

Comprehensive Annual Financial Report

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

City of Goodyear, Arizona
Finance Department



CITY OF GOODYEAR

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2017

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INTRODUCTORY SECTION

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



December 12, 2017

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 (City) for the fiscal year ended June 30, 2017.

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

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

The accounting firm of Heinfeld, Meech & Co., P.C., Certified Public Accountants, an independent public accounting firm, performed the city's annual financial statement audit. The auditors have issued an unmodified ("clean") opinion of the City of Goodyear's financial statements for the fiscal year ended June 30, 2017. 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 and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

CITY OF GOODYEAR PROFILE

The City of Goodyear, incorporated in 1946 and chartered in 1988, started as a small town cultivating cotton for the production of rubber tires during World War I. Over the years, Goodyear has sustained continued growth and currently encompasses approximately 191 square miles in the western portion of Maricopa County and is approximately 17 miles west of the downtown Phoenix business district. The city's growth is attributable to excellent housing, a business friendly environment, convenient access to the central valley, and outstanding school districts. The population as of June 2017 is 78,189.

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

In fiscal year 2017, a staff of 548 full-time employees working within 14 different departments performed the various functions of Goodyear's city government and its operation. The city provides a full range of municipal services, including police and fire protection, sanitation services, water and wastewater services, construction and maintenance of streets, recreational programs, parks and cultural events, public transportation, planning and zoning services, and general administrative services. Goodyear offers a wide range of community facilities including the Goodyear Ballpark, library, community center, swimming pool, and 17 parks encompassing 204 acres. The city is community-driven and includes hundreds of volunteers that serve in various capacities throughout the city which have saved the city more than \$580,000 in fiscal year 2017 alone. In addition, Goodyear continues to attract major employers with its availability of land, access to the central valley, and available commercial space.

FINANCIAL CONTROLS

Internal Controls

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

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

Budgetary Controls

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

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

LOCAL ECONOMIC CONDITION AND OUTLOOK

During fiscal year 2017, there were 1,068 new single-family residential permits issued which represents an increase of 54 permits from the prior fiscal year. Goodyear's sales tax revenues remain strong and continue to increase year over year.

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

Sales Tax

Goodyear, like all Arizona cities, is heavily reliant upon city sales tax revenues. City sales tax revenues for fiscal year 2017 increased by 5.1% over fiscal year 2016 levels and are projected to continue growing for the foreseeable future.

State Shared Revenues

The city receives revenue allocations from the State. These state shared revenues include allocations of the state-collected income tax, sales tax, fuel tax, and motor vehicle in-lieu taxes. A significant portion of this revenue is placed in the city's general fund where it is used to support day-to-day activities. The city's state shared revenues represented about 21.7% of the general fund revenue for fiscal year 2017.

Property Tax

In fiscal year 2017, the city's combined (primary and secondary) property tax rate dropped slightly to \$1.8623 per \$100 of assessed valuation. Assessed values increased resulting in a property tax levy increase of \$557,380. The stabilization in the tax rate ensured the city's ability to service currently outstanding debt and maintain basic infrastructure.

For the fiscal year 2018 budget, the Mayor and Council have adopted a total combined property tax rate of \$1.7349 per \$100 of assessed valuation, which is a slight decrease from fiscal year 2017 and includes debt service associated with a new general obligation bond issue of approximately \$25.0 million. In accordance with our adopted council financial policies, the city will only sell new general obligation bonds when a maximum combined property tax rate of \$1.74 per \$100 of assessed valuation can be maintained.

LONG-TERM FINANCIAL PLANNING

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

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

Four focus priorities are identified within the Strategic Action Plan:

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

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

MAJOR INITIATIVES

The city's management and the Economic Development Department continue to leverage our quality of life and strong financial position to take advantage of opportunities allowing for new businesses, retaining and facilitating expansions for current Goodyear businesses, and assisting in the formation of new businesses. During fiscal year 2017, over one million square feet of commercial buildings were constructed or under construction, including the location of Huhtamaki, KPS Global and a UPS hub whose first phase will be open in early fiscal year 2018. Goodyear's booming restaurant business continues with Oregano's Pizza Bistro and Texas Road House both expanding their operations after just a couple of years in operation.

With historically low bond interest rates the city initiated refundings of several different bond issues totaling more than \$131.70 million. These refundings were completed to save interest cost and to restructure debt without lengthening the term of the original issue. Overall the city realized net present value savings in excess of \$23.5 million much of which had a direct impact on the general fund through the reduction of annual debt service payments. Bonds refunded were associated with the Goodyear Ballpark, water/wastewater infrastructure and infrastructure within several of our Community Facilities Districts (CFD). Although CFD's are separate legal entities they are component units of the city and the savings directly benefit our residents.

To further strengthen our financial position the City has established several asset management funds to ensure that funding is available to maintain all of our assets at desired levels. For all categories of assets from vehicles and buildings to parks and utility infrastructure the city has established replacement plans and fully funded each of them through the assignment of fund balances. The city council takes a long term view of our operations and has established policies to integrate that view into our budgetary process. In addition to establishing fully funded asset replacement funds, we have created a set-aside mechanism to phase in operational costs associated with new facilities over several years to minimize the impact on the general fund when new facilities such as parks, fire stations and other city facilities come online. Each year ongoing funds are set aside and used for one-time expenses until these facilities are opened.

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, 2016. The City has received this prestigious award each year since 2007. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. That report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for one year only. We believe our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting this report to the GFOA to determine its eligibility for a certificate for fiscal year ended June 30, 2017.

In addition, the city also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year ending June 30, 2017. The City has received the highest form of recognition in governmental budgeting each year since 1994.

Acknowledgement

The preparation of this Comprehensive Annual Financial Report could not have been accomplished without the dedicated commitment of every member of the Finance Department. We also wish to thank the Mayor and members of the City Council, the city's Audit Committee, and the City Manager's Office for their continued support in planning and conducting the financial affairs of the city in a responsible and progressive manner.

Sincerely,



Doug Sandstrom
Finance Director



Government Finance Officers Association

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

Presented to

**City of Goodyear
Arizona**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

A handwritten signature in black ink, reading "Jeffrey R. Enen".

Executive Director/CEO



LIST OF PRINCIPAL OFFICIALS

MAYOR

Georgia Lord

VICE MAYOR

Wally Campbell

COUNCIL MEMBERS

Joanne Osborne

Joe Pizzillo

Sheri Lauritano

William Stipp

Brannon Hampton

SENIOR MANAGEMENT STAFF

Brian Dalke
City Manager

Michael Simonson
Presiding Judge

Roric Massey
City Attorney

Dan Cotterman
Deputy City Manager

Wynette Reed
Deputy City Manager

Darcie McCracken
City Clerk

Lyman Locket
Human Resources Director

Paul Luizzi
Fire Chief

Doug Sandstrom
Finance Director

Gerald Geier
Police Chief

Christopher Baker
Development Services Director

Alan Claypool
Information Technology Director

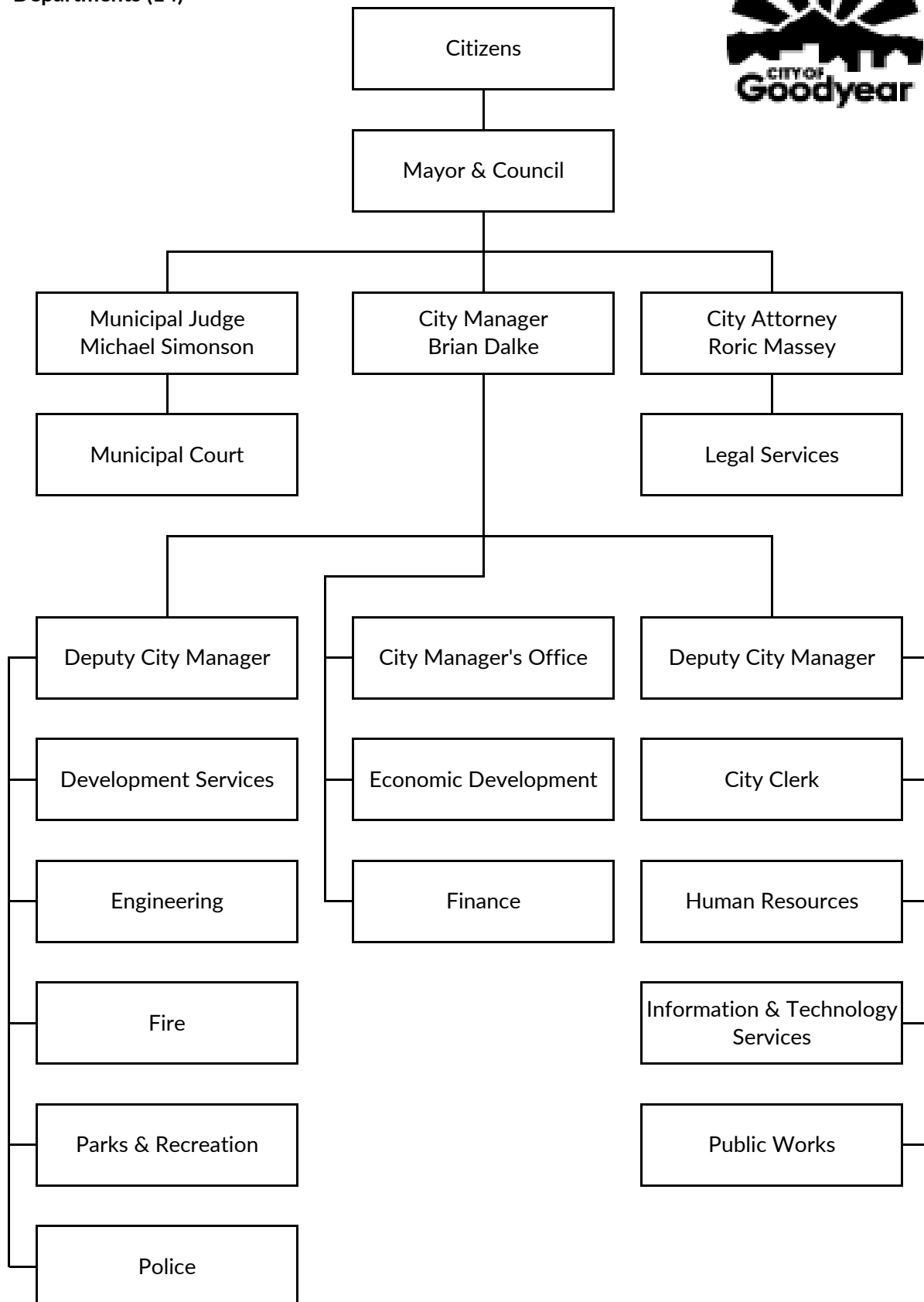
Rebecca Zook
Engineering Director

Nathan Torres
Park & Recreation Director

Michelle Lawrie
Economic Development Director

Javier Setovich
Public Works Director

Organizational Chart
Departments (14)



FINANCIAL SECTION

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of City of Goodyear, Arizona (City) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities each major fund, and the aggregate remaining fund information of the City of Goodyear, Arizona, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 1, the City implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 77, *Tax Abatement Disclosures*, for the year ended June 30, 2017, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2017, on our consideration of City of Goodyear, Arizona's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Goodyear, Arizona's internal control over financial reporting and compliance.

Heinfeld, Meech & Co., P.C.

Heinfeld, Meech & Co., P.C.
Phoenix, Arizona
December 12, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
(Required Supplementary Information)



MANAGEMENT'S DISCUSSION AND ANALYSIS For The Year Ended June 30, 2017

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, 2017. 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 1-5 of this report and is designed to be read in conjunction with the transmittal letter as well as the financial statements beginning on page 29 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 \$705.6 million (*net position*) at the close of fiscal year 2017. Of this amount, \$32.9 million represents unrestricted net position, which may be used to meet the City's ongoing obligations to citizens and creditors.
- ◆ The \$26.3 million increase in net position of the City is the result of a \$12.6 million increase in net position of governmental activities and a \$13.7 increase of business-type activities. The increase in net position of governmental activities and business-type activities is \$8.2 million more than that seen in fiscal year 2016 due to growth in sales tax revenues, charges for services revenues, and capital assets.
- ◆ As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$109.8 million, an increase of \$16.0 million (17 percent) in comparison with the prior year fund balance of \$93.8 million. Approximately 49 percent of this amount (\$53.3 million) is available for spending at the government's discretion (unassigned fund balance).
- ◆ At June 30, 2017, total unassigned fund balance for the general fund is \$53.4 million, an increase of \$778,524 (one percent) from the prior fiscal year.

OVERVIEW OF FINANCIAL STATEMENTS

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

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private sector business. All of the activities of the City, except those of a fiduciary nature, are included in these statements. The activities of the City are shown in two columns on these statements – governmental activities and business-type activities. A total column for the City is also provided.

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

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

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

The government-wide financial statements include not only the City itself (known as the primary government), but also the operations of 10 Community Facilities Districts. Although legally separate from the City, these component units are blended with the primary government because of their governance and financial relationship to the City. Separate financial statements may be obtained at the City of Goodyear's Finance Department, 190 North Litchfield Road, Goodyear, Arizona 85338.

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

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

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

The City maintains 10 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, McDowell Road Commercial Corridor Improvement District – Debt Service, and Community Facilities Districts – Debt Service, all of which are considered to be major funds. Data from the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules.

Proprietary Funds. The City maintains three proprietary funds. Proprietary funds (enterprise and internal service) utilize full accrual accounting, the same method used by private sector business. The City uses separate enterprise funds to account for its water and wastewater services, and sanitation services. These funds are considered to be major funds of the City. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The city has one internal service fund – 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.

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

Notes to the Financial Statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's budget to actual comparison and progress in funding its obligation to provide pension benefits to its employees. The required supplementary information can be found on pages 94-100 of this report.

The combining statements referred to earlier in connection with non-major governmental funds is presented immediately following the notes to the required supplementary information on pensions.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following tables, graphs and analysis discuss the financial position and changes to the financial position of the City as a whole as of the year ended June 30, 2017 with comparative information for the previous year.

Net Position

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

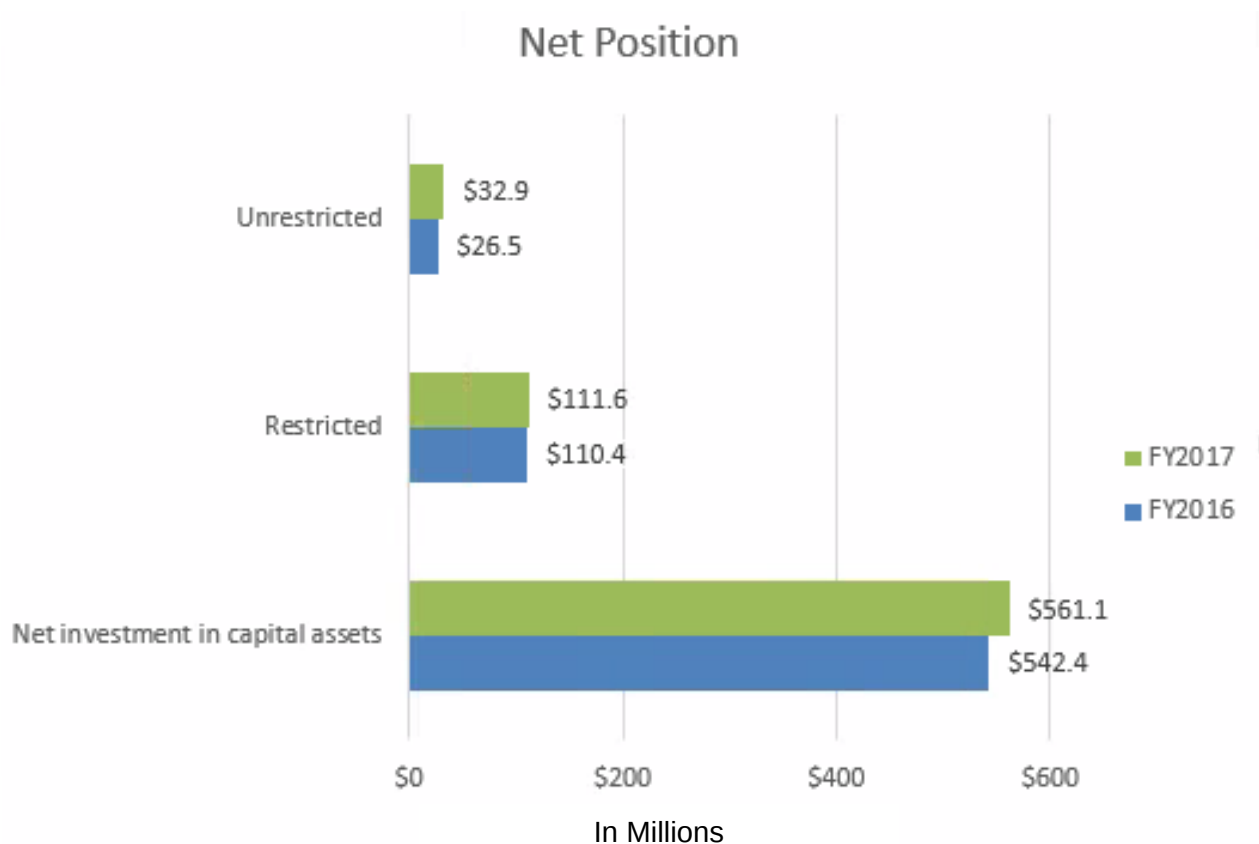
	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$194,978,728	\$170,732,974	\$ 52,691,519	\$ 50,132,038	\$ 247,670,247	\$ 220,865,012
Capital assets, net	652,711,039	533,089,517	287,651,808	396,494,737	940,362,847	929,584,254
Total assets	847,689,767	703,822,491	340,343,327	446,626,775	1,188,033,094	1,150,449,266
Deferred outflows	28,547,265	11,868,720	3,419,570	1,591,183	31,966,835	13,459,903
Current and other liabilities	24,894,828	17,791,141	6,374,502	9,558,392	31,269,330	27,349,533
Long-term liabilities	359,211,850	221,432,440	118,420,522	231,882,497	477,632,372	453,314,937
Total liabilities	384,106,678	239,223,581	124,795,024	241,440,889	508,901,702	480,664,470
Deferred inflows	4,788,586	3,303,597	677,835	624,697	5,466,421	3,928,294
Net position:						
Net investment in capital assets	379,899,821	361,739,970	181,242,982	180,640,162	561,142,803	542,380,132
Restricted for:						
Charter mandates	4,186,816	4,009,183			4,186,816	4,009,183
Capital projects	12,428,141	12,882,857	12,821,165	13,545,609	25,249,306	26,428,466
Community facilities operations	1,854,445	1,442,536			1,854,445	1,442,536
Debt service	69,904,013	72,480,741	8,251,069	4,586,110	78,155,082	77,066,851
Transit	952,239	847,446			952,239	847,446
Other purposes	1,171,851	613,303			1,171,851	613,303
Unrestricted	16,944,442	19,147,997	15,974,822	7,380,491	32,919,264	26,528,488
Total net position	<u>\$487,341,768</u>	<u>\$473,164,033</u>	<u>\$218,290,038</u>	<u>\$206,152,372</u>	<u>\$ 705,631,806</u>	<u>\$ 679,316,405</u>

The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$705.6 million at the close of fiscal year 2017 and by \$679.3 million in 2016, providing an overall increase in the City's net position of \$26.3 million. Current and other assets increased by \$26.8 million. This increase is primarily due to an increase in restricted cash related to proceeds from bonds held with trustee. Long-term liabilities increased by \$25.3 million as a result of the issuance of public improvement corporation bonds and increases in the net position liability.

The largest portion of the City's net position totaling \$561.1 million (80 percent of total net position) reflects its net investment in capital assets (e.g., land and improvements, buildings, furniture, equipment, vehicles, artwork, and infrastructure), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position totaling \$111.6 million (16 percent of total net position) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$32.9 million (four percent of total net position) is unrestricted and may be used to meet the City's ongoing obligations to its citizens and creditors.

At the end of fiscal year 2017, the City reported positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.



Governmental Activities

During the current fiscal year, the net position for governmental activities increased \$12.6 million from the prior fiscal year for an ending balance of \$487.3 million. The City's sales tax revenue increased \$2.8 million due to increased collections in non-construction sales tax and construction sales tax. Charges for services increased by \$4.4 million as a result of reclassifying the Stadium Fund to a governmental special revenue fund and increased permit valuations from the prior year. State shared revenue also increased by \$3.2 million due to improved economic conditions statewide.

Business-type Activities

The City business-type activities reported an increase of \$13.7 million in net position bringing the total net position to \$218.3 million. Charges for services revenue increased by \$1.9 million due to an increase in water and wastewater rates in January 2017 and capital grants and contributions also increased \$1.6 million due to an increase in development impact fee revenues.

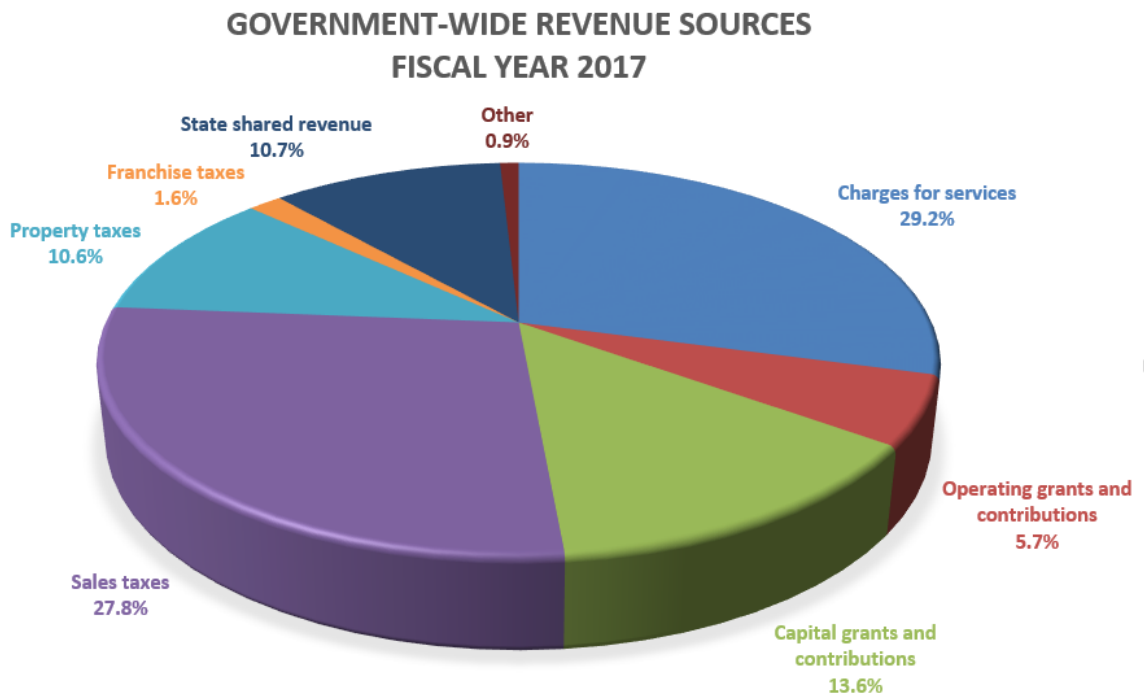
Changes in Net Position

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

	Governmental Activities		Business-type Activities		Total Primary Government		Percent Change
	2017	2016	2017	2016	2017	2016	
Revenues:							
Program revenues:							
Charges for services	\$ 15,896,063	\$ 11,541,151	\$ 38,936,643	\$ 37,083,883	\$ 54,832,706	\$ 48,625,034	12.8%
Operating grants and contributions	10,546,333	9,518,206	110,718	110,837	10,657,051	9,629,043	10.7
Capital grants and contributions	12,246,216	12,134,476	13,317,172	11,692,490	25,563,388	23,826,966	7.3
General revenues:							
Sales taxes	52,082,570	49,309,600			52,082,570	49,309,600	5.6
Property taxes	19,875,628	19,114,087			19,875,628	19,114,087	4.0
Franchise taxes	2,941,175	2,832,759			2,941,175	2,832,759	3.8
State shared revenue	20,019,457	16,848,837			20,019,457	16,848,837	18.8
Investment earnings	560,547	710,040	123,100	237,615	683,647	947,655	-27.9
Miscellaneous	886,502	393,977	31,081	22,955	917,583	416,932	120.1
Total revenues	135,054,491	122,403,133	52,518,714	49,147,780	187,573,205	171,550,913	9.3
Expenses:							
General government	20,151,975	19,824,313			20,151,975	19,824,313	1.7
Public safety	47,535,184	34,823,588			47,535,184	34,823,588	36.5
Highways and streets	19,181,162	20,753,487			19,181,162	20,753,487	-7.6
Public works	3,569,658	7,920,958			3,569,658	7,920,958	-54.9
Culture and recreation	15,363,752	6,880,654			15,363,752	6,880,654	123.3
Development services	7,316,935	7,981,904			7,316,935	7,981,904	-8.3
Interest on long-term debt	12,131,284	8,479,284			12,131,284	8,479,284	43.1
Water and wastewater			30,139,626	27,647,487	30,139,626	27,647,487	9.0
Solid waste			5,868,228	6,444,459	5,868,228	6,444,459	-8.9
Stadium				12,647,134		12,647,134	-100.0
Total expenses	125,249,950	106,664,188	36,007,854	46,739,080	161,257,804	153,403,268	5.1
Changes in net position before transfers	9,804,541	15,738,945	16,510,860	2,408,700	26,315,401	18,147,645	45.0
Transfers	2,800,000	(5,564,606)	(2,800,000)	5,564,606			
Changes in net position	12,604,541	10,174,339	13,710,860	7,973,306	26,315,401	18,147,645	45.0
Net position, beginning	473,164,033	462,989,694	206,152,372	198,179,066	679,316,405	661,168,760	2.7
Net effect of prior period adjustments	1,573,194		(1,573,194)				
Net position, beginning restated	474,737,227		204,579,178				
Net position, ending	\$ 487,341,768	\$473,164,033	\$218,290,038	\$ 206,152,372	\$ 705,631,806	\$ 679,316,405	3.9

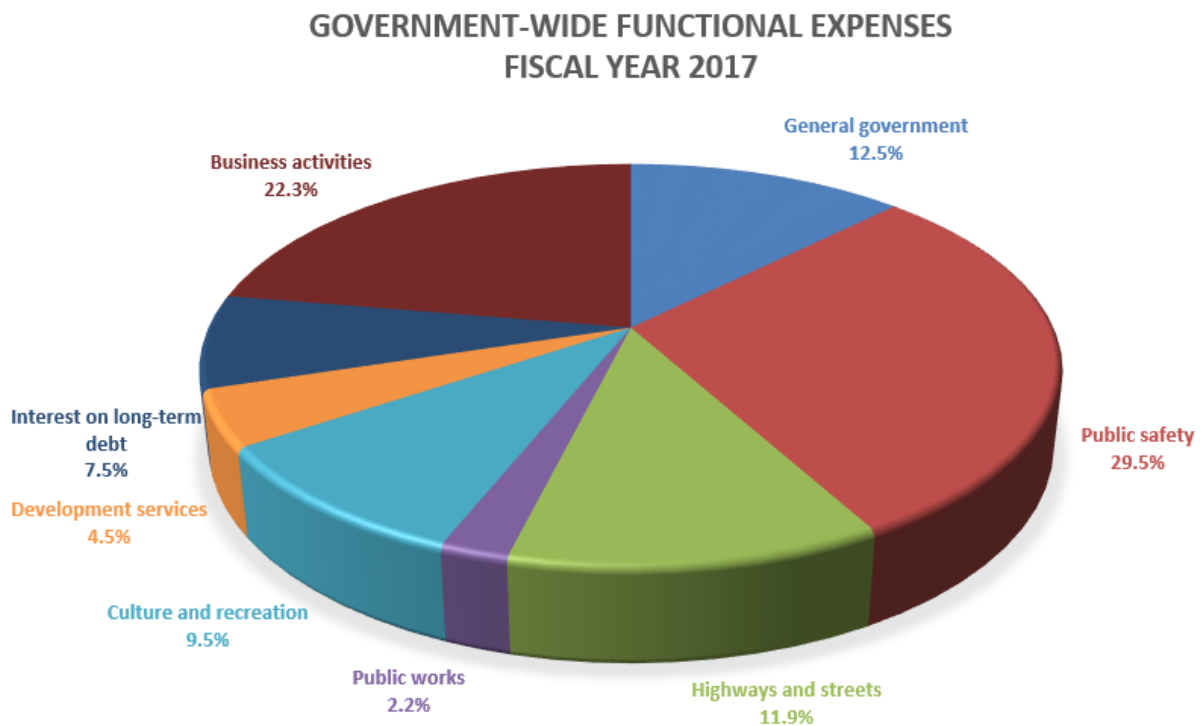
*For fiscal year ended June 30, 2017 the City reclassified stadium operations to governmental activities. See footnote 13 for further discussion.

