

HENRY & HORNE, LLP
CERTIFIED PUBLIC ACCOUNTANTS

CITY OF GOODYEAR, ARIZONA



COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011



**CITY OF GOODYEAR, ARIZONA
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Prepared by the Finance Department
Larry A. Lange, Finance Director

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Introductory Section





November 15, 2011

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

State law requires that cities annually publish after the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards (GAAS) by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report (CAFR) of the City of Goodyear, Arizona (the City) for the fiscal year ended June 30, 2011.

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

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

Henry & Horne, LLP, Certified Public Accountants, has issued an unqualified ("clean") opinion on the City of Goodyear's financial statements for the fiscal year ended June 30, 2011. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report on pages 5-15, and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.



PROFILE OF THE GOVERNMENT

The City of Goodyear, incorporated in 1946, and chartered in 1988, started as a small town producing cotton for the production of rubber tires during World War I. Over the years Goodyear has sustained continued growth and currently encompasses approximately 191 square miles in the western portion of Maricopa County, and is approximately 17 miles west of the downtown Phoenix business district. The City's growth is attributable to excellent housing, a small-town atmosphere, convenient access to the central Valley, and excellent school districts. The population as of the 2010 census was 65,275, with current estimates as of fiscal year ended June 30, 2011, projected to be 66,564.

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

The City provides a full range of municipal services, including police and fire protection, sanitation services, water and sewer services, construction and maintenance of streets, recreational programs, parks, and cultural events, public transportation, planning and zoning services, and general administrative services. Goodyear offers a wide range of community facilities including a community center, a swimming pool, and seventeen parks, encompassing 204 acres. The City is community driven and includes over 500 volunteers that serve in various areas, and through their efforts, have saved the City over \$420,000 in fiscal year 2011 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 in March 11, 2003 the citizens of Goodyear approved a permanent adjustment of the 1979 expenditure base for population and inflation growth. The City may utilize the additional expenditure authority for any local budgetary purposes. The permanent adjustment eliminates the need for voter approval every four years.

The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Mayor and Council. Activities of the general fund, special revenue funds, debt service funds, capital project funds, enterprise funds and internal service fund are included in the annual appropriated budget. The legal level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is the total budget, as adopted by the City Council. The City additionally exercises management control and oversight of the budget at the department level within each fund. In addition to maintaining budgetary control via a formal appropriation, the City maintains an encumbrance accounting system. Encumbrances are made against appropriations upon the issuance of a purchase order. Encumbered appropriations lapse at fiscal year-end and are re-encumbered as needed in the next fiscal year.

LOCAL ECONOMIC CONDITION AND OUTLOOK

Although current economic conditions continue to impact the country and Goodyear specifically, current unemployment data shows a positive trend in the unemployment rate, as well as an increase in sales tax revenues. As optimistic as the City is in this trend continuing, the City continues to monitor the changes taking place in the national and local economies, as adaptation is imperative to keeping the budget balanced and positioning the City for future growth.

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

While the City of Goodyear continues to face challenging economic times, FY 2012 focuses on preserving the community's outstanding quality of life by incorporating a number of projects and initiatives that range from recreation to public safety and an overall goal of fiscal solvency with the flexibility to change as economic and services demand.

Goodyear continues to attract large business. Suntech, the world's largest producer of solar panels, celebrated its grand opening of the first U.S. based manufacturing plant in Goodyear on October 8, 2010.

In addition, Sub-Zero, Inc., manufacturer of high-end refrigeration, freezer and wine-storage have also made their presence known by expanding its facilities in Goodyear during FY 2011, bringing nearly 400 jobs to the City. A key City Council goal continues to focus on bringing jobs into the city and to make Goodyear one of the largest employment bases in the West Valley. There are three major corridors that are forming that will have a great influence on the future of the city: Airport Gateway Center – 1,200 acres of mixed development, Palm Valley 303 – 2,000 acre master planned business park, and the 801/85 Employment Center – 1,700 acre employment corridor for manufacturing and industrial business.

Economic Outlook

The economic slowdown at the national level has had a direct impact at the state and local level economy. The recovery is slowly beginning. General fund revenue projections are projected to increase by 7% during FY 2012. This increase is mainly due to an increase in State Shared Revenues. Although this adds to the City's revenue growth, the City still continues to be conservative in its estimates.

Sales Tax - The City of Goodyear, like all Arizona cities, places significant reliance on City sales tax revenues. Overall, City sales tax revenues for FY 2012 are expected to equal 54% of General Fund revenues. City sales tax revenues for FY 2011 increased by approximately 4.1% over FY 2010 levels.

State Shared Revenue - The City of Goodyear receives revenue allocations from the State. These "State Shared Revenues" include allocations of the state-collected income tax, sales tax, gas tax, motor vehicle in-lieu taxes, and state lottery proceeds. A significant portion of this revenue is placed in the City's General Fund, where it is used to support the City's day-to-day activities. The amount received by a municipality is determined by the Decennial Census and its relationship to Arizona's population as a whole. Due to the Decennial Census data, the City anticipates a 32.17% increase in state shared revenues in FY 2012.

Property Tax - The City's combined (secondary and primary) property tax rate was \$1.42 per \$100 of assessed valuation for FY 2011 due to a one year lowering of the rate by the City Council. Of this, \$0.66 is for the secondary levy. The secondary levy can only be used for voter approved debt service on general obligation bonded indebtedness. The voter approved general obligation bond proceeds are used for construction of public facilities (parks, public safety, streets, etc.). For FY 2012, City Council voted to reestablish the total combined property tax rate to \$1.60 per \$100 of assessed value.

The primary property tax rate is \$.76 for FY 2011. The primary levy can be used for any general government purpose (such as supplies, personnel, maintenance, utilities, etc.) but is limited in size by State statute. The primary tax raised \$6.0 million in FY 2011. The primary tax rate will be \$.94 for FY2012. The primary property tax revenues are expected to be \$6.3 million dollars in FY 2012. While this amount is approximately 10.2% of the operating revenues, it is nonetheless an important component for the stability and revenue diversity of the City's operating revenues. Total primary (limited) assessed property value within the City has decreased by approximately 15% from FY 2011. The secondary assessed valuation decreased by approximately 21% from FY 2011. Property values continue to be unstable in the City and future assessed valuation is expected to decrease.

Labor Force - Goodyear has a well-educated and available labor force. Educational level of Goodyear heads of household: 85% are college educated with 56% obtaining college degrees. The estimated median income level is \$79,226 for FY 2011 and approximately 47% have a household income of over \$75,000. The City is a member of the Greater Phoenix Economic Council (GPEC) which has been successful at introducing new businesses to the City. The City maintains an economic development department "in-house" which has been very instrumental in locating retail, hospitality, office, and industrial businesses to the City. In addition, the economic development department has also been proactively recruiting public and private institutions of higher education.

For The Future

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

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Goodyear, Arizona for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2010. This is the third year the City of Goodyear has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. That report must satisfy both generally accepted accounting principles and applicable legal requirements.

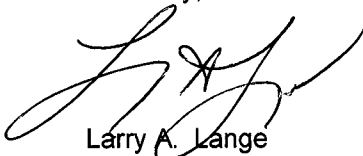
A Certificate of Achievement is valid for one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting this report to the GFOA to determine its eligibility for a certificate for fiscal year ended June 30, 2011.

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated 2010-11. This is the sixteen year in a row that the City has received the highest form of recognition in governmental budgeting.

Acknowledgments

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

Sincerely,



Larry A. Lange
Finance Director

LAL/ts

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, 2010

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



President

Executive Director

CITY OF GOODYEAR

LIST OF PRINCIPAL OFFICIALS

MAYOR

Georgia Lord

VICE MAYOR

Joanne Osborne

COUNCIL MEMBERS

Wally Campbell

Gary Gelzer

Sheri Lauritano

Joe Pizzillo

William Stipp

SENIOR MANAGEMENT STAFF

John Fischbach
City Manager

Michael Simonson
Presiding Judge

Roric Massey
City Attorney

Brian Dalke
Deputy City Manager

Paul Luizzi
Interim Deputy City Manager

Lynn Mulhall
City Clerk

Wynette Reed
Human Resources Director

Paula Ilardo
Economic Development Director

Bill Cusson
Interim Police Chief

Mark Gaillard
Fire Chief

Harvey Krauss
Community Development Director

Larry Lange
Finance Director

Kathy Fernandez
Information Technology Director

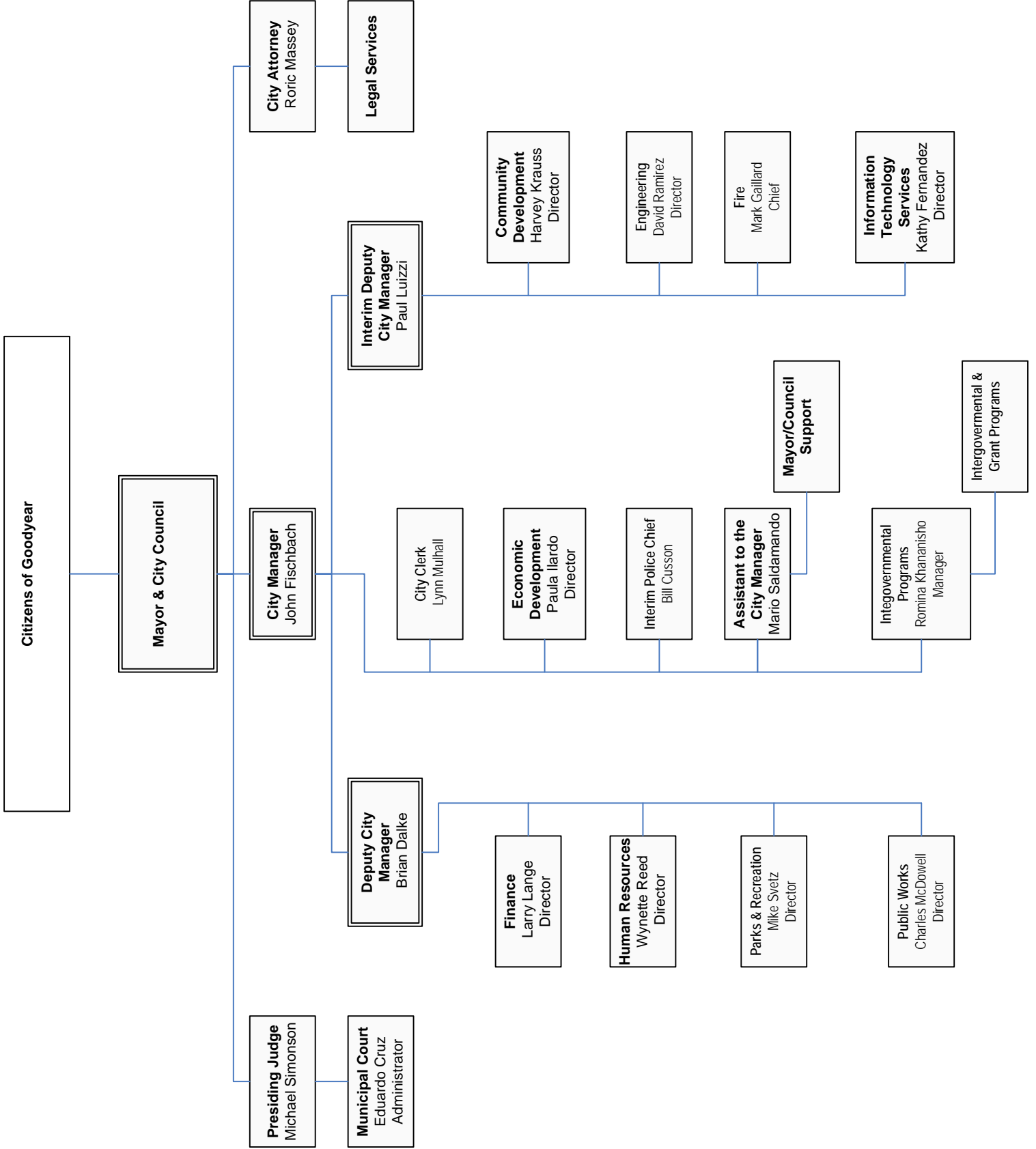
Charles McDowell
Public Works Director

David Ramirez
Engineering Director

Mike Svetz
Park & Recreation Director

Mario Saldamando
Assistant to the City Manager

Romina Khananisho
Intergovernmental Programs Manager



ACKNOWLEDGEMENTS

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

Theresa Simms, MBA, CPA
Michelle Gammage, CPA
MaryKae Struck, MBA
Kathy Painter
Regina Mullaney
Sheila Mills
Carmelita Evans
Marty Eckstaine



Financial Section





HENRY & HORNE, LLP
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Council
City of Goodyear, Arizona

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Goodyear (the City), Arizona, as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Goodyear, Arizona, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

Tempe
2055 E. Warner Road
Suite 101
Tempe, AZ 85284-3487
(480) 839-4900
Fax (480) 839-1749

Scottsdale
7098 E. Cochise Road
Suite 100
Scottsdale, AZ 85253-4517
(480) 483-1170
Fax (480) 483-7126

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2011 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 15 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Goodyear, Arizona's basic financial statements. The introductory section, the accompanying financial information listed as other supplementary information in the financial section, and the statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The financial information listed as other supplementary information in the financial section has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them. The accompanying schedule of expenditures of federal awards (required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Government, and Non-Profit Organizations) is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Henry + Horne LLP

Casa Grande, Arizona
November 15, 2011

Financial Section

MANAGEMENT'S DISCUSSION & ANALYSIS



MANAGEMENT'S DISCUSSION AND ANALYSIS For The Year Ended June 30, 2011

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, 2011. This discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the City's financial activity, (3) identify changes in the City's financial position, (4) identify any material deviations from the financial plan (the approved annual budget), and (5) identify individual fund issues or concerns.

The management's discussion and analysis (MD&A) has different focus and purpose than the letter of transmittal presented on pages vii-xi of this report and is designed to be read in conjunction with the transmittal letter as well as the financial statements beginning on page 17 and the accompanying notes to the financial statements.

FINANCIAL HIGHLIGHTS

- ◆ The City's total net assets decreased \$.3 million (.05%) in fiscal year 2011, an increase in governmental activities of \$3.5 million (.78%) and a decrease in business activities of \$3.8 million (1.97%).
- ◆ Total net assets of the City are \$647.9 million, of which \$27.5 million is unrestricted (up \$3.9 million, 16.39%, from last year's \$23.6 million unrestricted net assets).
- ◆ The governmental activities program revenues decreased by \$1.8 million (6.28%) from the previous fiscal year. This was primarily due to decrease in capital grants and contributions in the amount of \$2.5 million (15.12%). Charges for service increased by \$.5 million (5.54%) and operating grants and contributions increased by \$.2 million (3.00%).
- ◆ The business-type activities program revenues decreased by \$.2 million (.83%) from the previous fiscal year. This was primarily due to a decrease in capital grants and contributions in the amount of \$1.6 million (26.41%) and an increase in charges for service of \$1.4 million (5.91%).
- ◆ At June 30, 2011, total fund balance of the governmental funds was \$63.7 million, a decrease of \$1.6 million (2.54%) from the previous year. The majority of this decrease can be attributed decrease in taxes of \$1.7 million (3.02%) due to the economic downturn. Approximately 30.06% of this total amount (\$19.1 million) is unassigned fund balance available for spending at the government's discretion.
- ◆ At June 30, 2011, total unassigned fund balance for the General Fund is \$21.5 million, a decrease of \$1.2 million (5.36%) from the prior fiscal year. This decrease is due to transfers to grant funds that will be reimbursed in the following year.
- ◆ At June 30, 2011, the City's proprietary funds reported combined net assets decreased by \$3.8 million (1.97%) from the prior fiscal year. This decrease was due to increase debt service payment of \$1.6 million and decrease in capital contributions of \$1.6 million. \$3.6 million of net assets are restricted of this \$.9 is restricted for capital assets and \$2.7 for debt service.
- ◆ The City Council adopted an investment policy allowing staff more flexibility in investment options thus increasing of possibilities to earn a higher rate of return while maintaining the emphasis on safety and liquidity in the funds. At June 30, 2011, the City's total investment balance was \$27.0 million of which \$24.1 million is shown in investment and \$2.8 is shown in restricted cash. In accordance with the City's investment policy these funds were moved from the cash and cash equivalent accounts in the previous 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 three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

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

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

The government-wide financial statements can be found on pages 19-21 of this report.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decision. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*. These reconciliations are on pages 27 and 31 respectively.

The City maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Community Facilities Districts – Debt Service, McDowell Road Improvements District – Debt Service, and Non-Utility Development Impact Fees all of which are considered to be major funds. Data from the other six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules beginning on page 77 of this report.

The governmental fund financial statements can be found on pages 23–33 of this report.

Proprietary funds. The City maintains five proprietary funds. Proprietary funds (enterprise and internal service) utilize full accrual accounting, the same method used by private sector business. The City uses separate enterprise funds to account for its stadium, water and sewer services and its sanitation services. These funds are considered to be major funds of the City. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The city has two internal service funds – Fleet Management and the Health Insurance. The Fleet Management Fund reports activities that provide preventative maintenance, repairs and safety inspections for City vehicles and equipment. The Health Insurance Fund is used for the City’s wellness initiative and to build up a reserve for when the City becomes self funding. The Internal service fund activities are reported as governmental activities on the government-wide statements.

The proprietary fund financial statements can be found on pages 35-40 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City’s own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 45-76 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City’s budget process. The City adopts an annual budget for all governmental funds. A budgetary comparison statement has been provided for the General Fund as part of the basic financial statements. The required supplementary information can be found on pages 89-105 of this report.

The combining statements referred to earlier in connection with non-major governmental funds is presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 99-83 and 85-88 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following tables, graphs and analysis discuss the financial position and changes to the financial position of the City as a whole as of the year ended June 30, 2011 with comparative information for the previous year.

Net Assets

Net assets may serve over time as a useful indicator of a government's financial position. The following table reflects the condensed Statement of Net Assets of the City as of June 30, 2011 compared to the prior year.

	Governmental		Business-type		Total		Percent Change
	Activities		Activities		Primary Government		
	2011	2010	2011	2010	2011	2010	
Current and other assets	\$ 151,036,689	\$ 153,591,426	\$ 36,927,125	\$ 37,973,357	\$ 187,963,814	\$ 191,564,783	-1.88%
Capital assets	531,058,572	532,037,489	410,952,117	408,882,016	942,010,689	940,919,505	0.12%
Total assets	682,095,261	685,628,915	447,879,242	446,855,373	1,129,974,503	1,132,484,288	-0.22%
Other liabilities	25,448,349	21,277,011	14,641,167	15,879,364	40,089,516	37,156,375	7.89%
Long-term liabilities outstanding	200,788,304	212,035,847	241,152,470	235,027,670	441,940,774	447,063,517	-1.15%
Total liabilities	226,236,653	233,312,858	255,793,637	250,907,034	482,030,290	484,219,892	-0.45%
Net assets:							
Invested in capital assets, net of related debt	327,503,686	317,162,459	179,254,929	191,582,614	506,758,615	508,745,073	-0.39%
Restricted for:							
Courts	198,457	149,991	-	-	198,457	149,991	32.31%
Law enforcement	129,231	263,686	-	-	129,231	263,686	-50.99%
Highways and streets	285,914	209,080	-	-	285,914	209,080	36.75%
Community facilities	536,230	1,095,057	-	-	536,230	1,095,057	-51.03%
Debt service	86,963,445	91,442,376	2,661,924	-	89,625,369	91,442,376	-1.99%
Capital projects	21,992,019	22,720,860	905,313	-	22,897,332	22,720,860	0.78%
Unrestricted	18,249,626	19,272,548	9,263,439	4,365,725	27,513,065	23,638,273	16.39%
Total net assets	\$ 455,858,608	\$ 452,316,057	\$ 192,085,605	\$ 195,948,339	\$ 647,944,213	\$ 648,264,396	-0.05%

For fiscal year 2011 the net assets of the City decreased by \$.3 million (.05%) over the previous year. Net assets of the governmental activities increased by \$3.5 million (.78%), while the business-type activities decreased by \$3.8 million (1.97).

Net assets consist of three components, the largest portion is invested in capital assets, net of related debt of \$506.7 million (78.2%) reflects the City's investment in capital assets net of accumulated depreciation and any related outstanding debt used to acquire or construct those assets. The City uses these capital assets to provide services to its citizens. Consequently, it is not the City's intention to sell these assets and they are therefore not available for future spending. Although the capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves are not intended to be used to liquidate these liabilities. This category of net assets decreased by \$2.0 million (0.39%) in fiscal year 2011.

The City's second portion is restricted net assets of \$113.7 million (17.54%) represents resources that are subject to external restrictions on how they may be used. The decrease of \$2.2 million results from no debt issuance for capital for the Community Facilities Districts (\$.5 million) and reduction in debt service (\$1.8 million).

The City's third portion is unrestricted net assets of \$27.5 million (4.25%). These net assets may be used to meet the City's ongoing obligations to citizens and creditors. This category increased \$3.9 million (16.39%) from the previous fiscal year. Unrestricted net assets are the balance of net assets remaining after calculating the other two categories discussed above. Unrestricted net assets of governmental activities decreased by \$1.0 million, while unrestricted net assets of the business-type activities increased \$4.9 million. This increase in unrestricted net assets was from the Water and Sewer \$1.4 million for charges for services and reimbursement \$3.5 from WIFA for capital.

Changes in Net Assets.

