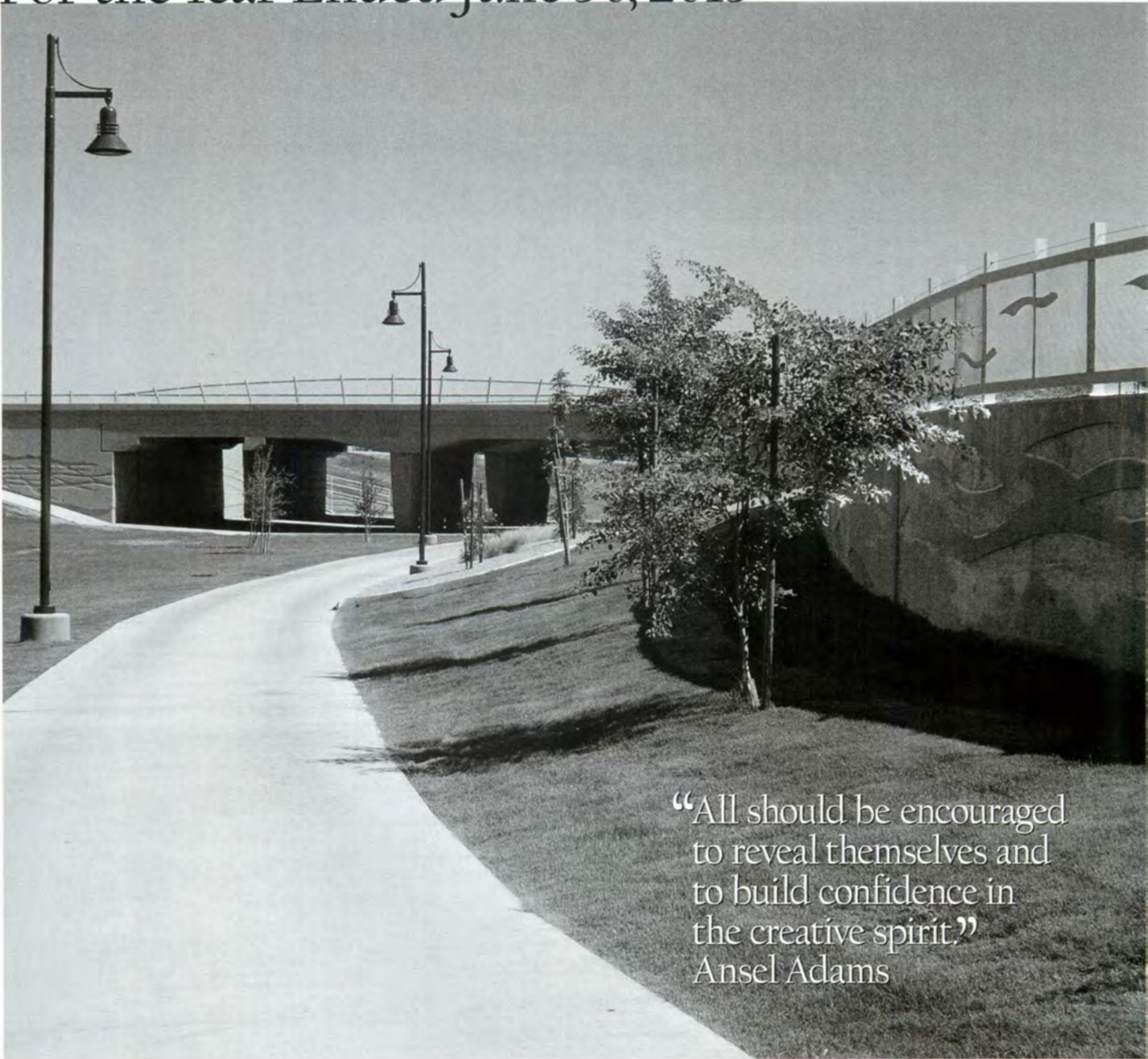


City of Goodyear Comprehensive Annual Financial Report For the Year Ended June 30, 2013



“All should be encouraged
to reveal themselves and
to build confidence in
the creative spirit.”
Ansel Adams



CITY OF GOODYEAR, ARIZONA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013



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

TABLE OF CONTENTS

	<u>Page</u>
I. INTRODUCTORY SECTION	
Letter of Transmittal	vii
GFOA Certificate of Achievement	xiv
City of Goodyear Officials	xv
Organizational Chart	xvi
Acknowledgements	xvii
II. FINANCIAL SECTION	
Independent Auditors' Report	1
A. Management's Discussion & Analysis	7
B. Basic Financial Statements	21
Government-wide Financial Statements	
Statement of Net Position	23
Statement of Activities	24
Fund Financial Statements	
Governmental Fund Financial Statements	
Balance Sheet	30
Reconciliation of the Balance Sheet to the Statement of Net Position	33
Statement of Revenues, Expenditures and Changes in Fund Balances	34
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	37
Statement of Revenues, Expenditures, and Changes in Fund Balance Budget to Actual – General Fund	38
Proprietary Fund Financial Statements	
Statement of Net Position	43
Statement of Revenues, Expenses and Changes in Fund Net Position	44
Statement of Cash Flows	45
Fiduciary Fund Financial Statements	
Statement of Fiduciary Net Position	49
Statement of Changes in Fiduciary Net Position	50

Notes to Financial Statements	<u>Page</u>
1. Summary of Significant Accounting Policies	55
2. Cash and Investments	65
3. Receivables	69
4. Capital Assets	70
5. Loans Payable	72
6. General Obligation Bonds Payable	73
7. Revenue Bonds Payable	74
8. Community Facilities Districts Bonds Payable	76
9. Changes in Long-term Liabilities	78
10. Interfund Receivables, Payables, and Transfers	78
11. Contingent Liabilities	79
12. Risk Management	79
13. Retirement Plans	80
14. Deficit Fund Balances	85
15. Commitments	85
16. Restatement	86
C. Other Supplementary Information	
Non-Major Governmental Funds – Financial Statements	
Combining Balance Sheet	94
Combining Statement of Revenues, Expenses and Changes in Fund Balances	96
Fiduciary Funds –Financial Statements	
Combining Statement of Fiduciary Net Position-Agency Funds	101
Combining Statement of Changes in Assets and Liabilities-Agency Funds	102
Budgetary Comparison Schedules - Other Major Governmental Funds	
Community Facilities Districts - Debt Service	105
McDowell Road Commercial Corridor Improvement District - Debt Service	106
Non-Utility Development Impact Fees	107
Capital Improvement Projects Fund	108
Budgetary Comparison Schedules - Non-Major Governmental Funds	
Highway User Revenue Fund	111
Grants	112
Community Facilities Districts – General	113
Debt Service	114

Budgetary Comparison Schedules – Enterprise Funds	<u>Page</u>
Water & Sewer Enterprise Fund	115
Sanitation Enterprise Fund	116
Stadium Enterprise Fund	117

Capital Assets Used in the Operation of Governmental Activities

Schedule by Source	121
Schedule by Function and Activity	122
Schedule of Changes by Function and Activity	124

III. STATISTICAL SECTION

	<u>Table</u>	<u>Page</u>
Net Position by Component	1	130
Changes in Net Position	2	132
Governmental Activities Tax Revenues by Source	3	139
Sale & Use Taxes	4	140
Fund Balances of Governmental Funds	5	142
Changes in Fund Balances of Governmental Funds	6	144
Governmental Activities Tax Revenues by Source	7	149
Property Tax Rates	8	150
Principal Property Tax Payers	9	155
Assessed Value and Estimated Actual Value of Taxable Property	10	156
Property Tax Levies and Collections	11	158
Utility Statistical Data Ten Largest Water Users	12	159
Utility Statistical Data Ten Largest Wastewater Users	13	161
Schedule of Existing and Adopted Monthly Water & Sewer Service Charges	14	162
Ratios of Outstanding Debt by Type	15	164
Ratios of General Bonded Debt Outstanding	16	166
Direct and Overlapping Governmental Activities Debt	17	167
Legal Debt Margin Information	18	168
Pledged Revenue Coverage	19	170
Demographic and Economic Statistics	20	171
Principle Employers	21	172
Full-time Equivalent City Government Employees by Function	22	173
Operating Indicators by Function	23	174
Capital Asset Statistics by Function	24	178

IV. SINGLE AUDIT SECTION	<u>Page</u>
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	181
Independent Auditors' Report on Compliance with Requirements that Could have a Direct and Material Effect on each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	183
Schedule of Expenditures of Federal Awards	185
Notes to the Schedule of Expenditures of Federal Awards	186
Schedule of Findings and Questioned Costs	187

INTRODUCTORY SECTION



November 14, 2013

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, 2013.

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

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

The accounting firm of Henry & Horne, LLP, Certified Public Accountants, an independent public accounting firm, performed the City's annual financial statement audit. The auditors have issued an unqualified ("clean") opinion on the City's of Goodyear's financial statements for the fiscal year ended June 30, 2013. 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 1-3, and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

CITY OF GOODYEAR PROFILE

The City of Goodyear, incorporated in 1946 and chartered in 1988, started as a small town 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, 2013 projected to be 71,381.

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.

A staff of 511 full-time (equivalent) City employees working within 13 different City departments perform the various functions of Goodyear's city government and its operation. The City provides a full range of municipal services, including police and fire protection, sanitation services, water and 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 the Goodyear Ballpark, library, community center, swimming pool, and seventeen parks encompassing 204 acres. The City is community-driven and includes 1,125 volunteers that serve in various areas and, through their efforts, saved the City nearly \$600,000 in fiscal year 2013 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

During fiscal year (FY) 2013, Goodyear, like most of Arizona and the nation, continued its gradual recovery from the economic recession. In FY 2013, the City saw growth in single family residential building permits, as well as the slowing of vacancies and foreclosures. In the fourth quarter of FY 2013, Goodyear was ranked as the third fastest growing city in Arizona. As optimistic as these trends are, the City continues to budget conservatively and monitors 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 of Goodyear's tax revenue base consists of a variety of tax categories, the most significant being taxes applicable to retail sales. In FY 2013, sales tax and other revenues increased over prior years' numbers.

Sales Tax

The City of Goodyear, like all Arizona cities, places significant reliance on City sales tax revenues. Even with the recent 0.25% reduction in the food for home consumption (grocery)

sales tax rate, City sales tax revenues for FY 2013 increased by approximately 11% over FY 2012 levels. Large capital projects involving the Loop 303 and I-10 transportation corridor generated significant amounts of construction sales tax revenue to this category.

State Shared Revenues

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 2010 Census counts are used in the distribution formula for state shared revenues. As the City's proportionate share of the state's population continues to grow over time, the percentage of state shared revenues allocated to it will also increase. The City's state shared revenues represented about 19% of the general fund revenue for FY 2013.

Property Tax

In FY 2013, the City's combined (primary and secondary) property tax rate increased from \$1.60 to \$1.7750 per \$100 of assessed valuation. This increase in the tax rate kept the levy (revenues) consistent, mitigating the impact of the decline in property valuation due to the recession. This stabilization ensured that the City's ability to service currently outstanding debt and maintain basic infrastructure.

For the FY 2014 budget, the Council has adopted a total combined property tax rate of \$1.90 per \$100 of assessed valuation. With estimates from the Maricopa County Assessor's Office, City staff anticipates that FY 2014 will be the last year of declines before the city sees an overall assessed valuation increase again in FY 2015. In accordance with its budget policies, the City will sell no new general obligation bonds until the combined property tax rate of \$1.60 per \$100 of assessed valuation can be achieved.

LONG-TERM FINANCIAL PLANNING

During FY 2013, the Council began a process of redefining the long term strategic priorities of the City and adopted the 2013-2016 City Strategic Action Plan on April 8, 2013. While departments have had individual strategic plans guiding their activities, this is the first citywide plan that has been adopted since 2002. This 2013-2016 City Strategic Action Plan establishes the City's vision and mission and also identifies priority focus areas for strategic initiatives that help to define goals and actions for the next three years. The City of Goodyear's mission is as follows:

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

This mission statement provided direction throughout the Strategic Action Plan process. After a number of Council planning sessions, the following four focus priorities were identified:

1. Fiscal and Resource Management: Implement innovative and responsible policies and business practices to effectively manage its fiscal and human resources. The City will maintain a stable financial environment that is transparent and that maintains an outstanding quality of life for our citizens. Business practices will be efficient, business friendly, and ensure exceptional customer service to all stakeholders and citizens.

2. Economic Vitality: Seek diverse, high quality development, and foster local jobs through the strategic pursuit of industries including renewable energy, engineering, technology, aerospace, medical, manufacturing, and internet fulfillment. Business investment and sustainability will be fostered through streamlined processes, strategic marketing, and developing ongoing relationships.

3. Sense of Community: Provide programs, gathering places, and events where the community can come together to participate in opportunities of learning and recreation. Sustainable relationship with the community will be cultivated through citizen engagement, outstanding customer service, and clear, accessible communication.

4. Quality of Life: Implement programs and projects that create a clean, safe, and sustainable environment that provide citizens with opportunities for an engaged, healthy, and active lifestyle.

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

In FY 2013, the Council also developed a long-range plan to address the issue of the Goodyear Ballpark debt payments that will jump by \$4.7 million in FY 2019. Originally, it was planned for this increase to be paid for with money expected from the Arizona Sports and Tourism Authority (AZSTA) funds. Due to the decline in revenues for the AZSTA during the economic downturn, it is likely these payments will be delayed. Funded with Public Improvement Corporation (PIC) debt paid out of the City's general fund, the Council agreed to gradually establish operating surpluses in increasing amounts each year, building to the FY 2019 increased payment. These operating surpluses will be available for one-time costs each year as appropriated by the City Council. With this planning, the City will be financially prepared for the FY 2019 payments and will not face a situation of cutting services or staff in order to meet this commitment.

MAJOR INITIATIVES

The City's management and Economic Development Division work to recruit new business, as well as assist existing businesses with additional job creation and expansions. A key Council goal continues to be bringing jobs into Goodyear and working to make the city one of the largest employment bases in the West Valley. There are three major corridors forming in the city that will have a great influence on the community's future: the Airport Gateway Center with 1,200 acres of mixed development, the Palm Valley 303 master planned business park with 2,000 acres, and the 801/85 Employment Center corridor with 1,700 acres for manufacturing and industrial business.

Despite the economic challenges that the City has endured throughout the recent recession, Goodyear continues to grow and attract large business. Macy's Distribution Center is currently under construction to expand operations by 360,000 square feet, with an expected completion in the spring of 2014. Sub-Zero, Inc., manufacturer of high-end refrigeration, freezer, and wine storage, also hired more than 100 additional employees and invested \$33 million in equipment this year.

In the medical sector, the Cancer Treatment Centers of America (CTCA) recently expanded a number of areas within their facility, including more than doubling the outpatient clinic area and expanding its third floor inpatient rooms. The CTCA also purchased three buildings in Goodyear totaling more than 67,000 square feet, one of which is for the relocation of the CTCA's corporate IT center to the community. These investments by the CTCA will result in more than 100 new high-paying jobs in Goodyear. The West Valley Hospital also began the first phase of its \$50 million expansion which includes adding a new tower to the building for 100 additional beds, as well as renovations and improvements to existing facilities.

The City also successfully recruited Cookson Door to construct a new 160,000 square foot building in 2014 that will initially employ 160 and up to 300 over the next few years. Other developments, such as new restaurants, an appliance store, and Winco foods were recruited in FY 2013 and are slated for completion in the next year.

AWARDS AND ACKNOWLEDGEMENTS

Certificates of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Goodyear, Arizona for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2012. This is the fifth 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, 2013.

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated 2012-13. This is the eighteenth consecutive year that the City has received the highest form of recognition in governmental budgeting.

Acknowledgement

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, the City's Audit Committee, and the City Manager's Office for their interest and support in planning and conducting the financial affairs of the City in a responsible and progressive manner.

Sincerely,

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

Larry A. Lange
Finance Director



Government Finance Officers Association

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

Presented to

**City of Goodyear
Arizona**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

CITY OF GOODYEAR

LIST OF PRINCIPAL OFFICIALS

MAYOR

Georgia Lord

VICE MAYOR

Joe Pizzillo

COUNCIL MEMBERS

Joanne Osborne

Sheri Lauritano

Wally Campbell

William Stipp

Sharolyn Hohman

SENIOR MANAGEMENT STAFF

Brian Dalke
City Manager

Michael Simonson
Presiding Judge

Roric Massey
City Attorney

Robert Beckley
Deputy City Manager

Wynette Reed
Deputy City Manager

Maureen Scott
City Clerk

Lyman Locket
Human Resources Director

Paul Luizzi
Fire Chief

Larry Lange
Finance Director

Gerald Geier
Police Chief

Sheri Wakefield-Saenz
Development Services Director

Daniel Cotterman
Information Technology Director

David Ramirez
Engineering Director

Nathan Torres
Park & Recreation Director

Romina Khananisho
Government Relations & Communications Manager

Eduardo Cruz
Court Administrator

Mark Flynn
Municipal Services Division Manager

Mark Holmes
Water Resources Division Manager

Mark Seamans
Environmental Services Division Manager

CITIZENS OF GOODYEAR

**MAYOR &
CITY COUNCIL**

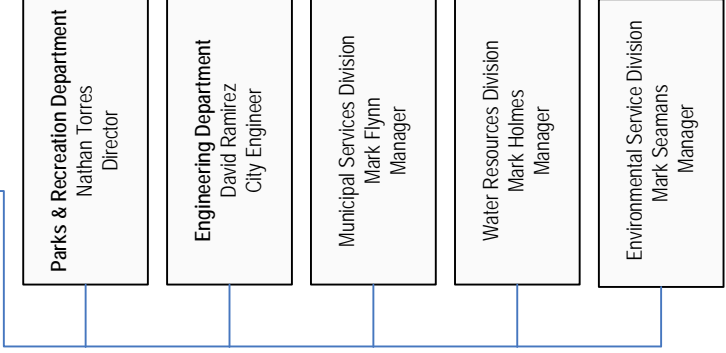
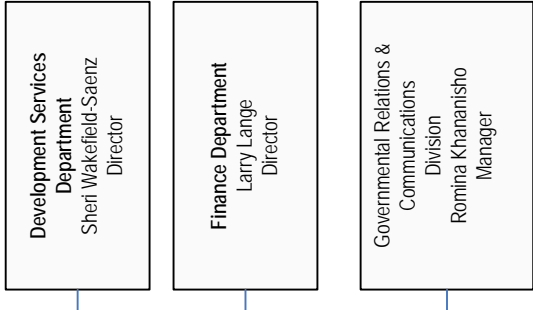
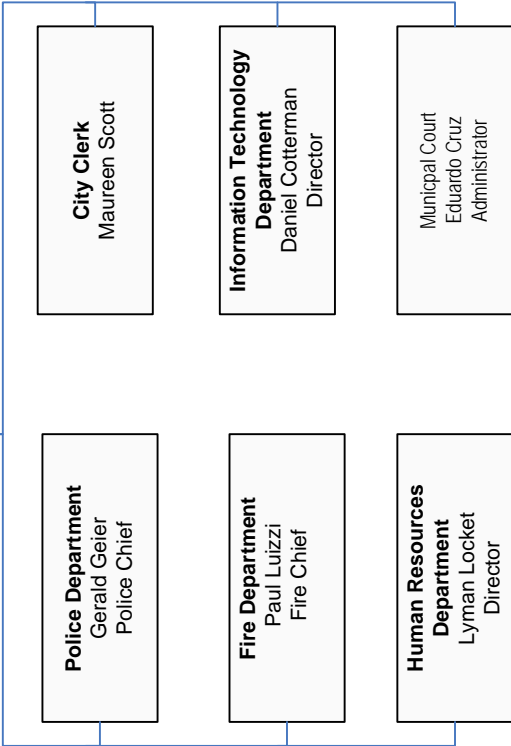
Presiding Judge
Michael Simonson

City Manager
Brian Dalke

City Attorney
Roric Massey

Deputy City Manager
Wynette Reed

Deputy City Manager
Robert Beckley



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:

Theresa Simms, MBA, CPA
MaryKae Struck, MBA
Carla Williamson
Kathy Painter
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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Goodyear, Arizona, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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Suite 101
Tempe, AZ 85284-3487
(480) 839-4900
Fax (480) 839-1749

Scottsdale
7098 E. Cochise Road
Suite 100
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(480) 483-1170
Fax (480) 483-7126

Casa Grande
1115 E. Cottonwood Lane
Suite 100
Casa Grande, AZ 85122-2950
(520) 836-8201
Fax (520) 426-9432

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Goodyear, Arizona, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, Governmental Accounting Standards Board (GASB) issued Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, and Statement No. 65, Items Previously Reported as Assets and Liabilities that could have a material impact on the financial statements. For the City of Goodyear, GASB Statement No. 62 has not impacted the financial statements; however, GASB Statement No. 63 has impacted what was previously identified as "Statement of Net Assets" and renamed it to "Statement of Net Position" and GASB Statement No. 65 has impacted the presentation of the financial statements in the reclassification of deferred revenues from liabilities to deferred inflows of resources. As discussed in Note 16 to the financial statements, the adoption of GASB 65 resulted in the restatement of beginning net position. Our opinions are not modified with respect to those matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7-19 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any

assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Goodyear, Arizona's basic financial statements. The introductory section, other supplementary information, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The 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 basic financial statements.

The other supplementary information 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2013, on our consideration of the City's internal control over financial reporting and 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Goodyear, Arizona's, internal control over financial reporting and compliance.

Henry & Horne LLP

Casa Grande, Arizona
November 14, 2013

Management's Discussion and Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS For The Year Ended June 30, 2013

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, 2013. 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-xiii of this report and is designed to be read in conjunction with the transmittal letter as well as the financial statements beginning on page 21 and the accompanying notes to the financial statements.

FINANCIAL HIGHLIGHTS

- ◆ The City's government-wide assets and deferred outflows exceeded its liabilities and deferred inflows by \$666.2 million (*net position*) at the close of fiscal year 2013. Of this amount, \$52.4 million represents unrestricted net position, which may be used to meet the City's ongoing obligations to citizens and creditors.
- ◆ Total net position of the City increased by \$15.3 million due primarily to the economic recovery and debt retirement.
- ◆ At June 30, 2013, total fund balance of the governmental funds was \$78.1 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 42.64% of this total amount (\$33.3 million) is unassigned fund balance available for spending at the government's discretion.
- ◆ At June 30, 2013, total unassigned fund balance for the General Fund is \$33.3 million, an increase of \$10.2 million (44.42%) from the prior fiscal year. Due to sustained economic recovery in 2013, revenues from taxes increased by \$4.2 million (9.29%), licenses and permits increased by \$2.1 million (43.62%), intergovernmental revenues increased by \$1.5 million (11.73%) and charges for services increased by \$2.2 million (140.45%).
- ◆ The City's outstanding long-term debt decreased by \$5.0 million during the current fiscal year due to retirement of principal.

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.

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

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

- **Governmental activities** – Most of the City's basic services are included here, such as general government (administration), public safety (police, fire and court), highways and streets, public works, culture and recreation, and 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 government-wide financial statements can be found on pages 23 - 24 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 33 and 37 respectively.

The City maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Community Facilities Districts – Debt Service, McDowell Road Improvements District – Debt Service, Non-Utility Development Impact Fees and Capital Improvement Projects Fund, 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 94 of this report.

The governmental fund financial statements can be found on pages 30 – 38 of this report.

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

The proprietary fund financial statements can be found on pages 43 - 45 of this report.

Fiduciary Funds. The City maintains six 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 49 – 50 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 55 - 86 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 38 - 39 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 94 – 97 and 101 – 102 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, 2013 with comparative information for the previous year.