The pie chart below is a depiction of government-wide revenue sources. Governmental activities accounts for 72 percent of total revenues, while business activities account for 28 percent of total revenues. Charges for services are the largest source of City revenue at 29 percent, a 13 percent increase from the previous fiscal year due to increased water and wastewater rates, an increase in the number of utility accounts, and increase permit valuations. The second largest source of City revenue are sales taxes at 28 percent of total revenue, which increased six percent over the previous fiscal year due to increased economic activity during the fiscal year.



The reported expenses for fiscal year 2017 increased by \$7.9 million (five percent) over the prior year. As seen in the following pie chart for government-wide functional expenses, governmental activities account for 78 percent of total functional expenses, while business-type activities account for 22 percent of total functional expenses. The line items that experienced notable changes were:

- Public works expenses account for two percent of the total government-wide expenses, a decrease of \$4.4 million (55 percent) from the prior year. This decrease is due to a large developer reimbursement for infrastructure in the prior fiscal year.
- Public safety expenses account for 29 percent of the total government-wide expenses, an increase of \$12.7 million (37 percent) from the prior year. The increase is primarily due to an increase in the City's PSPRS pension expense.
- Culture and recreation expenses account for 10 percent of the total government-wide expenses, an increase of \$8.5 (123 percent) from the prior year. This increase is attributed to the reclassification of the Stadium Fund from the prior year to governmental activities reported in the Ball Park Fund and Debt Service Fund in the current year.



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. All major governmental funds are discreetly presented on these financial statements, while non-major funds are combined into a single column.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$109.8 million, an increase of 17 percent from the previous year. The increase in fund balance is due to the issuance of public improvement bonds. Revenues increased by \$12.9 million and expenditures increased by \$21.7 million. Approximately 49 percent of the fund balance (\$53.3 million) constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of the fund balance is either non-spendable, restricted, committed or assigned to indicate that it is 1) not in spendable form (\$2.5 million), 2) restricted for particular purposes (\$43.1 million), 3) committed for particular purposes (\$1.6 million) or 4) assigned for particular purposes (\$9.3 million).

Revenues for governmental functions overall totaled \$128.9 million in the fiscal year ended June 30, 2017, which represents an increase of \$12.9 million (11 percent) from the prior fiscal year. The most significant reason for this change is due to an increase in taxes and intergovernmental revenues. The increases in these revenues was primarily due to an increase in collections of non-construction and construction sales tax. Charges for services increased \$3.4 million (59 percent) from the prior fiscal year primarily due to the Ball Park Fund being included in governmental funds during the fiscal year.

The expenditures for governmental functions totaled \$128.9 million, an increase of \$21.7 million (20 percent) from the prior year. The majority of this increase is attributed to culture and recreation and debt service. Culture and recreation accounted for \$12.1 million in expenditures for the current fiscal year, an increase of \$6.4 million from the prior fiscal year. Debt service expenditures accounted for \$27.5 million in expenditures for the current fiscal year, an increase of \$8.7 million from prior fiscal year. The increase was a result of the Stadium Fund in the prior year being reclassified into the Ball Park special revenue fund and Debt Service Fund during the fiscal year.

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 \$53.4 million, while total fund balance increased to \$70.4 million. As a measure of the general funds solvency, it may be useful to compare both unassigned fund balance and total fund balance to general fund expenditures. The unassigned fund balance represents approximately 64 percent of general fund expenditures, while total fund balance represents approximately 84 percent of general fund expenditures.

The fund balance of the City's general fund increased by \$4.6 million in the current fiscal year due primarily to growth in construction sales tax revenue.

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

The fund balance of the community facilities debt service fund decreased by \$459,729 from the prior fiscal year as a result of increased bond issuance costs.

Proprietary Funds

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

The proprietary funds net position totals \$218.3 million, resulting from an increase of \$13.7 million from the previous fiscal year. The water and wastewater fund had an increase in net position of \$12.9 million, which is due to developer contributions of infrastructure. The sanitation fund had an increase in net position of \$825,061 due to increased revenue from sanitation services and activation fees.

BUDGETARY HIGHLIGHTS

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

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

	Budgeted Expenditures	Actual Expenditures	Difference
General government	\$ 26,149,938	\$ 18,257,916	\$ 7,892,022
Capital Outlay	21,044,488	11,614,110	9,430,378

General Fund actual inflows (revenues and other financing sources) of \$98.1 million, was more than budgeted inflows of \$91.9 million, while expenditures and other financing uses of \$93.5 million was only 80 percent of final budgeted outflows of \$116.2 million.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets (net of accumulated depreciation) for its governmental and business-type activities as of June 30, 2017 amounts to \$940.4 million. Capital assets include land and improvements, artwork, construction in progress, right of way, water rights, streetscape, infrastructure, buildings and improvements and vehicles, furniture and equipment. In total, there was a slight increase of \$10.8 million from the prior year.

	Governmental Activities		Business-type Activities		Total Primary Government		Percent Change
	2017	2016	2017	2016	2017	2016	
Land and improvements	\$ 35,562,466	\$ 24,743,807	\$ 4,108,251	\$ 15,435,875	\$ 39,670,717	\$ 40,179,682	-1.3%
Artwork	247,016	204,750	146,978	146,978	393,994	351,728	12.0
Construction in progress	24,578,294	13,493,098	7,913,766	4,969,700	32,492,060	18,462,798	76.0
Right of way	90,826,343	90,518,661			90,826,343	90,518,661	0.3
Water rights			17,717,219	17,911,634	17,717,219	17,911,634	-1.1
Streetscape	9,061,008	9,061,008			9,061,008	9,061,008	0.0
Infrastructure	266,477,177	252,888,198	163,761,199	179,278,924	430,238,376	432,167,122	-0.4
Building and improvements	209,193,265	125,818,081	87,962,898	173,045,381	297,156,163	298,863,462	-0.6
Vehicles, furniture and equipment	16,765,469	16,361,913	6,041,497	5,706,245	22,806,966	22,068,158	3.3
Total	<u>\$652,711,038</u>	<u>\$533,089,516</u>	<u>\$ 287,651,808</u>	<u>\$396,494,737</u>	<u>\$ 940,362,846</u>	<u>\$929,584,253</u>	1.2

The governmental capital assets increased in fiscal 2017 for construction in progress and infrastructure. The increase in construction in progress of \$11.1 million is largely due to the construction of a police operations building, the implementation of a new financial system, improvements made to the Cleveland Indians facilities, and an asset management system. Overall there was a decrease in business-type capital assets of \$108.9 million due to the reclassification of stadium assets to governmental activities.

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

Debt Administration

At the end of the current fiscal year, the City had total long-term debt outstanding of \$374.9 million. Of this amount \$83.8 million is general obligation bonds backed by the full faith and credit of the City, \$98.8 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, assessments, and general fund revenues and \$3.6 million loan payable to Water Infrastructure Finance Authority of Arizona (WIFA) which is payable from user fees. The following schedule shows the outstanding debt obligation as of June 30, 2017 and 2016:

	Governmental Activities		Business-type Activities		Total Primary Government		Percent Change
	2017	2016	2017	2016	2017	2016	
General obligation bonds	\$ 20,471,357	\$ 18,105,233	\$ 63,298,663	\$ 72,164,767	\$ 83,770,020	\$ 90,270,000	-7.20%
Community facilities districts bonds	98,797,000	102,340,000			98,797,000	102,340,000	-3.46
Loan payable			3,591,773	3,854,322	3,591,773	3,854,322	-6.81
Revenue bonds	151,473,467	46,883,994	41,240,000	143,885,000	192,713,467	190,768,994	-1.02
Total	<u>\$270,741,824</u>	<u>\$167,329,227</u>	<u>\$ 108,130,436</u>	<u>\$219,904,089</u>	<u>\$ 378,872,260</u>	<u>\$387,233,316</u>	-2.16

The State constitution limits the amount of general obligation debt a city may issue to six percent of its total assessed valuation. The current six percent debt limitation for the City is \$52.3 million. In addition, the State constitution limit allows a city to issue an additional 20 percent of its total assessed valuation for water, wastewater, lights, transportation, public safety, open space preserves, parks, playgrounds and recreational facilities. The current 20 percent debt limitation for the City is \$174.2 million. The City has \$83.8 million of outstanding general obligation debt of which \$83,770,020 is subject to the 20 percent limit.

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

Bonded Debt Ratings As of June 30, 2017

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

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The unemployment rate for Goodyear for June 2017 was 4.4 percent, which is lower than the state rate of 5.9 percent and lower than the national rate of 5.8 percent. Arizona cities remain dependent on sales taxes and other economically sensitive tax revenues and are susceptible to slowdowns in the economy. While unemployment is not a leading economic indicator, the state of the economy will likely coincide with current unemployment rates.

The City is projecting a positive outlook for revenues in fiscal year 2018 in comparison to revenues for fiscal year 2017. Sales taxes are the dominant revenue source for the City and are conservatively projected to increase from \$42.3 million to \$45.8 million, which is an increase of eight percent. Property taxes are projected to increase from \$8.2 million to \$8.7 million, which is an increase of five percent. State shared revenues which are a combination of state shared sales tax, state shared income tax, and vehicle license tax are projected to decrease from \$20.1 million to \$20.0 million in fiscal year 2018. The City's operational budget is projected to increase by eight percent, from \$110.0 million in fiscal year 2017 to \$119.0 million in fiscal year 2018. The City's capital improvement program expenditures are budgeted for \$128.0 million which includes carryover funds of \$25.6 million for projects started in the fiscal year 2017 budget to be completed in fiscal year 2018 and an additional \$102.4 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 online at www.goodyearaz.gov/cafr. If you have questions about this report or need additional information, contact the City of Goodyear, 190 N. Litchfield Road, by mail at P.O. Box 5100, Goodyear, Arizona 85338 or by email at gyfinance@goodyearaz.gov.

BASIC FINANCIAL STATEMENTS



GOVERNMENT-WIDE FINANCIAL STATEMENTS



CITY OF GOODYEAR, ARIZONA
STATEMENT OF NET POSITION
JUNE 30, 2017

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Current assets:			
Cash and cash equivalents	\$ 52,023,384	\$ 9,738,145	\$ 61,761,529
Investments	41,921,682	20,162,211	62,083,893
Receivables	67,220,510	6,504,569	73,725,079
Due from other governments	1,276,845	290,000	1,566,845
Inventories	806,253	697,035	1,503,288
Prepays	683,056		683,056
Total current assets	<u>163,931,730</u>	<u>37,391,960</u>	<u>201,323,690</u>
Noncurrent assets:			
Restricted cash and cash equivalents	31,046,998	15,299,559	46,346,557
Non-depreciable capital assets	157,206,134	12,168,995	169,375,129
Depreciable capital assets	495,504,905	275,482,813	770,987,718
Total noncurrent assets	<u>683,758,037</u>	<u>302,951,367</u>	<u>986,709,404</u>
Total assets	<u>847,689,767</u>	<u>340,343,327</u>	<u>1,188,033,094</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Loss on refunding	7,977,655	2,217,984	10,195,639
Pension plan items	20,569,610	1,201,586	21,771,196
Total deferred outflows of resources	<u>28,547,265</u>	<u>3,419,570</u>	<u>31,966,835</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	3,045,363	1,236,641	4,282,004
Accrued payroll and employee benefits	5,043,082	216,586	5,259,668
Retainage payable	104,002		104,002
Accrued interest payable	4,485,322	1,276,150	5,761,472
Deposits	7,547,957	3,424,045	10,972,002
Unearned revenue	4,669,103		4,669,103
Compensated absences payable	1,775,772	180,337	1,956,109
Bonds payable	8,922,000	3,715,000	12,637,000
Total current liabilities	<u>35,592,601</u>	<u>10,048,759</u>	<u>45,641,360</u>
Noncurrent liabilities:			
Accrued interest payable		221,080	221,080
Non-current portion of long-term obligations	348,514,077	114,525,185	463,039,262
Total noncurrent liabilities	<u>348,514,077</u>	<u>114,746,265</u>	<u>463,260,342</u>
Total liabilities	<u>384,106,678</u>	<u>124,795,024</u>	<u>508,901,702</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension plan items	4,788,586	677,835	5,466,421
<u>NET POSITION</u>			
Net investment in capital assets	379,899,821	181,242,982	561,142,803
Restricted for:			
Charter mandates	4,186,816		4,186,816
Capital projects	12,428,141	12,821,165	25,249,306
Community facilities	1,854,445		1,854,445
Debt service	69,904,013	8,251,069	78,155,082
Transit	952,239		952,239
Other purposes	1,171,851		1,171,851
Unrestricted	16,944,442	15,974,822	32,919,264
Total net position	<u>\$ 487,341,768</u>	<u>\$ 218,290,038</u>	<u>\$ 705,631,806</u>

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

CITY OF GOODYEAR, ARIZONA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government					
Governmental activities:					
General government	\$ 20,151,975	\$ 2,368,056	\$	\$	\$ (17,783,919)
Public safety	47,535,184	1,313,160	492,943		(45,729,081)
Highways and streets	19,181,162		5,310,217	8,626,862	(5,244,083)
Public works	3,569,658				(3,569,658)
Culture and recreation	15,363,752	3,135,416			(12,228,336)
Development services	7,316,935	9,079,431	968,768	3,619,354	6,350,618
Interest on long-term debt	12,131,284		3,774,405		(8,356,879)
Total governmental activities	<u>125,249,950</u>	<u>15,896,063</u>	<u>10,546,333</u>	<u>12,246,216</u>	<u>(86,561,338)</u>
Business-type activities:					
Water and wastewater	30,139,626	31,358,803	110,718	13,317,172	
Sanitation	5,868,228	7,577,840			
Total business-type activities	<u>36,007,854</u>	<u>38,936,643</u>	<u>110,718</u>	<u>13,317,172</u>	
Total primary government	<u>\$ 161,257,804</u>	<u>\$ 54,832,706</u>	<u>\$ 10,657,051</u>	<u>\$ 25,563,388</u>	<u>(86,561,338)</u>
General revenues:					
Taxes:					
Sales taxes					52,082,570
Property taxes					19,875,628
Franchise taxes					2,941,175
State shared revenues					20,019,457
Investment income					560,547
Miscellaneous					886,502
Transfers					<u>2,800,000</u>
Total general revenues and transfers					<u>99,165,879</u>
Changes in net position					12,604,541
Net position, beginning of year, as restated					<u>474,737,227</u>
Net position, end of year					<u>\$ 487,341,768</u>

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

Net (Expense) Revenue and
Changes in Net Position

<u>Business-type Activities</u>	<u>Totals</u>
\$	\$ (17,783,919)
	(45,729,081)
	(5,244,083)
	(3,569,658)
	(12,228,336)
	6,350,618
	(8,356,879)
	<u>(86,561,338)</u>
14,647,067	14,647,067
1,709,612	1,709,612
<u>16,356,679</u>	<u>16,356,679</u>
<u>16,356,679</u>	<u>(70,204,659)</u>
	52,082,570
	19,875,628
	2,941,175
	20,019,457
123,100	683,647
31,081	917,583
(2,800,000)	
<u>(2,645,819)</u>	<u>96,520,060</u>
13,710,860	26,315,401
<u>204,579,178</u>	<u>679,316,405</u>
<u>\$ 218,290,038</u>	<u>\$ 705,631,806</u>



FUND FINANCIAL STATEMENTS

CITY OF GOODYEAR, ARIZONA
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2017

	<u>General</u>	<u>McDowell Road Commercial Corridor ID Debt Service</u>	<u>Community Facilities Districts Debt Service</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 36,156,595	\$ 104,248	\$
Investments	37,334,886		
Taxes receivable	7,153,675		84,286
Interest receivable	103,245		
Accounts receivable	986,092		60,262
Special assessments receivable		36,530,000	20,079,845
Due from other governments	721,303		
Due from other funds	939,002		
Advances to other funds	1,251,242		
Inventories			
Prepays	683,056		
Notes receivable	1,675,250		
Restricted cash and cash equivalents	263,450		15,392,991
Total assets	<u><u>\$ 87,267,796</u></u>	<u><u>\$ 36,634,248</u></u>	<u><u>\$ 35,617,384</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 2,205,958	\$	\$
Accrued payroll and employee benefits	4,833,787		
Retainage payable	104,002		
Accrued interest payable	18,450		108,943
Deposits	7,263,255		
Due to other funds			
Unearned revenue	12,048		2,848,023
Bonds payable	245,000		135,000
Advances from other funds			
Total liabilities	<u><u>14,682,500</u></u>	<u><u></u></u>	<u><u>3,091,966</u></u>
Deferred inflows of resources:			
Unavailable revenues - property taxes	60,924		33,767
Unavailable revenues - special assessments		36,530,000	20,079,845
Unavailable revenues - intergovernmental			
Unavailable revenues - other	2,172,030		
Total deferred inflows of resources	<u><u>2,232,954</u></u>	<u><u>36,530,000</u></u>	<u><u>20,113,612</u></u>
Fund balances (deficits):			
Nonspendable	1,934,298		
Restricted	5,723,952	104,248	12,411,806
Committed			
Assigned	9,294,723		
Unassigned	53,399,369		
Total fund balances	<u><u>70,352,342</u></u>	<u><u>104,248</u></u>	<u><u>12,411,806</u></u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 87,267,796</u></u>	<u><u>\$ 36,634,248</u></u>	<u><u>\$ 35,617,384</u></u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 15,762,391	\$ 52,023,234
4,586,796	41,921,682
108,264	7,346,225
12,681	115,926
426,910	1,473,264
	56,609,845
555,542	1,276,845
	939,002
	1,251,242
533,304	533,304
	683,056
	1,675,250
15,390,557	31,046,998
<u>\$ 37,376,445</u>	<u>\$ 196,895,873</u>

\$ 828,320	\$ 3,034,278
176,585	5,010,372
	104,002
2,241,645	2,369,038
284,702	7,547,957
709,698	709,698
1,809,032	4,669,103
2,975,000	3,355,000
1,251,242	1,251,242
<u>10,276,224</u>	<u>28,050,690</u>

48,373	143,064
	56,609,845
91,948	91,948
	2,172,030
<u>140,321</u>	<u>59,016,887</u>

533,304	2,467,602
24,884,909	43,124,915
1,647,416	1,647,416
	9,294,723
(105,729)	53,293,640
<u>26,959,900</u>	<u>109,828,296</u>

<u>\$ 37,376,445</u>	<u>\$ 196,895,873</u>
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CITY OF GOODYEAR, ARIZONA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2017

Total governmental fund balances	\$	109,828,296
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Amounts reported for *governmental activities* in the Statement of Net Position are different because:

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

Governmental capital assets	\$ 860,597,002	
Less accumulated depreciation	<u>(207,885,963)</u>	652,711,039

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

Property taxes	143,064	
Special assessments	56,609,845	
Intergovernmental	91,948	
Other	<u>2,172,030</u>	59,016,887

Interest payable on long-term debt is not due and payable in the current period and, therefore, is not reported in the funds.	(2,116,284)
---	-------------

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

Deferred outflows of resources related to pensions	20,569,610	
Deferred inflows of resources related to pensions	<u>(4,788,586)</u>	15,781,024

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

Compensated absences payable	(5,983,954)	
Loss on refunding	7,977,655	
Net pension liability	(62,569,805)	
Bonds payable	<u>(287,303,090)</u>	<u>(347,879,194)</u>

Net position of governmental activities	\$	<u>487,341,768</u>
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The notes to the basic financial statements are an integral part of this statement.

CITY OF GOODYEAR, ARIZONA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

	General	McDowell Road Commercial Corridor ID Debt Service	Community Facilities Districts Debt Service
Revenues:			
Taxes	\$ 60,883,516	\$	\$ 5,678,413
Licenses and permits	9,301,579		
Intergovernmental	20,019,457		
Charges for services	2,845,726		
Fines and forfeits	925,314		
Investment income	453,514	583	34,044
Special assessments		3,539,254	2,470,151
Contributions	968,768		556,620
Miscellaneous	225,471		
Total revenues	<u>95,623,345</u>	<u>3,539,837</u>	<u>8,739,228</u>
Expenditures:			
Current -			
General government	18,257,916		
Public safety	36,317,885		
Highways and streets			
Public works	2,598,519		
Culture and recreation	6,021,426		
Development services	7,182,641		
Capital outlay	11,793,466		
Debt service -			
Principal retirement	1,445,527	1,580,000	4,641,000
Interest and debt cost	241,468	1,960,050	4,589,950
Bond issuance costs			1,260,820
Total expenditures	<u>83,858,848</u>	<u>3,540,050</u>	<u>10,491,770</u>
Excess (deficiency) of revenues over expenditures	<u>11,764,497</u>	<u>(213)</u>	<u>(1,752,542)</u>
Other financing sources (uses):			
Bond issuance			
Refunding bonds issued			27,830,000
Refunding bonds premium			1,394,491
Payment to refunded bond escrow agent			(27,931,678)
Transfer in	2,800,000		
Transfer out	(9,968,632)		
Total other financing sources (uses):	<u>(7,168,632)</u>		<u>1,292,813</u>
Changes in fund balances	<u>4,595,865</u>	<u>(213)</u>	<u>(459,729)</u>
Fund balances, beginning of year, as restated	65,756,477	104,461	12,871,535
Fund balances, end of year	<u>\$ 70,352,342</u>	<u>\$ 104,248</u>	<u>\$ 12,411,806</u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 8,362,149	\$ 74,924,078
1,150	9,302,729
5,761,262	25,780,719
6,381,311	9,227,037
	925,314
72,406	560,547
	6,009,405
112,841	1,638,229
290,689	516,160
<u>20,981,808</u>	<u>128,884,218</u>
933,986	19,191,902
588,076	36,905,961
5,748,952	5,748,952
	2,598,519
6,069,440	12,090,866
4,748	7,187,389
5,835,145	17,628,611
6,915,017	14,581,544
4,121,876	10,913,344
794,417	2,055,237
<u>31,011,657</u>	<u>128,902,325</u>
<u>(10,029,849)</u>	<u>(18,107)</u>
10,968,000	10,968,000
90,300,941	118,130,941
13,152,115	14,546,606
(102,456,025)	(130,387,703)
9,968,632	12,768,632
	(9,968,632)
<u>21,933,663</u>	<u>16,057,844</u>
<u>11,903,814</u>	<u>16,039,737</u>
15,056,086	93,788,559
<u>\$ 26,959,900</u>	<u>\$ 109,828,296</u>



CITY OF GOODYEAR, ARIZONA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

Changes in fund balances - total governmental funds **\$ 16,039,737**

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

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

Capital contributions	8,562,076	
Expenditures for capitalized assets	17,443,032	
Less current year depreciation	<u>(20,188,660)</u>	5,816,448

Issuance of bonds provides current financial resources to governmental funds, but the issuance increases long term liabilities in the Statement of Net Position.		(143,645,547)
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Some revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	(24,705)	
Special assessments	(2,793,663)	
Intergovernmental	56,223	
Other	<u>370,342</u>	(2,391,803)

Interest expense in the Statement of Activities differs from the amount reported in the governmental funds because accrued interest was calculated for bonds and notes payable for the Statement of Activities, but is expensed when due for the governmental fund statements.		(50,166)
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Repayments of long-term debt principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Bond principal retirement	14,581,564	
Bond principal refunded	<u>130,387,703</u>	144,969,267

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

Current year pension contributions	5,189,935	
Pension expense	<u>(13,332,569)</u>	(8,142,634)

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

Deferred charges on issuance of debt	(570,759)	
Amortization of deferred bond items	1,458,202	
Compensated absences	<u>(878,204)</u>	<u>9,239</u>

Changes in net position in governmental activities **\$ 12,604,541**

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

CITY OF GOODYEAR, ARIZONA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017

	Enterprise Funds		
	Water & Wastewater	Sanitation	Totals
<u>ASSETS</u>			
Current assets:			
Cash and cash equivalents	\$ 7,811,141	\$ 1,927,004	\$ 9,738,145
Investments	19,938,115	224,096	20,162,211
Interest receivable	55,132	620	55,752
Accounts receivable	5,611,048	837,769	6,448,817
Due from other governments	290,000		290,000
Inventories	697,035		697,035
Total current assets	<u>34,402,471</u>	<u>2,989,489</u>	<u>37,391,960</u>
Noncurrent assets:			
Restricted cash and cash equivalents	15,299,559		15,299,559
Non-depreciable capital assets	12,168,995		12,168,995
Depreciable capital assets	274,640,242	842,571	275,482,813
Total noncurrent assets	<u>302,108,796</u>	<u>842,571</u>	<u>302,951,367</u>
Total assets	<u>336,511,267</u>	<u>3,832,060</u>	<u>340,343,327</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Loss on refunding	2,217,984		2,217,984
Pension plan items	1,044,917	156,669	1,201,586
Total deferred outflows of resources	<u>3,262,901</u>	<u>156,669</u>	<u>3,419,570</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	854,752	381,889	1,236,641
Accrued payroll and employee benefits	190,083	26,503	216,586
Accrued interest payable	1,276,150		1,276,150
Deposits	3,424,045		3,424,045
Due to other funds			
Compensated absences payable	161,749	18,588	180,337
Bonds payable	3,715,000		3,715,000
Total current liabilities	<u>9,621,779</u>	<u>426,980</u>	<u>10,048,759</u>
Noncurrent liabilities:			
Accrued interest payable	221,080		221,080
Non-current portion of long-term obligations	113,769,785	755,400	114,525,185
Total noncurrent liabilities	<u>113,990,865</u>	<u>755,400</u>	<u>114,746,265</u>
Total liabilities	<u>123,612,644</u>	<u>1,182,380</u>	<u>124,795,024</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension plan items	593,062	84,773	677,835
<u>NET POSITION</u>			
Net investment in capital assets	180,400,411	842,571	181,242,982
Restricted for:			
Capital projects	12,821,165		12,821,165
Debt service	8,251,069		8,251,069
Unrestricted	14,095,817	1,879,005	15,974,822
Total net position	<u>\$ 215,568,462</u>	<u>\$ 2,721,576</u>	<u>\$ 218,290,038</u>

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

Governmental
Activities:
Internal Service
Funds

\$ 150

272,949

273,099

273,099

11,085

32,710

229,304

273,099

273,099

\$

CITY OF GOODYEAR, ARIZONA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Enterprise Funds		
	Water & Wastewater	Sanitation	Totals
Operating revenues:			
Charges for services	\$ 31,358,803	\$ 7,577,840	\$ 38,936,643
Miscellaneous	22,081	9,000	31,081
Total operating revenues	<u>31,380,884</u>	<u>7,586,840</u>	<u>38,967,724</u>
Operating expenses:			
Administration	4,369,197	688,329	5,057,526
Costs of sales and services	14,102,586	5,044,772	19,147,358
Depreciation and amortization	7,343,823	144,642	7,488,465
Total operating expenses	<u>25,815,606</u>	<u>5,877,743</u>	<u>31,693,349</u>
Operating income (loss)	<u>5,565,278</u>	<u>1,709,097</u>	<u>7,274,375</u>
Nonoperating revenues (expenses):			
Intergovernmental	422,888		422,888
Investment income	116,651	6,449	123,100
Gain on sale of assets	11,624	9,515	21,139
Interest expense	(4,335,644)		(4,335,644)
Total nonoperating revenues (expenses)	<u>(3,784,481)</u>	<u>15,964</u>	<u>(3,768,517)</u>
Income (loss) before capital contributions and transfers	<u>1,780,797</u>	<u>1,725,061</u>	<u>3,505,858</u>
Capital contributions	13,005,002		13,005,002
Transfer out	<u>(1,900,000)</u>	<u>(900,000)</u>	<u>(2,800,000)</u>
Changes in net position	<u>12,885,799</u>	<u>825,061</u>	<u>13,710,860</u>
Total net position, beginning of year	202,682,663	1,896,515	204,579,178
Total net position, end of year	<u>\$ 215,568,462</u>	<u>\$ 2,721,576</u>	<u>\$ 218,290,038</u>

