

City of Goodyear



*Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 2012*



**CITY OF GOODYEAR, ARIZONA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**



Prepared by the Finance Department
Larry A. Lange, Finance Director

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Introductory Section



November 19, 2012

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

State law requires that cities annually publish after the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards (GAAS) by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report (CAFR) of the City of Goodyear, Arizona (the City) for the fiscal year ended June 30, 2012.

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

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

Henry & Horne, LLP, Certified Public Accountants, has issued an unqualified ("clean") opinion on the City of Goodyear's financial statements for the fiscal year ended June 30, 2012. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report on pages 5-17, and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

Finance

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PROFILE OF THE GOVERNMENT

The City of Goodyear, incorporated in 1946 and chartered in 1988, started as a small town producing cotton for the production of rubber tires during World War I. Over the years, Goodyear has sustained continued growth and currently encompasses approximately 191 square miles in the western portion of Maricopa County and is approximately 17 miles west of the downtown Phoenix business district. The City's growth is attributable to excellent housing, a small-town atmosphere, convenient access to the central Valley, and outstanding school districts. The population as of the 2010 census was 65,275, with current estimates as of fiscal year ended June 30, 2012 projected to be 67,239.

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

The City provides a full range of municipal services, including police and fire protection, sanitation services, water and sewer services, construction and maintenance of streets, recreational programs, parks and cultural events, public transportation, planning and zoning services, and general administrative services. Goodyear offers a wide range of community facilities including a community center, a swimming pool, and seventeen parks encompassing 204 acres. The City is community-driven and includes more than 500 volunteers that serve in various areas and, through their efforts, have saved the City more than \$629,357 in fiscal year 2012 alone. In addition, Goodyear continues to attract major employers with its availability of land, access to the central Valley, and available commercial space.

FINANCIAL CONTROLS

Internal Controls

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

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

Budgetary Controls

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

The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Mayor and Council. Activities of the general fund, special revenue funds, debt service funds, capital project 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. The City additionally exercises management control and oversight of the budget at the department level within each fund. 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

Although current economic conditions continue to impact the country and Goodyear, sales tax revenues are steadily increasing and the City has seen considerable growth in building permits. As optimistic as the City is in these trends continuing, the City continues to monitor the changes taking place in the national and local economies, as adaptation is imperative to keeping the budget balanced and positioning the City for future growth.

The City has implemented alternative services, enacted cost saving adjustments, reorganized where cost savings would be realized, and renegotiated contracts. These cost saving measures will continue into the future until such time economic conditions improve.

While the City of Goodyear continues to face challenging economic times, FY 2013 focuses on preserving the community's outstanding quality of life by incorporating a number of projects and initiatives that range from recreation to public safety and an overall goal of fiscal solvency with the flexibility to change as the economy and services demand.

Goodyear continues to attract large business. Suntech, the world's largest producer of solar panels, celebrated its grand opening of the first U.S. based manufacturing plant in Goodyear on October 8, 2010. In addition, Sub-Zero, Inc., manufacturer of high-end refrigeration, freezer, and wine storage have also made their presence known by expanding facilities in Goodyear during FY 2011, bringing nearly 400 jobs to the City. Dick's Sporting Goods' western U.S. distribution center also began construction this year and will be open and fully operational by January 1, 2013, ultimately expecting to employ more than 300 people.

A key City Council goal continues to be bringing jobs into the city and working to make Goodyear one of the largest employment bases in the West Valley. There are three major corridors that are forming in the City that will have a great influence on the community's future: Airport Gateway Center – 1,200 acres of mixed development, Palm Valley 303 – 2,000 acre

master planned business park, and the 801/85 Employment Center – 1,700 acre employment corridor for manufacturing and industrial business.

Economic Outlook

The economic slowdown at the national level has had a direct impact in the state and local economy, but the recovery has begun. General fund revenues are projected to increase by 11% during FY 2013, mainly due to increases sales tax and State Shared Revenue collections. Although this adds to the City's revenue growth, the City still continues to be conservative in its estimates.

Sales Tax – The City of Goodyear, like all Arizona cities, places significant reliance on City sales tax revenues. Overall, City sales tax revenues for FY 2013 are expected to equal 55% of general fund revenues. City sales tax revenues for FY 2012 increased by approximately 10% over FY 2011 levels.

State Shared Revenue – The City of Goodyear receives revenue allocations from the State. These “State Shared Revenues” include allocations of the state-collected income tax, sales tax, gas tax, motor vehicle in-lieu taxes, and state lottery proceeds. A significant portion of this revenue is placed in the City's general fund, where it is used to support the City's day-to-day activities. The amount received by a municipality is determined by the Decennial Census and its relationship to Arizona's population as a whole. The City anticipates a 13% increase in State Share Revenues in FY 2013.

Property Tax – The City's combined (secondary and primary) property tax rate was \$1.60 per \$100 of assessed valuation for FY 2012. Of this, \$0.6554 is for the secondary levy. The secondary levy can only be used for voter approved debt service on general obligation bonded indebtedness. The voter approved general obligation bond proceeds are used for construction of public facilities (parks, public safety, streets, etc.). For FY 2013, City Council voted to increase the total combined property tax rate to \$1.7750 per \$100 of assessed value to maintain the overall levy.

The primary property tax rate is \$0.9446 for FY 2012. The primary levy can be used for any general government purpose (such as supplies, personnel, maintenance, utilities, etc.) but is limited in size by state statute. The primary tax raised \$6.3 million in FY 2012. The primary tax rate will be \$1.1115 and primary property tax revenues are expected to close to \$6.7 million in FY 2013. While this amount is approximately 12% of general fund revenues, it is nonetheless an important component for the stability and revenue diversity of the City's operating revenues. Total primary (limited) and secondary assessed property values within the City both decreased by approximately 10% from FY 2012. Property values continue to be unstable in the City and future assessed valuation is expected to decrease.

Labor Force – Goodyear has a well-educated and available labor force. For Goodyear heads of households, more than 85% are college educated with 56% obtaining college degrees. The estimated median income level is \$76,523 and approximately 47% have a household income of more than \$75,000. The City is a member of the Greater Phoenix Economic Council (GPEC), which has been successful at introducing new businesses to the City. The City maintains an economic development department “in-house,” which has been instrumental in locating retail, hospitality, office, and industrial businesses to the City. In addition, the Economic Development Department has also been proactively recruiting public and private institutions of higher education.

For the Future

The City's financial and operational plans will continue to support basic government services, including roads, police, fire, water, sewer, solid waste management, building safety, code enforcement, and parks and recreation. In addition, the City Council continues its process to assist in the identification, prioritization, and management of emerging strategic issues that, by virtue of their scope, complexity, and/or potential impact, require a coordinated multi-departmental action plan and budget. The City Council works closely with City management to implement specific objectives and tasks designed to meet these goals.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Goodyear, Arizona for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2011. This is the fourth year the City of Goodyear has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. That report must satisfy both generally accepted accounting principles and applicable legal requirements.

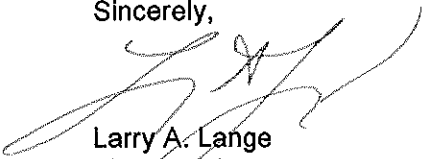
A Certificate of Achievement is valid for one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting this report to the GFOA to determine its eligibility for a certificate for fiscal year ended June 30, 2012.

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated 2011-12. This is the seventeenth year in a row that the City has received the highest form of recognition in governmental budgeting.

Acknowledgements

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

Sincerely,



Larry A. Lange
Finance Director

LAL/ad

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, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Davison

President

Jeffrey R. Emer

Executive Director

CITY OF GOODYEAR

LIST OF PRINCIPAL OFFICIALS

MAYOR

Georgia Lord

VICE MAYOR

Joanne Osborne

COUNCIL MEMBERS

Wally Campbell

Gary Gelzer

Sheri Lauritano

Joe Pizzillo

William Stipp

SENIOR MANAGEMENT STAFF

Brian Dalke
City Manager

Michael Simonson
Presiding Judge

Roric Massey
City Attorney

Jeffrey Fiegenschuh
Deputy City Manager

Jack Friedline
Interim Deputy City Manager

Maureen Scott
City Clerk

Wynette Reed
Human Resources Director

Mark Gaillard
Fire Chief

Larry Lange
Finance Director

Gerald Geier
Police Chief

Sheri Wakefield-Saenz
Development Services Director

Manuel Mejia
Interim Information Technology Director

David Ramirez
Engineering Director

Nathan Torres
Interim Park & Recreation Director

Romina Khananisho
Intergovernmental & Grants Programs Manager

Romina Khananisho
Interim Communication & Marketing Manager

Mark Flynn
Municipal Services Division Manager

Mark Holmes
Water Resources Division Manager

Jerry Postema
Environmental Services Division Manager

Eduardo Cruz
Court Administrator

CITIZENS OF GOODYEAR

**MAYOR &
CITY COUNCIL**

Presiding Judge
Michael Simonson

City Manager
Brian Dalke

City Attorney
Roric Massey

Interim Deputy City Manager
Jack Friedline

Deputy City Manager
Jeffrey Fiegenschuh

Finance Department
Larry Lange
Director

Engineering Department
David Ramirez
City Engineer

Water Resources
Division
Mark Holmes
Manager

Municipal Services
Division
Mark Flynn
Manager

Environmental Services
Division
Jerald Postema
Manager

Human Resources Department
Wynette Reed
Director

Development Services
Department
Sheri Wakefield-Saenz
Director

Intergovernmental & Grants
Program
Division
Romina Khananisho
Manager

**Communication &
Marketing**
Division
Romina Khananisho
Interim Manager

City Clerk
Maureen Scott

Fire Department
Mark Gaillard
Chief

Police Department
Gerald Geier
Chief

Parks & Recreation
Department
Nathan Torres
Interim Director

Information Technology Services
Manuel Mejia
Interim Director

Municipal Court
Eduardo Cruz
Administrator

ACKNOWLEDGEMENTS

The Comprehensive Annual Financial Report (CAFR) was prepared by the staff of the Finance Department – Accounting, Administrative Services, Community Facilities District and Utility Customer Service Divisions:

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Regina Mullaney
Sheila Mills
Carmelita Evans
Marty Eckstaine
Anna K. Dizack, MA
Kathy Cheff



Financial Section



HENRY & HORNE, LLP
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Council
City of Goodyear, Arizona

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 City of Goodyear, Arizona, as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2012, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In connection with our audit, nothing came to our attention that caused us to believe that the City of Goodyear failed to use highway user revenue fund monies received by the City of Goodyear pursuant to Arizona Revised Statutes Title 28, Chapter 18, Article 2 and any other dedicated state transportation revenues received by the City of Goodyear solely for the authorized transportation purposes. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance.

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Casa Grande
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Fax (520) 426-9432

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2012 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 17 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Goodyear, Arizona's basic financial statements as a whole. The introductory section, the accompanying financial information listed as other supplementary information in the financial section, and the statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The financial information listed as other supplementary information in the financial section and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 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.

Henry & Horne LLP

Casa Grande, Arizona
November 19, 2012

City of Goodyear

*Management's
Discussion and Analysis*

Management's Discussion and Analysis

Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS For The Year Ended June 30, 2012

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, 2012. This discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the City's financial activity, (3) identify changes in the City's financial position, (4) identify any material deviations from the financial plan (the approved annual budget), and (5) identify individual fund issues or concerns.

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

FINANCIAL HIGHLIGHTS

- ◆ The City's total assets exceeded its liabilities by \$658.2 million (*net assets*) at the close of fiscal year 2012. Of this amount, \$38.7 million represents unrestricted net assets, which may be used to meet the City's ongoing obligations to citizens and creditors.
- ◆ Total net assets of the City increased by \$10.3 million due primarily to debt retirement.
- ◆ At June 30, 2012, total fund balance of the governmental funds was \$70.1 million, an increase of \$6.4 million (10.03%) from the previous year. The majority of this increase can be attributed to General fund revenues in excess of anticipated amounts and receiving of a grant reimbursement that had been outstanding for two years. Approximately 32.92% of this total amount (\$23.1 million) is unassigned fund balance available for spending at the government's discretion.
- ◆ At June 30, 2012, total unassigned fund balance for the General Fund is \$23.1 million, an increase of \$1.6 million (7.42%) from the prior fiscal year. This increase is due primarily from grant reimbursement.
- ◆ The City's outstanding long-term debt decreased by \$13.5 million during the current fiscal year due to refunding.

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 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.

- **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 community development. These activities are generally supported by taxes and general revenues.
- **Business-type activities** – The services provided by the City included here are stadium, water, wastewater, and sanitation services. These activities are primarily supported through user charges or fees.

The *statement of net assets* presents information on all of the City's assets and liabilities, both current and long-term, with the difference between the assets and liabilities reported as *net assets*. The focus on net assets is designated to be similar to the emphasis for businesses. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City may be changing. Increases in net assets may indicate an improved financial position; however, even decreases in net assets may reflect a changing manner in which the City may have previously accumulated funds (i.e. cash funding of capital projects). To assess the overall health of the City, other indicators, including non-financial indicators like the City's property tax base and condition of its infrastructure, should also be considered.

The *statement of activities* presents information showing how the City's net assets changed over the most recent fiscal year. Since full accrual accounting is used for the government-wide financial statements, all changes to net assets are reported at the time of the underlying event, giving rise to the change, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

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

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

Because 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 decision. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*. These reconciliations are on pages 31 and 35 respectively.

The City maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Community Facilities Districts – Debt Service, McDowell Road Improvements District – Debt Service, and Non-Utility Development Impact Fees all of which are considered to be major funds. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules beginning on page 92 of this report.

The governmental fund financial statements can be found on pages 28-35 of this report.

Proprietary funds. The City maintains five 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 stadium, water and sewer services and its 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 – Fleet Management. The Fleet Management Fund reports activities that provide preventative maintenance, repairs and safety inspections for City vehicles and equipment. The Internal service fund activities are reported as governmental activities on the government-wide statements.

The proprietary fund financial statements can be found on pages 41-44 of this report.

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 used for fiduciary funds is much like that used for proprietary funds.

The fiduciary fund financial statements can be found on pages 47-48 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 53-84 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's budget process. The City adopts an annual budget for all governmental funds. A budgetary comparison statement has been provided for the General Fund as part of the basic financial statements. The required supplementary information can be found on pages 36-37 of this report.

The combining statements referred to earlier in connection with non-major governmental funds is presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 92-JÍ of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following tables, graphs and analysis discuss the financial position and changes to the financial position of the City as a whole as of the year ended June 30, 2012 with comparative information for the previous year.

Net Assets

As noted earlier, net assets over time, may serve as a useful indicator of a government's financial position. The City's net assets exceeded liabilities by \$658.2 million at the close of fiscal year 2012. The following table reflects the condensed Statement of Net Assets of the City as of June 30, 2012 compared to the prior year.

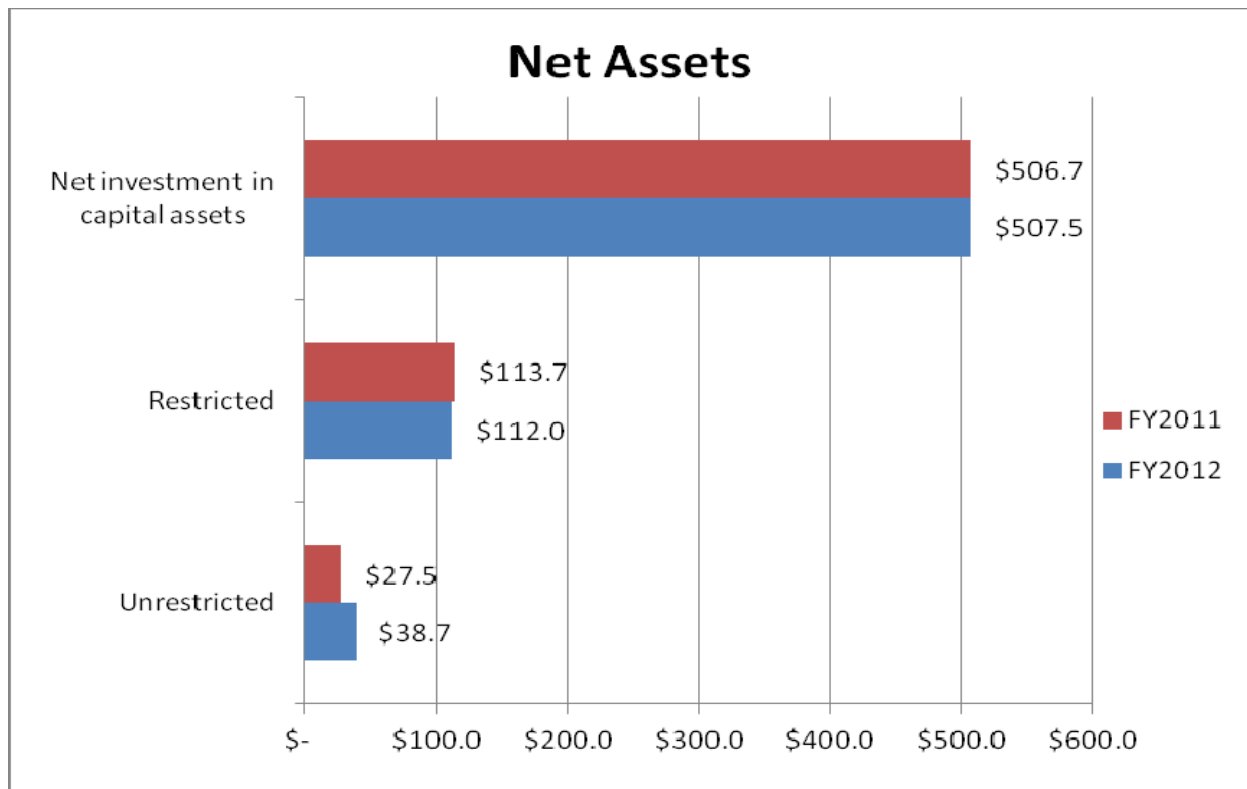
	Governmental		Business-type		Total		Percent Change
	Activities		Activities		Primary Government		
	2012	2011	2012	2011	2012	2011	
Current and other assets	\$ 153,055,657	\$ 151,036,689	\$ 38,364,051	\$ 36,927,125	\$ 191,419,708	\$ 187,963,814	1.84%
Capital assets	522,795,760	531,058,572	410,112,347	410,952,117	932,908,107	942,010,689	-0.97%
Total assets	<u>675,851,417</u>	<u>682,095,261</u>	<u>448,476,398</u>	<u>447,879,242</u>	<u>1,124,327,815</u>	<u>1,129,974,503</u>	-0.50%
Other liabilities	24,055,377	25,448,349	13,464,853	14,641,167	37,520,230	40,089,516	-6.41%
Long-term liabilities outstanding	189,443,799	200,788,304	239,159,907	241,152,470	428,603,706	441,940,774	-3.02%
Total liabilities	<u>213,499,176</u>	<u>226,236,653</u>	<u>252,624,760</u>	<u>255,793,637</u>	<u>466,123,936</u>	<u>482,030,290</u>	-3.30%
Net assets:							
Invested in capital assets, net of related debt	329,064,345	327,503,686	178,432,900	179,254,929	507,497,245	506,758,615	0.15%
Restricted for:							
Courts	261,229	198,457	-	-	261,229	198,457	31.63%
Law enforcement	125,812	129,231	-	-	125,812	129,231	-2.65%
Highways and streets	400,610	285,914	-	-	400,610	285,914	40.12%
Community facilities	538,410	536,230	-	-	538,410	536,230	0.41%
Debt service	85,199,636	86,963,445	2,663,045	2,661,924	87,862,681	89,625,369	-1.97%
Capital projects	21,720,718	21,992,019	1,135,981	905,313	22,856,699	22,897,332	-0.18%
Unrestricted	25,041,481	18,249,626	13,619,712	9,263,439	38,661,193	27,513,065	40.52%
Total net assets	<u>\$ 462,352,241</u>	<u>\$ 455,858,608</u>	<u>\$ 195,851,638</u>	<u>\$ 192,085,605</u>	<u>\$ 658,203,879</u>	<u>\$ 647,944,213</u>	1.58%

By far, the largest portion of the City's net position \$507.5 million ((77.10%)) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, artwork, and infrastructure), less any related outstanding debt that was used to acquire those assets. The City used 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 is restricted net assets of \$112.07 million (17.02%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$38.7 million (5.88%) is unrestricted and may be used to meet the City's ongoing obligations to its citizens and creditors.

At the end of the fiscal year 2012, the City is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year for investment in capital asset and unrestricted net assets.



However, the City's overall net position increased by \$10.3 million from the prior fiscal year. The reasons for the overall increase are discussed in the following section for governmental and business-type activities.

Governmental Activities

During the current fiscal year, the net assets for governmental activities increased \$6.5 million from the prior fiscal year for an ending balance of \$462.4 million. Even though the City is coming out of an economic downturn the City's sales tax revenue have increase \$3.6 million because increase in construction activity. The State shared revenue has also increase by \$3.0.

Business-type Activities

The City business-type activities have also resulted in positive overall net increase of \$3.8 million bring the net assets balance to \$195.8 million from the prior year. The majority this

increase resulted from capital grants and contributions for infrastructure assets of \$4.9 million of which \$3.3 million came Cotton Lane expansion and \$1.9 million for the Adaman water connection. The City's charges for services increase by \$2.9 million primarily for water and sewer customers during to increase in rates.

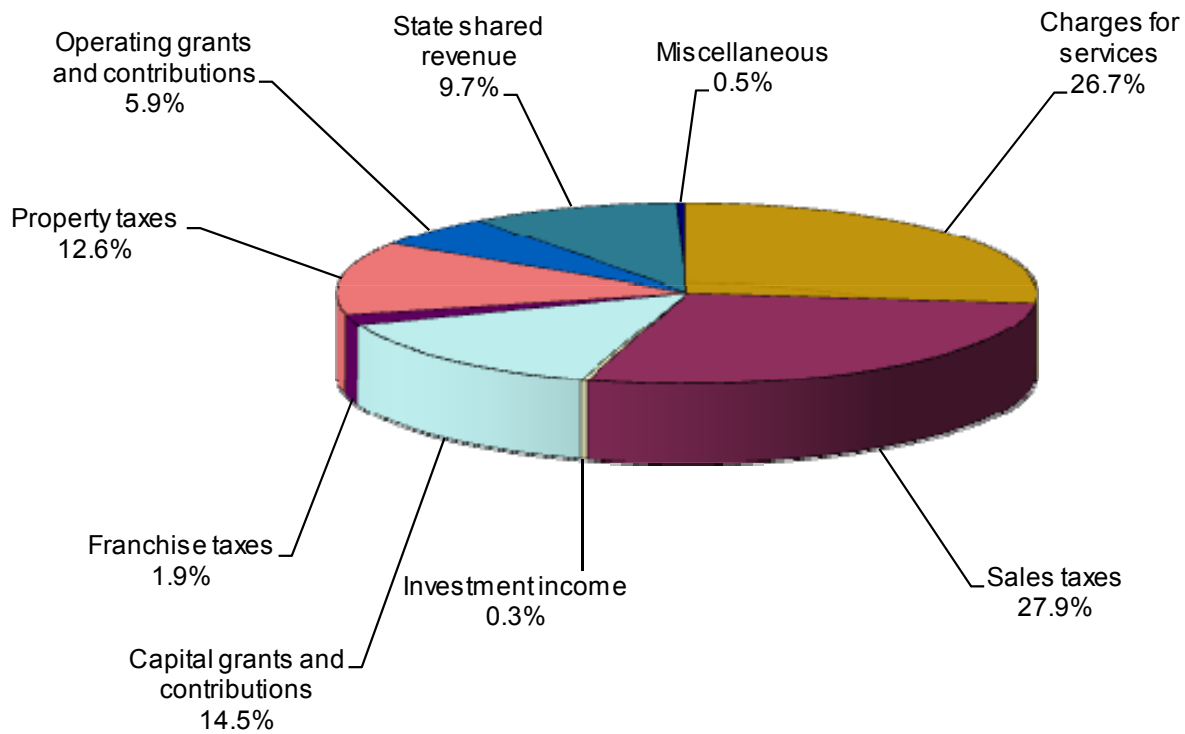
Changes in Net Assets.