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

Changes in Net Assets for Year End June 30								
	Governmental Activities		Business-type Activities		Total Primary Government		Percent Change	
	2011	2010	2011	2010	2011	2010		
REVENUES:								
Program revenues:								
Charges for services	\$ 6,811,781	\$ 6,276,022	\$ 24,973,155	\$ 23,579,235	\$ 31,784,936	\$ 29,855,257	6.46%	
Operating grants and contributions	5,818,158	5,648,867	-	-	5,818,158	5,648,867	3.00%	
Capital grants and contributions	13,951,581	16,436,375	4,570,849	6,211,533	18,522,430	22,647,908	-18.22%	
General revenues:								
Sales taxes	32,729,749	31,448,399	-	-	32,729,749	31,448,399	4.07%	
Property taxes	18,548,550	21,941,576	-	-	18,548,550	21,941,576	-15.46%	
Franchise taxes	2,316,820	2,233,909	-	-	2,316,820	2,233,909	3.71%	
State shared revenue	9,699,146	10,907,518	-	-	9,699,146	10,907,518	-11.08%	
Investment income	227,446	179,114	71,819	57,527	299,265	236,641	26.46%	
Proceeds from sale of water rights	-	-	-	4,352,000	-	4,352,000	100.00%	
Miscellaneous	827,619	2,026,285	638,611	100,698	1,466,230	2,126,983	-31.07%	
Total revenues	90,930,850	97,098,065	30,254,434	34,300,993	121,185,284	131,399,058	-7.77%	
EXPENSES:								
Program activities:								
Governmental activities:								
General government	15,765,527	14,767,660	-	-	15,765,527	14,767,660	6.76%	
Public safety	29,474,246	28,960,907	-	-	29,474,246	28,960,907	1.77%	
Highways and streets	14,798,670	12,179,531	-	-	14,798,670	12,179,531	21.50%	
Public works	3,658,756	11,070,853	-	-	3,658,756	11,070,853	-66.95%	
Culture and recreation	4,439,181	4,023,639	-	-	4,439,181	4,023,639	10.33%	
Community development	5,150,677	2,555,353	-	-	5,150,677	2,555,353	101.56%	
Interest on long-term debt	10,710,302	11,210,504	-	-	10,710,302	11,210,504	-4.46%	
Business activities:								
Water and sewer	-	-	20,733,932	18,124,893	20,733,932	18,124,893	14.39%	
Sanitation	-	-	4,815,314	4,782,565	4,815,314	4,782,565	0.68%	
Stadium	-	-	11,958,862	11,547,500	11,958,862	11,547,500	100.00%	
Total expenses	83,997,359	84,768,447	37,508,108	34,454,958	121,505,467	119,223,405	1.91%	
Increase in net assets								
before transfers	6,933,491	12,329,618	(7,253,674)	(153,965)	(320,183)	12,175,653	-102.63%	
Transfers	(3,390,940)	(7,815,285)	3,390,940	7,815,285	-	-	0.00%	
Increase in net assets	3,542,551	4,514,333	(3,862,734)	7,661,320	(320,183)	12,175,653	-102.63%	
Net asset July 1	452,316,057	447,801,724	195,948,339	188,287,019	648,264,396	636,088,743	1.91%	
Net asset June 30	\$ 455,858,608	\$ 452,316,057	\$ 192,085,605	\$ 195,948,339	\$ 647,944,213	\$ 648,264,396	-0.05%	

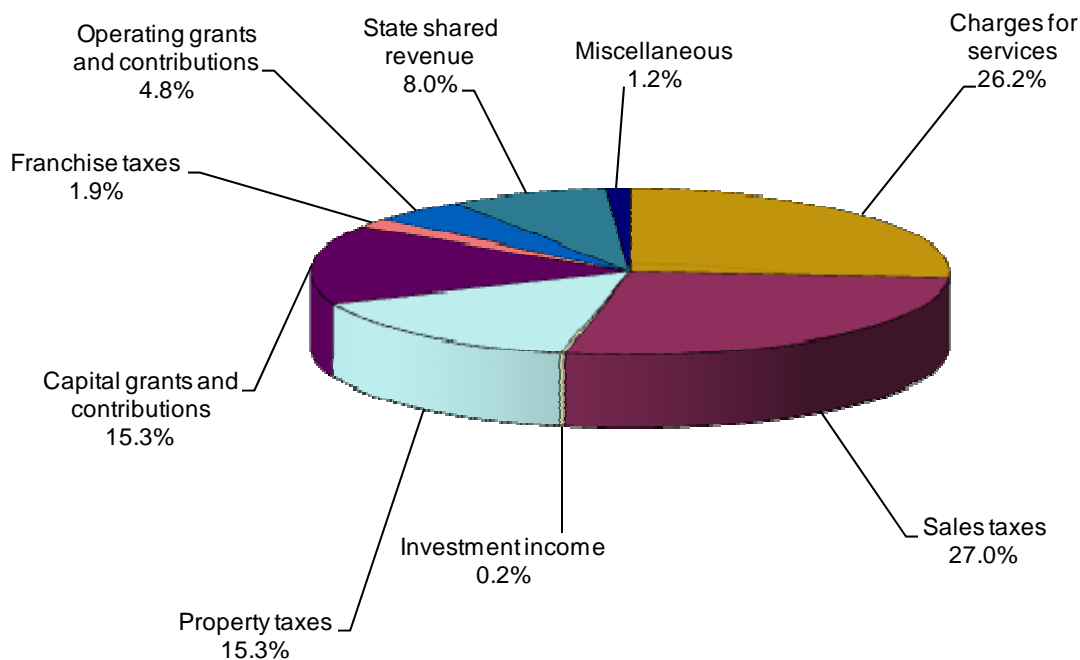
For fiscal year 2011, the total revenues of \$121.2 million decreased approximately \$10.2 million (7.77%) from the previous fiscal year. This decreased occurred for both governmental and business-type activities. Total governmental revenues decreased by \$6.2 million (6.35%) and total business-type revenues decreased by \$4.0 million (11.80%). The primary drivers of the governmental revenues were property taxes, levied for debt service, sales and use taxes and state shared revenues. The decline in revenues are a direct result of the current downturn in the economy, the areas affected the most are

property taxes, which decreased by \$3.4 million (15.46%) and state shared revenues, which decreased by \$1.2 million (11.08%). The City's property taxes primary assessed valuation decreased from \$1.60 per \$100 of assessed value to \$1.42 per \$100. State shared revenues are derived from state shared sales taxes, state income taxes and vehicle license taxes which are distributed to the City based upon population, hence when the economy falls so do these revenues.

Program revenues of governmental activities decreased by \$1.8 million (6.28%), primarily for capital grants and contributions, which decreased \$2.5 million (15.12%), charges for services increased by \$.5 million (8.54%) and operating grants and contribution increased \$.2 million (3.00%) and decreased \$.2 million (2.4%). As stated earlier the decrease in capital grants and contributions resulted from a decline in capital projects. The business-type activities program revenues increased by \$15.1 million (31.1%) from the previous fiscal year. The business-type program revenues decreased by \$.2 million (.83%) from the previous fiscal year, due to reduction in capital grants and contributions of \$1.64 million (26.41%) for capital projects and increase in charges for services for \$1.4 million (5.91%) primarily from water and sewer customers from rate increases.

Total government-wide expenses (not including transfers out) are \$121.5 million, an increase of \$2.3 million from the previous fiscal year. Expenses in the governmental activities decrease by \$.8 million, primarily for interest on long-term debt of \$.5 million. The public works expenses decreased by \$7.4 million primarily because of the reduction in capital activity for CFD and the City. All other categories increased because of reclassification of activities in the prior year to current categories. Expenses in the business activities totaled \$37.5 million (30.9% of functional expenses), an increase of \$3.1 million from the previous fiscal year. The largest category of business expenses are water and sewer expenses of \$20.7 million, an increase by \$2.6 million primarily because of increased interest expense of \$1.6 million and \$.5 million for cost of sales and services. Stadium expenses increased by \$.4 million primarily for depreciation.

Government-Wide Revenue Sources Fiscal Year 2011

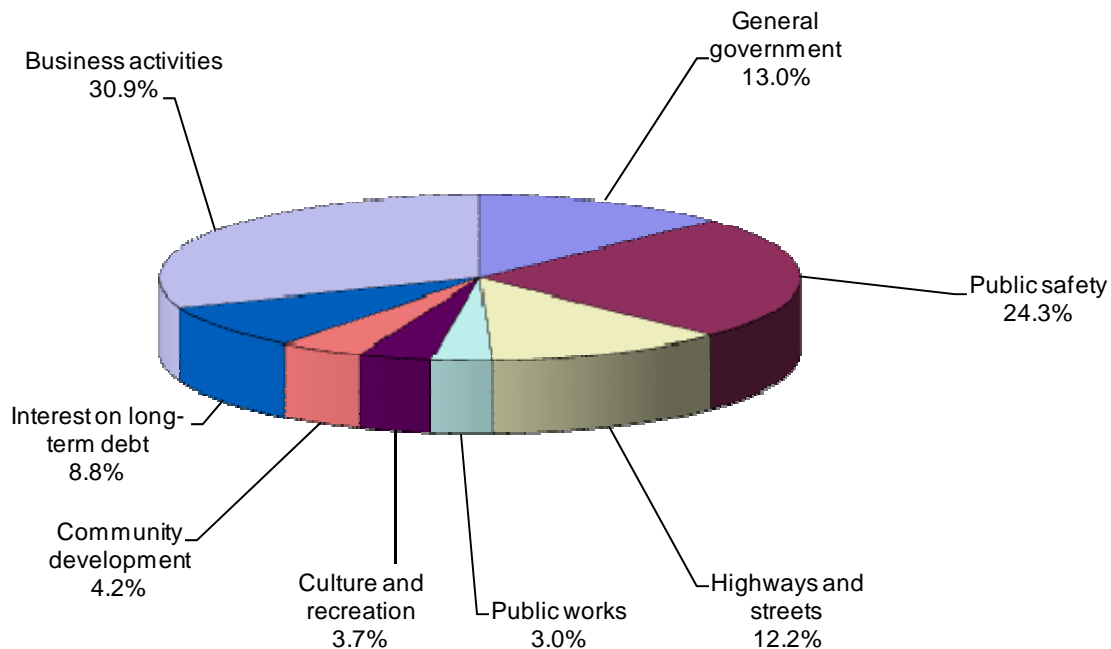


The pie chart above is a depiction of Government-Wide Revenue Sources, governmental activities account for 75.0% of total revenues, while business activities account for 25.0% of total revenues. Sales taxes continue to be the largest source of City revenues at 27.0%, a 4.1% increase from the previous

fiscal year. Next are charges for services at 26.2% of revenue, which increased by 6.5% over the previous fiscal year primarily for the business-type activities. The City Council had approved an increase in water and sewer rates starting in fiscal year 2010 for the next four years, this is the second year of the increase. Property taxes another major governmental revenue represents 15.3% of the total revenues. Another major component of revenues is capital grants and contributions which is 15.3% of total revenues.

As seen in the following pie chart for Government-Wide Functional Expenses, business-type activities account for 30.9% of total functional expenses, while governmental activities account for 69.1% of total functional expenses. For the governmental activities, the largest users of resources are public safety 24.3% of total expenses (34.2% of governmental expenses), general government 12.4% total expenses (17.4% of governmental expenses), highways and streets 10.2% of total expenses (14.4% of governmental expenses), and public works 9.3% of total expenses (13.1% of governmental expenses). Total government-wide expenses (not including transfers out) of the City decreased by 3.3% in fiscal year 2011. This decrease is a direct result of a number of belt tightening measures by the City to reduce expenses during this down turn in the economy.

Government-Wide Functional Expenses Fiscal Year 2011



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental funds

The focus of the City's governmental funds (pages 23-33) is to provide information on near-term inflows, outflows, and balances of spendable resources. All major governmental funds are discreetly presented on these financial statements, while non-major funds are combined into a single column. Combining statement for non-major funds may be found on pages 77-88.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$63.7 million, a decrease of \$1.6 million (2.54%) from the previous year. Approximately \$19.1 million (30.06%) of the total ending fund balance constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance is (1) non-spendable \$1.7 million (2.31%) of total ending fund balance for advance to other funds, inventories and prepaid items, (2) restricted \$41.5 million (65.11%) of the total ending fund balance for charter mandates, court, law enforcement, debt service, capital projects, highway user funds and Community Facilities Districts operations, (3) assigned \$1.4 million (2.12%) of the total ending fund balance for IT replacement, Fleet replacement and risk management insurance.

Revenues for governmental functions overall totaled \$87.1 million in the fiscal year ended June 30, 2011 which represents a decrease of 6.01% or \$5.5 million from the previous fiscal year. Five revenue categories show decreases over the previous fiscal year. These include property taxes (\$3.1 million), intergovernmental revenues (\$.6 million), special assessments (\$1.7 million), contributions (\$.3 million) and miscellaneous (\$1.8 million). Property taxes decline based on the reduction in the assessed value as state above. Special assessment decline because there were no new debt issue for capital projects. Intergovernmental revenues decline due to reduction in stated shared revenues because of the downturn in the economy as these revenues are distributed to the City based on population. Miscellaneous decline is due to reclassification of revenues to the proper classification in fiscal year 2011. All the other categories of revenues experience an increase of \$2.0 million. The City's investment income increase by 26.23% over the previous fiscal year due to the investment policy the City received a higher rate of return on the investments.

Expenditures for governmental functions (\$86.3 million) decreased by 5.20% (\$4.7 million) from the previous fiscal year. The expenditure decrease is driven primarily by decreases in capital outlay \$4.2 million and interest on debt \$.5 million. The capital projects were reduced in fiscal year 2011.

In fiscal year ended June 30, 2011 revenues for the governmental functions exceeded expenditures by approximately \$.8 million. However, transfer out exceeded transfer in by \$2.5 million resulting in a decrease in governmental fund balance of \$1.7 million. The majority of the transfers out were subsidy of debt service in the enterprise funds.

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 \$21.5 million. As a measure of liquidity, it may be useful to compare total unassigned fund balance and total fund balance to total expenditures. The unassigned fund balance represents 38.12% of General Fund expenditures.

The fund balance of the City's General Fund decreased by \$.8 million during the fiscal year as revenues had a positive growth of \$.7 million and expenditures and transfer had a negative growth of \$1.5 million. This is an increase of approximately \$2.2 million in operational cost over comparable figure from previous fiscal year.

Proprietary funds

The proprietary fund financial statements are prepared on the same accounting basis and measurement focus as the government-wide financial statement, but provide additional detail since each major enterprise fund is shown discretely. The proprietary funds statements can be found on pages 35-40.

The proprietary funds net asset was \$192.1 million a decreased by \$3.8 million from the previous fiscal year. The Water and Sewer fund had a positive increase in their net assets of \$.5 million for the fiscal year ended June 30, 2011 due to the increase in water and sewer rates while the Sanitation decreased slightly and the Stadium fund decreased by \$4.3 million due to increase in depreciation of \$.6 million and reduction in transfer in \$1.7 million for debt service. The proceeds from the PIC 2008 that remained with the trustee were use to offset the debt payment.

BUDGETARY HIGHLIGHTS

The City's annual budget is the legally adopted expenditure control document of the City. The schedules filed with the Auditor General's office list the original budget adopted for the prior year, estimated expenditures through the end of the fiscal year and the adopted current year's budget. Budgetary

comparison schedules are required for the General Fund, all major funds, non-major funds and enterprise funds. The General Fund budgetary comparison statement can be found on pages 32-33. The other budgetary comparison schedules can be found in the Other Supplementary Information section on pages 89-105.

The City has reduced both the budgeted inflows and outflows due to the downturn in the economy. General Fund actual inflows (revenues and other financing sources) of \$62.8 million, was more than budget inflows of \$60.5 million by \$2.3 million (3.8%), while expenditures and other financing uses of \$63.6 million was only 75.1% of final budgeted outflows of \$84.7 million. Revenues increased in most categories, the most notable being taxes which had favorable variance of \$1.6 million while the other revenue categories experience slight increases. Expenditures are under budget in every category except building inspection and interest and fiscal charges due to advance planning for revenue shortfalls, normal salary savings due to turnover, and not spending appropriation on large budgeted capital projects. Both transfer in and transfer out are less than budgeted as many transfers are based on the actual year end expenditure, most significant is the transfer to Highway User Revenue and Stadium funds.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets (net of accumulated depreciation) for its governmental and business-type activities as of June 30, 2011 amounted to \$942.0 million. Capital assets include land, artwork, construction in progress, right of way, water rights, streetscape, infrastructure, buildings and improvements and vehicles, furniture and equipment. The total increase in the City's capital assets for the current fiscal year is \$1.1 million (.1%) from the previous fiscal year. The following schedule presents capital asset balances for the fiscal year ended June 30, 2011 and 2010.

	Governmental Activities		Business-type Activities		Total Primary Government		Percent Change
	2011	2010	2011	2010	2011	2010	
Land	\$ 19,426,644	\$ 19,426,644	\$ 14,754,260	\$ 14,754,260	\$ 34,180,904	\$ 34,180,904	0.0%
Artwork	186,900	-	75,800	-	262,700	-	100.0%
Construction in progress	10,682,782	13,835,365	90,092,123	90,159,414	100,774,905	103,994,779	-3.1%
Right of way	90,128,522	90,128,522	-	-	90,128,522	90,128,522	0.0%
Water rights	-	-	16,076,434	16,097,695	16,076,434	16,097,695	-0.1%
Streetscape	8,755,008	8,305,608	-	-	8,755,008	8,305,608	5.4%
Infrastructure	271,418,179	271,464,650	-	-	271,418,179	271,464,650	0.0%
Building and improvements	120,554,781	116,945,719	284,910,620	282,303,327	405,465,401	399,249,046	1.6%
Vehicles, furniture and equipment	9,905,756	11,930,981	5,042,880	5,567,320	14,948,636	17,498,301	-14.6%
Total	\$ 531,058,572	\$ 532,037,489	\$ 410,952,117	\$ 408,882,016	\$ 942,010,689	\$ 940,919,505	0.1%

The additions to capital asset included the completion of the City's park and ride facilities for \$4.5 million and replacement vehicles and equipment for \$1.3 million.

For government-wide financial statement presentation, all depreciable capital assets are depreciated from acquisition date to the end of the current fiscal year. Additional information on the City's capital assets can be found in Note 4 on pages 61-62 and in the schedules on pages 113-118 of this report.

Debt Administration

At the end of the current fiscal year, the City had total long-term debt outstanding of \$444.5 million. Of this amount \$122.5 million is general obligation bonds backed by the full faith and credit of the City, \$117.2 million is Community Facilities Districts bonds which are paid by the property owners within those districts, \$184.0 million of revenue bonds which are payable from user fees and assessments, \$12.6 million loan payable to WIFA by user fees, \$3.8 million contract payable paid from excise taxes, and \$4.5 million compensated absences from the City operating funds. The following schedule shows the outstanding debt obligation as of June 30, 2011 and 2010.

	Governmental Activities		Business-type Activities		Total Primary Government		Percent Change
	2011	2010	2011	2010	2011	2010	
General obligation debt	\$ 31,358,457	\$ 33,601,981	\$ 91,121,544	\$ 92,753,019	\$ 122,480,001	\$ 126,355,000	-3.1%
Community Facilities Districts bonds	117,182,000	122,313,000	-	-	117,182,000	122,313,000	-4.2%
Loan payable	-	-	12,554,096	9,925,289	12,554,096	9,925,289	26.5%
Revenue bonds	49,410,000	51,290,000	134,545,000	119,340,000	183,955,000	170,630,000	7.8%
Water rights	-	-	-	10,314,041	-	10,314,041	-100.0%
Contracts payable	3,755,628	5,755,628	-	-	3,755,628	5,755,628	-34.7%
Compensated absences	4,080,331	3,790,807	463,890	419,694	4,544,221	4,210,501	7.9%
	<u>\$205,786,416</u>	<u>\$216,751,416</u>	<u>\$238,684,530</u>	<u>\$232,752,043</u>	<u>\$444,470,946</u>	<u>\$449,503,459</u>	-1.1%
Total outstanding bonds	\$ 197,950,457	\$ 207,204,981	\$ 238,220,640	\$ 222,018,308	\$ 436,171,097	\$ 429,223,289	-1.3%

The outstanding revenue bonds include \$44.9 in McDowell Road Corridor Improvement District that is secured by pledges of specific revenue sources of the City. In addition to these are \$139.1 million in Public Improvement Corporation bonds \$134.6 for the Stadium and \$4.5 million for the City.

The State constitution limits the amount of general obligation debt a city may issue to 6 percent of its total assessed valuation. The current 6% debt limitation for the City is \$50.9 million. In addition, the State constitution limits allows a city to issue an additional 20 percent of its total assessed valuation for water, sewer, lights, transportation, public safety, open space preserves, parks, playgrounds and recreational facilities. The current 20% debt limitation for the City is \$169.8 million. The City has \$122.2 million outstanding general obligation debt for these purposes.

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

Bonded Debt Ratings As of June 30, 2011

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

Additional information on the City's long-term debt can be found in Notes 5 – 11 on pages 62-69 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The unemployment rate for Goodyear for June 2011 was 6.4%, which remains below both the State (9.3%) and national average (9.2%). Arizona cities remain dependent on sales taxes and other economically sensitive tax revenues and are susceptible to slowdowns in the economy. While unemployment is not a leading economic indicator, a strong economic recovery will likely coincide with a significant improvement in current unemployment rates.

The City is projected a positive outlook for fiscal year 2012 with increase in revenues. Sales taxes are the dominant revenue source for the City and are projected to increase in fiscal year 2012 from \$30.4 million to \$33.6 million an increase of 10.5%. Property taxes are project to increase in fiscal year 2012 from \$6.0 million to \$6.3 million an increase of 5.0%. State shared revenues which are combination of state shared sales tax, state shared income tax and vehicle license tax are projected to increase by \$3.3 million from \$9.6 million in fiscal year 2011 to \$12.6 million in fiscal year 2012. The City operational budget is project to increase by the 2.0% in fiscal year 2012 from \$70.9 million to \$72.3 million due to increase operating cost. The City project capital improvement expenditure is \$11.8 million for stadium infrastructure \$5.7 million, SR303 \$2.0 million, wash rack fuel site & storage facility \$1.2 million and other capital projects.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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



Financial Section

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements - include the Statement of Net Assets and Statement of Activities and use the accrual basis of accounting for financial reporting.

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

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

Fiduciary Funds Financial Statements - include the Statement of Net Assets and the Statement of Changes in Net Assets for assets being held for the benefit of parties outside of the City.