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

Governmental
Activities:
Internal Service
Funds

\$ 1,838,377
4,662
1,843,039

68,019
1,775,020

1,843,039

\$

**CITY OF GOODYEAR, ARIZONA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2017**

	Water & Wastewater	Sanitation
<u>Increase/Decrease in Cash and Cash Equivalents</u>		
Cash flows from operating activities:		
Cash received from contributions	\$ 29,990,249	\$ 7,503,920
Cash payments to suppliers for goods and services	(15,199,140)	(5,102,829)
Cash payments for claims	(3,922,924)	(762,794)
Net cash provided by/used for operating activities	10,868,185	1,638,297
Cash flows from investing activities:		
Purchase of investments	(5,335,168)	(346)
Investment income	97,505	6,380
Net cash provided by/used for investing activities	(5,237,663)	6,034
Cash flows from noncapital financing activities:		
Due from (to) other funds	(290,000)	
Transfers in	(1,900,000)	(900,000)
Net cash provided by noncapital financing activities	(2,190,000)	(900,000)
Cash flows from capital and related financing activities:		
Principal paid on long-term debt	(3,287,528)	
Interest and fiscal fees	(4,539,222)	
Bond proceeds	39,573,336	
Payment to escrow agent for bond refunding	(38,541,095)	
Intergovernmental revenue	312,170	
Build America Bond interest subsidy	110,718	
Change in capital assets	(7,314,915)	(141,007)
Development impact fees received	8,031,455	
Net cash provided by capital and related financing activities	(5,655,081)	(141,007)
Net increase/decrease in cash and cash equivalents	(2,214,559)	603,324
Cash and cash equivalents, beginning of year	25,325,259	1,323,680
Cash and cash equivalents, end of year	\$ 23,110,700	\$ 1,927,004

Reconciliation of Operating Income/Loss to Net Cash Provided by/Used for Operating Activities

Operating income/loss	\$ 5,565,278	\$ 1,709,097
Adjustments to reconcile operating income/loss to net cash used for operating activities:		
Changes in assets and liabilities:		
Depreciation and amortization	7,343,823	144,642
Increase/decrease in accounts receivable	(1,390,635)	(82,920)
Increase/decrease in inventories	(121,726)	
Increase/decrease in accounts payable	(129,112)	(58,057)
Increase/decrease in accrued payroll and benefits	24,607	(3,676)
Increase/decrease in deposits held for others	(845,716)	
Increase/decrease in compensated absences payable	154,497	1,336
Increase/decrease in pension expense	267,169	(72,125)
Total adjustments	5,302,907	(70,800)
Net cash provided by/used for operating activities	\$ 10,868,185	\$ 1,638,297
Noncash investing, capital and financing activities:		
Contributions of capital assets	\$ 4,973,547	
Amortization of bond premiums and discounts	279,270	
Amortization of deferred loss on refunding	143,455	

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

<u>Totals</u>	<u>Internal Service Funds</u>
\$ 37,494,169	\$ 1,843,045
(20,301,969)	(1,841,074)
<u>(4,685,718)</u>	<u>(64,021)</u>
12,506,482	(62,050)
(5,335,514)	
<u>103,885</u>	
(5,231,629)	
(290,000)	62,050
<u>(2,800,000)</u>	
(3,090,000)	62,050
(3,287,528)	
(4,539,222)	
39,573,336	
(38,541,095)	
312,170	
110,718	
(7,455,922)	
<u>8,031,455</u>	
(5,796,088)	
(1,611,235)	
<u>26,648,939</u>	<u>150</u>
\$ <u><u>25,037,704</u></u>	\$ <u><u>150</u></u>

\$ 7,274,375 \$

7,488,465	
(1,473,555)	6
(121,726)	(72,792)
(187,169)	6,738
20,931	3,998
(845,716)	
155,833	
<u>195,044</u>	
5,232,107	(62,050)
\$ <u><u>12,506,482</u></u>	\$ <u><u>(62,050)</u></u>

\$ 4,973,547
279,270
143,455

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



**CITY OF GOODYEAR, ARIZONA
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2017**

	<u>Pension Trust</u>	<u>Agency</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$	\$ 35,329
Investments	448,138	
Total assets	<u>448,138</u>	<u>\$ 35,329</u>
<u>LIABILITIES</u>		
Deposits held for others		\$ 35,329
Total liabilities		<u>\$ 35,329</u>
<u>NET POSITION</u>		
Held in trust	<u>\$ 448,138</u>	

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

**CITY OF GOODYEAR, ARIZONA
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2017**

	<u>Pension Trust</u>
Additions:	
Investment income	<u>\$ 77,296</u>
Total additions	<u>77,296</u>
Deductions:	
Benefits	<u>32,068</u>
Total deductions	<u>32,068</u>
Changes in net position	<u>45,228</u>
Net position, beginning of year	402,910
Net position, end of year	<u><u>\$ 448,138</u></u>

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

Notes to the Financial Statements

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

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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

During the year ended June 30, 2017, the City implemented the provisions of GASB Statement No. 77, Tax Abatement Disclosures. This Statement establishes standards for disclosing tax abatement agreements the City entered into and agreements that other governments entered into that reduced the City's tax revenues.

A. Reporting Entity

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

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

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

- Goodyear Community Facilities General District No. 1
- Goodyear Community Facilities Utilities District No. 1
- Wildflower Ranch Community Facilities District No. 1
- Wildflower Ranch Community Facilities District No. 2
- Estrella Mountain Ranch Community Facilities District
- Cottonflower Community Facilities District
- Centerra Community Facilities District
- Cortina Community Facilities District
- Palm Valley Community Facilities District No. 3
- King Ranch Community Facilities District

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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, 2017, fund balances of the governmental funds are classified as follows:

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

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

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

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the City's adopted policy, the City appropriates funding for information technology (IT) replacement, fleet replacement, risk management, police and fire equipment and parks asset management reserves. In addition, amounts encumbered related to projects that carry over into the next fiscal year are reported as assigned. The accumulated appropriations for these purposes which have not been spent are reflected as assigned fund balances. Only City Council or the City's Finance Director may assign amounts for specific purposes.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The General Fund has Unassigned Funds consisting of a contingency reserve in the amount of \$15.4 million. The contingency reserve is used to set aside resources to cover unanticipated deficits or revenue reductions that may be caused by adverse economic conditions or public emergency. The amount of the contingency reserve is a minimum of three months of operating expenditures which is estimated from the prior year's budgeted expenditures.

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

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City reports the following major governmental funds:

General Fund - This fund is the general operating fund of the City. It accounts for all financial resources of the City, except those either required to be accounted for in other funds or when the city determines there is an operational advantage to do so.

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

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

The City reports the following major proprietary funds:

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

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

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Special Revenue Funds

Highway User Revenue Fund (HURF)

Community Facilities Districts

Grants Fund

Ball Park Fund

Debt Service Fund

Capital Projects Funds

Non-Utility Development Impact Fees Fund

Community Facilities Districts Capital Projects Fund

E. Cash and Cash Equivalents

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

F. Investments

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

G. Receivables and Payables

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

H. Inventory

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

I. Prepaid Items

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

J. Restricted Assets

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

K. Capital Assets

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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, Furniture and Equipment	3-20
Water Rights	100

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

L. Deferred Outflows/Inflows of Resources

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

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

M. Compensated Absences

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

N. Long-term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net position. Bond premiums and discounts amortized over the life of the bonds using the straight-line method. Deferred amounts on refunding result from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

O. Inter-fund Activity

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

P. Estimates

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

Q. Budgetary Data

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

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

Prior to June 30, the City Council legally enacts the budget, through the passage of an ordinance. The ordinance sets the limit for expenditures for the year, within the voter mandated state expenditure limitation. Additional expenditures may be authorized if directly necessitated by a natural or man-made disaster as prescribed in the state constitution. There were no supplemental appropriations made during fiscal year 2017.

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The budgets are adopted on a basis differing from GAAP in that for budgetary purposes: (1) bond proceeds for enterprise funds are considered revenue; (2) capital outlays for enterprise funds are treated as expenses; (3) debt service principal payments are treated as expenses for enterprise funds; (4) accrued compensated absences are not recognized as expenses; (5) depreciation and amortization are not recognized as expenses; (6) contributions to pension plans are recognized as an expense rather than pension expense for enterprise funds.

R. Pensions

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

NOTE 2 CASH AND INVESTMENTS

At June 30, 2017, cash and cash equivalents are presented as follows:

	Governmental Activities	Business Activities	Fiduciary Funds	Total
Cash and cash equivalents	\$ 52,023,384	\$ 9,738,145	\$ 35,329	\$ 61,796,858
Restricted cash and cash equivalents	31,046,998	15,299,559		46,346,557
Total	<u>\$ 83,070,382</u>	<u>\$ 25,037,704</u>	<u>\$ 35,329</u>	<u>\$ 108,143,415</u>

The restricted cash and cash equivalents are proceeds from debt issuances that are held in trustee accounts for the purpose of major capital improvements as well as funds held in trustee accounts for the purpose of debt service payments. The City also restricts the cash and cash equivalents in the Community Facilities Districts Debt Service Fund.

Deposits

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

At June 30, 2017, the City had \$13,650 of cash on hand. The carrying amount of the City's cash in bank totaled \$5,688,580 and the bank balance was \$7,655,627. Of the bank balance, \$500,000 was covered by federal depository insurance and the remaining balance of \$7,155,627 was covered by the Statewide Pooled Collateral Program.

NOTE 2 CASH AND INVESTMENTS

Cash Equivalents

The City invests in the Local Government Investment Pool 5 (LGIP), an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. The LGIP is not registered with the Securities Exchange Commission under the 1940 Investment Advisors Act. The State Board of Investment has oversight responsibilities of the investment pool in accordance with ARS 35-311. The pool's policy is to invest in fixed-rate securities with a final maturity less than 36 months from the settlement date of the purchase and variable-rate securities with final maturity less than 5 years. The weighted average to maturity is 37 days. The net asset value per share of the pool at June 30, 2017 was \$1.00. The Arizona State Treasurer issues a publicly available financial report that includes financial statements and required supplementary information. Copies may be obtained by contacting the Arizona State Treasurer, 1700 West Washington, Phoenix, Arizona 85007 or www.aztreasury.gov.

Funds held in the State Treasurer's Local Government Investment Pool represent a proportionate interest in the pool's portfolio; however, the City's portion is not identified with specific investments and is not subject to custodial credit risk. At June 30, 2017, the City's funds invested with the State Treasurer totaled \$63,080,435.

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

Investment Type	Total	Remaining Maturity (in Years)
		Less than 1
LGIP	\$ 63,080,435	\$ 63,080,435
Total	<u>\$ 63,080,435</u>	<u>\$ 63,080,435</u>

Investment Type	Total	Rating as of Year End
		AAAF/S1+
LGIP	\$ 63,080,435	\$ 63,080,435
Total	<u>\$ 63,080,435</u>	<u>\$ 63,080,435</u>

Investments

The City's portfolio complies with Arizona Revised Statutes (ARS) and the City's investment policy. The Arizona Revised Statutes regulate the investment of surplus cash. Goodyear limits its investments to U.S. government securities, certificates of deposit, bonds, repurchase agreements, corporate notes, commercial paper, and money market accounts. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. U.S. Treasury securities and Money Market Accounts are valued using quoted market prices (Level 1 inputs); while U.S. Agencies, Corporate Notes, Mutual Funds and Commercial Paper are valued using a matrix pricing model (Level 2 inputs).

NOTE 2 CASH AND INVESTMENTS

At June 30, 2017 the City's investments included the following:

Investment Type	Total	Remaining Maturity (in Years)			Concentration of Credit Risk
		Less than 1	1 to 2	More than 2	
Federal Agency Securities	\$ 30,321,713	\$ 13,875,889	\$ 16,445,824	\$	48%
U.S. Treasuries	16,810,073	177,636	16,632,437		27
Corporate Notes	10,080,579		6,689,361	3,391,218	16
Commercial Paper	4,798,429		4,798,429		8
Mutual Fund	448,138	448,138			1
Goldman Sachs Govt Fund	73,099	73,099			
Total	<u>\$ 62,532,031</u>	<u>\$ 14,574,762</u>	<u>\$ 44,566,051</u>	<u>\$ 3,391,218</u>	<u>100%</u>

Investment Type	Total	AAA	AA+	AA	AA-	A+	A	A-	A-1	BBB+	AAAm	Not Rated
Federal Agency Securities	\$30,321,713	\$	\$30,321,713	\$	\$	\$	\$	\$	\$	\$	\$	\$
U.S. Treasuries	16,810,073		16,810,073									
Corporate Notes	10,080,579	494,074	593,590	682,833	1,824,707	1,578,357	2,193,287	2,410,567		303,164		
Commercial paper	4,798,429								4,798,429			
Mutual Fund	448,138											448,138
Goldman Sachs Govt Fund	73,099										73,099	
Total	<u>\$62,532,031</u>	<u>\$494,074</u>	<u>\$47,725,376</u>	<u>\$682,833</u>	<u>\$1,824,707</u>	<u>\$1,578,357</u>	<u>\$2,193,287</u>	<u>\$2,410,567</u>	<u>\$4,798,429</u>	<u>\$303,164</u>	<u>\$73,099</u>	<u>\$448,138</u>

Custodial Credit Risk

To control custodial credit risk, State law and the City's investment policy requires all securities and collateral to be held by an independent third party custodian in the City's name. The custodian provides the City with monthly market values. The City is invested in treasury money market accounts through the trust department of Wells Fargo, US Bank, and Bankers Trust. The money market accounts have a value of \$39,360,750 at June 30, 2017.

Interest Rate Risk

Interest rate risk is the risk of changes in market interest rates that will adversely affect the fair value of an investment. In order to limit interest rate and market risk, State law and the City's investment policy sets a maximum maturity on any investment to five years. In addition, the City has adopted an average portfolio duration limitation (ranging from 90 days to three years) consistent with the primary investment objective of safety, liquidity and yield. As of June 30, 2017 the average portfolio duration was 1.8 years.

Credit Risk

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

NOTE 2 CASH AND INVESTMENTS

Concentration of Credit Risk

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

NOTE 3 RECEIVABLES

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

	General Fund	McDowell Road Commercial ID Debt Service	Community Facilities Districts Debt Service	Non-Major Governmental Funds	Total
Receivables:					
Taxes	\$ 7,153,675	\$	\$ 84,286	\$ 108,264	\$ 7,346,225
Interest	103,245			12,681	115,926
Accounts	986,092		60,262	426,910	1,473,264
Special assessments		36,530,000	20,079,845		56,609,845
Notes	1,675,250				1,675,250
Total Receivables	<u>\$ 9,918,262</u>	<u>\$ 36,530,000</u>	<u>\$ 20,224,393</u>	<u>\$ 547,855</u>	<u>\$ 67,220,510</u>

As of June 30, 2017, the special assessment and notes receivable balances are not expected to be collected with the next year. Special assessment receivables will be collected in conjunction with the debt retirement schedule for the related bonds outstanding. The notes receivable mature in 2044 and accrue interest at 3.26 percent annum.

The following table summarizes the City's receivables for the proprietary funds as of June 30, 2017.

	Water and Wastewater Fund	Sanitation Fund	Total
Receivables:			
Interest	\$ 55,132	\$ 620	\$ 55,752
Accounts	5,624,441	844,728	6,469,169
Less:			
Allowance	(13,393)	(6,959)	(20,352)
Total Receivables	<u>\$ 5,666,180</u>	<u>\$ 838,389</u>	<u>\$ 6,504,569</u>

Revenues of the Water & Wastewater Fund and Sanitation Fund are reported net of uncollectible amounts. Total bad debt expense related to the Water & Wastewater Fund revenues and Sanitation Fund revenues for the current year are \$48,111 and \$14,409, respectively.

NOTE 4 CAPITAL ASSETS

A summary of capital assets activity for the fiscal year ended June 30, 2017 follows:

Governmental Activities	Beginning Balance, as restated	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 32,489,008	\$ 4,464	\$	\$ 32,493,472
Artwork	204,750	42,266		247,016
Construction in progress	13,493,098	15,019,044	3,933,848	24,578,294
Right of Way	90,783,661	42,682		90,826,343
Streetscape	9,061,008			9,061,008
Total capital assets, not being depreciated	<u>146,031,525</u>	<u>15,108,456</u>	<u>3,933,848</u>	<u>157,206,133</u>
Capital assets, being depreciated:				
Land improvements	4,443,171			4,443,171
Infrastructure	374,789,892	7,575,605		382,365,497
Buildings and improvements	268,191,237	4,364,841		272,556,078
Vehicles, furniture and equipment	41,494,604	2,890,054	358,536	44,026,122
Total capital assets being depreciated	<u>688,918,904</u>	<u>14,830,500</u>	<u>358,536</u>	<u>703,390,868</u>
Less accumulated depreciation for:				
Land improvements	(1,078,316)	(295,861)		(1,374,177)
Infrastructure	(107,066,632)	(8,821,688)		(115,888,320)
Buildings and improvements	(55,424,311)	(7,938,502)		(63,362,813)
Vehicles, furniture and equipment	(24,486,580)	(3,132,609)	(358,536)	(27,260,653)
Total accumulated depreciation	<u>(188,055,839)</u>	<u>(20,188,660)</u>	<u>(358,536)</u>	<u>(207,885,963)</u>
Total capital assets, being depreciated, net	<u>500,863,065</u>	<u>(5,358,160)</u>		<u>495,504,905</u>
Governmental activities capital assets, net	<u>\$ 646,894,590</u>	<u>\$ 9,750,296</u>	<u>\$3,933,848</u>	<u>\$ 652,711,038</u>
Business-type Activities	Beginning Balance, as restated	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 4,060,819	\$ 47,432	\$	\$ 4,108,251
Artwork	146,978			146,978
Construction in progress	4,969,700	4,708,870	1,764,804	7,913,766
Total capital assets, not being depreciated	<u>9,177,497</u>	<u>4,756,302</u>	<u>1,764,804</u>	<u>12,168,995</u>
Capital assets, being depreciated:				
Infrastructure	208,221,776	3,384,090		211,605,866
Buildings and improvements	104,485,544	4,500,276		108,985,820
Vehicles, furniture and equipment	14,068,597	1,575,701	99,212	15,545,086
Water rights	19,562,714			19,562,714
Total capital assets being depreciated	<u>346,338,631</u>	<u>9,460,067</u>	<u>99,212</u>	<u>355,699,486</u>
Less accumulated depreciation for:				
Infrastructure	(43,777,912)	(4,066,755)		(47,844,667)
Buildings and improvements	(18,389,007)	(2,633,915)		(21,022,922)
Vehicles, furniture and equipment	(9,008,464)	(593,302)	(98,177)	(9,503,589)
Water rights accumulation	(1,651,080)	(194,415)		(1,845,495)
Total accumulated depreciation	<u>(72,826,463)</u>	<u>(7,488,387)</u>	<u>(98,177)</u>	<u>(80,216,673)</u>
Total capital assets, being depreciated, net	<u>273,512,168</u>	<u>1,971,680</u>	<u>197,389</u>	<u>275,482,813</u>
Business-type activities capital assets, net	<u>\$ 282,689,665</u>	<u>\$ 6,727,982</u>	<u>\$1,765,839</u>	<u>\$ 287,651,808</u>

NOTE 4 CAPITAL ASSETS

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 617,511
Public safety	2,173,258
Highway and streets	13,345,057
Culture and recreation	3,120,812
Public works	932,022
Total depreciation expense	<u>\$ 20,188,660</u>
Business-type activities:	
Water and wastewater	\$ 7,343,744
Sanitation	144,643
Total depreciation expense	<u>\$ 7,488,387</u>

NOTE 5 LOAN PAYABLE

The City received a loan from the Water Infrastructure Finance Authority. The loan was used for expansion of an effluent wastewater facility and to rehabilitate an existing effluent lift station. The loan payable at June 30, 2017, is as follows:

Description	Interest Rate (Including Fees)	Maturity	Outstanding Principal June 30, 2017	Due Within One Year
Business-type activities:				
Water Infrastructure Finance Authority Loan	2.00%	7/1/17-29	\$ 3,591,773	\$ 267,801
Total business-type activities			<u>\$ 3,591,773</u>	<u>\$ 267,801</u>

Annual debt service requirements to maturity on the loans payable at June 30, 2017 are summarized as follows:

Year ending June 30:		Business-type Activities	
		Principal	Interest
	2018	\$ 267,801	\$ 71,835
	2019	273,157	66,479
	2020	278,620	61,016
	2021	284,193	55,444
	2022	289,877	49,760
	2023-27	1,538,700	159,483
	2028-29	659,425	19,848
Total		<u>\$ 3,591,773</u>	<u>\$ 483,866</u>

NOTE 6 GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at June 30, 2017, consisted of the outstanding general obligation and refunding bonds presented below. The bonds are generally callable with interest payable semi-annually. Of the total amounts originally authorized, \$167,660,449 remains unissued. The bonds payable at June 30, 2017 are presented below.

Purpose	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2017	Due Within One Year
Governmental activities:				
General Obligation Bonds				
Series 2008	4.25-6.00%	7/1/18	\$ 269,968	\$
General Obligation Bonds Refunding				
Series 2009	5.00-5.25%	7/1/27-29	604,500	
General Obligation Bonds Refunding Series				
2010 (Build America Bonds)	5.40-6.00%	7/1/20-30	105,000	
General Obligation Bonds Refunding				
Series 2012	4.00%	7/1/18	1,250,000	
General Obligation Bonds Refunding				
Bond Series 2016	2.00-4.00%	7/1/18-37	18,241,889	
Total governmental activities			<u>\$ 20,471,357</u>	<u>\$</u>
Business-type activities:				
General Obligation Bonds				
Series 2008	4.25-6.00%	7/1/18	\$ 1,105,042	\$
General Obligation Bonds Refunding				
Series 2009	5.00-5.25%	7/1/27-29	4,975,500	
General Obligation Bonds Refunding Series				
2010 (Build America Bonds)	5.40-6.30%	7/1/21-30	5,710,000	
General Obligation Bonds Refunding				
Series 2010	4.02-5.13%	7/1/21-30	4,610,000	
General Obligation Bonds Refunding				
Series 2014	3.60-4.00%	7/1/18-20	11,215,000	2,465,000
General Obligation Bonds Refunding				
Bond Series 2016	2.00-4.00%	7/1/18-37	35,683,121	
Total business-type activities			<u>\$ 63,298,663</u>	<u>\$ 2,465,000</u>
Total			<u>\$ 83,770,020</u>	<u>\$ 2,465,000</u>

NOTE 6 GENERAL OBLIGATION BONDS PAYABLE

Annual debt service requirements to maturity on general obligation bonds payable at June 30, 2017 are summarized as follows:

Year ending June 30:	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2018	\$	\$ 707,839	\$ 2,465,000	\$ 2,199,112
2019	2,736,176	617,317	4,733,824	2,060,234
2020	1,477,813	572,983	5,162,187	1,935,869
2021	1,623,497	527,325	5,316,503	1,802,306
2022	1,564,817	464,299	3,035,183	1,670,588
2023-27	8,609,411	1,466,132	17,095,609	6,418,161
2028-32	2,246,887	462,290	16,433,113	2,392,171
2033-37	1,807,313	160,950	7,397,687	658,800
2038	405,443	12,163	1,659,557	49,787
Total	<u>\$ 20,471,357</u>	<u>\$ 4,991,298</u>	<u>\$ 63,298,663</u>	<u>\$ 19,187,028</u>

During the year ended June 30, 2017, the City issued \$54,975,000 in refunding bonds, with an effective interest rate of 3.25 percent, to advance refund \$54,975,000 of outstanding general obligation bonds, with an average interest rate of 4.37 percent. The net proceeds of \$58,536,869, which includes \$4,571,077 of bond premium, (after payment of \$499,835 in underwriting fees, insurance, and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent, to provide for all future debt service payments of the refunded general obligation bonds. As a result, the refunded general obligation bonds are considered to be defeased, and the liability for those bonds has been removed from the government-wide financial statements. The reacquisition price exceeded the net carrying amount of the old debt by \$890,978. This amount is reported as deferred charges and amortized over the new debt's life. This advance refunding was undertaken to reduce total debt service payments over the next 20 years by \$7,381,217 and resulted in an economic gain of \$6,666,850.

NOTE 7 REVENUE BONDS PAYABLE

Revenue bonds payable at June 30, 2017 consisted of the outstanding revenue bonds and refunding bonds presented below. The bonds are generally callable after 10 years with interest payable semi-annually. The bonds payable at June 30, 2017 are presented below:

Purpose	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2017	Due Within One Year
Governmental activities:				
Public Improvement Corporation Municipal Facilities Revenue Bonds, Series 2011A	2.00%-5.25%	7/1/17-27	\$ 24,745,000	\$ 245,000
Public Improvement Corporation Municipal Facilities Revenue Bonds, Series 2011B	3.00%	7/1/18	1,515,000	
Public Improvement Corporation Municipal Facilities Revenue Tax-Exempt Revenue Bonds, Series 2012A	2.48%	12/15/17-6/15/23	5,661,045	
Public Improvement Corporation Municipal Facilities Revenue Taxable Revenue Bonds, Series 2012B	3.44%	12/15/17-6/15/23	682,422	
McDowell Road Corridor Improvement District Bonds	5.25%	1/1/18-32	36,530,000	
Public Improvement Corporation Municipal Facilities Revenue Refunding Bonds, Series 2016A	3.00-5.00%	7/1/19-32	40,530,000	
Public Improvement Corporation Municipal Facilities Revenue Refunding Bonds, Series 2016B	4.00-5.00%	7/1/18-31	31,165,000	2,975,000
Public Improvement Corporation Subordinate Lien Municipal Facilities Revenue Bonds, Series 2017	3.31%	7/1/27	10,645,000	
Total governmental activities			<u>\$ 151,473,467</u>	<u>\$ 3,220,000</u>
Business-type activities:				
Revenue Bonds, Series 1999	4.473%-6.729%	7/1/18	\$ 160,000	
Revenue Bonds, Series 2009	6.75%	7/1/49	325,000	
Revenue Bonds, Series 2010	5.00%-5.625%	7/1/22-39	14,950,000	
Revenue Bonds, Series 2011	2.00%-5.50%	7/1/18-41	14,265,000	305,000
Revenue Bonds, Series 2016	2.00-5.00%	7/1/18-45	11,540,000	945,000
Total Business-type activities			<u>\$ 41,240,000</u>	<u>\$ 1,250,000</u>

NOTE 7 REVENUE BONDS PAYABLE

Revenue bond debt service requirements to maturity are as follows:

Year ending June 30:	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2018	\$ 3,220,000	\$ 6,772,284	\$ 1,250,000	\$ 220,581
2019	6,150,602	6,501,936	1,475,000	1,947,881
2020	8,606,337	6,110,142	1,340,000	1,904,381
2021	8,992,750	5,699,771	1,390,000	1,848,781
2022	9,399,858	5,270,142	1,480,000	1,808,531
2023-27	50,333,920	19,249,570	4,585,000	8,406,969
2028-32	55,410,000	6,269,569	6,820,000	7,006,438
2033-37	9,360,000	268,050	10,570,000	4,500,783
2038-42			10,425,000	1,437,234
2043-47			1,580,000	233,190
2048-50			325,000	43,868
Total	<u>\$ 151,473,467</u>	<u>\$ 56,141,463</u>	<u>\$ 41,240,000</u>	<u>\$ 29,358,637</u>

During the year ended June 30, 2017, the City issued \$71,695,000 in refunding bonds, with an effective interest rate of 4.38 percent, to advance refund \$77,150,000 of outstanding public improvement corporation municipal facilities revenue bonds, with an average interest rate of 5.45 percent. The net proceeds of \$82,821,954, which includes \$11,785,315 of bond premium, (after payment of \$658,360 in underwriting fees, insurance, and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent, to provide for all future debt service payments of the refunded bonds. As a result, the refunded bonds are considered to be defeased, and the liability for those bonds has been removed from the government-wide financial statements. The reacquisition price exceeded the net carrying amount of the old debt by \$5,253,148. This amount is reported as deferred charges and amortized over the new debt's life. This advance refunding was undertaken to reduce total debt service payments over the next 15 years by \$20,490,494 and resulted in an economic gain of \$16,477,970.