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

	Governmental Activities		Business-type Activities		Total Primary Government		Percent Change
	2012	2011	2012	2011	2012	2011	
REVENUES:							
Program revenues:							
Charges for services	\$ 6,984,218	\$ 6,811,781	\$ 27,854,213	\$ 24,973,155	\$ 34,838,431	\$ 31,784,936	9.61%
Operating grants and contributions	7,636,691	5,818,158	-	-	7,636,691	5,818,158	31.26%
Capital grants and contributions	9,701,254	13,951,581	9,252,599	4,570,849	18,953,853	18,522,430	2.33%
General revenues:							
Sales taxes	36,364,557	32,729,749	-	-	36,364,557	32,729,749	11.11%
Property taxes	16,476,434	18,548,550	-	-	16,476,434	18,548,550	-11.17%
Franchise taxes	2,460,521	2,316,820	-	-	2,460,521	2,316,820	6.20%
State shared revenue	12,704,826	9,699,146	-	-	12,704,826	9,699,146	30.99%
Investment income	319,017	227,446	92,945	71,819	411,962	299,265	37.66%
Proceeds from sale of water rights	-	-	-	-	-	-	100.00%
Miscellaneous	493,244	827,619	117,103	638,611	610,347	1,466,230	-58.37%
Total revenues	93,140,762	90,930,850	37,316,860	30,254,434	130,457,622	121,185,284	7.65%
EXPENSES:							
Program activities:							
Governmental activities:							
General government	17,087,161	15,765,527	-	-	17,087,161	15,765,527	8.38%
Public safety	26,689,702	29,474,246	-	-	26,689,702	29,474,246	-9.45%
Highways and streets	13,179,678	14,798,670	-	-	13,179,678	14,798,670	-10.94%
Public works	4,168,252	3,658,756	-	-	4,168,252	3,658,756	13.93%
Culture and recreation	4,962,070	4,439,181	-	-	4,962,070	4,439,181	11.78%
Community development	6,225,917	5,150,677	-	-	6,225,917	5,150,677	20.88%
Interest on long-term debt	10,441,684	10,710,302	-	-	10,441,684	10,710,302	-2.51%
Business activities:							
Water and sewer	-	-	20,654,800	20,733,932	20,654,800	20,733,932	-0.38%
Sanitation	-	-	5,154,201	4,815,314	5,154,201	4,815,314	7.04%
Stadium	-	-	11,634,491	11,958,862	11,634,491	11,958,862	100.00%
Total expenses	82,754,464	83,997,359	37,443,492	37,508,108	120,197,956	121,505,467	-1.08%
Increase in net assets							
before transfers	10,386,298	6,933,491	(126,632)	(7,253,674)	10,259,666	(320,183)	-3304.31%
Transfers	(3,892,665)	(3,390,940)	3,892,665	3,390,940	-	-	0.00%
Increase in net assets	6,493,633	3,542,551	3,766,033	(3,862,734)	10,259,666	(320,183)	-3304.31%
Net asset July 1	455,858,608	452,316,057	192,085,605	195,948,339	647,944,213	648,264,396	-0.05%
Net asset June 30	\$ 462,352,241	\$ 455,858,608	\$ 195,851,638	\$ 192,085,605	\$ 658,203,879	\$ 647,944,213	1.58%

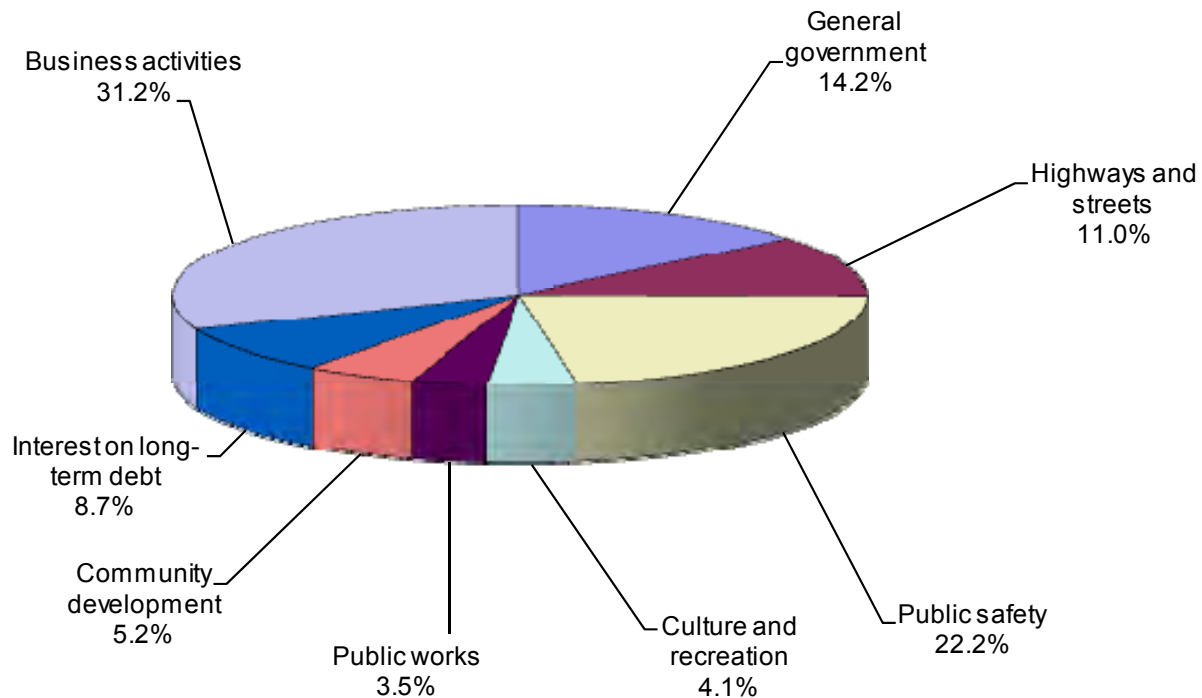
The pie chart below is a depiction of Government-Wide Revenue Sources, governmental activities accounts for 71.4% of total revenues, while business activities account for 28.6% of total revenues. Sales taxes continue to be the largest source of City revenues at 27.9%, an 11.1% increase from the previous fiscal year. Next are charges for services at 26.7% of revenue, which increased by 9.6% over the previous fiscal year primarily for the business-type activities. The City Council had approved an increase in water and sewer rates starting in fiscal year 2011 for the next four years, this is the third year of the increase. Property taxes represents 12.6% of the total governmental revenues but decreased by \$2.1 million (11.1%) from the prior fiscal year due to decline in property values. Another major component of revenues is capital grants and contributions which is 14.5% of total revenues.

Government-Wide Revenue Sources Fiscal Year 2012



As seen in the following pie chart for Government-Wide Functional Expenses, business-type activities account for 31.2% of total functional expenses, while governmental activities account for 68.8% of total functional expenses. For the governmental activities, the largest users of resources are public safety 22.2% of total expenses (32.3% of governmental expenses), general government 14.2% total expenses (20.6% of governmental expenses), highways and streets 11.0% of total expenses (15.9% of governmental expenses), and public works 3.5% of total expenses (5.0% of governmental expenses). Total government-wide expenses (not including transfers out) of the City decreased by 1.1% in fiscal year 2012. This decrease is a direct result of a number of belt tightening measures by the City to reduce expenses during this down turn in the economy.

Government-Wide Functional Expenses Fiscal Year 2012



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental funds

The focus of the City's governmental funds (pages 28-33) is to provide information on near-term inflows, outflows, and balances of spendable resources. All major governmental funds are discreetly presented on these financial statements, while non-major funds are combined into a single column. Combining statement for non-major funds may be found on pages 92-95.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$70.1 million, an increase of \$6.4 million (10.0%) from the previous year. Approximately \$23.1 million (32.9%) of the total ending fund balance constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance is (1) non-spendable \$1.9 million (2.7%) of total ending fund balance for advance to other funds, inventories and prepaid items, (2) restricted \$42.1 million (60.1%) of the total ending fund balance for charter mandates, court, law enforcement, debt service, capital projects, highway user funds and Community Facilities Districts operations, (3) assigned \$3.0 million (4.3%) of the total ending fund balance for IT replacement, Fleet replacement and risk management insurance.

Revenues for governmental functions overall totaled \$93.8 million in the fiscal year ended June 30, 2012 which represents an increase of \$6.7 million (7.7%) from the prior fiscal year. Five revenue categories show increases over the previous fiscal year. These include taxes (\$1.5 million), intergovernmental revenues (\$3.5 million), special assessments (\$1.0 million), contributions (\$.4 million) and miscellaneous (\$.2 million). The taxes are due to increase in construction sales tax collections. Special assessment increased because of increase in debt service collections. Intergovernmental revenues increase results from the increase state shared revenues due to an upturn in the economy as these revenues are distributed to the City based on population. Miscellaneous revenue increased because of a prior year reimbursement an auction proceeds in fiscal year 2012. The City's investment income increased by 14.9% over the previous fiscal year due to the investment policy the City received a higher rate of return on the investments.

The expenditures for governmental functions (\$86.3 million) are identical to the prior year.

In fiscal year ended June 30, 2012 revenues for the governmental functions exceeded expenditures by approximately \$7.4 million and increase of \$6.6 million (over 800% increase) from the prior fiscal year. However, transfer out exceeded transfer in by \$3.9 million resulting in an decrease in governmental fund balance of \$1.0 million. The majority of the transfers out were subsidy of debt service in the Stadium Enterprise Fund.

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 \$23.1 million. As a measure of liquidity, it may be useful to compare total unassigned fund balance and total fund balance to total expenditures. The unassigned fund balance represents 38.7% of General Fund expenditures.

The City's general fund balance increased by \$3.5 million in the current fiscal year due to revenues of \$67.4 million exceeding expenditures and transfers of \$63.8 million. This is an over 500% increase in from the prior year.

Proprietary funds

The proprietary fund financial statements are prepared on the same accounting basis and measurement focus as the government-wide financial statement, but provide additional detail since each major enterprise fund is shown discretely. The proprietary funds statements can be found on pages 41-44.

The proprietary funds net asset was \$195.8 million, an increase of \$3.8 million from the previous fiscal year. The Water and Sewer fund had a positive increase in their net assets of \$5.7 million for the fiscal year ended June 30, 2012 due to the increase in water and sewer rates while the Sanitation decreased slightly and the Stadium fund decreased by \$1.7 million due to increase in transfer in for debt cost.

BUDGETARY HIGHLIGHTS

The City's annual budget is the legally adopted expenditure control document of the City. The schedules filed with the Auditor General's office list the original budget adopted for the prior year, estimated expenditures through the end of the fiscal year and the adopted current year's budget. Budgetary comparison schedules are required for the General Fund, all major funds, non-major funds and enterprise funds. The General Fund budgetary comparison statement can be found on pages 36-37. The other budgetary comparison schedules can be found in the Other Supplementary Information section on pages 103-115.

The City has increased the budgeted inflows and outflows due to the upturn in the economy. General Fund actual inflows (revenues and other financing sources) of \$71.8 million, was more than budget inflows of \$66.9 million by \$4.9 million (3.8%), while expenditures and other financing uses of \$68.2 million was only 75.2% of final budgeted outflows of \$84.7 million. Revenues increased in all categories, the most notable being taxes which had favorable variance of \$1.8 million and intergovernmental revenues of \$1.2 million, while the other revenue categories experience slight increases. Expenditures are under budget in almost every category except mayor and council, public information, parks, building inspection and principal retirement. The principal retirement is higher than budgeted due to refunding of bonds during the year. Both transfer in and transfer out are more than budgeted as many transfers are based on the actual year end expenditure, most significant is the transfer to Highway User Revenue and Stadium funds.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets (net of accumulated depreciation) for its governmental and business-type activities as of June 30, 2012 amounted to \$932.9 million. Capital assets include land, artwork, construction in progress, right of way, water rights, streetscape, infrastructure, buildings and improvements and vehicles, furniture and equipment. The total decrease in the City's capital assets for the current fiscal year is \$9.1 million (1.0%) from the previous fiscal year. The following schedule presents capital asset balances for the fiscal year ended June 30, 2012 and 2011.

Capital Assets at June 30
(Net of depreciation)

	Governmental Activities		Business-type Activities		Total Primary Government		Percent Change
	2012	2011	2012	2011	2012	2011	
Land	\$ 19,426,644	\$ 19,426,644	\$ 15,404,260	\$ 14,754,260	\$ 34,830,904	\$ 34,180,904	1.9%
Artwork	204,750	186,900	131,978	75,800	336,728	262,700	100.0%
Construction in progress	13,213,915	10,682,782	42,247,284	90,092,127	55,461,199	100,774,909	-45.0%
Right of way	90,128,522	90,128,522	-	-	90,128,522	90,128,522	0.0%
Water rights	-	-	16,053,364	16,076,429	16,053,364	16,076,429	-0.1%
Streetscape	8,775,008	8,755,008	-	-	8,775,008	8,755,008	0.2%
Infrastructure	264,885,391	271,418,179	154,522,711	154,850,451	419,408,102	426,268,630	-1.6%
Building and improvements	117,262,522	120,554,781	177,001,010	129,975,784	294,263,532	250,530,565	17.5%
Vehicles, furniture and equipment	8,899,008	9,905,756	4,751,740	5,127,266	13,650,748	15,033,022	-9.2%
Total	\$ 522,795,760	\$ 531,058,572	\$ 410,112,347	\$ 410,952,117	\$ 932,908,107	\$ 942,010,689	-1.0%

The decrease in capital assets are for the disposal of City vehicles and annual depreciation.

For government-wide financial statement presentation, all depreciable capital assets are depreciated from acquisition date to the end of the current fiscal year. Additional information on the City's capital assets can be found in Note 4 on pages 67- 68 and in the schedules on pages 119-122 of this report.

Debt Administration

At the end of the current fiscal year, the City had total long-term debt outstanding of \$430.7 million. Of this amount \$118.4 million is general obligation bonds backed by the full faith and credit of the City, \$113.5 million is Community Facilities Districts bonds which are paid by the property owners within those districts, \$180.8 million of revenue bonds which are payable from user fees and assessments, \$11.9 million loan payable to WIFA by user fees, \$1.8 million contract payable paid from excise taxes, and \$4.3 million compensated absences from the City operating funds. The following schedule shows the outstanding debt obligation as of June 30, 2012 and 2011.

	Governmental Activities		Business-type Activities		Total Primary Government		Percent Change
	2012	2011	2012	2011	2012	2011	
General obligation debt	\$ 29,000,636	\$ 31,358,457	\$ 89,394,364	\$ 91,121,544	\$ 118,395,000	\$ 122,480,001	-3.3%
Community Facilities Districts bonds	113,555,000	117,182,000	-	-	113,555,000	117,182,000	-3.1%
Loan payable	-	-	11,908,602	12,554,096	11,908,602	12,554,096	-5.1%
Revenue bonds	46,615,000	49,410,000	134,165,000	134,545,000	180,780,000	183,955,000	-1.7%
Contracts payable	1,755,628	3,755,628	-	-	1,755,628	3,755,628	-53.3%
Compensated absences	3,830,033	4,080,331	440,922	463,890	4,270,955	4,544,221	-6.0%
	<u>\$ 194,756,297</u>	<u>\$ 205,786,416</u>	<u>\$ 235,908,888</u>	<u>\$ 238,684,530</u>	<u>\$ 430,665,185</u>	<u>\$ 444,470,946</u>	-3.1%
Total outstanding bonds	\$ 189,170,636	\$ 197,950,457	\$ 235,467,966	\$ 238,220,640	\$ 424,638,602	\$ 436,171,097	-3.1%

The outstanding revenue bonds include \$43.7 in McDowell Road Corridor Improvement District that is secured by pledges of specific revenue sources of the City. In addition to these are \$137.1 million in Public Improvement Corporation bonds \$134.2 for the Stadium and \$2.9 million for the City.

The State constitution limits the amount of general obligation debt a city may issue to 6 percent of its total assessed valuation. The current 6% debt limitation for the City is \$40.4 million. In addition, the State constitution limits allows a city to issue an additional 20 percent of its total assessed valuation for water, sewer, lights, transportation, public safety, open space preserves, parks, playgrounds and recreational facilities. The current 20% debt limitation for the City is \$134.6 million. The City has \$118.4 million outstanding general obligation debt for these purposes.

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

Bonded Debt Ratings
As of June 30, 2011

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

Additional information on the City's long-term debt can be found in Notes 5 – 11 on pages 69-77 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The unemployment rate for Goodyear for June 2012 was 8.2%, which is the same as the state and national rate. Arizona cities remain dependent on sales taxes and other economically sensitive tax revenues and are susceptible to slowdowns in the economy. While unemployment is not a leading economic indicator, a strong economic recovery will likely coincide with a significant improvement in current unemployment rates.

The City is projected a positive outlook for fiscal year 2013 with increase in revenues. Sales taxes are the dominant revenue source for the City and are projected to increase in fiscal year 2012 from \$33.6 million to \$37.7 million an increase of 12.2%. Property taxes are project to increase in fiscal year 2012 from \$6.0 million to \$7.6 million an increase of 26.7%. State shared revenues which are combination of state shared sales tax, state shared income tax and vehicle license tax are projected to increase by \$1.7 million from \$12.6 million in fiscal year 2012 to \$14.3 million in fiscal year 2013. The City operational budget is project to increase by the 7.0% in fiscal year 2013 from \$74.0 million to \$79.2 million due to increase operating cost. The City project capital improvement expenditure is budgeted for \$38.0 million includes carryover funds of \$6.9 million for projects started in fiscal year 2012 and an additional \$31.1 million for new projects.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the resources it receives. A copy of the City's Comprehensive Annual Financial Report is available on-line at <http://www.goodyearaz.gov/index.asp?NID=1792>. If you have questions about this report or need additional information, contact the City's Controller, City of Goodyear, 190 N. Litchfield Road, or by mail at P.O. Box 5100, Goodyear, Arizona 85338.



Basic Financial Statements

Government-wide Financial Statements

Include the Statement of Net Assets and Statement of Activities that use the accrual basis of accounting for financial reporting.

Governmental Funds Financial Statements

Include the Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance for the major governmental funds that use the modified accrual basis of reporting. Also include the reconciliations to the government-wide financial statements.

Proprietary Funds Financial Statements

Include the Statement of Net Assets, Statement of Revenues, Expenses and Changes in Fund Net Assets and Statement of Cash Flows for the business-type activities that use the accrual basis of accounting for financial reporting.

Fiduciary Funds Financial Statements

Include the Statement of Net Assets and the Statement of Changes in Net Assets for assets being held for the benefit of parties outside of the City.

Notes to the Financial Statements

CITY OF GOODYEAR, ARIZONA
STATEMENT OF NET ASSETS
June 30, 2012

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 23,941,658	\$ 16,748,861	\$ 40,690,519
Investments	30,702,800	9,490,262	40,193,062
Receivables (net of allowance for uncollectibles)	71,938,939	3,687,908	75,626,847
Due from other governments	92,132	-	92,132
Internal balances	961,840	(961,840)	-
Inventories	573,566	555,268	1,128,834
Prepaid items	546,136	-	546,136
Deferred charges	4,893,812	2,390,032	7,283,844
Restricted cash and cash equivalents	19,404,774	6,453,560	25,858,334
Capital assets:			
Nondepreciable capital assets	131,748,839	57,783,522	189,532,361
Other capital assets (net of accumulated depreciation)	391,046,921	352,328,825	743,375,746
Total assets	675,851,417	448,476,398	1,124,327,815
LIABILITIES			
Accounts payable and other current liabilities	2,135,869	1,608,584	3,744,453
Accrued payroll and employee benefits	1,014,192	124,785	1,138,977
Accrued interest payable	2,961,009	3,856,113	6,817,122
Deposits held for others	3,845,965	1,432,528	5,278,493
Unearned revenue	5,480,097	6,199,632	11,679,729
Noncurrent liabilities:			
Due within one year:			
Compensated absences	1,410,617	168,211	1,578,828
Bonds payable	7,207,628	75,000	7,282,628
Due in more than one year:			
Compensated absences	2,920,012	272,712	3,192,724
Loans/ contracts payable	1,755,628	11,908,602	13,664,230
Bonds payable	184,884,778	226,399,124	411,283,902
Interest payable	-	1,090,325	1,090,325
Deferred amount on refunding	(116,619)	(510,856)	(627,475)
Total liabilities	213,499,176	252,624,760	466,123,936
NET ASSETS			
Invested in capital assets, net of related debt	329,064,345	178,432,900	507,497,245
Restricted for:			
Courts	261,229	-	261,229
Law enforcement	125,812	-	125,812
Highways and streets	400,610	-	400,610
Capital projects	21,720,718	1,135,981	22,856,699
Community facilities	538,410	-	538,410
Debt service	85,199,636	2,663,045	87,862,681
Unrestricted	25,041,481	13,619,712	38,661,193
Total net assets	\$ 462,352,241	\$ 195,851,638	\$ 658,203,879

See accompanying notes.

CITY OF GOODYEAR, ARIZONA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2012

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 17,087,161	\$ 865,484	\$ 214,528	\$ 96,940
Public safety	26,689,702	1,633,469	837,561	-
Highways and streets	13,179,678	-	6,584,602	609,200
Public works	4,168,252	-	-	8,995,114
Culture and recreation	4,962,070	322,215	-	-
Community development	6,225,917	4,163,050	-	-
Interest on long-term debt	10,441,684	-	-	-
Total governmental activities	<u>82,754,464</u>	<u>6,984,218</u>	<u>7,636,691</u>	<u>9,701,254</u>
Business-type activities:				
Water and sewer	20,654,800	20,105,006	-	9,252,599
Sanitation	5,154,201	6,115,977	-	-
Stadium	11,634,491	1,633,230	-	-
Total business-type activities	<u>37,443,492</u>	<u>27,854,213</u>	<u>-</u>	<u>9,252,599</u>
Total primary government	<u>\$ 120,197,956</u>	<u>\$ 34,838,431</u>	<u>\$ 7,636,691</u>	<u>\$ 18,953,853</u>

General revenues:
Sales taxes
Property taxes
Franchise taxes
State shared revenues-not restricted to specific programs
Investment income
Miscellaneous

Transfers in (out)
Total general revenues and transfers

Changes in net assets

Net assets, beginning of year

Net assets, end of year

Net (Expense) Revenue and Changes in Net Assets

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
\$ (15,910,209)	\$ -	\$ (15,910,209)
(24,218,672)	-	(24,218,672)
(5,985,876)	-	(5,985,876)
4,826,862	-	4,826,862
(4,639,855)	-	(4,639,855)
(2,062,867)	-	(2,062,867)
(10,441,684)	-	(10,441,684)
<u>(58,432,301)</u>	<u>-</u>	<u>(58,432,301)</u>
-	8,702,805	8,702,805
-	961,776	961,776
-	<u>(10,001,261)</u>	<u>(10,001,261)</u>
-	<u>(336,680)</u>	<u>(336,680)</u>
<u>(58,432,301)</u>	<u>(336,680)</u>	<u>(58,768,981)</u>
36,364,557	-	36,364,557
16,476,434	-	16,476,434
2,460,521	-	2,460,521
12,704,826	-	12,704,826
319,017	92,945	411,962
493,244	117,103	610,347
<u>(3,892,665)</u>	<u>3,892,665</u>	<u>-</u>
<u>64,925,934</u>	<u>4,102,713</u>	<u>69,028,647</u>
6,493,633	3,766,033	10,259,666
<u>455,858,608</u>	<u>192,085,605</u>	<u>647,944,213</u>
<u>\$ 462,352,241</u>	<u>\$ 195,851,638</u>	<u>\$ 658,203,879</u>



Governmental Funds Financial Statements

Major Funds

General Fund

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

Community Facilities Districts Debt Service Fund

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

McDowell Road Commercial Corridor Improvement Debt Service Fund

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

Non-Utility Development Impact Fee Fund

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

Non-Major Funds

Other governmental funds are the non-major funds which are comprised of special revenue and debt service fund.



CITY OF GOODYEAR, ARIZONA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2012

	General	Community Facilities Districts- Debt Service	McDowell Road Commercial Corridor Improvement Debt Service
ASSETS			
Cash and cash equivalents	\$ 13,560,647	\$ -	\$ -
Investments	16,021,400	-	-
Taxes receivable	5,974,157	119,417	-
Interest receivable	56,057	-	-
Accounts receivable	1,038,337	-	-
Special assessments receivable	-	20,551,399	43,675,000
Due from other governments	-	-	-
Due from other funds	709,371	-	-
Advances to other funds	961,840	-	-
Inventories	16,258	-	-
Prepaid items	500,911	45,225	-
Restricted cash and cash equivalents	602,425	17,521,996	75,450
Total assets	\$ 39,441,403	\$ 38,238,037	\$ 43,750,450
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 1,338,874	\$ 68,654	\$ -
Accrued payroll and employee benefits	986,534	-	-
Deposits held for others	686,254	3,159,711	-
Due to other funds	-	-	-
Deferred revenue	5,131,990	20,622,169	43,675,000
Total liabilities	8,143,652	23,850,534	43,675,000
Fund balances:			
Nonspendable:			
Advances to other funds	961,840	-	-
Inventories	16,258	-	-
Prepaid items	500,911	45,225	-
Restricted by:			
Charter mandates	3,377,572	-	-
Court	261,229	-	-
Law enforcement	125,812	-	-
Debt service	-	14,342,278	75,450
Development impact fees	-	-	-
Capital projects	-	-	-
Highway user funds	-	-	-
Community Facilities Districts operations	-	-	-
Assigned to:			
IT replacement	437,873	-	-
Fleet replacement	1,730,168	-	-
Risk management	811,244	-	-
Unassigned	23,074,844	-	-
Total fund balances	31,297,751	14,387,503	75,450
Total liabilities and fund balances	\$ 39,441,403	\$ 38,238,037	\$ 43,750,450

Non-Utility Development Impact Fees	Non-Major Governmental Funds	Total Governmental Funds
\$ 8,728,667	\$ 1,652,194	\$ 23,941,508
13,587,113	1,094,287	30,702,800
-	470,430	6,564,004
47,480	3,824	107,361
-	2,838	1,041,175
-	-	64,226,399
-	92,132	92,132
-	-	709,371
-	-	961,840
-	412,916	429,174
-	-	546,136
-	1,204,903	19,404,774
<u>\$ 22,363,260</u>	<u>\$ 4,933,524</u>	<u>\$ 148,726,674</u>

\$ 502,542	\$ 225,799	\$ 2,135,869
-	27,658	1,014,192
-	-	3,845,965
-	564,829	564,829
140,000	1,527,046	71,096,205
<u>642,542</u>	<u>2,345,332</u>	<u>78,657,060</u>

-	-	961,840
-	412,916	429,174
-	-	546,136
-	-	3,377,572
-	-	261,229
-	-	125,812
-	1,246,110	15,663,838
21,720,718	-	21,720,718
-	-	-
-	400,610	400,610
-	538,410	538,410
-	-	437,873
-	-	1,730,168
-	-	811,244
-	(9,854)	23,064,990
<u>21,720,718</u>	<u>2,588,192</u>	<u>70,069,614</u>
<u>\$ 22,363,260</u>	<u>\$ 4,933,524</u>	<u>\$ 148,726,674</u>



CITY OF GOODYEAR, ARIZONA
 RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS
 GOVERNMENTAL FUNDS
 June 30, 2012

Total governmental fund balances		\$ 70,069,614
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Governmental capital assets	\$ 640,926,366	
Less accumulated depreciation	<u>(118,130,606)</u>	522,795,760
Certain revenues earned but not received within 60 days of year-end are deferred for the governmental statements, but are recognized as revenue for the government-wide statements.		
Grants	1,117,995	
Property taxes	272,956	
Special assessments	<u>64,225,157</u>	65,616,108
Interest payable on long-term debt is not reported in the governmental funds.		
		(2,961,009)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences payable	(4,330,629)	
Bond issuance cost	4,893,812	
Bond refunding amount	116,619	
Loan payable	(1,755,628)	
Bonds payable	<u>(192,092,406)</u>	<u>(193,168,232)</u>
Net assets of governmental activities		<u>\$ 462,352,241</u>

CITY OF GOODYEAR, ARIZONA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2012

REVENUES	General	Community Facilities Districts Debt Service	McDowell Road Commercial Improvement Debt Service
Taxes	\$ 45,081,464	\$ 4,940,099	\$ -
Licenses and permits	4,729,946	-	-
Intergovernmental revenues	12,704,826	-	-
Charges for services	1,595,929	-	-
Fines and forfeits	825,971	-	-
Investment income (loss)	171,812	9,388	3,490
Special assessments	-	2,294,821	3,550,094
Contributions	269,368	2,830,584	-
Miscellaneous	122,106	6	-
Total revenues	65,501,422	10,074,898	3,553,584
EXPENDITURES			
Current:			
General government	14,466,754	-	-
Public safety	25,780,010	-	-
Highways and streets	-	-	-
Public works	2,967,386	-	-
Culture and recreation	4,070,198	-	-
Community development	4,557,391	-	-
Capital outlay	2,248,028	-	-
Debt service:			
Principal retirement	5,350,000	3,627,000	1,225,000
Interest and debt cost	119,621	6,479,396	2,325,697
Total expenditures	59,559,388	10,106,396	3,550,697
Excess (deficiency) of revenues over (under) expenditures	5,942,034	(31,498)	2,887
OTHER FINANCING SOURCES (USES)			
Debt issuance	1,780,000	-	-
Debt premium	129,958	-	-
Refunding bonds	-	-	-
Refunding bonds premium	-	-	-
Payment to refunded bond escrow agent	-	-	-
Transfers in	4,348,845	-	-
Transfers out	(8,658,827)	-	-
Total other financing sources and uses	(2,400,024)	-	-
Net change in fund balances	3,542,010	(31,498)	2,887
Fund balances, beginning of year	27,755,741	14,419,001	72,563
Fund balances , end of year	\$ 31,297,751	\$ 14,387,503	\$ 75,450

See accompanying notes.

