Financing Sources and (Uses)					
Transfer in	\$ 6,376,290	\$ 8,388,300	\$ 5,504,462	\$ 4,726,150	\$ 5,356,364
Transfer out	(14,191,575)	(10,837,705)	(9,397,127)	(9,602,694)	(10,494,616)
Sale of assets*	-	-	-	-	-
Debt issuance	105,000	-	1,780,000	10,500,000	-
Debt premium	5,733	-	129,958	-	-
Refunding bonds	-	-	11,530,000	10,685,000	14,755,000
Refunding bonds premium	-	-	949,267	672,545	1,114,908
Payment to refunded bond escrow agent	-	-	(11,530,000)	(10,965,024)	(15,138,166)
 Total Other Financing Sources and (Uses)	 <u>(7,704,552)</u>	 <u>(2,449,405)</u>	 <u>(1,033,440)</u>	 <u>6,015,977</u>	 <u>(4,406,510)</u>
 Net Change in Fund Balances	 <u>\$(6,075,347)</u>	 <u>\$(1,656,894)</u>	 <u>\$ 6,386,943</u>	 <u>\$ 8,019,757</u>	 <u>\$ 150,212</u>
 Debt Service as a Percentage of Noncapital Expenditures	 27.0%	 27.3%	 28.9%	 25.8%	 22.3%

Notes:

\* Beginning in fiscal year 2019 sales of assets was broken out to align with the basic financial statements.

Source: City Financial Records and Reports



Table 7

2015	2016	2017	2018	2019
\$ 4,588,019	\$ 3,539,227	\$ 12,768,632	\$ 13,901,429	\$17,954,246
(9,923,248)	(9,091,060)	(9,968,632)	(10,201,429)	(14,254,246)
-	-	-	-	346,124
4,980,000	-	10,968,000	25,015,000	33,873,000
(39,461)	-	-	-	958,083
7,015,000	18,535,000	118,130,941	51,537,627	-
452,099	2,047,350	14,546,606	722,171	-
<u>(7,168,901)</u>	<u>(20,106,713)</u>	<u>(130,387,703)</u>	<u>(49,056,702)</u>	<u>-</u>
<u>(96,492)</u>	<u>(5,076,196)</u>	<u>16,057,844</u>	<u>31,918,096</u>	<u>38,877,207</u>
<u>\$ 11,705,548</u>	<u>\$ 3,654,130</u>	<u>\$ 16,039,737</u>	<u>\$ 21,567,928</u>	<u>\$54,101,104</u>
20.6%	18.4%	24.7%	24.6%	25.2%

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
2010	0.6320	0.9679	1.5999	0.9909	0.0353	0.0057	0.1367	0.3306
2011	0.7603	0.6630	1.4233	1.0508	0.0412	0.0066	0.1489	0.3564
2012	0.9446	0.6554	1.6000	1.2407	0.0492	0.0084	0.1780	0.4259
2013	1.1115	0.6635	1.7750	1.2407	0.0492	0.0110	0.1780	0.4717
2014	1.1994	0.7006	1.9000	1.2807	0.0438	0.0121	0.1392	0.5123
2015	1.1836	0.6864	1.8700	1.3209	0.0556	0.0113	0.1392	0.5089
2016	1.1637	0.7063	1.8700	1.3609	0.0556	0.0116	0.1592	0.5054
2017	1.1598	0.7025	1.8623	1.4009	0.0556	0.0112	0.1792	0.5010
2018	1.1344	0.6005	1.7349	1.4009	0.0556	0.0102	0.1792	0.4875
2019	1.1084	0.6266	1.7350	1.4009	0.0556	0.0107	0.1792	0.4741

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
2010	0.8844	0.1000	0.0914	2.5750	6.0066	5.3164	5.2568	5.8681	6.2147
2011	0.9728	0.1000	0.1122	2.7889	5.3923	5.3658	6.1069	6.1935	5.4994
2012	1.2082	0.1000	0.1494	3.3598	7.4753	3.2590	6.2698	7.8626	4.9490
2013	1.3778	0.1000	-	3.4284	7.4945	3.8863	6.9607	9.2259	6.9350
2014	1.5340	0.1400	-	3.6621	8.2090	3.9772	7.1092	11.4641	7.7572
2015	1.5187	0.1400	-	3.6946	10.0022	3.7780	8.0102	10.4333	7.8876
2016	1.4940	0.1400	-	3.7267	9.4960	3.8352	7.6149	9.9303	7.8876
2017	1.4651	0.1400	0.3053	4.0583	9.8771	3.8142	7.0163	9.5342	8.1213
2018	1.4096	0.1400	0.2941	3.9771	8.9315	3.4763	7.0616	9.8185	7.8876
2019	1.1708	0.1400	0.2941	3.7254	8.4894	3.8499	6.8080	10.0261	7.8876

continued

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

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Overlapping Rates

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Other Special Taxing Districts