Notes to the Financial Statements



CITY OF GOODYEAR, ARIZONA
STATEMENT OF NET ASSETS
June 30, 2011

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 27,152,112	\$ 7,682,763	\$ 34,834,875
Investments	21,064,279	3,064,847	24,129,126
Receivables (net of allowance for uncollectibles)	73,515,815	3,145,760	76,661,575
Due from other governments	2,564,935	319,067	2,884,002
Internal balances	961,840	(961,840)	-
Due from fiduciary fund	-	43,243	43,243
Inventories	330,174	623,100	953,274
Prepaid items	468,920	-	468,920
Deferred charges	5,028,195	2,483,935	7,512,130
Restricted cash and cash equivalents	19,950,419	20,526,250	40,476,669
Capital assets:			
Nondepreciable capital assets	129,179,854	104,922,187	234,102,041
Other capital assets (net of accumulated depreciation)	401,878,718	306,029,930	707,908,648
Total assets	682,095,261	447,879,242	1,129,974,503
LIABILITIES			
Accounts payable and other current liabilities	3,168,558	1,612,010	4,780,568
Accrued payroll and employee benefits	788,739	96,944	885,683
Accrued interest payable	3,090,835	3,266,556	6,357,391
Deposits held for others	3,866,254	824,844	4,691,098
Unearned revenue	7,687,050	298,139	7,985,189
Liabilities payable from restricted assets	-	8,360,080	8,360,080
Noncurrent liabilities:			
Due within one year:			
Compensated absences	1,413,913	182,594	1,596,507
Bonds payable	5,433,000	-	5,433,000
Due in more than one year:			
Compensated absences	2,666,418	281,296	2,947,714
Loans payable	3,755,628	12,554,096	16,309,724
Bonds payable	194,530,214	227,364,410	421,894,624
Interest payable	-	1,187,390	1,187,390
Deferred amount on refunding	(163,956)	(234,722)	(398,678)
Total liabilities	226,236,653	255,793,637	482,030,290
NET ASSETS			
Invested in capital assets, net of related debt	327,503,686	179,254,929	506,758,615
Restricted for:			
Courts	198,457	-	198,457
Law enforcement	129,231	-	129,231
Highways and streets	285,914	-	285,914
Capital projects	21,992,019	905,313	22,897,332
Community facilities	536,230	-	536,230
Debt service	86,963,445	2,661,924	89,625,369
Unrestricted	18,249,626	9,263,439	27,513,065
Total net assets	\$ 455,858,608	\$ 192,085,605	\$ 647,944,213

See accompanying notes.

CITY OF GOODYEAR, ARIZONA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 15,765,527	\$ 1,128,675	\$ 404,746	\$ -
Public safety	29,474,246	1,477,731	718,862	-
Highways and streets	14,798,670	-	4,694,550	7,650,719
Public works	3,658,756	-	-	6,300,862
Culture and recreation	4,439,181	325,552	-	-
Community development	5,150,677	3,879,823	-	-
Interest on long-term debt	10,710,302	-	-	-
Total governmental activities	<u>83,997,359</u>	<u>6,811,781</u>	<u>5,818,158</u>	<u>13,951,581</u>
Business-type activities:				
Water and sewer	20,733,932	17,634,821	-	4,570,849
Sanitation	4,815,314	5,774,010	-	-
Stadium	11,958,862	1,564,324	-	-
Total business-type activities	<u>37,508,108</u>	<u>24,973,155</u>	<u>-</u>	<u>4,570,849</u>
Total primary government	<u>\$ 121,505,467</u>	<u>\$ 31,784,936</u>	<u>\$ 5,818,158</u>	<u>\$ 18,522,430</u>

General revenues:

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

Transfers in (out)

Total general revenues and transfers

Changes in net assets

Net assets, beginning of year

Net assets, end of year

Net (Expense) Revenue and Changes in Net Assets

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
\$ (14,232,106)	\$ -	\$ (14,232,106)
(27,277,653)	-	(27,277,653)
(2,453,401)	-	(2,453,401)
2,642,106	-	2,642,106
(4,113,629)	-	(4,113,629)
(1,270,854)	-	(1,270,854)
(10,710,302)	-	(10,710,302)
<u>(57,415,839)</u>	<u>-</u>	<u>(57,415,839)</u>
-	1,471,738	1,471,738
-	958,696	958,696
-	(10,394,538)	(10,394,538)
<u>-</u>	<u>(7,964,104)</u>	<u>(7,964,104)</u>
<u>(57,415,839)</u>	<u>(7,964,104)</u>	<u>(65,379,943)</u>
32,729,749	-	32,729,749
18,548,550	-	18,548,550
2,316,820	-	2,316,820
9,699,146	-	9,699,146
227,446	71,819	299,265
827,619	638,611	1,466,230
<u>(3,390,940)</u>	<u>3,390,940</u>	<u>-</u>
<u>60,958,390</u>	<u>4,101,370</u>	<u>65,059,760</u>
3,542,551	(3,862,734)	(320,183)
<u>452,316,057</u>	<u>195,948,339</u>	<u>648,264,396</u>
<u>\$ 455,858,608</u>	<u>\$ 192,085,605</u>	<u>\$ 647,944,213</u>



Government Funds

Financial Statements

Major Funds

General Fund

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

Community Facilities Districts Debt Service Fund

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

McDowell Road Commercial Corridor Improvement Debt Service Fund

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

Non-Utility Development Impact Fee Fund

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

Non - Major Funds

Other governmental funds are the non-major funds and are special revenue, capital projects and debt service funds. These funds can be found on page 80 to 83.

CITY OF GOODYEAR, ARIZONA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2011

	General	Community Facilities Districts- Debt Service	McDowell Road Commercial Corridor Improvement Debt Service
ASSETS			
Cash and cash equivalents	\$ 12,147,778	\$ -	\$ -
Investments	11,662,068	-	-
Taxes receivable	5,305,121	135,580	-
Interest receivable	39,231	-	-
Accounts receivable	1,076,889	-	-
Special assessments receivable	-	21,444,548	44,900,000
Due from other governments	-	-	-
Due from other funds	3,118,678	-	-
Advances to other funds	961,840	-	-
Inventories	3,627	-	-
Prepaid items	422,681	46,238	-
Restricted cash and cash equivalents	1,037,502	17,587,899	72,563
Total assets	<u>\$ 35,775,415</u>	<u>\$ 39,214,265</u>	<u>\$ 44,972,563</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 2,090,454	\$ -	\$ -
Accrued payroll and employee benefits	768,489	-	-
Deposits held for others	616,255	3,249,999	-
Due to other funds	-	-	-
Deferred revenue	4,539,707	21,545,265	44,900,000
Liabilities payable from restricted assets	4,769	-	-
Total liabilities	<u>8,019,674</u>	<u>24,795,264</u>	<u>44,900,000</u>
Fund balances:			
Nonspendable:			
Advances to other funds	961,840	-	-
Inventories	3,627	-	-
Prepaid items	422,681	46,238	-
Restricted by:			
Charter mandates	3,209,321	-	-
Court	198,457	-	-
Law enforcement	129,231	-	-
Debt service	-	14,372,763	72,563
Capital projects	-	-	-
Highway user funds	-	-	-
Community Facilities Districts operations	-	-	-
Assigned to:			
IT replacement	407,961	-	-
Fleet replacement	383,225	-	-
Risk management insurance	558,310	-	-
Unassigned	21,481,088	-	-
Total fund balances	<u>27,755,741</u>	<u>14,419,001</u>	<u>72,563</u>
Total liabilities and fund balances	<u>\$ 35,775,415</u>	<u>\$ 39,214,265</u>	<u>\$ 44,972,563</u>

Non-Utility Development Impact Fees	Non-Major Governmental Funds	Total Governmental Funds
\$ 13,539,937	\$ 1,407,448	\$ 27,095,163
9,402,211	-	21,064,279
-	582,022	6,022,723
32,355	-	71,586
-	69	1,076,958
-	-	66,344,548
-	2,564,935	2,564,935
-	-	3,118,678
-	-	961,840
-	289,782	293,409
-	-	468,919
-	1,252,455	19,950,419
<u>\$ 22,974,503</u>	<u>\$ 6,096,711</u>	<u>\$ 149,033,457</u>

\$ 804,984	\$ 269,420	\$ 3,164,858
-	19,181	787,670
-	-	3,866,254
-	3,024,963	3,024,963
177,500	3,339,800	74,502,272
-	-	4,769
<u>982,484</u>	<u>6,653,364</u>	<u>85,350,786</u>

-	-	961,840
-	289,782	293,409
-	-	468,919
-	-	3,209,321
-	-	198,457
-	-	129,231
-	668,186	15,113,512
21,992,019	-	21,992,019
-	285,914	285,914
-	536,230	536,230
-	-	407,961
-	-	383,225
-	-	558,310
-	(2,336,765)	19,144,323
<u>21,992,019</u>	<u>(556,653)</u>	<u>63,682,671</u>
<u>\$ 22,974,503</u>	<u>\$ 6,096,711</u>	<u>\$ 149,033,457</u>



CITY OF GOODYEAR, ARIZONA
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS
GOVERNMENTAL FUNDS
June 30, 2011

Total governmental fund balances		\$ 63,682,671
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Governmental capital assets	\$ 634,597,129	
Less accumulated depreciation	<u>(103,538,557)</u>	531,058,572
Certain revenues earned but not received within 60 days of year-end are deferred for the governmental statements, but are recognized as revenue for the government-wide statements.		
Grants	103,601	
Property taxes	369,347	
Special assessments	<u>66,342,274</u>	66,815,222
Interest payable on long-term debt is not reported in the governmental funds.		
		(3,090,835)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences payable	(4,080,331)	
Bond issuance cost	5,028,195	
Bond refunding amount	163,956	
Loan payable	(3,755,628)	
Bonds payable	<u>(199,963,214)</u>	<u>(202,607,022)</u>
Net assets of governmental activities		<u>\$ 455,858,608</u>

CITY OF GOODYEAR, ARIZONA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2011

	General	Community Facilities Districts Debt Service	McDowell Road Commercial Improvement Debt Service
REVENUES			
Taxes	\$ 41,004,979	\$ 6,713,914	\$ -
Licenses and permits	4,541,951	-	-
Intergovernmental revenues	9,699,146	-	-
Charges for services	1,462,410	-	-
Fines and forfeits	849,060	-	-
Investment income (loss)	96,506	30,683	16,747
Special assessments	-	2,652,049	2,207,700
Contributions	18,172	2,689,754	-
Miscellaneous	25,385	-	-
Total revenues	<u>57,697,609</u>	<u>12,086,400</u>	<u>2,224,447</u>
EXPENDITURES			
Current:			
General government	13,311,744	-	-
Public safety	25,133,860	-	-
Highways and streets	-	-	-
Public works	3,040,437	-	-
Culture and recreation	3,930,803	-	-
Community development	4,376,985	-	-
Capital outlay	3,624,546	-	-
Debt service:			
Principal retirement	2,720,000	5,131,000	1,160,000
Interest and debt cost	214,265	6,627,707	2,393,197
Total expenditures	<u>56,352,640</u>	<u>11,758,707</u>	<u>3,553,197</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,344,969</u>	<u>327,693</u>	<u>(1,328,750)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	5,102,888	-	1,382,196
Transfers out	(7,247,512)	-	-
Total other financing sources and uses	<u>(2,144,624)</u>	<u>-</u>	<u>1,382,196</u>
Net change in fund balances	(799,655)	327,693	53,446
Fund balances, beginning of year	<u>28,555,396</u>	<u>14,091,308</u>	<u>19,117</u>
Fund balances , end of year	<u>\$ 27,755,741</u>	<u>\$ 14,419,001</u>	<u>\$ 72,563</u>

Non-Utility Development Impact Fees	Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ 6,190,407	\$ 53,909,300
-	-	4,541,951
-	6,126,712	15,825,858
2,501,265	14,650	3,978,325
-	-	849,060
77,024	4,628	225,588
-	-	4,859,749
-	-	2,707,926
-	131,705	157,090
<u>2,578,289</u>	<u>12,468,102</u>	<u>87,054,847</u>
-	1,212,707	14,524,451
-	300,422	25,434,282
73,097	3,735,231	3,808,328
-	7,305	3,047,742
-	5,400	3,936,203
-	-	4,376,985
1,840,484	3,769,629	9,234,659
-	2,243,524	11,254,524
-	1,409,993	10,645,162
<u>1,913,581</u>	<u>12,684,211</u>	<u>86,262,336</u>
<u>664,708</u>	<u>(216,109)</u>	<u>792,511</u>
-	1,903,216	8,388,300
-	(3,590,193)	(10,837,705)
-	(1,686,977)	(2,449,405)
664,708	(1,903,086)	(1,656,894)
21,327,311	1,346,433	65,339,565
<u>\$ 21,992,019</u>	<u>\$ (556,653)</u>	<u>\$ 63,682,671</u>



CITY OF GOODYEAR, ARIZONA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2011

Net change in fund balances - total governmental funds \$ (1,656,894)

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Contributions	\$ 7,650,719	
Expenditures for capitalized assets	6,186,983	
Less current year depreciation	<u>(14,816,619)</u>	(978,917)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds and revenues received in the current year that were accrued in the Statement of Activities in prior years are reported as revenues in the funds.

Grants		(312,943)
Property taxes		(314,181)
Special assessments		(3,763,689)

Interest expense in the Statement of Activities differs from the amount reported in governmental funds because accrued interest was calculated for bonds and notes payable for the Statement of Activities, but is expensed when due for the governmental fund statements.

114,688

Governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

(185,076)

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

Debt principal retirement		11,254,524
---------------------------	--	------------

Internal service funds are used by management to charge the costs of Fleet service to individual funds. The net income of certain activities of internal service funds is reported with governmental activities.

(325,437)

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

(289,524)

Change in net assets of governmental activities

\$ 3,542,551

CITY OF GOODYEAR, ARIZONA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET
AND ACTUAL
Year Ended June 30, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 39,378,428	\$ 39,378,428	\$ 41,004,979	\$ 1,626,551
Licenses and permits	4,145,919	4,145,919	4,541,951	396,032
Intergovernmental revenues	9,570,095	9,570,095	9,699,146	129,051
Charges for services	1,338,407	1,338,407	1,462,410	124,003
Fines and forfeits	859,109	859,109	849,060	(10,049)
Investment income	244,667	244,667	96,506	(148,161)
Contributions	20,000	20,000	18,172	(1,828)
Miscellaneous	50,371	50,371	25,385	(24,986)
Total revenues	<u>55,606,996</u>	<u>55,606,996</u>	<u>57,697,609</u>	<u>2,090,613</u>
EXPENDITURES				
Current				
General government				
Mayor and council	469,151	469,151	375,014	94,137
City clerk	702,490	688,620	616,963	71,657
City manager	1,683,243	1,655,290	1,629,323	25,967
City attorney	1,067,380	1,067,380	738,685	328,695
Community services	82,650	-	-	-
Finance	2,172,255	2,374,982	2,160,642	214,340
Information technology	2,482,484	2,646,800	2,346,507	300,293
Human resources	2,195,800	2,195,800	1,822,793	373,007
Code compliance	410,128	394,128	379,741	14,387
Public information	559,816	559,816	549,112	10,704
Non-departmental	3,800,200	3,702,918	2,692,964	1,009,954
Reserved contingency	16,347,842	16,347,842	-	16,347,842
Public safety				
Police	13,082,881	13,286,659	13,211,518	75,141
Fire	10,559,105	10,630,881	10,533,076	97,805
Municipal court	1,018,949	1,067,949	978,643	89,306
City prosecutor	414,448	414,448	410,623	3,825
Public works				
Administration	653,127	623,127	573,540	49,587
Building services	2,705,437	2,606,430	2,466,897	139,533
Culture and recreation				
Parks	2,642,419	2,642,419	2,615,995	26,424
Recreation and aquatics	1,366,786	1,366,786	1,314,808	51,978
Community development				
Economic development	397,487	395,829	382,374	13,455
Community development	1,032,464	1,062,018	1,029,941	32,077
Engineering	2,388,462	2,318,824	2,130,522	188,302
Building inspection	838,314	822,161	834,148	(11,987)
Capital outlay	5,990,699	6,450,442	3,624,546	2,825,896
Debt service				
Principal retirement	2,745,000	2,745,000	2,720,000	25,000
Interest and fiscal charges	200,324	200,324	214,265	(13,941)
Total expenditures	<u>78,009,341</u>	<u>78,736,024</u>	<u>56,352,640</u>	<u>22,383,384</u>
Excess (deficiency) of revenues over expenditures	<u>(22,402,345)</u>	<u>(23,129,028)</u>	<u>1,344,969</u>	<u>24,473,997</u>

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
OTHER FINANCING				
Transfers in	6,200,000	6,200,000	5,102,888	(1,097,112)
Transfers out	(8,666,288)	(9,637,173)	(7,247,512)	2,389,661
Total other financing sources (uses)	(2,466,288)	(3,437,173)	(2,144,624)	1,292,549
Net change in fund balance	(24,868,633)	(26,566,201)	(799,655)	25,766,546
Fund balance, beginning of year	28,555,396	28,555,396	28,555,396	-
Fund balance, end of year	<u>\$ 3,686,763</u>	<u>\$ 1,989,195</u>	<u>\$ 27,755,741</u>	<u>\$ 25,766,546</u>



Proprietary Fund Financial Statements

Major Funds

Water and Sewer Fund

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

Sanitation Fund

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

Stadium Fund

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

Non-Major Funds

Internal Service Fund

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

Fleet Management Fund

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

Health Insurance Fund

This fund is used for the City's wellness initiative and to build up a reserve for the City to become self-funding.



CITY OF GOODYEAR, ARIZONA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2011

ASSETS	Business-type Activities-Enterprise Funds				Governmental
	Water & Sewer	Sanitation	Stadium	Total	Activities - Internal Service Funds
Current assets:					
Cash and cash equivalents	\$ 6,334,601	\$ 796,573	\$ 551,589	\$ 7,682,763	\$ 56,949
Investments	2,464,588	279,722	320,537	3,064,847	-
Interest receivable	16,861	963	2,454	20,278	1,167
Accounts receivable	2,439,647	662,567	23,268	3,125,482	-
Due from other governments	319,067	-	-	319,067	-
Due from other funds	43,243	-	-	43,243	-
Inventories	623,100	-	-	623,100	156,402
Total current assets	<u>12,241,107</u>	<u>1,739,825</u>	<u>897,848</u>	<u>14,878,780</u>	<u>214,518</u>
Noncurrent assets:					
Deferred charges	1,494,410	-	989,525	2,483,935	-
Restricted cash and cash equivalents	12,394,742	-	8,131,508	20,526,250	-
Non-depreciable capital assets	94,117,897	-	10,804,290	104,922,187	-
Depreciable capital assets	190,947,169	613,626	114,469,135	306,029,930	-
Total noncurrent assets	<u>298,954,218</u>	<u>613,626</u>	<u>134,394,458</u>	<u>433,962,302</u>	<u>-</u>
Total assets	<u>311,195,325</u>	<u>2,353,451</u>	<u>135,292,306</u>	<u>448,841,082</u>	<u>214,518</u>
LIABILITIES					
Current liabilities:					
Accounts payable	1,053,598	324,167	234,245	1,612,010	52,858
Accrued payroll and employee benefits	51,935	11,939	33,070	96,944	9,980
Accrued interest payable	583,412	-	2,683,144	3,266,556	-
Due to other funds	-	-	-	-	93,714
Deposits held for others	816,581	-	8,263	824,844	-
Unearned revenue	264,955	-	33,184	298,139	57,966
Liabilities payable from restricted assets	8,360,080	-	-	8,360,080	-
Compensated absences payable	105,636	23,643	53,315	182,594	-
Total current liabilities	<u>11,236,197</u>	<u>359,749</u>	<u>3,045,221</u>	<u>14,641,167</u>	<u>214,518</u>
Noncurrent liabilities:					
Accrued interest payable	1,187,390	-	-	1,187,390	-
Compensated absences payable	167,728	48,294	65,274	281,296	-
Advances from other funds	-	-	961,840	961,840	-
Loan payable	12,554,096	-	-	12,554,096	-
Bonds payable	82,915,204	-	8,489,795	91,404,999	-
Revenue bonds payable	32,245,000	-	103,714,411	135,959,411	-
Deferred amount on refunding	(234,722)	-	-	(234,722)	-
Total noncurrent liabilities	<u>128,834,696</u>	<u>48,294</u>	<u>113,231,320</u>	<u>242,114,310</u>	<u>-</u>
Total liabilities	<u>140,070,893</u>	<u>408,043</u>	<u>116,276,541</u>	<u>256,755,477</u>	<u>214,518</u>
NET ASSETS					
Invested in capital assets, net of related debt	161,027,729	613,626	17,613,574	179,254,929	-
Restricted					
Capital projects	-	-	905,313	905,313	-
Debt service	2,661,924	-	-	2,661,924	-
Unrestricted	7,434,779	1,331,782	496,878	9,263,439	-
Total net assets	<u>\$ 171,124,432</u>	<u>\$ 1,945,408</u>	<u>\$ 19,015,765</u>	<u>\$ 192,085,605</u>	<u>\$ -</u>

See accompanying notes.