Pledged Revenue

A. Revenue Bonds

Revenue bonds are collateralized by a pledge of the gross revenues of the utility systems, as defined in the bond indentures. The bonds are payable solely from water and wastewater customer net revenues with the last scheduled debt service payment occurring on 7/1/2049. Proceeds of the bonds were used for improvements to the City's water and wastewater system. Principal and interest paid for the current year and total water and wastewater customer net revenues were \$6,894,679 and \$12,909,101, respectively.

B. Public Improvement Corporation Municipal Facilities Revenue Bonds

The public improvement corporation municipal facilities revenue bonds are secured by excise taxes or other undesignated general fund revenues and the property referred to as Goodyear Municipal Complex. Proceeds from the bonds were used to construct a major league baseball training facility as well as other municipal facilities. The last scheduled debt service payment on the bonds is 7/1/2032. Principal and interest paid for the current year and total pledged revenues were \$3,950,674 and \$68,619,826, respectively.

NOTE 7 REVENUE BONDS PAYABLE

C. McDowell Road Corridor Improvement District Bonds

The City acts as an administrator for the McDowell Road Corridor Improvement District whereby it collects the assessments levied against owners of property within the established district and disburses the amounts collected to retire the bonds issued to finance infrastructure improvements. The last scheduled debt service payment on the bond is 1/1/2032. At June 30, 2017, the special assessments receivable, together with amounts paid in advance and interest to be received over the life of the assessment period, is adequate for the scheduled maturities of the bonds payable and the related interest. Principal and interest paid for the current year and total net revenues and fund balance available to service the debt were \$3,540,050 and \$3,644,085, respectively.

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

NOTE 8 COMMUNITY FACILITIES DISTRICTS BONDS PAYABLE

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

Community facilities district bonds payable at June 30, 2017 consisted of outstanding general obligation and special assessment bonds. The bonds are generally callable with interest payable semiannually. Community facilities district bonds payable at June 30, 2017, are presented below.

NOTE 8 COMMUNITY FACILITIES DISTRICTS BONDS PAYABLE

Purpose	Interest Rates	Maturity	Outstanding Principal June 30, 2017	Due Within One Year
General District No. 1:				
G.O. Refunding Bonds, Series 2013	4.00-5.00%	7/15/28	\$ 9,435,000	\$ 520,000
Palm Valley:				
G.O. Refunding Bonds, Series 2016	2.00-4.00%	7/15/32	6,435,000	
Utilities District No. 1				
CFUD No. 1 GO Bond Series 2007	4.00%-4.50%	7/15/17	555,000	555,000
CFUD No. 1 GO Refunding Bonds Series 2014	4.00%	7/15/28	13,145,000	875,000
CFUD No. 1 GO Refunding Bonds Series 2015	2.00-4.13%	7/15/29	6,655,000	390,000
CFUD No. 1 GO Refunding Bonds Series 2016	2.000-4.000 %	7/15/32	18,535,000	35,000
Wildflower Ranch District 1:				
G.O. Bonds, Series 1997	6.250-6.500%	7/15/22	260,000	35,000
G.O. Bonds, Series 1998	5.700-5.750%	7/15/23	365,000	40,000
Wildflower Ranch District 2:				
G.O. Bonds, Series 2000	6.750-7.000%	7/15/25	400,000	35,000
G.O. Bonds, Series 2001	5.500 - 5.900%	7/15/26	445,000	35,000
Cottonflower:				
Cottonflower CFD GO Refunding Series 2017	2.920%	7/15/28	2,170,000	145,000
Estrella Mountain Ranch:				
Estrella MR CFD Special Assessment Lien Bond Series 2001A	8%	7/1/25	2,593,000	215,000
Estrella MR CFD Special Assessment Revenue Bond Series 2002	7%	7/1/27	2,395,000	150,000
Estrella MR CFD Special Assessment Revenue Bond Series 2007 Montecito	5.25-5.80%	7/1/32	5,687,000	229,000
Estrella MR CFD Special Assessment Revenue Bond Series 2007 GVAD#2	6.00-6.75%	7/1/32	5,300,000	199,000
Estrella MR CFD Special Assessment Revenue Bond Series 2015 MAD#2	2.00-5.00%	7/1/39	4,844,000	270,000
Estrella MR CFD GO Refunding 2017	3.00-5.00%	7/15/32	14,050,000	
Centerra:				
Centerra CFD GO Bond Series 2008	6.125-6.625%	7/15/18	30,000	15,000
Centerra CFD GO Refunding 2016	2.700%	7/15/31	3,100,000	194,000
Centerra CFD GO Bond Series 2016	2.700%	7/15/31	323,000	
Cortina:				
Cortina CFD GO Refunding 2017	3.180%	7/15/31	2,075,000	105,000
Total Business-type activities			<u>\$ 98,797,000</u>	<u>\$ 4,042,000</u>

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

Year ending June 30:	Governmental Activities	
	Principal	Interest
2018	\$ 4,042,000	\$ 4,081,758
2019	6,263,000	3,975,611
2020	5,268,000	3,746,020
2021	5,517,000	3,524,636
2022	5,781,000	3,294,445
2023-27	31,591,000	12,307,685
2028-32	32,214,000	5,337,642
2033-37	7,466,000	516,936
2038-39	655,000	49,500
Total	<u>\$ 98,797,000</u>	<u>\$ 36,834,233</u>

NOTE 8 COMMUNITY FACILITIES DISTRICTS BONDS PAYABLE

On October 26, 2016, the Palm Valley District issued \$6,435,000 of General Obligation Bonds with an average interest rate of 3.69 percent to advance refund \$6,475,000 of outstanding 2006 and 2007 Series General Obligation Bonds with an average interest rate of 9.35 percent. The net proceeds of \$6,710,214 (after payment of \$374,133 in underwriting fees and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for future debt service payments on the 2006 and 2007 Series General Obligation Bonds. As a result, the 2006 and 2007 Series General Obligation Bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements. Although the advance refunding resulted in the recognition of a deferred loss on refunding of \$235,214 for the fiscal year ended June 30, 2017, the District in effect reduced its aggregate debt service payments by \$1,417,306 over the next 16 years and obtained an economic gain (difference between the present values of the old and new debt service payments) of \$1,180,565.

On February 8, 2017, the Cottonflower District issued \$2,170,000 of General Obligation Refunding Bonds with an average interest rate of 2.92 percent to refund \$2,045,000 of outstanding 2003 and 2004 Series General Obligation Bonds with an average interest rate of 6.14 percent. The net proceeds of \$2,065,480 (after payment of \$104,520 in underwriting fees and other issuance costs) were immediately transferred to the existing trustee to pay the bonds being refunded. As a result, the 2003 and 2004 Series General Obligation Bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements. Although the refunding resulted in the recognition of a deferred loss on refunding of \$20,480 for the fiscal year ended June 30, 2017, the District in effect reduced its aggregate debt service payments by \$316,881 over the next 12 years and obtained an economic gain (difference between the present values of the old and new debt service payments) of \$268,173.

On March 23, 2017, the Estrella Mountain Ranch District issued \$14,050,000 of General Obligation Refunding Bonds with an average interest rate of 4.01 percent to refund \$13,900,000 of outstanding 2005 and 2007 Series General Obligation Bonds with an average interest rate of 6.06 percent. The net proceeds of \$14,251,861, which includes bond premium of \$745,144 (after payment of \$543,284 in underwriting fees and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent, to provide for all future debt service payments of the refunded general obligation bonds. As a result, the 2005 and 2007 Series General Obligation Bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements. Although the refunding resulted in the recognition of a deferred loss on refunding of \$346,614 for the fiscal year ended June 30, 2017, the District in effect reduced its aggregate debt service payments by \$2,760,706 over the next 15 years and obtained an economic gain (difference between the present values of the old and new debt service payments) of \$2,171,095.

On November 1, 2016, the Centerra District issued \$3,100,000 of General Obligation Bonds with an average interest rate of 2.70 percent to advance refund \$2,820,000 of outstanding 2005, 2006 and 2008 Series General Obligation Bonds with an average interest rate of 5.71 percent. The net proceeds of \$2,936,696 (after payment of \$180,248 in underwriting fees and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for future debt service payments on the 2005, 2006 and 2008 Series General Obligation Bonds. As a result, the 2005, 2006 and 2008 Series General Obligation Bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements. Although the advance refunding resulted in the recognition of a deferred loss on refunding of \$116,696 for the fiscal year ended June 30, 2017, the District in effect reduced its aggregate debt service payments by \$595,453 over the next 16 years and obtained an economic gain (difference between the present values of the old and new debt service payments) of \$449,189.

NOTE 8 COMMUNITY FACILITIES DISTRICTS BONDS PAYABLE

On February 8, 2017, the Cortina District issued \$2,075,000 of General Obligation Refunding Bonds with an average interest rate of 3.18 percent to refund \$1,950,000 of outstanding 2005 and 2006 Series General Obligation Bonds with an average interest rate of 5.49 percent. The net proceeds of \$1,967,427 (after payment of \$107,573 in underwriting fees and other issuance costs) were immediately transferred to the existing trustee to pay the bonds being refunded. As a result, the 2005 and 2006 Series General Obligation Bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements. Although the refunding resulted in the recognition of a deferred loss on refunding of \$17,427 for the fiscal year ended June 30, 2017, the District in effect reduced its aggregate debt service payments by \$252,873 over the next 15 years and obtained an economic gain (difference between the present values of the old and new debt service payments) of \$202,325.

NOTE 9 CHANGES IN LONG-TERM LIABILITIES

Long-term liabilities activity for the year ended June 30, 2017 was as follows:

	Beginning Balance, as restated	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences payable	\$ 5,105,750	\$ 3,049,288	\$ 2,171,084	\$ 5,983,954	\$ 1,775,772
General obligation bonds payable	24,411,359	18,605,941	22,545,943	20,471,357	
Community Facilities District bonds payable	102,340,000	28,153,000	31,696,000	98,797,000	4,042,000
Public improvement bonds	110,953,994	82,340,000	78,350,527	114,943,467	3,220,000
Revenue bonds payable	38,110,000		1,580,000	36,530,000	1,660,000
Premiums	7,747,178	14,546,606	2,341,324	19,952,440	
Discounts	(37,817)		(1,644)	(36,173)	
Net pension liability	45,672,975	16,896,830		62,569,805	
Governmental activities long-term liabilities	<u>\$ 334,303,439</u>	<u>\$ 163,591,645</u>	<u>\$ 138,683,235</u>	<u>\$ 359,211,850</u>	<u>\$ 10,697,772</u>
Business-type activities:					
Compensated absences payable	\$ 476,415	\$ 155,834	\$	\$ 632,249	\$ 180,337
General obligation bonds payable	65,858,641	36,369,059	38,929,037	63,298,663	2,465,000
Revenue bonds payable	41,705,000		465,000	41,240,000	1,250,000
Loans payable	3,854,323		262,550	3,591,773	
Premiums	2,059,118	3,204,277	663,200	4,600,195	
Discounts	(534,275)		(22,227)	(512,048)	
Net pension liability	5,178,143	391,548		5,569,691	
Business-type activities long-term liabilities	<u>\$ 118,597,365</u>	<u>\$ 40,120,718</u>	<u>\$ 40,297,561</u>	<u>\$ 118,420,522</u>	<u>\$ 3,895,337</u>

NOTE 10 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At June 30, 2017, interfund balances were as follows:

	Receivable Amount	Payable Amount
General Fund	\$ 939,002	\$
Non-Major Governmental Funds		709,698
Internal Service Fund		229,304
Total	<u>\$ 939,002</u>	<u>\$ 939,002</u>

Interfund balances resulted from (1) the borrowing of cash to cover cash deficits and (2) to account for the amount due for Community Facilities Districts' operational expenditures paid from the General Fund. All interfund balances are expected to be paid within one year.

At June 30, 2017, advances between funds were as follows:

	Receivable Amount	Payable Amount
General Fund	\$ 1,251,242	\$
Non-Major Governmental Funds		1,251,242
Total	<u>\$ 1,251,242</u>	<u>\$ 1,251,242</u>

An advance from the General Fund to the Non-Utility Development Impact Fees Fund, a non-major governmental fund, existed at fiscal year end due to the timing of impact fee projects. Construction expenditures associated with these projects occurred during the fiscal year and the impact fees needed to fund the projects are expected to be collected in future years.

Transfers during the fiscal year were as follows:

	Transfers Out	Transfers In
General Fund	\$ 9,968,632	\$ 2,800,000
Non-Major Governmental Funds		9,968,632
Water and Wastewater Fund	1,900,000	
Sanitation Fund	900,000	
Total	<u>\$ 12,768,632</u>	<u>\$12,768,632</u>

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

NOTE 11 CONTINGENT LIABILITIES

Federal and State grants and loans - The City has received a number of grants and loans from both the Federal and State governments. Although the programs have been audited, not all audits have been approved as of June 30, 2017; however, the City expects no material disallowances of expenditures.

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

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

NOTE 12 RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The City's insurance protection is provided by the Arizona Municipal Risk Retention Pool, of which the City is a participating member. The Arizona Municipal Risk Retention Pool is structured such that member premiums are based on an actuarial review that will provide adequate reserves to allow the pool to meet its expected financial obligations. The pool has authority to assess its members additional premiums should reserve and annual premiums be insufficient to meet the pool's obligations.

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

NOTE 13 – PRIOR PERIOD ADJUSTMENT

The July 1, 2016, net position of the governmental and business-type activities and Stadium Fund and the fund balance of the Ball Park Funds do not agree to the prior year financial statements due to the City reclassifying the Stadium Fund as a special revenue and debt service fund in the current fiscal year.

	Statement of Activities		Enterprise Fund	Governmental Fund
	Governmental	Business-type	Stadium Fund	Ball Park Fund
Net position/fund balance, June 30, 2016, as previously reported	\$ 473,164,033	\$ 206,152,372	\$ 1,573,194	\$
Reclassification of Stadium Fund	\$1,573,194	(1,573,194)	(1,573,194)	189,298
Net position/fund balance, July 1, 2016, as restated	<u>\$ 474,737,227</u>	<u>\$ 204,579,178</u>	<u>\$</u>	<u>\$ 189,298</u>

NOTE 14 RETIREMENT PLANS

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

The City reported \$13,332,569 of pension expenditures in the governmental funds and \$453,896 in the proprietary funds related to all pension plans to which it contributes.

A. Arizona State Retirement System

Plan Description

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

NOTE 14 RETIREMENT PLANS

Benefits Provided

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

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

*With actuarially reduced benefits

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

Contributions

In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.48 percent (11.34 percent for retirement and 0.14 percent for long-term disability) of the members' annual covered payroll, and the City was required by statute to contribute at the actuarially determined rate of 11.48 percent (10.78 percent for retirement, 0.56 percent for health insurance premium benefit, and 0.14 percent for long-term disability) of the members' annual covered payroll. The City's contributions to the pension plan for the year ended June 30, 2017 were \$2,566,332.

In addition for the current fiscal year, the City was required by statute to contribute at the actuarially determined rate of 9.47 percent (9.17 for retirement and 0.21 percent for long-term disability) of annual covered payroll of retired members who worked in positions that would typically be filled by an employee who contributes to ASRS.

NOTE 14 RETIREMENT PLANS

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

Year ending June 30:		Health Benefit Supplement Fund	Long-Term Disability Fund
2017	\$	133,316	\$ 33,329
2016		112,997	27,119
2015		128,393	26,114

Pension Liability

At June 30, 2017, the City reported a liability of \$39.1 million for its proportionate share of the ASRS net pension liability. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2015, to the measurement date of June 30, 2016. The total pension liability as of June 30, 2016 reflects a change in actuarial assumption for a decrease in loads for future potential permanent benefit increases.

The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016 the City's proportion was .24 percent, which is the same as its proportion measured as of June 30, 2015.

Pension Expense and Deferred Outflows/Inflows of Resources

For the year ended June 30, 2017, the City recognized pension expense for ASRS of \$3,242,119 and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 237,520	\$ 2,688,793
Changes of assumptions or other inputs		2,067,932
Net difference between projected and actual earnings on pension plan investments	4,235,561	
Changes in proportion and differences between contributions and proportionate share of contributions	1,437,774	
Contributions subsequent to the measurement date	2,566,332	
Total	<u>\$ 8,477,187</u>	<u>\$ 4,756,725</u>

NOTE 14 RETIREMENT PLANS

The deferred outflows of resources related to ASRS pensions resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as follows:

Year Ending June 30:		
	2018	\$ (822,475)
	2019	(985,171)
	2020	1,774,137
	2021	1,187,639

Actuarial Assumptions

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

Actuarial valuation date	June 30, 2015
Actuarial roll forward date	June 30, 2016
Actuarial cost method	Entry age normal
Investment rate of return	8%
Projected salary increases	3-6.75%
Inflation	3%
Permanent benefit increase	Included
Mortality rates	1994 GAM Scale BB

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2012. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2013, actuarial valuation. The study did not include an analysis of the assumed investment rate of return.

The long-term expected rate of return on ASRS pension plan investments was determined to be 8.75 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	58%	6.73%
Fixed income	25	3.7
Commodities	2	3.84
Real estate	10	4.25
Multi-asset class	5	3.41
Total	100%	

NOTE 14 RETIREMENT PLANS

Discount Rate

The discount rate used to measure the ASRS total pension liability was 8.0 percent, which is less than the long term expected rate of return of 8.75 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
Proportionate share of the net pension liability	\$49,836,907	\$ 39,085,443	\$30,465,118

Pension Plan Fiduciary Net Position

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

B. Public Safety Personnel Retirement System

Plan Descriptions

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

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

Benefits Provided

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

NOTE 14 RETIREMENT PLANS

Public Safety Personnel Retirement System:

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

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on excess investment earning. In addition, the Legislature may enact permanent one-time increases after a Joint Legislative Budget Committee analysis of the increase's effects on the plan. PSPRS also provides temporary disability benefits of 50 percent of the member's compensation for up to 12 months.

Employees Covered by Benefit Terms

At June 30, 2017, the following employees were covered by the agent pension plans' benefit terms:

	PSPRS – Police	PSPRS – Fire
Inactive employees or beneficiaries currently receiving benefits	22	6
Inactive employees entitled to but not yet receiving benefits	15	3
Active members	88	89
Total	125	98

NOTE 14 RETIREMENT PLANS

Contributions and Annual OPEB Cost

State statutes establish the pension contribution requirements for active PSPRS employees. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for PSPRS pension and health insurance premium benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. The employee contribution rate for pensions was 11.65 percent of annual pay for all fire and police employees from July 1, 2016 through April 8, 2017. Beginning on April 9, 2017, at the direction of PSPRS, the City changed the employee contribution rate from 11.65 to 7.65 percent for employees hired on or before July 19, 2011, due to a mandate from the Arizona Supreme Court for the *Parker* lawsuit ruling. The Arizona Supreme Court determined that the 2011 legislative reforms that increased contribution rates for employees hired prior to that date were unconstitutional. The employee contribution rate for employees hired after July 19, 2011 remained at 11.65 percent. Contributions rates for the year ended June 30, 2017 are indicated below. Rates are a percentage of active members' annual covered payroll.

	<u>PSPRS – Police</u>	<u>PSPRS – Fire</u>
Active members – pension, hired on or before 7/19/11	7.65%	7.65%
Active members – pension, hired after 7/19/11	11.65%	11.65%
City of Goodyear:		
Pension	21.40%	14.37%
Health insurance	0.36%	0.37%

For the agent plans, the contributions to the pension plan and annual OPEB cost and contributions for the health insurance premium benefit for the year ended June 30, 2017, were:

	<u>PSPRS – Police</u>	<u>PSPRS – Fire</u>
Pension:		
Contributions made	\$ 1,791,402	\$ 1,191,487
Health insurance premium benefit:		
Contributions made	\$ 30,136	\$ 30,678

Pension Liability

At June 30, 2017, the City reported the following net pension liabilities:

PSPRS – Police	\$16,844,921
PSPRS – Fire	12,209,132

The net pension liabilities were measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability as of June 30, 2016, reflects changes of benefit terms and actuarial assumptions:

- In May 2016 voters approved Proposition 124 that authorized certain statutory adjustments to PSPRS' automatic cost-of-living adjustments. The statutory adjustments change the basis for future cost-of-living adjustments from excess investment earnings to the change in the consumer price index, limited to a maximum annual increase of two percent. The change in the City of Goodyear's net pension liability as a result of the statutory adjustments is not known.
- Laws 2016, Chapter 2, changed the benefit formula and contribution requirements for members hired on or after July 1, 2017.
- The investment rate of return actuarial assumption was decreased from 7.85 percent to 7.50 percent.

NOTE 14 RETIREMENT PLANS

The net pension liabilities measured as of June 30, 2017, will reflect changes of actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2016. The change in the City of Goodyear's net pension liabilities as a result of these changes is not known.

Actuarial Assumptions

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

	PSPRS
Contribution rates:	
Actuarial valuation date	June 30, 2016
Actuarial cost method	Entry age normal
Investment rate of return	7.50%
Projected salary increases	4.0 - 8.0%
Inflation	4.0%
Permanent benefit increase	Included
Mortality rates	RP-2000 mortality table, adjusted by 105% for both males and females

Actuarial assumptions used in the June 30, 2016, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2011.

The long-term expected rate of return on PSPRS pension plan investments was determined to be 7.50 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of arithmetic real rates of return for each major asset class for all agent pension plans are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equity	16.00%	6.23%
Non-U.S. equity	14.00	8.25
Private equity	11.00	9.50
Fixed income	7.00	2.92
Credit opportunities	13.00	7.08
Absolute return	5.00	4.11
GTAA	10.00	4.38
Real assets	8.00	4.77
Real estate	10.00	4.48
Risk parity	4.00	5.13
Short term investments	2.00	0.75
Total	100.00%	

NOTE 14 RETIREMENT PLANS

Pension Discount Rates

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

	PSPRS Police	PSPRS Fire
Discount rates	7.50%	7.50%

The projection of cash flows used to determine the PSPRS discount rates assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Goodyear Police Department and the Goodyear Fire Department pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments of 7.50 was applied to all periods of projected benefit payments to determine the total pension liability.

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

	Increase/Decrease		
	Total Pension Liability (Asset)	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at June 30, 2016	\$ 31,546,099	\$ 21,182,234	\$ 10,363,865
Changes for the year:			
Service cost	1,437,416		1,437,416
Interest on the total pension liability	2,477,882		2,477,882
Changes of benefit terms	3,357,342		3,357,342
Differences between expected and actual experience in the measurement of the pension liability	389,465		389,465
Changes of assumptions or other inputs	1,580,891		1,580,891
Contributions – employer		1,597,875	(1,597,875)
Contributions – employee		885,129	(885,129)
Net investment income		130,212	(130,212)
Benefit payments, including refunds of employee contributions	(1,398,856)	(1,398,856)	
Administrative expense		(19,137)	19,137
Other changes		167,861	(167,861)
Net changes	7,844,140	1,363,084	6,481,056
Balances at June 30, 2017	\$ 39,390,239	\$ 22,545,318	\$ 16,844,921

NOTE 14 RETIREMENT PLANS

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

	Increase/Decrease		
	Total Pension Liability (Asset)	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at June 30, 2016	\$ 26,433,782	\$ 22,933,271	\$ 3,500,511
Changes for the year:			
Service cost	1,558,056		1,558,056
Interest on the total pension liability	2,121,084		2,121,084
Changes of benefit terms	4,046,976		4,046,976
Differences between expected and actual experience in the measurement of the pension liability	1,915,498		1,915,498
Changes of assumptions or other inputs	1,632,401		1,632,401
Contributions – employer		1,173,975	(1,173,975)
Contributions – employee		992,221	(992,221)
Net investment income		141,788	(141,788)
Benefit payments, including refunds of employee contributions	(385,270)	(385,270)	
Administrative expense		(20,803)	20,803
Other changes		278,213	(278,213)
Net changes	10,888,745	2,180,124	8,708,621
Balances at June 30, 2017	\$ 37,322,527	\$ 25,113,395	\$ 12,209,132

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

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

	1% Decrease	Current Discount Rate	1% Increase
PSPRS – Police:			
Rate	6.50%	7.50%	8.50%
Net pension liability	\$22,947,436	\$ 16,844,921	\$11,906,470
PSPRS – Fire:			
Rate	6.50%	7.50%	8.50%
Net pension liability	\$18,635,506	\$ 12,209,132	\$ 7,006,921

NOTE 14 RETIREMENT PLANS

Pension Plan Fiduciary Net Position

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

Pension Expense

For the year ended June 30, 2017, the City recognized the following pension expense:

	<u>Pension Expense</u>
PSPRS – Police	\$ 5,350,832
PSPRS – Fire	5,293,950

Pension Deferred Outflows/Inflows of Resources

At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
PSPRS – Police		
Differences between expected and actual experience	\$ 488,365	\$ 115,076
Changes of assumptions or other inputs	2,392,277	
Net difference between projected and actual earnings on pension plan investments	1,385,146	
Contributions subsequent to the measurement date	1,791,402	
Total	<u>\$ 6,057,190</u>	<u>\$ 115,076</u>
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
PSPRS – Fire		
Differences between expected and actual experience	\$ 2,578,816	\$ 594,620
Changes of assumptions or other inputs	1,932,837	
Net difference between projected and actual earnings on pension plan investments	1,533,678	
Contributions subsequent to the measurement date	1,191,487	
Total	<u>\$ 7,236,818</u>	<u>\$ 594,620</u>

The amounts reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (or an increase in the net pension asset) in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	<u>PSPRS Police</u>	<u>PSPRS Fire</u>
2018	\$ 823,241	\$ 738,347
2019	823,242	738,348
2020	1,013,805	934,087
2021	846,642	755,960
2022	363,167	408,266
Thereafter	280,615	1,875,703

NOTE 14 RETIREMENT PLANS

Agent Plan OPEB Trend Information

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

Plan	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation
PSPRS – Police:			
June 30, 2017	\$ 30,136	100%	\$
June 30, 2016	30,830	100%	
June 30, 2015	65,983	100%	
PSPRS – Fire:			
June 30, 2017	\$ 30,678	100%	\$
June 30, 2016	33,706	100%	
June 30, 2015	53,722	100%	

Agent Plan OPEB Actuarial Assumptions

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

Projections of benefits are based on (1) the plans as understood by the City and plans' members and include the types of benefits in force at the valuation date, and (2) the pattern of sharing benefit costs between the City and plans' members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The actuarial methods and assumptions used to establish the fiscal year 2017 contribution requirements, are as follows:

	PSPRS
Actuarial valuation date	June 30, 2015
Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	21 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value (80%/120% market)
Actuarial assumptions:	
Investment rate of return	7.50%
Projected salary increases	4.0%-8.0%
includes inflation at	4.00%

NOTE 14 RETIREMENT PLANS

The funded status of the all the PSPRS health insurance premium benefit plans in the June 30, 2016, actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement.

	PSPRS
Actuarial valuation date	June 30, 2016
Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	20 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value (80%/120% market)
Actuarial assumptions:	
Investment rate of return	7.50%
Projected salary increases	4.0%-8.0%
includes inflation at	4.00%

Agent Plan OPEB Funded Status

The following table represents the funded status of the health insurance premium benefit plans as of the most recent valuation date, June 30, 2016.

	PSPRS – Police	PSPRS – Fire
Actuarial value of assets	\$ 799,252	\$ 605,878
Actuarial accrued liability	761,355	772,637
Unfunded actuarial accrued liability (funding excess)	(37,897)	166,759
Funded ratio	105.0%	78.4%
Annual covered payroll	7,375,148	8,291,489
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll	-0.45%	2.01%

C. Goodyear Volunteer and Reserve Firefighter Retirement Trust Plan

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

NOTE 14 RETIREMENT PLANS

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, 2017. As of June 30, 2017, there were five eligible employees participating in the plan. The plan is administered by Innes Associates LTD.