Net Position

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

	Governmental		Business-type		Total		Percent Change
	Activities		Activities		Primary Government		
	2013	2012	2013	2012	2013	2012	
Current and other assets	\$ 153,942,141	\$ 148,045,226	\$ 39,221,516	\$ 35,463,163	\$ 193,163,657	\$ 183,508,389	5.26%
Capital assets	527,219,634	522,795,760	405,046,599	410,112,347	932,266,233	932,908,107	-0.07%
Total assets	681,161,775	670,840,986	444,268,115	445,575,510	1,125,429,890	1,116,416,496	0.81%
Deferred outflow of resources							
Deferred amount on refunding	349,306	116,619	474,896	510,856	824,202	627,475	31.35%
Total deferred outflow of resources	349,306	116,619	474,896	510,856	824,202	627,475	
Other liabilities	18,318,104	22,150,421	12,289,312	13,199,898	30,607,416	35,350,319	-13.42%
Long-term liabilities outstanding	190,524,926	189,560,418	233,924,937	239,159,907	424,449,863	428,720,325	-1.00%
Total liabilities	208,843,030	211,710,839	246,214,249	252,359,805	455,057,279	464,070,644	-1.94%
Deferred inflow of resources							
Deferred revenue	4,684,445	1,788,337	259,787	264,955	4,944,232	2,053,292	140.80%
Total deferred inflow of resources	4,684,445	1,788,337	259,787	264,955	4,944,232	2,053,292	140.80%
Net position:							
Net Investment in Capital Assets	333,034,884	329,064,345	178,456,590	178,432,900	511,491,474	507,497,245	0.79%
Restricted for:							
Courts	234,813	261,229	-	-	234,813	261,229	-10.11%
Law enforcement	208,085	125,812	-	-	208,085	125,812	65.39%
Highways and streets	493,395	400,610	-	-	493,395	400,610	23.16%
Capital projects	17,937,344	21,720,718	532,750	1,135,981	18,470,094	22,856,699	-19.19%
Community facilities	711,980	538,410	-	-	711,980	538,410	32.24%
Debt service	78,999,381	85,199,636	2,663,381	2,663,045	81,662,762	87,862,681	-7.06%
Transit	543,022	-	-	-	543,022	-	100.00%
Unrestricted	35,820,702	20,147,669	16,616,254	11,229,680	52,436,956	31,377,349	67.12%
Total net position	\$ 467,983,606	\$ 457,458,429	\$ 198,268,975	\$ 193,461,606	\$ 666,252,581	\$ 650,920,035	2.36%

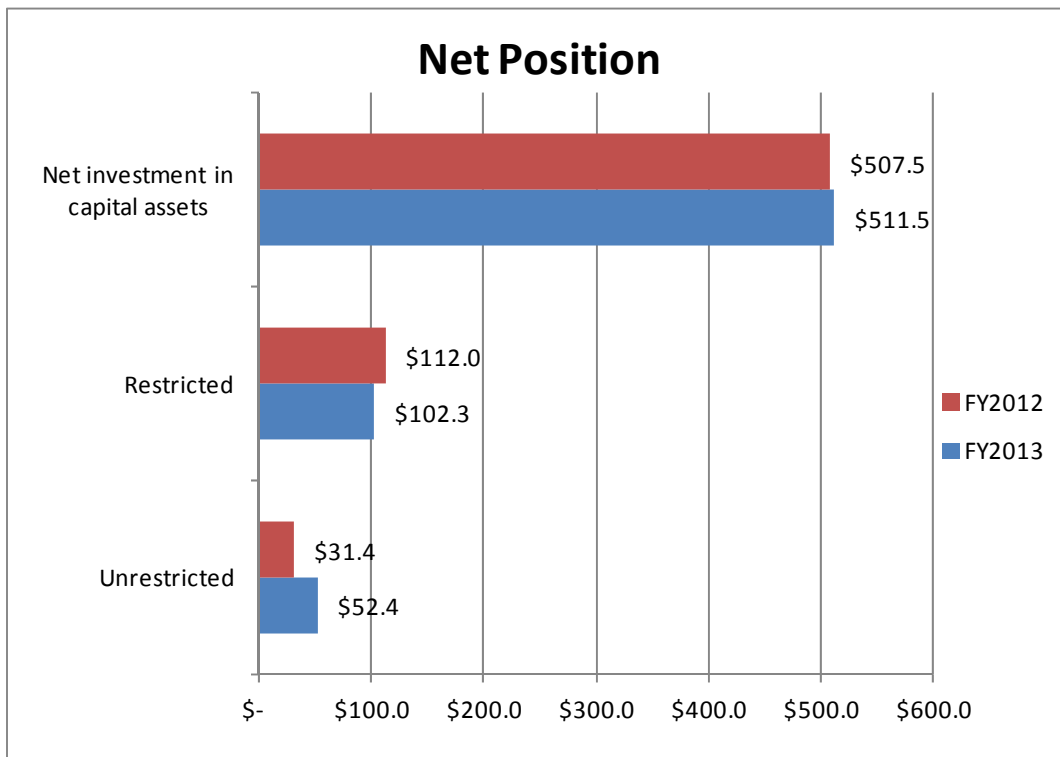
The net position over time, may serve as a useful indicator of a government's financial position. The City's assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by \$666.2 million at the close of fiscal year 2013 and by \$650.9 million in 2012 providing and overall increase in the City's net position of \$15.3 million. Current and other assets increased by \$9.7 million. This increase was primarily in restricted cash and cash equivalent because of new bond issuance. The liabilities had a favorable decrease of \$9.0 million. It includes a decrease in deposits of \$3.3 million because of an increase in housing construction as builders redeem prepaid deposits. In addition, long-term liabilities decreased by \$4.3 million due to principal payments in excess of new borrowing. Due to the City's implementation of GASB statements 63 and 65 deferred outflows of resources are separated from the government's total assets and the deferred inflows of resources are separated from total liabilities. The 2012 statement of net position (assets) has also been restated to correspond to the new reporting model. In 2013 the current and other liabilities

The largest portion of the City's net position \$511.5 million (76.77%) reflects its net 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 \$102.3 million (15.36%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$52.4 million (7.87%) 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 2013, 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 position.



Governmental Activities

During the current fiscal year, the net position 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 revenues have increased by \$3.6 million because of an increase in construction activity. The State shared revenues have also increased by \$3.0 million.

Business-type Activities

The City business-type activities have also resulted in positive overall net increase of \$3.8 million bringing the net position balance to \$195.8 million from the prior year. The majority of this increase resulted from capital grants and contributions for infrastructure assets of \$4.9 million of which \$3.3 million came from the Cotton Lane water line expansion and \$1.9 million from the Adaman water connection. The City's charges for services increased by \$2.9 million primarily for water and sewer customers due to an increase in rates.

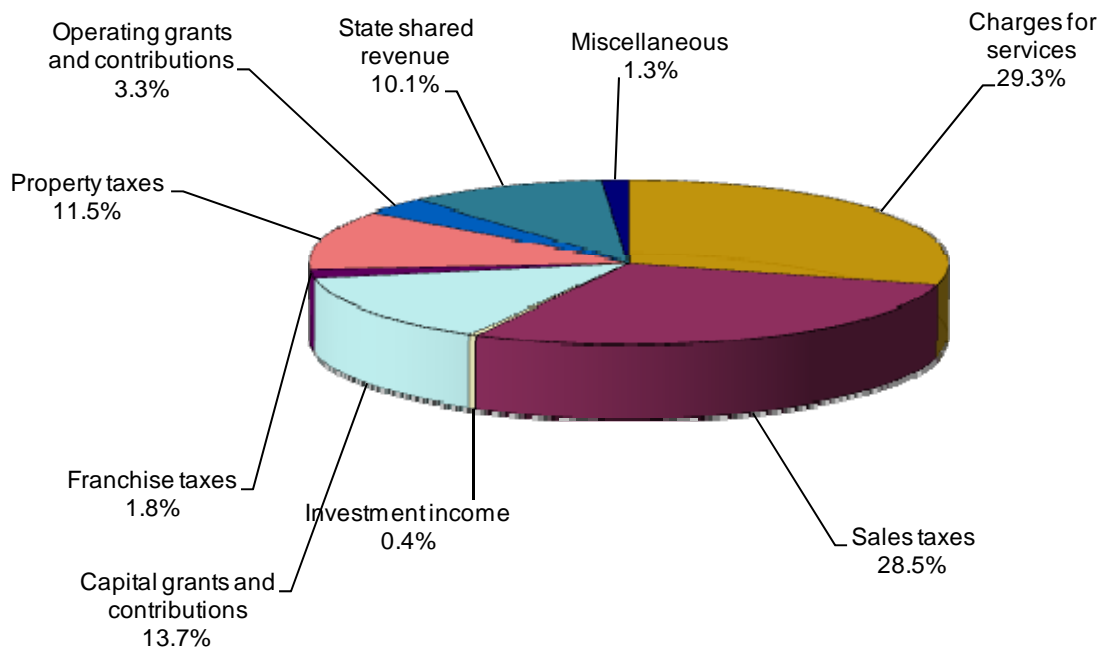
Changes in Net Position.

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

	Changes in Net Position for Year End June 30						Percent Change
	Governmental Activities		Business-type Activities		Total Primary Government		
	2013	2012	2013	2012	2013	2012	
REVENUES:							
Program revenues:							
Charges for services	\$ 10,572,068	\$ 6,984,218	\$ 30,777,930	\$ 27,854,213	\$ 41,349,998	\$ 34,838,431	18.69%
Operating grants and contributions	4,654,268	7,636,691	-	-	4,654,268	7,636,691	-39.05%
Capital grants and contributions	11,358,824	9,701,254	7,987,680	9,252,599	19,346,504	18,953,853	2.07%
General revenues:							
Sales taxes	40,222,752	36,364,557	-	-	40,222,752	36,364,557	10.61%
Property taxes	16,205,387	16,476,434	-	-	16,205,387	16,476,434	-1.65%
Franchise taxes	2,529,456	2,460,521	-	-	2,529,456	2,460,521	2.80%
State shared revenue	14,194,960	12,704,826	-	-	14,194,960	12,704,826	11.73%
Investment income	439,982	319,017	95,839	92,945	535,821	411,962	30.07%
Miscellaneous	1,455,665	493,244	432,983	117,103	1,888,648	610,347	209.44%
Total revenues	101,633,362	93,140,762	39,294,432	37,316,860	140,927,794	130,457,622	8.03%
EXPENSES:							
Program activities:							
Governmental activities:							
General government	16,291,762	17,087,161	-	-	16,291,762	17,087,161	-4.65%
Public safety	29,348,288	26,689,702	-	-	29,348,288	26,689,702	9.96%
Highways and streets	14,355,644	13,179,678	-	-	14,355,644	13,179,678	8.92%
Public works	3,090,345	4,168,252	-	-	3,090,345	4,168,252	-25.86%
Culture and recreation	5,539,612	4,962,070	-	-	5,539,612	4,962,070	11.64%
Development Services	7,194,428	6,225,917	-	-	7,194,428	6,225,917	15.56%
Interest on long-term debt	10,411,562	10,441,684	-	-	10,411,562	10,441,684	-0.29%
Business activities:							
Water and sewer	-	-	21,912,587	20,654,800	21,912,587	20,654,800	6.09%
Sanitation	-	-	5,246,666	5,154,201	5,246,666	5,154,201	1.79%
Stadium	-	-	12,204,354	11,634,491	12,204,354	11,634,491	4.90%
Total expenses	86,231,641	82,754,464	39,363,607	37,443,492	125,595,248	120,197,956	4.49%
Increase in net position							
before transfers	15,401,721	10,386,298	(69,175)	(126,632)	15,332,546	10,259,666	49.44%
Transfers	(4,876,544)	(3,892,665)	4,876,544	3,892,665	-	-	0.00%
Changes in net position	10,525,177	6,493,633	4,807,369	3,766,033	15,332,546	10,259,666	49.44%
Net position, beginning of year	457,458,429	455,858,608	193,461,606	192,085,605	650,920,035	647,944,213	0.46%
Restatement	-	(4,893,812)	-	(2,390,032)	-	(7,283,844)	-100.00%
Net position, beginning of year-restated	457,458,429	457,458,429	193,461,606	193,461,606	650,920,035	650,920,035	0.00%
Net position, end of year	\$ 467,983,606	\$ 457,458,429	\$ 198,268,975	\$ 193,461,606	\$ 666,252,581	\$ 650,920,035	2.36%

The pie chart below is a depiction of Government-Wide Revenue Sources, governmental activities accounts for 72.1% of total revenues, while business activities account for 27.9% of total revenues. charges for services are the largest source of City revenues at 29.3%, an 18.7% increase from the previous fiscal year. The increase in charges for services represents governmental activities for digital billboards, fire agreement with another city and an increase in building permits. The charges for services for business activities are the result of increased water rates. The second largest increase in revenues are sales taxes at 28.5% of total revenue, which increased by 10.6% over the previous fiscal year. This increase in sales taxes is due to a sustained economic recovery in 2013. The operating grants and contributions decreased by \$2.9 million (-39.1%) over the previous fiscal year. This decrease is due to completed grant projects.

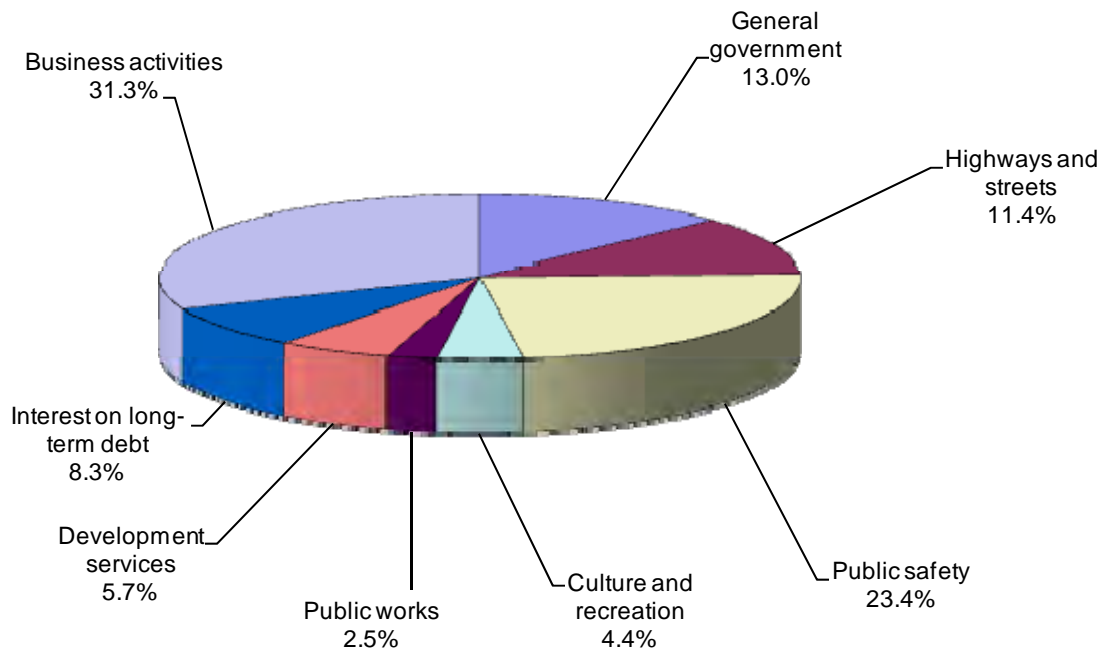
Government-Wide Revenue Sources Fiscal Year 2013



The reported expenses for fiscal year 2013 increased by \$5.4 million (4.5%) over the prior year. As seen in the following pie chart for Government-Wide Functional Expenses, governmental activities account for 68.7% of total functional expenses, while business-type activities account for 31.3% of total functional expenses. The lines items that experienced notable changes were:

- Business activities 31.3% of total government-wide expense. The majority of this increase is attributed to water and sewer \$1.3 million (17.5%) for increase water and sewer capacity.
- Public safety 23.4% of total government-wide expenses, an increase of \$2.7 million (10.0%) from the prior year. This increase is attributed to the continued process of upgrading the Emergency Communication radio system.
- Highways and streets 11.4% of total government expenses, an increase of \$1.2 million (8.9%) from the prior year. This increase is attributed to increase cost for street maintenance.
- Culture and recreation 4.4% of total government expenses, an increase \$0.6 million (11.64%) from the prior year. This increase is attributed to park renovations.

Government-Wide Functional Expenses Fiscal Year 2013



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 30 - 38) 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 94 - 97.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$78.1 million, an increase of \$8.0 million (11.4%) from the previous year. The increase in fund balance is due mainly to increase in revenues from taxes, licenses and permits, and charges for services due to sustained economic recovery in fiscal year 2013. Approximately \$33.3 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 \$2.9 million (2.8%) of total ending fund balance for advance to other funds, inventories and prepaid items, (2) restricted \$39.1 million (60.1%) of the total ending fund balance for charter mandates, court, law enforcement, debt service, development impact fees, capital projects, highway user funds, transit, 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 \$102.5 million in the fiscal year ended June 30, 2013 which represents an increase of \$8.7 million (9.3%) from the prior fiscal year. The majority of this increase is attributed to three revenue categories as stated above. These include taxes (\$3.6 million), licenses and permits (\$2.1 million), and charges for services (\$2.4 million). The increase in revenue was due primarily to the resurgence in sales taxes for residential and commercial construction activity which also impacts the increase in licenses and permits and charges for services.

The expenditures for governmental functions totaled \$100.5 million an increase of \$14.1 million (16.4%) from the prior year. The majority of this increase is attributed to three categories public safety, highways and streets and capital outlay. Public safety accounted for \$28.1 million in expenditures an increase of \$2.0 million, mainly for the cost of upgrading the Emergency Communication radio system. Highways and streets accounted for \$4.7 million in expenditures an increase of \$1.3 million because of increased costs for street maintenance. Capital outlay accounted for \$18.2 million in expenditures an increase of \$11.8 million. The increase in capital outlay in the general, non-utility development impact fees and capital improvement projects funds for the acquisition of vehicles, land and buildings.

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 \$33.3 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 56.3% of General Fund expenditures.

The City's general fund balance increased by \$11.6 million in the current fiscal year due primarily to revenues exceeding budgeted amounts, which was driven by growth related revenues exceeding expectations. This is a 37.0% increase in fund balance 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 43 - 45.

The proprietary funds net position was \$198.3 million, an increase of \$4.8 million from the previous fiscal year. The Water and Sewer fund had a positive increase in net position of \$6.4 million. The Water and Sewer and Stadium funds beginning net position were restated by (- \$1.4 million and \$1.0 million, respectively) due to the adoption of GASB 65. This increase in net position of the proprietary funds is due primarily to an increase in water and sewer and sanitation rates in 2013.

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 38 – 39. The other budgetary comparison schedules can be found in the Other Supplementary Information section on pages 111 - 117.

Due the economic recovery the City has increased the budgeted inflows and outflows in 2013. General Fund actual inflows (revenues and other financing sources) of \$79.7 million, was more than budgeted inflows of \$71.3 million by \$8.4 million (11.8%), while expenditures and other financing uses of \$68.2 million was only 72.8% of final budgeted outflows of \$93.6 million. Revenues increased in all categories, except for intergovernmental revenues which decreased by less than 1.0% of budget. Expenditures are under budget in almost every category except police, building inspection and interest and fiscal charges. Transfer out was less than budgeted because the funds needed for Highway User Revenue and Stadium funds were less than estimated.

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, 2013 amounted to \$932.3 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 \$.6 million (-0.1%) from the previous fiscal year. The following schedule presents capital asset balances for the fiscal year ended June 30, 2013 and 2012.

Capital Assets at June 30
(Net of depreciation)

	Governmental Activities		Business-type Activities		Total Primary Government		Percent Change
	2013	2012	2013	2012	2013	2012	
Land	\$ 21,579,127	\$ 19,426,644	\$ 15,404,260	\$ 15,404,260	\$ 36,983,387	\$ 34,830,904	6.2%
Artwork	204,750	204,750	131,978	131,978	336,728	336,728	100.0%
Construction in progress	10,387,773	13,213,915	3,961,571	42,247,284	14,349,344	55,461,199	-74.1%
Right of way	90,128,522	90,128,522	-	-	90,128,522	90,128,522	0.0%
Water rights	-	-	16,028,618	16,053,364	16,028,618	16,053,364	-0.2%
Streetscape	8,996,008	8,775,008	-	-	8,996,008	8,775,008	2.5%
Infrastructure	259,321,157	264,885,391	172,037,027	154,522,711	431,358,184	419,408,102	2.8%
Building and improvements	128,865,856	117,262,522	192,548,042	177,001,010	321,413,898	294,263,532	9.2%
Vehicles, furniture and equipment	7,736,441	8,899,008	4,935,103	4,751,740	12,671,544	13,650,748	-7.2%
Total	<u>\$ 527,219,634</u>	<u>\$ 522,795,760</u>	<u>\$ 405,046,599</u>	<u>\$ 410,112,347</u>	<u>\$ 932,266,233</u>	<u>\$ 932,908,107</u>	-0.1%

The governmental capital assets increase in fiscal 2013 for acquisition the Venida buildings and land. The overall decrease in business capital assets are for the disposable 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 70 - 71 and in the schedules on pages 121 - 124 of this report.

Debt Administration

At the end of the current fiscal year, the City had total long-term debt outstanding of \$425.9 million. Of this amount \$111.9 million is general obligation bonds backed by the full faith and credit of the City, \$109.8 million is Community Facilities Districts bonds which are paid by the property owners within those districts, \$188.7 million of revenue bonds which are payable from user fees and assessments, \$11.0 million loan payable to WIFA by user fees, and \$4.5 million compensated absences from the City operating funds. The following schedule shows the outstanding debt obligation as of June 30, 2013 and 2012.

	Governmental Activities		Business-type Activities		Total Primary Government		Percent Change
	2013	2012	2013	2012	2013	2012	
General obligation debt	\$ 26,555,569	\$ 29,000,636	\$ 85,384,431	\$ 89,394,364	\$ 111,940,000	\$ 118,395,000	-5.5%
Community Facilities Districts bonds	109,823,000	113,555,000	-	-	109,823,000	113,555,000	-3.3%
Loan payable	-	-	10,998,942	11,908,602	10,998,942	11,908,602	-7.6%
Revenue bonds	54,821,467	46,615,000	133,845,000	134,165,000	188,666,467	180,780,000	4.4%
Contracts payable	-	1,755,628	-	-	-	1,755,628	-100.0%
Compensated absences	4,012,520	3,830,033	444,555	440,922	4,457,075	4,270,955	4.4%
	<u>\$ 195,212,556</u>	<u>\$ 194,756,297</u>	<u>\$ 230,672,928</u>	<u>\$ 235,908,888</u>	<u>\$ 425,885,484</u>	<u>\$ 430,665,185</u>	-1.1%
Total outstanding bonds	\$ 191,200,036	\$ 189,170,636	\$ 230,228,373	\$ 235,467,966	\$ 421,428,409	\$ 424,638,602	-1.2%

The outstanding revenue bonds include \$42.4 million in McDowell Road Corridor Improvement District that is secured by pledges of specific revenue sources of the City. In addition to these are \$146.3 million in Public Improvement Corporation bonds \$133.8 for the Stadium and \$12.4 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 \$36.3 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 \$121.1 million. The City has \$111.9 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, 2013

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

Additional information on the City's long-term debt can be found in Notes 5 – 9 on pages 72 - 78 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Unemployment levels are still a concern as recovery in the area of job creation remains low. The unemployment rate for Goodyear for June 2013 was 8.3%, which is higher than state 8.0% and national rate 7.6%. 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 2014 with increase in revenues. Sales taxes are the dominant revenue source for the City and are projected to increase in fiscal year 2014 from \$37.7 million to \$40.9 million an increase of 6.5%. Property taxes are projected to increase in fiscal year 2014 from \$6.7 million to \$7.0 million an increase of 4.5%. State shared revenues which are combination of state shared sales tax, state shared income tax and vehicle license tax are projected to increase by \$0.8 million from \$14.3 million to \$15.1 million in fiscal year 2014. The City operational budget is project to increase by the 10.5% in fiscal year 2014 from \$79.2 million to \$87.5 million due to increase operating cost. The City project capital improvement expenditure is budgeted for \$43.7 million includes carryover funds of \$6.7 million for projects started in fiscal year 2013 and an additional \$37.0 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 Position 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 Position, Statement of Revenues, Expenses and Changes in Fund Net Position and Statement of Cash Flows for the business-type activities that use the accrual basis of accounting for financial reporting.