CITY OF GOODYEAR, ARIZONA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
Year Ended June 30, 2011

	Business-type Activities-Enterprise Funds				Governmental Activities - Internal Service Funds
	Water & Sewer	Sanitation	Stadium	Total	
Operating revenues:					
Charges for service	\$ 17,634,821	\$ 5,774,010	\$ 1,564,324	\$ 24,973,155	\$ 2,216,091
Miscellaneous	636,957	406	1,248	638,611	114,240
Total operating revenue	<u>18,271,778</u>	<u>5,774,416</u>	<u>1,565,572</u>	<u>25,611,766</u>	<u>2,330,331</u>
Operating expenses:					
Administration	3,159,924	651,299	2,035,161	5,846,384	565,036
Costs of sales and services	5,805,439	4,025,544	1,492,052	11,323,035	1,151,055
Depreciation and amortization	5,508,529	138,471	2,652,025	8,299,025	-
Total operating expenses	<u>14,473,892</u>	<u>4,815,314</u>	<u>6,179,238</u>	<u>25,468,444</u>	<u>1,716,091</u>
Operating income (loss)	<u>3,797,886</u>	<u>959,102</u>	<u>(4,613,666)</u>	<u>143,322</u>	<u>614,240</u>
Nonoperating revenues (expenses):					
Investment income	52,779	2,021	17,019	71,819	1,858
Interest expense	(6,260,040)	-	(5,779,624)	(12,039,664)	-
Total nonoperating revenues (expenses)	<u>(6,207,261)</u>	<u>2,021</u>	<u>(5,762,605)</u>	<u>(11,967,845)</u>	<u>1,858</u>
Income (loss) before capital contributions and transfers	(2,409,375)	961,123	(10,376,271)	(11,824,523)	616,098
Capital contributions	4,570,849	-	-	4,570,849	-
Transfers in	1,454,084	-	6,086,856	7,540,940	-
Transfers out	(3,100,000)	(1,050,000)	-	(4,150,000)	(941,535)
Change in net assets	515,558	(88,877)	(4,289,415)	(3,862,734)	(325,437)
Net assets, beginning of year	<u>170,608,874</u>	<u>2,034,285</u>	<u>23,305,180</u>	<u>195,948,339</u>	<u>325,437</u>
Net assets, end of year	<u>\$171,124,432</u>	<u>\$ 1,945,408</u>	<u>\$ 19,015,765</u>	<u>\$192,085,605</u>	<u>\$ -</u>

CITY OF GOODYEAR, ARIZONA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2011

	Business-type Activities Enterprise Funds				Governmental
	Water & Sewer	Sanitation	Stadium	Total	Activities - Internal Service Funds
Cash flows from operating activities:					
Received from customers	\$ 18,049,549	\$ 5,935,669	\$ 1,550,819	\$ 25,536,037	\$ 2,394,325
Payments to vendors	(5,107,125)	(4,048,132)	(1,374,761)	(10,530,018)	(1,137,420)
Payments to employees	(3,262,084)	(672,233)	(2,066,484)	(6,000,801)	(584,550)
Net cash provided (used) by operating activities	9,680,340	1,215,304	(1,890,426)	9,005,218	672,355
Cash flows from noncapital financing activities:					
Interfund transfers	(1,645,916)	(1,050,000)	6,086,856	3,390,940	(941,535)
Net cash provided (used) for noncapital and related financing activities	(1,645,916)	(1,050,000)	6,086,856	3,390,940	(941,535)
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(9,636,791)	-	(128,568)	(9,765,359)	-
Capital debt proceeds	18,973,534	-	-	18,973,534	-
Principal paid on long-term debt	(12,779,999)	-	(333,334)	(13,113,333)	-
Interest paid on long-term debt	(6,031,682)	-	(5,799,424)	(11,831,106)	-
Development impact fees received	2,767,849	-	-	2,767,849	-
Net cash (used) for capital and related financing activities	(6,707,089)	-	(6,261,326)	(12,968,415)	-
Cash flows from investing activities:					
Investment income received	35,931	1,058	14,641	51,630	691
Net cash provided by investing activities	35,931	1,058	14,641	51,630	691
Net change in cash and cash equivalents	1,363,266	166,362	(2,050,255)	(520,627)	(268,489)
Cash and cash equivalents, beginning of year	19,830,665	909,933	11,053,889	31,794,487	325,438
Cash and cash equivalents, end of year	\$ 21,193,931	\$ 1,076,295	\$ 9,003,634	\$ 31,273,860	\$ 56,949
Cash and cash equivalents	\$ 6,334,601	\$ 796,573	\$ 551,589	\$ 7,682,763	\$ 56,949
Investments	2,464,588	279,722	320,537	3,064,847	
Restricted cash and cash equivalents	12,394,742	-	8,131,508	20,526,250	-
	\$ 21,193,931	\$ 1,076,295	\$ 9,003,634	\$ 31,273,860	\$ 56,949

See accompanying notes.

CITY OF GOODYEAR, ARIZONA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2011

	Business-type Activities-Enterprise Funds				Governmental
	Water & Sewer	Sanitation	Stadium	Total	Activities - Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities					
Operating income (loss)	\$ 3,797,886	\$ 959,102	\$ (4,613,666)	\$ 143,322	\$ 614,240
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization	5,508,529	138,471	2,652,025	8,299,025	-
(Increase) decrease in:					
Accounts receivable	(319,931)	161,253	(16,935)	(175,613)	-
Inventories	(20,571)	-	-	(20,571)	(36,914)
Increase (decrease) in:					
Accounts payable	727,821	(22,588)	117,291	822,524	50,549
Accrued payroll and employee benefits	(118,126)	(25,010)	(55,477)	(198,613)	(19,514)
Due to other funds	(8,936)	-	-	(8,936)	6,028
Unearned revenue	(15,097)	-	(1,482)	(16,579)	57,966
Deposits held for others	112,799	-	3,664	116,463	-
Compensated absences payable	15,966	4,076	24,154	44,196	-
Net cash provided (used) by operating activities	<u>\$ 9,680,340</u>	<u>\$ 1,215,304</u>	<u>\$ (1,890,426)</u>	<u>\$ 9,005,218</u>	<u>\$ 672,355</u>
Noncash investing, capital, and financing activities:					
Contributions of capital assets	1,803,000	-	-	1,803,000	-
Amortization of bond premium	58,539	-	67,317	125,856	-
Amortization of deferred bond costs	257,516	-	47,517	305,033	-

Fiduciary Fund

Financial Statements

Pension Trust Fund

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

Agency Funds

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



CITY OF GOODYEAR, ARIZONA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
June 30, 2011

	<u>Pension Trust</u>	<u>Agency Funds</u>
ASSETS		
Cash and cash equivalents	\$ 442,105	\$ 708,618
Interest receivable	109	6
Total assets	<u>442,214</u>	<u>708,624</u>
LIABILITIES		
Accounts payable	-	74,627
Deposits held for others	-	590,754
Due to other funds	-	43,243
Total liabilities	<u>-</u>	<u>\$ 708,624</u>
NET ASSETS		
Held in trust for pension benefits	<u>\$ 442,214</u>	

CITY OF GOODYEAR, ARIZONA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION TRUST FUND
Year Ended June 30, 2011

	<u>Pension Trust</u>
ADDITIONS	
Investment income	
Net increase (decrease) in fair value of investments	\$ 74,074
Interest	224
Total investment income	<u>74,298</u>
Total additions	<u>74,298</u>
DEDUCTIONS	
Benefits	<u>1,995</u>
Total deductions	<u>1,995</u>
Net increase	72,303
Net assets, beginning of year	369,911
Net assets, end of year	<u>\$ 442,214</u>

Notes to the Financial Statements



Notes to the Financial Statements

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

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CITY OF GOODYEAR, ARIZONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

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

B. Government-Wide and Fund Financial Statements

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

CITY OF GOODYEAR, ARIZONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2011, 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 ordinances or 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, only City Council or the City's Finance Director may assign amounts for specific purposes.

Unassigned - all other spendable amounts.

The General Fund has Unassigned Funds consisting of a Stabilization Arrangement in the amount of \$13.1 million. The Stabilization Arrangement is used to set aside resources to cover unanticipated deficits or revenue reductions that may be caused by adverse economic conditions or public emergency. The amount of the Stabilization Arrangement is equal to 4 months of operating expenditures which is estimated from the prior year's budgeted expenditures.

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

CITY OF GOODYEAR, ARIZONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

The City reports the following major governmental funds:

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

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

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

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

CITY OF GOODYEAR, ARIZONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City reports the following major proprietary funds:

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

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

Stadium Fund - This fund is used to account for the activities of the City's stadium operations. The City reports the following internal service funds:

Fleet Management Fund - This fund accounts for activities that provide preventative maintenance, repairs and safety inspections for City vehicles and equipment.

Health Insurance Fund - This fund is used for the City's wellness initiative and to build up a reserve for the City to become self funding.

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

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

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

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

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

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

CITY OF GOODYEAR, ARIZONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Special Revenue Funds

Highway User Revenue Fund (HURF)
Grants Fund
Community Facilities Districts

Capital Projects Funds

Capital Improvement Projects
McDowell Road Commercial Corridor Improvement District

Debt Service Funds

E. Cash and Cash Equivalents

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

F. Investments

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

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

G. Receivables and Payables

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

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.

CITY OF GOODYEAR, ARIZONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property taxes are levied by the City and collected by the Maricopa County Treasurer. Property taxes are levied no later than the third Monday in August and are payable in two installments due October 1 of the current year and March 1 of the subsequent year. Taxes become delinquent after the first business day of November and May, respectively. Interest attaches on installments after the delinquent date. Pursuant to ARS, a lien against assessed real and personal property attaches on the first day of January preceding assessment and levy; however according to case law, an enforceable legal claim to the asset does not arise.

H. Inventory

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

I. Prepaid Items

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

J. Restricted Assets

Certain proceeds of the City's bonds, as well as certain resources set aside for their repayment, are classified as restricted cash and investments on the balance sheet because their use is limited by applicable bond covenants.

K. Capital Assets

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

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

CITY OF GOODYEAR, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

<u>Assets</u>	<u>Years</u>
Infrastructure	20-65
Land improvements	15
Buildings and improvements	7-50
Vehicles, machinery and equipment	3-7
Water rights	100

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

L. Compensated Absences

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

M. Long-term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets.

N. Interfund Activity

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

O. Estimates

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

P. Budgetary Data

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

CITY OF GOODYEAR, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Prior to June 30, the City Council legally enacts the budget, through the passage of an ordinance. The ordinance sets the limit for expenditures for the year, within the voter mandated state expenditure limitation. Additional expenditures may be authorized if directly necessitated by a natural or man-made disaster as prescribed in the state constitution. There were no supplemental appropriations made during fiscal year 2011.

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

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

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

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

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

NOTE 2 CASH AND INVESTMENTS

At June 30, 2011, cash and cash equivalents are presented as follows:

	Governmental Activities	Business Activities	Fiduciary Fund	Total
Cash and cash equivalents	\$ 27,152,112	\$ 7,682,763	\$ 750,121	\$ 35,584,996
Investments	21,064,279	3,064,847	400,602	24,529,728
Restricted cash and cash equivalents	19,950,419	20,526,250	-	40,476,669
	<u>\$ 68,166,810</u>	<u>\$ 31,273,860</u>	<u>\$ 1,150,723</u>	<u>\$ 100,591,393</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.

CITY OF GOODYEAR, ARIZONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

NOTE 2 CASH AND INVESTMENTS (Continued)

Deposits

At June 30, 2011, the City had \$6,250 of cash on hand. The carrying amount of the City's cash in bank totaled \$1,727,725 and the bank balance was \$402,497. The City's deposits at June 30, 2011 were covered by Federal Depository Insurance to the extent of \$402,497. There were no deposits that were uncollateralized at year end. Deposits of \$2,828,453 were held in a sweep account, which purchases investments nightly.

Investments

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

The City invests in the Local Government Investment Pool 5 (LGIP), an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. The LGIP is not registered with the Securities Exchange Commission under the 1940 Investment Advisors Act. The State Board of Investment has oversight responsibilities of the investment pool in accordance with ARS 35-311. The pool's policy is to invest in fixed-rate securities with a final maturity less than 36 months from the settlement date of the purchase and variable-rate securities with final maturity less than 5 years. The dollar weighted average portfolio maturity is less than 240 days. The net asset value per share of the pool at June 30, 2011 was \$1.00. The Arizona State Treasurer issues a publicly available financial report that includes financial statements and required supplementary information. Copies may be obtained by contacting the Arizona State Treasurer, 1700 West Washington, Phoenix, Arizona 85007.

Funds held in the State Treasurer's Local Government Investment Pool represent a proportionate interest in the pool's portfolio; however, the City's portion is not identified with specific investments and is not subject to custodial credit risk. At June 30, 2011, the City's funds invested with the State Treasurer totaled \$42,872,641.

Custodial Credit Risk

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

The City is invested in multiple mutual funds through the trust department of Wells Fargo. The mutual funds have a value of \$28,655,326 at June 30, 2011.

The City also holds \$26,960,398 invested with Bank of New York. The accounts are invested in a money market fund, U.S. Treasury securities, and U.S. Government bonds.

The City also holds investments that belong to the Goodyear Volunteer and Reserve Firefighter Retirement Trust Plan. These funds are held by LGIP as described above and LPL Financial and consist of multiple money market funds and mutual funds. The maturities of these investments are usually less than 30 days. The Fiduciary Fund investments have a value of \$369,053 at June 30, 2011.

CITY OF GOODYEAR, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2011

NOTE 2 CASH AND INVESTMENTS (Continued)

Interest Rate Risk

Interest rate risk is the risk of changes in market interest rates that will adversely affect the fair value of an investment. In order to limit interest rate and market risk, State law and the City's investment policy sets a maximum maturity on any investment to five years. In addition, the City shall adopt an average portfolio duration limitation (ranging from 90 days to 3 years) consistent with the primary investment objective of safety, liquidity and yield.

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

At June 30, 2011, the City's investments included the following:

Investment Type	Total	Remaining Maturity (In Years)			Not Applicable
		Less Than 1	1 to 2	2 to 3	
Governmental funds					
Repurchase Agreement	\$ 2,828,453	\$ 2,828,453	\$ -	\$ -	\$ -
LGIP	34,516,882	34,516,882	-	-	-
Money Market Funds	13,599,244	13,599,244	-	-	-
Federal Agency Securities	7,232,163	-	827,242	6,404,921	-
U.S. Treasuries	13,782,133	3,908,870	9,873,263	-	-
	<u>71,958,876</u>	<u>54,853,449</u>	<u>10,700,505</u>	<u>6,404,921</u>	<u>-</u>
Proprietary funds					
LGIP	8,317,642	8,317,642	-	-	-
Money Market Funds	14,435,638	14,435,638	-	-	-
Federal Agency Securities	2,013,529	-	230,315	1,783,214	-
U.S. Treasuries	3,837,126	1,088,281	2,748,845	-	-
	<u>28,603,934</u>	<u>23,841,561</u>	<u>2,979,160</u>	<u>1,783,214</u>	<u>-</u>
Fiduciary Fund					
LGIP	38,117	\$ 38,117	-	-	-
Money Market Funds	722,105	684,342	-	-	37,763
U.S. Treasuries	31,549	31,549	-	-	-
Mutual Funds	331,290	-	-	-	331,290
	<u>1,123,061</u>	<u>754,008</u>	<u>-</u>	<u>-</u>	<u>369,053</u>
Total	\$ 101,685,871	\$ 79,449,018	\$ 13,679,665	\$ 8,188,135	\$ 369,053

At June 30, 2011, 78.13% of the City's investments have a maturity of less than one year and 8.05% have maturity between two and three years. All other investments have maturities of less than one year.

CITY OF GOODYEAR, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2011

NOTE 2 CASH AND INVESTMENTS (Continued)

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of year-end for each investment type.

Governmental funds		Ratings as of Year-End	
<u>Investment Type</u>	<u>Total</u>	<u>AAA</u>	<u>Unrated</u>
Repurchase agreements	\$ 2,828,453	\$ -	\$ 2,828,453
LGIP	34,516,882	34,516,882	-
Money market	13,599,244	13,599,244	-
Federal Agency Securities	7,232,163	7,232,163	-
U.S. Treasuries	13,782,133	13,782,133	-
	<u>\$ 71,958,876</u>	<u>\$ 69,130,423</u>	<u>\$ 2,828,453</u>

Proprietary funds		Ratings as of Year-End	
<u>Investment Type</u>	<u>Total</u>	<u>AAA</u>	<u>Unrated</u>
LGIP	\$ 8,317,642	\$ 8,317,642	\$ -
Money market	14,435,638	14,435,638	-
Federal Agency Securities	2,013,529	2,013,529	-
U.S. Treasuries	3,837,126	3,837,126	-
	<u>\$ 28,603,934</u>	<u>\$ 28,603,934</u>	<u>\$ -</u>

Fiduciary funds		Ratings as of Year-End	
<u>Investment Type</u>	<u>Total</u>	<u>AAA</u>	<u>Unrated</u>
LGIP	\$ 38,117	\$ 38,117	\$ -
Money market	722,105	684,342	37,763
U.S. Treasuries	31,549	31,549	-
Mutual funds	331,290	-	331,290
	<u>\$ 1,123,061</u>	<u>\$ 754,008</u>	<u>\$ 369,053</u>

Subsequent to June 30, 2011, Standard & Poor's downgraded the rating of U.S. Government securities to AA+.

Concentration of Credit Risk

The City's investment policy limits the diversification on both security types and length of maturity. At the time of purchase a maximum of 5% of the market value of the portfolio may be invested in debt issues by any single entity. Debt backed by the U.S. Treasury or Government Sponsored Enterprises (GSEs) are exempt from this concentration criterion. As of June 30, 2011, the City's investments are included as follows:

<u>Investment Type</u>	<u>Total</u>	<u>Concentration</u>
Repurchase Agreement	\$ 2,828,453	2.78%
LGIP	42,872,641	42.16%
Money Market Funds	28,756,987	28.28%
Federal Agency Securities	9,245,692	9.09%
U.S. Treasuries	17,650,808	17.36%
Mutual Funds	331,290	0.33%
Total	<u>\$ 101,685,871</u>	

CITY OF GOODYEAR, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2011

NOTE 3 RECEIVABLES

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

	General Fund	Community Facilities Districts-Debt Service Fund	McDowell Road Commercial Corridor Improvement District Debt Service	Non-Utility Development Impact Fees Fund	Non-Major Governmental Fund	Total
Receivables:						
Taxes	\$ 5,305,121	\$ 135,580	\$ -	\$ -	\$ 582,022	\$ 6,022,723
Interest	39,231	-	-	32,355	-	71,586
Accounts	1,076,889	-	-	-	69	1,076,958
Special assessments	-	21,444,548	44,900,000	-	-	66,344,548
Total receivables	<u>\$ 6,421,241</u>	<u>\$ 21,580,128</u>	<u>\$ 44,900,000</u>	<u>\$ 32,355</u>	<u>\$ 582,091</u>	<u>\$ 73,515,815</u>

The following table summarizes the City's receivables for the enterprise funds as of June 30, 2011.

	Water and Sewer Fund	Sanitation Fund	Stadium Fund	Total
Receivables:				
Interest	\$ 16,861	\$ 963	\$ 2,454	\$ 20,278
Accounts	2,500,015	695,575	23,268	3,218,858
	<u>2,516,876</u>	<u>696,538</u>	<u>25,722</u>	<u>3,239,136</u>
Less:				
Allowance	(60,368)	(33,008)	-	(93,376)
Net receivables	<u>\$ 2,456,508</u>	<u>\$ 663,530</u>	<u>\$ 25,722</u>	<u>\$ 3,145,760</u>

Revenues of the Water and Sewer Fund and Sanitation Fund are reported net of uncollectible amounts. Total uncollectible amounts related to water and sewer revenues of the current period are \$105,545.

CITY OF GOODYEAR, ARIZONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

NOTE 4 CAPITAL ASSETS

A summary of capital assets activity for the fiscal year ended June 30, 2011 follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 19,426,644	\$ -	\$ -	\$ 19,426,644
Artwork	-	186,900	-	186,900
Construction in progress	13,835,364	3,703,577	(6,856,161)	10,682,780
Right of Way	90,128,522	-	-	90,128,522
Streetscape	8,749,608	5,400	-	8,755,008
Total capital assets not being depreciated	132,140,138	3,895,877	(6,856,161)	129,179,854
Capital assets, being depreciated:				
Land improvements	-	2,549,608	-	2,549,608
Infrastructure	327,219,553	8,114,805	-	335,334,358
Buildings and improvements	126,195,907	4,311,812	-	130,507,719
Vehicles, furniture and equipment	36,746,403	1,821,761	(1,542,574)	37,025,590
Total capital assets being depreciated	490,161,863	16,797,986	(1,542,574)	505,417,275
Less accumulated depreciation for:				
Land improvements	-	(92,069)	-	(92,069)
Infrastructure	(56,198,903)	(7,717,276)	-	(63,916,179)
Buildings and improvements	(9,250,187)	(4,702,863)	1,542,574	(12,410,476)
Vehicles, furniture and equipment	(24,815,422)	(2,304,411)	-	(27,119,833)
Total accumulated depreciation	(90,264,512)	(14,816,619)	1,542,574	(103,538,557)
Total capital assets, being depreciated, net	399,897,351	1,981,367	-	401,878,718
Governmental activities capital assets, net	\$ 532,037,489	\$ 5,877,244	\$ (6,856,161)	\$ 531,058,572
Business-Type Activities				
Capital assets, not being depreciated:				
Land	\$ 14,754,260	\$ -	\$ -	\$ 14,754,260
Artwork	-	75,800	-	75,800
Construction in progress	90,159,417	8,031,479	(8,098,769)	90,092,127
Total capital assets not being depreciated	104,913,677	8,107,279	(8,098,769)	104,922,187
Capital assets, being depreciated:				
Infrastructure	175,930,891	9,389,758	-	185,320,649
Buildings & improvements	134,833,924	657,908	-	135,491,832
Vehicles, machinery and equipment	14,587,039	151,824	(363,811)	14,375,052
Water rights	18,381,098	161,126	-	18,542,224
Total capital assets being depreciated	343,732,952	10,360,616	(363,811)	353,729,757
Less accumulated depreciation for:				
Infrastructure	(26,545,692)	(3,924,506)	-	(30,470,198)
Buildings and improvements	(2,000,186)	(3,515,862)	-	(5,516,048)
Vehicles, machinery and equipment	(8,935,332)	(676,265)	363,811	(9,247,786)
Water rights amortization	(2,283,403)	(182,392)	-	(2,465,795)
Total accumulated depreciation	(39,764,613)	(8,299,025)	363,811	(47,699,827)
Total capital assets, being depreciated, net	303,968,339	2,061,591	-	306,029,930
Business-Type activities capital assets, net	\$ 408,882,016	\$ 10,168,870	\$ (8,098,769)	\$ 410,952,117

CITY OF GOODYEAR, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2011

NOTE 4 CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 1,061,813
Public safety	1,549,198
Highway and streets	8,088,510
Culture and recreation	291,696
Public works	3,825,402
Total depreciation expense	<u>\$ 14,816,619</u>
Business-type activities:	
Water and wastewater	\$ 5,508,529
Sanitation	138,471
Stadium	2,652,025
Total depreciation and amortization expense	<u>\$ 8,299,025</u>

NOTE 5 LOANS PAYABLE

The City received three loans from the Water Infrastructure Finance Authority. The first loan was used to acquire the rights and make improvements to existing capacity in the wastewater treatment plant. The second loan was used to finance the planning and design of a pilot recharge project and to construct a well distribution line. The third loan is being used for expansion of an effluent sewer facility and to rehabilitate the existing effluent lift station. The loans payable at June 30, 2011, are as follows:

Description	Interest Rate (Including Fees)	Maturity	Outstanding Principal June 30, 2011	Due Within One Year
Business-type activities:				
Water Infrastructure Finance Authority Loan	4.06%	07/01/07 - 21	\$ 2,636,248	\$ -
Water Infrastructure Finance Authority Loan	4.06%	07/01/07 - 21	5,033,199	-
Water Infrastructure Finance Authority Loan	2.00%	07/01/10 - 29	4,884,649	-
Total Business-type activities			<u>\$ 12,554,096</u>	<u>\$ -</u>

Annual debt service requirements to maturity on the loans payable at June 30, 2011 are summarized as follows:

Fiscal year ending June 30,	Business-Type Activities	
	Principal	Interest
2012	\$ -	\$ 197,682
2013	879,026	380,046
2014	909,661	348,839
2015	941,439	316,468
2016	974,404	282,888
2017-2021	5,411,343	864,994
2022-2026	2,452,029	159,240
2027-2030	986,194	14,026
Total	<u>\$12,554,096</u>	<u>\$ 2,564,183</u>

CITY OF GOODYEAR, ARIZONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

NOTE 6 CONTRACT PAYABLE

The City entered into an agreement to acquire approximately 80,443 acres of right-of-way for proposed 303 alignment for \$11,755,628. The City agreed to pay the owner an initial payment of \$2,000,000 in fiscal year 2008 and to make annual principal only payments to the owner each fiscal year until the contract is paid off. The contract payable as of June 30, 2011, is summarized below:

Fiscal Year Ending June 30,	Business-Type Activities	
	Principal	Interest
2012	\$ 2,000,000	\$ -
2013	1,755,628	-
	<u>\$ 3,755,628</u>	<u>\$ -</u>

NOTE 7 GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at June 30, 2011, consisted of the outstanding general obligation and refunding bonds presented below. The bonds are generally callable with interest payable semiannually. Of the total amounts originally authorized, \$167,660,449 remains unissued. The bonds payable at June 30, 2011 are presented below.