As of June 30, 2017, the plan's assets consisted of the following:

Investments \$445,863

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 15 DEFICIT FUND BALANCES

Grants Fund Deficit Fund Balance - At June 30, 2017, the Grants Fund contains a deficit fund balance of \$105,729 in the fund financial statements. Future revenues are expected to cover this deficit.

NOTE 16 FUND BALANCE CLASSIFICATIONS

	General Fund	McDowell Road Commercial Corridor ID Debt Service Fund	Community Facilities Districts Debt Service Fund	Non-Major Governmental Funds	Total Governmental Funds
Fund Balances (deficits):					
Nonspendable:					
Advances to other funds	\$ 1,251,242	\$	\$	\$	\$ 1,251,242
Inventory				533,304	533,304
Prepaid items	683,056				683,056
Restricted:					
Capital projects				9,869,218	9,869,218
Charter mandates	4,186,816				4,186,816
Court	200,753				200,753
Law enforcement	384,144				384,144
Debt service		104,248	12,411,805	703,557	13,219,610
Development impact fees				12,428,141	12,428,141
Highway user funds				37,130	37,130
Transit	952,239				952,239
Community facilities districts operations				1,846,863	1,846,863
Committed:					
Ball park				1,647,416	1,647,416
Assigned:					
IT replacement	1,829,656				1,829,656
Fleet replacement	1,251,242				1,251,242
Risk management	933,704				933,704
Parks management	2,729,350				2,729,350
Police asset reserve	2,147,562				2,147,562
Fire asset reserve	403,209				403,209
Unassigned	53,399,369			(105,729)	53,293,640
Total fund balances	<u>\$ 70,352,342</u>	<u>\$ 104,248</u>	<u>\$ 12,411,805</u>	<u>\$ 26,959,900</u>	<u>\$109,828,295</u>

NOTE 17 COMMITMENTS

The City has active construction projects as of June 30, 2017. The balances for work not yet complete as of June 30, 2017 were as follows:

Library Gathering Space AT1705	\$ 7,000
PD Operations Building - Phase 2 FA1404	52,782
Asset Mgmt Parks & Facilities PK1601	35,856
Roadway to Sonoran Valley ST0805	8,620
Traffic Control Speed Bump ST1307	3,185
Goodyear Blvd NW Quad Improvement ST1404	1,053,577
Median Improvements 4 Areas ST1601	28,378
Van Buren: Estrella to Sarival ST1608	9,129
Cotton Lane & Lower Buckeye Traffic Sign ST1703	351,493
Yuma & Cotton Lane Drainage Improvements ST1706	9,006
Former Duncan Farms Property ST1708	22,343
Community Health Park	33,390
Site 12 Booster 9 WA1502	23,950
Adaman Well & Treatment WA1510	135,298
Booster Pum #13 Rehab WA1704	8,758
GWRF Expansion 4 to 5 MGD WW1605	31,078
GY WRF Solids Centrifuge WW1702	601,674
GWRF 2 MGD Expansion Design WW1302	147,137
	<u>\$ 2,555,651</u>

These commitments are being financed from existing fund balances.

NOTE 18 TAX ABATEMENT AGREEMENTS

GPLET

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

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

For the year ended June 30, 2017, government property lease agreements the City entered into reduced the City tax revenues by \$355,631.

Foreign Trade Zone

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

1. Developers can construct a zone I-1 site of at least 200,000 square feet in a foreign trade zone.
2. Qualifying manufacturing companies can invest at least \$25 million in capital equipment and real property, construct a 75,000 square feet building, employ a minimum of 75 full-time employees with 51% paid 125% of the state median annual wage and paid 75% of employees' health insurance premiums.

NOTE 18 TAX ABATEMENT AGREEMENTS

3. Internet fulfillment companies can locate within a designated foreign trade zone building, generate a minimum of \$25 million of Arizona end-user sales and invest at least \$25 million in capital equipment and real property.
4. Businesses can locate within one of the federally approved Magnet foreign trade zones and comply with the City's Foreign Trade Zone policy and federal requirements.

For the year ended June 30, 2017, properties within the foreign trade zones reduced the City tax revenues by \$109,581.

Sales Tax Abatements

The City has entered into agreements with developers to reimburse for the construction of public infrastructure that will benefit the community. These reimbursements are paid to developers over time from the collection of sales taxes. Payments to developers are considered during the City's budget process. For the year ended June 30, 2017, the two developer agreements reduced City sales tax revenues by \$1,158,260 and \$348,583, respectively.

NOTE 19 SUBSEQUENT EVENTS

In October 2017, the City issued \$25,015,000 of General Obligation Bonds to acquire and construct fire protection, water system and parks and recreation improvements.



REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GOODYEAR, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Non-GAAP	Variance with
	Original	Final	Actual	Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 57,355,243	\$ 57,355,243	\$ 60,883,516	\$ 3,528,273
Licenses and permits	5,755,275	5,755,275	9,301,579	3,546,304
Intergovernmental	20,130,562	20,130,562	20,019,457	(111,105)
Charges for services	2,157,245	2,157,245	2,592,976	435,731
Fines and forfeits	739,700	739,700	832,921	93,221
Investment income	176,057	176,057	442,000	265,943
Contributions	2,284,290	2,284,290	968,768	(1,315,522)
Miscellaneous	528,574	528,574	225,471	(303,103)
Total revenues	<u>89,126,946</u>	<u>89,126,946</u>	<u>95,266,688</u>	<u>6,139,742</u>
Expenditures:				
Current -				
General government	26,403,759	26,149,938	18,257,916	7,892,022
Public safety	39,385,944	39,226,094	36,146,466	3,079,628
Public works	3,087,546	3,176,746	2,598,519	578,227
Culture and recreation	6,184,234	6,225,234	6,021,426	203,808
Development services	8,019,341	7,963,641	7,182,641	781,000
Capital outlay	22,766,875	21,044,488	11,614,110	9,430,378
Debt service -				
Principal retirement	1,200,527	1,445,527	1,445,527	
Interest and debt cost	223,020	246,520	241,468	5,052
Total expenditures	<u>107,271,246</u>	<u>105,478,188</u>	<u>83,508,073</u>	<u>21,970,115</u>
Excess (deficiency) of revenues over expenditures	<u>(18,144,300)</u>	<u>(16,351,242)</u>	<u>11,758,615</u>	<u>28,109,857</u>
Other financing sources (uses):				
Transfer in	2,800,000	2,800,000	2,800,000	
Transfer out	(10,707,989)	(10,707,989)	(9,968,632)	739,357
Total other financing sources (uses):	<u>(7,907,989)</u>	<u>(7,907,989)</u>	<u>(7,168,632)</u>	<u>739,357</u>
Changes in fund balances	<u>(26,052,289)</u>	<u>(24,259,231)</u>	<u>4,589,983</u>	<u>28,849,214</u>
Fund balances, beginning of year			63,916,816	63,916,816
Fund balances (deficits), end of year	<u>\$ (26,052,289)</u>	<u>\$ (24,259,231)</u>	<u>\$ 68,506,799</u>	<u>\$ 92,766,030</u>

See accompanying notes to this schedule.

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Measurement date	June 30, 2016	June 30, 2015	June 30, 2014
City's proportion of the net pension liability (asset)	0.24%	0.24%	0.22%
City's proportionate share of the net pension liability (asset)	\$ 39,085,443	\$ 36,986,742	\$ 33,264,817
City's covered payroll	\$ 22,599,315	\$ 21,761,494	\$ 20,166,796
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	172.95%	169.96%	164.95%
Plan fiduciary net position as a percentage of the total pension liability	67.06%	68.35%	69.49%

NOTE: The pension schedules in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available.

See accompanying notes to this schedule.

**CITY OF GOODYEAR, ARIZONA
SCHEDULE OF CONTRIBUTIONS
ALL PENSION PLANS
LAST THREE FISCAL YEARS**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Arizona State Retirement System:			
Actuarially determined contribution	\$ 2,566,332	\$ 2,452,025	\$ 2,369,823
Contributions in relation to the actuarially determined contribution	<u>2,566,332</u>	<u>2,452,025</u>	<u>2,369,823</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>
City's covered payroll	\$ 23,806,419	\$ 22,599,315	\$ 21,761,494
Contributions as a percentage of covered payroll	10.78%	10.85%	10.89%
 Public Safety Personnel Retirement System - Police:			
Actuarially determined contribution	\$ 1,791,402	\$ 1,597,875	\$ 1,173,949
Contributions in relation to the actuarially determined contribution	<u>1,791,402</u>	<u>1,597,875</u>	<u>1,173,949</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>
City's covered payroll	\$ 8,371,037	\$ 7,519,412	\$ 6,957,993
Contributions as a percentage of covered payroll	21.40%	21.25%	16.87%
 Public Safety Personnel Retirement System - Fire:			
Actuarially determined contribution	\$ 1,191,487	\$ 1,133,359	\$ 968,539
Contributions in relation to the actuarially determined contribution	<u>1,191,487</u>	<u>1,133,359</u>	<u>968,539</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>
City's covered-employee payroll	\$ 8,291,489	\$ 8,426,461	\$ 7,674,635
Contributions as a percentage of covered-employee payroll	14.37%	13.45%	12.62%

NOTE: The pension schedules in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available.

See accompanying notes to this schedule.

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

Actuarial Valuation Date	Actuarial Valuation of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a percentage of Covered Payroll
Public Safety Personnel Retirement System - Police:						
2016	\$ 799,252	\$ 761,355	\$ 37,897	104.98 %	\$ 7,375,148	(0.51) %
2015	724,777	744,531	(19,754)	97.35	7,012,489	0.28
2014	638,160	732,738	(94,578)	87.09	6,630,426	1.43
Public Safety Personnel Retirement System - Fire:						
2016	\$ 605,878	\$ 772,637	\$ (166,759)	78.42 %	\$ 8,217,597	2.03 %
2015	543,197	670,220	(127,023)	81.05	7,822,842	1.62
2014	466,897	634,667	(167,770)	73.57	7,338,828	2.29

See accompanying notes to this schedule.

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Measurement date	June 30, 2016	June 30, 2015	June 30, 2014
Total pension liability			
Service cost	\$ 1,437,416	\$ 1,278,133	\$ 1,278,071
Interest	2,477,882	2,301,498	1,966,048
Changes of benefit terms	3,357,342		186,683
Differences between expected and actual experience	389,465	(159,382)	260,090
Changes of assumptions	1,580,891		1,746,183
Benefit payments, including refunds of employee contributions	(1,398,856)	(1,107,068)	(1,220,650)
Net change in total pension liability	7,844,140	2,313,181	4,216,425
Total pension liability—beginning	31,546,099	29,232,918	25,016,493
Total pension liability—ending	<u>\$ 39,390,239</u>	<u>\$ 31,546,099</u>	<u>\$ 29,232,918</u>
Plan fiduciary net position			
Contributions—employer	\$ 1,597,875	\$ 1,173,950	\$ 1,116,495
Contributions—employee	885,129	768,858	704,171
Net investment income	130,212	739,152	2,330,439
Benefit payments, including refunds of employee contributions	(1,398,856)	(1,107,068)	(1,220,650)
Administrative expense	(19,137)	(18,421)	(18,769)
Other	167,861	(57,781)	31,204
Net change in plan fiduciary net position	1,363,084	1,498,690	2,942,890
Plan fiduciary net position—beginning	21,182,234	19,683,544	16,740,654
Plan fiduciary net position—ending	<u>\$ 22,545,318</u>	<u>\$ 21,182,234</u>	<u>\$ 19,683,544</u>
Net pension liability—ending	<u>\$ 16,844,921</u>	<u>\$ 10,363,865</u>	<u>\$ 9,549,374</u>
Plan fiduciary net position as a percentage of the total pension liability	57.24%	67.15%	67.33%
Covered payroll	\$ 8,651,191	\$ 7,012,489	\$ 6,630,426
Net pension liability as a percentage of covered payroll	194.71%	147.79%	144.02%

NOTE: The pension schedules in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available.

See accompanying notes to this schedule.

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Measurement date	June 30, 2016	June 30, 2015	June 30, 2014
Total pension liability			
Service cost	\$ 1,558,056	\$ 1,409,380	\$ 1,405,013
Interest	2,121,084	1,822,450	1,640,015
Changes of benefit terms	4,046,976		(18,156)
Differences between expected and actual experience	1,915,498	1,030,908	(813,497)
Changes of assumptions	1,632,401		619,565
Benefit payments, including refunds of employee contributions	(385,270)	(680,367)	(341,865)
Net change in total pension liability	10,888,745	3,582,371	2,491,075
Total pension liability—beginning	26,433,782	22,851,411	20,360,336
Total pension liability—ending	<u>\$ 37,322,527</u>	<u>\$ 26,433,782</u>	<u>\$ 22,851,411</u>
Plan fiduciary net position			
Contributions—employer	\$ 1,173,975	\$ 968,726	\$ 948,481
Contributions—employee	992,221	848,048	754,465
Net investment income	141,788	791,715	2,393,724
Benefit payments, including refunds of employee contributions	(385,270)	(680,367)	(341,865)
Administrative expense	(20,803)	(19,707)	(19,278)
Other	278,213	304,136	137,157
Net change in plan fiduciary net position	2,180,124	2,212,551	3,872,684
Plan fiduciary net position—beginning	22,933,271	20,720,720	16,848,036
Plan fiduciary net position—ending	<u>\$ 25,113,395</u>	<u>\$ 22,933,271</u>	<u>\$ 20,720,720</u>
Net pension liability—ending	<u>\$ 12,209,132</u>	<u>\$ 3,500,511</u>	<u>\$ 2,130,691</u>
Plan fiduciary net position as a percentage of the total pension liability	67.29%	86.76%	90.68%
Covered payroll	\$ 8,785,729	\$ 7,822,842	\$ 7,338,828
Net pension liability as a percentage of covered payroll	138.97%	44.75%	29.03%

NOTE: The pension schedules in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available.

See accompanying notes to this schedule.

NOTE 1 BUDGETARY BASIS OF ACCOUNTING

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

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

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

	Beginning Fund Balance	Revenue	Expenditures	Ending Fund Balance
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$ 65,756,477	\$ 95,623,345	\$ 83,858,848	\$ 70,352,342
Activity budgeted as special revenue funds	(1,453,040)	(350,589)	(266,493)	(1,537,136)
Activity budgeted as capital projects funds	(386,621)	(6,068)	(84,282)	(308,407)
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	<u>\$ 63,916,816</u>	<u>\$ 95,266,688</u>	<u>\$ 83,508,073</u>	<u>\$ 68,506,799</u>

NOTE 2 PENSION PLAN SCHEDULES

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

Factors that Affect Trends. The actuarial assumptions used in the June 30, 2015, valuation for ASRS were based on the results of an actuarial experience study for the five-year period ended June 30, 2012. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2013, actuarial valuation. The study did not include an analysis of the assumed investment rate of return.

The actuarial assumptions used in the June 30, 2016, valuation for PSPRS were based on the results of an actuarial experience study for the five-year period ended June 30, 2011. The total pension liability used to calculate the net pension liability for PSPRS was determined by an actuarial valuation as of that date.

OTHER SUPPLEMENTARY INFORMATION



NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

Debt Service Fund

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

Non-Utility Development Impact Fees Fund

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

CITY OF GOODYEAR, ARIZONA
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

	Special Revenue		
	Highway User Revenue	Community Facilities Districts	Grants
<u>ASSETS</u>			
Cash and cash equivalents	\$	\$ 2,483,043	\$ 1,109,504
Investments			626,051
Taxes receivable		18,781	
Interest receivable			1,731
Accounts receivable		3,596	
Due from other governments	445,595		109,947
Inventories	533,304		
Restricted cash and cash equivalents			
Total assets	<u>\$ 978,899</u>	<u>\$ 2,505,420</u>	<u>\$ 1,847,233</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 89,473	\$ 27,423	\$ 47,452
Accrued payroll and employee benefits	80,295		4,665
Accrued interest payable			
Deposits	152,551		
Due to other funds	86,146	623,552	
Unearned revenue			1,808,897
Bonds payable			
Advances from other funds			
Total liabilities	<u>408,465</u>	<u>650,975</u>	<u>1,861,014</u>
Deferred inflows of resources:			
Unavailable revenues - property taxes		7,582	
Unavailable revenues - intergovernmental			91,948
Total deferred inflows of resources		<u>7,582</u>	<u>91,948</u>
Fund balances (deficits):			
Nonspendable	533,304		
Restricted	37,130	1,846,863	
Committed			
Unassigned			(105,729)
Total fund balances	<u>570,434</u>	<u>1,846,863</u>	<u>(105,729)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 978,899</u>	<u>\$ 2,505,420</u>	<u>\$ 1,847,233</u>

<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
		Non-Utility Development Impact Fees	Total Non- Major Governmental Funds
<u>Ball Park Fund</u>	<u>Debt Service</u>		
\$ 1,448,540	\$ 874	\$ 10,720,430	\$ 15,762,391
691,582		3,269,163	4,586,796
	89,483		108,264
1,912		9,038	12,681
	423,314		426,910
			555,542
			533,304
9,943,235	5,447,322		15,390,557
<u>\$ 12,085,269</u>	<u>\$ 5,960,993</u>	<u>\$ 13,998,631</u>	<u>\$ 37,376,445</u>
\$ 415,349	\$	\$ 248,623	\$ 828,320
91,625			176,585
	2,241,645		2,241,645
61,526		70,625	284,702
			709,698
135			1,809,032
	2,975,000		2,975,000
		1,251,242	1,251,242
<u>568,635</u>	<u>5,216,645</u>	<u>1,570,490</u>	<u>10,276,224</u>
	40,791		48,373
			91,948
	<u>40,791</u>		<u>140,321</u>
			533,304
9,869,218	703,557	12,428,141	24,884,909
1,647,416			1,647,416
			(105,729)
<u>11,516,634</u>	<u>703,557</u>	<u>12,428,141</u>	<u>26,959,900</u>
<u>\$ 12,085,269</u>	<u>\$ 5,960,993</u>	<u>\$ 13,998,631</u>	<u>\$ 37,376,445</u>

CITY OF GOODYEAR, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

	Special Revenue		
	Highway User Revenue	Community Facilities Districts	Grants
Revenues:			
Taxes	\$	\$ 1,254,403	\$
Licenses and permits	1,150		
Intergovernmental	5,066,574		692,645
Charges for services	56,903		
Investment income	4,676	14,222	860
Contributions			112,841
Miscellaneous	189	74,738	
Total revenues	<u>5,129,492</u>	<u>1,343,363</u>	<u>806,346</u>
Expenditures:			
Current -			
General government		930,606	
Public safety			588,076
Highways and streets	5,124,418		161,822
Culture and recreation			
Development services			4,748
Capital outlay			128,692
Debt service -			
Principal retirement			
Interest and debt cost			
Bond issuance costs			
Total expenditures	<u>5,124,418</u>	<u>930,606</u>	<u>883,338</u>
Excess (deficiency) of revenues over expenditures	<u>5,074</u>	<u>412,757</u>	<u>(76,992)</u>
Other financing sources (uses):			
Bond issuance			
Refunding bonds issued			
Refunding bonds premium			
Payment to refunded bond escrow agent			
Transfer in			
Total other financing sources (uses):			
Changes in fund balances	<u>5,074</u>	<u>412,757</u>	<u>(76,992)</u>
Fund balances (deficits), beginning of year, as restated	565,360	1,434,106	(28,737)
Fund balances (deficits), end of year	<u>\$ 570,434</u>	<u>\$ 1,846,863</u>	<u>\$ (105,729)</u>

<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>		<u>Total Non-Major Governmental Funds</u>
<u>Ball Park Fund</u>	<u>Debt Service</u>	<u>Non-Utility Development Impact Fees</u>	<u>Community Facilities Districts Capital Projects</u>	
\$	\$ 4,923,122	\$ 2,184,624	\$	\$ 8,362,149
	2,043			1,150
2,766,541		3,557,867		5,761,262
2,047	92	50,509		6,381,311
				72,406
9,246	206,516			112,841
2,777,834	5,131,773	5,793,000		290,689
				20,981,808
		3,380		933,986
				588,076
		462,712		5,748,952
5,688,213		381,227		6,069,440
				4,748
		5,400,397	306,056	5,835,145
	6,915,017			6,915,017
	4,121,876			4,121,876
	777,473		16,944	794,417
5,688,213	11,814,366	6,247,716	323,000	31,011,657
(2,910,379)	(6,682,593)	(454,716)	(323,000)	(10,029,849)
10,645,000			323,000	10,968,000
	90,300,941			90,300,941
	13,152,115			13,152,115
	(102,456,025)			(102,456,025)
3,592,715	6,375,917			9,968,632
14,237,715	7,372,948		323,000	21,933,663
11,327,336	690,355	(454,716)		11,903,814
189,298	13,202	12,882,857		15,056,086
\$ 11,516,634	\$ 703,557	\$ 12,428,141	\$	\$ 26,959,900



AGENCY FUNDS

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

CITY OF GOODYEAR, ARIZONA
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2017

	<u>GAIN</u>	<u>Fill-A-Need</u>	<u>Shop With A Cop</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 8,679	\$ 5,402	\$ 18,018
Total assets	<u>\$ 8,679</u>	<u>\$ 5,402</u>	<u>\$ 18,018</u>
 <u>LIABILITIES</u>			
Deposits held for others	\$ 8,679	\$ 5,402	\$ 18,018
Total liabilities	<u>\$ 8,679</u>	<u>\$ 5,402</u>	<u>\$ 18,018</u>

Arizona in Action	Totals
\$ 3,230	\$ 35,329
<u>\$ 3,230</u>	<u>\$ 35,329</u>

\$ 3,230	\$ 35,329
<u>\$ 3,230</u>	<u>\$ 35,329</u>

CITY OF GOODYEAR, ARIZONA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2017

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>GAIN</u>				
<u>Assets</u>				
Cash and investments	\$ <u>8,662</u>	\$ <u>17</u>	\$ <u></u>	\$ <u>8,679</u>
<u>Liabilities</u>				
Deposits held for others	\$ <u>8,662</u>	\$ <u>17</u>	\$ <u></u>	\$ <u>8,679</u>
<u>FILL-A-NEED</u>				
<u>Assets</u>				
Cash and investments	\$ <u>111</u>	\$ <u>10,167</u>	\$ <u>4,876</u>	\$ <u>5,402</u>
<u>Liabilities</u>				
Deposits held for others	\$ <u>111</u>	\$ <u>10,167</u>	\$ <u>4,876</u>	\$ <u>5,402</u>
<u>SHOP WITH A COP</u>				
<u>Assets</u>				
Cash and investments	\$ <u>14,195</u>	\$ <u>9,500</u>	\$ <u>5,677</u>	\$ <u>18,018</u>
<u>Liabilities</u>				
Deposits held for others	\$ <u>14,195</u>	\$ <u>9,500</u>	\$ <u>5,677</u>	\$ <u>18,018</u>
<u>ARIZONA IN ACTION</u>				
<u>Assets</u>				
Cash and investments	\$ <u>3,230</u>	\$ <u></u>	\$ <u></u>	\$ <u>3,230</u>
<u>Liabilities</u>				
Deposits held for others	\$ <u>3,230</u>	\$ <u></u>	\$ <u></u>	\$ <u>3,230</u>
<u>TOTAL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and investments	\$ <u>26,198</u>	\$ <u>19,684</u>	\$ <u>10,553</u>	\$ <u>35,329</u>
<u>Liabilities</u>				
Deposits held for others	\$ <u>26,198</u>	\$ <u>19,684</u>	\$ <u>10,553</u>	\$ <u>35,329</u>

**BUDGETARY COMPARISON SCHEDULES
OTHER MAJOR GOVERNMENTAL FUNDS**



CITY OF GOODYEAR, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MCDOWELL ROAD COMMERCIAL CORRIDOR ID DEBT SERVICE
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Original & Final</u>	<u>Actual</u>	<u></u>
Revenues:			
Investment income	\$	\$ 583	\$ 583
Special assessments	3,540,051	3,539,254	(797)
Total revenues	<u>3,540,051</u>	<u>3,539,837</u>	<u>(214)</u>
Expenditures:			
Debt service -			
Principal retirement	1,580,000	1,580,000	
Interest and debt cost	1,960,051	1,960,050	1
Total expenditures	<u>3,540,051</u>	<u>3,540,050</u>	<u>1</u>
Changes in fund balances	<u></u>	<u>(213)</u>	<u>(213)</u>
Fund balances, beginning of year		104,461	104,461
Fund balances, end of year	<u>\$</u>	<u>\$ 104,248</u>	<u>\$ 104,248</u>

CITY OF GOODYEAR, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
COMMUNITY FACILITIES DISTRICTS DEBT SERVICE
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original & Final	Actual	
Revenues:			
Taxes	\$ 5,729,357	\$ 5,678,413	\$ (50,944)
Investment income	8,000	34,044	26,044
Special assessments	4,797,510	2,470,151	(2,327,359)
Contributions	650,000	556,620	(93,380)
Total revenues	<u>11,184,867</u>	<u>8,739,228</u>	<u>(2,445,639)</u>
Expenditures:			
Debt service -			
Principal retirement	9,821,000	4,641,000	5,180,000
Interest and debt cost	7,864,334	4,589,950	3,274,384
Bond issuance costs	1,260,820	(1,260,820)	(1,260,820)
Total expenditures	<u>17,685,334</u>	<u>10,491,770</u>	<u>7,193,564</u>
Excess (deficiency) of revenues over expenditures	<u>(6,500,467)</u>	<u>(1,752,542)</u>	<u>4,747,925</u>
Other financing sources (uses):			
Refunding bonds issued		27,830,000	27,830,000
Refunding bonds premium		1,394,491	1,394,491
Payment to refunded bond escrow agent		(27,931,678)	(27,931,678)
Total other financing sources (uses):		<u>1,292,813</u>	<u>1,292,813</u>
Changes in fund balances	<u>(6,500,467)</u>	<u>(459,729)</u>	<u>6,040,738</u>
Fund balances, beginning of year		12,871,535	12,871,535
Fund balances (deficits), end of year	<u>\$ (6,500,467)</u>	<u>\$ 12,411,806</u>	<u>\$ 18,912,273</u>

**BUDGETARY COMPARISON SCHEDULES
NON-MAJOR GOVERNMENTAL FUNDS
AND ENTERPRISE FUNDS**

CITY OF GOODYEAR, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
IMPOUND
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 120,000	\$ 120,000	\$ 152,250	\$ 32,250
Investment income			970	970
Total revenues	<u>120,000</u>	<u>120,000</u>	<u>153,220</u>	<u>33,220</u>
Expenditures:				
Current -				
Public safety	207,466	182,466	70,379	112,087
Capital outlay	70,132	95,132	95,074	58
Total expenditures	<u>277,598</u>	<u>277,598</u>	<u>165,453</u>	<u>112,145</u>
Changes in fund balances	<u>(157,598)</u>	<u>(157,598)</u>	<u>(12,233)</u>	<u>145,365</u>
Fund balances, beginning of year			296,932	296,932
Fund balances (deficits), end of year	<u>\$ (157,598)</u>	<u>\$ (157,598)</u>	<u>\$ 284,699</u>	<u>\$ 442,297</u>

CITY OF GOODYEAR, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
HIGHWAY USER REVENUE
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original & Final	Actual	
Revenues:			
Licenses and permits	\$ 3,975	\$ 1,150	\$ (2,825)
Intergovernmental	4,240,101	5,066,574	826,473
Charges for services	25,000	56,903	31,903
Investment income		4,676	4,676
Miscellaneous		189	189
Total revenues	<u>4,269,076</u>	<u>5,129,492</u>	<u>860,416</u>
Expenditures:			
Current -			
Highways and streets	5,497,644	5,124,418	373,226
Total expenditures	<u>5,497,644</u>	<u>5,124,418</u>	<u>373,226</u>
Changes in fund balances	<u>(1,228,568)</u>	<u>5,074</u>	<u>1,233,642</u>
Fund balances, beginning of year		565,360	565,360
Fund balances (deficits), end of year	<u><u>\$ (1,228,568)</u></u>	<u><u>\$ 570,434</u></u>	<u><u>\$ 1,799,002</u></u>