Fiduciary Funds Financial Statements

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

Notes to the Financial Statements

CITY OF GOODYEAR, ARIZONA
STATEMENT OF NET POSITION
June 30, 2013

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 23,148,779	\$ 7,531,774	\$ 30,680,553
Investments	36,978,381	13,211,746	50,190,127
Receivables (net of allowance for uncollectibles)	70,929,160	3,934,405	74,863,565
Due from other governments	58,566	-	58,566
Internal balances	961,840	(961,840)	-
Inventories	724,280	592,784	1,317,064
Prepaid items	523,024	-	523,024
Restricted cash and cash equivalents	20,618,111	14,912,647	35,530,758
Capital assets:			
Nondepreciable capital assets	129,178,589	19,497,809	148,676,398
Other capital assets (net of accumulated depreciation)	398,041,045	385,548,790	783,589,835
Total assets	681,161,775	444,268,115	1,125,429,890
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	349,306	474,896	824,202
Total deferred outflows of resources	349,306	474,896	824,202
LIABILITIES			
Accounts payable and other current liabilities	1,770,083	1,191,753	2,961,836
Accrued payroll and employee benefits	1,199,659	121,931	1,321,590
Accrued interest payable	2,600,755	3,675,563	6,276,318
Deposits	4,725,956	6,862,397	11,588,353
Noncurrent liabilities:			
Due within one year:			
Compensated absences	1,455,561	162,668	1,618,229
Bonds payable	6,566,090	275,000	6,841,090
Due in more than one year:			
Compensated absences	2,556,960	281,888	2,838,848
Loans/ contracts payable	-	10,998,942	10,998,942
Bonds payable	187,967,966	221,668,576	409,636,542
Interest payable	-	975,531	975,531
Total liabilities	208,843,030	246,214,249	455,057,279
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue	4,684,445	259,787	4,944,232
Total deferred inflows of resources	4,684,445	259,787	4,944,232
NET POSITION			
Net investment in capital assets	333,034,884	178,456,590	511,491,474
Restricted for:			
Courts	234,813	-	234,813
Law enforcement	208,085	-	208,085
Highways and streets	493,395	-	493,395
Capital projects	17,937,344	532,750	18,470,094
Community facilities	711,980	-	711,980
Debt service	78,999,381	2,663,381	81,662,762
Transit	543,022	-	543,022
Unrestricted	35,820,702	16,616,254	52,436,956
Total net position	\$ 467,983,606	\$ 198,268,975	\$ 666,252,581

CITY OF GOODYEAR, ARIZONA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2013

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
General government	\$ 16,291,762	\$ 2,075,520	\$ 300,877	\$ 467,673
Public safety	29,348,288	1,985,670	373,288	-
Highways and streets	14,355,644	-	3,958,636	1,381,892
Public works	3,090,345	-	-	9,509,259
Culture and recreation	5,539,612	304,128	4,592	-
Development services	7,194,428	6,206,750	16,875	-
Interest on long-term debt	10,411,562	-	-	-
Total governmental activities	<u>86,231,641</u>	<u>10,572,068</u>	<u>4,654,268</u>	<u>11,358,824</u>
Business-type activities:				
Water and sewer	21,912,587	22,667,401	-	7,987,680
Sanitation	5,246,666	6,368,920	-	-
Stadium	12,204,354	1,741,609	-	-
Total business-type activities	<u>39,363,607</u>	<u>30,777,930</u>	<u>-</u>	<u>7,987,680</u>
Total primary government	<u>\$ 125,595,248</u>	<u>\$ 41,349,998</u>	<u>\$ 4,654,268</u>	<u>\$ 19,346,504</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 position
Net position, beginning of year
Restatement
Net position, beginning of year - restated
Net position, end of year

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
\$ (13,447,692)	\$ -	\$ (13,447,692)
(26,989,330)	-	(26,989,330)
(9,015,116)	-	(9,015,116)
6,418,914	-	6,418,914
(5,230,892)	-	(5,230,892)
(970,803)	-	(970,803)
<u>(10,411,562)</u>	<u>-</u>	<u>(10,411,562)</u>
<u>(59,646,481)</u>	<u>-</u>	<u>(59,646,481)</u>
-	8,742,494	8,742,494
-	1,122,254	1,122,254
-	<u>(10,462,745)</u>	<u>(10,462,745)</u>
-	<u>(597,997)</u>	<u>(597,997)</u>
<u>(59,646,481)</u>	<u>(597,997)</u>	<u>(60,244,478)</u>
40,222,752	-	40,222,752
16,205,387	-	16,205,387
2,529,456	-	2,529,456
14,194,960	-	14,194,960
439,982	95,839	535,821
1,455,665	432,983	1,888,648
<u>(4,876,544)</u>	<u>4,876,544</u>	<u>-</u>
<u>70,171,658</u>	<u>5,405,366</u>	<u>75,577,024</u>
<u>10,525,177</u>	<u>4,807,369</u>	<u>15,332,546</u>
462,352,241	195,851,638	658,203,879
<u>(4,893,812)</u>	<u>(2,390,032)</u>	<u>(7,283,844)</u>
<u>457,458,429</u>	<u>193,461,606</u>	<u>650,920,035</u>
<u>\$ 467,983,606</u>	<u>\$ 198,268,975</u>	<u>\$ 666,252,581</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.

Capital Improvement Projects Fund

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

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 and are special revenue, capital projects and debt service funds.



CITY OF GOODYEAR, ARIZONA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2013

	General	Community Facilities Districts- Debt Service	McDowell Road Commercial Corridor Improvement Debt Service
ASSETS			
Cash and cash equivalents	\$ 14,373,989	\$ -	\$ -
Investments	24,485,804	-	-
Taxes receivable	6,903,669	117,882	-
Interest receivable	110,766	-	-
Accounts receivable	1,281,958	-	-
Special assessments receivable	-	19,603,007	42,390,000
Due from other governments	-	-	-
Due from other funds	661,505	-	-
Advances to other funds	961,840	-	-
Inventories	8,916	-	-
Prepaid items	486,842	36,182	-
Restricted cash and cash equivalents	1,174,047	18,514,636	95,391
Total assets	<u>\$ 50,449,336</u>	<u>\$ 38,271,707</u>	<u>\$ 42,485,391</u>
LIABILITIES			
Accounts payable	\$ 1,087,772	\$ 104,833	\$ -
Accrued payroll and employee benefits	1,168,194	-	-
Accrued interest payable	-	-	-
Deposits	3,363,730	1,118,490	-
Due to other funds	-	-	-
Total liabilities	<u>5,619,696</u>	<u>1,223,323</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue	1,971,031	22,467,050	42,390,000
Total deferred inflows of resources	<u>1,971,031</u>	<u>22,467,050</u>	<u>42,390,000</u>
FUND BALANCE			
Nonspendable:			
Advances to other funds	961,840	-	-
Inventories	8,916	-	-
Prepaid items	486,842	36,182	-
Restricted by:			
Charter mandates	3,528,982	-	-
Court	234,813	-	-
Law enforcement	208,085	-	-
Debt service	-	14,545,152	95,391
Development impact fees	-	-	-
Capital projects	-	-	-
Highway user funds	-	-	-
Transit	543,022	-	-
Community Facilities Districts operations	-	-	-
Assigned to:			
IT replacement	170,684	-	-
Fleet replacement	3,032,429	-	-
Risk management	357,741	-	-
Unassigned	33,325,255	-	-
Total fund balances	<u>42,858,609</u>	<u>14,581,334</u>	<u>95,391</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 50,449,336</u>	<u>\$ 38,271,707</u>	<u>\$ 42,485,391</u>

Non-Utility Development Impact Fees	Capital Improvement Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
\$ 5,109,928	\$ 1,891,296	\$ 1,773,416	\$ 23,148,629
11,399,476	-	1,093,101	36,978,381
-	-	464,616	7,486,167
51,569	-	4,945	167,280
-	-	748	1,282,706
-	-	-	61,993,007
-	-	58,566	58,566
-	-	-	661,505
-	-	-	961,840
-	-	595,675	604,591
-	-	-	523,024
-	14,276	819,761	20,618,111
<u>\$ 16,560,973</u>	<u>\$ 1,905,572</u>	<u>\$ 4,810,828</u>	<u>\$ 154,483,807</u>
\$ 189,954	\$ 209,872	\$ 177,652	\$ 1,770,083
-	-	31,465	1,199,659
-	-	3,132	3,132
129,375	-	114,361	4,725,956
-	-	541,666	541,666
<u>319,329</u>	<u>209,872</u>	<u>868,276</u>	<u>8,240,496</u>
-	-	1,325,859	68,153,940
-	-	1,325,859	68,153,940
-	-	-	961,840
-	-	595,675	604,591
-	-	-	523,024
-	-	-	3,528,982
-	-	-	234,813
-	-	-	208,085
-	-	841,716	15,482,259
16,241,644	-	-	16,241,644
-	1,695,700	-	1,695,700
-	-	493,395	493,395
-	-	-	543,022
-	-	711,980	711,980
-	-	-	170,684
-	-	-	3,032,429
-	-	-	357,741
-	-	(26,073)	33,299,182
<u>16,241,644</u>	<u>1,695,700</u>	<u>2,616,693</u>	<u>78,089,371</u>
<u>\$ 16,560,973</u>	<u>\$ 1,905,572</u>	<u>\$ 4,810,828</u>	<u>\$ 154,483,807</u>



CITY OF GOODYEAR, ARIZONA
 RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
 GOVERNMENTAL FUNDS
 June 30, 2013

Total governmental fund balances \$ 78,089,371

Amounts reported for governmental activities in the Statement of
 Net Position are different because:

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

Governmental capital assets	\$ 659,730,890	
Less accumulated depreciation	<u>(132,511,256)</u>	527,219,634

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	1,237,373	
Property taxes	259,946	
Special assessments	<u>61,972,176</u>	63,469,495

Interest payable on long-term debt is not reported in the
 governmental funds. (2,597,623)

Long-term liabilities are not due and payable in the
 current period and therefore are not reported in the funds.

Compensated absences payable	(4,012,521)	
Bond refunding amount	349,306	
Bonds payable	<u>(194,534,056)</u>	<u>(198,197,271)</u>

Net position of governmental activities \$ 467,983,606

CITY OF GOODYEAR, ARIZONA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2013

REVENUES	General	Community Facilities Districts Debt Service	McDowell Road Commercial Improvement Debt Service
Taxes	\$ 49,271,261	\$ 4,853,620	\$ -
Licenses and permits	6,793,070	-	-
Intergovernmental revenues	14,194,960	-	-
Charges for services	3,837,480	-	-
Fines and forfeits	809,334	-	-
Investment income	339,359	12,683	20,191
Special assessments	-	2,301,100	3,544,206
Contributions	431,226	3,458,495	-
Miscellaneous	327,382	-	-
Total revenues	76,004,072	10,625,898	3,564,397
EXPENDITURES			
Current:			
General government	14,960,933	-	-
Public safety	27,842,263	-	-
Highways and streets	-	-	-
Public works	2,093,312	-	-
Culture and recreation	4,655,928	-	-
Development services	5,189,875	-	-
Capital outlay	1,371,384	-	-
Debt service:			
Principal retirement	2,764,161	3,732,000	1,285,000
Interest and debt cost	305,477	7,092,588	2,259,456
Total expenditures	59,183,333	10,824,588	3,544,456
Excess (deficiency) of revenues over (under) expenditures	16,820,739	(198,690)	19,941
OTHER FINANCING SOURCES (USES)			
Debt issuance	-	-	-
Refunding bonds	-	10,685,000	-
Refunding bonds premium	-	672,545	-
Payment to refunded bond escrow agent	-	(10,965,024)	-
Transfers in	3,726,150	-	-
Transfers out	(8,986,031)	-	-
Total other financing sources and uses	(5,259,881)	392,521	-
Net change in fund balances	11,560,858	193,831	19,941
Fund balances, beginning of year	31,297,751	14,387,503	75,450
Fund balances , end of year	\$ 42,858,609	\$ 14,581,334	\$ 95,391

Non-Utility Development Impact Fees	Capital Improvement Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 4,845,724	\$ 58,970,605
-	-	-	6,793,070
-	-	4,528,358	18,723,318
2,479,445	-	5,100	6,322,025
-	-	-	809,334
21,435	7,003	39,311	439,982
-	-	-	5,845,306
-	-	134,454	4,024,175
103,270	43	137,144	567,839
<u>2,604,150</u>	<u>7,046</u>	<u>9,690,091</u>	<u>102,495,654</u>
-	-	1,054,612	16,015,545
-	-	282,908	28,125,171
109,301	-	4,565,024	4,674,325
-	-	-	2,093,312
224,421	-	4,000	4,884,349
43,124	-	-	5,232,999
7,706,378	8,690,351	483,926	18,252,039
-	-	2,445,067	10,226,228
-	120,995	1,209,390	10,987,906
<u>8,083,224</u>	<u>8,811,346</u>	<u>10,044,927</u>	<u>100,491,874</u>
<u>(5,479,074)</u>	<u>(8,804,300)</u>	<u>(354,836)</u>	<u>2,003,780</u>
-	10,500,000	-	10,500,000
-	-	-	10,685,000
-	-	-	672,545
-	-	-	(10,965,024)
-	-	1,000,000	4,726,150
-	-	(616,663)	(9,602,694)
<u>-</u>	<u>10,500,000</u>	<u>383,337</u>	<u>6,015,977</u>
(5,479,074)	1,695,700	28,501	8,019,757
21,720,718	-	2,588,192	70,069,614
<u>\$ 16,241,644</u>	<u>\$ 1,695,700</u>	<u>\$ 2,616,693</u>	<u>\$ 78,089,371</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, 2013

Net change in fund balances - total governmental funds \$ 8,019,757

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	\$ 1,381,892	
Expenditures for capitalized assets	18,148,608	
Less current year depreciation	<u>(15,106,626)</u>	4,423,874

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		119,378
Property taxes		(13,010)
Special assessments		(2,252,981)

Bond proceeds provide current financial resources to the governmental funds, but issuing debt increases long-term liabilities in the Statement of Activities. (21,185,000)

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. 363,386

Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. (179,563)

Repayment of long-term debt are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Debt principal retirement		10,226,228
Debt principal refunded		10,685,000

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. 318,108

Change in net position of governmental activities \$ 10,525,177

CITY OF GOODYEAR, ARIZONA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET
AND ACTUAL
Year Ended June 30, 2013

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 47,854,589	\$ 46,954,589	\$ 49,271,261	\$ 2,316,672
Licenses and permits	4,204,500	4,204,500	6,793,070	2,588,570
Intergovernmental revenues	14,289,373	14,289,373	14,194,960	(94,413)
Charges for services	1,173,900	1,173,900	3,837,480	2,663,580
Fines and forfeits	693,400	763,400	809,334	45,934
Investment income	110,500	110,500	339,359	228,859
Contributions	76,000	76,000	431,226	355,226
Miscellaneous	412,738	12,738	327,382	314,644
Total revenues	<u>68,815,000</u>	<u>67,585,000</u>	<u>76,004,072</u>	<u>8,419,072</u>
EXPENDITURES				
Current				
General government				
Mayor and council	250,689	250,689	235,887	14,802
City clerk	734,318	734,318	671,447	62,871
City manager	926,374	2,638,374	2,582,286	56,088
City attorney	866,007	866,007	683,273	182,734
Finance	2,918,561	2,493,561	2,202,587	290,974
Information technology	3,058,255	3,167,890	2,868,061	299,829
Human resources	2,452,556	3,161,889	2,884,001	277,888
Code compliance	743,576	550,683	106,487	444,196
Non-departmental	7,644,400	3,747,140	2,726,904	1,020,236
Reserved contingency	16,347,842	16,347,842	-	16,347,842
Public safety				
Police	14,205,710	14,073,927	14,290,364	(216,437)
Fire	13,471,949	12,284,202	12,191,015	93,187
Municipal court	941,182	1,004,182	937,538	66,644
City prosecutor	447,498	447,498	423,346	24,152
Public works				
Administration	587,920	378,851	284,578	94,273
Building services	2,799,493	2,166,244	1,808,734	357,510
Culture and recreation				
Parks	2,815,739	3,436,928	3,328,985	107,943
Recreation and aquatics	1,423,666	1,414,986	1,326,943	88,043
Development services				
Economic development	751,640	673,941	445,493	228,448
Development services	72,035	1,234,956	1,156,999	77,957
Engineering	2,239,383	2,240,148	2,151,464	88,684
Building inspection	1,061,446	1,151,282	1,283,268	(131,986)
Code compliance	-	194,893	152,651	42,242
Capital outlay	4,693,050	5,410,433	1,371,384	4,039,049
Debt service				
Principal retirement	590,000	2,784,161	2,764,161	20,000
Interest and fiscal charges	29,500	235,051	305,477	(70,426)
Total expenditures	<u>82,072,789</u>	<u>83,090,076</u>	<u>59,183,333</u>	<u>23,906,743</u>
Excess (deficiency) of revenues over expenditures	<u>(13,257,789)</u>	<u>(15,505,076)</u>	<u>16,820,739</u>	<u>32,325,815</u>

OTHER FINANCING SOURCES (USES)	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Transfers in	2,800,000	3,700,000	3,726,150	26,150
Transfers out	(8,796,914)	(10,546,914)	(8,986,031)	1,560,883
Total other financing sources (uses)	(5,996,914)	(6,846,914)	(5,259,881)	1,587,033
Net change in fund balance	(19,254,703)	(22,351,990)	11,560,858	33,912,848
Fund balance, beginning of year	31,297,751	31,297,751	31,297,751	-
Fund balance, end of year	<u>\$ 12,043,048</u>	<u>\$ 8,945,761</u>	<u>\$ 42,858,609</u>	<u>\$ 33,912,848</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 POSITION
PROPRIETARY FUNDS
June 30, 2013

	Business-type Activities-Enterprise Funds				Governmental
	Water & Sewer	Sanitation	Stadium	Total	Activities - Internal Service Funds
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 5,892,530	\$ 1,058,481	\$ 580,763	\$ 7,531,774	\$ 150
Investments	11,926,620	217,238	1,067,888	13,211,746	-
Interest receivable	53,953	983	4,831	59,767	-
Accounts receivable	3,123,024	751,614	-	3,874,638	-
Inventories	592,784	-	-	592,784	143,779
Total current assets	<u>21,588,911</u>	<u>2,028,316</u>	<u>1,653,482</u>	<u>25,270,709</u>	<u>143,929</u>
Noncurrent assets:					
Restricted cash and cash equivalents	7,585,579	-	7,327,068	14,912,647	-
Non-depreciable capital assets	7,834,109	-	11,663,700	19,497,809	-
Depreciable capital assets	275,511,694	362,183	109,674,913	385,548,790	-
Total noncurrent assets	<u>290,931,382</u>	<u>362,183</u>	<u>128,665,681</u>	<u>419,959,246</u>	<u>-</u>
Total assets	<u>312,520,293</u>	<u>2,390,499</u>	<u>130,319,163</u>	<u>445,229,955</u>	<u>143,929</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred amount on refunding	57,531	-	417,365	474,896	-
Total deferred outflows of resources	<u>57,531</u>	<u>-</u>	<u>417,365</u>	<u>474,896</u>	<u>-</u>
LIABILITIES					
Current liabilities:					
Accounts payable	738,378	373,779	79,596	1,191,753	10,608
Accrued payroll and employee benefits	70,039	10,263	41,629	121,931	13,482
Accrued interest payable	971,707	-	2,703,856	3,675,563	-
Due to other funds	-	-	-	-	119,839
Deposits	6,858,829	-	3,568	6,862,397	-
Compensated absences payable	102,714	15,979	43,975	162,668	-
Revenue bonds payable	275,000	-	-	275,000	-
Total current liabilities	<u>9,016,667</u>	<u>400,021</u>	<u>2,872,624</u>	<u>12,289,312</u>	<u>143,929</u>
Noncurrent liabilities:					
Accrued interest payable	975,531	-	-	975,531	-
Compensated absences payable	165,923	47,604	68,361	281,888	-
Advances from other funds	-	-	961,840	961,840	-
Loan payable	10,998,942	-	-	10,998,942	-
Bonds payable	77,876,664	-	7,714,285	85,590,949	-
Revenue bonds payable	31,390,000	-	104,687,627	136,077,627	-
Total noncurrent liabilities	<u>121,407,060</u>	<u>47,604</u>	<u>113,432,113</u>	<u>234,886,777</u>	<u>-</u>
Total liabilities	<u>130,423,727</u>	<u>447,625</u>	<u>116,304,737</u>	<u>247,176,089</u>	<u>143,929</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue	259,787	-	-	259,787	-
Total deferred inflows of resources	<u>259,787</u>	<u>-</u>	<u>-</u>	<u>259,787</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	164,195,366	362,183	13,899,041	178,456,590	-
Restricted					
Capital projects	-	-	532,750	532,750	-
Debt service	2,663,381	-	-	2,663,381	-
Unrestricted	15,035,563	1,580,691	-	16,616,254	-
Total net position	<u>\$ 181,894,310</u>	<u>\$ 1,942,874</u>	<u>\$ 14,431,791</u>	<u>\$ 198,268,975</u>	<u>\$ -</u>

See accompanying notes.