Description	Interest Rate	Maturity	Outstanding Principal June 30, 2011	Due Within One Year
Governmental activities:				
General Obligation Bonds Series 2002	3.65 - 4.25%	7/1/07 - 17	\$ 5,765,000	-
General Obligation Bonds Series 2003	3.00 - 4.50%	7/1/08 - 18	7,550,000	-
General Obligation Bonds Series 2007	3.00 - 5.00%	7/1/08 - 26	9,092,569	-
General Obligation Bonds Series 2008	4.25 - 6.00%	7/1/09 - 27	8,241,388	-
General Obligation Refunding Bonds Series 2009	5.25 - 5.125%	7/1/27 - 30	604,500	-
General Obligation Bonds Series 2010 - Build America	5.40 - 6.30%	7/1/21 - 30	105,000	-
Total Governmental activities			<u>\$ 31,358,457</u>	<u>\$ -</u>
Business-type activities:				
General Obligation Bonds Series 2005	3.50 - 5.00%	7/1/07 - 20	\$ 19,985,000	\$ -
General Obligation Bonds Series 2007	3.00 - 5.00%	7/1/08 - 26	22,107,431	-
General Obligation Bonds Series 2008	4.25 - 6.00%	7/1/09 - 27	33,733,612	-
General Obligation Refunding Bonds Series 2009	5.25 - 5.125%	7/1/27 - 30	4,975,500	-
General Obligation Bonds Series 2010 - Build America	5.40 - 6.30%	7/1/21 - 30	5,710,000	-
General Obligation Refunding Bonds Series 2010	4.018 - 5.125%	7/1/22 - 30	4,610,000	-
Total Business-type activities			<u>\$ 91,121,543</u>	<u>\$ -</u>
Total			<u>\$ 122,480,000</u>	<u>\$ -</u>

CITY OF GOODYEAR, ARIZONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

NOTE 7 GENERAL OBLIGATION BONDS PAYABLE (Continued)

Annual debt service requirements to maturity on governmental bonds payable at June 30, 2011 are summarized as follows:

Fiscal year ending June 30,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2012	\$ -	\$ 692,846	\$ -	\$ 2,186,932
2013	2,357,821	1,338,100	1,727,179	4,082,845
2014	2,545,067	1,239,522	4,009,933	3,910,138
2015	2,651,833	1,134,061	4,143,167	3,726,952
2016	2,783,415	1,020,438	4,331,585	3,531,948
2017-2021	9,963,246	3,426,297	26,141,754	14,341,688
2022-2026	5,273,104	1,916,221	20,166,896	8,878,461
2027-2031	3,113,742	853,057	19,671,258	4,278,985
2032-2036	1,811,240	382,281	7,413,760	1,564,750
2037-2038	858,989	37,027	3,516,011	151,567
Total	<u>\$31,358,457</u>	<u>\$12,039,850</u>	<u>\$91,121,543</u>	<u>\$46,654,266</u>

In May 2009, the City issued \$5,580,000 of General Obligation Bonds to do advance and current refunding of the 1998-2008 series bonds. Under the terms of the refunding issue, sufficient assets to pay all principal interest on the refunded bonds issues have been placed in irrevocable trust accounts at commercial banks and invested in U.S. Government Securities, which, together with interest earned thereon, will provide amounts sufficient for future payment of principal and interest of the issue refunded. There was \$1,875,000 outstanding on these bonds as of June 30, 2011. The \$76,619 deferred amount on retirement bonds is being amortized over the lives of the refunding bonds on the straight-line basis.

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

The City issued \$4,610,000 of General Obligation Refunding Bonds in June 2010 to do advance and current refunding of the 2002-2008 series general obligation bonds. Under the terms of the refunding issue, sufficient assets to pay all principal interest on the refunding bonds issues have been placed in irrevocable trust accounts at commercial banks and invested in U.S. Government Securities, which together with interest earned thereon, will provide amount sufficient for future payment of principal and interest of the issue refunded. There was \$3,450,000 outstanding on these bonds as of June 30, 2011. These bonds have been fully defeased. The transaction resulted in an economic loss (difference between the present value of the debt service on the old and the new bonds) of approximately \$385,892 and a nominal loss of approximately \$3,235,000. The \$340,000 deferred amount on retirement of bonds is being amortized over the lives of the refunding bonds on the straight-line basis.

CITY OF GOODYEAR, ARIZONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

NOTE 8 REVENUE BONDS PAYABLE

Revenue bonds payable at June 30, 2011 consisted of the outstanding revenue bonds presented below. The bonds are generally callable with interest payable semiannually.

Description	Interest Rate	Maturity	Outstanding Principal June 30, 2011	Due Within One Year
Governmental activities:				
Public Improvement Corporation Municipal Facilities Revenue Bonds, Series 2007B	4.00 - 5.00%	7/1/08 - 13	\$ 1,705,000	\$ 545,000
Public Improvement Corporation Municipal Facilities Revenue Bonds, Series 2007C	4.00 - 4.50%	7/1/08 - 21	2,805,000	200,000
McDowell Road Corridor Improvement District Bonds	5.25%	1/1/10 - 32	44,900,000	1,225,000
Total Governmental Activities			<u>\$ 49,410,000</u>	<u>\$1,970,000</u>

Description	Interest Rate	Maturity	Outstanding Principal June 30, 2011	Due Within One Year
Business-type activities:				
Revenue Bonds, Series 1999 Public Improvement Corporation Municipal Facilities Revenue Bonds, Series 2007A	4.47 - 6.73%	7/1/07 - 18	\$ 1,490,000	\$ -
Public Improvement Corporation Municipal Facilities Revenue Bonds, Series 2008	4.50 - 5.00%	7/1/20 - 32	67,850,000	-
Revenue Bonds, Series 2009	5.00 - 6.375%	7/1/20 - 32	34,450,000	-
Revenue Bonds, Series 2010	6.75%	7/1/2049	325,000	-
Revenue Bonds, Series 2011	5.00 - 5.625%	7/1/23 - 40	14,950,000	-
Total Business-Type Activities			<u>\$ 134,545,000</u>	<u>\$ -</u>

Revenue bond debt service requirements to maturity are as follows:

Fiscal Year Ending June 30,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2012	\$ 1,970,000	\$ 1,360,050	\$ -	\$ 3,692,854
2013	2,065,000	2,443,338	335,000	7,221,931
2014	2,160,000	2,340,163	520,000	7,217,056
2015	1,650,000	2,244,375	510,000	7,224,081
2016	1,740,000	2,159,102	510,000	7,250,881
2017-2021	10,165,000	9,353,750	15,440,000	34,625,591
2022-2026	11,640,000	6,580,325	29,455,000	27,061,922
2027-2031	14,620,000	3,273,374	51,905,000	17,755,135
2032-2036	3,400,000	178,500	24,670,000	5,151,043
2037-2041	-	-	9,880,000	1,647,775
2042-2046	-	-	995,000	137,051
2047-2050	-	-	325,000	76,780
	<u>\$ 49,410,000</u>	<u>\$ 29,932,977</u>	<u>\$134,545,000</u>	<u>\$ 119,062,100</u>

CITY OF GOODYEAR, ARIZONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

NOTE 9 COMMUNITY FACILITIES DISTRICTS BONDS PAYABLE

Community facilities district bonds payable at June 30, 2011 consisted of outstanding general obligation and special assessment bonds. The bonds are generally callable with interest payable semiannually. The community facilities district bonds payable at June 30, 2011, are presented below.

Description	Interest Rate	Maturity	Outstanding Principal June 30, 2011	Due Within One Year
General District No. 1:				
G.O. Bonds, Series 1996 (A)	6.5 - 7.0%	07/15/21	\$ 470,000	\$ 30,000
G.O. Bonds, Series 1998	4.55 - 5.25%	07/15/23	1,610,000	85,000
G.O. Bonds, Series 2000	4.6 - 5.3%	07/15/25	4,850,000	200,000
G.O. Bonds, Series 2003	3.3 - 5.75%	07/15/28	5,090,000	110,000
Palm Valley:				
G.O. Bonds, Series 2006	4.25 - 5.30%	07/15/31	4,100,000	115,000
G.O. Bonds, Series 2007	4.25 - 5.80%	07/15/32	3,725,000	85,000
Utilities District No. 1:				
G.O. Bonds, Series 1998	4.55 - 5.25%	07/15/22	3,575,000	240,000
G.O. Bonds, Series 2000	4.7 - 5.2%	07/15/25	6,130,000	220,000
G.O. Bonds, Series 2003	3.3 - 5.75%	07/15/28	7,605,000	135,000
G.O. Bonds, Series 2005	3.5 - 4.5%	07/15/29	7,010,000	190,000
G.O. Bonds, Series 2005 Refunding	3.0 - 4.3%	07/15/21	1,170,000	85,000
G.O. Bonds, Series 2007	4.00 - 5.00%	07/15/32	22,280,000	430,000
Wildflower Ranch General District 1:				
G.O. Bonds, Series 1997	5.875 - 6.5%	07/15/22	445,000	25,000
G.O. Bonds, Series 1998	5.2 - 5.75%	07/15/23	540,000	25,000
Wildflower Ranch General District 2:				
G.O. Bonds, Series 2000	6.0 - 7.0%	07/15/25	565,000	25,000
G.O. Bonds, Series 2001	4.5 - 5.9%	07/15/26	610,000	25,000
Estrella Mountain Ranch:				
Assessment Bonds, Series 2001(A)	7.88%	07/01/25	4,812,000	271,000
Assessment Bonds, Series 2002	7.38%	07/01/27	3,573,000	150,000
G.O. Bonds, Series 2005	5.0 - 5.8%	07/15/30	4,460,000	120,000
Assessment Bonds, Series 2007(M)	4.65 - 5.80%	07/01/32	7,262,000	214,000
G.O. Bonds, Series 2007	4.50 - 6.20%	07/15/32	12,205,000	285,000
Assessment Bonds, Series 2007(G)	6.00 - 6.75%	07/01/32	6,610,000	158,000
Cottonflower:				
G.O. Bonds, Series 2003	4.1 - 5.7%	07/15/28	1,485,000	50,000
G.O. Bonds, Series 2004	3.7 - 6.75%	07/15/28	1,175,000	40,000
Cortina:				
G.O. Bonds, Series 2005	5.0 - 5.7%	07/15/29	1,505,000	50,000
G.O. Bonds, Series 2006	5.0 - 5.375%	07/15/31	890,000	15,000
Centerra:				
G.O. Bonds, Series 2005	5.50%	07/15/29	2,125,000	65,000
G.O. Bonds, Series 2006	4.75 - 5.15%	07/15/31	590,000	5,000
G.O. Bonds, Series 2008	4.875-6.625%	07/15/32	715,000	15,000
Total			<u>\$ 117,182,000</u>	<u>\$ 3,463,000</u>

CITY OF GOODYEAR, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2011

NOTE 9 COMMUNITY FACILITIES DISTRICTS BONDS PAYABLE (Continued)

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

<u>Fiscal year ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2012	\$ 3,463,000	\$ 6,307,363
2013	3,449,000	6,133,726
2014	3,612,000	5,955,638
2015	3,800,000	5,765,851
2016	3,990,000	5,562,682
2017-2021	23,408,000	24,261,565
2022-2026	29,649,000	16,951,259
2027-2031	32,456,000	8,004,490
2032-2033	13,355,000	745,644
Total	<u>\$ 117,182,000</u>	<u>\$ 79,688,218</u>

On March 31, 2005, Community Facilities Utilities District #1 issued \$1,455,000 of General Obligation Bonds to do an advance refunding of the 1996(B) bonds. The \$56,974 deferred amount on retirement of bonds is being amortized over the lives of the refunding bonds on the straight-line basis. Amortization for the year ended June 30, 2011 of \$5,180 was taken on the deferred amount.

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

CITY OF GOODYEAR, ARIZONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

NOTE 10 AMORTIZATION OF BOND COSTS

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

	Beginning Balance	Additions	Reductions	Ending Balance
Bond Costs:				
Governmental Activities				
General Obligation Bonds				
Series 2007	\$ 76,333	\$ -	\$ 4,490	\$ 71,843
Series 2008	102,442	-	5,691	96,751
Series 2009-Refunding	4,495	-	237	4,258
Series 2010 - Build America	8,722	-	447	8,275
Public Improvement Corporation				
Series 2007B	21,148	-	6,048	15,100
Series 2007C	33,876	-	2,952	30,924
Improvement District Bonds				
McDowell Road	1,945,185	-	90,251	1,854,934
Community Facilities District Bonds Payable				
Palm Valley District #3 Series 2006	227,898	-	10,359	217,539
Palm Valley District #3 Series 2007	213,722	-	9,292	204,430
Utilities District #1 Series 2005	292,814	-	15,411	277,403
Utilities District #1 Series 2005 Refunding	12,292	-	1,118	11,174
Utilities District #1 Series 2007	666,433	-	28,975	637,458
Estrella Mountain Ranch Series 2005	144,481	-	6,880	137,601
Estrella Mountain Ranch Series 2007	370,786	-	16,121	354,665
Estrella Mountain Ranch Series 2007(M)	366,261	-	15,924	350,337
Estrella Mountain Ranch Series 2007(G)	321,688	-	13,986	307,702
Centerra Series 2005	99,962	-	5,261	94,701
Centerra Series 2006	65,680	-	2,985	62,695
Centerra Series 2008	106,191	-	4,617	101,574
Cortina Series 2005	87,581	-	4,610	82,971
Cortina Series 2006	110,900	-	5,040	105,860
Business-type Activities				
General Obligation Bonds				
Series 2005	266,582	-	24,234	242,348
Series 2007	185,592	-	10,917	174,675
Series 2008	434,855	-	15,531	419,324
Series 2009-Refunding	51,899	-	2,731	49,168
Series 2010-Refunding	39,084	-	1,954	37,130
Series 2010 - Build America	104,672	-	5,368	99,304
Public Improvement Corporation				
Series 2007A	734,616	-	32,574	702,042
Series 2008	231,153	-	10,751	220,402
Revenue Bonds, Series 1999	34,766	-	4,346	30,420
Revenue Bonds, Series 2009	21,534	-	2,692	18,842
Revenue Bonds, Series 2010*	102,027	-	3,449	98,578
Revenue Bonds, Series 2011	-	394,992	3,290	391,702
	<u>\$ 7,485,670</u>	<u>\$ 394,992</u>	<u>\$ 368,532</u>	<u>\$ 7,512,130</u>

*\$402,285 was reclassified to Bond Discount

CITY OF GOODYEAR, ARIZONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

NOTE 11 CHANGES IN LONG-TERM LIABILITIES

Long-term liabilities activity for the year ended June 30, 2011 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	\$ 3,790,807	\$ 1,949,740	\$ 1,660,216	\$ 4,080,331	\$ 1,413,913
General obligation bonds payable	33,601,981	-	2,243,524	31,358,457	-
Community Facilities					
District bonds payable	122,313,000	-	5,131,000	117,182,000	3,463,000
Public improvement bonds	5,230,000	-	720,000	4,510,000	745,000
Revenue bonds payable	46,060,000	-	1,160,000	44,900,000	1,225,000
Contracts payable	5,755,628	-	2,000,000	3,755,628	-
Premiums	2,188,965	-	116,286	2,072,679	-
Discounts	(63,251)	-	(3,329)	(59,922)	-
Governmental activities long-term liabilities	<u>\$ 218,877,130</u>	<u>\$ 1,949,740</u>	<u>\$ 13,027,697</u>	<u>\$ 207,799,173</u>	<u>\$ 6,846,913</u>
Business-type activities					
Compensated absences	\$ 419,694	\$ 224,420	\$ 180,224	\$ 463,890	\$ 182,594
General obligation bonds payable	92,753,020	-	1,631,476	91,121,544	-
Public improvement bonds	102,300,000	-	-	102,300,000	-
Revenue bonds payable	17,040,000	15,480,000	275,000	32,245,000	-
Water rights obligations	10,314,041	-	10,314,041	-	-
Loans payable	9,925,289	3,521,622	892,815	12,554,096	-
Premiums	2,471,289	-	128,013	2,343,276	-
Discounts*	(402,285)	(258,880)	(15,755)	(645,410)	-
Business-type activities long-term liabilities	<u>\$ 234,821,048</u>	<u>\$ 18,967,162</u>	<u>\$ 13,405,814</u>	<u>\$ 240,382,396</u>	<u>\$ 182,594</u>

* W&S 2010 discount reclassified from Amortization of Bond Cost

NOTE 12 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At June 30, 2011, interfund balances were as follows:

Interfund receivables/payable:

Fund	Receivable Amount	Payable Amount
General Fund	\$ 4,080,518	\$ -
Non-Major Funds	-	3,068,207
Water and Sewer Fund	43,243	-
Stadium Fund	-	961,840
Internal Service Fund	-	93,714
Total	<u>\$ 4,123,761</u>	<u>\$ 4,123,761</u>

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

CITY OF GOODYEAR, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2011

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

Interfund transfers:

Fund	Transfers Out	Transfers In
General Fund	\$ 7,247,512	5,102,888
McDowell Road Commercial Corridor Improvement Debt Service	-	1,382,196
Non-Major Governmental Funds	3,590,193	1,903,216
Water and Sewer Fund	3,100,000	1,454,084
Sanitation Fund	1,050,000	-
Stadium Fund	-	6,086,856
Internal Service Fund	941,535	-
Total	\$ 15,929,240	\$ 15,929,240

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

NOTE 13 CONTINGENT LIABILITIES

Federal and State grants and loans - The City has received a number of grants and loans from both the Federal and State governments. Although the programs have been audited, not all audits have been approved as of June 30, 2011; however, the City expects no material disallowances of expenditures.

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

NOTE 14 RISK MANAGEMENT

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

The Arizona Municipal Risk Retention Pool is structured such that member premiums are based on an actuarial review that will provide adequate reserves to allow the pool to meet its expected financial obligations. The pool has authority to assess its members additional premiums should reserve and annual premiums be insufficient to meet the pool's obligations. The City has no known claims in excess of \$250,000 for the fiscal year ending June 30, 2011.

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

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

CITY OF GOODYEAR, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2011

NOTE 15 RETIREMENT PLANS

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

Plan Description

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

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

Funding Policy

Cost-sharing plan – The Arizona State Legislature establishes and may amend active plan members' and the City's contribution rates. For the year ended June 30, 2011, active ASRS members were required by statute to contribute at the actuarially determined rate of 9.85% (9.6% retirement and 0.25% long-term disability) of the member's annual covered payroll and the City was required by statute to contribute at the actuarially determined rate of 9.85% (9.01% retirement, 0.59% for health insurance premium, and 0.25% long-term disability) of the members' annual covered payroll. The City's contributions to ASRS for the years ended June 30, 2011, 2010, and 2009 were \$1,908,120, \$1,793,509, and \$1,999,370, respectively. The City contribution for the current and two proceeding years, all of which were equal to the required contributions, were as follows:

Years ended June 30,	Retirement	Health Insurance	Long-term Disability	Total
2011	\$ 1,745,397	\$ 114,293	\$ 48,430	\$ 1,908,120
2010	1,591,262	125,927	76,320	1,793,509
2009	1,690,473	203,111	105,786	1,999,370

CITY OF GOODYEAR, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2011

NOTE 15 RETIREMENT PLANS (Continued)

Agent plans – The Arizona State Legislature establishes and may amend active plan members' and the City's contribution rates. For the year ended June 30, 2011, active PSPRS members were required by statute to contribute 7.65% of the members' annual covered payroll, and the City was required to contribute at the actuarially determined rate of 13.71% (12.82% retirement and 0.89% health insurance premium) of the covered payroll to the Plan for the Police and 10.41% (9.86% retirement and 0.55% health insurance premium) of the covered payroll to the Plan for the Firefighters.