CITY OF GOODYEAR, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
PARK AND RIDE MARQUEE
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts <u>Original & Final</u>	Non-GAAP Actual <u>Actual</u>	Variance with Final Budget Positive (Negative) <u>(Negative)</u>
Revenues:			
Charges for services	\$ 100,500	\$ 100,500	\$
Investment income		4,293	4,293
Total revenues	<u>100,500</u>	<u>104,793</u>	<u>4,293</u>
Changes in fund balances	<u>100,500</u>	<u>104,793</u>	<u>4,293</u>
Fund balances, beginning of year		847,446	847,446
Fund balances, end of year	<u><u>\$ 100,500</u></u>	<u><u>\$ 952,239</u></u>	<u><u>\$ 851,739</u></u>

CITY OF GOODYEAR, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
COURT ENHANCEMENT
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts <u>Original & Final</u>	Non-GAAP Actual <u>Actual</u>	Variance with Final Budget Positive (Negative) <u>(Negative)</u>
Revenues:			
Fines and forfeits	\$ 42,000	\$ 54,432	\$ 12,432
Investment income		43	43
Total revenues	<u>42,000</u>	<u>54,475</u>	<u>12,475</u>
Expenditures:			
Current -			
Public safety	85,000	47,415	37,585
Total expenditures	<u>85,000</u>	<u>47,415</u>	<u>37,585</u>
Changes in fund balances	<u>(43,000)</u>	<u>7,060</u>	<u>50,060</u>
Fund balances, beginning of year		91,866	91,866
Fund balances (deficits), end of year	<u>\$ (43,000)</u>	<u>\$ 98,926</u>	<u>\$ 141,926</u>

CITY OF GOODYEAR, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
JCEF
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts <u>Original & Final</u>	Non-GAAP Actual <u>Actual</u>	Variance with Final Budget Positive (Negative) <u>(Negative)</u>
Revenues:			
Fines and forfeits	\$ 13,000	\$ 15,231	\$ 2,231
Investment income		111	111
Total revenues	<u>13,000</u>	<u>15,342</u>	<u>2,342</u>
Expenditures:			
Current -			
Public safety	60,000		60,000
Total expenditures	<u>60,000</u>		<u>60,000</u>
Changes in fund balances	<u>(47,000)</u>	<u>15,342</u>	<u>62,342</u>
Fund balances, beginning of year		86,485	86,485
Fund balances (deficits), end of year	<u>\$ (47,000)</u>	<u>\$ 101,827</u>	<u>\$ 148,827</u>

CITY OF GOODYEAR, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FILL THE GAP
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Non-GAAP	Variance with Final Budget
	Original & Final		Actual	Positive (Negative)
Revenues:				
Fines and forfeits	\$ 8,000		\$ 6,645	\$ (1,355)
Investment income			29	29
Total revenues	<u>8,000</u>		<u>6,674</u>	<u>(1,326)</u>
Expenditures:				
Current -				
Public safety	9,000			9,000
Total expenditures	<u>9,000</u>			<u>9,000</u>
Changes in fund balances	<u>(1,000)</u>		<u>6,674</u>	<u>7,674</u>
Fund balances, beginning of year			88,644	88,644
Fund balances (deficits), end of year	<u>\$ (1,000)</u>		<u>\$ 95,318</u>	<u>\$ 96,318</u>

CITY OF GOODYEAR, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
OFFICER SAFETY EQUIPMENT
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Non-GAAP	Variance with Final Budget Positive (Negative)
	Original & Final		Actual	
Revenues:				
Fines and forfeits	\$ 13,000		\$ 16,085	\$ 3,085
Total revenues	<u>13,000</u>		<u>16,085</u>	<u>3,085</u>
Expenditures:				
Current -				
Public safety	53,942		53,625	317
Total expenditures	<u>53,942</u>		<u>53,625</u>	<u>317</u>
Changes in fund balances	<u>(40,942)</u>		<u>(37,540)</u>	<u>3,402</u>
Fund balances, beginning of year			41,667	41,667
Fund balances (deficits), end of year	<u>\$ (40,942)</u>		<u>\$ 4,127</u>	<u>\$ 45,069</u>

CITY OF GOODYEAR, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
COMMUNITY FACILITIES DISTRICTS
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original & Final	Actual	
Revenues:			
Taxes	\$ 1,268,342	\$ 1,254,403	\$ (13,939)
Investment income	3,000	14,222	11,222
Miscellaneous	240,000	74,738	(165,262)
Total revenues	<u>1,511,342</u>	<u>1,343,363</u>	<u>(167,979)</u>
Expenditures:			
Current -			
General government	1,511,307	930,606	580,701
Total expenditures	<u>1,511,307</u>	<u>930,606</u>	<u>580,701</u>
Changes in fund balances	<u>35</u>	<u>412,757</u>	<u>412,722</u>
Fund balances, beginning of year		1,434,106	1,434,106
Fund balances, end of year	<u>\$ 35</u>	<u>\$ 1,846,863</u>	<u>\$ 1,846,828</u>

CITY OF GOODYEAR, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GRANTS
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ 191,527	\$ 191,527	\$ 692,645	\$ 501,118
Investment income			860	860
Contributions			112,841	112,841
Total revenues	<u>191,527</u>	<u>191,527</u>	<u>806,346</u>	<u>614,819</u>
Expenditures:				
Current -				
Public safety	125,000	726,048	588,076	137,972
Highways and streets	129,407	161,862	161,822	40
Development services		17,500	4,748	12,752
Capital outlay	312,300	313,827	128,692	185,135
Total expenditures	<u>566,707</u>	<u>1,219,237</u>	<u>883,338</u>	<u>335,899</u>
Changes in fund balances	<u>(375,180)</u>	<u>(1,027,710)</u>	<u>(76,992)</u>	<u>950,718</u>
Fund balances (deficits), beginning of year			(28,737)	(28,737)
Fund balances (deficits), end of year	<u>\$ (375,180)</u>	<u>\$ (1,027,710)</u>	<u>\$ (105,729)</u>	<u>\$ 921,981</u>

CITY OF GOODYEAR, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
BALL PARK FUND
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for services	\$ 2,277,733	\$ 2,277,733	\$ 2,766,541	\$ 488,808
Investment income			2,047	2,047
Miscellaneous			9,246	9,246
Total revenues	<u>2,277,733</u>	<u>2,277,733</u>	<u>2,777,834</u>	<u>500,101</u>
Expenditures:				
Current -				
Culture and recreation	11,272,154	6,175,376	5,688,213	487,163
Total expenditures	<u>11,272,154</u>	<u>6,175,376</u>	<u>5,688,213</u>	<u>487,163</u>
Excess (deficiency) of revenues over expenditures	<u>(8,994,421)</u>	<u>(3,897,643)</u>	<u>(2,910,379)</u>	<u>987,264</u>
Other financing sources (uses):				
Bond issuance			10,645,000	10,645,000
Transfer in	9,479,421	9,479,421	3,592,715	(5,886,706)
Total other financing sources (uses):	<u>9,479,421</u>	<u>9,479,421</u>	<u>14,237,715</u>	<u>4,758,294</u>
Changes in fund balances	<u>485,000</u>	<u>5,581,778</u>	<u>11,327,336</u>	<u>5,745,558</u>
Fund balances, beginning of year			189,298	189,298
Fund balances, end of year	<u>\$ 485,000</u>	<u>\$ 5,581,778</u>	<u>\$ 11,516,634</u>	<u>\$ 5,934,856</u>

CITY OF GOODYEAR, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICE
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	\$ 4,991,799	\$ 4,991,799	\$ 4,923,122	\$ (68,677)
Intergovernmental			2,043	2,043
Investment income			92	92
Miscellaneous			206,516	206,516
Total revenues	<u>4,991,799</u>	<u>4,991,799</u>	<u>5,131,773</u>	<u>139,974</u>
Expenditures:				
Debt service -				
Principal retirement	3,575,964	6,550,964	6,915,017	(364,053)
Interest and debt cost	1,373,526	4,827,726	4,121,876	705,850
Bond issuance costs		680,100	777,473	(97,373)
Total expenditures	<u>4,949,490</u>	<u>12,058,790</u>	<u>11,814,366</u>	<u>244,424</u>
Excess (deficiency) of revenues over expenditures	<u>42,309</u>	<u>(7,066,991)</u>	<u>(6,682,593)</u>	<u>384,398</u>
Other financing sources (uses):				
Refunding bonds issued			90,300,941	90,300,941
Refunding bonds premium			13,152,115	13,152,115
Payment to refunded bond escrow agent		(11,985,653)	(102,456,025)	(90,470,372)
Transfer in			6,375,917	6,375,917
Total other financing sources (uses):		<u>(11,985,653)</u>	<u>7,372,948</u>	<u>19,358,601</u>
Changes in fund balances	<u>42,309</u>	<u>(19,052,644)</u>	<u>690,355</u>	<u>19,742,999</u>
Fund balances, beginning of year			13,202	13,202
Fund balances (deficits), end of year	<u>\$ 42,309</u>	<u>\$ (19,052,644)</u>	<u>\$ 703,557</u>	<u>\$ 19,756,201</u>

CITY OF GOODYEAR, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NON-UTILITY DEVELOPMENT IMPACT FEES
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	\$ 1,598,000	\$ 1,598,000	\$ 2,184,624	\$ 586,624
Charges for services	4,788,023	4,788,023	3,557,867	(1,230,156)
Investment income			50,509	50,509
Total revenues	<u>6,386,023</u>	<u>6,386,023</u>	<u>5,793,000</u>	<u>(593,023)</u>
Expenditures:				
Current -				
General government	71,500	71,500	3,380	68,120
Highways and streets	8,250	476,458	462,712	13,746
Culture and recreation	369,340	369,340	381,227	(11,887)
Capital outlay	6,165,507	5,544,912	5,400,397	144,515
Total expenditures	<u>6,614,597</u>	<u>6,462,210</u>	<u>6,247,716</u>	<u>214,494</u>
Changes in fund balances	<u>(228,574)</u>	<u>(76,187)</u>	<u>(454,716)</u>	<u>(378,529)</u>
Fund balances, beginning of year			12,882,857	12,882,857
Fund balances (deficits), end of year	<u>\$ (228,574)</u>	<u>\$ (76,187)</u>	<u>\$ 12,428,141</u>	<u>\$ 12,504,328</u>

CITY OF GOODYEAR, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL IMPROVEMENT PROJECTS
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Non-GAAP	Variance with
	Original	Final	Actual	Final Budget
				Positive
				(Negative)
Revenues:				
Investment income	\$	\$	\$ 6,068	\$ 6,068
Total revenues			6,068	6,068
Expenditures:				
Capital outlay	160,000	180,589	84,282	96,307
Total expenditures	160,000	180,589	84,282	96,307
Changes in fund balances	(160,000)	(180,589)	(78,214)	102,375
Fund balances, beginning of year			386,621	386,621
Fund balances (deficits), end of year	\$ (160,000)	\$ (180,589)	\$ 308,407	\$ 488,996

CITY OF GOODYEAR, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
COMMUNITY FACILITIES DISTRICTS CAPITAL PROJECTS
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original & Final	Actual	
Expenditures:			
Capital outlay	\$	\$ 306,056	\$ (306,056)
Debt service -			
Bond issuance costs		16,944	(16,944)
Total expenditures		<u>323,000</u>	<u>(323,000)</u>
Excess (deficiency) of revenues over expenditures		<u>(323,000)</u>	<u>(323,000)</u>
Other financing sources (uses):			
Bond issuance		323,000	323,000
Total other financing sources (uses):		<u>323,000</u>	<u>323,000</u>
Changes in fund balances			
Fund balances, beginning of year			
Fund balances, end of year	<u>\$</u>	<u>\$</u>	<u>\$</u>

CITY OF GOODYEAR, ARIZONA
SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL
WATER AND WASTEWATER ENTERPRISE FUND
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 30,298,250	\$ 30,298,250	\$ 31,358,803	\$ 1,060,553
Miscellaneous	9,014,697	9,014,697	22,081	(8,992,616)
Total operating revenues	<u>39,312,947</u>	<u>39,312,947</u>	<u>31,380,884</u>	<u>(7,932,063)</u>
Operating expenses:				
Administration	4,591,404	4,616,204	4,369,197	247,007
Cost of sales and services	54,558,050	55,713,128	14,102,586	41,610,542
Depreciation			7,343,823	(7,343,823)
Total operating expenses	<u>59,149,454</u>	<u>60,329,332</u>	<u>25,815,606</u>	<u>34,513,726</u>
Operating income (loss)	<u>(19,836,507)</u>	<u>(21,016,385)</u>	<u>5,565,278</u>	<u>26,581,663</u>
Nonoperating revenues (expenses):				
Intergovernmental			422,888	422,888
Investment income	108,233	108,233	116,651	8,418
Gain on sale of assets	10,426	10,426	11,624	1,198
Interest expense	11,098,429	11,373,029	(4,335,644)	(15,708,673)
Total nonoperating revenues (expenses)	<u>11,217,088</u>	<u>11,491,688</u>	<u>(3,784,481)</u>	<u>(15,699,057)</u>
Income before capital contributions and transfers	<u>(8,619,419)</u>	<u>(9,524,697)</u>	<u>1,780,797</u>	<u>11,305,494</u>
Capital contributions	11,317,027	11,317,027	13,005,002	1,687,975
Transfers in				-
Transfers out	(1,900,000)	(1,900,000)	(1,900,000)	-
Change in net position	<u>797,608</u>	<u>(107,670)</u>	<u>12,885,799</u>	<u>12,993,469</u>
Net position, beginning of year	202,682,663	202,682,663	202,682,663	-
Net position, end of year	<u>\$ 203,480,271</u>	<u>\$ 202,574,993</u>	<u>\$ 215,568,462</u>	<u>\$ 12,993,469</u>

CITY OF GOODYEAR, ARIZONA
SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL
SANITATION ENTERPRISE FUND
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 7,488,741	\$ 7,488,741	\$ 7,577,840	\$ 89,099
Miscellaneous	6,000	6,000	9,000	3,000
Total operating revenues	<u>7,494,741</u>	<u>7,494,741</u>	<u>7,586,840</u>	<u>92,099</u>
Operating expenses:				
Administration	740,773	725,773	688,329	37,444
Cost of sales and services	5,586,314	5,601,314	5,044,772	556,542
Depreciation			144,642	(144,642)
Total operating expenses	<u>6,327,087</u>	<u>6,327,087</u>	<u>5,877,743</u>	<u>449,344</u>
Operating income (loss)	<u>1,167,654</u>	<u>1,167,654</u>	<u>1,709,097</u>	<u>(357,245)</u>
Nonoperating revenues (expenses):				
Investment income	2,000	2,000	6,449	4,449
Gain on sale of assets			9,515	9,515
Total nonoperating revenues (expenses)	<u>-</u>	<u>-</u>	<u>15,964</u>	<u>13,964</u>
Income before transfers	<u>1,167,654</u>	<u>1,167,654</u>	<u>1,725,061</u>	<u>557,407</u>
Transfers out	(900,000)	(900,000)	(900,000)	
Change in net position	<u>267,654</u>	<u>267,654</u>	<u>825,061</u>	<u>557,407</u>
Net position, beginning of year			1,896,515	1,896,515
Net position, end of year	<u>\$ 267,654</u>	<u>\$ 267,654</u>	<u>\$ 2,721,576</u>	<u>\$ 2,453,922</u>



STATISTICAL SECTION

STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

These schedules present information to help the reader evaluate the City's current levels of outstanding debt as well as assess the City's ability to make debt payments and/or issue additional debt in the future.

Demographic and Economic Information

These schedules present various demographic and economic indicators to help the reader understand the environment in which the City's financial activities take place and to help make comparisons with other cities.

Operating Information

These schedules contain information about the City's operations and various resources to help the reader draw conclusions as to how the City's financial information relates to the services provided by the City.

Due to cost considerations for the accumulation of data, the City has elected to present less than ten years of data, or data from less than nine years prior, for certain statistical schedules. This information will be accumulated and reported each year until the complete ten years of data is presented.

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

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

	Fiscal Year				
	2008	2009	2010	2011	2012*
Governmental Activities					
Net investment in capital assets	\$ 256,047,572	\$ 309,491,989	\$ 317,162,459	\$ 327,503,686	\$ 329,064,345
Restricted	70,835,115	117,787,315	115,881,050	110,105,296	108,246,415
Unrestricted	36,122,934	20,522,420	19,272,548	18,249,626	20,147,669
Total Governmental Activities Net Position	<u>363,005,621</u>	<u>447,801,725</u>	<u>452,316,057</u>	<u>455,858,608</u>	<u>457,458,429</u>
Business-type Activities					
Net investment in capital assets	159,530,687	199,696,564	191,582,614	179,254,929	178,432,900
Restricted				3,567,237	3,799,026
Unrestricted	(13,193,174)	(11,409,545)	4,365,725	9,263,439	11,229,680
Total Business-type Activities Net Position	<u>146,337,513</u>	<u>188,287,019</u>	<u>195,948,339</u>	<u>192,085,605</u>	<u>193,461,606</u>
Primary Government					
Net investment in capital assets	415,578,259	509,188,553	508,745,073	506,758,615	507,497,245
Restricted	70,835,115	117,787,315	115,881,050	113,672,533	112,045,441
Unrestricted	22,929,760	9,112,875	23,638,273	27,513,065	31,377,349
Total Primary Government Net Position	<u>\$ 509,343,134</u>	<u>\$ 636,088,744</u>	<u>\$ 648,264,396</u>	<u>\$ 647,944,213</u>	<u>\$ 650,920,035</u>

Notes:

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

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

Source: Statement of Net Position

Table 1

Fiscal Year				
2013	2014**	2015	2016	2017
\$ 333,034,884	\$ 345,513,895	\$ 365,019,949	\$ 361,739,970	\$ 379,899,821
99,128,020	85,246,465	92,247,738	92,276,066	90,497,505
35,820,702	9,672,461	5,722,007	19,147,997	16,944,442
<u>467,983,606</u>	<u>440,432,821</u>	<u>462,989,694</u>	<u>473,164,033</u>	<u>487,341,768</u>
178,456,590	177,274,142	176,380,867	180,640,162	181,242,982
3,196,131	5,640,492	7,607,902	18,131,719	21,072,234
16,616,254	9,860,573	14,190,297	7,380,491	15,974,822
<u>198,268,975</u>	<u>192,775,207</u>	<u>198,179,066</u>	<u>206,152,372</u>	<u>218,290,038</u>
511,491,474	522,788,037	541,400,816	542,380,132	561,142,803
102,324,151	90,886,957	99,855,640	110,407,785	111,569,739
52,436,956	19,533,034	19,912,304	26,528,488	32,919,264
<u>\$ 666,252,581</u>	<u>\$ 633,208,028</u>	<u>\$ 661,168,760</u>	<u>\$ 679,316,405</u>	<u>\$ 705,631,806</u>

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

	2008	2009	2010	2011	2012
Expenses***					
Governmental Activities:					
General government	\$ 18,425,609	\$ 14,147,399	\$ 15,810,359	\$ 17,207,556	\$ 18,353,630
Public safety	27,331,416	27,830,608	27,463,658	28,032,217	25,423,233
Community services**	1,290,021	1,248,219	454,550		
Highways and streets	9,104,717	8,436,341	12,179,531	14,798,670	13,179,678
Public works	59,138,044	14,370,096	11,070,853	3,658,756	4,168,252
Culture and recreation	1,909,303	5,435,750	4,023,639	4,439,181	4,962,070
Development services	14,731,322	9,583,326	2,555,353	5,150,677	6,225,917
Interest on long-term debt	9,710,526	12,001,714	11,210,504	10,710,302	10,441,684
Total Governmental Activities Expenses	<u>\$ 141,640,958</u>	<u>\$ 93,053,453</u>	<u>\$ 84,768,447</u>	<u>\$ 83,997,359</u>	<u>\$ 82,754,464</u>
Business-type Activities					
Water and wastewater	\$ 16,983,558	\$ 18,655,263	\$ 18,124,893	\$ 20,733,932	\$ 20,654,800
Sanitation	4,839,626	5,090,150	4,782,565	4,815,314	5,154,201
Stadium*	861,000	6,475,960	11,547,500	11,958,862	11,634,491
Total Business-type Activities Expenses	<u>\$ 22,684,184</u>	<u>\$ 30,221,373</u>	<u>\$ 34,454,958</u>	<u>\$ 37,508,108</u>	<u>\$ 37,443,492</u>
Total Primary Government Expenses	<u>\$ 164,325,142</u>	<u>\$ 123,274,826</u>	<u>\$ 119,223,405</u>	<u>\$ 121,505,467</u>	<u>\$ 120,197,956</u>

Notes:

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

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

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

Source: Statement of Activities

Table 2

2013	2014	2015	2016	2017
\$ 17,652,646	\$ 18,216,169	\$ 19,624,056	\$ 19,824,313	\$ 20,151,975
27,987,404	30,710,193	31,834,683	34,823,588	47,535,184
14,355,644	19,368,539	17,941,162	20,753,487	19,181,162
3,090,345	2,773,348	3,361,822	7,920,958	3,569,658
5,539,612	5,827,309	6,422,764	6,880,654	15,363,752
7,194,428	5,836,254	7,005,308	7,981,904	7,316,935
10,411,562	9,282,269	8,763,353	8,479,284	12,131,284
<u>\$ 86,231,641</u>	<u>\$ 92,014,081</u>	<u>\$ 94,953,148</u>	<u>\$ 106,664,188</u>	<u>\$ 125,249,950</u>
\$ 21,912,587	\$ 23,511,395	\$ 25,489,522	\$ 27,647,487	\$ 30,139,626
5,246,666	5,472,534	5,802,163	6,444,459	5,868,228
12,204,354	12,529,987	12,407,494	12,647,134	
<u>\$ 39,363,607</u>	<u>\$ 41,513,916</u>	<u>\$ 43,699,179</u>	<u>\$ 46,739,080</u>	<u>\$ 36,007,854</u>
<u>\$ 125,595,248</u>	<u>\$ 133,527,997</u>	<u>\$ 138,652,327</u>	<u>\$ 153,403,268</u>	<u>\$ 161,257,804</u>

continued

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

	2008	2009	2010	2011
Program Revenue*				
Governmental Activities:				
Charges for Services:				
General government	\$ 4,674,927	\$ 1,031,722	\$ 1,715,692	\$ 1,977,735
Public safety	268,337	264,347	657,270	628,671
Culture and recreation	343,274	357,039	287,805	325,552
Developmental services	12,183,231	4,776,076	3,615,255	3,879,823
Operating Grants and Contributions	4,587,630	4,843,140	5,648,867	5,818,158
Capital Grants and Contributions	85,108,447	102,028,190	16,436,375	13,951,581
Total Governmental Activities Program Revenues	<u>\$ 107,165,846</u>	<u>\$ 113,300,514</u>	<u>\$ 28,361,264</u>	<u>\$ 26,581,520</u>
Business-type Activities				
Charges for Services:				
Water and wastewater	\$ 15,139,535	\$ 15,269,341	\$ 16,258,079	\$ 17,634,821
Sanitation	5,145,922	5,625,426	5,790,357	5,774,010
Stadium*		1,014,221	1,530,799	1,564,324
Operating Grants and Contributions	762,200	25,000		
Capital Grants and Contributions	27,405,133	41,595,562	6,211,533	4,570,849
Total Business-type Activities Revenues	<u>48,452,790</u>	<u>63,529,550</u>	<u>29,790,768</u>	<u>29,544,004</u>
Total Primary Government Revenues	<u>\$ 155,618,636</u>	<u>\$ 176,830,064</u>	<u>\$ 58,152,032</u>	<u>\$ 56,125,524</u>
Net (Expense)/Revenue				
Governmental Activities	\$ (34,475,112)	\$ 20,247,061	\$ (56,407,183)	\$ (57,415,839)
Business-type Activities	25,768,606	33,308,177	(4,664,190)	(7,964,104)
Total Primary Government Net Revenues	<u>\$ (8,706,506)</u>	<u>\$ 53,555,238</u>	<u>\$ (61,071,373)</u>	<u>\$ (65,379,943)</u>

Note:

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

Source: Statement of Activities

Table 2

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 1,691,455	\$ 2,884,854	\$ 2,603,723	\$ 2,766,974	\$ 2,398,256	\$ 2,368,056
807,498	1,176,336	714,614	1,624,427	1,713,627	1,313,160
322,215	304,128	433,384	416,607	386,041	3,135,416
4,163,050	6,206,750	6,899,047	5,353,778	7,043,227	9,079,431
7,636,691	4,654,268	7,565,511	10,777,134	9,518,206	10,546,333
9,701,254	11,358,824	6,171,185	8,252,449	12,134,476	12,246,216
<u>\$ 24,322,163</u>	<u>\$ 26,585,160</u>	<u>\$ 24,387,464</u>	<u>\$ 29,191,369</u>	<u>\$ 33,193,833</u>	<u>\$ 38,688,612</u>
\$ 20,105,006	\$ 22,667,401	\$ 24,767,428	\$ 24,650,687	\$ 27,724,410	\$ 31,358,803
6,115,977	6,368,920	6,641,318	6,922,425	7,125,427	7,577,840
1,633,230	1,741,609	2,182,278	2,237,359	2,234,046	
				110,837	110,718
9,252,599	7,987,680	5,962,050	14,454,883	11,692,490	13,317,172
<u>37,106,812</u>	<u>38,765,610</u>	<u>39,553,074</u>	<u>48,265,354</u>	<u>48,887,210</u>	<u>52,364,533</u>
\$ 61,428,975	\$ 65,350,770	\$ 63,940,538	\$ 77,456,723	\$ 82,081,043	\$ 91,053,145
\$ (58,432,301)	\$ (59,646,481)	\$ (67,626,617)	\$ (65,761,779)	\$ (73,470,355)	\$ (86,561,338)
(336,680)	(597,997)	(1,960,842)	4,566,175	2,148,130	16,356,679
<u>\$ (58,768,981)</u>	<u>\$ (60,244,478)</u>	<u>\$ (69,587,459)</u>	<u>\$ (61,195,604)</u>	<u>\$ (71,322,225)</u>	<u>\$ (70,204,659)</u>

continued

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

	2008	2009	2010	2011
Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes	\$ 61,251,635	\$ 59,003,971	\$ 55,623,884	\$ 53,595,119
Intergovernmental	12,654,235	12,236,437	10,907,518	9,699,146
Investment income	4,268,448	148,687	179,114	227,446
Special assessments*				
Miscellaneous	4,075,011	911,254	2,026,285	827,619
Transfers	(9,444,077)	(7,751,307)	(7,815,285)	(3,390,940)
Total Governmental Activities	<u>\$ 72,805,252</u>	<u>\$ 64,549,042</u>	<u>\$ 60,921,516</u>	<u>\$ 60,958,390</u>
Business-type Activities				
Investment income	\$ 1,379,832	\$ 121,900	\$ 57,527	\$ 71,819
Proceeds from the sale of water rights			4,352,000	
Miscellaneous	212,708	78,586	100,698	638,611
Transfers	9,444,077	7,751,307	7,815,285	3,390,940
Total Business-type Activities	<u>\$ 11,036,617</u>	<u>\$ 7,951,793</u>	<u>\$ 12,325,510</u>	<u>\$ 4,101,370</u>
Total Primary Government	<u>\$ 83,841,869</u>	<u>\$ 72,500,835</u>	<u>\$ 73,247,026</u>	<u>\$ 65,059,760</u>
Changes in Net Position				
Governmental Activities	\$ 38,330,140	\$ 84,796,103	\$ 4,514,333	\$ 3,542,551
Business-type Activities	36,375,158	41,259,970	7,661,320	(3,862,734)
Total Primary Government	<u>\$ 74,705,298</u>	<u>\$ 126,056,073</u>	<u>\$ 12,175,653</u>	<u>\$ (320,183)</u>

Note:

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

Source: Statement of Activities

Table 2

2012	2013	2014	2015	2016	2017
\$ 55,301,512	\$ 58,957,595	\$ 63,495,983	\$ 66,223,459	\$ 71,256,446	\$ 74,899,373
12,704,826	14,194,960	15,285,440	16,361,588	16,848,837	20,019,457
319,017	439,982	414,689	361,146	710,040	560,547
		2,189,906	4,980,000		
493,244	1,455,665	1,183,618	975,258	393,977	886,502
(3,892,665)	(4,876,544)	(5,138,252)	(582,797)	(5,564,606)	2,800,000
<u>\$ 64,925,934</u>	<u>\$ 70,171,658</u>	<u>\$ 77,431,384</u>	<u>\$ 88,318,654</u>	<u>\$ 83,644,694</u>	<u>\$ 99,165,879</u>
\$ 92,945	\$ 95,839	\$ 136,531	\$ 151,405	\$ 237,615	\$ 123,100
117,103	432,983	222,911	103,482	22,955	31,081
<u>3,892,665</u>	<u>4,876,544</u>	<u>5,138,252</u>	<u>582,797</u>	<u>5,564,606</u>	<u>(2,800,000)</u>
<u>\$ 4,102,713</u>	<u>\$ 5,405,366</u>	<u>\$ 5,497,694</u>	<u>\$ 837,684</u>	<u>\$ 5,825,176</u>	<u>\$ (2,645,819)</u>
<u>\$ 69,028,647</u>	<u>\$ 75,577,024</u>	<u>\$ 82,929,078</u>	<u>\$ 89,156,338</u>	<u>\$ 89,469,870</u>	<u>\$ 96,520,060</u>
\$ 6,493,633	\$ 10,525,177	\$ 9,804,767	\$ 22,556,875	\$ 10,174,339	\$ 12,604,541
<u>3,766,033</u>	<u>4,807,369</u>	<u>3,536,852</u>	<u>5,403,859</u>	<u>7,973,306</u>	<u>13,710,860</u>
<u>\$ 10,259,666</u>	<u>\$ 15,332,546</u>	<u>\$ 13,341,619</u>	<u>\$ 27,960,734</u>	<u>\$ 18,147,645</u>	<u>\$ 26,315,401</u>

concluded



Table 3

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

Fiscal Year	Property Taxes	Sales & Use Taxes	Franchise Taxes	State Shared Revenues - not Restricted for Specific Programs		Highway User Revenue
				State Shared Sales	State Revenue Sharing	
2008	\$ 18,004,766	\$ 41,036,060	\$ 2,071,378	\$ 6,101,593	\$ 6,503,557	\$ 3,173,351
2009	22,332,774	34,205,906	2,195,748	5,355,676	6,855,644	2,771,889
2010	21,908,223	31,448,398	2,233,908	4,940,934	5,966,584	2,626,096
2011	18,862,731	32,729,749	2,316,821	5,201,106	4,498,039	2,752,001
2012	16,572,825	36,364,557	2,460,521	7,195,568	5,509,258	3,269,285
2013	16,218,397	40,222,752	2,529,456	7,527,259	6,667,701	3,575,158
2014	17,109,458	43,775,464	2,611,061	8,009,713	7,275,727	3,681,156
2015	18,171,606	45,333,649	2,718,204	8,459,645	7,901,942	4,041,402
2016	19,114,087	49,309,600	2,832,759	8,988,686	7,859,101	4,264,827
2017	19,875,628	52,085,570	2,941,175	10,324,010	9,665,448	5,066,574

Source: City Financial Records and Reports

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

	Fiscal Year					
	2008	2009	2010	2011	2012	2013
City Privilege (Sales) Tax	\$ 41,036,060	\$ 34,205,906	\$ 31,448,398	\$ 32,729,749	\$ 36,364,557	\$ 40,222,752
State-Shared Sales Tax	4,247,158	3,676,853	3,391,361	3,661,678	5,100,608	5,342,879
State-Shared Income Tax	6,503,557	6,855,644	5,966,584	4,498,039	5,509,258	6,667,701
State-Share Vehicle License Tax	1,854,435	1,678,823	1,549,573	1,539,429	2,094,960	2,184,380
Fines and Forfeitures	678,594	686,557	846,143	849,060	825,971	809,334
Franchise Taxes	2,071,378	2,195,748	2,233,909	2,316,820	2,460,521	2,529,456
Total	<u>\$ 56,391,182</u>	<u>\$ 49,299,531</u>	<u>\$ 45,435,968</u>	<u>\$ 45,594,775</u>	<u>\$ 52,355,875</u>	<u>\$ 57,756,502</u>

Source: City Financial Records and Reports

Table 4

2014	2015	2016	2017
\$ 43,775,464	\$ 45,333,649	\$ 49,309,600	\$ 52,085,570
5,681,717	5,965,400	6,258,721	7,217,395
7,275,727	7,901,942	7,859,101	9,665,448
2,327,996	2,494,245	2,729,966	3,106,615
884,735	860,313	839,108	925,314
2,611,016	2,718,204	2,832,759	2,941,175
<u>\$ 62,556,655</u>	<u>\$ 65,273,754</u>	<u>\$ 69,829,255</u>	<u>\$ 75,941,517</u>

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

	2008	2009	2010	2011	2012	2010	2013
Mining & Government	\$ 6,391	\$ 11,412	\$ 15,141	\$ 5,234	\$ 9,534	\$ 15,141	\$ 970
Construction	17,256,194	12,779,596	5,365,079	3,251,977	4,755,592	5,365,079	7,027,296
Manufacturing	451,147	508,454	535,972	642,255	701,876	535,972	759,858
Utilities	2,397,905	2,448,686	3,085,682	3,275,325	3,469,559	3,085,682	3,656,309
Wholesale Trade	775,843	538,279	540,630	598,098	924,842	540,630	977,475
Retail Trade	9,526,853	9,568,935	11,569,427	12,950,291	13,576,350	11,569,427	14,265,735
Restaurant & Bar	3,740,867	3,687,991	4,161,539	4,415,910	4,763,951	4,161,539	5,079,528
Real Estate	2,698,200	2,227,491	2,692,806	3,510,263	3,480,031	2,692,806	4,405,695
Hotels	1,006,334	854,203	820,902	764,996	873,241	820,902	885,571
Services	1,451,721	1,176,780	1,388,178	1,771,527	1,640,296	1,388,178	1,700,258
Miscellaneous	1,035,306	622,042	640,388	1,055,398	1,414,929	640,388	873,005
Total*	<u>\$ 40,346,762</u>	<u>\$ 34,423,869</u>	<u>\$ 30,815,744</u>	<u>\$ 32,241,274</u>	<u>\$ 35,610,202</u>	<u>\$ 30,815,744</u>	<u>\$ 39,631,700</u>

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

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

Table 5

Fiscal Year			
2014	2015	2016	2017
\$ 4,024	\$ 7,159	\$ 6,534	\$ 1,411
7,988,471	5,559,142	7,545,663	7,276,208
931,362	1,318,999	1,410,894	1,430,501
3,819,536	4,051,837	4,077,652	4,088,382
1,072,608	1,130,527	1,032,679	1,071,275
15,787,043	16,348,224	17,279,498	18,204,620
5,450,424	6,343,415	7,032,111	7,551,936
4,467,373	5,480,481	5,575,550	6,043,628
849,052	1,067,357	1,096,710	1,054,997
1,764,488	2,424,312	2,833,590	2,900,952
968,896	1,032,464	839,592	1,256,834
<u>\$ 43,103,277</u>	<u>\$ 44,763,917</u>	<u>\$ 48,730,473</u>	<u>\$ 50,880,744</u>

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

	2008	2009	2010	2011 *	2012
General Fund					
Reserved	\$	\$	\$ 17,812,619	\$	\$
Unreserved	42,219,809	29,117,875	10,742,777		
Nonspendable:					
Advances to other funds				961,840	961,840
Inventories				3,627	16,258
Prepaid items				422,681	500,911
Restricted by:					
Charter mandates				3,209,321	3,377,572
Court				198,457	261,229
Law enforcement				129,231	125,812
Transit					
Assigned to:					
IT replacement				407,961	437,873
Fleet replacement				383,225	1,730,168
Risk management				558,310	811,244
Parks management					
Police asset reserve					
Fire asset reserve					
Unassigned				21,481,088	23,074,844
Total General Fund	<u>\$ 42,219,809</u>	<u>\$ 29,117,875</u>	<u>\$ 28,555,396</u>	<u>\$ 27,755,741</u>	<u>\$ 31,297,751</u>
All Other Governmental Funds					
Reserved, Reported in:					
Debt Service Funds	\$ 15,356,746	\$ 13,597,749	\$ 14,891,228	\$	\$
Capital Projects Funds	10,942,787	4,110,554	1,393,549		
Community Facilities District			47,213		
Unreserved, Reported in:					
Special revenue funds	25,851,665	23,153,403	20,452,179		
Capital projects funds	27,462,037	1,435,331			
Nonspendable:					
Inventories				289,782	412,916
Prepaid items				46,238	45,225
Restricted by:					
Debt service				15,113,512	15,663,838
Development impact fees				21,992,019	21,720,718
Highway user funds				285,914	400,610
Capital projects					
Community facilities districts operations				536,230	538,410
Committed					
Unassigned				(2,336,765)	(9,854)
Total All Other Governmental Funds	<u>\$ 79,613,235</u>	<u>\$ 42,297,037</u>	<u>\$ 36,784,169</u>	<u>\$ 35,926,930</u>	<u>\$ 38,771,863</u>

Note:

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

Source: City Financial Records and Reports

Table 6

2013	2014	2015	2016	2017
\$	\$	\$	\$	\$
961,840	961,840	961,840	961,840	1,251,242
8,916	25,261	21,656		
486,842	504,865	573,473	667,798	683,056
3,528,982	3,676,547	3,841,444	4,009,183	4,186,816
234,813	221,290	240,631	178,351	200,753
208,085	274,392	309,112	427,243	384,144
543,022	644,135	745,210	847,446	952,239
170,684	1,484,148	108,301	498,851	1,829,656
3,032,429	1,502,483	2,508,319	3,196,101	1,251,242
357,741	792,947	1,088,234	1,077,452	933,704
			1,271,367	2,729,350
				2,147,562
				403,209
<u>33,325,255</u>	<u>43,707,677</u>	<u>49,783,760</u>	<u>52,620,845</u>	<u>53,399,369</u>
<u>\$ 42,858,609</u>	<u>\$ 53,795,585</u>	<u>\$ 60,181,980</u>	<u>\$ 65,756,477</u>	<u>\$ 70,352,342</u>
\$	\$	\$	\$	\$
595,675	650,344	487,413	564,639	533,304
36,182				
15,482,259	14,848,703	13,810,210	12,989,198	13,219,610
16,241,644	7,892,792	9,833,566	12,882,857	12,428,141
493,395	47,570	174,025	721	37,130
1,695,700	274,106	4,414,851		9,869,218
711,980	803,837	1,109,573	1,434,106	1,846,863
				1,647,416
<u>(26,073)</u>	<u>(73,354)</u>	<u>(66,487)</u>	<u>(28,737)</u>	<u>(105,729)</u>
<u>\$ 35,230,762</u>	<u>\$ 24,443,998</u>	<u>\$ 29,763,151</u>	<u>\$ 27,842,784</u>	<u>\$ 39,475,953</u>

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

	2008	2009	2010	2011	2012	2013
Revenues						
Taxes	\$ 61,112,204	\$ 58,734,426	\$ 55,590,530	\$ 53,909,300	\$ 55,397,903	\$ 58,970,605
Licenses and permits	7,160,922	3,091,729	629,979	4,541,951	4,729,946	6,793,070
Intergovernmental	17,361,565	16,827,730	16,464,531	15,825,858	19,319,623	18,723,318
Charges for services	19,117,473	6,387,350	7,402,083	3,978,325	3,876,918	6,322,025
Fines and forfeits	678,594	686,557	846,143	849,060	825,971	809,334
Investment income	4,268,447	148,220	178,715	225,588	319,017	439,982
Special assessments	2,228,149	3,065,304	6,522,924	4,859,749	5,844,915	5,845,306
Contributions	8,260,888	3,403,370	3,042,851	2,707,926	3,099,952	4,024,175
Miscellaneous	4,075,010	593,684	1,942,018	157,090	361,202	567,839
Total Revenues	<u>124,263,252</u>	<u>92,938,370</u>	<u>92,619,774</u>	<u>87,054,847</u>	<u>93,775,447</u>	<u>102,495,654</u>
Expenditures **						
General government	16,714,850	14,752,949	15,316,159	15,913,718	16,953,769	17,376,427
Public safety	24,573,051	26,043,960	24,367,955	24,045,015	24,862,833	26,764,289
Community services*	1,329,505	1,248,219				
Highways and streets	3,994,494	5,686,483	4,098,986	3,808,328	3,340,208	4,674,325
Public works	4,261,005	3,901,157	3,075,759	3,047,742	2,967,386	2,093,312
Culture and recreation	4,667,176	4,393,748	3,882,621	3,936,203	4,115,701	4,884,349
Development services	9,262,010	9,723,957	4,654,052	4,376,985	4,557,391	5,232,999
Capital outlay	135,249,363	47,556,824	13,494,149	9,234,659	6,437,600	18,252,039
Debt Service:						
Principal retirement	5,141,143	7,392,618	10,942,758	11,254,524	12,433,024	10,226,228
Interest and debt cost	10,466,384	11,930,502	11,158,130	10,645,162	10,687,152	10,987,906
Total Expenditures	<u>215,658,981</u>	<u>132,630,417</u>	<u>90,990,569</u>	<u>86,262,336</u>	<u>86,355,064</u>	<u>100,491,874</u>
Excess of Revenues over (under)						
Expenditures	<u>(91,395,729)</u>	<u>(39,692,047)</u>	<u>1,629,205</u>	<u>792,511</u>	<u>7,420,383</u>	<u>2,003,780</u>

Notes:

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

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

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

Table 7

2014	2015	2016	2017
\$ 63,577,425	\$ 66,203,440	\$ 71,287,200	\$ 74,924,078
7,460,830	6,558,607	7,357,205	9,302,729
19,325,653	21,749,386	21,811,572	25,780,719
4,658,927	4,576,618	5,792,947	9,227,037
884,735	860,313	839,108	925,314
414,689	361,146	710,040	560,547
5,839,886	5,762,295	6,096,012	6,009,405
2,408,357	2,976,642	1,346,713	1,638,229
1,327,008	243,473	728,930	516,160
<u>105,897,510</u>	<u>109,291,920</u>	<u>115,969,727</u>	<u>128,884,218</u>
16,895,276	18,081,622	17,968,635	19,191,902
28,310,822	29,505,746	32,881,648	36,905,961
5,585,966	5,494,087	5,680,917	5,748,952
2,045,578	2,268,109	2,255,101	2,598,519
4,975,947	5,265,454	5,712,191	12,090,866
5,823,318	6,933,854	7,933,367	7,187,389
18,496,444	11,326,103	15,988,901	17,628,611
9,441,923	9,291,703	9,772,183	14,581,544
9,765,514	9,323,202	9,046,458	12,968,581
<u>101,340,788</u>	<u>97,489,880</u>	<u>107,239,401</u>	<u>128,902,325</u>
<u>4,556,722</u>	<u>11,802,040</u>	<u>8,730,326</u>	<u>(18,107)</u>

continued

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

	2008	2009	2010	2011	2012
Other Financing Sources and (Uses)					
Transfer in	\$ 11,561,671	\$ 4,123,384	\$ 6,376,290	\$ 8,388,300	\$ 5,504,462
Transfer out	(21,005,748)	(11,874,691)	(14,191,575)	(10,837,705)	(9,397,127)
Debt issuance	112,248,000	604,500	105,000		1,780,000
Debt premium	2,300,192	5,722	5,733		129,958
Refunding bonds	6,415,000				11,530,000
Refunding bonds premium					949,267
Payment to refunded bond escrow agent	(6,734,459)	(3,585,000)			(11,530,000)
Total Other Financing Sources and (Uses)	<u>104,784,656</u>	<u>(10,726,085)</u>	<u>(7,704,552)</u>	<u>(2,449,405)</u>	<u>(1,033,440)</u>
Net Change in Fund Balances	<u>\$ 13,388,927</u>	<u>\$ (50,418,132)</u>	<u>\$ (6,075,347)</u>	<u>\$ (1,656,894)</u>	<u>\$ 6,386,943</u>
Debt Service as a Percentage of Noncapital Expenditures	11.0%	21.5%	27.0%	27.3%	28.9%

Source: City Financial Records and Reports

Table 7

2013	2014	2015	2016	2017
\$ 4,726,150	\$ 5,356,364	\$ 4,588,019	\$ 3,539,227	\$ 12,768,632
(9,602,694)	(10,494,616)	(9,923,248)	(9,091,060)	(9,968,632)
10,500,000		4,980,000		10,968,000
		(39,461)		
10,685,000	14,755,000	7,015,000	18,535,000	118,130,941
672,545	1,114,908	452,099	2,047,350	14,546,606
<u>(10,965,024)</u>	<u>(15,138,166)</u>	<u>(7,168,901)</u>	<u>(20,106,713)</u>	<u>(130,387,703)</u>
<u>6,015,977</u>	<u>(4,406,510)</u>	<u>(96,492)</u>	<u>(5,076,196)</u>	<u>16,057,844</u>
<u>\$ 8,019,757</u>	<u>\$ 150,212</u>	<u>\$ 11,705,548</u>	<u>\$ 3,654,130</u>	<u>\$ 16,039,737</u>
25.8%	22.3%	20.6%	18.4%	24.7%

concluded

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

City Direct Rate				Overlapping Rates				
				County-Wide Jurisdictions				
Fiscal Year	Operating Rate	Debt Service Rate	Total City Rate	County Operating Rate	County Library District Rate	Fire District Assistance Rate	County Flood District Rate	County Education Equalization Rate
2008	0.7321	0.8679	1.6000	1.1046	0.0391	0.0053	0.1533	
2009	0.6678	0.9322	1.6000	1.0327	0.0353	0.0053	0.1367	
2010	0.6320	0.9679	1.5999	0.9909	0.0353	0.0057	0.1367	0.3306
2011	0.7603	0.6630	1.4233	1.0508	0.0412	0.0066	0.1489	0.3564
2012	0.9446	0.6554	1.6000	1.2407	0.0492	0.0084	0.1780	0.4259
2013	1.1115	0.6635	1.7750	1.2407	0.0492	0.0110	0.1780	0.4717
2014	1.1994	0.7006	1.9000	1.2807	0.0438	0.0121	0.1392	0.5123
2015	1.1836	0.6864	1.8700	1.3209	0.0556	0.0113	0.1392	0.5089
2016	1.1637	0.7063	1.8700	1.3609	0.0556	0.0116	0.1592	0.5054
2017	1.1598	0.7025	1.8623	1.4009	0.0556	0.0112	0.1792	0.5010

Source: Maricopa County Assessor's Office

continued

Table 8

Overlapping Rates									
County-Wide Jurisdictions					School Districts				
Fiscal Year	Community College Rate	Central Arizona Project Rate	Special Health Care District Rate	Total County Rate	Agua Fria/ Avondale Rate	Litchfield Rate	Buckeye/ Liberty Rate	Tolleson/ Littleton Rate	Mobile Rate
2008	0.9760	0.1000	0.0935	2.4718	6.4298	5.3545	6.7267	6.8078	N/A
2009	0.9386	0.1000	0.0856	2.3342	5.7554	4.9382	5.5581	6.3843	8.3984
2010	0.8844	0.1000	0.0914	2.5750	6.0066	5.3164	5.2568	5.8681	6.2147
2011	0.9728	0.1000	0.1122	2.7889	5.3923	5.3658	6.1069	6.1935	5.4994
2012	1.2082	0.1000	0.1494	3.3598	7.4753	3.2590	6.2698	7.8626	4.9490
2013	1.3778	0.1000		3.4284	7.4945	3.8863	6.9607	9.2259	6.9350
2014	1.5340	0.1400		3.6621	8.2090	3.9772	7.1092	11.4641	7.7572
2015	1.5187	0.1400		3.6946	10.0022	3.7780	8.0102	10.4333	7.8876
2016	1.4940	0.1400		3.7267	9.4960	3.8352	7.6149	9.9303	7.8876
2017	1.4651	0.1400	0.3053	4.0583	9.8771	3.8142	7.0163	9.5342	8.1213

continued

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

Overlapping Rates							
Other Special Taxing Districts							
Fiscal Year	West 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
2008	0.0500	1.0000	15.0000	3.0000	2.8500	1.7639	1.3000
2009	0.0500	1.0000	17.1000	2.6965	0.1520	1.2843	1.3000
2010	0.0500	1.0000	17.1000	2.6829	1.2146	2.1198	1.3000
2011	0.5000	1.0000	17.1000	2.3797	2.2087	2.9776	1.3000
2012	0.0500	1.0000	17.1000	2.1961	2.7298	3.4033	1.3000
2013	0.0500	1.0000	17.1000	3.2961	2.8500	3.8528	1.3000
2014	0.0592	1.0000	17.1000	3.3559	2.8500	3.9890	1.3000
2015	0.0810	1.0000	27.1000	3.0361	2.6034	3.2768	1.3000
2016	0.0698	1.0000	27.1000	3.1327	2.5999	3.3377	1.3000
2017	0.0840	1.0000	27.1000	2.7404	2.3824	3.0482	1.3000

continued

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
2008	0.8040	1.0000	1.6295	0.3000	1.3123	1.4154
2009	0.5313	1.0000	1.7949	0.3000	1.1703	1.3143
2010	0.6629	1.0000	0.2165	0.3000	1.5905	1.6561
2011	0.7570	1.0000	1.2952	0.3000	2.2891	2.5496
2012	0.8034	1.0000	1.2684	0.3000	2.8718	2.9933
2013	1.0000	1.0000	1.8035	0.3000	3.3150	3.3467
2014	1.0000	1.0000	1.7844	0.3000	3.4365	3.8922
2015	0.7334	1.0162	1.2592	0.3000	2.7761	3.0227
2016	0.7075	1.1497	1.1097	0.3000	2.9103	3.1070
2017	0.8466	1.1500	0.9308	0.3000	2.7238	2.9330

concluded



Table 9

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

Taxpayer	Fiscal Year					
	2008			2017		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Arizona Public Service Company	\$ 17,302,544	3	2.26%	\$ 21,700,503	1	2.84%
VHS of South Phoenix, Inc.	14,712,935	5	1.93%	15,486,503	2	2.03%
First American Title Insurance Company	12,604,030	4	1.65%	8,767,007	3	1.15%
Macys Corporate Services Inc				7,740,001	4	1.01%
HUHTAMAKI Inc				7,307,791	5	0.96%
HCL Goodyear Centerpointe LLC (Lease)				6,693,862	6	0.88%
HGREIT II Goodyear Crossing LLC				6,607,056	7	0.87%
The Market at Estrella Falls LLC				5,994,738	8	0.79%
Southwest Gas Corporation (T&D)				5,070,277	9	0.66%
Litchfield Park Service Company Sewer				3,667,078	10	0.48%
Suncor Development Company	25,206,266	1	3.30%			
NNP Estrella Mountain Ranch LLC	19,558,505	2	2.56%			
He Capital KR LLC	9,510,489	7	1.24%			
Sun MP LLC	9,162,917	8	1.20%			
BT Goodyear LLC	8,489,947	9	1.11%			
Doa Properties I LLC	7,702,560	10	1.01%			
Taylor Woodrow/Arizona, Inc.	11,094,596	6	1.45%			
Total	<u>\$ 135,344,789</u>		<u>17.71%</u>	<u>\$ 89,034,816</u>		<u>11.67%</u>

Source: Maricopa County Treasurer

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

Fiscal Year Ended June 30		Total Assessed Value Residential Property	Total Assessed Value Commercial Property	Agricultural/ Vacant Land	Other	Less: Tax-Exempt Property	Net Assessed Value
2008	Primary						\$ 569,933,790
	Secondary	\$ 464,968,904	\$ 159,482,762	\$ 221,884,779	\$ 30,978	\$ 82,130,285	764,237,138
2009	Primary	434,868,600	179,455,120	191,759,294	62,183	71,196,812	734,948,385
	Secondary	586,181,619	211,360,209	323,172,973	30,053	120,023,805	1,000,721,049
2010	Primary	482,286,104	233,187,882	248,660,120	63,427	113,281,184	850,916,349
	Secondary	497,383,109	284,491,038	374,640,069	28,842	173,686,635	982,856,423
2011	Primary	404,164,550	265,580,527	246,048,945	70,064	126,711,288	789,152,798
	Secondary	405,850,285	297,842,341	308,078,489	33,349	163,045,578	848,758,886
2012	Primary	357,230,458	238,218,141	194,223,071	226,506	122,548,914	667,349,262
	Secondary	357,367,570	252,752,614	206,673,571	214,401	144,006,328	673,001,828
2013	Primary	338,747,451	220,657,668	163,082,414	240,243	120,560,037	602,167,739
	Secondary	339,165,652	228,812,312	167,084,029	244,254	129,664,064	605,642,183
2014	Primary	340,280,668	205,111,305	161,905,429	273,421	122,898,455	584,672,368
	Secondary	342,294,870	211,390,271	165,979,539	275,521	129,681,549	590,258,652
2015	Primary	393,827,703	192,119,198	158,537,781	1,158,177	115,918,333	629,724,526
	Secondary	416,834,896	196,638,563	169,043,455	1,167,249	122,400,093	661,284,070
2016	Limited Property Value	427,218,918	223,077,763	149,242,505	1,127,677	129,713,965	670,952,898
2017	Limited Property Value	457,689,029	227,887,800	146,856,414	6,601,784	128,500,705	\$ 710,534,322

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

Source: Maricopa County Assessor's Office

Table 10

Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as Percentage of Actual Value
\$ 0.7321		
0.8679	\$ 6,700,379,823	11.4%
0.6678	6,329,622,800	11.6%
0.9322	8,799,999,309	11.4%
0.6320	7,439,067,045	11.4%
0.9679	8,607,745,155	11.4%
0.7603	6,843,890,271	11.5%
0.6630	7,401,814,203	11.5%
0.9446	5,978,258,706	11.2%
0.6554	6,130,095,795	11.0%
1.1115	5,513,086,956	10.9%
0.6635	5,583,052,641	10.8%
1.1994	5,485,036,603	10.7%
0.7006	5,562,951,789	10.6%
1.1836	6,012,798,998	10.5%
0.6864	6,332,435,414	10.4%
1.8700	6,479,932,484	10.4%
1.8623	6,951,354,974	10.2%

Table 11

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

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year (a)	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2008	\$ 10,843,797	\$ 10,450,881	96.38%	\$ 212,386	\$ 10,663,267	98.34%
2009	14,460,290	13,724,436	94.91%	346,004	14,070,440	97.30%
2010	14,959,898	14,328,617	95.78%	317,754	14,646,371	97.90%
2011	11,650,452	11,291,963	96.92%	24,739	11,316,702	97.14%
2012	10,743,752	10,454,308	97.31%	101,729	10,556,037	98.25%
2013	10,714,099	10,523,654	98.22%	47,705	10,571,359	98.67%
2014	11,185,149	10,949,615	97.89%	51,739	11,001,355	98.36%
2015	11,992,446	11,808,563	98.47%	113,307	11,921,870	99.41%
2016	12,599,829	12,392,149	98.35%	23,886	12,416,035	98.54%
2017	13,157,209	13,024,932	98.99%		13,024,932	98.99%