CITY OF GOODYEAR, ARIZONA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2013

	Business-type Activities-Enterprise Funds				Governmental Activities - Internal Service Funds
	Water & Sewer	Sanitation	Stadium	Total	
Operating revenues:					
Charges for service	\$ 22,702,060	\$ 6,368,920	\$ 1,741,609	\$ 30,812,589	\$ 2,025,951
Miscellaneous	431,092	574	1,317	432,983	-
Total operating revenue	<u>23,133,152</u>	<u>6,369,494</u>	<u>1,742,926</u>	<u>31,245,572</u>	<u>2,025,951</u>
Operating expenses:					
Administration	3,345,978	498,447	2,108,396	5,952,821	510,361
Costs of sales and services	7,491,318	4,578,610	1,758,273	13,828,201	1,515,590
Depreciation and amortization	5,453,531	132,032	2,676,647	8,262,210	-
Total operating expenses	<u>16,290,827</u>	<u>5,209,089</u>	<u>6,543,316</u>	<u>28,043,232</u>	<u>2,025,951</u>
Operating income (loss)	<u>6,842,325</u>	<u>1,160,405</u>	<u>(4,800,390)</u>	<u>3,202,340</u>	<u>-</u>
Nonoperating revenues (expenses):					
Loss on sale of assets	-	(37,577)	-	(37,577)	-
Investment income	71,396	1,117	23,326	95,839	-
Interest expense	(5,656,419)	-	(5,661,038)	(11,317,457)	-
Total nonoperating revenues (expenses)	<u>(5,585,023)</u>	<u>(36,460)</u>	<u>(5,637,712)</u>	<u>(11,259,195)</u>	<u>-</u>
Income (loss) before capital contributions and transfers	1,257,302	1,123,945	(10,438,102)	(8,056,855)	-
Capital contributions	7,987,680	-	-	7,987,680	-
Transfers in	-	-	8,602,694	8,602,694	-
Transfers out	(2,800,000)	(900,000)	(26,150)	(3,726,150)	-
Change in net position	<u>6,444,982</u>	<u>223,945</u>	<u>(1,861,558)</u>	<u>4,807,369</u>	<u>-</u>
Net position, beginning of year	176,863,542	1,718,929	17,269,167	195,851,638	-
Restatement	(1,414,214)	-	(975,818)	(2,390,032)	-
Net position, beginning of year Restated	<u>175,449,328</u>	<u>1,718,929</u>	<u>16,293,349</u>	<u>193,461,606</u>	<u>-</u>
Net position, end of year	<u>\$ 181,894,310</u>	<u>\$ 1,942,874</u>	<u>\$ 14,431,791</u>	<u>\$ 198,268,975</u>	<u>\$ -</u>

CITY OF GOODYEAR, ARIZONA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2013

	Business-type Activities Enterprise Funds				Governmental
	Water & Sewer	Sanitation	Stadium	Total	Activities - Internal Service Funds
Cash flows from operating activities:					
Received from customers	\$ 22,350,487	\$ 6,322,380	\$ 1,721,996	\$ 30,394,863	\$ 2,001,248
Payments to vendors	(7,712,484)	(4,558,972)	(1,890,253)	(14,161,709)	(1,490,265)
Payments to employees	(3,346,595)	(492,123)	(2,113,324)	(5,952,042)	(510,983)
Net cash provided (used) by operating activities	11,291,408	1,271,285	(2,281,581)	10,281,112	-
Cash flows from noncapital financing activities:					
Interfund transfers	(2,800,000)	(900,000)	8,576,544	4,876,544	-
Net cash provided (used) for noncapital and related financing activities	(2,800,000)	(900,000)	8,576,544	4,876,544	-
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(1,833,734)	(61,736)	(638,868)	(2,534,338)	-
Principal paid on long-term debt	(4,811,021)	-	(428,571)	(5,239,592)	-
Interest paid on long-term debt	(5,884,967)	-	(5,892,490)	(11,777,457)	-
Developer contributions	2,008,522	-	-	2,008,522	-
Development impact fees received	5,279,458	-	-	5,279,458	-
Net cash (used) for capital and related financing activities	(5,241,742)	(61,736)	(6,959,929)	(12,263,407)	-
Cash flows from investing activities:					
Investment income received	47,165	1,593	20,477	69,235	-
Net cash provided by investing activities	47,165	1,593	20,477	69,235	-
Net change in cash and cash equivalents	3,296,831	311,142	(644,489)	2,963,484	-
Cash and cash equivalents, beginning of year	22,107,898	964,577	9,620,208	32,692,683	150
Cash and cash equivalents, end of year	\$ 25,404,729	\$ 1,275,719	\$ 8,975,719	\$ 35,656,167	\$ 150
Cash and cash equivalents	\$ 5,892,530	\$ 1,058,481	\$ 580,763	\$ 7,531,774	\$ 150
Investments	11,926,620	217,238	1,067,888	13,211,746	-
Restricted cash and cash equivalents	7,585,579	-	7,327,068	14,912,647	-
	\$ 25,404,729	\$ 1,275,719	\$ 8,975,719	\$ 35,656,167	\$ 150

CITY OF GOODYEAR, ARIZONA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2013

	Business-type Activities-Enterprise Funds				Governmental Activities - Internal Service Funds
	Water & Sewer	Sanitation	Stadium	Total	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities					
Operating income (loss)	\$ 6,842,325	\$ 1,160,405	\$ (4,800,390)	\$ 3,202,340	\$ -
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization	5,453,531	132,032	2,676,647	8,262,210	-
(Increase) decrease in:					
Accounts receivable	(293,619)	(47,114)	-	(340,733)	-
Inventories	(37,516)	-	-	(37,516)	32,783
Increase (decrease) in:					
Accounts payable	(304,490)	19,638	(131,980)	(416,832)	(7,458)
Accrued payroll and employee benefits	(415)	(3,033)	594	(2,854)	(622)
Due to other funds	120,840	-	-	120,840	(24,703)
Unearned revenue	(5,168)	-	(24,498)	(29,666)	-
Deposits held for others	(483,878)	-	3,568	(480,310)	-
Compensated absences payable	(202)	9,357	(5,522)	3,633	-
Net cash provided (used) by operating activities	<u>\$ 11,291,408</u>	<u>\$ 1,271,285</u>	<u>\$ (2,281,581)</u>	<u>\$ 10,281,112</u>	<u>\$ -</u>
Noncash investing, capital, and financing activities:					
Contributions of capital assets	699,700	-	-	699,700	-
Loss on sale of assets	-	37,577	-	37,577	-
Restatement of deferred bond cost	1,414,214	-	975,818	2,390,032	-
Amortization of bond premium	38,469	-	162,147	200,616	-
Amortization of deferred loss on refunding	3,596	-	32,364	35,960	-

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 POSITION
FIDUCIARY FUNDS
June 30, 2013

	<u>Pension Trust</u>	<u>Agency Funds</u>
ASSETS		
Cash and cash equivalents	\$ 9,109	\$ 110,737
Interest receivable	272	6
Investments	436,223	-
Total assets	<u>445,604</u>	<u>110,743</u>
LIABILITIES		
Accounts payable	-	96,145
Deposits	-	14,598
Total liabilities	<u>-</u>	<u>\$ 110,743</u>
NET POSITION		
Held in trust for pension benefits	<u>\$ 445,604</u>	

CITY OF GOODYEAR, ARIZONA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUND
Year Ended June 30, 2013

	<u>Pension Trust</u>
ADDITIONS	
Other revenue	\$ -
Total other revenue	<u>-</u>
Investment income	
Net increase in fair value of investments	\$ 31,859
Interest	339
Total investment income	<u>32,198</u>
Total additions	<u>32,198</u>
DEDUCTIONS	
Benefits	<u>2,230</u>
Total deductions	<u>2,230</u>
Net increase	29,968
Net position, beginning of year	<u>415,636</u>
Net position, end of year	<u>\$ 445,604</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.

<u>Note</u>		<u>Page</u>
1.	Summary of Significant Accounting Policies	55
2.	Cash and Investment	65
3.	Receivables	69
4.	Capital Assets	70
5.	Loans Payable	72
6.	General Obligation Bonds Payable	73
7.	Revenue Bonds Payable	74
8.	Community Facilities Districts Bonds Payable	76
9.	Changes in Long-Term Liabilities	78
10.	Interfund Receivables, Payables, and Transfers	78
11.	Contingent Liabilities	79
12.	Risk Management	79
13.	Retirement Plans	80
14.	Deficit Fund Balance	85
15.	Commitments	85
16.	Restatement	86



NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-Wide and Fund Financial Statements

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

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

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

C. Fund Balances – Governmental Funds

As of June 30, 2013, 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, 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Balances – Governmental Funds (Continued)

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

Unassigned - all other spendable amounts.

The General Fund has Unassigned Funds consisting of a Stabilization Arrangement in the amount of \$12.8 million. The Stabilization Arrangement is used to set aside resources to cover unanticipated deficits or revenue reductions that may be caused by adverse economic conditions or public emergency. The amount of the Stabilization Arrangement is a minimum of 3 months of operating expenditures which is estimated from the prior year's budgeted expenditures.

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

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

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

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

Expenditures 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, 2013

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.

Capital Improvement Projects Fund - This fund accounts for acquisition and construction of the government's major capital facilities, other than those financed by proprietary funds.

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, 2013

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.

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.

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

Special Revenue Funds

Highway User Revenue Fund (HURF)

Grants Fund

Community Facilities Districts

Debt Service Fund

CITY OF GOODYEAR, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Cash and Cash Equivalents

Cash represents amounts in demand deposits and amounts held in trust by financial institutions. The funds held in trust are available to the City upon demand. 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.

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).

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 cash equivalents on the government-wide Statement of Net Position, the Balance Sheet and Proprietary Statement of Net Position because their use is limited by applicable bond covenants.

K. Capital Assets

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend 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.

CITY OF GOODYEAR, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Capital Assets (Continued)

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

Assets	Years
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.

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 position.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 2013.

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

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

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

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

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 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. Implementation of New GASB Statements

In December 2010, the GASB issued Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. GASBS No. 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011. The City adopted GASBS No. 62 in fiscal year 2013. The adoption of GASBS No. 62 does not have any impact on the City's financial statements.

In June 2011, the GASB issued Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. GASBS No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The statement of net assets is renamed the statement of net position and includes the following elements: assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011. The City adopted GASBS No. 63 in fiscal year 2013. The adoption of GASBS No. 63 has impacted the presentation of the City's financial statements.

In March 2012, the GASB issued Statement No. 65, Items previously reported as assets and liabilities. GASBS No. 65 provides reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities, and other related disclosures. In addition, the reporting of such items should be limited to those instances identified by the Governmental Accounting Standards Board. Statement No. 65 also changes the determination of the major fund calculations and limits the use of the term deferred in financial statement presentation. Although the provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012, the City elected to early implement it in fiscal year 2013. The adoption of GASBS No. 65 has impacted the presentation of the City's financial statements.

CITY OF GOODYEAR, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 2 CASH AND INVESTMENTS

At June 30, 2013, cash and cash equivalents are presented as follows:

	Governmental Activities	Business Activities	Fiduciary Fund	Total
Cash and cash equivalents	\$ 23,148,779	\$ 7,531,774	\$ 119,846	\$ 30,800,399
Investments	36,978,381	13,211,746	436,223	50,626,350
Restricted cash and cash equivalents	<u>20,618,111</u>	<u>14,912,647</u>	<u>-</u>	<u>35,530,758</u>
	<u>\$ 80,745,271</u>	<u>\$ 35,656,167</u>	<u>\$ 556,069</u>	<u>\$ 116,957,507</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, 2013, the City had \$8,850 of cash on hand. The carrying amount of the City's cash in bank totaled \$9,299,113 and the bank balance was \$10,117,944. Of the bank balance, \$595,708 was covered by federal depository insurance, \$6,945,476 was covered by collateral held in the pledging bank's trust department in the City's name, and \$2,576,760 was not insured and uncollateralized; however, subsequent to year end, all of the bank balance was insured or collateralized. No losses were incurred subsequent to June 30, 2013.

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.

CITY OF GOODYEAR, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 2 CASH AND INVESTMENTS (Continued)

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, 2013 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, 2013, the City's funds invested with the State Treasurer totaled \$32,903,637.

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 \$24,119,557 at June 30, 2013.

The City also holds \$50,250,183 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 \$376,167 at June 30, 2013.

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.

CITY OF GOODYEAR, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 2 CASH AND INVESTMENTS (Continued)

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, 2013, 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					
LGIP	\$ 24,013,184	\$ 24,013,184	\$ -	\$ -	\$ -
Money Market Funds	12,002,004	12,002,004	-	-	-
Federal Agency Securities	8,524,825	7,605,470	919,355	-	-
U.S. Treasury Notes	28,332,120	5,214,659	7,569,869	15,547,592	-
	<u>72,872,133</u>	<u>48,835,317</u>	<u>8,489,224</u>	<u>15,547,592</u>	<u>-</u>
Proprietary funds					
LGIP	8,881,397	8,881,397	-	-	-
Money Market Funds	12,194,036	12,194,036	-	-	-
Federal Agency Securities	3,045,775	2,717,305	328,470	-	-
U.S. Treasury Notes	10,122,585	1,863,109	2,704,586	5,554,890	-
	<u>34,243,793</u>	<u>25,655,847</u>	<u>3,033,056</u>	<u>5,554,890</u>	<u>-</u>
Fiduciary Fund					
LGIP	9,056	9,056	-	-	-
Money Market Funds	273,837	88,339	-	-	185,498
U.S. Treasury Notes	60,056	60,056	-	-	-
Mutual Funds	190,669	-	-	-	190,669
	<u>533,618</u>	<u>157,451</u>	<u>-</u>	<u>-</u>	<u>376,167</u>
Total	<u>\$ 107,649,544</u>	<u>\$ 74,648,615</u>	<u>\$ 11,522,280</u>	<u>\$ 21,102,482</u>	<u>\$ 376,167</u>

At June 30, 2013, 69.34% of the City's investments have a maturity of less than one year and 30.31% have maturity between two and three years.

CITY OF GOODYEAR, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

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
LGIP	\$ 24,013,184	\$ 24,013,184	\$ -	\$ -	\$ -
Money market	12,002,004	-	12,002,004	-	-
Federal Agency Securities	8,524,825	-	-	8,524,825	-
U.S. Treasury Notes	28,332,120	-	-	28,332,120	-
	<u>\$ 72,872,133</u>	<u>\$ 24,013,184</u>	<u>\$ 12,002,004</u>	<u>\$ 36,856,945</u>	<u>\$ -</u>
Proprietary funds		Ratings as of Year-End			
Investment Type	Total	AAAF/S1+	AAAm	AA+	Unrated
LGIP	\$ 8,881,397	\$ 8,881,397	\$ -	\$ -	\$ -
Money market	12,194,036	-	12,194,036	-	-
Federal Agency Securities	3,045,775	-	-	3,045,775	-
U.S. Treasury Notes	10,122,585	-	-	10,122,585	-
	<u>\$ 34,243,793</u>	<u>\$ 8,881,397</u>	<u>\$ 12,194,036</u>	<u>\$ 13,168,360</u>	<u>\$ -</u>
Fiduciary funds		Ratings as of Year-End			
Investment Type	Total	AAAF/S1+	AAAm	AA+	Unrated
LGIP	\$ 9,056	\$ 9,056	\$ -	\$ -	\$ -
Money market	273,837	-	88,339	-	185,498
U.S. Treasury Notes	60,056	-	-	60,056	-
Mutual funds	190,669	-	-	-	190,669
	<u>\$ 533,618</u>	<u>\$ 9,056</u>	<u>\$ 88,339</u>	<u>\$ 60,056</u>	<u>\$ 376,167</u>
Total	<u>\$ 107,649,544</u>	<u>\$ 32,903,637</u>	<u>\$ 24,284,379</u>	<u>\$ 50,085,361</u>	<u>\$ 376,167</u>

CITY OF GOODYEAR, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2013

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, 2013, the City's investments are included as follows:

<u>Investment Type</u>	<u>Total</u>	<u>Concentration</u>
LGIP	\$ 32,903,637	30.57%
Money Market Funds	24,469,877	22.73%
Federal Agency Securities	11,570,600	10.75%
U.S. Treasury Notes	38,514,761	35.78%
Mutual Funds	190,669	0.18%
Total	<u>\$ 107,649,544</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:

	<u>General Fund</u>	<u>Community Facilities Districts-Service Fund</u>	<u>McDowell Road Commercial Corridor Improvement District Debt Service</u>	<u>Non-Utility Development Impact Fees Fund</u>	<u>Non-Major Governmental Fund</u>	<u>Total</u>
Receivables:						
Taxes	\$ 6,903,669	\$ 117,882	\$ -	\$ -	\$ 464,616	\$ 7,486,167
Interest	110,766	-	-	51,569	4,945	167,280
Accounts Special assessments	1,281,958	-	-	-	748	1,282,706
	-	19,603,007	42,390,000	-	-	61,993,007
Total receivables	<u>\$ 8,296,393</u>	<u>\$ 19,720,889</u>	<u>\$ 42,390,000</u>	<u>\$ 51,569</u>	<u>\$ 470,309</u>	<u>\$ 70,929,160</u>

CITY OF GOODYEAR, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 3 RECEIVABLES (Continued)

The following table summarizes the City's receivables for the enterprise funds as of June 30, 2013.

	Water and Sewer Fund	Sanitation Fund	Stadium Fund	Total
Receivables:				
Interest	\$ 53,953	\$ 983	\$ 4,831	\$ 59,767
Accounts	3,154,624	761,542	-	3,916,166
	<u>3,208,577</u>	<u>762,525</u>	<u>4,831</u>	<u>3,975,933</u>
Less:				
Allowance	(31,600)	(9,928)	-	(41,528)
Net receivables	<u>\$ 3,176,977</u>	<u>\$ 752,597</u>	<u>\$ 4,831</u>	<u>\$ 3,934,405</u>

Revenues of the Water and Sewer Fund and Sanitation Fund are reported net of uncollectible amounts. Total bad debt expense related to the Water and Sewer Fund revenues and Sanitation Fund revenues for the current period are \$76,393 and \$16,887, respectively.

NOTE 4 CAPITAL ASSETS

A summary of capital assets activity for the fiscal year ended June 30, 2013 follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 19,426,644	\$ 34,892	\$ -	\$ 19,461,536
Artwork	204,750	-	-	204,750
Construction in progress	13,213,915	4,598,535	(7,424,677)	10,387,773
Right of Way	90,128,522	-	-	90,128,522
Streetscape	8,775,008	221,000	-	8,996,008
Total capital assets not being depreciated	<u>131,748,839</u>	<u>4,854,427</u>	<u>(7,424,677)</u>	<u>129,178,589</u>
Capital assets, being depreciated:				
Land improvements	2,549,608	-	-	2,549,608
Infrastructure	336,565,808	2,200,576	-	338,766,384
Buildings and improvements	132,306,890	18,892,472	-	151,199,362
Vehicles, furniture and equipment	37,755,221	1,015,912	(734,186)	38,036,947
Total capital assets being depreciated	<u>509,177,527</u>	<u>22,108,960</u>	<u>(734,186)</u>	<u>530,552,301</u>
Less accumulated depreciation for:				
Land improvements	(262,043)	(169,974)	-	(432,017)
Infrastructure	(71,680,417)	(7,764,810)	-	(79,445,227)
Buildings and improvements	(17,331,933)	(5,001,573)	-	(22,333,506)
Vehicles, furniture and equipment	(28,856,213)	(2,170,269)	725,976	(30,300,506)
Total accumulated depreciation	<u>(118,130,606)</u>	<u>(15,106,626)</u>	<u>725,976</u>	<u>(132,511,256)</u>
Total capital assets, being depreciated, net	<u>391,046,921</u>	<u>7,002,334</u>	<u>(8,210)</u>	<u>398,041,045</u>
Governmental activities capital assets, net	<u>\$ 522,795,760</u>	<u>\$ 11,856,761</u>	<u>\$ (7,432,887)</u>	<u>\$ 527,219,634</u>

CITY OF GOODYEAR, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 4 CAPITAL ASSETS (Continued)

Business-Type Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 15,404,260	\$ -	\$ -	\$ 15,404,260
Artwork	131,978	-	-	131,978
Construction in progress	42,247,284	1,439,845	(39,725,558)	3,961,571
Total capital assets not being depreciated	57,783,522	1,439,845	(39,725,558)	19,497,809
Capital assets, being depreciated:				
Infrastructure	188,919,594	21,330,948	-	210,250,542
Buildings & improvements	186,072,282	19,108,401	-	205,180,683
Vehicles, machinery and equipment	14,527,452	963,033	(602,358)	14,888,127
Water rights	18,703,354	161,130	-	18,864,484
Total capital assets being depreciated	408,222,682	41,563,512	(602,358)	449,183,836
Less accumulated depreciation for:				
Infrastructure	(34,396,883)	(3,816,632)	-	(38,213,515)
Buildings and improvements	(9,071,272)	(3,561,369)	-	(12,632,641)
Vehicles, machinery and equipment	(9,775,712)	(708,515)	531,203	(9,953,024)
Water rights amortization	(2,649,990)	(185,876)	-	(2,835,866)
Total accumulated depreciation	(55,893,857)	(8,272,392)	531,203	(63,635,046)
Total capital assets, being depreciated, net	352,328,825	33,291,120	(71,155)	385,548,790
Business-Type activities capital assets, net	\$ 410,112,347	\$ 34,730,965	\$ (39,796,713)	\$ 405,046,599

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 771,753
Public safety	1,511,680
Highway and streets	11,667,573
Culture and recreation	694,882
Public works	460,738
Total depreciation expense	\$ 15,106,626
Business-type activities:	
Water and wastewater	\$ 5,453,531
Sanitation	132,032
Stadium	2,676,647
Total depreciation and amortization expense	\$ 8,262,210

A transfer of capital equipment occurred between the Stadium fund and the governmental activities causing a reconcilable difference of \$10,182 between the depreciation expense and additions to accumulated depreciation for the business-type activities.

CITY OF GOODYEAR, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

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, 2013, are as follows:

Description	Interest Rate (Including Fees)	Maturity	Outstanding Principal June 30, 2013	Due Within One Year
Business-type activities:				
Water Infrastructure Finance Authority Loan	4.06%	07/01/07 - 21	\$ 2,203,065	\$ -
Water Infrastructure Finance Authority Loan	4.06%	07/01/07 - 21	4,184,390	-
Water Infrastructure Finance Authority Loan	2.00%	07/01/10 - 29	4,611,487	-
Total Business-type activities			<u>\$ 10,998,942</u>	<u>\$ -</u>

Annual debt service requirements to maturity on the loans payable at June 30, 2013 are summarized as follows:

Fiscal year ending June 30,	Business-Type Activities	
	Principal	Interest
2014	\$ -	\$ 175,652
2015	941,439	334,823
2016	974,404	301,241
2017	1,008,601	266,405
2018	1,044,078	230,263
2019-2023	4,895,739	576,553
2024-2028	1,579,147	135,760
2029-2030	555,534	9,960
Total	<u>\$ 10,998,942</u>	<u>\$ 2,030,657</u>

CITY OF GOODYEAR, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 6 GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at June 30, 2013, 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, 2013 are presented below.

Description	Interest Rate	Maturity	Outstanding Principal June 30, 2013	Due Within One Year
Governmental activities:				
Series 2007 General Obligation Bonds	3.00 - 5.00%	7/1/08 - 26	\$ 8,261,996	\$ -
Series 2008 General Obligation Refunding Bonds Series 2009	4.25 - 6.00%	7/1/09 - 38	7,829,073	-
Series 2010 - Build America General Obligation Bonds	5.25 - 5.125%	7/1/27 - 30	604,500	-
Series 2010 - Build America General Obligation Refunding Bonds Series 2012	5.40 - 6.30%	7/1/21 - 30	105,000	-
	3.90% - 4.25%	7/1/12 - 18	9,755,000	-
Total Governmental activities			<u>\$ 26,555,569</u>	<u>\$ -</u>
Business-type activities:				
Series 2005 General Obligation Bonds	3.50 - 5.00%	7/1/07 - 20	\$ 17,955,000	\$ -
Series 2007 General Obligation Bonds	3.00 - 5.00%	7/1/08 - 26	20,088,004	-
Series 2008 General Obligation Refunding Bonds Series 2009	4.25 - 6.00%	7/1/09 - 27	32,045,927	-
Series 2010 - Build America General Obligation Bonds	5.25 - 5.125%	7/1/27 - 30	4,975,500	-
Series 2010 - Build America General Obligation Refunding Bonds Series 2010	5.40 - 6.30%	7/1/21 - 30	5,710,000	-
	4.018 - 5.125%	7/1/22 - 30	4,610,000	-
Total Business-type activities			<u>\$ 85,384,431</u>	<u>\$ -</u>
Total			<u>\$ 111,940,000</u>	<u>\$ -</u>

Annual debt service requirements to maturity on governmental bonds payable at June 30, 2013 are summarized as follows:

Fiscal year ending June 30,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2014	\$ -	\$ 1,198,422	\$ -	\$ 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	3,058,957	764,164	4,851,043	3,117,115
2019-2023	5,952,973	2,685,667	24,227,027	12,002,056
2024-2028	5,111,344	1,417,420	21,653,656	7,023,192
2029-2033	1,984,016	628,361	13,450,984	2,838,933
2034-2038	1,997,762	220,604	8,177,238	902,989
Total	<u>\$ 26,555,569</u>	<u>\$ 9,881,672</u>	<u>\$ 85,384,431</u>	<u>\$ 40,384,489</u>

CITY OF GOODYEAR, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 7 REVENUE BONDS PAYABLE

Revenue bonds payable at June 30, 2013 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, 2013 are presented below.