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Fiscal Year	West			Other Special Taxing Districts			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
2010	0.0500	1.0000	17.1000	2.6829	1.2146	2.1198	1.3000
2011	0.5000	1.0000	17.1000	2.3797	2.2087	2.9776	1.3000
2012	0.0500	1.0000	17.1000	2.1961	2.7298	3.4033	1.3000
2013	0.0500	1.0000	17.1000	3.2961	2.8500	3.8528	1.3000
2014	0.0592	1.0000	17.1000	3.3559	2.8500	3.9890	1.3000
2015	0.0810	1.0000	27.1000	3.0361	2.6034	3.2768	1.3000
2016	0.0698	1.0000	27.1000	3.1327	2.5999	3.3377	1.3000
2017	0.0840	1.0000	27.1000	2.7404	2.3824	3.0482	1.3000
2018	0.1780	1.0000	27.1000	2.6706	1.8877	2.5714	1.3000
2019	0.1494	1.0000	29.8100	2.5823	1.8664	2.5413	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
2010	0.6629	1.0000	0.2165	0.3000	1.5905	1.6561
2011	0.7570	1.0000	1.2952	0.3000	2.2891	2.5496
2012	0.8034	1.0000	1.2684	0.3000	2.8718	2.9933
2013	1.0000	1.0000	1.8035	0.3000	3.3150	3.3467
2014	1.0000	1.0000	1.7844	0.3000	3.4365	3.8922
2015	0.7334	1.0162	1.2592	0.3000	2.7761	3.0227
2016	0.7075	1.1497	1.1097	0.3000	2.9103	3.1070
2017	0.8466	1.1500	0.9308	0.3000	2.7230	2.9330
2018	0.9600	1.1500	0.8682	0.3000	2.8882	3.0463
2019	0.8896	1.1480	0.8085	0.3000	2.8489	2.7801

concluded



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

Taxpayer	Fiscal Year					
	2010			2019		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Arizona Public Service Company	\$ 21,998,911	1	2.20%	\$ 24,089,203	1	2.62%
VHS of South Phoenix, Inc.	14,589,354	2	1.46%	19,039,394	2	2.07%
Macys Corporate Services Inc	8,463,230	4	0.85%	9,617,490	3	1.05%
GSLP Goodyear LLC				8,154,378	4	0.89%
HUHTAMAKI Inc				8,044,869	5	0.87%
FR PV 303 LLC				8,176,762	6	0.89%
HGREIT II Goodyear Crossing LLC				7,814,745	7	0.85%
NP Goodyear AZ Industrial LLC				7,572,834	8	0.82%
HCL Goodyear Centerpointe LLC (Lease)				6,217,428	9	0.68%
Southwest Gas Corporation (T&D)				5,511,428	10	0.60%
NNP III EMR 3 LLC	14,447,700	3	1.44%			
HE Capital KR LLC	8,362,053	5	0.84%			
First American Title Ins Co TR 7854	8,342,423	6	0.83%			
DH Goodyear LLC	7,254,270	7	0.72%			
The Market at Estrella Falls LLC	7,198,390	8	0.72%			
Vestar Arizona XL III LLC	6,619,055	9	0.66%			
Meritage Homes of Arizona Inc	6,143,253	10	0.61%			
Total	<u>\$ 103,418,639</u>		<u>10.52%</u>	<u>\$ 104,238,531</u>		<u>11.33%</u>

Source: Maricopa County Treasurer

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

Fiscal Year Ended June 30		Total Assessed Value Residential Property	Total Assessed Value Commercial Property	Agricultural/ Vacant Land	Other	Less: Tax-Exempt Property	Net Assessed Value
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
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
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
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
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
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
2016	Limited Property Value	427,218,918	223,077,763	149,242,505	1,127,677	129,713,965	670,952,898
2017	Limited Property Value	457,689,029	227,887,800	146,856,414	6,601,784	128,500,705	710,534,322
2018	Limited Property Value	499,088,340	234,739,156	159,566,464	6,975,609	137,331,297	763,038,272
2019	Limited Property Value	538,457,161	256,367,234	152,787,152	7,383,730	132,980,202	822,015,075

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

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Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as Percentage of Actual Value
0.6320	\$ 7,439,067,045	11.4%
0.9679	8,607,745,155	11.4%
0.7603	6,843,890,271	11.5%
0.6630	7,401,814,203	11.5%
0.9446	5,978,258,706	11.2%
0.6554	6,130,095,795	11.0%
1.1115	5,513,086,956	10.9%
0.6635	5,583,052,641	10.8%
1.1994	5,485,036,603	10.7%
0.7006	5,562,951,789	10.6%
1.1836	6,012,798,998	10.5%
0.6864	6,332,435,414	10.4%
1.8700	6,479,932,484	10.4%
1.8623	6,951,354,974	10.2%
1.7349	7,490,466,600	10.2%
1.7350	7,985,016,888	10.3%

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
2010	\$ 14,959,898	\$ 14,328,617	95.78%	\$ 317,754	\$ 14,646,371	97.90%
2011	11,650,452	11,291,963	96.92%	24,739	11,316,702	97.14%
2012	10,743,752	10,454,308	97.31%	101,729	10,556,037	98.25%
2013	10,714,099	10,523,654	98.22%	47,705	10,571,359	98.67%
2014	11,185,149	10,949,615	97.89%	51,739	11,001,355	98.36%
2015	11,992,446	11,808,563	98.47%	113,307	11,921,870	99.41%
2016	12,599,829	12,392,149	98.35%	(0)	12,392,149	98.35%
2017	13,157,209	13,024,932	98.99%	(53,465)	12,971,467	98.59%
2018	13,232,702	13,071,185	98.78%	-	13,071,185	98.78%
2019	14,263,392	14,097,133	98.83%	-	14,097,133	98.83%

(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 Nine Fiscal Years Ago  
(Unaudited)