Annual Pension Cost

The City's pension cost for the agent plan for the year ended June 30, 2011, and related information follows:

Contribution Rates:	<u>PSPRS – Police</u>	<u>PSPRS - Fire</u>
City – retirement	12.82%	9.86%
City – health insurance premium	0.89%	0.55%
Plan members	7.65%	7.65%
Annual pension cost		
Retirement	\$ 926,533	\$ 951,747
Health insurance premium	\$ 64,322	\$ 53,089
Pension contributions made		
Retirement	\$ 926,533	\$ 951,747
Health insurance premium	\$ 64,322	\$ 53,089
Actuarial valuation date	June 30, 2009	June 30, 2009
Actuarial cost method	Projected Unit Credit	Projected Unit Credit
Actuarial assumptions:		
Investment rate of return	8.5%	8.5%
Projected salary increases	5.5% - 8.5%	5.5% - 8.5%
Includes inflation at cost-of-living adjustment	5.5%	5.5%
Amortization method	Level Percent Closed	Level Percent Closed
Remaining amortization period	27 years underfunded 20 years overfunded	27 years underfunded 20 years overfunded
Asset valuation method	7-year smoothed market	7-year smoothed market
Post retirement benefit increases	Based on Income	Based on Income

CITY OF GOODYEAR, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2011

NOTE 15 RETIREMENT PLANS (Continued)

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

Plan	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PSPRS - Police - Pension			
June 30, 2011	\$ 926,533	100.0%	-
June 30, 2010	527,906	100.0%	-
June 30, 2009	431,404	100.0%	-
PSPRS - Police - Health Insurance			
June 30, 2011	64,322	100.0%	-
June 30, 2010	24,191	100.0%	-
June 30, 2009	21,550	100.0%	-
PSPRS - Fire - Pension			
June 30, 2011	951,747	100.0%	-
June 30, 2010	504,370	100.0%	-
June 30, 2009	313,575	100.0%	-
PSPRS - Fire - Health Insurance			
June 30, 2011	53,089	100.0%	-
June 30, 2010	17,782	100.0%	-
June 30, 2009	11,591	100.0%	-

Schedule of Funding Progress - An analysis of funding progress for each of the agent plans as most recent actuarial valuations; June 30, 2009 reporting period determines the rates for fiscal year 2011. For this valuation, fiscal years prior to 2008 (which were prior to the implementation of GASB Statement Nos. 43 and 45), the pension and health insurance benefit amounts were aggregated. In fiscal year 2008, GASB Statement Nos. 43 and 45 measurements are made and reported, these benefits are disaggregated and reported separately.

Actuarial Accrued Liability

PSPRS - Goodyear Police Pension Plan:

Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded AAL as a Percent of Covered Payroll ((b-a)/c)
June 30, 2009	\$12,239,614	\$ 15,500,586	\$ 3,260,972	79.0%	\$6,431,412	50.7%
2008	9,709,250	13,516,877	3,807,627	71.8%	6,192,247	61.5%
2007	8,041,204	12,267,389	4,226,185	65.5%	4,937,043	85.6%

PSPRS - Goodyear Police Health Insurance Plan:

Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded AAL as a Percent of Covered Payroll ((b-a)/c)
June 30, 2009	\$ -	\$ 445,126	\$ 445,126	0.0%	\$6,431,412	6.92%
2008	-	356,659	356,659	0.0%	6,192,247	5.76%
2007	-	349,750	349,750	0.0%	4,937,043	7.08%

CITY OF GOODYEAR, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2011

NOTE 15 RETIREMENT PLANS (Continued)

PSPRS - Goodyear Fire Pension Plan:

Valuation Date June 30,	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded AAL as a Percent of Covered Payroll ((b-a)/c)
2009	\$10,127,059	\$ 10,391,001	\$ 263,942	97.5%	\$7,047,317	3.8%
2008	8,177,938	9,616,934	1,438,996	85.0%	6,888,845	20.9%
2007	6,438,344	7,852,616	1,414,272	82.0%	5,397,930	26.2%

PSPRS - Goodyear Fire Health Insurance Plan:

Valuation Date June 30,	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded AAL as a Percent of Covered Payroll ((b-a)/c)
2009	\$ -	\$ 235,582	\$ 235,582	0.0%	\$7,047,317	3.34%
2008	-	185,457	185,457	0.0%	6,888,845	2.69%
2007	-	164,914	164,914	0.0%	5,397,930	3.06%

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

Annual Required Contribution

PSPRS - Goodyear Police Health Insurance Plan:

Valuation Date June 30,	Fiscal Year Ended 30-Jun	Normal Cost (a)	Actuarial Accrued Liability (b)	Total (a+b)	Dollar Amount
2009	2011	0.55%	0.34%	0.89%	\$ 63,709
2008	2010	0.45%	0.28%	0.73%	45,203
2007	2009	0.53%	0.33%	0.86%	53,253

PSPRS - Goodyear Fire Health Insurance Plan:

Valuation Date June 30,	Fiscal Year Ended 30-Jun	Normal Cost (a)	Actuarial Accrued Liability (b)	Total (a+b)	Dollar Amount
2009	2011	0.38%	0.17%	0.55%	\$ 43,141
2008	2010	0.33%	0.13%	0.46%	31,689
2007	2009	0.37%	0.14%	0.51%	35,133

The Health Insurance Subsidy payments reported for valuation year 2009 were \$4,819 for the Police plan and no Health Insurance Subsidy payments reported for the Fire plan.

CITY OF GOODYEAR, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2011

NOTE 15 RETIREMENT PLANS (Continued)

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

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

The assets of the plan are valued annually and the earnings or loss is distributed among the participant's accounts in the plan. The only expenditures being made from this fund are administration fees, benefit payments, and refunds to those firefighters who leave the service of the Fire Department before becoming eligible for pension benefits. The cost of administering the plan is financed from investment earnings. Retirement with full benefits can be at age fifty-five (55) or twenty years of credited service. This plan was fully vested as of June 30, 2011. As of June 30, 2011, there were 6 eligible employees participating in the plan. The plan is administered by LPL Financial.

As of June 30, 2011, the plan's assets consisted of the following:

Cash	\$	41,149
US Treasuries		31,549
LGIP		38,117
Mutual Funds		331,290
		<u>331,290</u>
	\$	<u>442,105</u>

The plan has never had an actuarial valuation; however, benefits cannot exceed plan assets. The market values of mutual funds are determined from readily available market quotations. The fund uses the accrual basis of accounting. Contributions are recognized when earned; benefits and refunds are expensed when incurred. Separate audited financial statements of this employee benefit plan are not available.

NOTE 16 DEFICIT FUND BALANCE

Grants Fund Deficit Fund Balance - At June 30, 2011, the Grants Fund contains a deficit fund balance of \$2,336,765 in the fund financial statements. Future revenues are expected to cover this deficit.

CITY OF GOODYEAR, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2011

NOTE 17 COMMITMENTS

The City has active construction projects as of June 30, 2011. The balances for work not yet complete as of June 30, 2011 were as follows:

Jacobs	\$ 13,637
Nesbit Contracting	85,947
Wood Patel - Cato	63,645
AJP Electric	201,099
Logan Simpson Design	774
AMEC Earth & Environmental	4,510
Tata and Howard	202,304
Black & Veatch Corp	7,407
Arrington Watkins	1,322,765
Forsite Design	46,553
Barton Malow	70,766
Brown & Caldwell	120,652
Malcolm Pirnie	724,677
SDB	21,863
Scott Blue	4,805
RBF	5,043
Parsons 3D-1	51,412
PCL Constructors	4,543,337
Arizona DOT	306,511
Prime Contracting	176,614
	<u>\$ 7,974,321</u>

These commitments are being financed from existing fund balances.

NOTE 18 SUBSEQUENT EVENT

In November 2011, the City of Goodyear issued \$26,810,000 of Municipal Facilities Revenue Refunding bonds, Series 2011 due in annual principal ranging from \$85,000 to \$5,170,000 plus semi-annual interest ranging from 2.0% to 5.25% through July 1, 2027. The 2011 bond series refunded \$27,755,000 of the Municipal Facilities Revenue Refunding Bonds, Series 2007A, 2007C and 2008.

Other Supplementary Information

COMBINING NON-MAJOR FUND FINANCIAL STATEMENTS



Non-Major Government Funds

Financial Statements

Special Revenue Funds

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

Capital Projects Fund

- Capital Improvement Projects Fund – This fund accounts for all acquisition and construction of major capital facilities other than those financed by proprietary funds and the McDowell Road Commercial Corridor District.
- McDowell Road Commercial Corridor Improvement District – This fund accounts for all acquisition and construction of major capital on McDowell Road.

Debt Service Fund

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

CITY OF GOODYEAR, ARIZONA
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 June 30, 2011

	Special Revenue		
	Highway User Revenue	Grants	Community Facilities Districts
ASSETS			
Cash and cash equivalents	\$ 304,244	\$ 1,971	\$ 1,101,233
Taxes receivable	333,566	-	18,901
Accounts receivable	-	-	69
Due from other governments	-	2,564,935	-
Inventories	289,782	-	-
Restricted cash and cash equivalents	-	-	-
Total assets	\$ 927,592	\$ 2,566,906	\$ 1,120,203
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 155,149	\$ 78,210	\$ 36,061
Accrued payroll and employee benefits	19,181	-	-
Due to other funds	-	2,486,707	538,256
Deferred revenue	177,566	2,338,754	9,656
Total liabilities	351,896	4,903,671	583,973
Fund balances:			
Nonspendable:			
Inventories	289,782	-	-
Restricted for:			
Debt service	-	-	-
Highway user funds	285,914	-	-
Community Facilities Districts operations	-	-	536,230
Unassigned	-	(2,336,765)	-
Total fund balances	575,696	(2,336,765)	536,230
Total liabilities and fund balances	\$ 927,592	\$ 2,566,906	\$ 1,120,203

Capital Projects			
Capital Improvement Projects	McDowell Road Commercial Corridor Improvement District Capital Projects	Debt Service	Total Non-Major Governmental Funds
\$ -	\$ -	\$ -	\$ 1,407,448
-	-	229,555	582,022
-	-	-	69
-	-	-	2,564,935
-	-	-	289,782
663,948	-	588,507	1,252,455
<u>\$ 663,948</u>	<u>\$ -</u>	<u>\$ 818,062</u>	<u>\$ 6,096,711</u>
-	-	-	269,420
-	-	-	19,181
-	-	-	3,024,963
663,948	-	149,876	3,339,800
<u>663,948</u>	<u>-</u>	<u>149,876</u>	<u>6,653,364</u>
-	-	-	289,782
-	-	668,186	668,186
-	-	-	285,914
-	-	-	536,230
-	-	-	(2,336,765)
-	-	668,186	(556,653)
<u>\$ 663,948</u>	<u>\$ -</u>	<u>\$ 818,062</u>	<u>\$ 6,096,711</u>

CITY OF GOODYEAR, ARIZONA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
 BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 Year Ended June 30, 2011

	Special Revenue		
	Highway User Revenue	Grants	Community Facilities Districts
REVENUES			
Taxes	\$ -	\$ -	\$ 500,470
Intergovernmental	2,752,001	3,374,711	-
Charges for services	14,650	-	-
Investment income (loss)	219	57	3,958
Miscellaneous	22,253	-	109,452
Total revenues	<u>2,789,123</u>	<u>3,374,768</u>	<u>613,880</u>
EXPENDITURES			
Current:			
General government	-	40,000	1,172,707
Public safety	-	300,422	-
Highway and streets	3,735,231	-	-
Public works	-	7,305	-
Culture and recreation	-	5,400	-
Capital outlay	590,492	3,179,137	-
Debt service:			
Principal retirement	-	-	-
Interest and debt costs	-	-	-
Total expenditures	<u>4,325,723</u>	<u>3,532,264</u>	<u>1,172,707</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,536,600)</u>	<u>(157,496)</u>	<u>(558,827)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	1,903,216	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>1,903,216</u>	<u>-</u>	<u>-</u>
Net change in fund balances	366,616	(157,496)	(558,827)
Fund balances, beginning of year	<u>209,080</u>	<u>(2,179,269)</u>	<u>1,095,057</u>
Fund balances, end of year	<u>\$ 575,696</u>	<u>\$ (2,336,765)</u>	<u>\$ 536,230</u>

Capital Projects			
Capital Improvement Projects	McDowell Road Commercial Corridor Improvement District Capital Projects	Debt Service	Total Non-Major Government Funds
\$ -	\$ -	\$ 5,689,937	\$ 6,190,407
-	-	-	6,126,712
-	-	-	14,650
-	-	394	4,628
-	-	-	131,705
-	-	5,690,331	12,468,102
-	-	-	1,212,707
-	-	-	300,422
-	-	-	3,735,231
-	-	-	7,305
-	-	-	5,400
-	-	-	3,769,629
-	-	2,243,524	2,243,524
-	-	1,409,993	1,409,993
-	-	3,653,517	12,684,211
-	-	2,036,814	(216,109)
-	-	-	1,903,216
(11,353)	(1,382,196)	(2,196,644)	(3,590,193)
(11,353)	(1,382,196)	(2,196,644)	(1,686,977)
(11,353)	(1,382,196)	(159,830)	(1,903,086)
11,353	1,382,196	828,016	1,346,433
\$ -	\$ -	\$ 668,186	\$ (556,653)



Fiduciary Fund Financial Statements

Combining Statement of Net Assets

Statement of Changes in Assets and Liabilities

Agency Funds

Brownfield EPA Cleanup

Gain

Payshare (Utility Assistance)

Fill-A-Need

Shop With A Cop



CITY OF GOODYEAR, ARIZONA
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 AGENCY FUNDS
 June 30, 2011

	Brownfield EPA Cleanup	Gain	Payshare (Utility Assistance)	Fill-A-Need	Shop With A Cop	Total
ASSETS						
Cash and cash equivalents	\$ 684,342	\$ 17,778	\$ 54	\$ 3,613	\$ 2,831	\$ 708,618
Receivable	-	-	6	-	-	6
Total assets	<u>\$ 684,342</u>	<u>\$ 17,778</u>	<u>\$ 60</u>	<u>\$ 3,613</u>	<u>\$ 2,831</u>	<u>\$ 708,624</u>
LIABILITIES						
Accounts payable	\$ 56,849	\$ 17,778	\$ -	\$ -	\$ -	\$ 74,627
Deposits held for others	584,250	-	60	3,613	2,831	590,754
Due to other funds	43,243	-	-	-	-	43,243
Total liabilities	<u>\$ 684,342</u>	<u>\$ 17,778</u>	<u>\$ 60</u>	<u>\$ 3,613</u>	<u>\$ 2,831</u>	<u>\$ 708,624</u>

CITY OF GOODYEAR, ARIZONA
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 Year Ended June 30, 2011

	Balance June 30, 2010	Additions	Deletions	Balance June 30, 2011
Brownfield EPA Cleanup:				
Assets				
Cash and cash equivalents	\$ 864,022	\$ -	\$ (179,680)	\$ 684,342
Liabilities				
Accounts payable	\$ -	\$ 56,849	\$ -	\$ 56,849
Deposits held for others	829,715	-	(245,465)	584,250
Due to other funds	34,307	8,936	-	43,243
Total liabilities	<u>\$ 864,022</u>	<u>\$ 65,785</u>	<u>\$ (245,465)</u>	<u>\$ 684,342</u>
GAIN:				
Assets				
Cash and cash equivalents	\$ 21,230	\$ -	\$ (3,452)	\$ 17,778
Liabilities				
Accounts payable	\$ 21,230 *	\$ -	\$ (3,452)	\$ 17,778
Payshare (Utility Assistance):				
Assets				
Cash and cash equivalents	\$ -	\$ 54	\$ -	\$ 54
Receivable	-	6	-	6
Total assets	<u>\$ -</u>	<u>\$ 60</u>	<u>\$ -</u>	<u>\$ 60</u>
Liabilities				
Deposits held for others	\$ -	\$ 60	\$ -	\$ 60
Fill-A-Need:				
Assets				
Cash and cash equivalents	\$ 2,858	\$ 755	\$ -	\$ 3,613
Liabilities				
Deposits held for others	\$ 2,858	\$ 755	\$ -	\$ 3,613
Shop With A COP:				
Assets				
Cash and cash equivalents	\$ 1,302	\$ 1,529	\$ -	\$ 2,831
Liabilities				
Deposits held for others	\$ 1,302	\$ 1,529	\$ -	\$ 2,831
Total - All Agency Funds				
Assets				
Cash and cash equivalents	\$ 889,412	\$ 2,338	\$ (183,132)	\$ 708,618
Receivables	-	6	-	6
Total assets	<u>\$ 889,412</u>	<u>\$ 2,344</u>	<u>\$ (183,132)</u>	<u>\$ 708,624</u>
Liabilities				
Accounts payable	\$ 21,230 *	\$ 56,849	\$ (3,452)	\$ 74,627
Deposits held for others	833,875 *	2,344	(245,465)	590,754
Due to other funds	34,307	8,936	-	43,243
Total liabilities	<u>\$ 889,412</u>	<u>\$ 68,129</u>	<u>\$ (248,917)</u>	<u>\$ 708,624</u>

* Restated

Other Supplementary Information

BUDGETARY COMPARISON SCHEDULES

MAJOR GOVERNMENTAL FUNDS



CITY OF GOODYEAR, ARIZONA
COMMUNITY FACILITIES DISTRICTS - DEBT SERVICE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET
AND ACTUAL
Year Ended June 30, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 6,565,209	\$ 6,565,209	\$ 6,713,914	\$ 148,705
Investment income	40,630	40,630	30,683	(9,947)
Special assessments	6,701,987	6,701,987	2,652,049	(4,049,938)
Contributions	3,152,841	3,152,841	2,689,754	(463,087)
Total revenues	<u>16,460,667</u>	<u>16,460,667</u>	<u>12,086,400</u>	<u>(4,374,267)</u>
EXPENDITURES				
Debt service				
Principal retirement	8,648,735	8,648,735	5,131,000	3,517,735
Interest and debt costs	8,359,483	8,359,483	6,627,707	1,731,776
Total expenditures	<u>17,008,218</u>	<u>17,008,218</u>	<u>11,758,707</u>	<u>5,249,511</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(547,551)</u>	<u>(547,551)</u>	<u>327,693</u>	<u>875,244</u>
OTHER FINANCING SOURCES (USES)				
Debt issuance	1,950,000	1,950,000	-	(1,950,000)
Total other financing sources (uses)	<u>1,950,000</u>	<u>1,950,000</u>	<u>-</u>	<u>(1,950,000)</u>
Net change in fund balance	1,402,449	1,402,449	327,693	(1,074,756)
Fund balance, beginning of year	<u>14,091,308</u>	<u>14,091,308</u>	<u>14,091,308</u>	<u>-</u>
Fund balance, end of year	<u>\$ 15,493,757</u>	<u>\$ 15,493,757</u>	<u>\$ 14,419,001</u>	<u>\$ (1,074,756)</u>

CITY OF GOODYEAR, ARIZONA
MCDOWELL ROAD COMMERCIAL CORRIDOR IMPROVEMENT DISTRICT DEBT SERVICE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET
AND ACTUAL
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
REVENUES				
Investment income	\$ -	\$ -	\$ 16,747	\$ 16,747
Special assessments	3,547,700	3,547,700	2,207,700	(1,340,000)
Total revenues	<u>3,547,700</u>	<u>3,547,700</u>	<u>2,224,447</u>	<u>(1,323,253)</u>
EXPENDITURES				
Debt service				
Principal retirement	1,160,000	1,160,000	1,160,000	-
Interest and debt costs	2,387,700	2,387,700	2,393,197	(5,497)
Total expenditures	<u>3,547,700</u>	<u>3,547,700</u>	<u>3,553,197</u>	<u>(5,497)</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(1,328,750)	(1,328,750)
OTHER FINANCING SOURCES				
Transfers in	-	-	1,382,196	1,382,196
Total other financing sources	<u>-</u>	<u>-</u>	<u>1,382,196</u>	<u>1,382,196</u>
Net change in fund balance	-	-	53,446	53,446
Fund balance, beginning of year	<u>19,117</u>	<u>19,117</u>	<u>19,117</u>	<u>-</u>
Fund balance, end of year	<u>\$ 19,117</u>	<u>\$ 19,117</u>	<u>\$ 72,563</u>	<u>\$ 53,446</u>

CITY OF GOODYEAR, ARIZONA
NON-UTILITY DEVELOPMENT IMPACT FEES
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET
AND ACTUAL
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 3,571,680	\$ 3,571,680	\$ 2,501,265	\$ (1,070,415)
Investment income	248,241	248,241	77,024	(171,217)
Total revenues	<u>3,819,921</u>	<u>3,819,921</u>	<u>2,578,289</u>	<u>(1,241,632)</u>
EXPENDITURES				
Current:				
Public works	-	3,610,868	-	3,610,868
Highway and streets	-	82,421	73,097	9,324
Capital outlay	12,933,561	9,642,369	1,840,484	7,801,885
Total expenditures	<u>12,933,561</u>	<u>13,335,658</u>	<u>1,913,581</u>	<u>11,422,077</u>
Net change in fund balance	(9,113,640)	(9,515,737)	664,708	10,180,445
Fund balance, beginning of year	<u>21,327,311</u>	<u>21,327,311</u>	<u>21,327,311</u>	<u>-</u>
Fund balance, end of year	<u>\$ 12,213,671</u>	<u>\$ 11,811,574</u>	<u>\$ 21,992,019</u>	<u>\$ 10,180,445</u>



Other Supplementary Information

BUDGETARY COMPARISON SCHEDULES

NON-MAJOR GOVERNMENTAL FUNDS

AND ENTERPRISE FUNDS



CITY OF GOODYEAR, ARIZONA
HIGHWAY USER REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET
AND ACTUAL
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 2,719,599	\$ 2,719,599	\$ 2,752,001	\$ 32,402
Charges for services	-	-	14,650	14,650
Investment income	1,000	1,000	219	(781)
Miscellaneous	-	-	22,253	22,253
Total revenues	<u>2,720,599</u>	<u>2,720,599</u>	<u>2,789,123</u>	<u>68,524</u>
EXPENDITURES				
Current				
Highway and streets	3,503,477	3,705,827	3,735,231	(29,404)
Capital outlay	600,000	710,528	590,492	120,036
Total expenditures	<u>4,103,477</u>	<u>4,416,355</u>	<u>4,325,723</u>	<u>90,632</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,382,878)</u>	<u>(1,695,756)</u>	<u>(1,536,600)</u>	<u>159,156</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>1,200,000</u>	<u>2,170,885</u>	<u>1,903,216</u>	<u>(267,669)</u>
Total other financing sources (uses)	<u>1,200,000</u>	<u>2,170,885</u>	<u>1,903,216</u>	<u>(267,669)</u>
Net change in fund balance	(182,878)	475,129	366,616	(108,513)
Fund balance, beginning of year	<u>209,080</u>	<u>209,080</u>	<u>209,080</u>	<u>-</u>
Fund balance, end of year	<u>\$ 26,202</u>	<u>\$ 684,209</u>	<u>\$ 575,696</u>	<u>\$ (108,513)</u>