Non-Utility Development Impact Fees	Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ 5,376,340	\$ 55,397,903
-	-	4,729,946
-	6,614,797	19,319,623
2,271,804	9,185	3,876,918
-	-	825,971
129,423	4,904	319,017
-	-	5,844,915
-	-	3,099,952
-	239,090	361,202
<u>2,401,227</u>	<u>12,244,316</u>	<u>93,775,447</u>
-	1,220,546	15,687,300
-	349,292	26,129,302
109,694	3,230,514	3,340,208
-	-	2,967,386
40,803	4,700	4,115,701
-	-	4,557,391
2,522,031	1,667,541	6,437,600
-	2,231,024	12,433,024
-	1,762,438	10,687,152
<u>2,672,528</u>	<u>10,466,055</u>	<u>86,355,064</u>
(271,301)	1,778,261	7,420,383
-	-	1,780,000
-	-	129,958
-	11,530,000	11,530,000
-	949,267	949,267
-	(11,530,000)	(11,530,000)
-	1,155,617	5,504,462
-	(738,300)	(9,397,127)
-	1,366,584	(1,033,440)
(271,301)	3,144,845	6,386,943
21,992,019	(556,653)	63,682,671
<u>\$ 21,720,718</u>	<u>\$ 2,588,192</u>	<u>\$ 70,069,614</u>



CITY OF GOODYEAR, ARIZONA
 RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 Year Ended June 30, 2012

Net change in fund balances - total governmental funds	\$ 6,386,943
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives as depreciation expense.	
Contributions	\$ 609,200
Expenditures for capitalized assets	6,291,363
Less current year depreciation	<u>(15,163,375)</u>
	(8,262,812)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds and revenues received in the current year that were accrued in the Statement of Activities in prior years are reported as revenues in the funds.	
Grants	1,014,394
Property taxes	(96,391)
Special assessments	(2,117,117)
Bond proceeds provide current financial resources to the governmental funds, but issuing debt increases long-term liabilities in the Statement of Activities.	
	(13,310,000)
Interest expense in the Statement of Activities differs from the amount reported in governmental funds because accrued interest was calculated for bonds and notes payable for the Statement of Activities, but is expensed when due for the governmental fund statements.	
	129,603
Governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
	(1,090,510)
Repayment of long-term debt are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.	
Debt principal retirement	12,559,821
Debt principal refunded	11,530,000
Compensated absences expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
	<u>(250,298)</u>
Change in net assets of governmental activities	<u>\$ 6,493,633</u>

CITY OF GOODYEAR, ARIZONA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET
AND ACTUAL
Year Ended June 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 43,288,274	\$ 43,288,274	\$ 45,081,464	\$ 1,793,190
Licenses and permits	3,549,744	3,549,744	4,729,946	1,180,202
Intergovernmental revenues	12,649,218	12,649,218	12,704,826	55,608
Charges for services	1,230,564	1,230,564	1,595,929	365,365
Fines and forfeits	825,440	825,440	825,971	531
Investment income	67,500	67,500	171,812	104,312
Contributions	10,000	10,000	269,368	259,368
Miscellaneous	13,750	13,750	122,106	108,356
Total revenues	<u>61,634,490</u>	<u>61,634,490</u>	<u>65,501,422</u>	<u>3,866,932</u>
EXPENDITURES				
Current				
General government				
Mayor and council	366,601	374,601	376,822	(2,221)
City clerk	564,004	556,004	500,976	55,028
City manager	1,591,564	1,786,973	1,768,957	18,016
City attorney	909,021	909,021	718,115	190,906
Finance	2,399,239	2,399,239	2,197,124	202,115
Information technology	2,732,361	3,232,361	2,501,278	731,083
Human resources	2,232,419	2,482,419	2,275,991	206,428
Code compliance	496,662	496,662	361,614	135,048
Public information	621,686	641,686	647,068	(5,382)
Non-departmental	3,309,400	3,284,200	3,118,809	165,391
Reserved contingency	16,347,842	16,347,842	-	16,347,842
Public safety				
Police	13,787,844	13,687,148	13,279,992	407,156
Fire	11,415,672	11,435,635	11,233,549	202,086
Municipal court	964,015	1,027,015	849,177	177,838
City prosecutor	429,498	429,498	417,292	12,206
Public works				
Administration	619,817	619,817	545,284	74,533
Building services	2,774,617	2,744,617	2,422,102	322,515
Culture and recreation				
Parks	2,706,375	2,706,375	2,725,063	(18,688)
Recreation and aquatics	1,405,558	1,408,558	1,345,135	63,423
Community development				
Economic development	476,661	477,661	452,405	25,256
Community development	996,381	1,020,865	963,693	57,172
Engineering	2,356,225	2,356,741	2,253,141	103,600
Building inspection	841,494	883,589	888,152	(4,563)
Capital outlay	4,123,157	5,616,253	2,248,028	3,368,225
Debt service				
Principal retirement	2,745,000	2,745,000	5,350,000	(2,605,000)
Interest and fiscal charges	185,425	185,425	119,621	65,804
Total expenditures	<u>77,398,538</u>	<u>79,855,205</u>	<u>59,559,388</u>	<u>20,295,817</u>
Excess (deficiency) of revenues over expenditures	<u>(15,764,048)</u>	<u>(18,220,715)</u>	<u>5,942,034</u>	<u>24,162,749</u>

OTHER FINANCING	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Debt issuance	-	-	1,780,000	1,780,000
Debt premium	-	-	129,958	129,958
Transfers in	3,448,845	5,298,845	4,348,845	(950,000)
Transfers out	(8,987,908)	(10,837,908)	(8,658,827)	2,179,081
Total other financing sources (uses)	(5,539,063)	(5,539,063)	(2,400,024)	3,139,039
Net change in fund balance	(21,303,111)	(23,759,778)	3,542,010	27,301,788
Fund balance, beginning of year	27,755,741	27,755,741	27,755,741	-
Fund balance, end of year	<u>\$ 6,452,630</u>	<u>\$ 3,995,963</u>	<u>\$ 31,297,751</u>	<u>\$ 27,301,788</u>



Proprietary Fund Financial Statements

Major Funds

Water and Sewer Fund

This fund accounts for the City's water and sewer utility operations.

Sanitation Fund

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

Stadium Fund

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

Non-Major Funds

Internal Service Fund

This fund accounts for operations that provide services to other departments of the government on a cost-reimbursement basis. The internal service fund is presented as one column of the proprietary fund financial statement. The internal service fund activities are reported as governmental activities on the government-wide statements.

Fleet Management Fund

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

CITY OF GOODYEAR, ARIZONA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2012

	Business-type Activities-Enterprise Funds				Governmental
	Water & Sewer	Sanitation	Stadium	Total	Activities - Internal Service Funds
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 7,148,772	\$ 547,056	\$ 9,053,033	\$ 16,748,861	\$ 150
Investments	8,505,566	417,521	567,175	9,490,262	-
Interest receivable	29,722	1,459	1,982	33,163	-
Accounts receivable	2,950,245	704,500	-	3,654,745	-
Inventories	555,268	-	-	555,268	176,562
Total current assets	<u>19,189,573</u>	<u>1,670,536</u>	<u>9,622,190</u>	<u>30,482,299</u>	<u>176,712</u>
Noncurrent assets:					
Deferred charges	1,414,214	-	975,818	2,390,032	-
Restricted cash and cash equivalents	6,453,560	-	-	6,453,560	-
Non-depreciable capital assets	46,389,199	-	11,394,323	57,783,522	-
Depreciable capital assets	239,876,701	470,055	111,982,069	352,328,825	-
Total noncurrent assets	<u>294,133,674</u>	<u>470,055</u>	<u>124,352,210</u>	<u>418,955,939</u>	<u>-</u>
Total assets	<u>313,323,247</u>	<u>2,140,591</u>	<u>133,974,400</u>	<u>449,438,238</u>	<u>176,712</u>
LIABILITIES					
Current liabilities:					
Accounts payable	1,042,868	354,140	211,576	1,608,584	18,066
Accrued payroll and employee benefits	70,454	13,296	41,035	124,785	14,104
Accrued interest payable	1,050,588	-	2,805,525	3,856,113	-
Due to other funds	-	-	-	-	144,542
Deposits held for others	1,432,528	-	-	1,432,528	-
Unearned revenue	6,175,134	-	24,498	6,199,632	-
Compensated absences payable	104,848	19,856	43,507	168,211	-
Revenue bonds payable	75,000	-	-	75,000	-
Total current liabilities	<u>9,951,420</u>	<u>387,292</u>	<u>3,126,141</u>	<u>13,464,853</u>	<u>176,712</u>
Noncurrent liabilities:					
Accrued interest payable	1,090,325	-	-	1,090,325	-
Compensated absences payable	163,991	34,370	74,351	272,712	-
Advances from other funds	-	-	961,840	961,840	-
Loan payable	11,908,602	-	-	11,908,602	-
Bonds payable	81,496,494	-	8,142,856	89,639,350	-
Revenue bonds payable	31,910,000	-	104,849,774	136,759,774	-
Deferred amount on refunding	(61,127)	-	(449,729)	(510,856)	-
Total noncurrent liabilities	<u>126,508,285</u>	<u>34,370</u>	<u>113,579,092</u>	<u>240,121,747</u>	<u>-</u>
Total liabilities	<u>136,459,705</u>	<u>421,662</u>	<u>116,705,233</u>	<u>253,586,600</u>	<u>176,712</u>
NET ASSETS					
Invested in capital assets, net of related debt	162,584,454	470,055	15,378,391	178,432,900	-
Restricted					
Capital projects	-	-	1,135,981	1,135,981	-
Debt service	2,663,045	-	-	2,663,045	-
Unrestricted	11,616,043	1,248,874	754,795	13,619,712	-
Total net assets	<u>\$ 176,863,542</u>	<u>\$ 1,718,929</u>	<u>\$ 17,269,167</u>	<u>\$ 195,851,638</u>	<u>\$ -</u>

See accompanying notes.

CITY OF GOODYEAR, ARIZONA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
Year Ended June 30, 2012

	Business-type Activities-Enterprise Funds				Governmental Activities - Internal Service Funds
	Water & Sewer	Sanitation	Stadium	Total	
Operating revenues:					
Charges for service	\$ 20,105,006	\$ 6,115,977	\$ 1,633,230	\$ 27,854,213	\$ 1,980,446
Miscellaneous	116,744	223	136	117,103	-
Total operating revenue	<u>20,221,750</u>	<u>6,116,200</u>	<u>1,633,366</u>	<u>27,971,316</u>	<u>1,980,446</u>
Operating expenses:					
Administration	3,087,652	623,168	2,074,129	5,784,949	597,848
Costs of sales and services	5,615,793	4,387,461	1,609,205	11,612,459	1,382,598
Depreciation and amortization	5,533,888	143,572	2,653,087	8,330,547	-
Total operating expenses	<u>14,237,333</u>	<u>5,154,201</u>	<u>6,336,421</u>	<u>25,727,955</u>	<u>1,980,446</u>
Operating income (loss)	<u>5,984,417</u>	<u>961,999</u>	<u>(4,703,055)</u>	<u>2,243,361</u>	<u>-</u>
Nonoperating revenues (expenses):					
Investment income	76,021	3,907	13,017	92,945	-
Interest expense	(6,417,467)	-	(5,298,070)	(11,715,537)	-
Total nonoperating revenues (expenses)	<u>(6,341,446)</u>	<u>3,907</u>	<u>(5,285,053)</u>	<u>(11,622,592)</u>	<u>-</u>
Income (loss) before capital contributions and transfers	(357,029)	965,906	(9,988,108)	(9,379,231)	-
Capital contributions	9,252,599	-	-	9,252,599	-
Transfers in	-	-	8,241,510	8,241,510	-
Transfers out	(3,156,460)	(1,192,385)	-	(4,348,845)	-
Change in net assets	<u>5,739,110</u>	<u>(226,479)</u>	<u>(1,746,598)</u>	<u>3,766,033</u>	<u>-</u>
Net assets, beginning of year	<u>171,124,432</u>	<u>1,945,408</u>	<u>19,015,765</u>	<u>192,085,605</u>	<u>-</u>
Net assets, end of year	<u>\$ 176,863,542</u>	<u>\$ 1,718,929</u>	<u>\$ 17,269,167</u>	<u>\$ 195,851,638</u>	<u>\$ -</u>

CITY OF GOODYEAR, ARIZONA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2012

	Business-type Activities Enterprise Funds				Governmental Activities - Internal Service Funds
	Water & Sewer	Sanitation	Stadium	Total	
Cash flows from operating activities:					
Received from customers	\$ 19,202,113	\$ 6,074,267	\$ 1,639,685	\$ 26,916,065	\$ 2,031,274
Payments to vendors	(6,840,363)	(4,357,489)	(1,631,874)	(12,829,726)	(1,437,550)
Payments to employees	(3,073,658)	(639,522)	(2,066,895)	(5,780,075)	(593,724)
Net cash provided (used) by operating activities	9,288,092	1,077,256	(2,059,084)	8,306,264	-
Cash flows from noncapital financing activities:					
Interfund transfers	(3,156,460)	(1,192,385)	8,241,510	3,892,665	-
Net cash provided (used) for noncapital and related financing activities	(3,156,460)	(1,192,385)	8,241,510	3,892,665	-
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(3,277,533)	-	(756,054)	(4,033,587)	-
Capital debt proceeds	552,600	-	26,050,023	26,602,623	-
Principal paid on long-term debt	(2,520,842)	-	(25,496,939)	(28,017,781)	-
Interest paid on long-term debt	(5,830,460)	-	(5,376,371)	(11,206,831)	-
Proceeds from sale of capital assets	133,811	-	-	133,811	-
Developer contributions	2,008,522	-	-	2,008,522	-
Development impact fees received	3,653,077	-	-	3,653,077	-
Net cash (used) for capital and related financing activities	(5,280,825)	-	(5,579,341)	(10,860,166)	-
Cash flows from investing activities:					
Investment income received	63,160	3,411	13,489	80,060	-
Net cash provided by investing activities	63,160	3,411	13,489	80,060	-
Net change in cash and cash equivalents	913,967	(111,718)	616,574	1,418,823	-
Cash and cash equivalents, beginning of year	21,193,931	1,076,295	9,003,634	31,273,860	150
Cash and cash equivalents, end of year	\$ 22,107,898	\$ 964,577	\$ 9,620,208	\$ 32,692,683	\$ 150
Cash and cash equivalents Investments	\$ 7,148,772	\$ 547,056	\$ 9,053,033	\$ 16,748,861	\$ 150
Restricted cash and cash equivalents	8,505,566	417,521	567,175	9,490,262	-
	6,453,560	-	-	6,453,560	-
	\$ 22,107,898	\$ 964,577	\$ 9,620,208	\$ 32,692,683	\$ 150

CITY OF GOODYEAR, ARIZONA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2012

	Business-type Activities-Enterprise Funds				Governmental
	Water & Sewer	Sanitation	Stadium	Total	Activities - Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities					
Operating income (loss)	\$ 5,984,417	\$ 961,999	\$ (4,703,055)	\$ 2,243,361	\$ -
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization	5,533,888	143,572	2,653,087	8,330,547	-
(Increase) decrease in:					
Accounts receivable	(510,598)	(41,933)	23,268	(529,263)	-
Inventories	67,832	-	-	67,832	(20,160)
Increase (decrease) in:					
Accounts payable	(1,335,645)	29,972	(22,669)	(1,328,342)	(34,792)
Accrued payroll and employee benefits	18,519	1,357	7,965	27,841	4,124
Due to other funds	43,243	-	-	43,243	50,828
Unearned revenue	(716,986)	-	(8,686)	(725,672)	-
Deposits held for others	207,947	-	(8,263)	199,684	-
Compensated absences payable	(4,525)	(17,711)	(731)	(22,967)	-
Net cash provided (used) by operating activities	<u>\$ 9,288,092</u>	<u>\$ 1,077,256</u>	<u>\$ (2,059,084)</u>	<u>\$ 8,306,264</u>	<u>\$ -</u>
Noncash investing, capital, and financing activities:					
Contributions of capital assets	3,591,000	-	-	3,591,000	-
Amortization of bond premium	36,895	-	502,545	539,440	-
Amortization of deferred bond costs	253,791	-	301,863	555,654	-

Fiduciary Fund Financial Statements

Pension Trust Fund

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

Agency Funds

The City holds these assets as an agent for individuals, private organizations or others in a temporary custodial capacity. The City currently maintains five agency funds. One fund accounts for monies held in trust for the United States Environmental Protection Agency and the Crane Co. for cleanup of the Phoenix-Goodyear Airport Superfund site known as the Brownfield EPA Cleanup. The remaining four funds account for monies donated by individuals for G.A.I.N., Fill-A-Need, Payshare, and Shop With A Cop.

CITY OF GOODYEAR, ARIZONA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
June 30, 2012

	<u>Pension Trust</u>	<u>Agency Funds</u>
ASSETS		
Cash and cash equivalents	\$ 24,252	\$ 494,338
Interest receivable	165	6
Investments	391,219	-
Total assets	<u>415,636</u>	<u>494,344</u>
LIABILITIES		
Accounts payable	-	324,794
Deposits held for others	-	169,550
Total liabilities	<u>-</u>	<u>\$ 494,344</u>
NET ASSETS		
Held in trust for pension benefits	<u>\$ 415,636</u>	

CITY OF GOODYEAR, ARIZONA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION TRUST FUND
Year Ended June 30, 2012

	<u>Pension Trust</u>
ADDITIONS	
Investment income	
Net increase (decrease) in fair value of investments	\$ (24,815)
Interest	330
Total investment income	<u>(24,485)</u>
Total additions	<u>(24,485)</u>
DEDUCTIONS	
Benefits	<u>2,093</u>
Total deductions	<u>2,093</u>
Net decrease	(26,578)
Net assets, beginning of year	442,214
Net assets, end of year	<u>\$ 415,636</u>

Notes to the Financial Statements

Notes to the Financial Statements

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

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CITY OF GOODYEAR, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The City is a municipal entity governed by an elected Mayor and council. As required by accounting principles generally accepted in the United States of America, these financial statements present the City and its component units, entities for which the City is considered financially accountable. Blended component units, although legally separate entities, are in substance, part of the City's operations and so data from these units are combined with data from the City, the primary government.

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

Blended Component Units - The Goodyear Community Facilities General District No. 1, Goodyear Community Facilities Utilities District No. 1, Wildflower Ranch Community Facilities General District No. 1, Wildflower Ranch Community Facilities General District No. 2, Estrella Mountain Ranch Community Facilities District, Cottonflower Community Facilities District, Centerra Community Facilities District, Cortina Community Facilities District, Palm Valley Community Facilities District No. 3, and King Ranch Community Facilities District were formed for the purpose of acquiring and improving public infrastructure in specified land areas. As special purpose districts and separate political subdivisions under the Arizona Constitution, the Districts can levy taxes and issue bonds independently of the City. Property owners in the designated areas are assessed for District taxes and thus for the cost of operating the Districts. The City Council serves as the Board of Directors; however, the City has no liability for the Districts' debt. For financial reporting purposes, transactions of the Districts are combined together and included as if they were part of the City's operations.

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

CITY OF GOODYEAR, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net assets 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, 2012, 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.

CITY OF GOODYEAR, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Balances – Governmental Funds (Continued)

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the City's adopted policy, only City Council or the City's Finance Director may assign amounts for specific purposes.

Unassigned - all other spendable amounts.

The General Fund has Unassigned Funds consisting of a Stabilization Arrangement in the amount of \$12.9 million. The Stabilization Arrangement is used to set aside resources to cover unanticipated deficits or revenue reductions that may be caused by adverse economic conditions or public emergency. The amount of the Stabilization Arrangement is equal to 4 months of operating expenditures which is estimated from the prior year's budgeted expenditures.

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

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

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

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

Expenditures generally are recorded when a 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.

CITY OF GOODYEAR, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Property taxes, sales taxes, franchise taxes, licenses and permits, charges for service, special assessments and investment income associated with the current fiscal period are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Grants and similar awards are recognized as revenues as soon as all eligibility requirements imposed by the grantor or provider have been met. Miscellaneous revenue is not susceptible to accrual because generally they are not measurable until received in cash. Deferred revenues also arise when the City receives resources before it has legal claim to them, as when grant monies are received prior to meeting all eligibility requirements imposed by the provider.

Delinquent property taxes have been recorded as deferred revenue. Receivables that will not be collected within the available period have also been reported as deferred revenue on the governmental fund financial statements.

The City reports the following major governmental funds:

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

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

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

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

The City reports the following major proprietary funds:

Water and Sewer Fund - This fund accounts for the City's water and sewer utility operations.

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

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

The City reports the following internal service funds:

The Internal service fund activities are reported as governmental activities on the government-wide statements.

CITY OF GOODYEAR, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Agency Funds – The City holds these assets as an agent for individuals, private organizations or others in a temporary custodial capacity. The City currently maintains five agency funds. One fund accounts for monies held in trust for the United States Environmental Protection Agency and the Crane Co. for cleanup of the Phoenix-Goodyear Airport Superfund site known as the Brownfield EPA Cleanup. The remaining four funds account for monies donated by individuals for the GAIN, Payshare (Utility Assistance), Fill-A-Need, and Shop With A Cop activities.

Pursuant to GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting, the City follows GASB guidance as applicable to its proprietary funds, and Financial Accounting Standards Boards Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB Pronouncements.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 nonoperating revenues and expenses.

CITY OF GOODYEAR, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Special Revenue Funds

Highway User Revenue Fund (HURF)

Grants Fund

Community Facilities Districts

Debt Service Funds

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. Cash equivalents are defined as short-term (original maturities of three months or less), highly liquid investments that are 1) readily convertible to known amounts of cash and 2) so near maturity that they present insignificant risk of changes in value because of changes in interest rates. The City has no formal policy relating to custodial credit risk for deposits.

F. Investments

Arizona Revised Statutes (ARS) authorize the City to invest public monies in the State Treasurer's Local Government Investment Pool, interest-bearing savings account, certificates of deposit, and repurchase agreements in eligible depositories; bonds or other obligations of the U.S. government that are guaranteed as to principal and interest by the U.S. government; and bonds of the State of Arizona counties, cities, school districts, and special districts as specified by statute. Investments for the City are reported at fair value.

Government Accounting Standards Board Statement 40 – Deposit and Investment Risk Disclosures (Statement 40) requires the City to disclose its deposit and investment policies regarding certain types of risks. The City's adopted investment policy is in compliance with Statement 40.

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 interfund loans) or "advances to/from other funds" (i.e., the non-current portion of the interfund loans).

CITY OF GOODYEAR, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Receivables and Payables (Continued)

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 in 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. Pursuant to ARS, a lien against assessed real and personal property attaches on the first day of January preceding assessment and levy; however according to case law, an enforceable legal claim to the asset does not arise.

H. Inventory

Inventories are stated at average cost using the first-in, first-out (FIFO) flow assumption in determining cost. Inventory in the governmental funds, which consists of expendable supplies held for consumption, is recorded as an expenditure at the time individual inventory items are consumed (i.e. the consumption method) and is offset by a fund balance reserve in the governmental fund financial statements indicating it does not constitute available expendable resources. No reservation is shown in the proprietary funds statements or the government-wide financial statements for inventories.

I. Prepaid Items

Prepaid items are generally for payments made by the City in the current fiscal year for goods or services to be received in a subsequent fiscal year. Such items recorded as prepaid at the time of the payment and recognized as expenditures/expenses when the related goods or services are received. Prepaid items are offset by fund balance reserve in the governmental fund financial statements indicating it does not constitute available expendable resources. No reservation is shown in the proprietary fund statements or the government-wide financial statements for prepaid items.

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 investments on the balance sheet because their use is limited by applicable bond covenants.

CITY OF GOODYEAR, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Capital Assets

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

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

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

<u>Assets</u>	<u>Years</u>
Infrastructure	20-65
Land improvements	15
Buildings and improvements	7-50
Vehicles, machinery and equipment	3-7
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. 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 compensated absences.

CITY OF GOODYEAR, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. 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 in the statement of net assets.

N. Interfund Activity

Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers between governmental funds are eliminated in the Statement of Activities. Interfund services provided and used are not eliminated in the process of consolidation. Interfund transfers in the fund statements are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds.

O. 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.

P. 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. Public meetings are 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 2012.

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

CITY OF GOODYEAR, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Budgetary Data (Continued)

The City Manager is generally authorized to transfer budgeted amounts within any specific department's expenditure appropriation. Any budget revisions requiring a transfer between departments in the General Fund or a transfer between any other fund must be approved by the City Council.

All unencumbered expenditure appropriations expire at the end of the fiscal year.

Encumbered amounts are re-budgeted in the following year as deemed appropriate and necessary after review by the Budget Office. Budgetary carry forwards are approved by the City Council.

The City approves its annual budget consistent with Generally Accepted Accounting Principles (GAAP). GAAP requires that budgetary comparison statements for the General Fund and major governmental funds be presented in the annual financial statements. These statements must display original budget, amended budget and actual results (on a budgetary basis). The City has also shown this information as supplementary schedules for other non-major governmental funds as well as enterprise funds.

NOTE 2 CASH AND INVESTMENTS

At June 30, 2012, cash and cash equivalents are presented as follows:

	Governmental Activities	Business Activities	Fiduciary Fund	Total
Cash and cash equivalents	\$ 23,941,658	\$ 16,748,861	\$ 518,590	\$ 41,209,109
Investments	30,702,800	9,490,262	391,219	40,584,281
Restricted cash and cash equivalents	19,404,774	6,453,560	-	25,858,334
	<u>\$ 74,049,232</u>	<u>\$ 32,692,683</u>	<u>\$ 909,809</u>	<u>\$ 107,651,724</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.

Deposits

At June 30, 2012, the City had \$9,850 of cash on hand. The carrying amount of the City's cash in bank totaled \$7,875,819 and the bank balance was \$454,698. The City's deposits at June 30, 2012 were covered by Federal Depository Insurance to the extent of \$454,698. There were no deposits that were uncollateralized at year end. Deposits of \$8,733,159 were held in a sweep account, which purchases investments nightly.

CITY OF GOODYEAR, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 2 CASH AND INVESTMENTS (Continued)

Investments

The City's portfolio complies with Arizona Revised Statutes (ARS) and the City's investment policy. ARS authorizes the City to invest public monies in the State Treasurer's Local Government Investment Pool, interest-bearing savings accounts, certificates of deposit, and repurchase agreements in eligible depositories; bonds or other obligations of the U.S. government that are guaranteed as to principal and interest by the U.S. government; and bonds of the State of Arizona counties, cities, school districts, and special districts as specified by statute.

The City invests in the Local Government Investment Pool 5 (LGIP), an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. The LGIP is not registered with the Securities Exchange Commission under the 1940 Investment Advisors Act. The State Board of Investment has oversight responsibilities of the investment pool in accordance with ARS 35-311. The pool's policy is to invest in fixed-rate securities with a final maturity less than 36 months from the settlement date of the purchase and variable-rate securities with final maturity less than 5 years. The dollar weighted average portfolio maturity is less than 240 days. The net asset value per share of the pool at June 30, 2012 was \$1.00. The Arizona State Treasurer issues a publicly available financial report that includes financial statements and required supplementary information. Copies may be obtained by contacting the Arizona State Treasurer, 1700 West Washington, Phoenix, Arizona 85007.