Description	Interest Rate	Maturity	Outstanding Principal June 30, 2013	Due Within One Year
Governmental activities:				
Public Improvement Corporation Municipal Facilities Revenue Bonds, Series 2007B	4.00 - 5.00%	7/1/08 - 13	\$ 590,000	\$ 590,000
Public Improvement Corporation Municipal Facilities Revenue Bonds, Series 2011A	2.00 - 3.00%	7/1/12 - 21	1,780,000	-
Public Improvement Corporation Municipal Facilities Revenue Tax-Exempt Revenue Bonds, Series 2012A	2.48%	6/15/13 - 23	8,995,800	803,123
Public Improvement Corporation Municipal Facilities Revenue Taxable Revenue Bonds, Series 2012B	3.44%	6/15/13 - 23	1,065,667	90,967
McDowell Road Corridor Improvement District Bonds	5.25%	1/1/10 - 32	42,390,000	1,355,000
Total Governmental Activities			\$ 54,821,467	\$ 2,839,090
Business-type activities:				
Revenue Bonds, Series 1999 Public Improvement Corporation Municipal Facilities Revenue Bonds, Series 2007A	4.47 - 6.73%	7/1/07 - 18	\$ 985,000	\$ -
Public Improvement Corporation Municipal Facilities Revenue Bonds, Series 2008	4.50 - 5.00%	7/1/20 - 32	44,200,000	-
Revenue Bonds, Series 2009	5.00 - 6.375%	7/1/20 - 32	32,950,000	-
Revenue Bonds, Series 2010	6.75%	7/1/2049	325,000	-
Revenue Bonds, Series 2011 Public Improvement Corporation Municipal Facilities Revenue Bonds, Series 2011A	5.00 - 5.625%	7/1/23 - 40	14,950,000	-
Public Improvement Corporation Municipal Facilities Revenue Bonds, Series 2011B	2.00 - 5.50%		15,405,000	275,000
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			\$ 133,845,000	\$ 275,000

CITY OF GOODYEAR, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 7 REVENUE BONDS PAYABLE (Continued)

Revenue bond debt service requirements to maturity are as follows:

Fiscal Year Ending June 30,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2014	\$ 2,839,090	\$ 1,434,068	\$ 275,000	\$ 6,833,991
2015	2,427,289	2,436,870	510,000	7,265,507
2016	2,671,094	2,333,953	510,000	7,292,307
2017	2,780,527	2,223,794	500,000	7,273,163
2018	2,895,602	2,108,569	475,000	7,223,032
2019-2023	16,052,865	8,632,646	26,350,000	32,203,876
2024-2028	12,540,000	5,353,688	32,310,000	24,248,327
2029-2033	12,615,000	1,698,112	56,175,000	11,797,242
2034-2038	-	-	9,765,000	3,378,101
2039-2043	-	-	6,650,000	697,287
2044-2048	-	-	-	109,690
2049-2050	-	-	325,000	32,889
	<u>\$ 54,821,467</u>	<u>\$ 26,221,700</u>	<u>\$ 133,845,000</u>	<u>\$ 108,355,412</u>

On September 12, 2012, the City issued \$10,500,000 of Public Improvement Corporation Bonds (\$9,390,000 Tax-Exempt Bonds & \$1,110,000 Taxable Bonds) to acquire approximately 14 acres of land and five existing buildings (approximately 89,000 square feet) currently known as Venida Business Park. The stated interest on the tax exempt bonds is 2.48% and the stated interest on the taxable bonds is 3.44% with semi-annual principal and interest payable over 11 years.

CITY OF GOODYEAR, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 8 COMMUNITY FACILITIES DISTRICTS BONDS PAYABLE

Community facilities district bonds payable at June 30, 2013 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, 2013, are presented below.

Description	Interest Rate	Maturity	Outstanding Principal June 30, 2013	Due Within One Year
General District No. 1:				
G.O. Bonds, Series 1996 (A)	6.5 - 7.0%	07/15/13	\$ 35,000	\$ 35,000
G.O. Bonds, Series 1998	4.55 - 5.25%	07/15/13	90,000	90,000
G.O. Bonds, Series 2000	4.6 - 5.3%	07/15/13	225,000	225,000
G.O. Bonds, Series 2003	3.3 - 5.75%	07/15/13	115,000	115,000
G.O. Bonds, Series 2013 Refunding	2.0% - 5.0%	07/15/28	10,685,000	-
Palm Valley:				
G.O. Bonds, Series 2006	4.25 - 5.30%	07/15/31	3,865,000	125,000
G.O. Bonds, Series 2007	4.25 - 5.80%	07/15/32	3,550,000	95,000
Utilities District No. 1:				
G.O. Bonds, Series 1998	4.55 - 5.25%	07/15/22	3,085,000	260,000
G.O. Bonds, Series 2000	4.7 - 5.2%	07/15/25	5,675,000	245,000
G.O. Bonds, Series 2003	3.3 - 5.75%	07/15/28	7,330,000	145,000
G.O. Bonds, Series 2005	3.5 - 4.5%	07/15/29	6,625,000	205,000
G.O. Bonds, Series 2005 Refunding	3.0 - 4.3%	07/15/21	995,000	95,000
G.O. Bonds, Series 2007	4.00 - 5.00%	07/15/32	21,405,000	460,000
Wildflower Ranch General District 1:				
G.O. Bonds, Series 1997	5.875 - 6.5%	07/15/22	390,000	30,000
G.O. Bonds, Series 1998	5.2 - 5.75%	07/15/23	490,000	30,000
Wildflower Ranch General District 2:				
G.O. Bonds, Series 2000	6.0 - 7.0%	07/15/25	515,000	25,000
G.O. Bonds, Series 2001	4.5 - 5.9%	07/15/26	560,000	25,000
Estrella Mountain Ranch:				
Assessment Bonds, Series 2001(A)	7.88%	07/01/25	4,124,000	254,000
Assessment Bonds, Series 2002	7.38%	07/01/27	3,196,000	152,000
G.O. Bonds, Series 2005	5.0 - 5.8%	07/15/30	4,215,000	135,000
Assessment Bonds, Series 2007(M)	4.65 - 5.80%	07/01/32	6,787,000	237,000
G.O. Bonds, Series 2007	4.50 - 6.20%	07/15/32	11,620,000	315,000
Assessment Bonds, Series 2007(G)	6.00 - 6.75%	07/01/32	6,256,000	164,000
Cottonflower:				
G.O. Bonds, Series 2003	4.1 - 5.7%	07/15/28	1,380,000	55,000
G.O. Bonds, Series 2004	3.7 - 6.75%	07/15/28	1,095,000	45,000
Cortina:				
G.O. Bonds, Series 2005	5.0 - 5.7%	07/15/29	1,405,000	55,000
G.O. Bonds, Series 2006	5.0 - 5.375%	07/15/31	855,000	15,000
Centerra:				
G.O. Bonds, Series 2005	5.50%	07/15/29	1,990,000	75,000
G.O. Bonds, Series 2006	4.75 - 5.15%	07/15/31	580,000	5,000
G.O. Bonds, Series 2008	4.875-6.625%	07/15/32	685,000	15,000
Total			<u>\$ 109,823,000</u>	<u>\$ 3,727,000</u>

CITY OF GOODYEAR, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2013

NOTE 8 COMMUNITY FACILITIES DISTRICTS BONDS PAYABLE (Continued)

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

Fiscal year ending June 30,	Governmental Activities	
	Principal	Interest
2014	\$ 3,727,000	\$ 5,913,248
2015	3,620,000	5,638,217
2016	3,887,000	5,451,825
2017	4,116,000	5,246,824
2018	4,358,000	5,024,786
2019-2023	25,553,000	21,198,401
2024-2028	32,177,000	13,244,692
2029-2033	32,385,000	4,452,655
Total	<u>\$ 109,823,000</u>	<u>\$ 66,170,648</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 \$41,434 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, 2013 of \$5,180 was taken on the deferred amount.

On June 12, 2013, Community Facilities General District #1 (CFGD) issued \$10,685,000 of General Obligation Bonds, with an average interest rate of 4.33%, to do an advanced refunding for a portion of the CFGD 1996(A), 1998, 2000 and 2003 General Obligation Bonds. Under the terms of the refunding issue, sufficient assets to pay \$375,000 of the 1996(A), \$1,345,000 of the 1998, \$4,210,000 of the 2000 and \$4,755,000 of the 2003 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 \$10,685,000 outstanding with the trustee on these bonds as of June 30, 2013. \$10,685,000 of 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 \$939,689. The \$280,024 deferred amount on retirement of bonds is being amortized over the shorter of the lives for the refunded or refunding bonds on the straight-line basis.

CITY OF GOODYEAR, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 9 CHANGES IN LONG-TERM LIABILITIES

Long-term liabilities activity for the year ended June 30, 2013 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	\$ 3,830,033	\$ 2,125,735	\$ 1,943,247	\$ 4,012,521	\$ 1,455,561
General obligation bonds payable	29,000,636	-	2,445,067	26,555,569	-
Community Facilities					
District bonds payable	113,555,000	10,685,000	14,417,000	109,823,000	3,727,000
Public improvement bonds	2,940,000	10,500,000	1,008,533	12,431,467	1,484,090
Revenue bonds payable	43,675,000	-	1,285,000	42,390,000	1,355,000
Contracts payable	1,755,628	-	1,755,628	-	-
Premiums	3,017,874	672,545	303,135	3,387,284	-
Discounts	(56,593)	-	(3,329)	(53,264)	-
Governmental activities long-term liabilities	<u>\$ 197,717,578</u>	<u>\$ 23,983,280</u>	<u>\$ 23,154,281</u>	<u>\$ 198,546,577</u>	<u>\$ 8,021,651</u>
Business-type activities					
Compensated absences	\$ 440,922	\$ 296,080	\$ 292,447	\$ 444,555	\$ 162,668
General obligation bonds payable	89,394,364	-	4,009,933	85,384,431	-
Public improvement bonds	102,180,000	-	-	102,180,000	-
Revenue bonds payable	31,985,000	-	320,000	31,665,000	275,000
Loans payable	11,908,603	-	909,661	10,998,942	-
Premiums	3,537,944	-	222,843	3,315,101	-
Discounts	(623,183)	-	(22,227)	(600,956)	-
Business-type activities long-term liabilities	<u>\$ 238,823,650</u>	<u>\$ 296,080</u>	<u>\$ 5,732,657</u>	<u>\$ 233,387,073</u>	<u>\$ 437,668</u>

NOTE 10 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At June 30, 2013, interfund balances were as follows:

Interfund receivables/payable:

Fund	Receivable Amount	Payable Amount
General Fund	\$ 1,623,345	\$ -
Non-Major Funds	-	541,666
Stadium Fund	-	961,840
Internal Service Fund	-	119,839
Total	<u>\$ 1,623,345</u>	<u>\$ 1,623,345</u>

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

CITY OF GOODYEAR, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2013

NOTE 10 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (Continued)

Interfund transfers:

Fund	Transfers	Transfers
	Out	In
General Fund	\$ 8,986,031	\$ 3,726,150
Non-Major Governmental Funds	616,663	1,000,000
Water and Sewer Fund	2,800,000	-
Sanitation Fund	900,000	-
Stadium Fund	26,150	8,602,694
Total	<u>\$ 13,328,844</u>	<u>\$ 13,328,844</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 11 CONTINGENT LIABILITIES

Federal and State grants and loans - The City has received a number of grants and loans from both the Federal and State governments. Although the programs have been audited, not all audits have been approved as of June 30, 2013; 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 12 RISK MANAGEMENT

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

The Arizona Municipal Risk Retention Pool is structured such that member premiums are based on an actuarial review that will provide adequate reserves to allow the pool to meet its expected financial obligations. The pool has authority to assess its members additional premiums should reserve and annual premiums be insufficient to meet the pool's obligations.

The maximum liability for the City for the fiscal year is \$500,000 and the deductible is \$250,000 per occurrence. The City has funds set aside in the budget for the fiscal year ending June 30, 2013 for any expected claims in excess of \$250,000.

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

NOTE 13 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, 2013, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.14% (10.90% retirement and 0.24% 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 11.14% (10.25% retirement, 0.65% for health insurance premium, and 0.24% long-term disability) of the members' annual covered payroll. The City's contributions to ASRS for the years ended June 30, 2013, 2012, and 2011 were \$2,133,623, \$2,022,865, and \$1,908,120, respectively. The City contribution for the current and two preceding years, all of which were equal to the required contributions, were as follows:

Years ended June 30,	Retirement	Health Insurance	Long-term Disability	Total
2013	\$ 1,969,820	\$ 117,973	\$ 45,830	\$ 2,133,623
2012	1,859,002	118,660	45,203	2,022,865
2011	1,745,397	114,293	48,430	1,908,120

CITY OF GOODYEAR, ARIZONA
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 13 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, 2013, active PSPRS members were required by statute to contribute 9.55% of the members' annual covered payroll, and the City was required to contribute at the actuarially determined rate of 16.30% (15.35% retirement and 0.95% health insurance premium) of the covered payroll to the Plan for the Police and 12.63% (11.93% retirement and 0.70% 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, 2013, and related information follows:

Contribution Rates:	PSPRS – Police	PSPRS - Fire
City – retirement	15.35%	11.93%
City – health insurance premium	0.95%	0.70%
Plan members	9.55%	9.55%
Annual pension cost		
Retirement	\$ 1,012,173	\$ 852,786
Health insurance premium	\$ 62,643	\$ 50,038
Pension contributions made		
Retirement	\$ 1,012,173	\$ 852,786
Health insurance premium	\$ 62,643	\$ 50,038
Actuarial valuation date	June 30, 2011	June 30, 2011
Actuarial cost method	Entry Age Normal	Entry Age Normal
Actuarial assumptions:		
Investment rate of return	8.25%	8.25%
Projected salary increases	5.0% - 8.0%	5.0% - 8.0%
Includes inflation at cost-of-living adjustment	5.0%	5.0%
Amortization method	Level Percent Closed	Level Percent Closed
Remaining amortization period	25 years underfunded 20 years overfunded	25 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, 2013

NOTE 13 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, 2013	\$ 1,012,173	100.0%	-
June 30, 2012	782,123	100.0%	-
June 30, 2011	926,533	100.0%	-
PSPRS - Police - Health Insurance			
June 30, 2013	62,643	100.0%	-
June 30, 2012	59,516	100.0%	-
June 30, 2011	64,322	100.0%	-
PSPRS - Fire - Pension			
June 30, 2013	852,786	100.0%	-
June 30, 2012	664,242	100.0%	-
June 30, 2011	951,747	100.0%	-
PSPRS - Fire - Health Insurance			
June 30, 2013	50,038	100.0%	-
June 30, 2012	45,320	100.0%	-
June 30, 2011	53,089	100.0%	-

Schedule of Funding Progress - An analysis of funding progress for each of the agent plans as most recent actuarial valuations; June 30, 2011 reporting period determines the rates for fiscal year 2013. 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)
2011	\$ 15,226,911	\$ 19,399,303	\$ 4,172,392	78.5%	\$ 6,032,600	69.16%
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%

CITY OF GOODYEAR, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2013

NOTE 13 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)
2011	\$ -	\$ 605,373	\$ 605,373	0.0%	\$ 6,032,600	10.04%
2010	-	496,169	496,169	0.0%	6,254,977	7.93%
2009	-	445,126	445,126	0.0%	6,431,412	6.92%

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)
2011	\$ 13,550,733	\$ 14,397,115	\$ 846,382	94.1%	\$ 6,395,339	13.2%
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	3.8%

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)
2011	\$ -	\$ 470,529	\$ 470,529	0.0%	\$ 6,395,339	7.36%
2010	-	304,034	304,034	0.0%	6,508,273	4.67%
2009	-	235,582	235,582	0.0%	7,047,317	3.34%

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, 2013

NOTE 13 RETIREMENT PLANS (Continued)

Annual Required Contribution

PSPRS - Goodyear Police Health Insurance Plan:

Valuation Date June 30,	Fiscal Year Ended 30-Jun	Normal Cost (a)	Actuarial Accrued Liability (b)	Total (a+b)	Dollar Amount
2011	2013	0.41%	0.54%	0.95%	\$ 63,184
2010	2012	0.59%	0.40%	0.99%	68,923
2009	2011	0.55%	0.34%	0.89%	63,709

PSPRS - Goodyear Fire Health Insurance Plan:

Valuation Date June 30,	Fiscal Year Ended 30-Jun	Normal Cost (a)	Actuarial Accrued Liability (b)	Total (a+b)	Dollar Amount
2011	2013	0.30%	0.40%	0.70%	\$ 49,356
2010	2012	0.43%	0.24%	0.67%	48,534
2009	2011	0.38%	0.17%	0.55%	43,141

The Health Insurance Subsidy payments reported for valuation year 2011 were \$6,613 and \$3,120 for the Police plan and the Fire plan, respectively.

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

The City discontinued using part-time firefighters as of December 1, 2005.

The assets of the plan are valued annually and the earnings or loss is distributed among the participant's accounts in the plan. The only expenditures being made from this fund are administration fees, benefit payments, and refunds to those firefighters who leave the service of the Fire Department before becoming eligible for pension benefits. The cost of administering the plan is financed from investment earnings. Retirement with full benefits can be at age fifty (50) or fifteen years of credited service. This plan was fully vested as of June 30, 2013. As of June 30, 2013, there were 6 eligible employees participating in the plan. The plan is administered by LPL Financial.

As of June 30, 2013, the plan's assets consisted of the following:

Cash	\$ 53
LGIP	9,056
Money market	185,498
US Treasury notes	60,056
Mutual Funds	190,669
	<u>\$ 445,332</u>

CITY OF GOODYEAR, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2013

NOTE 13 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 14 DEFICIT FUND BALANCE

Grants Fund Deficit Fund Balance - At June 30, 2013, the Grants Fund contains a deficit fund balance of \$26,073 in the fund financial statements. Future revenues are expected to cover this deficit.

NOTE 15 COMMITMENTS

The City has active construction projects as of June 30, 2013. The balances for work not yet complete as of June 30, 2013 were as follows:

ADOT	\$	294,377
AJP Electric		55,000
Arrington Watkins Architects		2,815,814
Burgess and Niple		183,631
C3 Construction		116,603
D.L. Withers		3,308,813
Felix Construction		751,816
Foresite Design & Construction		916,217
HDR Engineering, Inc		255,892
MGC Contractors, Inc.		430,606
Motorola		303,670
Plan-Etcommunities PLLC		192,403
TischlerBise		59,906
United Fire Equipment		110,000
Water Works Engineers		740,010
	\$	<u>10,534,758</u>

These commitments are being financed from existing fund balances.

CITY OF GOODYEAR, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2013

NOTE 16 RESTATEMENT

The City adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, in the current year. As a result, the effect on fiscal year 2012 is as follows:

Governmental Activities	2012 Previously Presented	Restatement	2012 Restated
Deferred charges	\$ 4,893,812	\$ (4,893,812)	\$ —
Interest on long-term debt	10,441,684	(134,160)	10,307,524
Change in net position	6,493,633	134,160	6,627,793
Net position, end of year	462,352,241	(4,893,812)	457,458,429

Business-type Activities	2012 Previously Presented	Restatement	2012 Restated
Deferred charges	\$ 2,390,032	\$ (2,390,032)	\$ —
Interest on long-term debt	11,715,537	(93,902)	11,621,635
Change in net position	3,766,033	93,902	3,859,935
Net position, end of year	195,851,638	(2,390,032)	193,461,606

Water & Sewer Fund:	2012 Previously Presented	Restatement	2012 Restated
Deferred charges	\$ 1,414,214	\$ (1,414,214)	\$ —
Interest expense	6,417,467	(70,730)	6,346,737
Change in net position	5,739,110	70,730	5,809,840
Net position, end of year	176,863,542	(1,414,214)	175,449,328

Stadium Fund:	2012 Previously Presented	Restatement	2012 Restated
Deferred charges	\$ 975,818	\$ (975,818)	\$ —
Interest expense	5,298,070	(23,172)	5,274,898
Change in net position	(1,746,598)	23,172	1,723,426
Net position, end of year	17,269,167	(975,818)	16,293,349

OTHER SUPPLEMENTARY INFORMATION

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, 2013

	Special Revenue		
	Highway User Revenue	Grants	Community Facilities Districts
ASSETS			
Cash and cash equivalents	\$ 407,821	\$ 111,020	\$ 1,254,575
Investments	-	1,093,101	-
Taxes receivable	338,098	-	15,711
Interest receivable	-	4,945	-
Accounts receivable	-	-	748
Due from other governments	-	58,566	-
Inventories	595,675	-	-
Restricted cash and cash equivalents	-	-	-
Total assets	\$ 1,341,594	\$ 1,267,632	\$ 1,271,034
LIABILITIES			
Accounts payable	\$ 106,698	\$ 1,297	\$ 69,657
Accrued payroll and employee benefits	31,465	-	-
Accrued interest payable	-	-	-
Deposits	114,361	-	-
Due to other funds	-	55,035	486,631
Total liabilities	252,524	56,332	556,288
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue	-	1,237,373	2,766
Total deferred inflows of resources	-	1,237,373	2,766
FUND BALANCE			
Nonspendable:			
Inventories	595,675	-	-
Restricted for:			
Debt service	-	-	-
Highway user funds	493,395	-	-
Community Facilities Districts operations	-	-	711,980
Unassigned	-	(26,073)	-
Total fund balances	1,089,070	(26,073)	711,980
Total liabilities, deferred inflows of resources and fund balances	\$ 1,341,594	\$ 1,267,632	\$ 1,271,034

Debt Service	Total Non-Major Governmental Funds
\$ -	\$ 1,773,416
-	1,093,101
110,807	464,616
-	4,945
-	748
-	58,566
-	595,675
819,761	819,761
<u>\$ 930,568</u>	<u>\$ 4,810,828</u>
\$ -	\$ 177,652
-	31,465
3,132	3,132
-	114,361
-	541,666
<u>3,132</u>	<u>868,276</u>
<u>85,720</u>	<u>1,325,859</u>
<u>85,720</u>	<u>1,325,859</u>
-	595,675
841,716	841,716
-	493,395
-	711,980
-	(26,073)
<u>841,716</u>	<u>2,616,693</u>
<u>\$ 930,568</u>	<u>\$ 4,810,828</u>

CITY OF GOODYEAR, ARIZONA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
 BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 Year Ended June 30, 2013

	Special Revenue		
	Highway User Revenue	Grants	Community Facilities Districts
REVENUES			
Taxes	\$ -	\$ -	\$ 979,521
Intergovernmental	3,767,109	761,249	-
Charges for services	5,100	-	-
Investment income	734	859	37,195
Contributions	-	-	134,454
Miscellaneous	60,132	-	77,012
Total revenues	3,833,075	762,108	1,228,182
EXPENDITURES			
Current:			
General government	-	-	1,054,612
Public safety	-	282,908	-
Highway and streets	4,470,247	94,777	-
Culture and recreation	-	4,000	-
Capital outlay	87,284	396,642	-
Debt service:			
Principal retirement	-	-	-
Interest and debt costs	-	-	-
Total expenditures	4,557,531	778,327	1,054,612
Excess (deficiency) of revenues over (under) expenditures	(724,456)	(16,219)	173,570
OTHER FINANCING SOURCES (USES)			
Transfers in	1,000,000	-	-
Transfers out	-	-	-
Total other financing sources (uses)	1,000,000	-	-
Net change in fund balances	275,544	(16,219)	173,570
Fund balances, beginning of year	813,526	(9,854)	538,410
Fund balances, end of year	\$ 1,089,070	\$ (26,073)	\$ 711,980

Debt Service	Total Non-Major Government Funds
\$ 3,866,203	\$ 4,845,724
-	4,528,358
-	5,100
523	39,311
-	134,454
-	137,144
<u>3,866,726</u>	<u>9,690,091</u>
-	1,054,612
-	282,908
-	4,565,024
-	4,000
-	483,926
2,445,067	2,445,067
<u>1,209,390</u>	<u>1,209,390</u>
<u>3,654,457</u>	<u>10,044,927</u>
<u>212,269</u>	<u>(354,836)</u>
-	1,000,000
<u>(616,663)</u>	<u>(616,663)</u>
<u>(616,663)</u>	<u>383,337</u>
(404,394)	28,501
<u>1,246,110</u>	<u>2,588,192</u>
<u>\$ 841,716</u>	<u>\$ 2,616,693</u>