Entity	Type of User	Fiscal Year			
		2010		2019	
		Rank	Fees & Charges	Rank	Fees & Charges
Snyders	Industry		\$ -	1	\$ 396,275
JB Park Shadows	Apartments	10	\$ 67,355	2	\$ 298,246
Huhtamaki Inc	Industry		\$ -	3	\$ 233,493
Cancer Treatment Center of America	Multi Purpose		\$ -	4	\$ 231,727
3 Minute Car Wash	Car Wash		\$ -	5	\$ 211,876
Shepard Investment	Apartments		\$ -	6	\$ 184,607
Poore Brothers, Inc.	Food Manufacturer, Snacks		\$ -	7	\$ 147,934
Target	Industry		\$ -	8	\$ 102,582
Walmart	Commercial		\$ -	9	\$ 95,283
McLane Sunwest	Industry		\$ -	10	\$ 69,557
Canyon Trails Unit HOA 3A	Homeowner's Association	1	\$ 197,098		\$ -
Canyon Trails HOA	Homeowner's Association	2	\$ 189,539		\$ -
Canyon Trails Unit HOA 4A	Homeowner's Association	3	\$ 164,577		\$ -
Canyon Trails 4 - South	Homeowner's Association	4	\$ 139,712		\$ -
Centerra, LLC	Homeowner's Association	5	\$ 121,117		\$ -
Agua Fria Union High School Dist.	School	6	\$ 104,297		\$ -
Avondale School	School	7	\$ 102,992		\$ -
Sarival Paseo Joint Community	Homeowner's Association	8	\$ 99,371		\$ -
Cottonflower Goodyear Community	Homeowner's Association	9	\$ 74,265		\$ -
Total			<u>\$ 1,260,323</u>		<u>\$ 1,971,579</u>
Total as a percent of total Water System Operating Revenue			<u>14.10%</u>		<u>13.64%</u>

Source: City customer service and billing records



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

Entity	Type of User	Rank	Fiscal Year			
			2010		2019	
			Rank	Fees & Charges	Rank	Fees & Charges
Arizona State Prison/Perryville	Prison	1	\$ 310,582	1	\$ 1,319,752	
Huhtamaki	Manufacturer			2	\$ 111,999	
Cancer Treatment Center	Hospital			3	\$ 102,046	
Poore Brothers, Inc.	Food Manufacturer, Snacks	5	\$ 29,681	4	\$ 83,099	
Shepard Inv Apartments	Apartments			5	\$ 74,610	
Park Shadows	Apartments	2	\$ 50,718	6	\$ 64,323	
Snyders's of Hanover	Food Manufacturer, Snacks			7	\$ 52,779	
3 Minute Car Wash	Car Wash			8	\$ 51,310	
Agua Fria Union High School District	Education	7	\$ 25,516	9	\$ 36,847	
NNP III Estrella Mtn Ranch LLC	Land Development			10	\$ 36,199	
McLane Sunwest	Grocery Distributor	8	\$ 22,180			
Fairfield Centerra LLC	Real Estate	3	\$ 37,170			
Airport Training Center	Airport	4	\$ 31,970			
Avondale Elementary	Education	6	\$ 28,237			
Alliance Residential	Real Estate	9	\$ 20,015			
Americas Best Value Inn	Hotel	10	\$ 19,547			
Total			<u>\$ 575,616</u>		<u>\$ 1,932,964</u>	
Total as a percent of total Wastewater System Operating Revenue			<u>9.01%</u>		<u>18.27%</u>	

Source: City customer service and billing records

City of Goodyear  
Schedule of Existing and Adopted  
Monthly Water & Wastewater Service Charges (2012 - 2019)  
(Unaudited)

Description of Water System Services	Existing Fees	Adopted 2012	Adopted 2013	Adopted 2015	Adopted 2016	Adopted 2017	Adopted 2018	Adopted 2019
<b>Base Charge</b>								
(Meter Size)								
3/4 Inch	\$ 12.70	\$ 10.05	\$ 10.23	\$ 11.24	\$ 12.70	\$ 14.73	\$ 16.35	\$ 17.49
1 Inch	17.56	12.74	14.14	15.54	17.56	20.37	22.61	24.19
1 1/2 Inch	28.39	19.74	22.86	25.12	28.39	32.93	36.55	39.11
2 Inches	45.96	32.02	37.01	40.67	45.96	53.31	59.17	63.31
3 Inches	77.67	61.64	70.67	77.67	77.67	77.67	77.67	77.67
4 Inches	126.65	99.58	115.24	126.65	126.65	126.65	126.65	126.65
6 Inches	240.36	189.08	218.71	240.36	240.36	240.36	240.36	240.36
<b>Monthly Volume Charge - Residential</b>								
0 - 6,000 gallons (per thousand)	\$ 1.47 (2)	\$ 1.46	\$ 1.18	\$ 1.30	\$ 1.47	\$ 1.71	\$ 1.90	\$ 2.03
6,001 - 12,000 (per thousand)	2.93 (3)	2.92	2.36	2.59	2.93	3.40	3.77	4.03
12,001 - 30,000 (per thousand)	4.40 (4)	4.38	3.54	3.89	4.40	5.10	5.66	6.06
30,001+ gallons (per thousand)	7.06 (5)	5.69	5.69	6.25	7.06	8.19	9.09	9.73
<b>Monthly Volume Charge - Commercial</b>								
0 - 40,000 gallons (per thousand)	\$ 3.73	\$ 2.60	\$ 3.00	\$ 3.30	\$ 3.73	\$ 4.29	\$ 4.72	\$ 4.91
40,001 - 100,000 gallons (per thousand)	5.97	4.16	4.80	5.28	5.97	6.87	7.56	7.86
100,001+ gallons (per thousand)	7.75	5.41	6.24	6.86	7.75	8.97	9.80	10.19