Funds held in the State Treasurer's Local Government Investment Pool represent a proportionate interest in the pool's portfolio; however, the City's portion is not identified with specific investments and is not subject to custodial credit risk. At June 30, 2012, the City's funds invested with the State Treasurer totaled \$32,147,841.

Custodial Credit Risk

To control custodial credit risk, State law and the City's investment policy requires all securities and collateral to be held by an independent third party custodian in the City's name. The custodian provides the City with monthly market values.

The City is invested in multiple mutual funds through the trust department of Wells Fargo. The mutual funds have a value of \$27,033,983 at June 30, 2012.

The City also holds \$40,240,153 invested with Bank of New York. The accounts are invested in a money market fund, U.S. Treasury securities, and U.S. Government bonds.

The City also holds investments that belong to the Goodyear Volunteer and Reserve Firefighter Retirement Trust Plan. These funds are held by LGIP as described above and LPL Financial and consist of multiple money market funds and mutual funds. The maturities of these investments are usually less than 30 days. The Fiduciary Fund investments have a value of \$344,128 at June 30, 2012.

CITY OF GOODYEAR, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 2 CASH AND INVESTMENTS (Continued)

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 shall adopt an average portfolio duration limitation (ranging from 90 days to 3 years) consistent with the primary investment objective of safety, liquidity and yield.

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.

At June 30, 2012, the City's investments included the following:

Investment Type	Total	Remaining Maturity (In Years)			Not Applicable
		Less Than 1	1 to 2	2 to 3	
Governmental funds					
Repurchase Agreement	\$ 8,733,159	\$ 8,733,159	\$ -	\$ -	\$ -
LGIP	24,430,661	24,430,661	-	-	-
Money Market Funds	13,617,048	13,617,048	-	-	-
Federal Agency Securities	22,743,027	1,932,498	13,270,218	7,540,311	-
U.S. Treasury Notes	7,905,927	351,039	2,069,443	5,485,444	-
	<u>77,429,822</u>	<u>49,064,406</u>	<u>15,339,661</u>	<u>13,025,755</u>	<u>-</u>
Proprietary funds					
LGIP	7,694,216	7,694,216	-	-	-
Money Market Funds	13,011,448	13,011,448	-	-	-
Federal Agency Securities	7,029,889	597,337	4,101,836	2,330,716	-
U.S. Treasury Notes	2,443,729	108,507	639,667	1,695,556	-
	<u>30,179,282</u>	<u>21,411,507</u>	<u>4,741,503</u>	<u>4,026,272</u>	<u>-</u>
Fiduciary Fund					
LGIP	22,964	\$ 22,964	-	-	-
Money Market Funds	530,663	475,977	-	-	54,686
U.S. Treasury Notes	47,091	47,091	-	-	-
Mutual Funds	289,442	-	-	-	289,442
	<u>890,160</u>	<u>546,032</u>	<u>-</u>	<u>-</u>	<u>344,128</u>
Total	<u>\$ 108,499,264</u>	<u>\$ 71,021,945</u>	<u>\$ 20,081,164</u>	<u>\$ 17,052,027</u>	<u>\$ 344,128</u>

At June 30, 2012, 65.46% of the City's investments have a maturity of less than one year and 18.51% have maturity between two and three years.

CITY OF GOODYEAR, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 2 CASH AND INVESTMENTS (Continued)

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. Presented below is the actual rating as of year-end for each investment type.

Governmental funds		Ratings as of Year-End			
Investment Type	Total	AAAF/S1+	AAAm	AA+	Unrated
Repurchase agreements	\$ 8,733,159	\$ -	\$ -	\$ -	\$ 8,733,159
LGIP	24,430,661	24,430,661	-	-	-
Money market	13,617,048	-	13,617,048	-	-
Federal Agency Securities	22,743,027	-	-	22,743,027	-
U.S. Treasury Notes	7,905,927	-	-	7,905,927	-
	<u>\$ 77,429,822</u>	<u>\$ 24,430,661</u>	<u>\$ 13,617,048</u>	<u>\$ 30,648,954</u>	<u>\$ 8,733,159</u>

Proprietary funds		Ratings as of Year-End			
Investment Type	Total	AAAF/S1+	AAAm	AA+	Unrated
LGIP	\$ 7,694,216	\$ 7,694,216	\$ -	\$ -	\$ -
Money market	13,011,448	-	13,011,448	-	-
Federal Agency Securities	7,029,889	-	-	7,029,889	-
U.S. Treasury Notes	2,443,729	-	-	2,443,729	-
	<u>\$ 30,179,282</u>	<u>\$ 7,694,216</u>	<u>\$ 13,011,448</u>	<u>\$ 9,473,618</u>	<u>\$ -</u>

Fiduciary funds		Ratings as of Year-End			
Investment Type	Total	AAAF/S1+	AAAm	AA+	Unrated
LGIP	\$ 22,964	\$ 22,964	\$ -	\$ -	\$ -
Money market	530,663	-	475,977	-	54,686
U.S. Treasury Notes	47,091	-	-	47,091	-
Mutual funds	289,442	-	-	-	289,442
	<u>\$ 890,160</u>	<u>\$ 22,964</u>	<u>\$ 475,977</u>	<u>\$ 47,091</u>	<u>\$ 344,128</u>

CITY OF GOODYEAR, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 2 CASH AND INVESTMENTS (Continued)

Concentration of Credit Risk

The City's investment policy limits the diversification on both security types and length of maturity. At the time of purchase a maximum of 5% of the market value of the portfolio may be invested in debt issues by any single entity. Debt backed by the U.S. Treasury or Government Sponsored Enterprises (GSEs) are exempt from this concentration criterion. As of June 30, 2012, the City's investments are included as follows:

<u>Investment Type</u>	<u>Total</u>	<u>Concentration</u>
Repurchase Agreement	\$ 8,733,159	8.05%
LGIP	32,147,841	29.63%
Money Market Funds	27,159,159	25.03%
Federal Agency Securities	29,772,916	27.44%
U.S. Treasury Notes	10,396,747	9.58%
Mutual Funds	289,442	0.27%
Total	<u>\$ 108,499,264</u>	

NOTE 3 RECEIVABLES

Receivables, net of no allowance for uncollectibles, as of year-end for the City's individual major governmental funds and nonmajor governmental funds in the aggregate are as follows:

	General Fund	Community Facilities Districts-Debt Service Fund	McDowell Road Commercial Corridor Improvement District Debt Service	Non-Utility Development Impact Fees Fund	Non-Major Governmental Fund	Total
Receivables:						
Taxes	\$ 5,974,157	\$ 119,417	\$ -	\$ -	\$ 470,430	\$ 6,564,004
Interest	56,057	-	-	47,480	3,824	107,361
Accounts	1,038,337	-	-	-	2,838	1,041,175
Special assessments	-	20,551,399	43,675,000	-	-	64,226,399
Total receivables	<u>\$ 7,068,551</u>	<u>\$ 20,670,816</u>	<u>\$ 43,675,000</u>	<u>\$ 47,480</u>	<u>\$ 477,092</u>	<u>\$ 71,938,939</u>

CITY OF GOODYEAR, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 3 RECEIVABLES (Continued)

The following table summarizes the City's receivables for the enterprise funds as of June 30, 2012.

	Water and Sewer Fund	Sanitation Fund	Stadium Fund	Total
Receivables:				
Interest	\$ 29,722	\$ 1,459	\$ 1,982	\$ 33,163
Accounts	3,008,594	726,214	-	3,734,808
	<u>3,038,316</u>	<u>727,673</u>	<u>1,982</u>	<u>3,767,971</u>
Less:				
Allowance	(58,349)	(21,714)	-	(80,063)
Net receivables	<u>\$ 2,979,967</u>	<u>\$ 705,959</u>	<u>\$ 1,982</u>	<u>\$ 3,687,908</u>

Revenues of the Water and Sewer Fund and Sanitation Fund are reported net of uncollectible amounts. Total uncollectible amounts related to the Water and Sewer Fund revenues and Sanitation Fund revenues for the current period are \$79,662 and \$17,661, respectively.

NOTE 4 CAPITAL ASSETS

A summary of capital assets activity for the fiscal year ended June 30, 2012 follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 19,426,644	\$ -	\$ -	\$ 19,426,644
Artwork	186,900.00	17,850	-	204,750
Construction in progress	10,682,780	3,694,017	(1,162,882)	13,213,915
Right of Way	90,128,522	-	-	90,128,522
Streetscape	8,755,008	20,000	-	8,775,008
Total capital assets not being depreciated	<u>129,179,854</u>	<u>3,731,867</u>	<u>(1,162,882)</u>	<u>131,748,839</u>
Capital assets, being depreciated:				
Land improvements	2,549,608	-	-	2,549,608
Infrastructure	335,334,358	1,231,450	-	336,565,808
Buildings and improvements	130,507,719	1,852,866	(53,695)	132,306,890
Vehicles, furniture and equipment	37,025,590	1,247,262	(517,631)	37,755,221
Total capital assets being depreciated	<u>505,417,275</u>	<u>4,331,578</u>	<u>(571,326)</u>	<u>509,177,527</u>
Less accumulated depreciation for:				
Land improvements	(92,069)	(169,974)	-	(262,043)
Infrastructure	(63,916,179)	(7,764,238)	-	(71,680,417)
Buildings and improvements	(12,410,476)	(4,921,457)	-	(17,331,933)
Vehicles, furniture and equipment	(27,119,833)	(2,307,706)	571,326	(28,856,213)
Total accumulated depreciation	<u>(103,538,557)</u>	<u>(15,163,375)</u>	<u>571,326</u>	<u>(118,130,606)</u>
Total capital assets, being depreciated, net	<u>401,878,718</u>	<u>(10,831,797)</u>	<u>-</u>	<u>391,046,921</u>
Governmental activities capital assets, net	<u>\$ 531,058,572</u>	<u>\$ (7,099,930)</u>	<u>\$ (1,162,882)</u>	<u>\$ 522,795,760</u>

CITY OF GOODYEAR, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 4 CAPITAL ASSETS (Continued)

Business-Type Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 14,754,260	\$ 650,000	\$ -	\$ 15,404,260
Artwork	75,800	56,178	-	131,978
Construction in progress	90,092,127	2,585,825	(50,430,668)	42,247,284
Total capital assets not being depreciated	104,922,187	3,292,003	(50,430,668)	57,783,522
Capital assets, being depreciated:				
Infrastructure	185,320,649	3,598,945	-	188,919,594
Buildings & improvements	135,491,832	50,580,450	-	186,072,282
Vehicles, machinery and equipment	14,375,052	304,443	(152,043)	14,527,452
Water rights	18,542,224	161,130	-	18,703,354
Total capital assets being depreciated	353,729,757	54,644,968	(152,043)	408,222,682
Less accumulated depreciation for:				
Infrastructure	(30,470,198)	(3,926,685)		(34,396,883)
Buildings and improvements	(5,516,048)	(3,555,224)	-	(9,071,272)
Vehicles, machinery and equipment	(9,247,786)	(664,443)	136,517	(9,775,712)
Water rights amortization	(2,465,795)	(184,195)	-	(2,649,990)
Total accumulated depreciation	(47,699,827)	(8,330,547)	136,517	(55,893,857)
Total capital assets, being depreciated, net	306,029,930	46,314,421	(15,526)	352,328,825
Business-Type activities capital assets, net	\$ 410,952,117	\$ 49,606,424	\$ (50,446,194)	\$ 410,112,347

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 994,784
Public safety	1,601,155
Highway and streets	11,395,920
Culture and recreation	708,136
Public works	463,380
Total depreciation expense	\$ 15,163,375
Business-type activities:	
Water and wastewater	\$ 5,533,888
Sanitation	143,572
Stadium	2,653,087
Total depreciation and amortization expense	\$ 8,330,547

CITY OF GOODYEAR, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 5 LOANS PAYABLE

The City received three loans from the Water Infrastructure Finance Authority. The first loan was used to acquire the rights and make improvements to existing capacity in the wastewater treatment plant. The second loan was used to finance the planning and design of a pilot recharge project and to construct a well distribution line. The third loan is being used for expansion of an effluent sewer facility and to rehabilitate the existing effluent lift station. The loans payable at June 30, 2012, are as follows:

Description	Interest Rate (Including Fees)	Maturity	Outstanding Principal June 30, 2012	Due Within One Year
Business-type activities:				
Water Infrastructure Finance Authority Loan	4.06%	07/01/07 - 21	\$ 2,430,953	\$ -
Water Infrastructure Finance Authority Loan	4.06%	07/01/07 - 21	4,617,230	-
Water Infrastructure Finance Authority Loan	2.00%	07/01/10 - 29	4,860,419	-
Total Business-type activities			<u>\$ 11,908,602</u>	<u>\$ -</u>

Annual debt service requirements to maturity on the loans payable at June 30, 2012 are summarized as follows:

Fiscal year ending June 30,	Business-Type Activities	
	Principal	Interest
2013	\$ -	\$ 339,779
2014	909,661	359,617
2015	941,439	327,246
2016	974,404	293,665
2017	1,008,601	258,828
2018-2022	5,642,320	727,052
2023-2027	1,548,187	156,180
2028-2030	883,990	24,355
Total	<u>\$ 11,908,602</u>	<u>\$ 2,486,722</u>

NOTE 6 CONTRACT PAYABLE

The City entered into an agreement to acquire approximately 80,443 acres of right-of-way for proposed 303 alignment for \$11,755,628. The City agreed to pay the owner an initial payment of \$2,000,000 in fiscal year 2008 and to make annual principal only payments to the owner each fiscal year until the contract is paid off. The amount due for the contract payable as of June 30, 2012, is \$1,755,628.

CITY OF GOODYEAR, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 7 GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at June 30, 2012, consisted of the outstanding general obligation and refunding bonds presented below. The bonds are generally callable with interest payable semiannually. Of the total amounts originally authorized, \$167,660,449 remains unissued. The bonds payable at June 30, 2012 are presented below.

Description	Interest Rate	Maturity	Outstanding Principal June 30, 2012	Due Within One Year
Governmental activities:				
Series 2007 General Obligation Bonds	3.00 - 5.00%	7/1/08 - 26	\$ 8,720,997	\$ -
Series 2008 General Obligation Refunding Bonds Series 2009	4.25 - 6.00%	7/1/09 - 38	8,040,139	-
Series 2010 - Build America General Obligation Refunding Bonds Series 2012	5.25 - 5.125%	7/1/27 - 30	604,500	-
	3.90% - 4.25%	7/1/21 - 30	105,000	-
		7/1/12 - 18	11,530,000	-
Total Governmental activities			<u>\$ 29,000,636</u>	<u>\$ -</u>
Business-type activities:				
Series 2005 General Obligation Bonds	3.50 - 5.00%	7/1/07 - 20	\$ 19,985,000	\$ -
Series 2007 General Obligation Bonds	3.00 - 5.00%	7/1/08 - 26	21,204,003	-
Series 2008 General Obligation Refunding Bonds Series 2009	4.25 - 6.00%	7/1/09 - 27	32,909,861	-
Series 2010 - Build America General Obligation Refunding Bonds Series 2010	5.25 - 5.125%	7/1/27 - 30	4,975,500	-
	4.018 - 5.125%	7/1/21 - 30	5,710,000	-
		7/1/22 - 30	4,610,000	-
Total Business-type activities			<u>\$ 89,394,364</u>	<u>\$ -</u>
Total			<u>\$ 118,395,000</u>	<u>\$ -</u>

CITY OF GOODYEAR, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 7 GENERAL OBLIGATION BONDS PAYABLE (Continued)

Annual debt service requirements to maturity on governmental bonds payable at June 30, 2012 are summarized as follows:

Fiscal year ending June 30,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2013	\$ -	\$ 1,059,728	\$ -	\$ 4,082,845
2014	2,445,067	1,198,422	4,009,933	3,910,138
2015	2,691,833	1,089,351	4,143,167	3,726,952
2016	2,828,415	989,213	4,331,585	3,531,948
2017	2,930,269	888,470	4,549,731	3,331,166
2018-2022	8,008,019	3,013,902	25,241,981	13,154,828
2023-2027	5,516,640	1,659,877	21,133,360	7,953,042
2028-2032	2,239,034	729,627	16,400,966	3,496,007
2033-2037	1,899,593	303,426	7,775,407	1,241,980
2038	441,766	9,384	1,808,234	38,428
Total	<u>\$ 29,000,636</u>	<u>\$ 10,941,400</u>	<u>\$ 89,394,364</u>	<u>\$ 44,467,334</u>

The City issued \$5,815,000 General Obligation Bonds 2010 (Build America Bonds – Direct Pay) in January 2010 to acquire and construct certain sewer system and street improvements. \$5,710,000 will be repaid from sewer rates and \$105,000 will be repaid from excise taxes. The bonds have a stated interest rate 5.40 % - 6.30% with semi-annual interest payable for the next 20 years and principal payable over the last eleven years.

The City issued \$4,610,000 of General Obligation Refunding Bonds in June 2010 to do advance and current refunding of the 2002-2008 series general obligation bonds. Under the terms of the refunding issue, sufficient assets to pay all principal interest on the refunding bonds issues have been placed in irrevocable trust accounts at commercial banks and invested in U.S. Government Securities, which together with interest earned thereon, will provide amount sufficient for future payment of principal and interest of the issue refunded. There was \$2,175,000 outstanding on these bonds as of June 30, 2012. These bonds have been fully defeased.

The City issued \$11,530,000 of General Obligation Refunding Bonds in March 2012 to do advance and current refunding of the 2002-2003 series general obligation bonds. Under the terms of the refunding issue, sufficient assets to pay all principal interest on the refunding bonds issues have been placed in irrevocable trust accounts at commercial banks and invested in U.S. Government Securities, which together with interest earned thereon, will provide amount sufficient for future payment of principal and interest of the issue refunded. There was \$11,530,000 outstanding on these bonds as of June 30, 2012. These bonds have been fully defeased. The transaction resulted in an economic gain (difference between the present value of the debt service on the old and the new bonds) of approximately \$796,561.

CITY OF GOODYEAR, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 8 REVENUE BONDS PAYABLE

Revenue bonds payable at June 30, 2012 consisted of the outstanding revenue bonds and refunding bonds presented below. The bonds are generally callable with interest payable semiannually. The bonds payable at June 30, 2012 are presented below.

Description	Interest Rate	Maturity	Outstanding Principal June 30, 2012	Due Within One Year
Governmental activities:				
Public Improvement Corporation Municipal Facilities Revenue Bonds, Series 2007B	4.00 - 5.00%	7/1/08 - 13	\$ 1,160,000	\$ 570,000
Public Improvement Corporation Municipal Facilities Revenue Bonds, Series 2011A	2.00 - 3.00%	7/1/12 - 21	1,780,000	-
McDowell Road Corridor Improvement District Bonds	5.25%	1/1/10 - 32	43,675,000	1,285,000
Total Governmental Activities			<u>\$ 46,615,000</u>	<u>\$ 1,855,000</u>

Description	Interest Rate	Maturity	Outstanding Principal June 30, 2012	Due Within One Year
Business-type activities:				
Revenue Bonds, Series 1999	4.47 - 6.73%	7/1/07 - 18	\$ 1,230,000	\$ -
Public Improvement Corporation Municipal Facilities Revenue Bonds, Series 2007A	4.50 - 5.00%	7/1/20 - 32	44,200,000	-
Public Improvement Corporation Municipal Facilities Revenue Bonds, Series 2008	5.00 - 6.375%	7/1/20 - 32	32,950,000	-
Revenue Bonds, Series 2009	6.75%	7/1/2049	325,000	-
Revenue Bonds, Series 2010	5.00 - 5.625%	7/1/23 - 40	14,950,000	-
Revenue Bonds, Series 2011	2.00 - 5.50%		15,480,000	75,000
Public Improvement Corporation Municipal Facilities Revenue Bonds, Series 2011A	5.00 - 6.375%	7/1/20 - 32	23,515,000	-
Public Improvement Corporation Municipal Facilities Revenue Bonds, Series 2011B	5.00 - 6.375%	7/1/20 - 32	1,515,000	-
Total Business-Type Activities			<u>\$ 134,165,000</u>	<u>\$ 75,000</u>

CITY OF GOODYEAR, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 8 REVENUE BONDS PAYABLE (Continued)

Revenue bond debt service requirements to maturity are as follows:

Fiscal Year Ending June 30,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2013	\$ 1,855,000	\$ 1,244,444	\$ 75,000	\$ 7,365,025
2014	1,945,000	2,292,775	520,000	7,258,481
2015	1,510,000	2,206,037	510,000	7,265,506
2016	1,730,000	2,126,927	510,000	7,292,306
2017	1,815,000	2,041,200	500,000	7,273,162
2018-2022	10,460,000	8,762,700	21,650,000	33,688,897
2023-2027	11,915,000	5,979,226	29,170,000	25,805,373
2028-2032	15,385,000	2,505,824	56,285,000	14,832,113
2033-2037	-	-	15,800,000	4,072,250
2038-2042	-	-	8,820,000	1,127,285
2043-2047	-	-	-	109,688
2048-2050	-	-	325,000	54,844
	<u>\$ 46,615,000</u>	<u>\$ 27,159,133</u>	<u>\$ 134,165,000</u>	<u>\$ 116,144,930</u>

The City issued \$26,810,000 of Public Improvement Corporation Municipal Facilities Revenue Refunding Bonds in November 2011 with an average interest rate of 4.68% to refund a portion of the Municipal Facilities Revenue Bonds, Series 2007A, 2007C and 2008. Under the terms of the refunding issue, sufficient assets to pay \$23,650,000 of the Series 2007A, \$2,605,000 of the Series 2007C and \$1,500,000 of the Series 2008 principal and interest on the refunding bonds issues have been placed in irrevocable trust accounts at commercial banks and invested in U.S. Government Securities, which together with interest earned thereon, will provide amount sufficient for future payment of principal and interest of the issue refunded. There was no outstanding balance on these bonds as of June 30, 2012. These bonds have been fully defeased. The transaction resulted in an economic gain (difference between the present value of the debt service on the old and the new bonds) of approximately \$1,047,343. The \$468,606 deferred amount on retirement of bonds is being amortized over the lives of the refunding bonds on the straight-line basis.

CITY OF GOODYEAR, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 9 COMMUNITY FACILITIES DISTRICTS BONDS PAYABLE

Community facilities district bonds payable at June 30, 2012 consisted of outstanding general obligation and special assessment bonds. The bonds are generally callable with interest payable semiannually. The community facilities district bonds payable at June 30, 2012, are presented below.

Description	Interest Rate	Maturity	Outstanding Principal June 30, 2012	Due Within One Year
General District No. 1:				
G.O. Bonds, Series 1996 (A)	6.5 - 7.0%	07/15/21	\$ 440,000	\$ 30,000
G.O. Bonds, Series 1998	4.55 - 5.25%	07/15/23	1,525,000	90,000
G.O. Bonds, Series 2000	4.6 - 5.3%	07/15/25	4,650,000	215,000
G.O. Bonds, Series 2003	3.3 - 5.75%	07/15/28	4,980,000	110,000
Palm Valley:				
G.O. Bonds, Series 2006	4.25 - 5.30%	07/15/31	3,985,000	120,000
G.O. Bonds, Series 2007	4.25 - 5.80%	07/15/32	3,640,000	90,000
Utilities District No. 1:				
G.O. Bonds, Series 1998	4.55 - 5.25%	07/15/22	3,335,000	250,000
G.O. Bonds, Series 2000	4.7 - 5.2%	07/15/25	5,910,000	235,000
G.O. Bonds, Series 2003	3.3 - 5.75%	07/15/28	7,470,000	140,000
G.O. Bonds, Series 2005	3.5 - 4.5%	07/15/29	6,820,000	195,000
G.O. Bonds, Series 2005 Refunding	3.0 - 4.3%	07/15/21	1,085,000	90,000
G.O. Bonds, Series 2007	4.00 - 5.00%	07/15/32	21,850,000	445,000
Wildflower Ranch General District 1:				
G.O. Bonds, Series 1997	5.875 - 6.5%	07/15/22	420,000	30,000
G.O. Bonds, Series 1998	5.2 - 5.75%	07/15/23	515,000	25,000
Wildflower Ranch General District 2:				
G.O. Bonds, Series 2000	6.0 - 7.0%	07/15/25	540,000	25,000
G.O. Bonds, Series 2001	4.5 - 5.9%	07/15/26	585,000	25,000
Estrella Mountain Ranch:				
Assessment Bonds, Series 2001(A)	7.88%	07/01/25	4,464,000	287,000
Assessment Bonds, Series 2002	7.38%	07/01/27	3,367,000	144,000
G.O. Bonds, Series 2005	5.0 - 5.8%	07/15/30	4,340,000	125,000
Assessment Bonds, Series 2007(M)	4.65 - 5.80%	07/01/32	7,017,000	212,000
G.O. Bonds, Series 2007	4.50 - 6.20%	07/15/32	11,920,000	300,000
Assessment Bonds, Series 2007(G)	6.00 - 6.75%	07/01/32	6,452,000	159,000
Cottonflower:				
G.O. Bonds, Series 2003	4.1 - 5.7%	07/15/28	1,435,000	55,000
G.O. Bonds, Series 2004	3.7 - 6.75%	07/15/28	1,135,000	40,000
Cortina:				
G.O. Bonds, Series 2005	5.0 - 5.7%	07/15/29	1,455,000	50,000
G.O. Bonds, Series 2006	5.0 - 5.375%	07/15/31	875,000	20,000
Centerra:				
G.O. Bonds, Series 2005	5.50%	07/15/29	2,060,000	70,000
G.O. Bonds, Series 2006	4.75 - 5.15%	07/15/31	585,000	5,000
G.O. Bonds, Series 2008	4.875-6.625%	07/15/32	700,000	15,000
Total			<u>\$ 113,555,000</u>	<u>\$ 3,597,000</u>

CITY OF GOODYEAR, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2012

NOTE 9 COMMUNITY FACILITIES DISTRICTS BONDS PAYABLE (Continued)

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

Fiscal year ending June 30,	Governmental Activities	
	Principal	Interest
2013	\$ 3,597,000	\$ 6,116,306
2014	3,599,000	5,933,214
2015	3,786,000	5,744,420
1016	3,975,000	5,542,321
2017	4,189,000	5,325,454
2018-2022	24,586,000	22,875,978
2023-2027	30,590,000	15,212,658
2028-2032	32,475,000	6,230,398
2033	6,758,000	188,125
Total	<u>\$ 113,555,000</u>	<u>\$ 73,168,874</u>

On March 31, 2005, Community Facilities Utilities District #1 issued \$1,455,000 of General Obligation Bonds to do an advance refunding of the 1996(B) bonds. The \$51,794 deferred amount on retirement of bonds is being amortized over the lives of the refunding bonds on the straight-line basis. Amortization for the year ended June 30, 2012 of \$5,180 was taken on the deferred amount.

Legal Debt Limit - General Obligation bonded indebtedness for each District cannot exceed 60 percent of the market value of the property in the District after the infrastructure is completed, plus the value of the infrastructure improvements made.