Fiduciary Fund Financial Statements

Combining Statement of Net Position

Statement of Changes in Net Position

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 POSITION
 AGENCY FUNDS
 June 30, 2013

	Brownfield EPA Cleanup	Gain	Payshare (Utility Assistance)	Fill-A-Need	Shop With A Cop	Total
ASSETS						
Cash and cash equivalents	\$ 88,339	\$ 9,030	\$ 198	\$ 4,654	\$ 8,516	\$ 110,737
Receivable	-	-	6	-	-	6
Total assets	<u>\$ 88,339</u>	<u>\$ 9,030</u>	<u>\$ 204</u>	<u>\$ 4,654</u>	<u>\$ 8,516</u>	<u>\$ 110,743</u>
LIABILITIES						
Accounts payable	\$ 87,115	\$ 9,030	\$ -	\$ -	\$ -	\$ 96,145
Deposits held for others	1,224	-	204	4,654	8,516	14,598
Total liabilities	<u>\$ 88,339</u>	<u>\$ 9,030</u>	<u>\$ 204</u>	<u>\$ 4,654</u>	<u>\$ 8,516</u>	<u>\$ 110,743</u>

CITY OF GOODYEAR, ARIZONA
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 Year Ended June 30, 2013

	Balance June 30, 2012	Additions	Deletions	Balance June 30, 2013
Brownfield EPA Cleanup:				
Assets				
Cash and cash equivalents	\$ 475,977	\$ -	\$ (387,638)	\$ 88,339
Liabilities				
Accounts payable	\$ 313,050	\$ -	\$ (225,935)	\$ 87,115
Deposits held for others	162,927	-	(161,703)	1,224
Total liabilities	<u>\$ 475,977</u>	<u>\$ -</u>	<u>\$ (387,638)</u>	<u>\$ 88,339</u>
GAIN:				
Assets				
Cash and cash equivalents	\$ 11,744	\$ -	\$ (2,714)	\$ 9,030
Liabilities				
Accounts payable	\$ 11,744	\$ -	\$ (2,714)	\$ 9,030
Payshare (Utility Assistance):				
Assets				
Cash and cash equivalents	\$ 126	\$ 72	\$ -	\$ 198
Receivable	6	-	-	6
Total assets	<u>\$ 132</u>	<u>\$ 72</u>	<u>\$ -</u>	<u>\$ 204</u>
Liabilities				
Deposits held for others	\$ 132	\$ 72	\$ -	\$ 204
Fill-A-Need:				
Assets				
Cash and cash equivalents	\$ 2,143	\$ 2,511	\$ -	\$ 4,654
Liabilities				
Deposits held for others	\$ 2,143	\$ 2,511	\$ -	\$ 4,654
Shop With A COP:				
Assets				
Cash and cash equivalents	\$ 4,348	\$ 4,168	\$ -	\$ 8,516
Liabilities				
Deposits held for others	\$ 4,348	\$ 4,168	\$ -	\$ 8,516
Total - All Agency Funds				
Assets				
Cash and cash equivalents	\$ 494,338	\$ 6,751	\$ (390,352)	\$ 110,737
Receivables	6	-	-	6
Total assets	<u>\$ 494,344</u>	<u>\$ 6,751</u>	<u>\$ (390,352)</u>	<u>\$ 110,743</u>
Liabilities				
Accounts payable	\$ 324,794	\$ -	\$ (228,649)	\$ 96,145
Deposits held for others	169,550	6,751	(161,703)	14,598
Total liabilities	<u>\$ 494,344</u>	<u>\$ 6,751</u>	<u>\$ (390,352)</u>	<u>\$ 110,743</u>

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, 2013

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 5,055,789	\$ 5,055,789	\$ 4,853,620	\$ (202,169)
Investment income	1,665	1,665	12,683	11,018
Special assessments	5,011,439	5,011,439	2,301,100	(2,710,339)
Contributions	1,001,810	1,001,810	3,458,495	2,456,685
Total revenues	<u>11,070,703</u>	<u>11,070,703</u>	<u>10,625,898</u>	<u>(444,805)</u>
EXPENDITURES				
Debt service				
Principal retirement	5,810,000	5,810,000	3,732,000	2,078,000
Interest and debt costs	<u>7,648,572</u>	<u>7,648,572</u>	<u>7,092,588</u>	<u>555,984</u>
Total expenditures	<u>13,458,572</u>	<u>13,458,572</u>	<u>10,824,588</u>	<u>2,633,984</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,387,869)</u>	<u>(2,387,869)</u>	<u>(198,690)</u>	<u>2,189,179</u>
OTHER FINANCING SOURCES (USES)				
Debt issuance	400,000	400,000	-	(400,000)
Refunding bonds	-	-	10,685,000	10,685,000
Refunding bonds premium	-	-	672,545	672,545
Payment to refunded bond escrow agent	-	-	(10,965,024)	(10,965,024)
Total other financing sources (uses)	<u>400,000</u>	<u>400,000</u>	<u>392,521</u>	<u>(7,479)</u>
Net change in fund balance	(1,987,869)	(1,987,869)	193,831	2,181,700
Fund balance, beginning of year	<u>14,387,503</u>	<u>14,387,503</u>	<u>14,387,503</u>	<u>-</u>
Fund balance, end of year	<u>\$ 12,399,634</u>	<u>\$ 12,399,634</u>	<u>\$ 14,581,334</u>	<u>\$ 2,181,700</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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ -	\$ -	\$ 20,191	\$ 20,191
Special assessments	3,581,500	3,581,500	3,544,206	(37,294)
Total revenues	<u>3,581,500</u>	<u>3,581,500</u>	<u>3,564,397</u>	<u>(17,103)</u>
EXPENDITURES				
Debt service				
Principal retirement	1,285,000	1,285,000	1,285,000	-
Interest and debt costs	2,292,938	2,292,938	2,259,456	33,482
Total expenditures	<u>3,577,938</u>	<u>3,577,938</u>	<u>3,544,456</u>	<u>33,482</u>
Net change in fund balance	3,562	3,562	19,941	16,379
Fund balance, beginning of year	<u>75,450</u>	<u>75,450</u>	<u>75,450</u>	<u>-</u>
Fund balance, end of year	<u>\$ 79,012</u>	<u>\$ 79,012</u>	<u>\$ 95,391</u>	<u>\$ 16,379</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, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive
				(Negative)
REVENUES				
Charges for services	\$ 2,053,467	\$ 2,053,467	\$ 2,479,445	\$ 425,978
Investment income	12,707	12,707	21,435	8,728
Miscellaneous	-	-	103,270	103,270
Total revenues	<u>2,066,174</u>	<u>2,066,174</u>	<u>2,604,150</u>	<u>537,976</u>
EXPENDITURES				
Current:				
Public safety	1,042	-	-	-
Culture and recreation	181,420	231,420	224,421	6,999
Highway and streets	57,710	117,710	109,301	8,409
Development services	-	-	43,124	(43,124)
Capital outlay	<u>12,177,744</u>	<u>16,250,094</u>	<u>7,706,378</u>	<u>8,543,716</u>
Total expenditures	<u>12,417,916</u>	<u>16,599,224</u>	<u>8,083,224</u>	<u>8,516,000</u>
Net change in fund balance	(10,351,742)	(14,533,050)	(5,479,074)	9,053,976
Fund balance, beginning of year	<u>21,720,718</u>	<u>21,720,718</u>	<u>21,720,718</u>	<u>-</u>
Fund balance, end of year	<u>\$ 11,368,976</u>	<u>\$ 7,187,668</u>	<u>\$ 16,241,644</u>	<u>\$ 9,053,976</u>

CITY OF GOODYEAR, ARIZONA
 CAPITAL IMPROVEMENT PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET
 AND ACTUAL
 Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
REVENUES				
Investment income	\$ -	\$ -	\$ 7,003	\$ 7,003
Miscellaneous	-	-	43	43
Total revenues	<u>-</u>	<u>-</u>	<u>7,046</u>	<u>7,046</u>
EXPENDITURES				
Capital outlay	32,770,150	23,469,952	8,690,351	14,779,601
Debt service				
Interest and debt costs	-	-	120,995	(120,995)
Total expenditures	<u>32,770,150</u>	<u>23,469,952</u>	<u>8,811,346</u>	<u>14,658,606</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(32,770,150)</u>	<u>(23,469,952)</u>	<u>(8,804,300)</u>	<u>14,665,652</u>
OTHER FINANCING SOURCES (USES)				
Debt issuance	<u>32,770,150</u>	<u>32,425,519</u>	<u>10,500,000</u>	<u>(21,925,519)</u>
Total other financing sources (uses)	<u>32,770,150</u>	<u>32,425,519</u>	<u>10,500,000</u>	<u>(21,925,519)</u>
Net change in fund balance	-	8,955,567	1,695,700	(7,259,867)
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ 8,955,567</u>	<u>\$ 1,695,700</u>	<u>\$ (7,259,867)</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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 3,746,638	\$ 3,673,514	\$ 3,767,109	\$ 93,595
Charges for services	10,000	10,000	5,100	(4,900)
Investment income	-	-	734	734
Miscellaneous	25,000	25,000	60,132	35,132
Total revenues	<u>3,781,638</u>	<u>3,708,514</u>	<u>3,833,075</u>	<u>124,561</u>
EXPENDITURES				
Current				
Highway and streets	4,690,155	4,801,390	4,470,247	331,143
Capital outlay	110,313	87,288	87,284	4
Total expenditures	<u>4,800,468</u>	<u>4,888,678</u>	<u>4,557,531</u>	<u>331,147</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,018,830)</u>	<u>(1,180,164)</u>	<u>(724,456)</u>	<u>455,708</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,000,000	1,000,000	1,000,000	-
Total other financing sources (uses)	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
Net change in fund balance	(18,830)	(180,164)	275,544	455,708
Fund balance, beginning of year	<u>813,526</u>	<u>813,526</u>	<u>813,526</u>	<u>-</u>
Fund balance, end of year	<u>\$ 794,696</u>	<u>\$ 633,362</u>	<u>\$ 1,089,070</u>	<u>\$ 455,708</u>

CITY OF GOODYEAR, ARIZONA
GRANTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET
AND ACTUAL
Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 2,000,000	\$ 2,000,000	\$ 761,250	\$ (1,238,750)
Investment income	-	-	859	859
Total revenues	<u>2,000,000</u>	<u>2,000,000</u>	<u>762,109</u>	<u>(1,237,891)</u>
EXPENDITURES				
Current				
General government	2,000,000	1,386,411	-	1,386,411
Public safety	-	85,894	282,908	(197,014)
Highway and streets	-	95,000	94,777	223
Culture and recreation	-	-	4,000	(4,000)
Development services	30,000	30,000	-	30,000
Capital outlay	-	527,695	396,642	131,053
Total expenditures	<u>2,030,000</u>	<u>2,125,000</u>	<u>778,327</u>	<u>1,346,673</u>
Net change in fund balance	(30,000)	(125,000)	(16,218)	108,782
Fund balance, beginning of year	<u>(9,855)</u>	<u>(9,855)</u>	<u>(9,855)</u>	<u>-</u>
Fund balance, end of year	<u>\$ (39,855)</u>	<u>\$ (134,855)</u>	<u>\$ (26,073)</u>	<u>\$ 108,782</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, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget- Positive (Negative)
REVENUES				
Taxes	\$ 1,025,264	\$ 1,025,264	\$ 979,521	\$ (45,743)
Investment income	405	405	37,195	36,790
Contributions	-	-	134,454	134,454
Miscellaneous	275,843	275,843	77,012	(198,831)
Total revenues	<u>1,301,512</u>	<u>1,301,512</u>	<u>1,228,182</u>	<u>(73,330)</u>
EXPENDITURES				
Current				
General government	<u>1,360,756</u>	<u>1,360,756</u>	<u>1,054,612</u>	<u>306,144</u>
Total expenditures	<u>1,360,756</u>	<u>1,360,756</u>	<u>1,054,612</u>	<u>306,144</u>
Net change in fund balance	(59,244)	(59,244)	173,570	232,814
Fund balance, beginning of year	<u>538,410</u>	<u>538,410</u>	<u>538,410</u>	<u>-</u>
Fund balance, end of year	<u>\$ 479,166</u>	<u>\$ 479,166</u>	<u>\$ 711,980</u>	<u>\$ 232,814</u>

CITY OF GOODYEAR, ARIZONA
DEBT SERVICE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET
AND ACTUAL
Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 4,018,436	\$ 4,018,436	\$ 3,866,203	\$ (152,233)
Investment income	-	-	523	523
Total revenues	<u>4,018,436</u>	<u>4,018,436</u>	<u>3,866,726</u>	<u>(151,710)</u>
EXPENDITURES				
Debt service				
Principal retirement	2,880,998	2,880,998	2,445,067	435,931
Interest and debt costs	1,626,715	1,626,715	1,209,390	417,325
Total expenditures	<u>4,507,713</u>	<u>4,507,713</u>	<u>3,654,457</u>	<u>853,256</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(489,277)</u>	<u>(489,277)</u>	<u>212,269</u>	<u>701,546</u>
OTHER FINANCING SOURCES				
Transfers out	-	-	(616,663)	(616,663)
Total other financing sources	<u>-</u>	<u>-</u>	<u>(616,663)</u>	<u>(616,663)</u>
Net change in fund balance	(489,277)	(489,277)	(404,394)	84,883
Fund balance, beginning of year	<u>1,246,110</u>	<u>1,246,110</u>	<u>1,246,110</u>	<u>-</u>
Fund balance, end of year	<u>\$ 756,833</u>	<u>\$ 756,833</u>	<u>\$ 841,716</u>	<u>\$ 84,883</u>

CITY OF GOODYEAR, ARIZONA
WATER & SEWER ENTERPRISE FUND
SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL
Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Operating revenues:				
Charges for service	\$ 22,560,595	\$ 21,712,000	\$ 22,702,060	\$ 990,060
Miscellaneous	1,546,998	141,629	431,092	289,463
Total operating revenue	<u>24,107,593</u>	<u>21,853,629</u>	<u>23,133,152</u>	<u>1,279,523</u>
Operating expenses:				
Administration	3,360,560	3,500,794	3,345,978	154,816
Costs of sales and services	15,252,415	16,178,816	7,491,318	8,687,498
Depreciation	-	-	5,453,531	(5,453,531)
Total operating expenses	<u>18,612,975</u>	<u>19,679,610</u>	<u>16,290,827</u>	<u>3,388,783</u>
Operating income (loss)	<u>5,494,618</u>	<u>2,174,019</u>	<u>6,842,325</u>	<u>4,668,306</u>
Nonoperating revenues (expenses):				
Investment income	8,506	8,506	71,396	62,890
Interest expense	(10,904,449)	(10,904,449)	(5,656,419)	5,248,030
Total nonoperating revenues (expenses)	<u>(10,895,943)</u>	<u>(10,895,943)</u>	<u>(5,585,023)</u>	<u>5,310,920</u>
Income (loss) before capital contributions and transfers	(5,401,325)	(8,721,924)	1,257,302	9,979,226
Capital contributions	3,768,553	3,768,553	7,987,680	4,219,127
Transfers in	1,207,943	1,207,943	-	(1,207,943)
Transfers out	(3,107,943)	(3,107,943)	(2,800,000)	307,943
Change in net position	<u>(3,532,772)</u>	<u>(6,853,371)</u>	<u>6,444,982</u>	<u>13,298,353</u>
Net position, beginning of year	176,863,542	176,863,542	176,863,542	-
Restatement	-	-	(1,414,214)	(1,414,214)
Net position, beginning of year - restated	<u>176,863,542</u>	<u>176,863,542</u>	<u>175,449,328</u>	<u>(1,414,214)</u>
Net position, end of year	<u>\$173,330,770</u>	<u>\$170,010,171</u>	<u>\$181,894,310</u>	<u>\$ 11,884,139</u>

CITY OF GOODYEAR, ARIZONA
SANITATION ENTERPRISE FUND
SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL
Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Operating revenues:				
Charges for service	\$ 6,153,230	\$ 6,153,230	\$ 6,368,920	\$ 215,690
Miscellaneous	-	-	574	574
Total operating revenue	<u>6,153,230</u>	<u>6,153,230</u>	<u>6,369,494</u>	<u>216,264</u>
Operating expenses:				
Administration	743,070	743,070	498,447	244,623
Costs of sales and services	4,502,691	4,572,691	4,578,610	(5,919)
Depreciation	-	-	132,032	(132,032)
Total operating expenses	<u>5,245,761</u>	<u>5,315,761</u>	<u>5,209,089</u>	<u>106,672</u>
Operating income (loss)	<u>907,469</u>	<u>837,469</u>	<u>1,160,405</u>	<u>322,936</u>
Nonoperating revenues (expenses):				
Loss on sale of assets	-	-	(37,577)	(37,577)
Investment income	-	-	1,117	1,117
Total nonoperating revenues (expenses)	<u>-</u>	<u>-</u>	<u>(36,460)</u>	<u>(36,460)</u>
Income (loss) before transfers	907,469	837,469	1,123,945	286,476
Transfers out	<u>(900,000)</u>	<u>(900,000)</u>	<u>(900,000)</u>	<u>-</u>
Change in net position	7,469	(62,531)	223,945	286,476
Net position, beginning of year	<u>1,718,929</u>	<u>1,718,929</u>	<u>1,718,929</u>	<u>-</u>
Net position, end of year	<u>\$ 1,726,398</u>	<u>\$ 1,656,398</u>	<u>\$ 1,942,874</u>	<u>\$ 286,476</u>

CITY OF GOODYEAR, ARIZONA
STADIUM ENTERPRISE FUND
SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL
Year Ended June 30, 2013

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Operating revenues:				
Charges for service	\$ 1,560,925	\$ 1,560,925	\$ 1,741,609	\$ 180,684
Miscellaneous	-	-	1,317	1,317
Total operating revenue	<u>1,560,925</u>	<u>1,560,925</u>	<u>1,742,926</u>	<u>182,001</u>
Operating expenses:				
Administration	2,064,443	2,117,767	2,108,396	9,371
Costs of sales and services	7,210,133	7,538,566	1,758,273	5,780,293
Depreciation	250,000	250,000	2,676,647	(2,426,647)
Total operating expenses	<u>9,524,576</u>	<u>9,906,333</u>	<u>6,543,316</u>	<u>3,363,017</u>
Operating income (loss)	<u>(7,963,651)</u>	<u>(8,345,408)</u>	<u>(4,800,390)</u>	<u>3,545,018</u>
Nonoperating revenues (expenses):				
Investment income	2,000	2,000	23,326	21,326
Interest expense	(5,535,263)	(5,535,263)	(5,661,038)	(125,775)
Total nonoperating revenues (expenses)	<u>(5,533,263)</u>	<u>(5,533,263)</u>	<u>(5,637,712)</u>	<u>(104,449)</u>
Income (loss) before transfers	(13,496,914)	(13,878,671)	(10,438,102)	3,440,569
Transfers in	7,796,914	7,796,914	8,602,694	805,780
Transfers out	-	-	(26,150)	(26,150)
Change in net position	<u>(5,700,000)</u>	<u>(6,081,757)</u>	<u>(1,861,558)</u>	<u>4,220,199</u>
Net position, beginning of year	17,269,167	17,269,167	17,269,167	-
Restatement	-	-	(975,818)	(975,818)
Net position, beginning of year - restated	<u>17,269,167</u>	<u>17,269,167</u>	<u>16,293,349</u>	<u>(975,818)</u>
Net position, end of year	<u>\$ 11,569,167</u>	<u>\$ 11,187,410</u>	<u>\$ 14,431,791</u>	<u>\$ 3,244,381</u>



CAPITAL ASSETS SCHEDULES

CITY OF GOODYEAR
 CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS
 SCHEDULE BY SOURCE
 June 30, 2013

Governmental funds capital assets

Land	\$ 19,461,536
Land Improvements	2,549,608
Right of Way	90,128,522
Streetscape	8,996,008
Buildings and improvements other than buildings	151,199,362
Vehicles, machinery and equipment	38,036,947
Infrastructure	338,766,384
Artwork	204,750
Construction in progress	10,387,773
Total governmental funds capital assets	<u><u>\$ 659,730,890</u></u>

Investment in governmental funds capital assets by source:

Government funds	\$ 659,730,890
Total governmental funds capital assets	<u><u>\$ 659,730,890</u></u>

CITY OF GOODYEAR
 CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS
 SCHEDULE BY FUNCTION AND ACTIVITY
 June 30, 2013

Function and Activity	Land, Land Improvements, Artwork, Right of Way, Streetscape	Buildings	Improvements Other Than Buildings
General Government	\$ 3,608,908	\$ -	\$ 159,200
Public Safety	34,892	18,432,268	62,074
Highways and Streets	99,124,530	-	89,999,256
Culture and Recreation	12,697,973	813,910	15,151,775
Public Works	5,874,121	21,231,465	5,349,414
 Total governmental funds capital assets	\$ 121,340,424	\$ 40,477,643	\$ 110,721,719

Vehicles, Machinery and Equipment	Infrastructure	Construction in Progress	Total
\$ 7,571,053	\$ -	\$ 9,854,270	\$ 21,193,431
18,186,121	-	-	36,715,355
5,935,189	338,766,384	78,901	533,904,260
2,395,396	-	454,602	31,513,656
3,949,188	-	-	36,404,188
<u>\$ 38,036,947</u>	<u>\$ 338,766,384</u>	<u>\$ 10,387,773</u>	<u>\$ 659,730,890</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, 2013

Function and Activity	Governmental Funds Capital Assets			Governmental Funds Capital Assets June 30, 2013
	July 1, 2012	Additions	Deductions	
General Government	\$ 16,787,300	\$ 4,424,331	\$ (18,200)	\$ 21,193,431
Public Safety	36,882,718	498,071	(665,434)	36,715,355
Highways and Streets	532,161,011	1,743,249	-	533,904,260
Culture and Recreation	30,962,080	551,576	-	31,513,656
Public Works	24,133,257	12,339,683	(68,752)	36,404,188
Total governmental funds capital assets	<u>\$640,926,366</u>	<u>\$ 19,556,910</u>	<u>\$ (752,386)</u>	<u>\$ 659,730,890</u>

STATISTICAL SECTION

STATISTICAL SECTION

Contents Page

Financial Trends (Table 1 - 2)	130
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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.

Revenue Capacity (Table 3 – 14)	139
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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)	164
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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.

Demographic and Economic Statistics (Table 20)	171
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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.

Operating Information (Table 21 – 24)	172
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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.