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 2017
- (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 (2011-2019)

Date	Rate Increase
Fiscal Year 2011	7.5%
Fiscal Year 2012	9.4%
Fiscal Year 2013	0.0%
Fiscal Year 2014	N/A
Fiscal Year 2015	10.0%
Fiscal Year 2016	13.0%
Fiscal Year 2017	16.0%
Fiscal Year 2018	11.0%
Fiscal Year 2019	7.0%

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

<u>Description of Wastewater System Services</u>	<u>Existing Fees</u>	<u>Adopted 2012</u>	<u>Adopted 2013</u>	<u>Adopted 2016</u>	<u>Adopted 2017</u>	<u>Adopted 2018</u>	<u>Adopted 2019</u>
<b>Residential Wastewater Service</b>							
Base Charge	(See below)						
Volume Charge (per 1,000 gallons)	\$ 5.95	\$ 4.90	\$ 5.78	\$ 5.95	\$ 6.13	\$ 6.25	\$ 6.38
<b>General Commercial Wastewater Service</b>							
Base Charge	(See below)						
Volume Charge (per 1,000 gallons)	\$ 5.95	\$ 4.90	\$ 5.78	\$ 5.95	\$ 6.13	\$ 6.25	\$ 6.38
<b>Base Charge (Meter Size)</b>							
3/4 Inch	\$ 21.75	\$ 18.96	\$ 21.12	\$ 21.75	\$ 22.40	\$ 22.85	\$ 23.31
1 Inch	33.38	28.02	32.41	33.38	34.38	35.07	35.77
1 1/2 Inch	41.14	34.61	39.94	41.14	42.37	43.22	44.08
2 Inches	79.91	67.16	77.58	79.91	82.31	83.96	85.64
3 Inches	115.22	99.68	115.22	115.22	115.22	115.22	115.22
4 Inches	152.86	139.10	152.86	152.86	152.86	152.86	152.86
6 Inches	378.70	328.83	378.70	378.70	378.70	378.70	378.70

## Schedule of Wastewater System Rate Increases (2011-2019)

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%
Fiscal Year 2017	3.00%
Fiscal Year 2018	2.00%
Fiscal Year 2019	2.00%

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

Governmental Activities					
Fiscal Year Ended June 30	Public				
	General Obligation Bonds	Contract Payable	Improvement Corporation Municipal Facilities Revenue Bond	McDowell Road Corridor Improvement District	Community Facilities District Bonds
2010	\$ 33,601,981	\$5,755,628	\$ 5,230,000	\$ 46,060,000	\$ 122,313,000
2011	31,358,457	3,755,628	4,510,000	44,900,000	117,182,000
2012	29,000,636	1,755,628	2,940,000	43,675,000	113,555,000
2013	26,555,569	-	12,431,467	42,390,000	109,823,000
2014	24,616,149	-	11,047,495	42,383,378	107,194,657
2015	21,638,323	-	10,037,745	40,881,328	108,520,857
2016	18,564,501	-	8,859,189	39,304,278	106,289,435
2017	21,987,761	-	127,152,711	37,647,228	103,870,391
2018	43,983,309	-	121,145,790	34,870,000	94,683,268
2019	64,022,774	-	100,376,526	28,910,000	87,776,000

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



Business-Type Activities								
General Obligation Bonds	Public Improvement Corporation		Water Infrastructure		Water Rights	Total	Percentage of Personal Income	Per Capita
	Municipal Facilities Revenue Bond	Revenue Bonds	Finance Authority Loan					
\$ 92,753,019	\$ 102,300,000	\$ 17,040,000	\$ 9,925,289	\$ 10,314,041	\$ 445,292,958	25.14%	7,119	
91,121,543	102,300,000	32,245,000	12,554,096	-	439,926,724	24.49%	6,740	
89,394,364	102,180,000	31,985,000	11,908,603	-	426,394,231	20.10%	6,430	
85,384,431	102,180,000	31,390,000	10,998,942	-	421,153,409	22.13%	6,264	
82,113,973	104,096,689	30,596,520	10,064,007	-	412,112,868	20.81%	5,773	
77,607,211	103,970,274	30,114,933	9,096,237	-	401,866,908	21.38%	5,443	
73,018,360	104,164,132	42,413,304	3,854,322	-	396,467,521	19.80%	5,304	
66,702,679	-	41,924,131	3,591,773	-	402,876,674	21.52%	5,180	
58,226,165	-	40,489,966	3,323,972	-	396,722,470	16.23%	4,750	
48,957,226	-	37,175,000	3,050,815	-	370,268,341	14.16%	4,374	

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
2010	\$126,355,000	\$ 828,016	\$ 125,526,984	12.77%	2,007
2011	122,480,000	668,186	121,811,814	14.35%	1,866
2012	118,395,000	1,246,110	117,148,890	17.41%	1,767
2013	111,940,000	841,716	111,098,284	18.34%	1,652
2014	106,730,122	98,876	106,631,246	18.07%	1,494
2015	99,245,534	-	99,245,534	15.01%	1,344
2016	91,582,861	13,202	91,569,659	13.65%	1,225
2017	88,690,440	703,557	87,986,883	12.38%	1,131
2018	102,209,474	778,715	101,430,759	13.29%	1,215
2019	112,980,000	229,724	112,750,276	13.72%	1,332