CITY OF GOODYEAR, ARIZONA
GRANTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET
AND ACTUAL
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 17,237,190	\$ 17,237,190	\$ 3,374,711	\$(13,862,479)
Investment income	-	-	57	57
Total revenues	<u>17,237,190</u>	<u>17,237,190</u>	<u>3,374,768</u>	<u>(13,862,422)</u>
EXPENDITURES				
Current				
General government	12,910,762	15,629,480	40,000	15,589,480
Public safety	261,800	266,182	300,422	(34,240)
Public works	47,680	47,680	7,305	40,375
Culture and recreation	5,400	5,400	5,400	-
Community development	-	-	-	-
Capital outlay	4,296,428	5,152,446	3,179,137	1,973,309
Total expenditures	<u>17,522,070</u>	<u>21,101,188</u>	<u>3,532,264</u>	<u>17,568,924</u>
Net change in fund balance	(284,880)	(3,863,998)	(157,496)	3,706,502
Fund balance, beginning of year	<u>(2,179,269)</u>	<u>(2,179,269)</u>	<u>(2,179,269)</u>	-
Fund balance, end of year	<u><u>\$ (2,464,149)</u></u>	<u><u>\$ (6,043,267)</u></u>	<u><u>\$ (2,336,765)</u></u>	<u><u>\$ 3,706,502</u></u>

CITY OF GOODYEAR, ARIZONA
COMMUNITY FACILITIES DISTRICTS - GENERAL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET
AND ACTUAL
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget- Positive (Negative)
REVENUES				
Taxes	\$ 490,090	\$ 490,090	\$ 500,470	\$ 10,380
Investment income	1,960	1,960	3,958	1,998
Miscellaneous	279,100	279,100	109,452	(169,648)
Total revenues	<u>771,150</u>	<u>771,150</u>	<u>613,880</u>	<u>(157,270)</u>
EXPENDITURES				
Current				
General government	<u>1,636,004</u>	<u>1,636,004</u>	<u>1,172,707</u>	<u>463,297</u>
Total expenditures	<u>1,636,004</u>	<u>1,636,004</u>	<u>1,172,707</u>	<u>463,297</u>
Net change in fund balance	(864,854)	(864,854)	(558,827)	306,027
Fund balance, beginning of year	<u>1,095,057</u>	<u>1,095,057</u>	<u>1,095,057</u>	-
Fund balance, end of year	<u>\$ 230,203</u>	<u>\$ 230,203</u>	<u>\$ 536,230</u>	<u>\$ 306,027</u>

CITY OF GOODYEAR, ARIZONA
CAPITAL IMPROVEMENT PROJECTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET
AND ACTUAL
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 61,209,427	\$ 61,209,427	\$ -	\$ (61,209,427)
Total revenues	<u>61,209,427</u>	<u>61,209,427</u>	<u>-</u>	<u>(61,209,427)</u>
EXPENDITURES				
Capital outlay	61,209,427	44,092,169	-	44,092,169
Total expenditures	<u>61,209,427</u>	<u>44,092,169</u>	<u>-</u>	<u>44,092,169</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>17,117,258</u>	<u>-</u>	<u>(17,117,258)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(11,353)	(11,353)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(11,353)</u>	<u>(11,353)</u>
Net change in fund balance	-	17,117,258	(11,353)	(17,128,611)
Fund balance, beginning of year	<u>11,353</u>	<u>11,353</u>	<u>11,353</u>	<u>-</u>
Fund balance, end of year	<u>\$ 11,353</u>	<u>\$ 17,128,611</u>	<u>\$ -</u>	<u>\$ (17,128,611)</u>

CITY OF GOODYEAR, ARIZONA
MCDOWELL ROAD COMMERCIAL CORRIDOR IMPROVEMENT DISTRICT CAPITAL PROJECTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET
AND ACTUAL
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES				
Capital outlay	951,757	865,105	-	865,105
Total expenditures	951,757	865,105	-	865,105
Excess (deficiency) of revenues over (under) expenditures	(951,757)	(865,105)	-	865,105
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(1,382,196)	(1,382,196)
Total other financing sources (uses)	-	-	(1,382,196)	(1,382,196)
Net change in fund balance	(951,757)	(865,105)	(1,382,196)	(517,091)
Fund balance, beginning of year	1,382,196	1,382,196	1,382,196	-
Fund balance, end of year	\$ 430,439	\$ 517,091	\$ -	\$ (517,091)

CITY OF GOODYEAR, ARIZONA
DEBT SERVICE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET
AND ACTUAL
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 5,627,028	\$ 5,627,028	\$ 5,689,937	\$ 62,909
Investment income	-	-	394	394
Total revenues	<u>5,627,028</u>	<u>5,627,028</u>	<u>5,690,331</u>	<u>63,303</u>
EXPENDITURES				
Debt service				
Principal retirement	2,043,750	2,043,750	2,243,524	(199,774)
Interest and debt costs	1,374,712	1,374,712	1,409,993	(35,281)
Total expenditures	<u>3,418,462</u>	<u>3,418,462</u>	<u>3,653,517</u>	<u>(235,055)</u>
Excess (deficiency) of revenues over (under) expenditures	2,208,566	2,208,566	2,036,814	(171,752)
OTHER FINANCING SOURCES				
Transfers out	(2,208,566)	(2,208,566)	(2,196,644)	11,922
Total other financing sources	<u>(2,208,566)</u>	<u>(2,208,566)</u>	<u>(2,196,644)</u>	<u>11,922</u>
Net change in fund balance	-	-	(159,830)	(159,830)
Fund balance, beginning of year	<u>828,016</u>	<u>828,016</u>	<u>828,016</u>	<u>-</u>
Fund balance, end of year	<u>\$ 828,016</u>	<u>\$ 828,016</u>	<u>\$ 668,186</u>	<u>\$ (159,830)</u>

CITY OF GOODYEAR, ARIZONA
WATER & SEWER ENTERPRISE FUND
SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for service	\$ 18,914,140	\$ 18,914,140	\$ 17,634,821	\$ (1,279,319)
Miscellaneous	2,138,824	2,138,824	636,957	(1,501,867)
Total operating revenue	<u>21,052,964</u>	<u>21,052,964</u>	<u>18,271,778</u>	<u>(2,781,186)</u>
Operating expenses:				
Administration	3,182,238	3,181,168	3,159,924	21,244
Costs of sales and services	26,676,515	29,465,983	5,805,439	23,660,544
Depreciation	-	-	5,508,529	(5,508,529)
Total operating expenses	<u>29,858,753</u>	<u>32,647,151</u>	<u>14,473,892</u>	<u>18,173,259</u>
Operating income (loss)	<u>(8,805,789)</u>	<u>(11,594,187)</u>	<u>3,797,886</u>	<u>15,392,073</u>
Nonoperating revenues (expenses):				
Investment income	221,436	221,436	52,779	(168,657)
Interest expense	(10,048,155)	(10,048,155)	(6,260,040)	3,788,115
Total nonoperating revenues (expenses)	<u>(9,826,719)</u>	<u>(9,826,719)</u>	<u>(6,207,261)</u>	<u>3,619,458</u>
Income (loss) before capital contributions and transfers	(18,632,508)	(21,420,906)	(2,409,375)	19,011,531
Capital contributions	4,735,055	4,735,055	4,570,849	(164,206)
Transfers in	1,408,168	1,408,168	1,454,084	45,916
Transfers out	(2,100,000)	(2,100,000)	(3,100,000)	(1,000,000)
Change in net assets	(14,589,285)	(17,377,683)	515,558	17,893,241
Net assets, beginning of year	<u>170,608,874</u>	<u>170,608,874</u>	<u>170,608,874</u>	<u>-</u>
Net assets, end of year	<u>\$156,019,589</u>	<u>\$153,231,191</u>	<u>\$171,124,432</u>	<u>\$ 17,893,241</u>

CITY OF GOODYEAR, ARIZONA
SANITATION ENTERPRISE FUND
SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Operating revenues:				
Charges for service	\$ 5,510,152	\$ 5,510,152	\$ 5,774,010	\$ 263,858
Miscellaneous	-	-	406	406
Total operating revenue	<u>5,510,152</u>	<u>5,510,152</u>	<u>5,774,416</u>	<u>264,264</u>
Operating expenses:				
Administration	712,371	687,371	651,299	36,072
Costs of sales and services	3,847,849	3,872,849	4,025,544	(152,695)
Depreciation	-	-	138,471	(138,471)
Total operating expenses	<u>4,560,220</u>	<u>4,560,220</u>	<u>4,815,314</u>	<u>(255,094)</u>
Operating income (loss)	<u>949,932</u>	<u>949,932</u>	<u>959,102</u>	<u>9,170</u>
Nonoperating revenues (expenses):				
Investment income	-	-	2,021	2,021
Total nonoperating revenues (expenses)	<u>-</u>	<u>-</u>	<u>2,021</u>	<u>2,021</u>
Income (loss) before transfers	949,932	949,932	961,123	11,191
Transfers out	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>(1,050,000)</u>	<u>(50,000)</u>
Change in net assets	(50,068)	(50,068)	(88,877)	(38,809)
Net assets, beginning of year	<u>2,034,285</u>	<u>2,034,285</u>	<u>2,034,285</u>	<u>-</u>
Net assets, end of year	<u>\$ 1,984,217</u>	<u>\$ 1,984,217</u>	<u>\$ 1,945,408</u>	<u>\$ (38,809)</u>

CITY OF GOODYEAR, ARIZONA
STADIUM ENTERPRISE FUND
SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for service	\$ 1,757,500	\$ 1,757,500	\$ 1,564,324	\$ (193,176)
Miscellaneous	-	-	1,248	1,248
Total operating revenue	<u>1,757,500</u>	<u>1,757,500</u>	<u>1,565,572</u>	<u>(191,928)</u>
Operating expenses:				
Administration	1,913,010	1,993,262	2,035,161	(41,899)
Costs of sales and services	9,443,177	9,773,243	1,492,052	8,281,191
Depreciation	250,000	250,000	2,652,025	(2,402,025)
Total operating expenses	<u>11,606,187</u>	<u>12,016,505</u>	<u>6,179,238</u>	<u>5,837,267</u>
Operating income (loss)	<u>(9,848,687)</u>	<u>(10,259,005)</u>	<u>(4,613,666)</u>	<u>5,645,339</u>
Nonoperating revenues (expenses):				
Investment income	-	-	17,019	17,019
Interest expense	(5,611,436)	(5,611,436)	(5,779,624)	(168,188)
Total nonoperating revenues (expenses)	<u>(5,611,436)</u>	<u>(5,611,436)</u>	<u>(5,762,605)</u>	<u>(151,169)</u>
Income (loss) before transfers	(15,460,123)	(15,870,441)	(10,376,271)	5,494,170
Transfers in	<u>7,466,288</u>	<u>7,466,288</u>	<u>6,086,856</u>	<u>(1,379,432)</u>
Change in net assets	(7,993,835)	(8,404,153)	(4,289,415)	4,114,738
Net assets, beginning of year	<u>23,305,180</u>	<u>23,305,180</u>	<u>23,305,180</u>	<u>-</u>
Net assets, end of year	<u>\$ 15,311,345</u>	<u>\$ 14,901,027</u>	<u>\$ 19,015,765</u>	<u>\$ 4,114,738</u>



Combining Financial Statements

INTERNAL SERVICE FUNDS



CITY OF GOODYEAR, ARIZONA
 COMBINING STATEMENT OF NET ASSETS
 INTERNAL SERVICE FUNDS
 June 30, 2011

	Internal Service Funds		
	Fleet Management	Health Insurance	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 56,949	\$ -	\$ 56,949
Interest receivable	1,167	-	1,167
Inventories	156,402	-	156,402
	<u>214,518</u>	<u>-</u>	<u>214,518</u>
Total assets			
LIABILITIES			
Current liabilities:			
Accounts payable	52,858	-	52,858
Accrued payroll and employee benefits	9,980	-	9,980
Due to other funds	93,714	-	93,714
Unearned revenue	57,966	-	57,966
	<u>214,518</u>	<u>-</u>	<u>214,518</u>
Total liabilities			
NET ASSETS			
Invested in capital assets, net of related debt	-	-	-
Restricted	-	-	-
Unrestricted	-	-	-
Total net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF GOODYEAR, ARIZONA
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 INTERNAL SERVICE FUNDS
 Year Ended June 30, 2011

	Internal Service Funds		
	Fleet Management	Health Insurance	Total
Operating revenues:			
Charges for service	\$ 1,716,091	\$ 500,000	\$ 2,216,091
Miscellaneous	114,240	-	114,240
Total operating revenue	<u>1,830,331</u>	<u>500,000</u>	<u>2,330,331</u>
Operating expenses:			
Administration	565,036	-	565,036
Costs of sales and services	1,151,055	-	1,151,055
Total operating expenses	<u>1,716,091</u>	<u>-</u>	<u>1,716,091</u>
Operating income (loss)	<u>114,240</u>	<u>500,000</u>	<u>614,240</u>
Nonoperating revenues (expenses):			
Investment income	1,250	608	1,858
Total nonoperating revenues (expenses)	<u>1,250</u>	<u>608</u>	<u>1,858</u>
Income (loss) before capital contributions and transfers	115,490	500,608	616,098
Transfers out	<u>(383,225)</u>	<u>(558,310)</u>	<u>(941,535)</u>
Change in net assets	(267,735)	(57,702)	(325,437)
Net assets, beginning of year	<u>267,735</u>	<u>57,702</u>	<u>325,437</u>
Net assets, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF GOODYEAR, ARIZONA
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 Year Ended June 30, 2011

	Internal Service Funds		
	Fleet Management	Health Insurance	Total
Cash flows from operating activities:			
Received from customers	\$ 1,894,325	\$ 500,000	\$ 2,394,325
Payments to vendors	(1,137,420)	-	(1,137,420)
Payments to employees	(584,550)	-	(584,550)
Net cash provided by operating activities	<u>172,355</u>	<u>500,000</u>	<u>672,355</u>
Depreciation and amortization related financing activities:			
Interfund transfers	<u>(383,225)</u>	<u>(558,310)</u>	<u>(941,535)</u>
Net cash (used) for noncapital and related financing activities	<u>(383,225)</u>	<u>(558,310)</u>	<u>(941,535)</u>
Cash flows from investing activities:			
Investment income received	<u>83</u>	<u>608</u>	<u>691</u>
Net cash provided by investing activities	<u>83</u>	<u>608</u>	<u>691</u>
Net change in cash and cash equivalents	(210,787)	(57,702)	(268,489)
Cash and cash equivalents, beginning of year	<u>267,736</u>	<u>57,702</u>	<u>325,438</u>
Cash and cash equivalents, end of year	<u>\$ 56,949</u>	<u>\$ -</u>	<u>\$ 56,949</u>

CITY OF GOODYEAR, ARIZONA
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 Year Ended June 30, 2011

	<u>Internal Service Funds</u>		
	<u>Fleet Management</u>	<u>Health Insurance</u>	<u>Total</u>
Reconciliation of operating income to net cash provided by operating activities			
Operating income	\$ 114,240	\$ 500,000	\$ 614,240
Adjustment to reconcile operating income to net cash provided by operating activities:			
(Increase) decrease in:			
Inventories	(36,914)	-	(36,914)
Increase (decrease) in:			
Accounts payable	50,549	-	50,549
benefits	(19,514)	-	(19,514)
Due to other funds	6,028	-	6,028
Unearned revenue	57,966	-	57,966
Net cash provided by operating activities	<u>\$ 172,355</u>	<u>\$ 500,000</u>	<u>\$ 672,355</u>

Capital Assets Schedules



CITY OF GOODYEAR
 CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS
 SCHEDULE BY SOURCE
 June 30, 2011

Governmental funds capital assets	<u>2011</u>
Land	\$ 19,426,644
Artwork	186,900
Right of Way	90,128,522
Streetscape	8,755,008
Land improvements	2,549,608
Buildings and improvements	130,507,719
Vehicles, machinery and equipment	37,025,590
Infrastructure	335,334,358
Construction in progress	10,682,780
Total governmental funds capital assets	<u>\$ 634,597,129</u>
Investment in governmental funds capital assets by source:	
Government funds	\$ 634,597,129
Total governmental funds capital assets	<u>\$ 634,597,129</u>

CITY OF GOODYEAR
 CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS
 SCHEDULE BY FUNCTION AND ACTIVITY
 June 30, 2011

Function and Activity	Land Right of Way Streetscape	Artwork	Buildings and Improvements
General Government	\$ 6,184,658	\$ -	\$ -
Public Safety	-	-	18,283,377
Highways and Streets	98,883,530	-	-
Culture and Recreation	12,493,223	186,900	813,910
Public Works	3,298,370	-	8,651,418
Total governmental funds capital assets	\$ 120,859,781	\$ 186,900	\$ 27,748,705

<u>Land Improvements</u>	<u>Vehicles, Machinery and Equipment</u>	<u>Infrastructure</u>	<u>Construction in Progress</u>	<u>Total</u>
\$ 159,200	\$ 8,116,641	\$ -	\$ 10,557,980	\$ 25,018,479
62,073	17,631,118	-	-	35,976,568
-	-	335,334,358	-	434,217,888
6,646,487	1,671,745	-	-	21,812,266
95,891,254	9,606,086	-	124,800	117,571,928
<u>\$ 102,759,015</u>	<u>\$ 37,025,590</u>	<u>\$ 335,334,358</u>	<u>\$ 10,682,780</u>	<u>\$ 634,597,129</u>

CITY OF GOODYEAR
 CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS
 SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
 For the fiscal year ended June 30, 2011

Function and Activity	Governmental Funds Capital Assets			Governmental Funds Capital Assets
	July 1, 2010	Additions	Deductions	
General Government	\$ 24,411,649	\$ 3,679,525	\$ (3,072,694)	\$ 25,018,480
Public Safety	35,532,590	1,134,024	(690,046)	35,976,568
Highways and Streets	426,097,682	8,120,205	-	434,217,887
Culture and Recreation	21,625,365	186,901	-	21,812,266
Public Works	114,634,716	3,413,069	(475,857)	117,571,928
Total governmental funds capital assets	<u>\$ 622,302,002</u>	<u>\$ 16,533,724</u>	<u>\$ (4,238,597)</u>	<u>\$ 634,597,129</u>

Statistical Section



STATISTICAL SECTION

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<p>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</p>	
Revenue Capacity (Table 3 – 14)	124
<p>These schedules contain information to help the reader assess the City's most significant local revenue sources, property tax and sales and uses taxes.</p>	
Debt Capacity (Table 15 – 19)	156
<p>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</p>	
Demographic and Economic Statistics (Table 20)	162
<p>These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.</p>	
Operating Information (Table 21 – 24)	163
<p>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</p>	

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

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

	Fiscal Year		
	2011	2010	2009
Governmental Activities			
Invested in Capital Assets, Net of Related Debt	\$ 327,503,686	\$ 317,162,459	\$309,491,989
Restricted	110,105,296	115,881,050	117,787,315
Unrestricted	<u>18,249,626</u>	<u>19,272,548</u>	<u>20,522,420</u>
Total Governmental Activities Net Assets	<u>455,858,608</u>	<u>452,316,057</u>	<u>447,801,724</u>
Business-type Activities			
Invested in Capital Assets, Net of Related Debt	179,254,929	191,582,614	199,696,564
Restricted	3,567,237	-	-
Unrestricted	<u>9,263,439</u>	<u>4,365,725</u>	<u>(11,409,545)</u>
Total Business-type Activities Net Assets	<u>192,085,605</u>	<u>195,948,339</u>	<u>188,287,019</u>
Primary Government			
Invested in Capital Assets, Net of Related Debt	506,758,615	508,745,073	509,188,553
Restricted	113,672,533	115,881,050	117,787,315
Unrestricted	<u>27,513,065</u>	<u>23,638,273</u>	<u>9,112,875</u>
Total Primary Government Net Assets	<u>\$ 647,944,213</u>	<u>\$ 648,264,396</u>	<u>\$636,088,743</u>

Note: The City implemented GASB 34 for the fiscal year ended June 30, 2003. Prior financial statements have not been restated to provide this information.

Source: Statement of Net Assets
City financial records and reports

Table 1

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

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

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

Note:

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

Table 2

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

continued

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

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

Table 2

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

continued

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

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

Note: The City implemented GASB 34 for the fiscal year ended June 30, 2003. Prior financial statements have not been restated to provide this information.