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

	Fiscal Year			
	2013	2012*	2011	2010
Governmental Activities				
Net investment in capital assets	\$ 333,034,884	\$ 329,064,345	\$ 327,503,686	\$ 317,162,459
Restricted	99,128,020	108,246,415	110,105,296	115,881,050
Unrestricted	<u>35,820,702</u>	<u>20,147,669</u>	<u>18,249,626</u>	<u>19,272,548</u>
Total Governmental Activities Net Position	<u>467,983,606</u>	<u>457,458,429</u>	<u>455,858,608</u>	<u>452,316,057</u>
Business-type Activities				
Net investment in capital assets	178,456,590	178,432,900	179,254,929	191,582,614
Restricted	3,196,131	3,799,026	3,567,237	-
Unrestricted	<u>16,616,254</u>	<u>11,229,680</u>	<u>9,263,439</u>	<u>4,365,725</u>
Total Business-type Activities Net Position	<u>198,268,975</u>	<u>193,461,606</u>	<u>192,085,605</u>	<u>195,948,339</u>
Primary Government				
	511,491,474	507,497,245	506,758,615	508,745,073
Restricted	102,324,151	112,045,441	113,672,533	115,881,050
Unrestricted	<u>52,436,956</u>	<u>31,377,349</u>	<u>27,513,065</u>	<u>23,638,273</u>
Total Primary Government Net Position	<u>\$ 666,252,581</u>	<u>\$ 650,920,035</u>	<u>\$ 647,944,213</u>	<u>\$ 648,264,396</u>

Source: Statement of Net Position
City financial records and reports
*Net position adjusted for adoption of GASB
Statement 65

Table 1

Fiscal Year					
2009	2008	2007	2006	2005	2004
\$ 309,491,989	\$ 256,047,572	\$ 206,294,183	\$ 144,405,463	\$ 127,120,944	\$ 162,387,951
117,787,315	70,835,115	60,388,579	67,199,030	92,391,268	36,249,889
<u>20,522,420</u>	<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>447,801,724</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>
199,696,564	159,530,687	101,366,083	61,259,814	55,662,610	46,277,707
-	-	-	-	-	-
<u>(11,409,545)</u>	<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>188,287,019</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>
509,188,553	415,578,259	307,660,266	205,665,277	182,783,554	208,665,658
117,787,315	70,835,115	60,388,579	67,199,030	92,391,268	36,249,889
<u>9,112,875</u>	<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>\$ 636,088,743</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>

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

	Fiscal Year			
	2013	2012	2011	2010
Expenses				
Governmental Activities:				
General Government	\$ 7,402,342	\$ 8,857,442	\$ 8,366,129	\$ 6,469,757
Police	15,448,830	14,136,863	14,788,614	16,050,100
Financial Services	2,687,728	2,661,635	2,866,494	3,190,931
Community Services	-	-	-	454,550
Information Services	3,317,691	3,292,093	2,710,111	2,722,449
Fire	12,538,574	11,286,370	13,243,603	11,413,558
Municipal Services	1,360,884	1,266,469	1,442,029	1,497,249
Human Resources	2,884,001	2,275,991	1,822,793	1,929,973
Development Services	7,194,428	6,225,917	5,150,677	2,555,353
Culture and Recreation	5,539,612	4,962,070	4,439,181	4,023,639
Highways and Streets	14,355,644	13,179,678	14,798,670	12,179,531
Public Works	3,090,345	4,168,252	3,658,756	11,070,853
Interest on Long-term Debt	10,411,562	10,441,684	10,710,302	11,210,504
Total Governmental Activities Expenses	<u>\$ 86,231,641</u>	<u>\$ 82,754,464</u>	<u>\$ 83,997,359</u>	<u>\$ 84,768,447</u>
Business-type Activities				
Water Utility	\$ 11,570,223	\$ 11,907,022	\$ 12,454,200	\$ 10,475,189
Wastewater Utility	10,342,364	8,747,778	8,279,732	7,649,704
Sanitation	5,246,666	5,154,201	4,815,314	4,782,565
Stadium*	12,204,354	11,634,491	11,958,862	11,547,500
Total Business-type Activities Expenses	<u>\$ 39,363,607</u>	<u>\$ 37,443,492</u>	<u>\$ 37,508,108</u>	<u>\$ 34,454,958</u>
Total Primary Government Expenses	<u>\$ 125,595,248</u>	<u>\$ 120,197,956</u>	<u>\$ 121,505,467</u>	<u>\$ 119,223,405</u>

Note:

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

Table 2

Fiscal Year					
2009	2008	2007	2006	2005	2004
\$ 4,701,916	\$ 9,260,326	\$ 5,020,742	\$ 3,007,708	\$ 4,238,904	\$ 481,277
15,580,923	18,491,397	11,091,150	9,305,303	7,798,053	7,416,958
2,842,884	2,751,164	2,233,303	1,768,327	2,888,511	2,690,132
1,248,219	1,290,021	1,277,245	1,108,528	1,012,533	1,326,811
2,743,877	2,931,295	1,769,833	1,551,418	1,434,932	2,056,194
12,249,685	8,840,019	10,129,091	5,839,807	7,275,586	5,862,554
1,636,533	1,484,507	1,163,005	853,289	981,256	1,460,026
2,222,189	1,998,317	1,976,324	1,361,992	1,276,457	1,987,100
9,583,326	14,731,322	19,683,385	6,668,282	4,613,424	5,386,786
5,435,750	1,909,303	3,181,071	2,016,304	2,591,911	1,716,362
8,436,341	9,104,717	9,581,333	13,536,118	8,007,969	4,217,554
14,370,096	59,138,044	25,397,680	1,791,319	6,398,665	2,744,892
12,001,714	9,710,526	5,785,031	5,573,064	4,567,604	5,649,175
<u>\$ 93,053,453</u>	<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>
\$ 11,608,878	\$ 11,794,505	\$ 10,866,043	\$ 9,722,925	\$ 15,150,219	\$ 13,696,021
7,046,385	5,189,053	4,872,792	4,313,533	N/A	N/A
5,090,150	4,839,626	4,401,267	3,435,486	2,588,541	2,133,917
6,475,960	861,000	-	-	-	-
<u>\$ 30,221,373</u>	<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>\$ 123,274,826</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>

Continued

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

	Fiscal Year			
	2013	2012	2011	2010
Program Revenue				
Governmental Activities:				
Charges for Services:				
General Government	\$ 2,075,520	\$ 865,484	\$ 1,128,675	\$ 863,192
Fire	817,463	676,932	500,562	336,303
Police	358,873	130,566	128,109	320,967
Municipal Services	809,334	825,971	849,060	852,500
Public Works	-	-	-	-
Culture and recreation	304,128	322,215	325,552	287,805
Developmental Services	6,206,750	4,163,050	3,879,823	3,615,255
Operating Grants and Contributions	4,654,268	7,636,691	5,818,158	5,648,867
Capital Grants and Contributions	11,358,824	9,701,254	13,951,581	16,436,375
Total Governmental Activities Program Revenues	<u>\$ 26,585,160</u>	<u>\$ 24,322,163</u>	<u>\$ 26,581,520</u>	<u>\$ 28,361,264</u>
Business-type Activities				
Charges for Services:				
Water Utility	\$ 11,746,194	\$ 10,573,584	\$ 9,391,674	\$ 9,022,576
Wastewater Utility	10,921,207	9,531,422	8,243,147	7,235,503
Sanitation	6,368,920	6,115,977	5,774,010	5,790,357
Stadium*	1,741,609	1,633,230	1,564,324	1,530,799
Operating Grants and Contributions	-	-	-	-
Capital Grants and Contributions	7,987,680	9,252,599	4,570,849	6,211,533
Total Business-type Activities Revenues	<u>38,765,610</u>	<u>37,106,812</u>	<u>29,544,004</u>	<u>29,790,768</u>
Total Primary Government Revenues	<u>\$ 65,350,770</u>	<u>\$ 61,428,975</u>	<u>\$ 56,125,524</u>	<u>\$ 58,152,032</u>
Net (Expense)/Revenue				
Governmental Activities	\$ (59,646,481)	\$ (58,432,301)	\$ (57,415,839)	\$ (56,407,183)
Business-type Activities	(597,997)	(336,680)	(7,964,104)	(4,664,190)
Total Primary Government Net Revenues	<u>\$ (60,244,478)</u>	<u>\$ (58,768,981)</u>	<u>\$ (65,379,943)</u>	<u>\$ (61,071,373)</u>

Table 2

Fiscal Year					
2009	2008	2007	2006	2005	2004
\$ 301,151	\$ 3,988,792	\$ 396,770	\$ 286,419	\$ 133,367	\$ 276,990
24,054	57,630	54,887	61,456	434,179	38,716
240,293	210,707	128,040	67,264	-	8,425
730,571	686,135	638,390	529,007	-	293,355
-	-	3,527,777	-	-	1,162,624
357,039	343,274	272,516	126,800	259,993	-
4,776,076	12,183,231	13,241,940	14,584,804	10,631,653	8,774,894
4,843,140	4,587,630	895,854	648,756	523,405	109,956
102,028,190	85,108,447	62,732,783	26,761,281	16,472,105	46,863,563
<u>\$ 113,300,514</u>	<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>
\$ 8,880,151	\$ 8,894,793	\$ 7,588,225	\$ 5,952,571	\$ 8,895,239	\$ 10,525,392
6,389,190	6,244,742	6,137,152	4,846,569	3,775,636	3,631,132
5,625,426	5,145,922	4,392,794	3,185,387	2,786,148	2,335,547
1,014,221	-	-	-	-	-
25,000	762,200	20,000	240,000	-	-
<u>41,595,562</u>	<u>27,405,133</u>	<u>24,414,623</u>	<u>26,016,946</u>	<u>10,853,019</u>	<u>12,702,625</u>
<u>63,529,550</u>	<u>48,452,790</u>	<u>42,552,794</u>	<u>40,241,473</u>	<u>26,310,042</u>	<u>29,194,696</u>
<u>\$ 176,830,064</u>	<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>
\$ 20,247,061	\$ (34,475,112)	\$ (16,672,751)	\$ (11,315,672)	\$ (24,631,103)	\$ 14,532,701
33,308,177	25,768,606	22,412,692	22,769,529	8,571,282	13,364,758
<u>\$ 53,555,238</u>	<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>

Continued

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

	Fiscal Year			
	2013	2012	2011	2010
Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes	\$ 58,957,595	\$ 55,301,512	\$ 53,595,119	\$ 55,623,884
Intergovernmental	14,194,960	12,704,826	9,699,146	10,907,518
Interest and Investment Income	439,982	319,017	227,446	179,114
Miscellaneous	1,455,665	493,244	827,619	2,026,285
Transfers	<u>(4,876,544)</u>	<u>(3,892,665)</u>	<u>(3,390,940)</u>	<u>(7,815,285)</u>
Total Governmental Activities	<u>\$ 70,171,658</u>	<u>\$ 64,925,934</u>	<u>\$ 60,958,390</u>	<u>\$ 60,921,516</u>
Business-type Activities				
Interest and Investment Income	\$ 95,839	\$ 92,945	\$ 71,819	\$ 57,527
Proceeds from the sale of water rights	-	-	-	4,352,000
Mitigation proceeds	-	-	-	-
Miscellaneous	432,983	117,103	638,611	100,698
Transfers	<u>4,876,544</u>	<u>3,892,665</u>	<u>3,390,940</u>	<u>7,815,285</u>
Total Business-type Activities	<u>\$ 5,405,366</u>	<u>\$ 4,102,713</u>	<u>\$ 4,101,370</u>	<u>\$ 12,325,510</u>
Total Primary Government	<u>\$ 75,577,024</u>	<u>\$ 69,028,647</u>	<u>\$ 65,059,760</u>	<u>\$ 73,247,026</u>
Changes in Net Position				
Governmental Activities	\$ 10,525,177	\$ 6,493,633	\$ 3,542,551	\$ 4,514,333
Business-type Activities	<u>4,807,369</u>	<u>3,766,033</u>	<u>(3,862,734)</u>	<u>7,661,320</u>
Total Primary Government	<u>\$ 15,332,546</u>	<u>\$ 10,259,666</u>	<u>\$ (320,183)</u>	<u>\$ 12,175,653</u>

Source: Statement of Net Assets
City financial records and reports

Table 2

Fiscal Year					
2009	2008	2007	2006	2005	2004
\$ 59,003,971	\$ 61,251,635	\$ 59,428,806	\$ 48,726,571	\$ 31,498,052	\$ 25,487,392
12,236,437	12,654,235	15,053,501	6,997,920	5,973,538	5,756,754
148,687	4,268,448	4,723,886	4,436,598	1,079,720	556,145
911,254	4,075,011	1,029,445	1,486,027	1,641,295	408,114
<u>(7,751,307)</u>	<u>(9,444,077)</u>	<u>(56,622)</u>	<u>(117,062)</u>	<u>634,153</u>	<u>(799,999)</u>
<u>\$ 64,549,042</u>	<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>
\$ 121,900	\$ 1,379,832	\$ 1,447,446	\$ 715,181	\$ 88,211	\$ 119,849
-	-	-	-	-	-
-	-	-	1,950,000	-	-
78,586	212,708	26,683	17,431	7,666	67,756
<u>7,751,307</u>	<u>9,444,077</u>	<u>56,622</u>	<u>117,062</u>	<u>(634,153)</u>	<u>799,999</u>
<u>\$ 7,951,793</u>	<u>\$ 11,036,617</u>	<u>\$ 1,530,751</u>	<u>\$ 2,799,674</u>	<u>\$ (538,276)</u>	<u>\$ 987,604</u>
<u>\$ 72,500,835</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>
\$ 84,796,103	\$ 38,330,140	\$ 63,505,623	\$ 50,214,382	\$ 16,195,655	\$ 45,941,107
<u>41,259,970</u>	<u>36,375,158</u>	<u>23,943,443</u>	<u>25,569,203</u>	<u>8,033,006</u>	<u>14,352,362</u>
<u>\$ 126,056,073</u>	<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>

Concluded



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

Fiscal Year	Property Taxes	Sales & Use Taxes	Franchise Taxes	State Shared Revenues - not Restricted to Specific Programs		Highway User Revenue
				State Shared Taxes*	State Revenue Sharing	
2013	\$ 16,205,387	\$ 40,222,752	\$ 2,529,456	\$ 7,527,259	\$ 6,667,701	\$ 3,892,784
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

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			
	2013	2012	2011	2010
Mining & Government	\$ 970	\$ 9,534	\$ 5,234	\$ 15,141
Construction	7,027,296	4,755,592	3,251,977	5,365,079
Manufacturing	759,858	701,876	642,255	535,972
Utilities	3,656,309	3,469,559	3,275,325	3,085,682
Wholesale Trade	977,475	924,842	598,098	540,630
Retail Trade	14,265,735	13,576,350	12,950,291	11,569,427
Restaurant & Bar	5,079,528	4,763,951	4,415,910	4,161,539
Real Estate	4,405,695	3,480,031	3,510,263	2,692,806
Hotels	885,571	873,241	764,996	820,902
Services	1,700,258	1,640,296	1,771,527	1,388,178
Miscellaneous	873,005	1,414,929	1,055,398	640,388
Total*	<u>\$ 39,631,700</u>	<u>\$ 35,610,202</u>	<u>\$ 32,241,274</u>	<u>\$ 30,815,744</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					
2009	2008	2007	2006	2005	2004
\$ 11,412	\$ 6,391	\$ 1,055	\$ 371	\$ 17,116	\$ 16,597
12,779,596	17,256,194	19,305,179	15,029,430	8,915,836	6,918,462
508,454	451,147	405,882	600,356	301,797	116,997
2,448,686	2,397,905	2,115,344	1,640,534	671,037	352,894
538,279	775,843	815,930	746,566	177,946	92,257
9,568,935	9,526,853	9,789,605	8,727,607	6,397,775	5,393,963
3,687,991	3,740,867	3,996,446	3,441,051	2,544,019	2,087,339
2,227,491	2,698,200	2,603,404	1,506,238	1,011,414	693,762
854,203	1,006,334	944,488	889,513	719,181	527,267
1,176,780	1,451,721	3,725,380	643,325	441,333	483,406
<u>622,042</u>	<u>1,035,306</u>	<u>2,286,662</u>	<u>641,428</u>	<u>633,503</u>	<u>730,151</u>
<u>\$ 34,423,869</u>	<u>\$ 40,346,762</u>	<u>\$ 45,989,375</u>	<u>\$ 33,866,419</u>	<u>\$ 21,830,957</u>	<u>\$ 17,413,095</u>

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

	Fiscal Year			
	2013	2012	2011	2010
General Fund				
Reserved	\$ -	\$ -	\$ -	\$ 17,812,619
Unreserved	-	-	-	10,742,777
Nonspendable:				
Advances to other funds	961,840	961,840	961,840	-
Inventories	8,916	16,258	3,627	-
Prepaid items	486,842	500,911	422,681	-
Restricted by:				
Charter mandates	3,528,982	3,377,572	3,209,321	-
Court	234,813	261,229	198,457	-
Law enforcement	208,085	125,812	129,231	-
Transit	543,022	-	-	-
Assigned to:				
IT replacement	170,684	437,873	407,961	-
Fleet replacement	3,032,429	1,730,168	383,225	-
Risk management insurance	357,741	811,244	558,310	-
Unassigned	<u>33,325,255</u>	<u>23,074,844</u>	<u>21,481,088</u>	<u>-</u>
Total General Fund	<u>\$ 42,858,609</u>	<u>\$ 31,297,751</u>	<u>\$ 27,755,741</u>	<u>\$ 28,555,396</u>
All Other Governmental Funds				
Reserved, Reported in:				
Debt Service Funds	\$ -	\$ -	\$ -	\$ 14,891,228
Capital Projects Funds	-	-	-	1,393,549
Community Facilities District	-	-	-	47,213
Unreserved, Reported in:				
Special Revenue Funds	-	-	-	20,452,179
Capital Projects Funds	-	-	-	-
Nonspendable:				
Inventories	595,675	412,916	289,782	-
Prepaid items	36,182	45,225	46,238	-
Restricted by:				
Debt service	15,482,259	15,663,838	15,113,512	-
Development impact fees	16,241,644	21,720,718	21,992,019	-
Highway user funds	493,395	400,610	285,914	-
Capital Projects	1,695,700	-	-	-
Community Facilities Districts operations	711,980	538,410	536,230	-
Unassigned	<u>(26,073)</u>	<u>(9,854)</u>	<u>(2,336,765)</u>	<u>-</u>
Total All Other Governmental Funds	<u>\$ 35,230,762</u>	<u>\$ 38,771,863</u>	<u>\$ 35,926,930</u>	<u>\$ 36,784,169</u>

Source: Balance Sheet Governmental Funds
City financial records and reports

Table 5

Fiscal Year					
2009	2008	2007	2006	2005	2004
\$ 29,117,875	\$ 42,219,809	\$ 61,037,128	\$ 53,853,901	\$ 29,393,457	\$ 18,701,153
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 29,117,875</u>	<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>
\$ 13,597,749	\$ 15,356,746	\$ 8,726,046	\$ 7,833,170	\$ 6,643,132	\$ 6,388,963
4,110,554	10,942,787	7,810,178	21,303,978	9,704,731	-
-	-	-	-	-	-
23,153,403	25,851,665	20,649,813	19,835,781	14,475,469	8,731,725
1,435,331	27,462,037	10,220,953	3,354,296	46,019,494	21,129,201
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 42,297,037</u>	<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>

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

	Fiscal Year			
	2013	2012	2011	2010
Revenues				
Taxes	\$ 58,970,605	\$ 55,397,903	\$ 53,909,300	\$ 55,590,530
Licenses and permits	6,793,070	4,729,946	4,541,951	629,979
Intergovernmental	18,723,318	19,319,623	15,825,858	16,464,531
Charges for services	6,322,025	3,876,918	3,978,325	7,402,083
Fines and forfeits	809,334	825,971	849,060	846,143
Investment income	439,982	319,017	225,588	178,715
Special assessments	5,845,306	5,844,915	4,859,749	6,522,924
Contributions	4,024,175	3,099,952	2,707,926	3,042,851
Miscellaneous	567,839	361,202	157,090	1,942,018
Total Revenues	<u>102,495,654</u>	<u>93,775,447</u>	<u>87,054,847</u>	<u>92,619,774</u>
Expenditures				
General Government	8,060,892	8,248,394	8,194,510	6,943,802
Police	14,516,164	13,764,506	13,506,835	13,752,875
Financial Services	2,202,587	2,661,635	2,160,642	2,605,931
Community Services	-	-	-	-
Information Technology	2,868,061	2,501,280	2,346,507	2,339,204
Fire	12,248,125	11,098,327	10,538,180	10,615,080
Municipal Services	1,360,884	1,266,469	1,389,266	1,497,249
Human Resources	2,884,003	2,275,991	1,822,793	1,929,973
Development Services	5,232,999	4,557,391	4,376,985	4,654,052
Culture and Recreation	4,884,349	4,115,701	3,936,203	3,882,621
Highways and Streets	4,674,325	3,340,208	3,808,328	4,098,986
Public Works	2,093,312	2,967,386	3,047,742	3,075,759
Debt Service:				
Principal retirement	10,226,228	12,433,024	11,254,524	10,942,758
Interest and debt cost	10,987,906	10,687,152	10,645,162	11,158,130
Capital outlay	18,252,039	6,437,600	9,234,659	13,494,149
Total Expenditures	<u>100,491,874</u>	<u>86,355,064</u>	<u>86,262,336</u>	<u>90,990,569</u>
Excess of Revenues over (under)				
Expenditures	<u>2,003,780</u>	<u>7,420,383</u>	<u>792,511</u>	<u>1,629,205</u>

Table 6

Fiscal Year					
2009	2008	2007	2006	2005	2004
\$ 58,734,426	\$ 61,112,204	\$ 59,346,833	\$ 48,669,770	\$ 31,501,700	\$ 25,507,299
3,091,729	7,160,922	8,905,743	10,593,032	7,899,726	6,785,229
16,827,730	17,361,565	16,456,618	7,691,531	6,288,957	5,811,389
6,387,350	19,117,473	14,921,767	12,590,311	9,894,288	9,057,321
686,557	678,594	584,316	482,604	364,301	332,046
148,220	4,268,447	4,723,886	4,436,598	1,079,719	567,142
3,065,304	2,228,149	2,228,646	2,197,445	2,580,510	1,555,984
3,403,370	8,260,888	14,245,039	1,717,842	2,401,107	1,562,190
593,684	4,075,010	1,046,124	1,433,513	1,641,295	600,649
<u>92,938,370</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>
3,945,126	5,486,915	8,637,828	3,871,939	2,482,603	3,138,823
14,082,452	13,295,314	10,262,437	8,674,983	7,853,958	6,643,972
4,803,801	4,850,217	2,209,677	1,550,946	1,553,016	1,240,958
1,248,219	1,329,505	1,255,467	1,190,116	1,012,533	787,635
2,221,606	2,834,417	1,622,556	1,593,403	1,434,932	1,138,348
11,961,508	11,277,737	8,842,402	7,332,103	5,163,911	4,529,680
1,567,179	1,547,460	1,102,875	848,612	704,584	879,352
2,215,237	1,995,841	1,973,845	1,360,762	1,276,457	985,334
9,723,957	9,262,010	6,028,162	6,599,788	6,636,525	5,543,191
4,393,748	4,667,176	3,431,934	2,381,569	2,128,218	1,699,797
5,686,483	3,994,494	4,756,383	3,647,507	2,128,408	1,804,454
3,901,157	4,261,005	4,294,102	2,154,782	1,917,725	2,002,948
7,392,618	5,141,143	4,836,000	3,777,600	5,327,354	2,971,580
11,930,502	10,466,384	5,740,194	5,313,243	5,825,352	4,020,706
47,556,824	135,249,363	71,999,738	14,819,302	10,039,532	40,712,284
<u>132,630,417</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>(39,692,047)</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>

Continued

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

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

Source: City financial records and reports

Table 6

Fiscal Year					
2009	2008	2007	2006	2005	2004
\$ 4,123,384	\$ 11,561,671	\$ 17,288,179	\$ 18,210,420	\$ 2,933,372	\$ 2,242,149
(11,874,691)	(21,005,748)	(17,387,710)	(47,966,568)	(2,299,219)	(3,042,148)
604,500	112,248,000	16,969,302	5,005,000	42,005,000	27,050,000
5,722	2,300,192	(72,151)	-	479,593	-
-	6,415,000	-	-	-	-
-	-	-	-	-	-
<u>(3,585,000)</u>	<u>(6,734,459)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(10,726,085)</u>	<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>\$ (50,418,132)</u>	<u>\$ 13,388,927</u>	<u>\$ 2,262,992</u>	<u>\$ (55,157)</u>	<u>\$ 51,285,241</u>	<u>\$ (69,812)</u>
17.5%	6.2%	12.4%	17.9%	18.7%	18.8%

Concluded



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	
2013	\$ 16,218,397	\$ 40,222,752	\$ 2,529,456	\$ 14,194,960	\$ 6,667,701	\$ 3,892,784
2012	16,572,825	36,364,557	2,460,521	7,195,568	5,509,258	3,269,285
2011	18,862,731	32,729,749	2,316,820	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