Source: City Financial Records and Reports

City of Goodyear  
Direct and Overlapping Governmental Activities Debt  
As of June 30, 2019  
(Unaudited)

Overlapping Jurisdiction	Net Assessed Limited Property Value	Debt Outstanding	Estimated Percentage Applicable (a)	Net Debt Amount
Maricopa County	\$ 40,423,232,421	\$ -	2.03 %	\$ -
Maricopa County Community College District	40,423,232,421	445,570,000	2.03	9,060,761
Maricopa Special Healthcare District	40,489,188,615	534,125,000	2.03	10,843,853
Western Maricopa Education Center	14,779,081,648	138,655,000	5.56	7,712,015
Liberty Elementary School District No. 25	242,901,538	17,970,000	58.79	10,564,475
Avondale Elementary School District No. 44	367,311,044	36,470,000	83.28	30,373,530
Littleton Elementary School District No. 65	249,928,457	27,280,000	0.03	7,157
Litchfield Elementary School District No. 79	819,761,974	54,870,000	44.76	24,561,285
Mobile Elementary School District No. 86	8,470,387	-	44.02	-
Buckeye Union High School District No. 201	707,975,119	80,680,000	19.89	16,043,959
Tolleson Union High School District No. 214	1,134,931,491	139,170,000	0.01	7,989
Agua Fria Union High School District No. 216	1,187,073,018	100,305,000	56.76	56,928,832
Wildflower Ranch Community Facilities District No. 1	5,076,618	470,000	100.00	470,000
Wildflower Ranch Community Facilities District No. 2	5,019,870	705,000	100.00	705,000
Community Facilities General District No. 1	121,618,437	8,355,000	100.00	8,355,000
Community Facilities Utility District No. 1	340,810,785	32,520,000	100.00	32,520,000
Estrella Mountain Ranch Community Facilities District	92,235,004	12,615,000	100.00	12,615,000
Cottonflower Community Facilities District	9,587,986	1,865,000	100.00	1,865,000
Centerra Community Facilities District	11,956,990	3,082,000	100.00	3,082,000
Cortina Community Facilities District	10,463,228	1,860,000	100.00	1,860,000
Palm Valley Community Facilities District	78,569,486	5,650,000	100.00	5,650,000
Subtotal of overlapping debt:	<u>\$ 141,508,426,537</u>	<u>\$ 1,642,217,000</u>		<u>\$ 233,225,856</u>
Direct Debt:				
City of Goodyear	\$ 822,015,075	\$ 297,480,059	100.00 %	\$ 297,480,059
Total Direct and Overlapping Debt				\$ 530,705,915
Total Governmental and Business-Type General Obligation Bonds		\$ 112,980,000	100.00 %	\$ 112,980,000

(a) Proportion applicable to the City of Goodyear, Arizona is computed on the ratio of net assessed limited property value for 2018/19

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  
As of June 30, 2019  
(Unaudited)

	Fiscal Year				
	2010	2011	2012	2013	2014
Net Full Cash Assessed Value	\$ 982,856,423	\$ 848,758,886	\$ 673,001,828	\$ 605,642,183	\$ 590,258,652
<b><u>20% Limitation</u></b>					
Debt Limit Equal to 20% of Assessed Valuation	196,571,285	169,751,777	134,600,366	121,128,437	118,051,730
Total Debt Applicable to 20% Limit	<u>126,070,000</u>	<u>122,205,000</u>	<u>118,130,000</u>	<u>111,690,000</u>	<u>104,775,000</u>
Legal 20% Debt Margin (Available Borrowing Capacity)	<u>\$ 70,501,285</u>	<u>\$ 47,546,777</u>	<u>\$ 16,470,366</u>	<u>\$ 9,438,437</u>	<u>\$ 13,276,730</u>
Total net debt applicable to the limit as a percentage of debt limit	64.13%	71.99%	87.76%	92.21%	88.75%
<b><u>6% Limitation</u></b>					
Debt Limit Equal to 6% of Assessed Valuation	\$ 58,971,385	\$ 50,925,533	\$ 40,380,110	\$ 36,338,531	\$ 35,415,519
Total Debt Applicable to 6% Limit	<u>285,000</u>	<u>275,000</u>	<u>265,000</u>	<u>250,000</u>	<u>250,000</u>
Legal 6% Debt Margin (Available Borrowing Capacity)	<u>\$ 58,686,385</u>	<u>\$ 50,650,533</u>	<u>\$ 40,115,110</u>	<u>\$ 36,088,531</u>	<u>\$ 35,165,519</u>
Total net debt applicable to the limit as a percentage of debt limit	0.48%	0.54%	0.66%	0.69%	0.71%