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

Source: Maricopa County Treasurer's Office

Table 12

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

Entity	Type of User	Fiscal Year			
		2008		2017	
		Rank	Fees & Charges	Rank	Fees & Charges
Canyon Trails Unit HOA 4	Homeowner's Association	5	145,474	1	371,734
Cancer Treatment	Commercial			2	333,027
Canyon Trails Unit HOA 3	Homeowner's Association	8	93,896	3	261,231
Poor Brothers	Industry			4	257,415
Serafina	Apartments			5	186,489
Centerra, LLC	Homeowner's Association	7	102,443	6	182,762
Park Shadows	Apartments	9	76,401	7	180,763
Snyders	Industry			8	167,064
Schoeller	Industry			9	139,882
3 Minute Car Wash	Car Wash			10	139,367
Agua Fria Union High School Dist.	School	1	173,266		
Canyon Trails 4 - South	Homeowner's Association	2	166,139		
Sarival Paseo Joint Community	Homeowner's Association	3	154,195		
Evergreen Lawn Sprinklers	Homeowner's Association	4	148,800		
Avondale School	School	6	105,348		
Estrella Vista HOA	Homeowner's Association	10	64,527		
Canyon Trails HOA	Homeowner's Association				
Pueblo Verda HOA	Homeowner's Association				
Total			<u>\$ 1,230,489</u>		<u>\$ 2,219,733</u>
Total as a percent of total Water System Operating Revenue			<u>13.94%</u>		<u>13.11%</u>



Table 13

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

Entity	Type of User	Rank	Fiscal Year	
			2008	2017
			Fees & Charges	Fees & Charges
Arizona State Prison/Perryville	Prison	1	\$ 317,331	1 \$ 186,537
Cancer Treatment Center	Hospital			2 108,709
Poore Brothers, Inc.	Food Manufacturer, Snacks	6	22,656	3 86,666
Schoeller Arca Systems Inc	Manufacturer			4 47,879
3 Minute Car Wash	Car Wash			5 47,199
Shepard Inv Apartments	Apartments			6 46,981
HSL Encantada Goodyear LLC	Apartments			7 45,414
Agua Fria Union High School District	Education	3	32,000	8 44,508
Airport Training Center	Airport	5	22,656	9 39,896
Lunaire Apartments	Apartments			10 38,634
Park Shadows	Apartments	2	50,512	
Fairfield Centerra LLC	Real Estate			
Fairfield Goodyear LLC	Apartments			
Avondale Elementary	Education	7	21,794	
Wal-Mart Stores	Retail	4	24,273	
McLane Sunwest	Grocery Distributor	8	19,253	
La Jolla Court, Inc.	Apartments	9	18,044	
Estrella Joint Committee	HOA	10	17,581	
Total			<u>\$ 546,100</u>	<u>\$ 692,422</u>
Total as a percent of total Wastewater System Operating Revenue			<u>8.74%</u>	<u>4.80%</u>

City of Goodyear
Schedule of Existing and Adopted
Monthly Water & Wastewater Service Charges (2011 - 2017)
(Unaudited)

<u>Description of Water System Services</u>	<u>Existing Fees</u>	<u>Adopted 2011</u>	<u>Adopted 2012</u>	<u>Adopted 2013</u>	<u>Adopted 2015</u>	<u>Adopted 2016</u>	<u>Adopted 2017 (1)</u>
Base Charge							
(Meter Size)							
3/4 Inch	\$ 14.73	\$ 9.94	\$ 10.05	\$ 10.23	\$ 11.24	\$ 12.70	\$ 14.73
1 Inch	20.37	11.81	12.74	14.14	15.54	17.56	20.37
1 1/2 Inch	32.93	16.36	19.74	22.86	25.12	28.39	32.93
2 Inches	53.31	26.22	32.02	37.01	40.67	45.96	53.31
3 Inches	77.67	48.43	61.64	70.67	77.67	77.67	77.67
4 Inches	126.65	83.36	99.58	115.24	126.65	126.65	126.65
6 Inches	240.36	159.83	189.08	218.71	240.36	240.36	240.36
Monthly Volume Charge - Residential							
0 - 6,000 gallons (per thousand)	\$ 1.71 (2)	\$ 1.32	\$ 1.46	\$ 1.18	\$ 1.30	\$ 1.47	\$ 1.71
6,001 - 12,000 (per thousand)	3.40 (3)	2.64	2.92	2.36	2.59	2.93	3.40
12,001 - 30,000 (per thousand)	5.10 (4)	3.96	4.38	3.54	3.89	4.40	5.10
30,001+ gallons (per thousand)	8.19 (5)	5.15	5.69	5.69	6.25	7.06	8.19
Monthly Volume Charge - Commercial							
0 - 40,000 gallons (per thousand)	\$ 4.29	\$ 2.30	\$ 2.60	\$ 3.00	\$ 3.30	\$ 3.73	\$ 4.29
40,001 - 100,000 gallons (per thousand)	6.87	3.68	4.16	4.80	5.28	5.97	6.87
100,001+ gallons (per thousand)	8.97	4.78	5.41	6.24	6.86	7.75	8.97

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

(1) Rates were updated during January 2017

(2) Monthly volume change for fees is 0 - 6,000 gallons (per thousand).

(3) Monthly volume change for fees is 6,001 - 12,000 gallons (per thousand).

(4) Monthly volume change for fees is 12,001 - 30,000 gallons (per thousand).

(5) Monthly volume change for fees is 30,001 - and over gallons (per thousand).

Schedule of Water System Rate Increases (2011-2017)

<u>Date</u>	<u>Rate Increase</u>
Fiscal Year 2011	7.50%
Fiscal Year 2012	9.40%
Fiscal Year 2013	0.00%
Fiscal Year 2014	N/A
Fiscal Year 2015	10.00%
Fiscal Year 2016	13.00%
Fiscal Year 2017	16.00%

Source: City Financial Records, Reports and Water & Wastewater Rate Study.

The table above reflects only certain fees and charges of the

City's water system and is not a comprehensive statement of all such fees.

<u>Description of Wastewater System Services</u>	<u>Existing Fees</u>	<u>Adopted 2011</u>	<u>Adopted 2012</u>	<u>Adopted 2013</u>	<u>Adopted 2016</u>	<u>Adopted 2017</u>
Residential Wastewater Service						
Base Charge	(See below)					
Volume Charge (per 1,000 gallons)	\$ 5.95	\$ 4.45	\$ 4.90	\$ 5.78	\$ 5.95	\$ 6.13
General Commercial Wastewater Service						
Base Charge	(See below)					
Volume Charge (per 1,000 gallons)	\$ 5.95	\$ 4.45	\$ 4.90	\$ 5.78	\$ 5.95	\$ 6.13
Base Charge						
(Meter Size)						
3/4 Inch	\$ 21.75	\$ 17.52	\$ 18.96	\$ 21.12	\$ 21.75	\$ 22.40
1 Inch	33.38	23.70	28.02	32.41	33.38	34.38
1 1/2 Inch	41.14	29.75	34.61	39.94	41.14	42.37
2 Inches	79.91	54.57	67.16	77.58	79.91	82.31
3 Inches	115.22	84.74	99.68	115.22	115.22	115.22
4 Inches	152.86	130.37	139.10	152.86	152.86	152.86
6 Inches	378.70	285.03	328.83	378.70	378.70	378.70

Schedule of Wastewater System Rate Increases (2011-2016)

<u>Date</u>	<u>Rate Increase</u>
Fiscal Year 2011	9.30%
Fiscal Year 2012	9.50%
Fiscal Year 2013	15.20%
Fiscal Year 2014	N/A
Fiscal Year 2015	N/A
Fiscal Year 2016	3.00%
Fiscal Year 2017	3.00%

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

Governmental Activities					
Fiscal Year Ended June 30	General Obligation Bonds	Contract Payable	Public		
			Improvement Corporation Municipal Facilities Revenue Bond	McDowell Road Corridor Improvement District	Community Facilities District Bonds
2008	\$ 41,719,857	\$	\$ 6,415,000	\$ 47,165,000	\$ 131,116,000
2009	35,842,739	11,755,628	5,910,000	47,165,000	127,125,000
2010	33,601,981	5,755,628	5,230,000	46,060,000	122,313,000
2011	31,358,457	3,755,628	4,510,000	44,900,000	117,182,000
2012	29,000,636	1,755,628	2,940,000	43,675,000	113,555,000
2013	26,555,569		12,431,467	42,390,000	109,823,000
2014	24,616,149		11,047,495	42,383,378	107,194,657
2015	21,638,323		10,037,745	40,881,328	108,520,857
2016	18,564,501		8,859,189	39,304,278	106,289,435
2017	21,987,761		127,152,711	37,647,228	103,870,391

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

Business-Type Activities							
General Obligation Bonds	Public						
	Improvement			Water			
	Corporation			Infrastructure			
	Municipal			Finance		Percentage	
	Facilities	Revenue		Authority	Water	of Personal	Per
Bonds	Revenue Bond	Bonds	Loan	Rights	Total	Income	Capita
\$ 88,125,143	\$ 67,850,000	\$ 2,345,000	\$ 9,443,400	\$	\$ 394,179,400	26.15%	7,067
88,282,261	102,300,000	2,370,000	8,866,108	11,173,544	440,790,280	28.68%	7,540
92,753,019	102,300,000	17,040,000	9,925,289	10,314,041	445,292,958	25.14%	7,119
91,121,543	102,300,000	32,245,000	12,554,096		439,926,724	24.49%	6,740
89,394,364	102,180,000	31,985,000	11,908,603		426,394,231	20.10%	6,430
85,384,431	102,180,000	31,390,000	10,998,942		421,153,409	22.13%	6,264
82,113,973	104,096,689	30,596,520	10,064,007		412,112,868	20.81%	5,773
77,607,211	103,970,274	30,114,933	9,096,237		401,866,908	21.38%	5,443
73,018,360	104,164,132	42,413,304	3,854,322		396,467,521	19.80%	5,304
66,702,679		41,924,131	3,591,773		402,876,674	21.52%	5,180

Table 16

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
2008	\$ 129,845,000	\$ 3,026,753	\$ 126,818,247	16.59%	\$ 2,274
2009	124,125,000	592,244	123,532,756	12.34%	2,113
2010	126,355,000	828,016	125,526,984	12.77%	2,007
2011	122,480,000	668,186	121,811,814	14.35%	1,866
2012	118,395,000	1,246,110	117,148,890	17.41%	1,767
2013	111,940,000	841,716	111,098,284	18.34%	1,652
2014	106,730,122	98,876	106,631,246	18.07%	1,494
2015	99,245,534		99,245,534	15.01%	1,344
2016	91,582,861	13,202	91,569,659	13.65%	1,225
2017	88,690,440	703,557	87,986,883	12.38%	1,131

Source: City Financial Records and Reports

Table 17

City of Goodyear
Direct and Overlapping Governmental Activities Debt
As of June 30, 2017
(Unaudited)

Overlapping Jurisdiction	Net Assessed Limited Property Value	Debt Outstanding	Estimated Percentage Applicable (a)	Net Debt Amount
Maricopa County	\$ 33,567,749,272		1.99 %	\$
Maricopa County Community College District	36,135,494,474	445,570,000	1.99	8,866,843
Maricopa County Special Health Care District	32,624,765,419	112,000,000	1.99	2,228,800
Western Maricopa Education Center	13,271,790,771	141,255,000	5.45	7,698,398
Liberty Elementary School District No. 25	206,821,603	17,970,000	58.79	10,564,563
Avondale Elementary School District No. 44	327,524,984	28,885,000	83.28	24,055,428
Littleton Elementary School District No. 65	216,865,601	21,530,000	0.03	6,459
Litchfield Elementary School District No. 79	703,245,154	40,110,000	44.76	17,953,236
Mobile Elementary School District No. 86	8,104,006		44.02	
Buckeye Union High School District No. 201	652,565,804	72,090,000	19.87	14,324,283
Tolleson Union High School District No. 214	987,529,742	21,200,000	0.01	2,120
Agua Fria Union High School District No. 216	1,030,770,138	82,825,000	56.73	46,986,623
Wildflower Ranch Community Facilities District No. 1	4,542,351	550,000	100.00	550,000
Wildflower Ranch Community Facilities District No. 2	4,510,755	775,000	100.00	775,000
Community Facilities General District No. 1	110,751,876	8,915,000	100.00	8,915,000
Community Facilities Utility District No. 1	298,239,337	37,035,000	100.00	37,035,000
Estrella Mountain Ranch Community Facilities District	75,027,977	14,050,000	100.00	14,050,000
Cottonflower Community Facilities District	8,578,086	2,025,000	100.00	2,025,000
Centerra Community Facilities District	10,598,524	3,244,000	100.00	3,244,000
Cortina Community Facilities District	9,317,541	1,970,000	100.00	1,970,000
Palm Valley Community Facilities District	62,667,350	6,435,000	100.00	6,435,000
Subtotal of overlapping debt:	<u>\$ 120,317,460,765</u>	<u>\$ 1,058,434,000</u>		<u>\$ 207,685,752</u>
Direct Debt:				
City of Goodyear		\$ 171,944,824	100.00 %	\$ 171,944,824
Total Direct and Overlapping Debt				\$ 379,630,576
Total Governmental and Business-Type General Obligation Bonds		\$ 83,770,020	100.00 %	\$ 83,770,020

(a) Proportion applicable to the City of Goodyear, Arizona is computed on the ratio of net assessed limited property value for 2016/17.

Sources: Maricopa County Assessor's Office and Official Statements

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

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

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

	2008	2009	2010	2011	2012
Net Full Cash Assessed Value	\$ 764,237,138	\$ 1,000,721,049	\$ 982,856,423	\$ 848,758,886	\$ 673,001,828
<u>20% Limitation</u>					
Debt Limit Equal to 20% of Assessed Valuation	152,847,428	200,144,210	196,571,285	169,751,777	134,600,366
Total Debt Applicable to 20% Limit	<u>129,540,000</u>	<u>123,830,000</u>	<u>126,070,000</u>	<u>122,205,000</u>	<u>118,130,000</u>
Legal 20% Debt Margin (Available Borrowing Capacity)	<u>\$ 23,307,428</u>	<u>\$ 76,314,210</u>	<u>\$ 70,501,285</u>	<u>\$ 47,546,777</u>	<u>\$ 16,470,366</u>
Total net debt applicable to the limit as a percentage of debt limit	84.75%	61.87%	64.13%	71.99%	87.76%
<u>6% Limitation</u>					
Debt Limit Equal to 6% of Assessed Valuation	\$ 45,854,228	\$ 60,043,263	\$ 58,971,385	\$ 50,925,533	\$ 40,380,110
Total Debt Applicable to 6% Limit	<u>305,000</u>	<u>295,000</u>	<u>285,000</u>	<u>275,000</u>	<u>265,000</u>
Legal 6% Debt Margin (Available Borrowing Capacity)	<u>\$ 45,549,228</u>	<u>\$ 59,748,263</u>	<u>\$ 58,686,385</u>	<u>\$ 50,650,533</u>	<u>\$ 40,115,110</u>
Total net debt applicable to the limit as a percentage of debt limit	0.67%	0.49%	0.48%	0.54%	0.66%

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

Table 18

2013	2014	2015	2016	2017
\$ 605,642,183	\$ 590,258,652	\$ 659,588,897	\$ 670,952,898	\$ 871,205,504
121,128,437	118,051,730	131,917,779	134,190,580	174,241,101
<u>111,690,000</u>	<u>104,775,000</u>	<u>97,570,000</u>	<u>90,065,000</u>	<u>106,130,000</u>
<u>\$ 9,438,437</u>	<u>\$ 13,276,730</u>	<u>\$ 34,347,779</u>	<u>\$ 44,125,580</u>	<u>\$ 68,111,101</u>
92.21%	88.75%	73.96%	67.12%	60.91%
\$ 36,338,531	\$ 35,415,519	\$ 39,575,334	\$ 40,257,174	\$ 52,272,330
<u>250,000</u>	<u>250,000</u>	<u>220,000</u>	<u>205,000</u>	<u>190,000</u>
<u>\$ 36,088,531</u>	<u>\$ 35,165,519</u>	<u>\$ 39,355,334</u>	<u>\$ 40,052,174</u>	<u>\$ 52,082,330</u>
0.69%	0.71%	0.56%	0.51%	0.36%

Table 19

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

Public Improvement Corporation Municipal Facilities Revenue Bonds*						
Fiscal Year Ended June 30	Operating Revenue	Pledged Revenue	Debt Service		Coverage	
			Principal	Interest		
2008	\$ 85,680,828	\$ 56,445,817	\$ 505,000	\$ 2,019,691	22.36	
2009	62,281,214	49,326,896	680,000	4,907,984	8.83	
2010	57,363,961	45,979,781	720,000	5,594,412	7.28	
2011	57,697,609	45,808,725	745,000	5,562,612	7.26	
2012	65,501,422	52,566,675	570,000	4,925,626	9.57	
2013	76,004,072	57,969,777	590,000	5,505,685	9.51	
2014	81,109,035	62,768,755	85,000	5,702,661	10.85	
2015	82,672,164	59,861,110	230,000	5,458,563	10.52	
2016	87,880,128	67,903,484	235,000	5,451,663	11.94	
2017	95,623,345	68,619,826	3,220,000	3,674,649	9.95	

Water & Sewer Bonds & Loans						
Fiscal Year Ended June 30	Operating Revenue	Less: Operating Expenses	Net Operating Revenue	Debt Service		Coverage
				Principal	Interest	
2008	\$ 15,151,775	\$ 11,424,111	\$ 3,727,664	\$ 656,612	\$ 474,992	3.29
2009	15,300,056	9,733,836	5,566,220	877,292	540,523	3.93
2010	16,378,677	8,350,588	8,028,089	1,195,691	543,662	4.62
2011	18,271,778	8,965,363	9,306,415	1,167,815	1,802,534	3.13
2012	20,221,750	8,703,445	11,518,305	1,139,026	5,554,656	1.72
2013	23,133,152	10,837,296	12,295,856	1,504,661	5,819,924	1.68
2014	24,989,997	12,684,374	12,305,623	1,439,935	2,212,948	3.37
2015	24,748,802	13,405,653	11,343,149	1,467,770	2,207,414	3.09
2016	27,964,881	15,205,094	12,759,787	1,496,834	2,159,000	3.49
2017	31,380,884	18,471,783	12,909,101	1,682,550	2,268,124	3.27

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

Source: City Financial Records and Reports

Table 20

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

Fiscal Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Median Age	Education Level in Years of Schooling	Unemployment Rate
2007	55,775	\$ 1,507,375	\$ 27,026	36.3	13 to 16	2.1%
2008	58,462	1,536,966	26,290	36.1	13 to 16	3.6%
2009	62,554	1,771,217	28,315	39.1	13 to 16	6.9%
2010	65,275	1,796,433	27,521	35.5	13 to 16	7.1%
2011	66,309	2,120,960	31,986	33.5	13 to 16	9.8%
2012	67,239	1,903,133	28,304	35.2	13 to 16	8.2%
2013	71,381	1,980,537	27,746	38.4	13 to 16	8.3%
2014	73,832	1,879,673	25,459	36.5	13 to 16	7.2%
2015	74,743	2,001,907	26,784	35.6	13 to 16	5.7%
2016	77,776	1,871,990	24,069	36.7	13 to 16	5.5%
2017	78,189	2,157,938	27,599	36.7	13 to 16	4.4%

Source: Bureau of Labor Statistics and City Financial Records

Table 21

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

Major Corporation	Fiscal Year			Fiscal Year		
	2008			2017		
	Employees	Rank	Percentage of Total City Employment*	Employees	Rank	Percentage of Total City Employment*
Arizona State Prison/Perryville	950	1	3.77%	980	3	2.55%
Lockheed Martin	900	2	3.57%			0.00%
City of Goodyear	570	3	2.26%	490	7	1.28%
(Abrazo Healthcare)West Valley Hospital	555	4	2.20%	1,010	1	2.63%
McLane Sunwest	500	5	1.99%	345	10	0.90%
Amazon.com	500	6	1.99%	980	4	2.55%
Walmart Supercenter	495	7	1.97%			
Cavco Industries, Inc.	475	8	1.89%			
Macy's Logistics & Operations	250	9	0.99%	1,010	2	2.63%
Snyder's of Hanover	230	10	0.91%			
Western Regional Medical Center				770	5	2.00%
Subzero Freezer Co				498	6	1.30%
Avondale Elementary District #44				430	8	1.12%
AguaFria Union High School Dist #216				370	9	0.96%
Total	<u>5,425</u>		<u>21.54%</u>	<u>6,883</u>		<u>17.92%</u>

Source: City Records

*2017 labor force = 38420 ; 2008 labor force = 25188

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government	52	47	53	52	52	55	55	69	55	62
Financial Services	28	30	30	30	28	29	27	28	29	31
Information Services	12	15	13	13	14	14	15	18	18	18
Police										
Officers	89	97	97	94	94	94	91	93	96	103
Civilians	26	30	29	29	27	30	29	30	35	38
Planning and Development	38	16	10	9	9	25	23	21	50	50
Fire										
Firefighters and Officers	93	91	90	87	91	90	91	90	92	92
Civilians	17	22	22	24	20	7	8	12	10	10
Human Resources	10	10	8	7	9	10	10	10	10	11
Community Services	11	0	0	0	0	0	0	0	0	0
Economic Development	5	4	7	7	6	4	4	5	6	6
Municipal Services	14	14	10	8	13	13	10	13	13	13
Public Works	64	87	79	78	65	73	75	87	63	63
Water	30	24	23	22	21	23	24	26	27	27
Wastewater	18	19	18	17	18	17	20	19	19	17
Sanitation	12	9	9	9	7	5	5	6	8	7
Total	<u>519</u>	<u>515</u>	<u>498</u>	<u>486</u>	<u>474</u>	<u>489</u>	<u>487</u>	<u>527</u>	<u>531</u>	<u>548</u>

Source: City Financial Records and Reports

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

Function	2008	Fiscal Year 2009	2010
General Government			
<i>City Clerk's Office</i>			
# of records requests	648	613	504
<i>City Prosecutor's Office</i>			
Charges filed/charges adjudicated (resolved)	2,469	2,494	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%
<i>Communications & Public Information</i>			
News releases/media updates	182	161	235
Total newsletter pages sent to citizens	136	186	176
Number of visits to website	1,509,717	738,949	715,285
Number of web pages viewed	7,203,478	2,346,423	2,208,180
Number of graphics/photography projects completed	200	200	217
Police			
# of total arrests	2,614	2,829	4,731
# of moving violations citations	11,452	13,313	11,810
Fire			
# of emergency responses	3,431	5,328	5,570
# of fires extinguished	143	270	226
# of inspections	3,427	3,953	4,262
Financial Services			
# accounts payable checks issued	9,949	10,184	8,024
# purchase orders	1,043	918	1,147
# water meters read annually	155,805	163,444	168,647
Planning and Development			
Customer wait-time (in minutes) at One Stop Shop	< 5	< 5	< 3
Total number of permits issued	5,874	3,401	4,232
Provide applicant with pre-application meeting within 30 days of submitting request	1	1	1
% of inspections performed within 24 hours of request	1	1	1
Human Resources			
# of new hires (FT & PT) (1)	179	158	247
HR budgeted operating cost as a % of City budgeted payroll	4.36%	4.11%	4.18%
Parks and Recreation			
# attending Park & Recreation facilities and Libraries annually (2)	49,111	51,844	52,241
# of square feet of medians and rights of way maintained	15,320,000	22,118,000	22,175,027

Table 23

2011	2012	2013	Fiscal Year 2014	2015	2016	2017
550	484	470	504	598	629	770
3,380	3,827	2,514	3,170	3,623	3,608	4,261
90%	94%	94%	95%	95%	93%	93%
150	49	59	76	N/A	88	126
144	136	112	114	136	144	128
703,174	771,938	804,542	491,540	633,643	543,565	302,777
2,104,553	2,203,995	2,185,489	1,850,471	1,855,914	1,472,765	1,500,539
230	262	254	275	135	103	157
2,254	2,402	2,532	2,612	2,846	2,661	3,296
12,581	11,468	10,259	10,586	5,919	3,479	4,382
6,597	7,195	5,604	8,298	6,972	6,002	7,498
235	271	243	242	205	165	214
3,229	212	969	752	1,539	1,253	2,050
6,413	6,132	6,298	6,403	6,254	5,914	5,772
1,344	1,229	1,238	1,091	1,009	1,442	1,512
170,657	178,466	184,638	191,189	196,863	201,704	208,083
< 3	< 1	<1	<1	<1	N/A	N/A
3,269	3,576	3,529	3,580	2,868	5,610	5,732
1	1	1	1	1	1	1
1	0.7	1	1	0.96	1	1
125	118	178	180	144	362	204
4.11%	4.86%	5.01%	4.85%	5.05%	5.06%	6.00%
54,428	63,256	69,596	74,527	74,527	188,000	249,000
22,696,736	23,151,438	23,151,438	23,151,438	23,151,438	23,151,438	23,151,438

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

Function	2008	Fiscal Year 2009	2010
Economic Vitality			
Sales Tax growth (% annual change)	-10.25%	-12.30%	-10.40%
Bed Tax growth (% annual change)	6.00%	-15.00%	-3.90%
Municipal Services			
# of homes serviced by Residential Refuse Collection	19,811	20,149	20,928
# of citizens serviced by Household Hazardous Waste collection program	634	0	848
Water Service			
# of residential customers	12,214	12,394	13,051
# of multifamily customers	36	36	36
# of commercial customers	709	781	742
Water Service Connections	13,500	13,975	14,488
Drinking Water Supplied (million gallons per day)	10.80	11.00	11.10
Reclaimed Water Supplied (million gallons per day)	0.27	0.45	0.23
Wastewater			
# of residential customers	9,445	12,322	12,962
# of multifamily customers	38	36	36
# of commercial customers	307	370	372
Sewer Service Connections	13,500	16,144	16,144
Sewage Treated (millions gallons per day)	3.24	3.70	3.73
Other Public Works			
Street resurfacing (miles)		4.00	
Potholes repaired	783	681	372
Citizen & Neighborhood Resources			
# of new Code Enforcement cases processed per year	2,698	2,155	2,255

Source: City Financial Records and Reports

Table 23

2011	2012	2013	Fiscal Year 2014	2015	2016	2017
4.42%	10.45%	11.29%	8.76%	3.85%	8.86%	4.04%
-7.31%	14.15%	1.41%	-4.12%	25.71%	2.75%	-3.80%
21,489	22,363	23,387	24,346	25,320	26,323	26,792
729	503	546	550	536	503	592
13,319	13,755	14,430	14,959	15,404	16,132	16,713
36	36	36	35	36	36	36
963	976	999	1,025	1,055	865	846
14,588	16,809	17,533	17,533	17,533	17,034	17,899
11.40	11.60	9.60	11.70	12.70	11.70	12.90
0.37	0.32	0.39	0.32	0.63	0.63	0.38
13,298	13,599	14,231	14,877	15,335	16,064	16,649
36	36	38	36	69	36	36
363	364	382	370	373	382	381
16,743	16,856	16,918	16,918	17,139	18,236	18,980
3.73	3.82	4.15	4.20	3.81	4.15	4.36
12.50	24.00	30.00	19.20	83.23	109.00	70.33
260	264	296	1,166	1,253	1,339	756
2,016	2,069	2,841	3,018	2,863	3,544	3,212

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

Function	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public Safety										
Police:										
Stations	3	3	3	3	3	3	3	4	4	6
Police Vehicles	125	130	124	130	125	126	119	133	134	150
Fire Stations	6	6	6	6	6	6	6	6	7	6
Highways and Streets										
Street (miles)	450	563	704	704	934	934	934	934	934	934
Streetlights	7,391	7,969	8,329	8,438	8,465	8,660	8,832	8,832	9,041	8,651
Traffic signals	56	67	72	72	77	84	86	86	89	89
Culture and Recreation										
Parks	16	16	17	17	17	17	17	18	18	18
Parks Acreage	156	184	204	204	204	204	204	206	206	206
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Tennis Courts	6	6	6	6	6	6	6	6	6	6
Community Centers	1	1	1	1	1	1	1	1	1	1
Water										
Water Mains (miles)	286	307	308	308	308	308	308	308	330	336
Fire Hydrants	2,481	2,754	2,791	2,791	2,791	2,796	2,808	2,951	3,031	3,152
Storage capacity (thousands of gallons)	15	16	16	16	16	16	16	16	16	16
Wastewater										
Sanitary Sewers (miles)	236	225	223	229	227	229	239	242	254	260
Storm Sewers (miles)	80	58	54	57	57	57	63	55	54	55
Treatment capacity (MGD) (thousands of gallons)	5.5	5.6	5.6	5.6	5.6	5.6	5.6	5.6	5.6	5.6

Source: City Financial Records and Reports

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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