CITY OF GOODYEAR, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 10 AMORTIZATION OF BOND COSTS

Bond costs are being amortized over the life of the bonds on the straight-line basis. Amortization has been offset against interest expense. A summary of the amortizations are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Bond Costs:				
Governmental Activities				
General Obligation Bonds				
Series 2007	\$ 71,843	\$ -	\$ 4,490	\$ 67,353
Series 2008	96,751	-	5,691	91,060
Series 2009-Refunding	4,258	-	237	4,021
Series 2010 - Build America	8,275	-	447	7,828
Series 2012 - Refunding	-	140,000	5,184	134,816
Public Improvement Corporation				
Series 2007B	15,100	-	6,048	9,052
Series 2007C	30,924	-	30,924	-
Series 2011A	-	10,292	378	9,914
Improvement District Bonds				
McDowell Road	1,854,934	-	90,697	1,764,237
Community Facilities District Bonds Payable				
Palm Valley District #3 Series 2006	217,539	-	10,359	207,180
Palm Valley District #3 Series 2007	204,430	-	9,292	195,138
Utilities District #1 Series 2005	277,403	-	15,411	261,992
Utilities District #1 Series 2005 Refunding	11,174	-	1,118	10,056
Utilities District #1 Series 2007	637,458	-	28,975	608,483
Estrella Mountain Ranch Series 2005	137,601	-	6,880	130,721
Estrella Mountain Ranch Series 2007	354,665	-	16,121	338,544
Estrella Mountain Ranch Series 2007(M)	350,337	-	15,924	334,413
Estrella Mountain Ranch Series 2007(G)	307,702	-	13,986	293,716
Centerra Series 2005	94,701	-	5,261	89,440
Centerra Series 2006	62,695	-	2,985	59,710
Centerra Series 2008	101,574	-	4,617	96,957
Cortina Series 2005	82,971	-	4,610	78,361
Cortina Series 2006	105,860	-	5,040	100,820
Business-type Activities				
General Obligation Bonds				
Series 2005	242,348	-	24,234	218,114
Series 2007	174,675	-	10,917	163,758
Series 2008	419,324	-	15,530	403,794
Series 2009-Refunding	49,168	-	2,731	46,437
Series 2010-Refunding	37,130	-	1,954	35,176
Series 2010 - Build America	99,304	-	5,368	93,936
Public Improvement Corporation				
Series 2007A	702,042	-	257,367	444,675
Series 2008	220,402	-	15,743	204,659
Series 2011A	-	252,981	4,956	248,025
Series 2011B	-	16,298	728	15,570
Revenue Bonds, Series 1999	30,420	-	4,346	26,074
Revenue Bonds, Series 2009	18,842	-	2,692	16,150
Revenue Bonds, Series 2010	98,578	-	3,449	95,129
Revenue Bonds, Series 2011	391,702	-	13,166	378,536
	<u>\$ 7,512,130</u>	<u>\$ 419,571</u>	<u>\$ 647,856</u>	<u>\$ 7,283,845</u>

CITY OF GOODYEAR, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 11 CHANGES IN LONG-TERM LIABILITIES

Long-term liabilities activity for the year ended June 30, 2012 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	\$ 4,080,331	\$ 1,844,345	\$ 2,094,643	\$ 3,830,033	\$ 1,410,617
General obligation bonds payable	31,358,457	11,530,000	13,887,821	29,000,636	-
Community Facilities					
District bonds payable	117,182,000	-	3,627,000	113,555,000	3,597,000
Public improvement bonds	4,510,000	1,780,000	3,350,000	2,940,000	570,000
Revenue bonds payable	44,900,000	-	1,225,000	43,675,000	1,285,000
Contracts payable	3,755,628	-	2,000,000	1,755,628	1,755,628
Premiums	2,072,679	1,068,664	123,469	3,017,874	-
Discounts	(59,922)	-	(3,329)	(56,593)	-
Governmental activities long-term liabilities	<u>\$ 207,799,173</u>	<u>\$ 16,223,009</u>	<u>\$ 26,304,604</u>	<u>\$ 197,717,578</u>	<u>\$ 8,618,245</u>
Business-type activities					
Compensated absences	\$ 463,890	\$ 177,798	\$ 200,766	\$ 440,922	\$ 168,211
General obligation bonds payable	91,121,544	-	1,727,180	89,394,364	-
Public improvement bonds	102,300,000	25,030,000	25,150,000	102,180,000	-
Revenue bonds payable	32,245,000	-	260,000	31,985,000	75,000
Loans payable	12,554,096	233,533	879,026	11,908,603	-
Premiums	2,343,276	1,757,908	563,240	3,537,944	-
Discounts	(645,410)	-	(22,227)	(623,183)	-
Business-type activities long-term liabilities	<u>\$ 240,382,396</u>	<u>\$ 27,199,239</u>	<u>\$ 28,757,985</u>	<u>\$ 238,823,650</u>	<u>\$ 243,211</u>

NOTE 12 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At June 30, 2012, interfund balances were as follows:

Interfund receivables/payable:

Fund	Receivable Amount	Payable Amount
General Fund	\$ 1,671,211	\$ -
Non-Major Funds	-	564,829
Stadium Fund	-	961,840
Internal Service Fund	-	144,542
Total	<u>\$ 1,671,211</u>	<u>\$ 1,671,211</u>

All interfund borrowing resulted from the borrowing of funds to cover cash deficit.

CITY OF GOODYEAR, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2012

NOTE 12 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (Continued)

Interfund transfers:

Fund	Transfers	Transfers
	Out	In
General Fund	\$ 8,658,827	\$ 4,348,845
Non-Major Governmental Funds	738,300	1,155,617
Water and Sewer Fund	3,156,460	-
Sanitation Fund	1,192,385	-
Stadium Fund	-	8,241,510
Total	<u>\$ 13,745,972</u>	<u>\$ 13,745,972</u>

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

NOTE 13 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, 2012; 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 14 RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The City's insurance protection is provided by the Arizona Municipal Risk Retention Pool, of which the City is a participating member.

The Arizona Municipal Risk Retention Pool is structured such that member premiums are based on an actuarial review that will provide adequate reserves to allow the pool to meet its expected financial obligations. The pool has authority to assess its members additional premiums should reserve and annual premiums be insufficient to meet the pool's obligations. The City has funds set aside in the budget for the fiscal year ending June 30, 2013 for any expected claims in excess of \$250,000.

The maximum liability for the City for the fiscal year is \$500,000 and the deductible is \$250,000 per occurrence.

The City is insured by the Workers' Compensation Insurance Fund for potential worker-related accidents.

NOTE 15 RETIREMENT PLANS

All full-time City employees are covered by one of two contributory retirement and pension plans, which are administered by the State of Arizona under State Statute.

Plan Description

Arizona State Retirement Plan - The *Arizona State Retirement System* (ASRS) administers a cost-sharing multiple-employer defined benefits pension plan that covers general employees of the City. The ASRS is governed by the Arizona State Retirement System Board according to the provisions of ARS Title 38, Chapter 5, Article 2. Benefits are established by state statute and generally provide retirement, death, long-term disability, survivor, and health insurance premium benefits. ASRS issues a publicly available report that includes financial statements and required supplementary information. The report may be obtained in writing at Arizona State Retirement System, 3300 N. Central Avenue, P.O. Box 33910, Phoenix, Arizona 85067-3910 or by calling (602) 240-2200 or (800) 621-3778.

Arizona Public Safety Personnel Retirement System - The *Public Safety Personnel Retirement System* (PSPRS) is an agent multiple-employer defined benefit pension plan that covers public safety personnel who are regularly assigned hazardous duty as employees of the State of Arizona or one of its political subdivisions. The PSPRS acting as a common investment and administrative agent is governed by a five-member board, known as The Fund Manager, and 167 local boards according to the provisions of ARS Title 38, Chapter 5, Article 4. The City contributes to one PSPRS plan for police and one for firefighters. Benefits are established by state statute and generally provide retirement, death, long-term disability, survivor, and health insurance premium benefits. PSPRS issues a publicly available report that includes financial statements and required supplementary information. The report may be obtained in writing at PSPRS, 3010 E. Camelback Rd., Suite 200, Phoenix, AZ 85016-4416 or by calling (602) 255-5575.

Funding Policy

Cost-sharing plan – The Arizona State Legislature establishes and may amend active plan members' and the City's contribution rates. For the year ended June 30, 2012, active ASRS members were required by statute to contribute at the actuarially determined rate of 9.85% (9.6% retirement and 0.25% long-term disability) of the member's annual covered payroll and the City was required by statute to contribute at the actuarially determined rate of 9.85% (9.01% retirement, 0.59% for health insurance premium, and 0.25% long-term disability) of the members' annual covered payroll. The City's contributions to ASRS for the years ended June 30, 2012, 2011, and 2010 were \$2,022,865, \$1,908,120, and \$1,793,509, respectively. The City contribution for the current and two proceeding years, all of which were equal to the required contributions, were as follows:

Years ended June 30,	Retirement	Health Insurance	Long-term Disability	Total
2012	\$ 1,859,002	\$ 118,660	\$ 45,203	\$ 2,022,865
2011	1,745,397	114,293	48,430	1,908,120
2010	1,591,262	125,927	76,320	1,793,509

CITY OF GOODYEAR, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 15 RETIREMENT PLANS (Continued)

Agent plans – The Arizona State Legislature establishes and may amend active plan members' and the City's contribution rates. For the year ended June 30, 2012, active PSPRS members were required by statute to contribute 7.65% of the members' annual covered payroll, and the City was required to contribute at the actuarially determined rate of 13.71% (12.82% retirement and 0.89% health insurance premium) of the covered payroll to the Plan for the Police and 10.41% (9.86% retirement and 0.55% health insurance premium) of the covered payroll to the Plan for the Firefighters.

Annual Pension Cost

The City's pension cost for the agent plan for the year ended June 30, 2012, and related information follows:

Contribution Rates:	PSPRS – Police	PSPRS - Fire
City – retirement	13.01%	9.82%
City – health insurance premium	0.99%	0.67%
Plan members	7.65%	7.65%
Annual pension cost		
Retirement	\$ 782,123	\$ 664,242
Health insurance premium	\$ 59,516	\$ 45,320
Pension contributions made		
Retirement	\$ 782,123	\$ 664,242
Health insurance premium	\$ 59,516	\$ 45,320
Actuarial valuation date	June 30, 2010	June 30, 2010
Actuarial cost method	Projected Unit Credit	Projected Unit Credit
Actuarial assumptions:		
Investment rate of return	8.5%	8.5%
Projected salary increases	5.5% - 8.5%	5.5% - 8.5%
Includes inflation at cost-of-living adjustment	5.5%	5.5%
Amortization method	Level Percent Closed	Level Percent Closed
Remaining amortization period	27 years underfunded 20 years overfunded	27 years underfunded 20 years overfunded
Asset valuation method	7-year smoothed market	7-year smoothed market
Post retirement benefit increases	Based on Income	Based on Income

CITY OF GOODYEAR, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 15 RETIREMENT PLANS (Continued)

Trend Information - Information for the PSPRS plan as of the most recent actuarial valuations follows:

Plan	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PSPRS - Police - Pension			
June 30, 2012	\$ 782,123	100.0%	-
June 30, 2011	926,533	100.0%	-
June 30, 2010	527,906	100.0%	-
PSPRS - Police - Health Insurance			
June 30, 2012	59,516	100.0%	-
June 30, 2011	64,322	100.0%	-
June 30, 2010	24,191	100.0%	-
PSPRS - Fire - Pension			
June 30, 2012	664,242	100.0%	-
June 30, 2011	951,747	100.0%	-
June 30, 2010	504,370	100.0%	-
PSPRS - Fire - Health Insurance			
June 30, 2012	45,320	100.0%	-
June 30, 2011	53,089	100.0%	-
June 30, 2010	17,782	100.0%	-

Schedule of Funding Progress - An analysis of funding progress for each of the agent plans as most recent actuarial valuations; June 30, 2010 reporting period determines the rates for fiscal year 2012. For this valuation, fiscal years prior to 2008 (which were prior to the implementation of GASB Statement Nos. 43 and 45), the pension and health insurance benefit amounts were aggregated. In fiscal year 2008, GASB Statement Nos. 43 and 45 measurements are made and reported, these benefits are disaggregated and reported separately.

Actuarial Accrued Liability

PSPRS - Goodyear Police Pension Plan:

Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded AAL as a Percent of Covered Payroll ((b-a)/c)
2010	\$ 13,654,887	\$ 16,599,543	\$ 2,944,656	82.3%	\$ 6,254,977	47.08%
2009	12,239,614	15,500,586	3,260,972	79.0%	6,431,412	50.70%
2008	9,709,250	13,516,877	3,807,627	71.8%	6,192,247	61.49%

CITY OF GOODYEAR, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 15 RETIREMENT PLANS (Continued)

PSPRS - Goodyear Police Health Insurance Plan:

Valuation Date June 30,	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded AAL as a Percent of Covered Payroll ((b-a)/c)
2010	\$ -	\$ 495,169	\$ 495,169	0.0%	\$ 6,254,977	7.92%
2009	-	445,126	445,126	0.0%	6,431,412	6.92%
2008	-	356,659	356,659	0.0%	6,192,247	5.76%

PSPRS - Goodyear Fire Pension Plan:

Valuation Date June 30,	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded AAL as a Percent of Covered Payroll ((b-a)/c)
2010	\$ 11,710,348	\$ 11,419,916	\$ (290,432)	102.5%	\$ 6,508,273	0.0%
2009	10,127,059	10,391,001	263,942	97.5%	7,047,317	3.7%
2008	8,177,938	9,616,934	1,438,996	85.0%	6,888,845	20.9%

PSPRS - Goodyear Fire Health Insurance Plan:

Valuation Date June 30,	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded AAL as a Percent of Covered Payroll ((b-a)/c)
2010	\$ -	\$ 304,034	\$ 304,034	0.0%	\$ 6,508,273	4.67%
2009	-	235,582	235,582	0.0%	7,047,317	3.34%
2008	-	185,457	185,457	0.0%	6,888,845	2.69%

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

CITY OF GOODYEAR, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2012

NOTE 15 RETIREMENT PLANS (Continued)

Annual Required Contribution

PSPRS - Goodyear Police Health Insurance Plan:

Valuation Date	Fiscal Year Ended	Normal Cost (a)	Actuarial Accrued Liability (b)	Total (a+b)	Dollar Amount
June 30,	30-Jun				
2010	2012	0.59%	0.40%	0.99%	\$ 68,923
2009	2011	0.55%	0.34%	0.89%	63,709
2008	2010	0.45%	0.28%	0.73%	45,203

PSPRS - Goodyear Fire Health Insurance Plan:

Valuation Date	Fiscal Year Ended	Normal Cost (a)	Actuarial Accrued Liability (b)	Total (a+b)	Dollar Amount
June 30,	30-Jun				
2010	2012	0.43%	0.24%	0.67%	\$ 48,534
2009	2011	0.38%	0.17%	0.55%	43,141
2008	2010	0.33%	0.13%	0.46%	31,689

The Health Insurance Subsidy payments reported for valuation year 2010 were \$2,340 for the Police plan and no Health Insurance Subsidy payments reported for the Fire plan.

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-five (55) or twenty years of credited service. This plan was fully vested as of June 30, 2012. As of June 30, 2012, there were 6 eligible employees participating in the plan. The plan is administered by LPL Financial.

As of June 30, 2012, the plan's assets consisted of the following:

Cash	\$ 1,288
LGIP	22,964
Money market	54,686
US Treasury notes	47,091
Mutual Funds	289,442
	<u>\$ 415,471</u>

CITY OF GOODYEAR, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2012

NOTE 15 RETIREMENT PLANS (Continued)

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 16 DEFICIT FUND BALANCE

Grants Fund Deficit Fund Balance - At June 30, 2012, the Grants Fund contains a deficit fund balance of \$9,854 in the fund financial statements. Future revenues are expected to cover this deficit.

NOTE 17 COMMITMENTS

The City has active construction projects as of June 30, 2012. The balances for work not yet complete as of June 30, 2012 were as follows:

PCL Construction	\$	567,455.77
Arrington Watkins Architects		13,861.74
Malcolm Pirnie		45,890.65
Olsson Associates		51,233.49
Crown Castle		12,888.00
Motorola Solutions		470,849.20
Project Design Consultants		19,266.50
Planet Consulting		13,782.50
EMJ Development		59,362.34
US Dept of the Interior		20,000.00
Brown and Associates		12,000.00
		12,000.00
	\$	1,286,590.19

These commitments are being financed from existing fund balances.

NOTE 18 SUBSEQUENT EVENT

In September 2012, the City of Goodyear issued \$10,500,000 of Municipal Facilities Revenue bonds, Series 2012 due in annual principal ranging from \$439,000 to \$1,126,000 plus semi-annual interest ranging from 2.48% to 3.44% through June 15, 2023. The purpose of the bonds is to finance the acquisition of and improvements to office buildings for which the City is the primary tenant.

Other Supplementary Information

*Combining Statements
and
Budgetary Schedules*

Non-Major Governmental Funds Financial Statements

Special Revenue Funds

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

Debt Service Fund

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



CITY OF GOODYEAR, ARIZONA
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 June 30, 2012

	Special Revenue		
	Highway User Revenue	Grants	Community Facilities Districts
ASSETS			
Cash and cash equivalents	\$ 361,288	\$ 202,005	\$ 1,088,901
Investments	-	1,094,287	-
Taxes receivable	317,626	-	13,328
Interest receivable	-	3,824	-
Accounts receivable	-	2,792	46
Due from other governments	-	92,132	-
Inventories	412,916	-	-
Restricted cash and cash equivalents	-	-	-
Total assets	\$ 1,091,830	\$ 1,395,040	\$ 1,102,275
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 136,285	\$ 2,218	\$ 87,296
Accrued payroll and employee benefits	27,658	-	-
Due to other funds	-	93,154	471,675
Deferred revenue	114,361	1,309,522	4,894
Total liabilities	278,304	1,404,894	563,865
Fund balances:			
Nonspendable:			
Inventories	412,916	-	-
Restricted for:			
Debt service	-	-	-
Highway user funds	400,610	-	-
Community Facilities Districts operations	-	-	538,410
Unassigned	-	(9,854)	-
Total fund balances	813,526	(9,854)	538,410
Total liabilities and fund balances	\$ 1,091,830	\$ 1,395,040	\$ 1,102,275

Debt Service	Total Non-Major Governmental Funds
\$ -	\$ 1,652,194
-	1,094,287
139,476	470,430
-	3,824
-	2,838
-	92,132
-	412,916
1,204,903	1,204,903
<u>\$ 1,344,379</u>	<u>\$ 4,933,524</u>
\$ -	\$ 225,799
-	27,658
-	564,829
98,269	1,527,046
<u>98,269</u>	<u>2,345,332</u>
-	412,916
1,246,110	1,246,110
-	400,610
-	538,410
-	(9,854)
<u>1,246,110</u>	<u>2,588,192</u>
<u>\$ 1,344,379</u>	<u>\$ 4,933,524</u>

CITY OF GOODYEAR, ARIZONA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
 BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 Year Ended June 30, 2012

	Special Revenue		
	Highway User Revenue	Grants	Community Facilities Districts
REVENUES			
Taxes	\$ -	\$ -	\$ 1,016,011
Intergovernmental	3,269,285	3,345,512	-
Charges for services	9,185	-	-
Investment income (loss)	417	2,094	2,303
Miscellaneous	167,572	-	71,518
Total revenues	<u>3,446,459</u>	<u>3,347,606</u>	<u>1,089,832</u>
EXPENDITURES			
Current:			
General government	-	132,894	1,087,652
Public safety	-	349,292	-
Highway and streets	3,230,514	-	-
Culture and recreation	-	4,700	-
Capital outlay	1,133,732	533,809	-
Debt service:			
Principal retirement	-	-	-
Interest and debt costs	-	-	-
Total expenditures	<u>4,364,246</u>	<u>1,020,695</u>	<u>1,087,652</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(917,787)</u>	<u>2,326,911</u>	<u>2,180</u>
OTHER FINANCING SOURCES (USES)			
Refunding bonds	-	-	-
Refunding bonds premium	-	-	-
Payment to refunded bond escrow agent	-	-	-
Transfers in	1,155,617	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>1,155,617</u>	<u>-</u>	<u>-</u>
Net change in fund balances	237,830	2,326,911	2,180
Fund balances, beginning of year	<u>575,696</u>	<u>(2,336,765)</u>	<u>536,230</u>
Fund balances, end of year	<u>\$ 813,526</u>	<u>\$ (9,854)</u>	<u>\$ 538,410</u>

Debt Service	Total Non-Major Government Funds
\$ 4,360,329	\$ 5,376,340
-	6,614,797
-	9,185
90	4,904
-	239,090
<u>4,360,419</u>	<u>12,244,316</u>
-	1,220,546
-	349,292
-	3,230,514
-	4,700
-	1,667,541
2,231,024	2,231,024
1,762,438	1,762,438
<u>3,993,462</u>	<u>10,466,055</u>
<u>366,957</u>	<u>1,778,261</u>
11,530,000	11,530,000
949,267	949,267
(11,530,000)	(11,530,000)
-	1,155,617
<u>(738,300)</u>	<u>(738,300)</u>
<u>210,967</u>	<u>1,366,584</u>
577,924	3,144,845
668,186	(556,653)
<u>\$ 1,246,110</u>	<u>\$ 2,588,192</u>



Fiduciary Fund Financial Statements

Combining Statement of Net Assets

Statement of Changes in Assets and Liabilities

Agency Funds

- Brownfield EPA Cleanup
- G.A.I.N.
- Payshare (Utility Assistance)
- Fill-A-Need
- Shop With A Cop

CITY OF GOODYEAR, ARIZONA
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 AGENCY FUNDS
 June 30, 2012

	Brownfield EPA Cleanup	Gain	Payshare (Utility Assistance)	Fill-A-Need	Shop With A Cop	Total
ASSETS						
Cash and cash equivalents	\$ 475,977	\$ 11,744	\$ 126	\$ 2,143	\$ 4,348	\$ 494,338
Receivable	-	-	6	-	-	6
Total assets	<u>\$ 475,977</u>	<u>\$ 11,744</u>	<u>\$ 132</u>	<u>\$ 2,143</u>	<u>\$ 4,348</u>	<u>\$ 494,344</u>
LIABILITIES						
Accounts payable	\$ 313,050	\$ 11,744	\$ -	\$ -	\$ -	\$ 324,794
Deposits held for others	162,927	-	132	2,143	4,348	169,550
Total liabilities	<u>\$ 475,977</u>	<u>\$ 11,744</u>	<u>\$ 132</u>	<u>\$ 2,143</u>	<u>\$ 4,348</u>	<u>\$ 494,344</u>

CITY OF GOODYEAR, ARIZONA
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 Year Ended June 30, 2012

	Balance June 30, 2011	Additions	Deletions	Balance June 30, 2012
Brownfield EPA Cleanup:				
Assets				
Cash and cash equivalents	\$ 684,342	\$ -	\$ (208,365)	\$ 475,977
Liabilities				
Accounts payable	\$ 100,092	\$ 212,958	\$ -	\$ 313,050
Deposits held for others	584,250	-	(421,323)	162,927
Total liabilities	\$ 684,342	\$ 212,958	\$ (421,323)	\$ 475,977
GAIN:				
Assets				
Cash and cash equivalents	\$ 17,778	\$ -	\$ (6,034)	\$ 11,744
Liabilities				
Accounts payable	\$ 17,778	\$ -	\$ (6,034)	\$ 11,744
Payshare (Utility Assistance):				
Assets				
Cash and cash equivalents	\$ 54	\$ 72	\$ -	\$ 126
Receivable	6	-	-	6
Total assets	\$ 60	\$ 72	\$ -	\$ 132
Liabilities				
Deposits held for others	\$ 60	\$ 72	\$ -	\$ 132
Fill-A-Need:				
Assets				
Cash and cash equivalents	\$ 3,613	\$ -	\$ (1,470)	\$ 2,143
Liabilities				
Deposits held for others	\$ 3,613	\$ -	\$ (1,470)	\$ 2,143
Shop With A COP:				
Assets				
Cash and cash equivalents	\$ 2,831	\$ 1,517	\$ -	\$ 4,348
Liabilities				
Deposits held for others	\$ 2,831	\$ 1,517	\$ -	\$ 4,348
Total - All Agency Funds				
Assets				
Cash and cash equivalents	\$ 708,618	\$ 1,589	\$ (215,869)	\$ 494,338
Receivables	6	-	-	6
Total assets	\$ 708,624	\$ 1,589	\$ (215,869)	\$ 494,344
Liabilities				
Accounts payable	\$ 117,870	\$ 212,958	\$ (6,034)	\$ 324,794
Deposits held for others	590,754	1,589	(422,793)	169,550
Total liabilities	\$ 708,624	\$ 214,547	\$ (428,827)	\$ 494,344

City of Goodyear

Budgetary Comparison Schedules

Major Governmental Funds

CITY OF GOODYEAR, ARIZONA
COMMUNITY FACILITIES DISTRICTS - DEBT SERVICE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET
AND ACTUAL
Year Ended June 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 4,958,208	\$ 4,958,208	\$ 4,940,099	\$ (18,109)
Investment income	2,523	2,523	9,388	6,865
Special assessments	4,225,203	4,225,203	2,294,821	(1,930,382)
Contributions	2,732,035	2,732,035	2,830,584	98,549
Miscellaneous	-	-	6	6
Total revenues	<u>11,917,969</u>	<u>11,917,969</u>	<u>10,074,898</u>	<u>(1,843,071)</u>
EXPENDITURES				
Debt service				
Principal retirement	4,455,000	4,455,000	3,627,000	828,000
Interest and debt costs	7,391,422	7,391,422	6,479,396	912,026
Total expenditures	<u>11,846,422</u>	<u>11,846,422</u>	<u>10,106,396</u>	<u>1,740,026</u>
Excess (deficiency) of revenues over (under) expenditures	<u>71,547</u>	<u>71,547</u>	<u>(31,498)</u>	<u>(103,045)</u>
OTHER FINANCING SOURCES (USES)				
Debt issuance	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>(200,000)</u>
Total other financing sources (uses)	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>(200,000)</u>
Net change in fund balance	271,547	271,547	(31,498)	(303,045)
Fund balance, beginning of year	<u>14,419,001</u>	<u>14,419,001</u>	<u>14,419,001</u>	<u>-</u>
Fund balance, end of year	<u>\$ 14,690,548</u>	<u>\$ 14,690,548</u>	<u>\$ 14,387,503</u>	<u>\$ (303,045)</u>

CITY OF GOODYEAR, ARIZONA
MCDOWELL ROAD COMMERCIAL CORRIDOR IMPROVEMENT DISTRICT DEBT SERVICE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET
AND ACTUAL
Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ -	\$ -	\$ 3,490	\$ 3,490
Special assessments	3,550,094	3,550,094	3,550,094	-
Total revenues	<u>3,550,094</u>	<u>3,550,094</u>	<u>3,553,584</u>	<u>3,490</u>
EXPENDITURES				
Debt service				
Principal retirement	1,225,000	1,225,000	1,225,000	-
Interest and debt costs	2,325,094	2,325,094	2,325,697	(603)
Total expenditures	<u>3,550,094</u>	<u>3,550,094</u>	<u>3,550,697</u>	<u>(603)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>2,887</u>	<u>2,887</u>
Fund balance, beginning of year	<u>72,563</u>	<u>72,563</u>	<u>72,563</u>	<u>-</u>
Fund balance, end of year	<u>\$ 72,563</u>	<u>\$ 72,563</u>	<u>\$ 75,450</u>	<u>\$ 2,887</u>