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

Table 18

Fiscal Year				
2015	2016	2017	2018	2019
\$ 659,588,897	\$ 670,952,898	\$ 871,205,504	\$ 964,201,508	\$ 1,043,418,163
131,917,779	134,190,580	174,241,101	192,840,302	208,683,633
<u>97,570,000</u>	<u>90,065,000</u>	<u>106,130,000</u>	<u>97,065,000</u>	<u>112,980,000</u>
<u>\$ 34,347,779</u>	<u>\$ 44,125,580</u>	<u>\$ 68,111,101</u>	<u>\$ 95,775,302</u>	<u>\$ 95,703,633</u>
73.96%	67.12%	60.91%	50.33%	54.14%
\$ 39,575,334	\$ 40,257,174	\$ 52,272,330	\$ 57,852,090	\$ 62,605,090
<u>220,000</u>	<u>205,000</u>	<u>190,000</u>	<u>-</u>	<u>-</u>
<u>\$ 39,355,334</u>	<u>\$ 40,052,174</u>	<u>\$ 52,082,330</u>	<u>\$ 57,852,090</u>	<u>\$ 62,605,090</u>
0.56%	0.51%	0.36%	0.00%	0.00%

City of Goodyear  
Pledged-Revenue Coverage  
As of June 30, 2019  
(Unaudited)

Public Improvement Corporation Municipal Facilities Revenue Bonds						
Fiscal Year Ended June 30	Operating Revenue	Pledged Revenue	Debt Service		Coverage	
			Principal	Interest		
2010	57,363,961	45,979,781	720,000	5,594,412	7.28	
2011	57,697,609	45,808,725	745,000	5,562,612	7.26	
2012	65,501,422	52,566,675	570,000	4,925,626	9.57	
2013	76,004,072	57,969,777	590,000	5,505,685	9.51	
2014	81,109,035	62,768,755	85,000	5,702,661	10.85	
2015	82,672,164	65,489,144	230,000	5,458,563	11.51	
2016	87,880,128	70,078,679	235,000	5,451,663	12.32	
2017	95,623,345	75,361,987	3,220,000	3,674,649	10.93	
2018	107,069,770	83,228,379	3,500,000	4,710,941	10.14	
2019	116,486,271	90,707,954	5,840,000	4,563,216	8.72	

Water & Sewer Bonds & Loans						
Fiscal Year Ended June 30	Operating Revenue	Less: Operating Expenses	Net Operating Revenue	Debt Service		Coverage
				Principal	Interest	
2010	16,378,677	8,350,588	8,028,089	1,195,691	543,662	4.62
2011	18,271,778	8,965,363	9,306,415	1,167,815	1,802,534	3.13
2012	20,221,750	8,703,445	11,518,305	1,139,026	5,554,656	1.72
2013	23,133,152	10,837,296	12,295,856	1,504,661	5,819,924	1.68
2014	24,989,997	12,684,374	12,305,623	1,439,935	2,212,948	3.37
2015	24,748,802	13,405,653	11,343,149	1,467,770	2,207,414	3.09
2016	27,964,881	15,205,094	12,759,787	1,496,834	2,159,000	3.49
2017	31,380,884	18,471,783	12,909,101	1,682,550	2,268,124	3.27
2018	35,230,057	13,551,129	21,678,928	1,742,801	2,292,417	5.37
2019	42,658,585	19,584,574	23,074,011	1,613,157	2,014,361	6.36

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
2010	65,275	\$ 1,796,433	\$ 27,521	35.5	13 to 16	7.1%
2011	66,309	2,120,960	31,986	33.5	13 to 16	9.8%
2012	67,239	1,903,133	28,304	35.2	13 to 16	8.2%
2013	71,381	1,980,537	27,746	38.4	13 to 16	8.3%
2014	73,832	1,879,673	25,459	36.5	13 to 16	7.2%
2015	74,743	2,001,907	26,784	35.6	13 to 16	5.7%
2016	77,776	1,871,990	24,069	36.7	13 to 16	5.5%
2017	78,189	2,157,938	27,599	36.7	13 to 16	4.4%
2018	83,512	2,443,812	29,263	37.1	13 to 16	4.2%
2019	84,659	2,615,370	30,893	37.1	13 to 16	4.8%

Source: Bureau of Labor Statistics and City Financial Records

Table 21

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

Major Corporation	Fiscal Year			Fiscal Year		
	2010			2019		
	Employees	Rank	Percentage of Total City Employment*	Employees	Rank	Percentage of Total City Employment*
Amazon.com	600	5	2.04%	1,175	1	2.86%
(Abrazo Healthcare) West Valley Hospital	444	8	1.51%	1,009	2	2.46%
Macy's Inc				1,008	3	2.46%
Arizona State Prison/Perryville	825	1	2.80%	930	4	2.27%
Cancer Treatment Center's of America	279	10	0.95%	768	5	1.87%
Chewy.com				700	6	1.71%
City of Goodyear	703	3	2.39%	644	7	1.57%
Subzero Freezer Co				590	8	1.44%
McLane Sunwest	510	6	1.73%	345	9	0.84%
Cavco				325	10	0.79%
Metokote Corporation	750	2	2.55%			
Lockheed Martin	700	4	2.38%			
Americus Logistics, LLC	500	7	1.70%			
Walmart Supercenter	370	9	1.26%			
Total	<u>5,681</u>		<u>19.29%</u>	<u>7,494</u>		<u>18.26%</u>