Source: City financial records and reports

City of Goodyear
Property Tax Rates
Direct and Overlapping Governments¹
Last Eight 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
2013	1.1115	0.6635	1.7750	1.2407	0.0492	0.0110	0.1780	0.4717
2012	0.9446	0.6554	1.6000	1.2407	0.0492	0.0084	0.1780	0.4259
2011	0.7603	0.6630	1.4233	1.0508	0.0412	0.0066	0.1489	0.3564
2010	0.6320	0.9679	1.5999	0.9909	0.0353	0.0057	0.1367	0.3306
2009	0.6678	0.9322	1.6000	1.0327	0.0353	0.0053	0.1367	-
2008	0.7321	0.8679	1.6000	1.1046	0.0391	0.0053	0.1533	-
2007	0.7945	0.7991	1.5936	1.1794	0.0507	0.0068	0.2047	-
2006	0.8222	0.7778	1.6000	1.1971	0.0521	0.0069	0.2119	0.4358

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
2013	1.3778	0.1000	-	3.4284	7.4945	3.8863	6.9607	9.2259	6.9350
2012	1.2082	0.1000	0.1494	3.3598	7.4753	3.2590	6.2698	7.8626	4.9490
2011	0.9728	0.1000	0.1122	2.7889	5.3923	5.3658	6.1069	6.1935	5.4994
2010	0.8844	0.1000	0.0914	2.5750	6.0066	5.3164	5.2568	5.8681	6.2147
2009	0.9386	0.1000	0.0856	2.3342	5.7554	4.9382	5.5581	6.3843	8.3984
2008	0.9760	0.1000	0.0935	2.4718	6.4298	5.3545	6.7267	6.8078	N/A
2007	1.0646	0.1200	0.1184	2.7446	7.8564	6.8558	7.3005	7.3586	N/A
2006	1.0315	0.1200	0.1206	3.1759	7.8631	6.9430	7.4944	8.3794	N/A

Continued

City of Goodyear
Property Tax Rates
Direct and Overlapping Governments¹
Last Eight 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
	2013	0.0500	1.0000	17.1000	3.2961	2.8500	3.8528
2012	0.0500	1.0000	17.1000	2.1961	2.7298	3.4033	1.3000
2011	0.5000	1.0000	17.1000	2.3797	2.2087	2.9776	1.3000
2010	0.0500	1.0000	17.1000	2.6829	1.2146	2.1198	1.3000
2009	0.0500	1.0000	17.1000	2.6965	0.1520	1.2843	1.3000
2008	0.0500	1.0000	15.0000	3.0000	2.8500	1.7639	1.3000
2007	0.0500	1.0000	15.0000	3.0000	2.8500	3.0000	1.3000
2006	0.0500	1.0000	15.0000	3.0000	2.8500	3.0000	1.3000

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
2013	1.0000	1.0000	1.8035	0.3000	3.3150	3.3467
2012	0.8034	1.0000	1.2684	0.3000	2.8718	2.9933
2011	0.7570	1.0000	1.2952	0.3000	2.2891	2.5496
2010	0.6629	1.0000	0.2165	0.3000	1.5905	1.6561
2009	0.5313	1.0000	1.7949	0.3000	1.1703	1.3143
2008	0.8040	1.0000	1.6295	0.3000	1.3123	1.4154
2007	1.0000	1.0000	2.0000	0.3000	2.1340	2.3935
2006	1.0000	1.0000	0.3000	-	2.1893	2.3547

Concluded



Table 9

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

Taxpayer	Fiscal Year					
	2013			2004		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Arizona Public Service Company	\$ 20,690,805	1	3.42%	\$ 7,187,379	2	2.72%
VHS of South Phoenix, Inc.	8,559,046	2	1.41%	-		
NNP III Estrella Mountain Ranch, LLC	4,942,368	3	0.82%	-		
DH Goodyear, LLC	5,232,509	4	0.86%	-		
Macy's Retail Holdings, Inc.	5,211,997	5	0.86%	-		
Cardinal Capital Co	5,039,173	6	0.83%	-		
First American Title Insurance Company	4,032,152	7	0.67%	3,953,222	5	1.49%
The Market at Estrella Falls, LLC	4,653,392	8	0.77%	-		
BT Goodyear LLC	4,265,960	9	0.70%	-		
Southwest Gas Corporation	4,331,101	10	0.72%	-		
Suncor Development Company	-			13,407,371	1	5.07%
Rubbermaid, Inc.	-			4,332,598	4	1.64%
Sun Chase Estrella LP	-			5,845,800	3	2.21%
McLane Company	-			3,650,355	6	1.38%
Snyders of Hanover	-			3,466,087	7	1.31%
Qwest Communications	-			2,962,696	8	1.12%
Byrd Enterprises of Arizona Inc.	-			2,589,594	9	0.98%
CHI Construction Company	-			2,390,814	10	0.90%
Total	<u>\$ 66,958,503</u>		<u>11.06%</u>	<u>\$49,785,916</u>		<u>18.81%</u>

Source: Maricopa County Treasurer

City of Goodyear
 Assessed Value and Estimated Actual Value of Taxable Property¹
 Last Eight 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
2013	\$ 339,165,652	\$ 228,812,312	\$ 167,084,029	\$ 244,254	\$ 129,664,064	\$ 605,642,183
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.

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
\$ 0.6635	\$ 5,583,052,641	10.8%
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
2013	\$ 10,714,099	\$ 10,414,268	97.20%	\$ (29,011)	\$ 10,385,257	96.93%
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%

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

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

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

Entity	Type of User	Fiscal Year			
		2013		2008	
		Rank	Fees & Charges	Rank	Fees & Charges
Canyon Trails HOA	Homeowner's Association	1	\$ 292,061		-
Canyon Trails 4 - South	Homeowner's Association	2	249,963	2	166,139
Canyon Trails Unit 4	Homeowner's Association	3	207,683	5	145,474
Canyon Trails 3	Homeowner's Association	4	206,507	8	93,896
Cottonflower Goodyear Community	Homeowner's Association	5	192,421		-
Las Brisas Community Assoc	Homeowner's Association	6	160,246		-
Avondale Elementary School	School	7	157,016	6	105,348
Agua Fria High School	School	8	142,771	1	173,266
Cancer Treatment Center	Hospital	9	112,051		-
Sarival Paseo Joint Community	Homeowner's Association	10	111,695	3	154,195
Evergreen Lawn Sprinklers	Homeowner's Association		-	4	148,800
Centerra, LLC	Homeowner's Association		-	7	102,443
Estrella Joint Committee	Homeowner's Association		-		-
Park Shadows	Apartments		-	9	76,401
Estrella Vista HOA	Homeowner's Association		-	10	64,527
Total			\$ 1,832,414		\$ 1,230,489
Total as a percent of total Water System Operating Revenue			15.47%		13.94%

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 Five Fiscal Years ago
 (Unaudited)

Entity	Type of User	Rank	Fiscal Year			
			2013		2008	
			Fees & Charges	Rank	Fees & Charges	Rank
Arizona State Prison/Perryville	Prison	1	\$ 469,723	1	\$ 317,331	
Saint Gobain Glass Corp	Manufacturer	2	\$ 94,900		\$ -	
Cancer Treatment Center	Hospital	3	85,127		-	
Fairfield Centerra LLC	Real Estate	4	78,888		-	
Park Shadows	Apartments	5	78,240	2	50,512	
Fairfield Goodyear LLC	Apartments	6	74,012		-	
Poore Brothers, Inc.	Food Manufacturer, Snacks	7	64,458	6	22,656	
Pem Investments	Apartments	8	46,475		-	
Airport Training Center	Airport	9	44,899	5	22,656	
Alliance Residential	Real Estate	10	42,792		-	
Avondale Elementary	Education		-	7	21,794	
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			\$ 1,079,515		\$ 546,100	
Total as a percent of total Wastewater System Operating Revenue			9.51%		8.74%	

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	Rate Increase
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)

<u>Date</u>	<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 Eight 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
2013	\$ 26,555,569	\$ -	\$ -	\$ 12,431,467	\$ 42,390,000	\$ 109,823,000
2012	29,000,636	1,755,628	-	2,940,000	43,675,000	113,555,000
2011	31,358,457	3,755,628	-	4,510,000	44,900,000	117,182,000
2010	33,601,981	5,755,628	-	5,230,000	46,060,000	122,313,000
2009	35,842,739	11,755,628	-	5,910,000	47,165,000	127,125,000
2008	41,719,857	-	-	6,415,000	47,165,000	131,116,000
2007	36,050,000	-	3,185,000	3,320,000	-	76,844,000
2006	27,280,000	-	3,645,000	3,485,000	-	73,000,000

Note: Data prior to 2006 is not available.
* Applied Geographic Solutions/TIGER Geography

Source: City Financial Records and Reports

Table 15

Business-Type Activities								
Public								
General Obligation Bonds	Improvement Corporation		Water Infrastructure		Water Rights	Total	Percentage of Personal Income*	Per Capita
	Municipal Facilities Revenue Bond	Revenue Bonds	Finance Authority Loan					
\$ 85,384,431	\$ 102,180,000	\$ 31,390,000	\$ 10,998,942	\$ -	\$ 421,153,409	21.26%	5,900	
89,394,364	102,180,000	31,985,000	11,908,603	-	426,394,231	22.40%	6,341	
91,121,543	102,300,000	32,245,000	12,554,096	-	439,926,724	20.74%	6,634	
92,753,019	102,300,000	17,040,000	9,925,289	10,314,041	445,292,958	24.79%	6,822	
88,282,261	102,300,000	2,370,000	8,866,108	11,173,544	440,790,280	24.89%	7,047	
88,125,143	67,850,000	2,345,000	9,443,400	-	394,179,400	25.65%	6,742	
54,145,000		2,460,000	9,985,012	-	185,989,012	12.34%	3,335	
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
2013	111,940,000	\$ 841,716	\$ 111,098,284	10.80%	1,556
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

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, 2013
(Unaudited)

Governmental Unit	Secondary Assessed Valuation	Debt Outstanding	Estimated Percentage Applicable (a)	Estimated Share of Overlapping Debt
Debt repaid with property taxes and special assessment liens				
Overlapping Debt:				
Maricopa County	\$ 34,400,455,716	\$ -	1.76%	\$ -
Maricopa County Community College District	34,400,455,716	766,085,000	1.76%	13,483,096
Avondale Elementary School District #44	326,985,080	28,840,000	81.40%	23,475,760
Liberty Elementary School District #25	179,773,102	8,595,000	49.92%	4,290,624
Litchfield Elementary School District #79	584,148,304	35,675,000	41.72%	14,883,610
Littleton Elementary School District #65	229,140,680	17,270,000	0.03%	5,181
Agua Fria Union High School District #216	911,133,384	60,220,000	55.94%	33,687,068
Buckeye Union High School District #201	670,741,653	49,925,000	13.39%	6,684,958
Tolleson Union High School District #214	940,359,360	65,420,000	0.01%	6,542
Centerra Community Facilities District	9,805,019	3,255,000	100.00%	3,255,000
Cortina Community Facilities District	8,277,737	2,260,000	100.00%	2,260,000
Cottonflower Community Facilities District	7,685,916	2,475,000	100.00%	2,475,000
Estrella Mountain Ranch Community Facilities District	53,347,101	35,391,000	100.00%	35,391,000
Goodyear Community Facilities Utilities District #1	244,227,432	45,115,000	100.00%	45,115,000
Goodyear Community Facilities General District #1	105,258,644	11,150,000	100.00%	11,150,000
Palm Valley Community Facilities District #3	41,665,744	7,415,000	100.00%	7,415,000
Wildflower Ranch Community Facilities General District #1	4,144,951	880,000	100.00%	880,000
Wildflower Ranch Community Facilities General District #2	4,212,326	1,075,000	100.00%	1,075,000
Subtotal of overlapping debt	<u>\$ 73,121,817,865</u>	<u>\$ 1,141,046,000</u>		<u>\$ 205,532,839</u>
Direct Debt:				
City of Goodyear	\$ 605,642,183	\$ 111,940,000	100.00%	\$ 111,940,000

(a) Proportion applicable to the City of Goodyear, Arizona is computed on the ratio of secondary assessed valuation for 2012-2013

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: Mobile Elementary School District #86 has a 2012-13 SAV of 10,601,947 and overlaps the City of Goodyear approximately 36.62%. However, Mobile ESD has no outstanding debt at this time.

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

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

Note: Data prior to 2006 is not available.

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

Table 18

Fiscal Year			
2009	2008	2007	2006
\$ 1,000,721,049	\$ 764,237,138	\$ 494,913,013	\$ 391,377,371
200,144,210	152,847,428	98,982,603	78,275,474
<u>123,830,000</u>	<u>129,540,000</u>	<u>90,195,000</u>	<u>47,795,000</u>
<u>\$ 76,314,210</u>	<u>\$ 23,307,428</u>	<u>\$ 8,787,603</u>	<u>\$ 30,480,474</u>
61.87%	84.75%	91.12%	61.06%
\$ 60,043,263	\$ 45,854,228	\$ 29,694,781	\$ 23,482,642
<u>295,000</u>	<u>305,000</u>	<u>-</u>	<u>8,475,000</u>
<u>\$ 59,748,263</u>	<u>\$ 45,549,228</u>	<u>\$ 29,694,781</u>	<u>\$ 15,007,642</u>
0.49%	0.67%	0.00%	36.09%

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

Public Improvement Corporation Municipal Facilities Revenue Bonds*						
Fiscal Year Ended June 30	Operating Revenue	Pledged Revenue	Debt Service		Coverage	
			Principal	Interest		
2013	\$ 76,004,072	\$ 57,756,502	\$ 1,484,090	5,711,236	8.03	
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	

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

Note: Data prior to 2006 is not available.

* PIC 2007 Bonds issued in FY2008, PIC 2008 Bonds issued in FY2009
PIC 2011 Bonds issued in FY 2012 and PIC 2012 issued in FY2013

Source: City Financial Records and Reports

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

Fiscal Year	Population	Personal Income (in thousands)	Per Capita Personal Income*	Median Age	Education Level in Years of Schooling	Unemployment Rate
2013	71,381	\$ 1,980,537	\$ 27,746	38.4	13 to 16	8.3%
2012	67,239	1,903,133	28,304	35.2	13 to 16	8.2%
2011	66,309	2,120,960	31,986	33.5	13 to 16	9.8%
2010**	65,275	1,796,433	27,521	35.5	13 to 16	7.1%
2009	62,554	1,771,217	28,315	39.1	13 to 16	6.9%
2008	58,462	1,536,966	26,290	36.1	13 to 16	3.6%
2007	55,775	1,507,375	27,026	36.3	13 to 16	2.1%
2006	49,714	1,274,269	25,632	35.7	13 to 16	2.6%

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		
	2013			2004		
	Employees	Rank	Percentage of Total City Employment*	Employees	Rank	Percentage of Total City Employment*
Lockheed Martin	1,000	1	3.40%	-		0.00%
Arizona State Prison/Perryville	825	2	2.81%	825	1	6.08%
West Valley Hospital	600	3	2.04%	-		0.00%
Cancer Treatment Centers of America	600	4	2.04%	-		0.00%
Macy's	550	5	1.87%	-		0.00%
City of Goodyear	511	6	1.74%	200	7	1.47%
Amazon.com	500	7	1.70%	-		0.00%
Sub-Zero / Wolf	400	8	1.36%	-		0.00%
McLane Sunwest	360	9	1.22%	450	2	3.32%
Cavco Industries, Inc.	230	10	0.78%	400	3	2.95%
Newell Rubbermaid, Inc.				250	4	1.84%
Fry's Food and Drug Store				225	5	1.66%
Aviation Management Systems				220	6	1.62%
Target				175	8	1.29%
Lufthansa-German Airlines				170	9	1.25%
Arizona Galvanizing				150	10	1.11%
Total	<u>5,576</u>		<u>18.97%</u>	<u>3,065</u>		<u>22.60%</u>

¹Source: City Records

*2013 labor force = 29,389; 2004 labor force = 13,564

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

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

Function	Fiscal Year			
	2013	2012	2011	2010
General Government				
<i>City Clerk's Office</i>				
# of records requests	470	484	550	504
<i>City Prosecutor's Office</i>				
Charges filed/charges adjudicated (resolved)	2,514	3,827	3,380	3,395
<i>City Manager's Office</i>				
% of survey respondents rating "Your Neighborhood as a Place to Live" as good to excellent	94%	94%	90%	90%
<i>Communications & Public Information</i>				
News releases/media updates	59	49	150	235
Traffic construction alerts	198	307	349	253
Total newsletter pages sent to citizens	112	136	144	176
Web pages created/updated	5,356	3,709	4,215	4,825
Number of visits to website	804,542	771,938	703,174	715,285
Number of web pages viewed	2,185,489	2,203,995	2,104,553	2,208,180
Number of graphics/photography projects completed	254	262	230	217
Police				
# Total arrests	2,532	2,402	2,254	4,731
# Moving violations citations	10,259	11,468	12,581	11,810
Fire				
# Emergency responses	5,604	7,195	6,597	5,570
# Fire extinguished	243	271	235	226
# Inspections	969	212	3,229	4,262
Financial Services				
# accounts payable checks issued	6,298	6,132	6,413	8,024
# purchase orders	1,238	1,229	1,344	1,147
# water meters read annually	184,638	178,466	170,657	168,647
Planning and Development				
Customer wait-time (in minutes) at One Stop Shop	<1	< 1	< 3	< 3
Total Number of Permits Issued	3,529	3,576	3,269	4,232
Provide applicant with pre-application meeting within 30 days of submitting request	1	1	1	1
% of inspections performed within 24 hours of request	1	0.7	1	1
Human Resources				
# of new hires (FT & PT)	178	118	125	247
HR operating cost as a % of City payroll	5.01%	4.86%	4.11%	4.18%
Parks and Recreation				
# attending Park & Recreation facilities and Libraries annually	69,596	63,256	54,428	52,241
# of square feet of medians and rights of way maintained *	23,151,438	23,151,438	22,696,736	22,175,027

Table 23

Fiscal Year			
2009	2008	2007	2006
613	648	576	180
2,494	2,469	3,653	2,692
94%	94%	94%	91%
161	182	129	92
1,135	462	215	267
186	136	116	42
5,721	5,788	4,296	2,520
738,949	1,509,717	1,322,259	840,757
2,346,423	7,203,478	4,865,081	5,318,311
200	200	175	140
2,829	2,614	2,814	2,603
13,313	11,452	12,422	12,175
5,328	3,431	3,236	1,960
270	143	154	150
3,953	3,427	2,403	759
10,184	9,949	9,305	9,014
918	1,043	1,002	1,067
163,444	155,805	147,241	125,382
< 5	< 5	< 5	< 5
3,401	5,874	1,340	7,859
1	1	1	1
1	1	1	1
158	179	164	174
4.11%	4.36%	5.50%	5.26%
51,844	49,111	50,093	46,330
22,118,000	15,320,000	15,320,000	15,320,000

Continued

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

Function	Fiscal Year			
	2013	2012	2011	2010
Economic Vitality				
Sales Tax growth (% annual change)	11.29%	10.45%	4.42%	-10.40%
Bed Tax growth (% annual change)	1.41%	14.15%	-7.31%	-3.90%
Municipal Services				
# of homes serviced by Residential Refuse Collection	23,387	22,363	21,489	20,928
# of citizens serviced by Household Hazardous Waste collection program	546	503	729	848
Water Service				
Water Service Connections	17,533	16,809	14,588	14,488
Drinking Water Supplied (million gallons per day)	9.6	11.6	11.4	11.1
Reclaimed Water Supplied (million gallons per day)	0.39	0.32	0.37	0.23
Wastewater				
Sewer Service Connections	16,918	16,856	16,743	16,144
Sewage Treated (millions gallons per day)	4.15	3.82	3.73	3.73
Other Public Works				
Street resurfacing (miles)	30	24	13	0
Potholes repaired	296	264	260	372
Citizen & Neighborhood Resources				
# of new Code Enforcement cases processed per year	2,841	2,069	2,016	2,255

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			
2009	2008	2007	2006
-12.30%	-10.25%	20.71%	70.19%
-15.00%	6.00%	6.98%	22.81%
20,149	19,811	18,664	17,228
0	634	510	531
13,975	13,500	13,051	11,597
11.00	10.80	6.86	6.86
0.45	0.27	0.09	0.09
16,144	13,500	11,398	5,037
3.70	3.24	2.48	2.48
4	0	34	33
681	783	1,096	977
2,155	2,698	2,755	2,092

Concluded

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

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

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS

To the Honorable Mayor and Council
City of Goodyear, Arizona

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of City of Goodyear (the City), Arizona, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 14, 2013.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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Scottsdale, AZ 85253-4517
(480) 483-1170
Fax (480) 483-7126

Casa Grande
1115 E. Cottonwood Lane
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Casa Grande, AZ 85122-2950
(520) 836-8201
Fax (520) 426-9432

Compliance and Other Matters

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

Purpose of this Report

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

Henry + Horne LLP

Casa Grande, Arizona
November 14, 2013



HENRY & HORNE, LLP
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Honorable Mayor and Council
City of Goodyear, Arizona

Report on Compliance for Each Major Federal Program

We have audited the City of Goodyear's (the City) 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 the City's major federal programs for the year ended June 30, 2013. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

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Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of 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, 2013.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Henry + Horne LLP

Casa Grande, Arizona
November 14, 2013

CITY OF GOODYEAR
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2013

	Grant Number	Federal CFDA Number		Expenditures
U.S. Department of Housing & Urban Development:				
Passed through Maricopa County Department of Housing Community Development Block Grant	DG1003	14.218		\$ 238,291 *
Passed through Maricopa County Department of Housing Home Grant	UC0914	14.239	4,307	
Home Grant	UC1014	14.239	45,000	
Home Grant	UC1114	14.239	<u>27,715</u>	
Home Grant Subtotal				<u>77,022</u>
Total U.S. Department of Housing and Urban Development				<u>315,313</u>
U.S. Department of Transportation:				
Passed through Arizona Governor's Office of Highway Safety West Valley DUI Overtime and ERE	2013-164-037	20.608		12,548
HMEP	HZ007	20.703		4,200
Passed through Arizona Governor's Office of Highway Safety Highway Safety Cluster				
West Valley DUI Task Force Enf OT	2012-AL-037	20.600	3,493	
West Valley DUI Task Force Enf OT	2013-HF-004	20.601	24,000	
Buckle Up Arizona Enforcement Campaign	2013-OP-017	20.600	<u>4,999</u>	
Highway Safety Cluster Subtotal				<u>32,492</u>
Total U.S. Department of Transportation				<u>49,240</u>
U.S. Department of Justice:				
Passed through The Bureau of Justice Assistance: Bullet Proof Vest Partnership	2012 BPV	16.607		5,183
Passed through Maricopa County Jag Program Cluster				
JAG Program 2011	2011-DJ-BX-3298	16.738	7,356	
JAG Program 2012	2012-DJ-BX-1182	16.738	<u>2,900</u>	
Jag Program Cluster Subtotal				<u>10,256</u>
Total U.S. Department of Justice				<u>15,439</u>
U.S. Department of Energy				
ARRA - Energy Efficiency and Conservation Block Grant	DE-SC0002957	81.128		<u>81,330</u>
U.S. Department of Homeland Security:				
Passed through Arizona Division of Emergency Management CBRNE Response Team	888812-01	97.067		9,816
TLO Sustainment	888811-02	97.067		1,572
CBRNE Response Team	888811-01	97.067		48,575
TLO Sustainment	999809-02	97.067		<u>2,769</u>
Total for U.S. Department of Homeland Security				<u>62,732</u>
Total Expenditures of Federal Awards				<u>\$ 524,054</u>

*Denotes major program

CITY OF GOODYEAR, ARIZONA
NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2013

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
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year Ended June 30, 2013

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified that are not considered to be a material weakness(es)? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified that are not considered to be a material weakness(es)? yes X none reported

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

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
14.218	Community Development 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, 2013

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

None noted

City of Goodyear Comprehensive Annual Financial Report For the Year Ended June 30, 2013

City of Goodyear
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