CITY OF GOODYEAR, ARIZONA
NON-UTILITY DEVELOPMENT IMPACT FEES
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET
AND ACTUAL
Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 2,445,442	\$ 2,445,442	\$ 2,271,804	\$ (173,638)
Investment income	22,204	22,204	129,423	107,219
Total revenues	<u>2,467,646</u>	<u>2,467,646</u>	<u>2,401,227</u>	<u>(66,419)</u>
EXPENDITURES				
Current:				
Public safety	1,042	-	-	-
Public works	-	-	-	-
Culture and recreation	-	40,803	40,803	-
Highway and streets	50,900	76,933	109,694	(32,761)
Capital outlay	14,566,695	13,261,492	2,522,031	10,739,461
Total expenditures	<u>14,618,637</u>	<u>13,379,228</u>	<u>2,672,528</u>	<u>10,706,700</u>
Excess (deficiency) of revenues over (under) expenditures	(12,150,991)	(10,911,582)	(271,301)	10,640,281
Fund balance, beginning of year	<u>21,992,019</u>	<u>21,992,019</u>	<u>21,992,019</u>	<u>-</u>
Fund balance, end of year	<u>\$ 9,841,028</u>	<u>\$ 11,080,437</u>	<u>\$ 21,720,718</u>	<u>\$ 10,640,281</u>



Budgetary Comparison Schedules

**Non-Major Governmental Funds
And Enterprise Funds**

CITY OF GOODYEAR, ARIZONA
HIGHWAY USER REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET
AND ACTUAL
Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 3,251,909	\$ 3,251,909	\$ 3,269,285	\$ 17,376
Charges for services	12,500	12,500	9,185	(3,315)
Investment income	175	175	417	242
Miscellaneous	22,050	22,050	167,572	145,522
Total revenues	<u>3,286,634</u>	<u>3,286,634</u>	<u>3,446,459</u>	<u>159,825</u>
EXPENDITURES				
Current				
Highway and streets	4,728,962	4,935,942	3,230,514	1,705,428
Capital outlay	135,907	140,907	1,133,732	(992,825)
Total expenditures	<u>4,864,869</u>	<u>5,076,849</u>	<u>4,364,246</u>	<u>712,603</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,578,235)</u>	<u>(1,790,215)</u>	<u>(917,787)</u>	<u>872,428</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,443,832	1,443,832	1,155,617	(288,215)
Total other financing sources (uses)	<u>1,443,832</u>	<u>1,443,832</u>	<u>1,155,617</u>	<u>(288,215)</u>
Net change in fund balance	(134,403)	(346,383)	237,830	584,213
Fund balance, beginning of year	<u>575,696</u>	<u>575,696</u>	<u>575,696</u>	<u>-</u>
Fund balance, end of year	<u>\$ 441,293</u>	<u>\$ 229,313</u>	<u>\$ 813,526</u>	<u>\$ 584,213</u>

CITY OF GOODYEAR, ARIZONA
 GRANTS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET
 AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive
				(Negative)
REVENUES				
Intergovernmental	\$ 10,200,000	\$ 10,200,000	\$ 3,345,512	\$ (6,854,488)
Investment income	-	-	2,094	2,094
Total revenues	<u>10,200,000</u>	<u>10,200,000</u>	<u>3,347,606</u>	<u>(6,852,394)</u>
EXPENDITURES				
Current				
General government	4,556,362	3,867,566	132,894	3,734,672
Public safety	-	177,335	349,292	(171,957)
Public works	-	-	-	-
Culture and recreation	-	5,100	4,700	400
Community development	1,786,000	1,891,000	-	1,891,000
Capital outlay	1,545,645	1,992,174	533,809	1,458,365
Total expenditures	<u>7,888,007</u>	<u>7,933,175</u>	<u>1,020,695</u>	<u>6,912,480</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,311,993</u>	<u>2,266,825</u>	<u>2,326,911</u>	<u>60,086</u>
Fund balance, beginning of year	<u>(2,336,765)</u>	<u>(2,336,765)</u>	<u>(2,336,765)</u>	<u>-</u>
Fund balance, end of year	<u>\$ (24,772)</u>	<u>\$ (69,940)</u>	<u>\$ (9,854)</u>	<u>\$ 60,086</u>

CITY OF GOODYEAR, ARIZONA
COMMUNITY FACILITIES DISTRICTS - GENERAL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET
AND ACTUAL
Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,031,640	\$ 1,031,640	\$ 1,016,011	\$ (15,629)
Investment income	1,565	1,565	2,303	738
Miscellaneous	171,705	171,705	71,518	(100,187)
Total revenues	<u>1,204,910</u>	<u>1,204,910</u>	<u>1,089,832</u>	<u>(115,078)</u>
EXPENDITURES				
Current				
General government	<u>1,477,364</u>	<u>1,477,364</u>	<u>1,087,652</u>	<u>389,712</u>
Total expenditures	<u>1,477,364</u>	<u>1,477,364</u>	<u>1,087,652</u>	<u>389,712</u>
Net change in fund balance	(272,454)	(272,454)	2,180	274,634
Fund balance, beginning of year	<u>536,230</u>	<u>536,230</u>	<u>536,230</u>	<u>-</u>
Fund balance, end of year	<u>\$ 263,776</u>	<u>\$ 263,776</u>	<u>\$ 538,410</u>	<u>\$ 274,634</u>

CITY OF GOODYEAR, ARIZONA
DEBT SERVICE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET
AND ACTUAL
Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 4,410,854	\$ 4,410,854	\$ 4,360,329	\$ (50,525)
Investment income	-	-	90	90
Total revenues	<u>4,410,854</u>	<u>4,410,854</u>	<u>4,360,419</u>	<u>(50,435)</u>
EXPENDITURES				
Debt service				
Principal retirement	2,537,190	2,537,190	2,231,024	306,166
Interest and debt costs	1,774,393	1,774,393	1,762,438	11,955
Total expenditures	<u>4,311,583</u>	<u>4,311,583</u>	<u>3,993,462</u>	<u>318,121</u>
Excess (deficiency) of revenues over (under) expenditures	99,271	99,271	366,957	267,686
OTHER FINANCING SOURCES				
Refunding bonds	-	-	11,530,000	11,530,000
Refunding bonds premium	-	-	949,267	949,267
Payment to refunded bond escrow agent	-	-	(11,530,000)	(11,530,000)
Transfers out	-	-	(738,300)	(738,300)
Total other financing sources	<u>-</u>	<u>-</u>	<u>210,967</u>	<u>210,967</u>
Net change in fund balance	99,271	99,271	577,924	478,653
Fund balance, beginning of year	<u>668,186</u>	<u>668,186</u>	<u>668,186</u>	<u>-</u>
Fund balance, end of year	<u>\$ 767,457</u>	<u>\$ 767,457</u>	<u>\$ 1,246,110</u>	<u>\$ 478,653</u>

CITY OF GOODYEAR, ARIZONA
WATER & SEWER ENTERPRISE FUND
SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL
Year Ended June 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Operating revenues:				
Charges for service	\$ 19,526,371	\$ 19,526,371	\$ 20,105,006	\$ 578,635
Miscellaneous	65,000	65,000	116,744	51,744
Total operating revenue	<u>19,591,371</u>	<u>19,591,371</u>	<u>20,221,750</u>	<u>630,379</u>
Operating expenses:				
Administration	3,192,713	3,220,904	3,087,652	133,252
Costs of sales and services	17,226,038	16,736,886	5,615,793	11,121,093
Depreciation	-	-	5,533,888	(5,533,888)
Total operating expenses	<u>20,418,751</u>	<u>19,957,790</u>	<u>14,237,333</u>	<u>5,720,457</u>
Operating income (loss)	<u>(827,380)</u>	<u>(366,419)</u>	<u>5,984,417</u>	<u>6,350,836</u>
Nonoperating revenues (expenses):				
Investment income	13,146	13,146	76,021	62,875
Interest expense	<u>(9,000,267)</u>	<u>(9,000,267)</u>	<u>(6,417,467)</u>	<u>2,582,800</u>
Total nonoperating revenues (expenses)	<u>(8,987,121)</u>	<u>(8,987,121)</u>	<u>(6,341,446)</u>	<u>2,645,675</u>
Income (loss) before capital contributions and transfers	<u>(9,814,501)</u>	<u>(9,353,540)</u>	<u>(357,029)</u>	<u>8,996,511</u>
Capital contributions	3,370,491	3,370,491	9,252,599	5,882,108
Transfers in	-	-	-	-
Transfers out	<u>(2,256,460)</u>	<u>(2,256,460)</u>	<u>(3,156,460)</u>	<u>(900,000)</u>
Change in net assets	<u>(8,700,470)</u>	<u>(8,239,509)</u>	<u>5,739,110</u>	<u>13,978,619</u>
Net assets, beginning of year	<u>171,124,432</u>	<u>171,124,432</u>	<u>171,124,432</u>	<u>-</u>
Net assets, end of year	<u>\$162,423,962</u>	<u>\$162,884,923</u>	<u>\$176,863,542</u>	<u>\$ 13,978,619</u>

CITY OF GOODYEAR, ARIZONA
SANITATION ENTERPRISE FUND
SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL
Year Ended June 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Operating revenues:				
Charges for service	\$ 6,310,540	\$ 6,310,540	\$ 6,115,977	\$ (194,563)
Miscellaneous	1,214	1,214	223	(991)
Total operating revenue	<u>6,311,754</u>	<u>6,311,754</u>	<u>6,116,200</u>	<u>(195,554)</u>
Operating expenses:				
Administration	710,904	710,904	623,168	87,736
Costs of sales and services	3,872,849	4,442,849	4,387,461	55,388
Depreciation	-	-	143,572	(143,572)
Total operating expenses	<u>4,583,753</u>	<u>5,153,753</u>	<u>5,154,201</u>	<u>(448)</u>
Operating income (loss)	<u>1,728,001</u>	<u>1,158,001</u>	<u>961,999</u>	<u>(196,002)</u>
Nonoperating revenues (expenses):				
Investment income	2,500	2,500	3,907	1,407
Total nonoperating revenues (expenses)	<u>2,500</u>	<u>2,500</u>	<u>3,907</u>	<u>1,407</u>
Income (loss) before transfers	1,730,501	1,160,501	965,906	(194,595)
Transfers out	<u>(1,192,385)</u>	<u>(1,192,385)</u>	<u>(1,192,385)</u>	<u>-</u>
Change in net assets	538,116	(31,884)	(226,479)	(194,595)
Net assets, beginning of year	<u>1,945,408</u>	<u>1,945,408</u>	<u>1,945,408</u>	<u>-</u>
Net assets, end of year	<u>\$ 2,483,524</u>	<u>\$ 1,913,524</u>	<u>\$ 1,718,929</u>	<u>\$ (194,595)</u>

CITY OF GOODYEAR, ARIZONA
STADIUM ENTERPRISE FUND
SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL
Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for service	\$ 1,560,925	\$ 1,560,925	\$ 1,633,230	\$ 72,305
Miscellaneous	-	-	136	136
Total operating revenue	<u>1,560,925</u>	<u>1,560,925</u>	<u>1,633,366</u>	<u>72,441</u>
Operating expenses:				
Administration	1,985,881	2,109,087	2,074,129	34,958
Costs of sales and services	7,508,661	7,653,311	1,609,205	6,044,106
Depreciation	250,000	250,000	2,653,087	(2,403,087)
Total operating expenses	<u>9,744,542</u>	<u>10,012,398</u>	<u>6,336,421</u>	<u>3,675,977</u>
Operating income (loss)	<u>(8,183,617)</u>	<u>(8,451,473)</u>	<u>(4,703,055)</u>	<u>3,748,418</u>
Nonoperating revenues (expenses):				
Investment income	2,000	2,000	13,017	11,017
Interest expense	(5,062,460)	(5,062,460)	(5,298,070)	(235,610)
Total nonoperating revenues (expenses)	<u>(5,060,460)</u>	<u>(5,060,460)</u>	<u>(5,285,053)</u>	<u>(224,593)</u>
Income (loss) before transfers	(13,244,077)	(13,511,933)	(9,988,108)	3,523,825
Transfers in	<u>15,088,152</u>	<u>15,088,152</u>	<u>8,241,510</u>	<u>(6,846,642)</u>
Change in net assets	1,844,075	1,576,219	(1,746,598)	(3,322,817)
Net assets, beginning of year	<u>19,015,765</u>	<u>19,015,765</u>	<u>19,015,765</u>	<u>-</u>
Net assets, end of year	<u>\$ 20,859,840</u>	<u>\$ 20,591,984</u>	<u>\$ 17,269,167</u>	<u>\$ (3,322,817)</u>



Capital Assets Schedules

CITY OF GOODYEAR
 CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS
 SCHEDULE BY SOURCE
 June 30, 2012

Governmental funds capital assets

Land	\$ 19,426,644
Land Improvements	2,549,608
Right of Way	90,128,522
Streetscape	8,775,008
Buildings and improvements	132,306,891
Vehicles, machinery and equipment	37,755,221
Infrastructure	336,565,807
Artwork	204,750
Construction in progress	13,213,915

Total governmental funds capital assets	<u>\$ 640,926,366</u>
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Investment in governmental funds capital assets by source:

Government funds	\$ 640,926,366
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Total governmental funds capital assets	<u>\$ 640,926,366</u>
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CITY OF GOODYEAR
 CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS
 SCHEDULE BY FUNCTION AND ACTIVITY
 June 30, 2012

Function and Activity	Land, Land Improvements, Art Right of Way Streetscape	Buildings and Improvements
General Government	\$ 3,608,908	\$ -
Public Safety	-	18,396,870
Highways and Streets	98,903,530	-
Culture and Recreation	12,697,973	813,910
Public Works	5,874,121	8,934,750
Total governmental funds capital assets	\$ 121,084,532	\$ 28,145,530

Improvements other than Buildings	Vehicles, Machinery and Equipment	Infrastructure	Construction in Progress	Total
\$ 194,598	\$ 7,315,510	\$ -	\$ 13,053,034	\$ 24,172,050
62,073	18,325,470	-	-	36,784,413
88,618,165	5,787,814	336,565,807	61,170	529,936,486
15,151,775	2,301,092	-	99,711	31,064,461
134,750	4,025,335	-	-	18,968,956
<u>\$ 104,161,361</u>	<u>\$ 37,755,221</u>	<u>\$ 336,565,807</u>	<u>\$ 13,213,915</u>	<u>\$ 640,926,366</u>

CITY OF GOODYEAR
 CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS
 SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
 For the fiscal year ended June 30, 2012

Function and Activity	Governmental Funds Capital Assets			Governmental Funds Capital Assets
	July 1, 2011	Additions	Deductions	June 30, 2012
General Government	\$ 25,018,480	\$ 2,678,584	\$ (43,055)	\$ 27,654,010
Public Safety	35,976,568	1,217,567	(457,856)	36,736,279
Highways and Streets	434,217,887	2,578,437	-	436,796,324
Culture and Recreation	21,812,266	142,641	-	21,954,907
Public Works	117,571,928	283,332	(70,415)	117,784,845
Total governmental funds capital assets	<u>\$634,597,129</u>	<u>\$ 6,900,561</u>	<u>\$ (571,326)</u>	<u>\$ 640,926,366</u>

Statistical Section

STATISTICAL SECTION

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These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

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These schedules contain information to help the reader assess the City's most significant local revenue sources, property tax and sales and uses taxes.

Debt Capacity (Table 15 – 19)	162
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These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

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

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These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.



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

	Fiscal Year			
	2012	2011	2010	2009
Governmental Activities				
Invested in Capital Assets, Net of Related Debt	\$ 329,064,345	\$ 327,503,686	\$ 317,162,459	\$309,491,989
Restricted	108,246,415	110,105,296	115,881,050	117,787,315
Unrestricted	<u>25,041,481</u>	<u>18,249,626</u>	<u>19,272,548</u>	<u>20,522,420</u>
Total Governmental Activities Net Assets	<u>462,352,241</u>	<u>455,858,608</u>	<u>452,316,057</u>	<u>447,801,724</u>
Business-type Activities				
Invested in Capital Assets, Net of Related Debt	178,432,900	179,254,929	191,582,614	199,696,564
Restricted	3,799,026	3,567,237	-	-
Unrestricted	<u>13,619,712</u>	<u>9,263,439</u>	<u>4,365,725</u>	<u>(11,409,545)</u>
Total Business-type Activities Net Assets	<u>195,851,638</u>	<u>192,085,605</u>	<u>195,948,339</u>	<u>188,287,019</u>
Primary Government				
Invested in Capital Assets, Net of Related Debt	507,497,245	506,758,615	508,745,073	509,188,553
Restricted	112,045,441	113,672,533	115,881,050	117,787,315
Unrestricted	<u>38,661,193</u>	<u>27,513,065</u>	<u>23,638,273</u>	<u>9,112,875</u>
Total Primary Government Net Assets	<u>\$ 658,203,879</u>	<u>\$ 647,944,213</u>	<u>\$ 648,264,396</u>	<u>\$636,088,743</u>

Source: Statement of Net Assets
City financial records and reports

Table 1

Fiscal Year					
2008	2007	2006	2005	2004	2003
\$ 256,047,572	\$ 206,294,183	\$ 144,405,463	\$ 127,120,944	\$ 162,387,951	\$ 73,017,558
70,835,115	60,388,579	67,199,030	92,391,268	36,249,889	3,058,777
<u>36,122,934</u>	<u>57,992,720</u>	<u>49,858,294</u>	<u>26,380,488</u>	<u>31,059,204</u>	<u>31,801,683</u>
<u>363,005,621</u>	<u>324,675,482</u>	<u>261,462,787</u>	<u>245,892,700</u>	<u>229,697,044</u>	<u>107,878,018</u>
159,530,687	101,366,083	61,259,814	55,662,610	46,277,707	40,297,163
-	-	-	-	-	335,000
<u>(13,193,174)</u>	<u>8,166,207</u>	<u>24,329,033</u>	<u>3,498,896</u>	<u>4,850,793</u>	<u>(4,302,180)</u>
<u>146,337,513</u>	<u>109,532,290</u>	<u>85,588,847</u>	<u>59,161,506</u>	<u>51,128,500</u>	<u>36,329,983</u>
415,578,259	307,660,266	205,665,277	182,783,554	208,665,658	113,314,721
70,835,115	60,388,579	67,199,030	92,391,268	36,249,889	3,058,777
<u>22,929,760</u>	<u>66,158,927</u>	<u>74,187,327</u>	<u>29,879,384</u>	<u>35,909,997</u>	<u>27,499,503</u>
<u>\$ 509,343,134</u>	<u>\$ 434,207,772</u>	<u>\$ 347,051,634</u>	<u>\$ 305,054,206</u>	<u>\$ 280,825,544</u>	<u>\$ 143,873,001</u>

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

	Fiscal Year			
	2012	2011	2010	2009
Expenses				
Governmental Activities:				
General Government	\$ 8,857,442	\$ 8,366,129	\$ 6,469,757	\$ 4,701,916
Police	14,136,863	14,788,614	16,050,100	15,580,923
Financial Services	2,661,635	2,866,494	3,190,931	2,842,884
Community Services	-	-	454,550	1,248,219
Information Services	3,292,093	2,710,111	2,722,449	2,743,877
Fire	11,286,370	13,243,603	11,413,558	12,249,685
Municipal Services	1,266,469	1,442,029	1,497,249	1,636,533
Human Resources	2,275,991	1,822,793	1,929,973	2,222,189
Community Development	6,225,917	5,150,677	2,555,353	9,583,326
Culture and Recreation	4,962,070	4,439,181	4,023,639	5,435,750
Highways and Streets	13,179,678	14,798,670	12,179,531	8,436,341
Public Works	4,168,252	3,658,756	11,070,853	14,370,096
Interest on Long-term Debt	10,441,684	10,710,302	11,210,504	12,001,714
Total Governmental Activities Expenses	<u>\$ 82,754,464</u>	<u>\$ 83,997,359</u>	<u>\$ 84,768,447</u>	<u>\$ 93,053,453</u>
Business-type Activities				
Water Utility	\$ 11,907,022	\$ 12,454,200	\$ 10,475,189	\$ 11,608,878
Wastewater Utility	8,747,778	8,279,732	7,649,704	7,046,385
Sanitation	5,154,201	4,815,314	4,782,565	5,090,150
Stadium*	11,634,491	11,958,862	11,547,500	6,475,960
Total Business-type Activities Expenses	<u>\$ 37,443,492</u>	<u>\$ 37,508,108</u>	<u>\$ 34,454,958</u>	<u>\$ 30,221,373</u>
Total Primary Government Net Assets	<u>\$ 120,197,956</u>	<u>\$ 121,505,467</u>	<u>\$ 119,223,405</u>	<u>\$ 123,274,826</u>

Note:

* Stadium Fund did not have operating activity until 2008
N/A data was not separated in these years.

Table 2

Fiscal Year					
2008	2007	2006	2005	2004	2003
\$ 9,260,326	\$ 5,020,742	\$ 3,007,708	\$ 4,238,904	\$ 481,277	\$ 5,731,101
18,491,397	11,091,150	9,305,303	7,798,053	7,416,958	6,507,095
2,751,164	2,233,303	1,768,327	2,888,511	2,690,132	1,151,840
1,290,021	1,277,245	1,108,528	1,012,533	1,326,811	479,498
2,931,295	1,769,833	1,551,418	1,434,932	2,056,194	1,907,004
8,840,019	10,129,091	5,839,807	7,275,586	5,862,554	4,879,245
1,484,507	1,163,005	853,289	981,256	1,460,026	811,904
1,998,317	1,976,324	1,361,992	1,276,457	1,987,100	1,525,546
14,731,322	19,683,385	6,668,282	4,613,424	5,386,786	888,182
1,909,303	3,181,071	2,016,304	2,591,911	1,716,362	1,925,726
9,104,717	9,581,333	13,536,118	8,007,969	4,217,554	6,433,665
59,138,044	25,397,680	1,791,319	6,398,665	2,744,892	3,409,198
9,710,526	5,785,031	5,573,064	4,567,604	5,649,175	4,153,359
<u>\$ 141,640,958</u>	<u>\$ 98,289,192</u>	<u>\$ 54,381,459</u>	<u>\$ 53,085,805</u>	<u>\$ 42,995,822</u>	<u>\$ 39,803,363</u>
\$ 11,794,505	\$ 10,866,043	\$ 9,722,925	\$ 15,150,219	\$ 13,696,021	\$ 9,535,629
5,189,053	4,872,792	4,313,533	N/A	N/A	N/A
4,839,626	4,401,267	3,435,486	2,588,541	2,133,917	1,911,839
861,000	-	-	-	-	-
<u>\$ 22,684,184</u>	<u>\$ 20,140,102</u>	<u>\$ 17,471,944</u>	<u>\$ 17,738,760</u>	<u>\$ 15,829,938</u>	<u>\$ 11,447,468</u>
<u>\$ 164,325,142</u>	<u>\$ 118,429,294</u>	<u>\$ 71,853,403</u>	<u>\$ 70,824,565</u>	<u>\$ 58,825,760</u>	<u>\$ 51,250,831</u>

Continued

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

	Fiscal Year			
	2012	2011	2010	2009
Program Revenue				
Governmental Activities:				
Charges for Services:				
General Government	\$ 865,484	\$ 1,128,675	\$ 863,192	\$ 301,151
Fire	676,932	500,562	336,303	24,054
Police	130,566	128,109	320,967	240,293
Municipal Services	825,971	849,060	852,500	730,571
Public Works	-	-	-	-
Culture and recreation	322,215	325,552	287,805	357,039
Community Development	4,163,050	3,879,823	3,615,255	4,776,076
Operating Grants and Contributions	7,636,691	5,818,158	5,648,867	4,843,140
Capital Grants and Contributions	9,701,254	13,951,581	16,436,375	102,028,190
Total Governmental Activities Program Revenues	<u>\$ 24,322,163</u>	<u>\$ 26,581,520</u>	<u>\$ 28,361,264</u>	<u>\$ 113,300,514</u>
Business-type Activities				
Charges for Services:				
Water Utility	\$ 10,573,584	\$ 9,391,674	\$ 9,022,576	\$ 8,880,151
Wastewater Utility	9,531,422	8,243,147	7,235,503	6,389,190
Sanitation	6,115,977	5,774,010	5,790,357	5,625,426
Stadium	1,633,230	1,564,324	1,530,799	1,014,221
Operating Grants and Contributions	-	-	-	25,000
Capital Grants and Contributions	9,252,599	4,570,849	6,211,533	41,595,562
Total Business-type Activities Revenues	<u>37,106,812</u>	<u>29,544,004</u>	<u>29,790,768</u>	<u>63,529,550</u>
Total Primary Government Revenues	<u>\$ 61,428,975</u>	<u>\$ 56,125,524</u>	<u>\$ 58,152,032</u>	<u>\$ 176,830,064</u>
Net (Expense)/Revenue				
Governmental Activities	\$ (58,432,301)	\$ (57,415,839)	\$ (56,407,183)	\$ 20,247,061
Business-type Activities	(336,680)	(7,964,104)	(4,664,190)	33,308,177
Total Primary Government Net Revenue	<u>\$ (58,768,981)</u>	<u>\$ (65,379,943)</u>	<u>\$ (61,071,373)</u>	<u>\$ 53,555,238</u>

Table 2

Fiscal Year					
2008	2007	2006	2005	2004	2003
\$ 3,988,792	\$ 396,770	\$ 286,419	\$ 133,367	\$ 276,990	\$ 5,416,791
57,630	54,887	61,456	434,179	38,716	45,991
210,707	128,040	67,264	-	8,425	35,035
686,135	638,390	529,007	-	293,355	1,454,454
-	3,527,777	-	-	1,162,624	2,195,739
343,274	272,516	126,800	259,993	-	-
12,183,231	13,241,940	14,584,804	10,631,653	8,774,894	-
4,587,630	895,854	648,756	523,405	109,956	397,092
85,108,447	62,732,783	26,761,281	16,472,105	46,863,563	9,475,823
<u>\$ 107,165,846</u>	<u>\$ 81,888,957</u>	<u>\$ 43,065,787</u>	<u>\$ 28,454,702</u>	<u>\$ 57,528,523</u>	<u>\$ 19,020,925</u>
\$ 8,894,793	\$ 7,588,225	\$ 5,952,571	\$ 8,895,239	\$ 10,525,392	\$ 2,334,840
6,244,742	6,137,152	4,846,569	3,775,636	3,631,132	3,729,617
5,145,922	4,392,794	3,185,387	2,786,148	2,335,547	1,939,809
-	-	-	-	-	-
762,200	20,000	240,000	-	-	-
27,405,133	24,414,623	26,016,946	10,853,019	12,702,625	4,813,617
48,452,790	42,552,794	40,241,473	26,310,042	29,194,696	12,817,883
<u>\$ 155,618,636</u>	<u>\$ 124,441,751</u>	<u>\$ 83,307,260</u>	<u>\$ 54,764,744</u>	<u>\$ 86,723,219</u>	<u>\$ 31,838,808</u>
\$ (34,475,112)	\$ (16,672,751)	\$ (11,315,672)	\$ (24,631,103)	\$ 14,532,701	\$ (20,782,438)
25,768,606	22,412,692	22,769,529	8,571,282	13,364,758	1,370,415
<u>\$ (8,706,506)</u>	<u>\$ 5,739,941</u>	<u>\$ 11,453,857</u>	<u>\$ (16,059,821)</u>	<u>\$ 27,897,459</u>	<u>\$ (19,412,023)</u>