Source: City Records

\*2019 labor force = 41,033 ; 2010 labor force = 29,450



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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government	53	52	52	55	55	69	55	62	50	83
Financial Services	30	30	28	29	27	28	29	31	31	31
Information Services	13	13	14	14	15	18	18	18	19	23
Police										
Officers	97	94	94	94	91	93	96	103	108	111
Civilians	29	29	27	30	29	30	35	38	42	43
Planning and Development	10	9	9	25	23	21	50	50	49	46
Fire										
Firefighters and Officers	90	87	91	90	91	90	92	92	92	106
Civilians	22	24	20	7	8	12	10	10	17	18.5
Human Resources	8	7	9	10	10	10	10	11	10	11
Community Services	0	0	0	0	0	0	0	0	0	0
Economic Development	7	7	6	4	4	5	6	6	6	6
Municipal Services	10	8	13	13	10	13	13	13	14	15.3
Public Works	79	78	65	73	75	87	63	63	81	93.2
Water	23	22	21	23	24	26	27	27	28	29
Wastewater	18	17	18	17	20	19	19	17	18	19
Sanitation	9	9	7	5	5	6	8	7	7	9
Total	<u>498</u>	<u>486</u>	<u>474</u>	<u>489</u>	<u>487</u>	<u>527</u>	<u>531</u>	<u>548</u>	<u>572</u>	<u>644</u>

Source: City Financial Records and Reports

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

Function	2010	2011	2012	2013	2014
<b>General Government</b>					
<i>City Clerk's Office</i>					
# of records requests	504	550	484	470	504
<i>City Prosecutor's Office</i>					
Charges filed/charges adjudicated (resolved)	3,395	3,380	3,827	2,514	3,170
<i>City Manager's Office</i>					
% of survey respondents rating "Your Neighborhood as a Place to Live" as good to excellent	90%	90%	94%	94%	95%
<i>Digital Communications</i>					
News releases/media updates	235	150	49	59	76
Growth of Digital assets (Facebook, Twitter, Instagram, & LinkedIn combined)	176	144	136	112	114
Total newsletter pages sent to citizens	715,285	703,174	771,938	804,542	491,540
Number of visits to website	2,208,180	2,104,553	2,203,995	2,185,489	1,850,471
Number of web pages viewed	217	230	262	254	275
Number of graphics/photography projects completed	217	230	262	254	275
<b>Police</b>					
# of total arrests	4,731	2,254	2,402	2,532	2,612
# of moving violations citations	11,810	12,581	11,468	10,259	10,586
<b>Fire</b>					
# of emergency responses	5,570	6,597	7,195	5,604	8,298
# of fires extinguished	226	235	271	243	242
# of inspections	4,262	3,229	212	969	752
<b>Financial Services</b>					
# accounts payable checks issued	8,024	6,413	6,132	6,298	6,403
# purchase orders	1,147	1,344	1,229	1,238	1,091
# water meters read annually	168,647	170,657	178,466	184,638	191,189
<b>Planning and Development</b>					
Customer wait-time (in minutes) at One Stop Shop	< 3	< 3	< 1	<1	<1
Total number of permits issued	4,232	3,269	3,576	3,529	3,580
Provide applicant with pre-application meeting within 30 days of submitting request %	100%	100%	100%	100%	100%
% of inspections performed within 24 hours of request	100%	100%	70%	100%	100%
<b>Human Resources</b>					
# of new hires (FT & PT) (1)	247	125	118	178	180
HR budgeted operating cost as a % of City budgeted payroll	4.18%	4.11%	4.86%	5.01%	4.85%
<b>Parks and Recreation</b>					
# attending Park & Recreation facilities and Libraries annually (2)	52,241	54,428	63,256	69,596	74,527
# of square feet of medians and rights of way maintained	22,175,027	22,696,736	23,151,438	23,151,438	23,151,438
<b>Economic Vitality</b>					
Sales Tax growth (% annual change)	-10.40%	4.42%	10.45%	11.29%	8.76%
Bed Tax growth (% annual change)	-3.90%	-7.31%	14.15%	1.41%	-4.12%

Table 23

2015	2016	2017	2018	2019
598	629	770	904	767
3,623	3,608	4,261	4,031	3,656
95%	93%	93%	91%	95%
NA	88	126	132	NA
136	144	128	9,650	14,380
633,643	543,565	302,777	232	192
1,855,914	1,472,765	1,500,539	588,580	1,407,259
135	103	157	1,271,883	1,123,076
2,846	2,661	3,296	318	143
5,919	3,479	4,382	2,808	1,585
			2,281	2,327
6,972	6,002	7,498	9,115	9,583
205	165	214	252	204
1,539	1,253	2,050	853	909
6,254	5,914	5,772	5,254	4,941
1,009	1,442	1,512	1,166	1,309
196,863	201,704	208,083	217,700	226,869
<1	NA	NA	NA	NA
2,868	5,610	5,732	5,228	5,137
100%	100%	100%	100%	100%
96%	100%	100%	100%	100%
144	362	204	220	234
5.05%	5.06%	6.00%	3.12%	2.23%
74,527	188,000	249,000	275,000	299,000
23,151,438	23,151,438	23,151,438	23,151,438	23,151,438
3.85%	8.86%	4.04%	11.66%	13.50%
25.71%	2.75%	-3.80%	14.37%	9.60%

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

Function	2010	2011	2012	2013	2014
<b>Municipal Services</b>					
# of homes serviced by Residential Refuse Collection	20,928	21,489	22,363	23,387	24,346
# of citizens serviced by Household Hazardous Waste collection program	848	729	503	546	550
<b>Water Service</b>					
# of residential customers	13,051	13,319	13,755	14,430	14,959
# of multifamily customers	36	36	36	36	35
# of commercial customers	742	963	976	999	1,025
Water Service Connections	14,488	14,588	16,809	17,533	17,533
Water production daily peak demand (million gallons per day)	11.10	11.40	11.60	9.60	11.70
Reclaimed Water Supplied (million gallons per day)	0.23	0.37	0.32	0.39	0.32
<b>Wastewater</b>					
# of residential customers	12,962	13,298	13,599	14,231	14,877
# of multifamily customers	36	36	36	38	36
# of commercial customers	372	363	364	382	370
Sewer Service Connections	16,144	16,743	16,856	16,918	16,918
Sewage Treated (millions gallons per day)	3.73	3.73	3.82	4.15	4.20
<b>Other Public Works</b>					
Street resurfacing (miles)	-	12.50	24.00	30.00	19.20
Potholes repaired	372	260	264	296	1,166
<b>Citizen &amp; Neighborhood Resources</b>					
# of new Code Enforcement cases processed per year	2,255	2,016	2,069	2,841	3,018

**Source: City Financial Records and Reports**

NA - information is not readily available at time of production  
 (1) Large increase is due to a one-time hiring of special census employees  
 (2) Large increase is due to inclusion of library visitors in FY2016

Table 23

2015	2016	2017	2018	2019
25,320	26,323	26,792	29,911	29,673
536	503	592	816	631
15,404	16,132	16,713	13,950	18,715
36	36	36	36	41
1,055	865	846	839	841
17,533	17,034	17,899	18,552	20,211
12.70	11.70	12.90	12.90	12.40
0.63	0.63	0.38	0.13	NA
15,335	16,064	16,649	17,886	18,720
69	36	36	36	41
373	382	381	381	446
17,139	18,236	18,980	19,340	20,292
3.81	4.15	4.36	4.47	4.70
83.23	109.00	70.33	105.27	51.56
1,253	1,339	756	1,344	586
2,863	3,544	3,212	2,738	2,615

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

Function	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Public Safety</b>										
Police:										
Stations	3	3	3	3	3	4	4	6	5	5
Police Vehicles	124	130	125	126	119	133	134	150	133	139
Fire Stations	6	6	6	6	6	6	7	6	6	5
<b>Highways and Streets</b>										
Street (miles)	704	704	934	934	934	934	934	934	939	945
Streetlights	8,329	8,438	8,465	8,660	8,832	8,832	9,041	8,651	9,184	9,635
Traffic signals	72	72	77	84	86	86	89	89	92	93
<b>Culture and Recreation</b>										
Parks	17	17	17	17	17	18	18	18	18	18
Parks Acreage	204	204	204	204	204	206	206	206	206	206
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
<b>Water</b>										
Water Mains (miles)	308	308	308	308	308	308	330	336	326	330
Fire Hydrants	2,791	2,791	2,791	2,796	2,808	2,951	3,031	3,152	3,177	3,348
Storage capacity (Millions of Gallons)	16	16	16	16	16	16	16	16	16	16
<b>Wastewater</b>										
Sanitary Sewers (miles)	223	229	227	229	239	242	254	260	265	276
Storm Sewers (miles)	54	57	57	57	63	55	54	55	N/A	N/A
Treatment capacity (MGD) (thousands of gallons)	5.6	5.6	5.6	5.6	5.6	5.6	5.6	5.6	5.6	5.6

Source: City Financial Records and Reports

**FEDERAL AND STATE REPORTS**







**Independent Auditors' Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed  
in Accordance with *Government Auditing Standards***

The Honorable Mayor and  
City Council  
Goodyear, Arizona

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Goodyear, Arizona as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City of Goodyear, Arizona's basic financial statements, and have issued our report thereon dated November 22, 2019.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Goodyear, Arizona's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Goodyear, Arizona's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Goodyear, Arizona's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Goodyear, Arizona's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



HintonBurdick, PLLC  
Gilbert, Arizona  
November 22, 2019



## Independent Auditors' Report on State Legal Compliance

The Honorable Mayor and  
City Council  
Goodyear, Arizona

We have audited the basic financial statements of the City of Goodyear, Arizona for the year ended June 30, 2019, and have issued our report thereon dated November 22, 2019. Our audit also included test work on the City of Goodyear's compliance with selected requirements identified in the State of Arizona Revised Statutes and the Arizona State Constitution including, but not limited to, Title 28, Chapter 18, Article 2.

The management of the City of Goodyear is responsible for the City's compliance with all requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit; accordingly, we make the following statements:

The City of Goodyear established separate funds to account for Highway User Revenue funds and Local Transportation Assistance funds. Highway user revenue fund monies received by the City of Goodyear pursuant to Title 28, Chapter 18, Article 2 and other dedicated state transportation revenues received during the current fiscal year appear to have been used solely for authorized purposes. The funds are administered in accordance with Generally Accepted Accounting Principles. Sources of revenues available and fund balances are reflected in the individual fund financial statements.

Our opinion regarding the City's compliance with annual expenditure limitations has been issued separately with the City's Annual Expenditure Limitation Report.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *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 material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, The City of Goodyear complied, in all material respects, with the requirements identified above for the year ended June 30, 2019.

The purpose of this report is solely to describe the scope of our testing of the applicable compliance requirements identified in the Arizona Revised Statutes as noted above and the results of that testing based on the state requirements. Accordingly, this report is not suitable for any other purpose.

HintonBurdick, PLLC  
Gilbert, Arizona  
November 22, 2019

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# COMPREHENSIVE ANNUAL FINANCIAL REPORT

**City of Goodyear, Arizona**  
Finance Department  
190 North Litchfield Road  
Goodyear, Arizona 85338  
623-932-3015