Continued

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

	Fiscal Year			
	2012	2011	2010	2009
Governmental Revenues and Other Changes in Net Assets				
Governmental Activities:				
Taxes	\$ 55,301,512	\$ 53,595,119	\$ 55,623,884	\$ 59,003,971
Intergovernmental	12,704,826	9,699,146	10,907,518	12,236,437
Interest and Investment Income	319,017	227,446	179,114	148,687
Miscellaneous	493,244	827,619	2,026,285	911,254
Transfers	<u>(3,892,665)</u>	<u>(3,390,940)</u>	<u>(7,815,285)</u>	<u>(7,751,307)</u>
Total Governmental Activities	<u>\$ 64,925,934</u>	<u>\$ 60,958,390</u>	<u>\$ 60,921,516</u>	<u>\$ 64,549,042</u>
Business-type Activities				
Interest and Investment Income	\$ 92,945	\$ 71,819	\$ 57,527	\$ 121,900
Proceeds from the sale of water rights	-	-	4,352,000	-
Mitigation proceeds	-	-	-	-
Miscellaneous	117,103	638,611	100,698	78,586
Transfers	<u>3,892,665</u>	<u>3,390,940</u>	<u>7,815,285</u>	<u>7,751,307</u>
Total Business-type Activities	<u>\$ 4,102,713</u>	<u>\$ 4,101,370</u>	<u>\$ 12,325,510</u>	<u>\$ 7,951,793</u>
Total Primary Government	<u>\$ 69,028,647</u>	<u>\$ 65,059,760</u>	<u>\$ 73,247,026</u>	<u>\$ 72,500,835</u>
Changes in Net Assets				
Governmental Activities	\$ 64,925,934	\$ 3,542,551	\$ 4,514,333	\$ 84,796,103
Business-type Activities	<u>4,102,713</u>	<u>(3,862,734)</u>	<u>7,661,320</u>	<u>41,259,970</u>
Total Primary Government	<u>\$ 69,028,647</u>	<u>\$ (320,183)</u>	<u>\$ 12,175,653</u>	<u>\$ 126,056,073</u>

Source: Statement of Net Assets
City financial records and reports

Table 2

Fiscal Year					
2008	2007	2006	2005	2004	2003
\$ 61,251,635	\$ 59,428,806	\$ 48,726,571	\$ 31,498,052	\$ 25,487,392	\$ 21,111,029
12,654,235	15,053,501	6,997,920	5,973,538	5,756,754	5,587,983
4,268,448	4,723,886	4,436,598	1,079,720	556,145	(499,021)
4,075,011	1,029,445	1,486,027	1,641,295	408,114	233,858
(9,444,077)	(56,622)	(117,062)	634,153	(799,999)	2,257,938
<u>\$ 72,805,252</u>	<u>\$ 80,179,016</u>	<u>\$ 61,530,054</u>	<u>\$ 40,826,758</u>	<u>\$ 31,408,406</u>	<u>\$ 28,691,787</u>
\$ 1,379,832	\$ 1,447,446	\$ 715,181	\$ 88,211	\$ 119,849	\$ 152,306
-	-	-	-	-	-
-	-	1,950,000	-	-	-
212,708	26,683	17,431	7,666	67,756	82,345
9,444,077	56,622	117,062	(634,153)	799,999	(2,257,938)
<u>\$ 11,036,617</u>	<u>\$ 1,530,751</u>	<u>\$ 2,799,674</u>	<u>\$ (538,276)</u>	<u>\$ 987,604</u>	<u>\$ (2,023,287)</u>
<u>\$ 83,841,869</u>	<u>\$ 81,709,767</u>	<u>\$ 64,329,728</u>	<u>\$ 40,288,482</u>	<u>\$ 32,396,010</u>	<u>\$ 26,668,500</u>
\$ 38,330,140	\$ 63,505,623	\$ 50,214,382	\$ 16,195,655	\$ 45,941,107	\$ 7,909,349
36,375,158	23,943,443	25,569,203	8,033,006	14,352,362	(652,872)
<u>\$ 74,705,298</u>	<u>\$ 87,449,066</u>	<u>\$ 75,783,585</u>	<u>\$ 24,228,661</u>	<u>\$ 60,293,469</u>	<u>\$ 7,256,477</u>

Concluded



Table 3

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 to Specific Programs		Highway User Revenue
				State Shared Taxes*	State Revenue Sharing	
2012	\$ 16,476,434	\$ 36,364,557	\$ 2,460,521	\$ 7,195,568	\$ 5,509,258	\$ 3,269,285
2011	18,548,550	32,729,749	2,316,820	5,201,107	4,498,039	2,752,001
2010	21,941,576	31,448,399	2,233,909	4,940,934	5,966,584	2,769,619
2009	22,602,319	34,205,905	2,195,747	5,355,676	6,880,761	3,008,499
2008	18,144,197	42,045,316	2,071,378	6,101,593	6,503,557	3,401,589
2007	12,370,983	45,240,436	1,817,387	6,307,272	5,252,405	3,493,824
2006	9,826,690	37,420,013	1,479,868	3,225,710	1,979,970	1,792,240
2005	8,583,676	21,747,851	1,166,525	2,600,534	1,738,442	1,634,562
2004	7,187,270	17,342,116	958,006	2,582,196	1,705,193	1,469,365
2003	5,718,332	14,610,889	781,808	2,224,251	2,012,719	1,351,013

Source: City financial records and reports

* Combined State Shared Sales Tax and Vehicle License Tax

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

	Fiscal Year				
	2012	2011	2010	2009	2008
Mining & Government	\$ 9,534	\$ 5,234	\$ 15,141	\$ 11,412	\$ 6,391
Construction	4,755,592	3,251,977	5,365,079	12,779,596	17,256,194
Manufacturing	701,876	642,255	535,972	508,454	451,147
Utilities	3,469,559	3,275,325	3,085,682	2,448,686	2,397,905
Wholesale Trade	924,842	598,098	540,630	538,279	775,843
Retail Trade	13,576,350	12,950,291	11,569,427	9,568,935	9,526,853
Restaurant & Bar	4,763,951	4,415,910	4,161,539	3,687,991	3,740,867
Real Estate	3,480,031	3,510,263	2,692,806	2,227,491	2,698,200
Hotels	873,241	764,996	820,902	854,203	1,006,334
Services	1,640,296	1,771,527	1,388,178	1,176,780	1,451,721
Miscellaneous	1,414,929	1,055,398	640,388	622,042	1,035,306
Total*	<u>\$ 35,610,202</u>	<u>\$ 32,241,274</u>	<u>\$ 30,815,744</u>	<u>\$ 34,423,869</u>	<u>\$ 40,346,762</u>

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

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

Table 4

Fiscal Year				
2007	2006	2005	2004	2003
\$ 1,055	\$ 371	\$ 17,116	\$ 16,597	\$ -
19,305,179	15,029,430	8,915,836	6,918,462	5,271,160
405,882	600,356	301,797	116,997	26,120
2,115,344	1,640,534	671,037	352,894	403,567
815,930	746,566	177,946	92,257	343,762
9,789,605	8,727,607	6,397,775	5,393,963	4,935,805
3,996,446	3,441,051	2,544,019	2,087,339	1,947,312
2,603,404	1,506,238	1,011,414	693,762	486,911
944,488	889,513	719,181	527,267	500,620
3,725,380	643,325	441,333	483,406	612,169
2,286,662	641,428	633,503	730,151	4,309
<u>\$ 45,989,375</u>	<u>\$ 33,866,419</u>	<u>\$ 21,830,957</u>	<u>\$ 17,413,095</u>	<u>\$ 14,531,735</u>

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

	Fiscal Year			
	2012	2011	2010	2009
General Fund				
Reserved	\$ -	\$ -	\$ 17,812,619	\$ -
Unreserved	-	-	10,742,777	29,117,875
Nonspendable:				
Advances to other funds	961,840	961,840	-	-
Inventories	16,258	3,627	-	-
Prepaid items	500,911	422,681	-	-
Restricted by:				
Charter mandates	3,377,572	3,209,321	-	-
Court	261,229	198,457	-	-
Law enforcement	125,812	129,231	-	-
Assigned to:				
IT replacement	437,873	407,961	-	-
Fleet replacement	1,730,168	383,225	-	-
Risk management insurance	811,244	558,310	-	-
Unassigned	23,074,844	21,481,088	-	-
Total General Fund	<u>\$ 31,297,751</u>	<u>\$ 27,755,741</u>	<u>\$ 28,555,396</u>	<u>\$ 29,117,875</u>
All Other Governmental Funds				
Reserved, Reported in:				
Debt Service Funds	\$ -	\$ -	\$ 14,891,228	\$ 13,597,749
Capital Projects Funds	-	-	1,393,549	4,110,554
Community Facilities District	-	-	47,213	-
Unreserved, Reported in:				
Special Revenue Funds	-	-	20,452,179	23,153,403
Capital Projects Funds	-	-	-	1,435,331
Nonspendable:				
Inventories	412,916	289,782	-	-
Prepaid items	45,225	46,238	-	-
Restricted by:	-			
Debt service	15,663,838	15,113,512	-	-
Development impact fees	21,720,718	21,992,019	-	-
Highway user funds	400,610	285,914	-	-
Community Facilities Districts operations	538,410	536,230	-	-
Unassigned	(9,854)	(2,336,765)	-	-
Total All Other Governmental Funds	<u>\$ 38,771,863</u>	<u>\$ 35,926,930</u>	<u>\$ 36,784,169</u>	<u>\$ 42,297,037</u>

Note: The City implemented GASB 54 for fiscal year ended June 30, 2011. Prior financial statements have not been restated to provide this information.

Source: Balance Sheet Governmental Funds
City financial records and reports

Table 5

Fiscal Year						
2008	2007	2006	2005	2004	2003	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42,219,809	61,037,128	53,853,901	29,393,457	18,701,153	12,456,038	
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 42,219,809</u>	<u>\$ 61,037,128</u>	<u>\$ 53,853,901</u>	<u>\$ 29,393,457</u>	<u>\$ 18,701,153</u>	<u>\$ 12,456,038</u>	
\$ 15,356,746	\$ 8,726,046	\$ 7,833,170	\$ 6,643,132	\$ 6,388,963	\$ 3,027,055	
10,942,787	7,810,178	21,303,978	9,704,731	-	-	
-	-	-	-	-	-	
25,851,665	20,649,813	19,835,781	14,475,469	8,731,725	4,613,137	
27,462,037	10,220,953	3,354,296	46,019,494	21,129,201	32,003,402	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
<u>\$ 79,613,235</u>	<u>\$ 47,406,990</u>	<u>\$ 52,327,225</u>	<u>\$ 76,842,826</u>	<u>\$ 36,249,889</u>	<u>\$ 39,643,594</u>	

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

	Fiscal Year			
	2012	2011	2010	2009
Revenues				
Taxes	\$ 55,397,903	\$ 53,909,300	\$ 55,590,530	\$ 58,734,426
Licenses and permits	4,729,946	4,541,951	629,979	3,091,729
Intergovernmental	19,319,623	15,825,858	16,464,531	16,827,730
Charges for services	3,876,918	3,978,325	7,402,083	6,387,350
Fines and forfeits	825,971	849,060	846,143	686,557
Investment income	319,017	225,588	178,715	148,220
Special assessments	5,844,915	4,859,749	6,522,924	3,065,304
Contributions	3,099,952	2,707,926	3,042,851	3,403,370
Miscellaneous	361,202	157,090	1,942,018	593,684
Total Revenues	<u>93,775,447</u>	<u>87,054,847</u>	<u>92,619,774</u>	<u>92,938,370</u>
Expenditures				
General Government	8,248,394	8,194,510	6,943,802	3,945,126
Police	13,764,506	13,506,835	13,752,875	14,082,452
Financial Services	2,661,635	2,160,642	2,605,931	4,803,801
Community Services	-	-	-	1,248,219
Information Services	2,501,280	2,346,507	2,339,204	2,221,606
Fire	11,098,327	10,538,180	10,615,080	11,961,508
Municipal Services	1,266,469	1,389,266	1,497,249	1,567,179
Human Resources	2,275,991	1,822,793	1,929,973	2,215,237
Community Development	4,557,391	4,376,985	4,654,052	9,723,957
Culture and Recreation	4,115,701	3,936,203	3,882,621	4,393,748
Highways and Streets	3,340,208	3,808,328	4,098,986	5,686,483
Public Works	2,967,386	3,047,742	3,075,759	3,901,157
Debt Service:				
Principal retirement	12,433,024	11,254,524	10,942,758	7,392,618
Interest and debt cost	10,687,152	10,645,162	11,158,130	11,930,502
Capital outlay	6,437,600	9,234,659	13,494,149	47,556,824
Total Expenditures	<u>86,355,064</u>	<u>86,262,336</u>	<u>90,990,569</u>	<u>132,630,417</u>
 Excess of Revenues over (under)				
Expenditures	<u>7,420,383</u>	<u>792,511</u>	<u>1,629,205</u>	<u>(39,692,047)</u>

Table 6

Fiscal Year					
2008	2007	2006	2005	2004	2003
\$ 61,112,204	\$ 59,346,833	\$ 48,669,770	\$ 31,501,700	\$ 25,507,299	\$ 21,092,384
7,160,922	8,905,743	10,593,032	7,899,726	6,785,229	3,845,730
17,361,565	16,456,618	7,691,531	6,288,957	5,811,389	5,985,075
19,117,473	14,921,767	12,590,311	9,894,288	9,057,321	5,805,188
678,594	584,316	482,604	364,301	332,046	365,136
4,268,447	4,723,886	4,436,598	1,079,719	567,142	(499,021)
2,228,149	2,228,646	2,197,445	2,580,510	1,555,984	1,654,637
8,260,888	14,245,039	1,717,842	2,401,107	1,562,190	-
<u>4,075,010</u>	<u>1,046,124</u>	<u>1,433,513</u>	<u>1,641,295</u>	<u>600,649</u>	<u>4,940,329</u>
<u>124,263,252</u>	<u>122,458,972</u>	<u>89,812,646</u>	<u>63,651,603</u>	<u>51,779,249</u>	<u>43,189,458</u>
5,486,915	8,637,828	3,871,939	2,482,603	3,138,823	4,469,126
13,295,314	10,262,437	8,674,983	7,853,958	6,643,972	6,097,075
4,850,217	2,209,677	1,550,946	1,553,016	1,240,958	1,148,502
1,329,505	1,255,467	1,190,116	1,012,533	787,635	189,763
2,834,417	1,622,556	1,593,403	1,434,932	1,138,348	1,907,004
11,277,737	8,842,402	7,332,103	5,163,911	4,529,680	4,879,245
1,547,460	1,102,875	848,612	704,584	879,352	734,689
1,995,841	1,973,845	1,360,762	1,276,457	985,334	1,525,546
9,262,010	6,028,162	6,599,788	6,636,525	5,543,191	864,434
4,667,176	3,431,934	2,381,569	2,128,218	1,699,797	1,621,308
3,994,494	4,756,383	3,647,507	2,128,408	1,804,454	2,817,472
4,261,005	4,294,102	2,154,782	1,917,725	2,002,948	2,432,247
5,141,143	4,836,000	3,777,600	5,327,354	2,971,580	3,319,857
10,466,384	5,740,194	5,313,243	5,825,352	4,020,706	3,901,382
<u>135,249,363</u>	<u>71,999,738</u>	<u>14,819,302</u>	<u>10,039,532</u>	<u>40,712,284</u>	<u>11,449,411</u>
<u>215,658,981</u>	<u>136,993,600</u>	<u>65,116,655</u>	<u>55,485,108</u>	<u>78,099,062</u>	<u>47,357,061</u>
<u>(91,395,729)</u>	<u>(14,534,628)</u>	<u>24,695,991</u>	<u>8,166,495</u>	<u>(26,319,813)</u>	<u>(4,167,603)</u>

Continued

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

	Fiscal Year			
	2012	2011	2010	2009
Other Financing Sources and (Uses)				
Transfer in	\$ 5,504,462	\$ 8,388,300	\$ 6,376,290	\$ 4,123,384
Transfer out	(9,397,127)	(10,837,705)	(14,191,575)	(11,874,691)
Debt issuance	1,780,000	-	105,000	604,500
Debt premium	129,958	-	5,733	5,722
Refunding bonds	11,530,000	-	-	-
Refunding bonds premium	949,267	-	-	-
Payment to refunded bond escrow agent	(11,530,000)	-	-	(3,585,000)
 Total Other Financing Sources and (Uses)	 <u>(1,033,440)</u>	 <u>(2,449,405)</u>	 <u>(7,704,552)</u>	 <u>(10,726,085)</u>
 Net Change in Fund Balances	 <u>\$ 6,386,943</u>	 <u>\$ (2,449,405)</u>	 <u>\$ (6,075,347)</u>	 <u>\$ (50,418,132)</u>
 Debt Service as a Percentage of Noncapital Expenditures	 28.9%	 27.3%	 27.0%	 17.5%

Source: City financial records and reports

Table 6

Fiscal Year					
2008	2007	2006	2005	2004	2003
\$ 11,561,671	\$ 17,288,179	\$ 18,210,420	\$ 2,933,372	\$ 2,242,149	\$ 8,994,203
(21,005,748)	(17,387,710)	(47,966,568)	(2,299,219)	(3,042,148)	(6,736,265)
112,248,000	16,969,302	5,005,000	42,005,000	27,050,000	16,010,000
2,300,192	(72,151)	-	479,593	-	272,362
6,415,000	-	-	-	-	2,300,000
-	-	-	-	-	-
(6,734,459)	-	-	-	-	-
<u>104,784,656</u>	<u>16,797,620</u>	<u>(24,751,148)</u>	<u>43,118,746</u>	<u>26,250,001</u>	<u>20,840,300</u>
<u>\$ 13,388,927</u>	<u>\$ 2,262,992</u>	<u>\$ (55,157)</u>	<u>\$ 51,285,241</u>	<u>\$ (69,812)</u>	<u>\$ 14,240,042</u>
6.2%	12.4%	17.9%	21.6%	18.7%	18.8%

Concluded



Table 7

City of Goodyear
 Governmental Activities Tax Revenues By Source
 Last Ten Fiscal Years
 (modified 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	
2012	\$ 16,476,434	\$ 36,364,557	\$ 2,460,521	\$ 7,195,568	\$ 5,509,258	\$ 3,269,285
2011	18,862,731	32,729,749	2,316,820	5,201,107	4,498,039	2,752,001
2010	21,908,223	31,183,096	2,233,909	4,940,934	5,966,584	2,769,619
2009	22,332,774	34,205,906	2,195,748	5,355,676	6,880,761	3,008,499
2008	18,004,766	41,036,060	2,071,378	6,101,593	6,503,557	3,401,589
2007	12,289,010	45,240,436	1,817,387	6,307,272	5,252,405	3,493,824
2006	9,769,889	37,420,013	1,479,868	3,225,710	1,979,970	1,792,240
2005	8,583,676	22,475,427	1,166,525	2,600,534	1,738,442	1,634,562
2004	7,187,270	17,869,383	958,006	2,582,196	1,705,193	1,469,365
2003	5,718,332	15,111,509	781,808	2,224,251	2,012,719	1,351,013

Source: City financial records and reports

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

Fiscal Year	City Direct Rate			Overlapping Rates					
	Operating Rate	Debt Service Rate	Total City Rate	County-Wide Jurisdictions					
				County Operating Rate	County Library District Rate	Fire District Assistance Rate	County Flood District Rate	County Education Equalization Rate	
2012	\$ 0.9446	\$ 0.6554	\$ 1.6000	\$ 1.2407	\$ 0.0492	\$ 0.0084	\$ 0.1780	\$ 0.4259	
2011	0.7603	0.6630	1.4233	1.0508	0.0412	0.0066	0.1489	0.3564	
2010	0.6320	0.9679	1.5999	0.9909	0.0353	0.0057	0.1367	0.3306	
2009	0.6678	0.9322	1.6000	1.0327	0.0353	0.0053	0.1367	-	
2008	0.7321	0.8679	1.6000	1.1046	0.0391	0.0053	0.1533	-	
2007	0.7945	0.7991	1.5936	1.1794	0.0507	0.0068	0.2047	-	
2006	0.8222	0.7778	1.6000	1.1971	0.0521	0.0069	0.2119	0.4358	

Note: Data not available prior to 2006

¹ Source: Maricopa County Assessor's Office

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	Agua Fria/ Litchfield Rate	Buckeye/ Liberty Rate	Tolleson/ Littleton Rate	Mobile Rate
2012	\$ 1.2082	\$ 0.1000	\$ 0.1494	\$ 3.3598	\$ 7.4753	\$ 3.2590	\$6.2698	\$7.8626	\$4.9490
2011	0.9728	0.1000	0.1122	2.7889	5.3923	5.3658	6.1069	6.1935	5.4994
2010	0.8844	0.1000	0.0914	2.5750	6.0066	5.3164	5.2568	5.8681	6.2147
2009	0.9386	0.1000	0.0856	2.3342	5.7554	4.9382	5.5581	6.3843	8.3984
2008	0.9760	0.1000	0.0935	2.4718	6.4298	5.3545	6.7267	6.8078	N/A
2007	1.0646	0.1200	0.1184	2.7446	7.8564	6.8558	7.3005	7.3586	N/A
2006	1.0315	0.1200	0.1206	3.1759	7.8631	6.9430	7.4944	8.3794	N/A

Continued

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

Overlapping Rates							
Other Special Taxing Districts							
Fiscal Year	West 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	Estrella Mtn. Ranch Community Facilities District Rate
	2012	\$ 0.0500	\$ 1.0000	\$ 17.1000	\$ 2.1961	\$ 2.7298	\$ 3.4033
2011	0.5000	1.0000	17.1000	2.3797	2.2087	2.9776	1.3000
2010	0.0500	1.0000	17.1000	2.6829	1.2146	2.1198	1.3000
2009	0.0500	1.0000	17.1000	2.6965	0.1520	1.2843	1.3000
2008	0.0500	1.0000	15.0000	3.0000	2.8500	1.7639	1.3000
2007	0.0500	1.0000	15.0000	3.0000	2.8500	3.0000	1.3000
2006	0.0500	1.0000	15.0000	3.0000	2.8500	3.0000	1.3000

Table 8

Overlapping Rates							
Fiscal Year	Other Special Taxing Districts						
	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	
2012	\$ 0.8034	\$ 1.0000	\$ 1.2684	\$ 0.3000	\$ 2.8718	\$ 2.9933	
2011	0.7570	1.0000	1.2952	0.3000	2.2891	2.5496	
2010	0.6629	1.0000	0.2165	0.3000	1.5905	1.6561	
2009	0.5313	1.0000	1.7949	0.3000	1.1703	1.3143	
2008	0.8040	1.0000	1.6295	0.3000	1.3123	1.4154	
2007	1.0000	1.0000	2.0000	0.3000	2.1340	2.3935	
2006	1.0000	1.0000	0.3000	-	2.1893	2.3547	

Concluded



Table 9

City of Goodyear
Principal Property Tax Payers
Current Fiscal Year and Eight Years Ago
(Unaudited)

Taxpayer	Fiscal Year					
	2012			2003		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Arizona Public Service Company	\$ 20,811,415	1	3.09%	\$ 7,739,112	3	3.48%
VHS of South Phoenix, Inc.	9,298,057	2	1.38%	-		
Macy's Retail Holdings, Inc.	7,444,200	3	1.11%	-		
DH Goodyear, LLC	6,500,014	4	0.97%	2,246,121	8	1.01%
NNP III Estrella Mountain Ranch, LLC	5,517,187	5	0.82%	-		
Cardinal Capital Co	5,225,632	6	0.78%	-		
The Market at Estrella Falls, LLC	5,140,140	7	0.76%	-		
Southwest Gas Corporation	4,930,436	8	0.73%	1,801,345	10	0.81%
First American Title Insurance Company	4,549,096	9	0.68%	3,580,451	6	1.61%
BT Goodyear LLC	4,210,347	10	0.63%	-		
Suncor Development Company	-			14,143,894	1	6.36%
Rubbermaid, Inc.	-			8,339,560	2	3.75%
Sun Chase Estrella LP	-			6,560,454	4	2.95%
McLane Company	-			4,492,243	5	2.02%
Qwest Communications	-			2,646,420	7	1.19%
Byrd Enterprises of Arizona Inc.	-			2,068,211	9	0.93%
Total	\$ 73,626,524		8.67%	\$ 53,617,811		24.11%

Note: Data not available prior to 2003

Source: Maricopa County Treasurer

City of Goodyear
 Assessed Value and Estimated Actual Value of Taxable Property¹
 Last Six 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
2012	\$ 357,367,570	\$ 252,752,614	\$ 206,673,571	\$ 214,401	\$ 144,006,328	\$ 673,001,828
2011	405,850,285	297,842,341	308,078,489	33,349	163,045,578	848,758,886
2010	497,383,109	284,491,038	374,640,069	28,842	173,686,635	982,856,423
2009	586,181,619	211,360,209	323,172,973	30,053	120,023,805	1,000,721,049
2008	464,968,904	159,482,762	221,884,779	30,978	82,130,285	764,237,138
2007	259,063,526	131,663,157	164,267,777	47,639	60,129,086	494,913,013
2006	219,161,231	109,929,249	97,388,312	226,783	35,549,177	391,156,398

Note: Data prior to 2006 is not available.

¹ Source: Maricopa County Assessor's Office

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

Table 10

Secondary Tax Rate	Estimated Actual Taxable Value	Assessed Value as Percentage of Actual Value
\$ 0.6554	\$ 6,130,095,795	11.0%
0.6630	7,401,814,203	11.5%
0.9679	8,607,745,155	11.4%
0.9322	8,799,999,309	11.4%
0.8679	6,700,379,823	11.4%
0.7991	4,159,221,424	11.9%
0.7778	3,254,133,854	12.0%

City of Goodyear
Property Tax Levies and Collections¹
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	\$ 10,743,752	\$ 10,521,745	97.93%	\$ 129,172	\$ 10,650,917	99.14%
2011	11,650,452	11,524,990	98.92%	123,357	11,648,347	99.98%
2010	14,959,898	14,527,751	97.11%	96,134	14,623,885	97.75%
2009	14,460,290	13,888,743	96.05%	44,605	13,933,348	96.36%
2008	10,843,797	10,706,881	98.74%	77,686	10,784,567	99.45%
2007	7,424,246	7,257,013	97.75%	49,075	7,306,088	98.41%
2006	6,070,318	5,923,200	97.58%	49,184	5,972,384	98.39%
2005	6,049,416	5,974,482	98.76%	-	5,974,482	98.76%
2004	5,096,682	4,982,963	97.77%	-	4,982,963	97.77%
2003	4,287,085	4,112,585	95.93%	-	4,112,585	95.93%

Note: Data not available for FY2003, FY2004 & FY2005. All secondary collections are reported as current collections. Delinquent tax collections are shown in the year collected.

¹ Source: City Financial Records and Reports
Schedule includes General and Debt Service Funds

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

Entity	Type of User	Fiscal Year			
		2012		2008	
		Rank	Fees & Charges	Rank	Fees & Charges
Canyon Trails HOA	Homeowner's Association	1	\$ 205,109		-
Canyon Trails Unit 4	Homeowner's Association	2	186,669	5	145,474
Estrella Joint Committee	Homeowner's Association	3	176,348		
Canyon Trails 4 - South	Homeowner's Association	4	163,706	2	166,139
Cottonflower Goodyear Community	Homeowner's Association	5	145,798		-
Canyon Trails 3	Homeowner's Association	6	136,309	8	93,896
Agua Fria High School	School	7	132,095	1	173,266
Sarival Paseo Joint Community	Homeowner's Association	8	129,625	3	154,195
Cancer Treatment Center	Hospital	9	103,135		-
Park Shadows	Apartments	10	102,081	9	76,401
Avondale School	School			6	105,348
Centerra, LLC	Homeowner's Association			7	102,443
Pueblo Verda HOA	Homeowner's Association				-
Evergreen Lawn Sprinklers	Homeowner's Association			4	148,800
Estrella Vista HOA	Homeowner's Association			10	64,527
Total			<u>\$ 1,480,877</u>		<u>\$ 1,230,489</u>
Total as a percent of total Water System Operating Revenue			<u>13.84%</u>		<u>13.94%</u>

Note: Water information not available prior to FY 2008

Source: City customer service and billing records



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

Entity	Type of User	Rank	Fiscal Year			
			2012		2008	
			Fees & Charges	Rank	Fees & Charges	Rank
Arizona State Prison/Perryville	Prison	1	\$ 386,204	1	\$ 317,331	
Cancer Treatment Center	Hospital	2	79,460		-	
Park Shadows	Apartments	3	77,420	2	50,512	
Fairfield Goodyear LL	Apartments	4	69,594			
Fairfield Centerra	Real Estate	5	67,368		-	
Poore Brothers, Inc.	Food Manufacturer, Snacks	6	56,918	6	22,656	
Airport Training Center	Airport	7	46,463	5	22,656	
Avondale Elementary	Education	8	39,070	7	21,794	
Alliance Residential	Real Estate	9	38,381		-	
Pem Investments	Real Estate	10	37,088		-	
Fairfield Development	Real Estate				-	
Country Air Apartments	Apartments		-		-	
Agua Fria Union High School District	Education		-	3	32,000	
McLane Sunwest	Grocery Distributor		-	8	19,253	
Americas Best Value Inn	Hotel		-		-	
Wal-Mart Stores, Inc.	Grocery Retail		-	4	24,273	
La Jolla Court, Inc.	Apartments		-	9	18,044	
Estrella Joint Committee	Homeowner's Association		-	10	17,581	
Total			<u>\$ 897,966</u>		<u>\$ 546,100</u>	
Total as a percent of total Wastewater System Operating Revenue			<u>9.33%</u>		<u>8.74%</u>	

Note: Wastewater information not available prior to FY 2008

Source: City customer service and billing records

City of Goodyear
Schedule of Existing and Adopted
Monthly Water & Sewer Service Charges (2011 - 2013)
(Unaudited)

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

- (1) Rates shown are for inside City customers. Outside City rates are 25% greater than inside City rates. Rate increases were adopted, but are subject to change at the direction of City Council.
- (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).

Source: City of Goodyear Finance Department. The table above reflects only certain basic fees and charges of the City's water system and is not a comprehensive statement of all such fees.

Schedule of Water System Rate Increases (2011-2013)

Date	<u>Rate Increase</u>
Fiscal Year 2011	7.50%
Fiscal Year 2012	9.40%
Fiscal Year 2013	-18.80%

Source: City of Goodyear Finance Department.

Table 14

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

Schedule of Wastewater System Rate Increases (2011-2013)

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

Source: City of Goodyear Finance Department.

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

Fiscal Year Ended June 30	Governmental Activities					
	General Obligation Bonds	Contract Payable	Greater Arizona Development Authority Loan	Public Improvement Corporation Municipal Facilities Revenue Bond	McDowell Road Corridor Improvement District	Community Facilities District Bonds
2012	\$ 29,000,636	\$ 1,755,628	\$ -	\$ 2,940,000	\$ 43,675,000	\$ 113,555,000
2011	31,358,457	3,755,628	-	4,510,000	44,900,000	117,182,000
2010	33,601,981	5,755,628	-	5,230,000	46,060,000	122,313,000
2009	35,842,739	11,755,628	-	5,910,000	47,165,000	127,125,000
2008	41,719,857	-	-	6,415,000	47,165,000	131,116,000
2007	36,050,000	-	3,185,000	3,320,000	-	76,844,000
2006	27,280,000	-	3,645,000	3,485,000	-	73,000,000

Note: Data prior to 2006 is not available.

* Applied Geographic Solutions/TIGER Geography

Source: City Financial Records and Reports

Table 15

Business-Type Activities							
General Obligation Bonds	Public Improvement Corporation		Water Infrastructure		Total	Percentage of Personal Income*	Per Capita
	Municipal Facilities Revenue Bond	Revenue Bonds	Finance Authority Loan	Water Rights			
\$ 89,394,364	\$ 102,180,000	\$ 31,910,000	\$ 11,908,603	\$ -	\$ 426,319,231	22.40%	6,340
91,121,543	102,300,000	32,245,000	12,554,096	-	439,926,724	20.74%	6,634
92,753,019	102,300,000	17,040,000	9,925,289	10,314,041	445,292,958	24.79%	6,822
88,282,261	102,300,000	2,370,000	8,866,108	11,173,544	440,790,280	24.89%	7,047
88,125,143	67,850,000	2,345,000	9,443,400	-	394,179,400	25.65%	6,742
54,145,000		2,460,000	9,985,012	-	185,989,012	12.34%	3,335
28,990,000		2,580,000	10,505,512	-	149,485,512	11.74%	3,007



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

Fiscal Year Ended June 30	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage Estimated Actual Taxable Value of Property	Per Capita
2012	118,395,000	\$ 1,246,110	\$ 117,148,890	11.00%	1,742
2011	122,480,000	668,186	121,811,814	11.50%	1,830
2010	126,355,000	828,016	125,526,984	11.40%	1,933
2009	124,125,000	592,244	123,532,756	11.40%	1,975
2008	129,845,000	3,026,753	126,818,247	11.40%	2,169
2007	90,195,000	587,476	89,607,524	11.90%	1,607
2006	56,270,000	210,498	56,059,502	12.00%	1,128
2005	58,265,000	123,863	58,141,137	17.77%	1,410
2004	30,395,000	499	30,394,501	11.49%	849
2003	22,270,000	-	22,270,000	10.01%	733

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

City of Goodyear
Direct and Overlapping Governmental Activities Debt
As of June 30, 2012
(Unaudited)

Governmental Unit	Secondary Assessed Valuation	Debt Outstanding
Debt repaid with property taxes and special assessment liens		
Overlapping Debt:		
Maricopa County	\$ 38,760,296,502	\$ -
Maricopa County Community College District	38,760,296,502	671,250,000
Avondale Elementary School District #44	380,611,093	32,270,000
Liberty Elementary School District #25	197,346,708	10,140,000
Litchfield Elementary School District #79	644,383,622	38,250,000
Littleton Elementary School District #65	254,814,338	18,955,000
Agua Fria Union High School District #216	1,024,994,715	43,295,000
Buckeye Union High School District #201	717,792,695	53,240,000
Tolleson Union High School District #214	1,095,580,510	81,235,000
Centerra Community Facilities District	11,105,474	3,345,000
Cortina Community Facilities District	8,800,787	2,330,000
Cottonflower Community Facilities District	8,149,899	2,570,000
Estrella Mountain Ranch Community Facilities District	53,740,582	16,260,000
Goodyear Community Facilities Utilities District #1	267,669,610	46,470,000
Goodyear Community Facilities General District #1	120,814,204	11,595,000
Palm Valley Community Facilities District #3	48,541,453	7,625,000
Wildflower Ranch Community Facilities General District #1	4,584,837	935,000
Wildflower Ranch Community Facilities General District #2	4,613,436	1,125,000
Subtotal of overlapping debt	<u>\$ 82,364,136,967</u>	<u>\$ 1,040,890,000</u>
Direct Debt:		
City of Goodyear	673,001,828	118,395,000

(a) Proportion applicable to the City of Goodyear, Arizona is computed on the ratio of secondary assessed valuation for 2011-2012.

Sources: Maricopa County Department of Finance, 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.

Note: The source for the debt issuance was the OS for the GO refunding bonds issued in March 2012. Tolleson Union was clearly too high in the OS, so I used the ADOR report for FY2011.

Table 17

Estimated Percentage Applicable (a)	Estimated Share of Overlapping Debt
1.74%	\$ -
1.74%	11,679,750
80.35%	25,928,945
48.62%	4,930,068
41.77%	15,977,025
0.03%	5,687
56.22%	24,340,449
13.30%	7,080,920
0.01%	8,124
100.00%	3,345,000
100.00%	2,330,000
100.00%	2,570,000
100.00%	16,260,000
100.00%	46,470,000
100.00%	11,595,000
100.00%	7,625,000
100.00%	935,000
100.00%	<u>1,125,000</u>
	<u>\$ 182,205,967</u>
100.00%	118,395,000

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

	Fiscal Year			
	2012	2011	2010	2009
Secondary Assessed Value	\$ 673,001,828	\$ 848,758,886	\$ 982,856,423	\$ 1,000,721,049
<u>20% Limitation</u>				
Debt Limit Equal to 20% of Assessed Valuation	134,600,366	169,751,777	196,571,285	200,144,210
Total Debt Applicable to 20% Limit	<u>118,130,000</u>	<u>122,205,000</u>	<u>126,070,000</u>	<u>123,830,000</u>
Legal 20% Debt Margin (Available Borrowing Capacity)	<u>\$ 16,470,366</u>	<u>\$ 47,546,777</u>	<u>\$ 70,501,285</u>	<u>\$ 76,314,210</u>
Total net debt applicable to the limit as a percentage of debt limit	87.76%	71.99%	64.13%	61.87%
<u>6% Limitation</u>				
Debt Limit Equal to 6% of Assessed Valuation	\$ 40,380,110	\$ 50,925,533	\$ 58,971,385	\$ 60,043,263
Total Debt Applicable to 6% Limit	<u>265,000</u>	<u>275,000</u>	<u>285,000</u>	<u>295,000</u>
Legal 6% Debt Margin (Available Borrowing Capacity)	<u>\$ 40,115,110</u>	<u>\$ 50,650,533</u>	<u>\$ 58,686,385</u>	<u>\$ 59,748,263</u>
Total net debt applicable to the limit as a percentage of debt limit	0.66%	0.54%	0.48%	0.49%

Note: Data prior to 2006 is not available.

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

Table 18

Fiscal Year		
2008	2007	2006
\$ 764,237,138	\$ 494,913,013	\$ 391,377,371
152,847,428	98,982,603	78,275,474
<u>129,540,000</u>	<u>90,195,000</u>	<u>47,795,000</u>
<u>\$ 23,307,428</u>	<u>\$ 8,787,603</u>	<u>\$ 30,480,474</u>
84.75%	91.12%	61.06%
\$ 45,854,228	\$ 29,694,781	\$ 23,482,642
<u>305,000</u>	<u>-</u>	<u>8,475,000</u>
<u>\$ 45,549,228</u>	<u>\$ 29,694,781</u>	<u>\$ 15,007,642</u>
0.67%	0.00%	36.09%

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

Fiscal Year Ended June 30	Public Improvement Corporation Municipal Facilities Revenue Bonds*				
	Operating Revenue	Pledged Revenue	Debt Service		Coverage
			Principal	Interest	
2012	\$ 65,501,422	\$ 52,355,875	\$ 570,000	4,925,626	9.53
2011	57,697,609	45,594,775	745,000	5,562,612	7.23
2010	57,363,961	45,810,806	720,000	5,594,412	7.25
2009	62,281,214	49,324,646	680,000	4,907,984	8.83
2008	85,680,828	56,440,267	505,000	2,019,691	22.36

Fiscal Year Ended June 30	Water & Sewer Bonds & Loans					
	Operating Revenue	Less: Operating Expenses	Net Operating Revenue	Debt Service		Coverage
				Principal	Interest	
2012	\$ 20,221,750	\$ 8,703,445	\$ 11,518,305	\$ 1,139,026	\$ 5,554,656	1.72
2011	18,271,778	8,965,363	9,306,415	1,167,815	1,802,534	3.13
2010	16,378,677	8,350,588	8,028,089	1,195,691	543,662	4.62
2009	15,300,056	9,733,836	5,566,220	877,292	540,523	3.93
2008	15,151,775	11,424,111	3,727,664	656,612	474,992	3.29
2007	13,760,462	11,008,102	2,752,360	640,500	506,104	2.40
2006	10,816,571	9,629,632	1,186,939	502,118	516,469	1.17

Note: Data prior to 2006 is not available.

* PIC 2007 Bonds issued in FY2008, PIC 2008 Bonds issued in FY2009
and PIC 2011 Bonds issued in FY 2012

Source: City Financial Records and Reports

Table 20

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

Fiscal Year	Population	Personal Income (in thousands)	Per Capita Personal Income*	Median Age	Education Level in Years of Schooling	Unemployment Rate
2012	67,239	\$ 1,903,133	\$ 28,304	35.2	13 to 16	8.2%
2011	66,309	2,120,960	31,986	33.5	13 to 16	9.8%
2010**	65,275	1,796,433	27,521	35.5	13 to 16	7.1%
2009	62,554	1,771,217	28,315	39.1	13 to 16	6.9%
2008	58,462	1,536,966	26,290	36.1	13 to 16	3.6%
2007	55,775	1,507,375	27,026	36.3	13 to 16	2.1%
2006	49,714	1,274,269	25,632	35.7	13 to 16	2.6%

Note: Data prior to 2006 is not available.

* Applied Geographic Solutions/TIGER Geography

** obtained from 2010 Census data

Source: City Financial Records and Reports

City of Goodyear
Principal Employers¹
Current Fiscal Year and Nine Fiscal Years Ago
(Unaudited)

Major Corporation	Fiscal Year			Fiscal Year		
	2012			2003		
	Employees	Rank	Percentage of Total City Employment*	Employees	Rank	Percentage of Total City Employment*
Lockheed Martin	1050	1	2.04%	-	-	0.00%
Arizona State Prison/Perryville	1009	2	1.96%	825	1	6.28%
Macy's	600	3	1.17%	-	-	0.00%
West Valley Hospital	550	4	1.07%	-	-	0.00%
City of Goodyear	511	5	1.00%	200	8	1.52%
Cancer Treatment Centers of America	430	6	0.84%	-	-	0.00%
McLane Sunwest	373	7	0.73%	450	2	3.42%
Amazon.com	357	8	0.70%	-	-	0.00%
Sub-Zero / Wolf	334	9	0.65%	-	-	0.00%
Wal-Mart Supercenter	328	10	0.64%	-	-	0.00%
Newell Rubbermaid, Inc.	-	-	0.00%	250	5	1.90%
Timco Aviation Services	-	-	0.00%	430	3	3.27%
Cavco Industries, Inc.	-	-	0.00%	400	4	3.04%
Fry's Food and Drug Store	-	-	0.00%	225	6	1.71%
Aviation Management Systems	-	-	0.00%	220	7	1.67%
Target	-	-	0.00%	175	9	1.33%
Lufthansa-German Airlines	-	-	0.00%	170	10	1.29%
Total	<u>5,542</u>		<u>10.79%</u>	<u>3,345</u>		<u>25.44%</u>

Note: This schedule should be current and nine years ago, but the earliest information available is FY 2003.

¹Source: City Records

*2012 labor force = 51,350; 2003 labor force = 13,147

Table 22

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

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

Note: Data prior to 2006 is not available.

Source: City Financial Records and Reports

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

Function	Fiscal Year			
	2012	2011	2010	2009
General Government				
<i>City Clerk's Office</i>				
# of records requests	484	550	504	613
<i>City Prosecutor's Office</i>				
Charges filed/charges adjudicated (resolved)	3,827	3,380	3,395	2,494
<i>City Manager's Office</i>				
% of survey respondents rating "Your Neighborhood as a Place to Live" as good to excellent	94%	90%	90%	94%
<i>Communications & Public Information</i>				
News releases/media updates	49	150	235	161
Traffic construction alerts	307	349	253	1,135
Total newsletter pages sent to citizens	136	144	176	186
Web pages created/updated	3,709	4,215	4,825	5,721
Number of visits to website	771,938	703,174	715,285	738,949
Number of web pages viewed	2,203,995	2,104,553	2,208,180	2,346,423
Number of graphics/photography projects completed	262	230	217	200
Police				
# Total arrests	2,402	2,254	4,731	2,829
# Moving violations citations	11,468	12,581	11,810	13,313
Fire				
# Emergency responses	7,195	6,597	5,570	5,328
# Fire extinguished	271	235	226	270
# Inspections	212	3,229	4,262	3,953
Financial Services				
# accounts payable checks issued	6,132	6,413	8,024	10,184
# purchase orders	1,229	1,344	1,147	918
# water meters read annually	178,466	170,657	168,647	163,444
Information Services				
# documents requests for service (Help Desk tickets)	5,134	4,108	3,637	5,045
# of SPAM emails blocked from being delivered to the staff	10,624,000	5,126,114	11,948,508	15,370,086
# of emails received	966,000	6,102,710	12,857,998	16,327,382
Planning and Development				
Customer wait-time (in minutes) at One Stop Shop	< 1	< 3	< 3	< 5
Total Number of Permits Issued	3,576	3,269	4,232	3,401
Provide applicant with pre-application meeting within 30 days of submitting request	1	1	1	1
% of inspections performed within 24 hours of request	0.7	1	1	1
Human Resources				
# of new hires (FT & PT)	118	125	247	158
HR operating cost as a % of City payroll	4.86%	4.11%	4.18%	4.11%

Table 23

Fiscal Year		
2008	2007	2006
648	576	180
2,469	3,653	2,692
94%	94%	91%
182	129	92
462	215	267
136	116	42
5,788	4,296	2,520
1,509,717	1,322,259	840,757
7,203,478	4,865,081	5,318,311
200	175	140
2,614	2,814	2,603
11,452	12,422	12,175
3,431	3,236	1,960
143	154	150
3,427	2,403	759
9,949	9,305	9,014
1,043	1,002	1,067
155,805	147,241	125,382
6,052	4,000	3,477
5,214,519	3,587,184	878,595
6,008,336	4,264,236	1,246,386
< 5	< 5	< 5
5,874	1,340	7,859
1	1	1
1	1	1
179	164	174
4.36%	5.50%	5.26%

Continued

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

Function	Fiscal Year			
	2012	2011	2010	2009
Parks and Recreation				
# attending Park & Recreation facilities and Libraries annually	63,256	54,428	52,241	51,844
# of square feet of medians and rights of way maintained *	23,151,438	22,696,736	22,175,027	22,118,000
Economic Vitality				
Sales Tax growth (% annual change)	10.45%	4.42%	-10.40%	-12.30%
Bed Tax growth (% annual change)	14.15%	-7.31%	-3.90%	-15.00%
Municipal Services				
# of homes serviced by Residential Refuse Collection	22,363	21,489	20,928	20,149
# of citizens serviced by Household Hazardous Waste collection program	503	729	848	0
Water Service				
Water Service Connections	16,809	14,588	14,488	13,975
Drinking Water Supplied (million gallons per day)	11.6	11.4	11.1	11
Reclaimed Water Supplied (million gallons per day)	0.32	0.366	0.226	0.45
Wastewater				
Sewer Service Connections	16,856	16,743	16,144	16,144
Sewage Treated (millions gallons per day)	3.819	3.73	3.73	3.7
Other Public Works				
Street resurfacing (miles)	24	12.5	0	4
Potholes repaired	264	260	372	681
Citizen & Neighborhood Resources				
# of new Code Enforcement cases processed per year	2,069	2,016	2,255	2,155

Note: Data prior to 2006 is not available.

*Change in value is not available for fiscal years 2007 & 2008

Source: City Financial Records and Reports

Table 23

Fiscal Year		
2008	2007	2006
Table 23		
49,111	50,093	46,330
15,320,000	15,320,000	15,320,000
-10.25%	20.71%	70.19%
6.00%	6.98%	22.81%
19,811	18,664	17,228
634	510	531
13,500	13,051	11,597
10.8	7	7
0.269	0	0
13,500	11,398	5,037
3.242	2	2
0	34	33
783	1,096	977
2,698	2,755	2,092

Concluded

Table 24

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

Function	Fiscal Year						
	2012	2011	2010	2009	2008	2007	2006
Public Safety							
Police:							
Stations	3	3	3	3	3	4	1
Police Vehicles	125	130	124	130	125	146	107
Fire Stations	6	6	6	6	6	4	4
Highways and Streets							
Street (miles)	1,250	704	704	563	450	360	360
Streetlights	8,465	8,438	8,329	7,969	7,391	7,391	7,391
Traffic signals	77	72	72	67	56	37	30
Culture and Recreation							
Parks	17	17	17	16	16	12	11
Parks Acreage	204	204	204	184	156	117	82
Swimming Pools	1	1	1	1	1	1	1
Tennis Courts	6	6	6	6	6	6	2
Community Centers	1	1	1	1	1	1	1
Water							
Water Mains (miles)	311	310	310	307	286	257	173
Fire Hydrants	2,801	2,791	2,791	2,754	2,481	2,370	2,053
Storage capacity (thousands of gallons)	16	16	16	16	15	11	12
Wastewater							
Sanitary Sewers (miles)	227	229	223	225	236	152	167
Storm Sewers (miles)	57	57	54	58	80	105	105
Treatment capacity (MGD) (thousands of gallons)	5.6	5.6	5.6	5.6	5.5	4.6	11.6

Note: Data prior to 2006 is not available.

Source: City Financial Records and Reports

Single Audit Section



HENRY & HORNE, LLP
Certified Public Accountants

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 Council
City of Goodyear, Arizona

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Goodyear (the City), Arizona as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 19, 2012. 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.

Internal Control Over Financial Reporting

Management of the City is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures 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's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

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 a 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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Scottsdale
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(480) 483-1170
Fax (480) 483-7126

Casa Grande
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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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*.

This report is intended solely for the information and use of management, City Council, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Henry + Horne LLP

Casa Grande, Arizona

November 19, 2012



HENRY & HORNE, LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Honorable Mayor and Council
City of Goodyear, Arizona

Compliance

We have audited City of Goodyear, Arizona's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of City of Goodyear, Arizona's major federal programs for the year ended June 30, 2012. City of Goodyear, Arizona's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of City of Goodyear, Arizona's management. Our responsibility is to express an opinion on City of Goodyear, Arizona's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

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Internal Control Over Compliance

Management of the City of Goodyear, Arizona is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, City Council, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Henry & Horne LLP

Casa Grande, Arizona
November 19, 2012

CITY OF GOODYEAR
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2012

	Grant Number	Federal CFDA Number		Expenditures
U.S. Department of Housing and Urban Development:				
Passed through Maricopa County Department of Housing				
Community Development Block Grant	DG0902	14.218		\$ 107,807
Home Grant	UC1014	14.239		27,825
Total U.S. Department of Housing and Urban Development				<u>135,632</u>
U.S. Department of Justice:				
Passed through Governor's Office for Children, Youth & Families				
STOP Calendar 2011	ST-WSG-09-9365-05Y3	16.588		20,263
Passed through The Bureau of Justice Assistance:				
Bullet Proof Vest Partnership	2009 BVP	16.607	\$ 325	
Bullet Proof Vest Partnership	2010 BVP	16.607	9,028	
Bullet Proof Vest Partnership Subtotal				9,353
Passed through Coverdell Forensic Science Improvement				
Digital Image Management System	2010-CD-BX-0098	16.742		150,185
Passed through Maricopa County:				
JAG Program Cluster				
ARRA MCNNET Grant	C-50-10-021-3-01	16.738	68,904	
ARRA MCNNET OT Grant	C-50-10-024-3-02	16.803	6,072	
JAG Program Cluster Subtotal				74,976
Total U.S. Department of Justice				<u>254,777</u>
U.S. Department of Transportation:				
Passed through Arizona Department of Transportation:				
ARRA Yuma Road Bridge	TRACS No: SS 544 03D/01C	20.205		2,792
Passed through Arizona Governor's Office of Highway Safety				
Highway Safety Cluster				
West Valley DUI Task Force Enf OT	2011-410-006	20.601	17,833	
West Valley DUI Task Force Enf OT	2012-AL-037	20.600	15,963	
Buckle Up Arizona Enforcement Camp	2012-OP-027	20.600	4,811	
Highway Safety Cluster Subtotal				38,607
Total U.S. Department of Transportation				<u>41,399</u>
U.S. Department of Energy				
ARRA - Energy Efficiency and Conservation Block Grant	DE-SC0002957	81.128		204,522 *
Total U.S. Department of Energy				<u>204,522</u>
U.S. Department of the Education				
Passed through Governor's Office of Economic Recovery				
ARRA - AZAFIS System	OER-11-IGA-GS-62	84.397		38,971
Total U.S. Department of the Education				<u>38,971</u>
U.S. Department of Homeland Security:				
Passed through Arizona Division of Emergency Management				
CBRNE Response Team Sustainment/Enhancer	777811-02	97.067	44,098	
Urban Area Assessment TLO Sustainment	777811-01	97.067	2,669	
CBRNE Response Team Sustainment/Enhancer	888812-01	97.067	48,458	
Urban Area Assessment TLO Sustainment	888811-02	97.067	309	
CBRNE Response Team Sustainment/Enhancer	888811-01	97.067	2,318	
Total U.S. Department of Homeland Security				<u>97,852</u>
Total Expenditures of Federal Awards				<u>\$ 773,153</u>

*Denotes major program

CITY OF GOODYEAR, ARIZONA
NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2012

NOTE 1 BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Goodyear, Arizona and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

CITY OF GOODYEAR, ARIZONA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year Ended June 30, 2012

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of auditors’ report issued:

Unqualified

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(ies) identified that are not considered to be a material weakness(es)?

___ yes X no
 ___ yes X none reported

Noncompliance material to financial statements noted?

___ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified that are not considered to be a material weakness(es)?

___ yes X no
 ___ yes X none reported

Type of auditors’ report issued on compliance for each major program listed below-

Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?

___ yes X no

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
81.128	ARRA - Energy Efficiency and Conservation Block Grant

Dollar threshold used to distinguish between Type A and Type B programs:

\$300,000

Auditee qualified as low-risk auditee?

X yes ___ no

CITY OF GOODYEAR, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2012

SECTION II – FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

None Noted

SECTION III – FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

None Noted

SECTION IV – PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no prior year findings.

*Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 2012*

City of Goodyear
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