Source: Statement of Net Assets
City financial records and reports

Table 2

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

concluded



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

Fiscal Year	Property Taxes	Sales & Use Taxes	Franchise Taxes	State Shared Revenues - not Restricted to Specific Programs		Highway User Revenue
				State Shared Taxes*	State Revenue Sharing	
2011	\$ 18,548,550	\$ 32,729,749	\$ 2,316,820	\$ 5,201,107	\$ 4,498,039	\$ 2,752,001
2010	21,941,576	31,448,399	2,233,909	4,940,934	5,966,584	2,769,619
2009	22,602,319	34,205,905	2,195,747	5,355,676	6,880,761	3,008,499
2008	18,144,197	42,045,316	2,071,378	6,101,593	6,503,557	3,401,589
2007	12,370,983	45,240,436	1,817,387	6,307,272	5,252,405	3,493,824
2006	9,826,690	37,420,013	1,479,868	3,225,710	1,979,970	1,792,240
2005	8,583,676	21,747,851	1,166,525	2,600,534	1,738,442	1,634,562
2004	7,187,270	17,342,116	958,006	2,582,196	1,705,193	1,469,365
2003	5,718,332	14,610,889	781,808	2,224,251	2,012,719	1,351,013
2002	2,169,086	12,243,826	751,432	2,255,263	1,972,442	1,679,426

Source: City financial records and reports

* Combined State Shared Sales Tax and Vehicle License Tax

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

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

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

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

Table 4

Fiscal Year					
2007	2006	2005	2004	2003	2002
\$ 1,055	\$ 371	\$ 17,116	\$ 16,597	\$ -	\$ -
19,305,179	15,029,430	8,915,836	6,918,462	5,271,160	4,786,758
405,882	600,356	301,797	116,997	26,120	34,008
2,115,344	1,640,534	671,037	352,894	403,567	354,844
815,930	746,566	177,946	92,257	343,762	48,402
9,789,605	8,727,607	6,397,775	5,393,963	4,935,805	4,041,687
3,996,446	3,441,051	2,544,019	2,087,339	1,947,312	1,680,128
2,603,404	1,506,238	1,011,414	693,762	486,911	461,419
944,488	889,513	719,181	527,267	500,620	394,327
3,725,380	643,325	441,333	483,406	612,169	492,499
<u>2,286,662</u>	<u>641,428</u>	<u>633,503</u>	<u>730,151</u>	<u>4,309</u>	<u>11,004</u>
<u>\$ 45,989,375</u>	<u>\$ 33,866,419</u>	<u>\$ 21,830,957</u>	<u>\$ 17,413,095</u>	<u>\$ 14,531,735</u>	<u>\$ 12,305,076</u>

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

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

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

Source: Balance Sheet Governmental Funds
City financial records and reports

Table 5

Fiscal Year						
2008	2007	2006	2005	2004	2003	2002
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42,219,809	61,037,128	53,853,901	29,393,457	18,701,153	12,456,038	11,904,771
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 42,219,809</u>	<u>\$ 61,037,128</u>	<u>\$ 53,853,901</u>	<u>\$ 29,393,457</u>	<u>\$ 18,701,153</u>	<u>\$ 12,456,038</u>	<u>\$ 11,904,771</u>
\$ 15,356,746	\$ 8,726,046	\$ 7,833,170	\$ 6,643,132	\$ 6,388,963	\$ 3,027,055	\$ 4,096,549
10,942,787	7,810,178	21,303,978	9,704,731	-	-	-
-	-	-	-	-	-	-
25,851,665	20,649,813	19,835,781	14,475,469	8,731,725	4,613,137	3,773,232
27,462,037	10,220,953	3,354,296	46,019,494	21,129,201	32,003,402	18,922,708
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 79,613,235</u>	<u>\$ 47,406,990</u>	<u>\$ 52,327,225</u>	<u>\$ 76,842,826</u>	<u>\$ 36,249,889</u>	<u>\$ 39,643,594</u>	<u>\$ 26,792,489</u>

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

	Fiscal Year			
	2011	2010	2009	2008
Revenues				
Taxes	\$ 53,909,300	\$ 55,590,530	\$ 58,734,426	\$ 61,112,204
Licenses and permits	4,541,951	629,979	3,091,729	7,160,922
Intergovernmental	15,825,858	16,464,531	16,827,730	17,361,565
Charges for services	3,978,325	7,402,083	6,387,350	19,117,473
Rents and royalties	-	-	-	-
Fines and forfeits	849,060	846,143	686,557	678,594
Investment income	225,588	178,715	148,220	4,268,447
Participation by others	-	-	-	-
Special assessments	4,859,749	6,522,924	3,065,304	2,228,149
Impact fees	-	-	-	-
Contributions	2,707,926	3,042,851	3,403,370	8,260,888
Miscellaneous	157,090	1,942,018	593,684	4,075,010
Total Revenues	<u>87,054,847</u>	<u>92,619,774</u>	<u>92,938,370</u>	<u>124,263,252</u>
Expenditures				
General Government	8,194,510	6,943,802	3,945,126	5,486,915
Police	13,506,835	13,752,875	14,082,452	13,295,314
Financial Services	2,160,642	2,605,931	4,803,801	4,850,217
Community Services	-	-	1,248,219	1,329,505
Information Services	2,346,507	2,339,204	2,221,606	2,834,417
Fire	10,538,180	10,615,080	11,961,508	11,277,737
Municipal Services	1,389,266	1,497,249	1,567,179	1,547,460
Human Resources	1,822,793	1,929,973	2,215,237	1,995,841
Community Development	4,376,985	4,654,052	9,723,957	9,262,010
Culture and Recreation	3,936,203	3,882,621	4,393,748	4,667,176
Highways and Streets	3,808,328	4,098,986	5,686,483	3,994,494
Public Works	3,047,742	3,075,759	3,901,157	4,261,005
Debt Service:				
Principal retirement	11,254,524	10,942,758	7,392,618	5,141,143
Interest and debt cost	10,645,162	11,158,130	11,930,502	10,466,384
Capital outlay	9,234,659	13,494,149	47,556,824	135,249,363
Total Expenditures	<u>86,262,336</u>	<u>90,990,569</u>	<u>132,630,417</u>	<u>215,658,981</u>
Excess of Revenues over (under)				
Expenditures	<u>792,511</u>	<u>1,629,205</u>	<u>(39,692,047)</u>	<u>(91,395,729)</u>

Table 6

Fiscal Year					
2007	2006	2005	2004	2003	2002
\$ 59,346,833	\$ 48,669,770	\$ 31,501,700	\$ 25,507,299	\$ 21,092,384	\$ 17,493,808
8,905,743	10,593,032	7,899,726	6,785,229	3,845,730	2,729,164
16,456,618	7,691,531	6,288,957	5,811,389	5,985,075	8,442,804
14,921,767	12,590,311	9,894,288	9,057,321	5,805,188	1,621,233
-	-	-	-	-	18,391
584,316	482,604	364,301	332,046	365,136	288,301
4,723,886	4,436,598	1,079,719	567,142	(499,021)	861,929
-	-	-	-	-	1,842,726
2,228,646	2,197,445	2,580,510	1,555,984	1,654,637	1,446,388
-	-	-	-	-	1,946,971
14,245,039	1,717,842	2,401,107	1,562,190	-	125,211
1,046,124	1,433,513	1,641,295	600,649	4,940,329	2,803,272
<u>122,458,972</u>	<u>89,812,646</u>	<u>63,651,603</u>	<u>51,779,249</u>	<u>43,189,458</u>	<u>39,620,198</u>
8,637,828	3,871,939	2,482,603	3,138,823	4,469,126	3,849,495
10,262,437	8,674,983	7,853,958	6,643,972	6,097,075	5,607,832
2,209,677	1,550,946	1,553,016	1,240,958	1,148,502	1,089,136
1,255,467	1,190,116	1,012,533	787,635	189,763	122,636
1,622,556	1,593,403	1,434,932	1,138,348	1,907,004	1,129,707
8,842,402	7,332,103	5,163,911	4,529,680	4,879,245	4,385,622
1,102,875	848,612	704,584	879,352	734,689	704,381
1,973,845	1,360,762	1,276,457	985,334	1,525,546	1,369,745
6,028,162	6,599,788	6,636,525	5,543,191	864,434	767,620
3,431,934	2,381,569	2,128,218	1,699,797	1,621,308	1,504,652
4,756,383	3,647,507	2,128,408	1,804,454	2,817,472	3,764,721
4,294,102	2,154,782	1,917,725	2,002,948	2,432,247	2,967,970
4,836,000	3,777,600	5,327,354	2,971,580	3,319,857	2,324,200
5,740,194	5,313,243	5,825,352	4,020,706	3,901,382	3,152,550
<u>71,999,738</u>	<u>14,819,302</u>	<u>10,039,532</u>	<u>40,712,284</u>	<u>11,449,411</u>	<u>15,747,085</u>
<u>136,993,600</u>	<u>65,116,655</u>	<u>55,485,108</u>	<u>78,099,062</u>	<u>47,357,061</u>	<u>48,487,352</u>
<u>(14,534,628)</u>	<u>24,695,991</u>	<u>8,166,495</u>	<u>(26,319,813)</u>	<u>(4,167,603)</u>	<u>(8,867,154)</u>

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

	Fiscal Year			
	2011	2010	2009	2008
Other Financing Sources and (Uses)				
Transfer in	\$ 8,388,300	\$ 6,376,290	\$ 4,123,384	\$ 11,561,671
Transfer out	(10,837,705)	(14,191,575)	(11,874,691)	(21,005,748)
Debt issuance	-	105,000	604,500	112,248,000
Debt premium	-	5,733	5,722	2,300,192
Refunding Bonds	-	-	-	6,415,000
Payment to refunded bond escrow agent	-	-	(3,585,000)	(6,734,459)
 Total Other Financing Sources and (Uses)	 <u>(2,449,405)</u>	 <u>(7,704,552)</u>	 <u>(10,726,085)</u>	 <u>104,784,656</u>
 Net Change in Fund Balances	 <u>\$ (1,656,894)</u>	 <u>\$ (6,075,347)</u>	 <u>\$ (50,418,132)</u>	 <u>\$ 13,388,927</u>
 Debt Service as a Percentage of Noncapital Expenditures	 28.4%	 28.5%	 17.5%	 10.8%

Source: City financial records and reports

Table 6

Fiscal Year					
2007	2006	2005	2004	2003	2002
\$ 17,288,179	\$ 18,210,420	\$ 2,933,372	\$ 2,242,149	\$ 8,994,203	\$ 7,799,778
(17,387,710)	(47,966,568)	(2,299,219)	(3,042,148)	(6,736,265)	(5,831,078)
16,969,302	5,005,000	42,005,000	27,050,000	16,010,000	5,078,915
(72,151)	-	479,593	-	272,362	-
-	-	-	-	2,300,000	-
-	-	-	-	-	-
<u>16,797,620</u>	<u>(24,751,148)</u>	<u>43,118,746</u>	<u>26,250,001</u>	<u>20,840,300</u>	<u>7,047,615</u>
<u>\$ 2,262,992</u>	<u>\$ (55,157)</u>	<u>\$ 51,285,241</u>	<u>\$ (69,812)</u>	<u>\$ 14,240,042</u>	<u>\$ (1,819,539)</u>
12.4%	17.9%	21.6%	18.7%	18.8%	16.7%



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

Fiscal Year	Property Taxes	Sales & Use Taxes	Franchise Taxes	State Shared Revenues - not Restricted for Specific Programs		Highway User Revenue
				State Shared Sales	State Revenue Sharing	
2011	\$ 18,862,731	\$ 32,729,749	\$ 2,316,820	\$ 5,201,107	\$ 4,498,039	\$ 2,752,001
2010	21,908,223	31,183,096	2,233,909	4,940,934	5,966,584	2,769,619
2009	22,332,774	34,205,906	2,195,748	5,355,676	6,880,761	3,008,499
2008	18,004,766	41,036,060	2,071,378	6,101,593	6,503,557	3,401,589
2007	12,289,010	45,240,436	1,817,387	6,307,272	5,252,405	3,493,824
2006	9,769,889	37,420,013	1,479,868	3,225,710	1,979,970	1,792,240
2005	8,583,676	22,475,427	1,166,525	2,600,534	1,738,442	1,634,562
2004	7,187,270	17,869,383	958,006	2,582,196	1,705,193	1,469,365
2003	5,718,332	15,111,509	781,808	2,224,251	2,012,719	1,351,013
2002	4,460,668	13,427,467	751,432	2,255,263	1,972,442	1,679,426

Source: City financial records and reports

City of Goodyear
Property Tax Rates
Direct and Overlapping Governments¹
Last Six 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
2011	\$ 0.7603	\$ 0.6630	1.4233	\$ 1.0508	\$ 0.0412	\$ 0.0066	\$0.1489	\$ 0.3564
2010	0.6320	0.9679	1.5999	0.9909	0.0353	0.0057	0.1367	0.3306
2009	0.6678	0.9322	1.6000	1.0327	0.0353	0.0053	0.1367	-
2008	0.7321	0.8679	1.6000	1.1046	0.0391	0.0053	0.1533	-
2007	0.7945	0.7991	1.5936	1.1794	0.0507	0.0068	0.2047	-
2006	0.8222	0.7778	1.6000	1.1971	0.0521	0.0069	0.2119	0.4358

* = Assessed / Acreage Basis

Note: Data not available prior to 2006

¹ Source: Maricopa County Assessor's Office

Overlapping Rates									
County-Wide Jurisdictions					School Districts				
Fiscal Year	Community College Rate	Central Arizona Project Rate	Special Health Care District Rate	Total County Rate	Agua Fria/ Avondale Rate	Agua Fria/ Litchfield Rate	Buckeye/ Liberty Rate	Tolleson/ Littleton Rate	Mobile Rate
2011	\$ 0.9728	\$ 0.1000	\$ 0.1122	\$ 2.7889	\$ 5.3923	\$ 5.3658	\$ 6.1069	\$ 6.1935	\$ 5.4994
2010	0.8844	0.1000	0.0914	2.5750	6.0066	5.3164	5.2568	5.8681	6.2147
2009	0.9386	0.1000	0.0856	2.3342	5.7554	4.9382	5.5581	6.3843	8.3984
2008	0.9760	0.1000	0.0935	2.4718	6.4298	5.3545	6.7267	6.8078	N/A
2007	1.0646	0.1200	0.1184	2.7446	7.8564	6.8558	7.3005	7.3586	N/A
2006	1.0315	0.1200	0.1206	3.1759	7.8631	6.9430	7.4944	8.3794	N/A

continued

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

Overlapping Rates

Other Special Taxing Districts

Fiscal Year	West			Estrella			
	Maricopa Education Center District Rate	Central Arizona GRD Rate	Roosevelt Irrigation District Rate*	Centerra Community Facilities District Rate	Cortina Community Facilities District Rate	Cottonflower Community Facilities District Rate	Mtn. Ranch Community Facilities District Rate
2011	\$ 0.5000	\$ 1.0000	\$ 17.1000	\$ 2.3797	\$ 2.2087	\$ 2.9776	\$ 1.3000
2010	0.0500	1.0000	17.1000	2.6829	1.2146	2.1198	1.3000
2009	0.0500	1.0000	17.1000	2.6965	0.1520	1.2843	1.3000
2008	0.0500	1.0000	15.0000	3.0000	2.8500	1.7639	1.3000
2007	0.0500	1.0000	15.0000	3.0000	2.8500	3.0000	1.3000
2006	0.0500	1.0000	15.0000	3.0000	2.8500	3.0000	1.3000

Table 8

Overlapping Rates						
Other Special Taxing Districts						
Fiscal Year	Goodyear Community Facilities General District #1 Rate	Goodyear Community Facilities Utilities District #1 Rate	Palm Valley Community Facilities District #3 Rate	King Ranch Community Facilities District Rate	Wildflower Community Facilities General District #1 Rate	Wildflower Community Facilities General District #2 Rate
2011	\$ 0.7570	\$ 1.0000	\$ 1.2952	\$ 0.3000	\$ 2.2891	\$ 2.5496
2010	0.6629	1.0000	0.2165	0.3000	1.5905	1.6561
2009	0.5313	1.0000	1.7949	0.3000	1.1703	1.3143
2008	0.8040	1.0000	1.6295	0.3000	1.3123	1.4154
2007	1.0000	1.0000	2.0000	0.3000	2.1340	2.3935
2006	1.0000	1.0000	0.3000	-	2.1893	2.3547

concluded



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

Taxpayer	Fiscal Year					
	2011			2003		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Arizona Public Service Company	\$ 21,998,911	1	2.59%	\$ 7,739,112	3	3.48%
VHS of South Phoenix, Inc.	14,589,354	2	1.72%	-		
NNP III Estrella Mountain Ranch, LLC	14,447,700	3	1.70%	-		
Macy's Retail Holdings, Inc.	8,463,230	4	1.00%	-		
Suncor Development Company	8,362,053	5	0.99%	14,143,894	1	6.36%
First American Title Insurance Company	8,342,423	6	0.98%	3,580,451	6	1.61%
DH Goodyear, LLC	7,254,270	7	0.85%	2,246,121	8	1.01%
The Market at Estrella Falls, LLC	7,198,390	8	0.85%	-		
Vestar Arizona XL III, LLC	6,619,055	9	0.78%	-		
Meritage Homes of Arizona, Inc.	6,143,253	10	0.72%	-		
Rubbermaid, Inc.	-			8,339,560	2	3.75%
Sun Chase Estrella LP	-			6,560,454	4	2.95%
McLane Company	-			4,492,243	5	2.02%
Qwest Communications	-			2,646,420	7	1.19%
Byrd Enterprises of Arizona Inc.	-			2,068,211	9	0.93%
Southwest Gas Corporation	-			1,801,345	10	0.81%
Total	<u>\$ 103,418,639</u>		<u>12.18%</u>	<u>\$ 53,617,811</u>		<u>24.11%</u>

Note: Data not available prior to 2003

Source: Maricopa County Treasurer

City of Goodyear
 Assessed Value and Estimated Actual Value of Taxable Property¹
 Last Six Fiscal Years
 (Unaudited)

Fiscal Year Ended June 30	Total Assessed Value Residential Property	Total Assessed Value Commercial Property	Agricultural/ Vacant Land	Other	Less: Tax-Exempt Property	Net Assessed Value
2011	\$ 405,850,285	\$ 297,842,341	\$308,078,489	\$ 33,349	\$ 163,045,578	\$ 848,758,886
2010	497,383,109	284,491,038	374,640,069	28,842	173,686,635	982,856,423
2009	586,181,619	211,360,209	323,172,973	30,053	120,023,805	1,000,721,049
2008	464,968,904	159,482,762	221,884,779	30,978	82,130,285	764,237,138
2007	259,063,526	131,663,157	164,267,777	47,639	60,129,086	494,913,013
2006	219,161,231	109,929,249	97,388,312	226,783	35,549,177	391,156,398

Note: Data prior to 2006 is not available.

Source: Maricopa County Assessor's Office

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

Table 10

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

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

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	\$ 11,650,452	\$ 11,524,990	98.92%	\$ 123,357	\$ 11,648,347	99.98%
2010	14,959,898	14,527,751	97.11%	96,134	14,623,885	97.75%
2009	14,460,290	13,888,743	96.05%	44,605	13,933,348	96.36%
2008	10,843,797	10,706,881	98.74%	77,686	10,784,567	99.45%
2007	7,424,246	7,257,013	97.75%	49,075	7,306,088	98.41%
2006	6,070,318	5,923,200	97.58%	49,184	5,972,384	98.39%
2005	6,049,416	5,974,482	98.76%	-	5,974,482	98.76%
2004	5,096,682	4,982,963	97.77%	-	4,982,963	97.77%
2003	4,287,085	4,112,585	95.93%	-	4,112,585	95.93%
2002	3,204,131	3,102,195	96.82%	51,203	3,153,398	98.42%

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

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

City of Goodyear
Utility Statistical Data
Ten Largest Water Users
Last Four Fiscal Years
(Unaudited)

Entity	Type of User	Fiscal Year							
		2011		2010		2009		2008	
		Rank	Fees & Charges	Rank	Fees & Charges	Rank	Fees & Charges	Rank	Fees & Charges
Canyon Trails 3	Homeowner's Association	1	\$ 194,610	1	\$ 197,098	2	\$ 175,863	8	\$ 93,896
Canyon Trails HOA	Homeowner's Association	2	188,461	2	189,539	1	197,693		-
Canyon Trails Unit 4	Homeowner's Association	3	138,598	3	164,577	3	154,868	5	145,474
Avondale School	School	4	124,054	7	102,992	8	92,499	6	105,348
Canyon Trails 4 - South	Homeowner's Association	5	109,247	4	139,712	4	143,926	2	166,139
Agua Fria High School	School	6	103,049	6	104,297	6	113,045	1	173,266
Sarival Paseo Joint Community	Homeowner's Association	7	81,057	8	99,371	5	127,107	3	154,195
Park Shadows	Apartments	8	76,277	10	67,355	9	70,677	9	76,401
Cottonflower Goodyear Community	Homeowner's Association	9	69,994	9	74,265		-		-
Cancer Treatment Center	Hospital	10	66,878		-		-		-
Centerra, LLC	Homeowner's Association		-	5	121,117	7	106,752	7	102,443
Pueblo Verda HOA	Homeowner's Association		-		-	10	65,138		-
Evergreen Lawn Sprinklers	Homeowner's Association		-		-		-	4	148,800
Estrella Vista HOA	Homeowner's Association		-		-		-	10	64,527
Total			\$ 1,152,225		\$ 1,260,323		\$ 1,247,568		\$ 1,230,489
Total as a percent of total FY2011, FY 2010, FY 2009 & FY 2008									
Water System Operating Revenue									
			<u>12.51%</u>		<u>14.10%</u>		<u>14.00%</u>		<u>13.94%</u>

Note: Water information not available prior to FY 2008

Source: City customer service and billing records



City of Goodyear
Utility Statistical Data
Ten Largest Wastewater Users
Last Four Fiscal Years
(Unaudited)

Entity	Type of User	Fiscal Year							
		2011		2010		2009		2008	
		Rank	Fees & Charges	Rank	Fees & Charges	Rank	Fees & Charges	Rank	Fees & Charges
Arizona State Prison/Perryville	Prison	1	\$ 287,556	1	\$ 287,556	1	\$ 310,582	1	\$ 317,331
Park Shadows	Apartments	2	65,937	2	54,303	2	50,718	2	50,512
Fairfield Development	Real Estate	3	59,617	4	42,942	3	37,170		-
Cancer Treatment Center	Hospital	4	58,978	3	48,613		-		-
Fairfield Centerra	Real Estate	5	53,771	6	38,030		-		-
Poore Brothers, Inc.	Food Manufacturer, Snacks	6	43,509	7	31,889	5	29,681	6	22,656
Airport Training Center	Airport	7	37,031	5	40,286	4	31,970	5	22,656
Avondale Elementary	Education	8	35,052	10	26,585	6	28,237	7	21,794
Pem Investments	Real Estate	9	34,657	8	28,887		-		-
Alliance Residential	Real Estate	10	34,442	9	28,260	9	20,015		-
Country Air Apartments	Apartments		-		-		-		-
Agua Fria Union High School District	Education		-		-	7	25,516	3	32,000
McLane Sunwest	Grocery Distributor		-		-	8	22,180	8	19,253
Americas Best Value Inn	Hotel		-		-	10	19,547		-
Wal-Mart Stores, Inc.	Grocery Retail		-		-		-	4	24,273
La Jolla Court, Inc.	Apartments		-		-		-	9	18,044
Estrella Joint Committee	Homeowner's Association		-		-		-	10	17,581
Total			<u>\$ 710,550</u>		<u>\$ 627,351</u>		<u>\$ 575,616</u>		<u>\$ 546,100</u>
Total as a percent of total FY 2011, 2010, FY 2009 & FY 2008									
Wastewater System Operating Revenue			<u>8.47%</u>		<u>8.81%</u>		<u>9.01%</u>		<u>8.74%</u>

Note: Wastewater information not available prior to FY 2008

Source: City customer service and billing records

City of Goodyear
Schedule of Existing and Adopted
Monthly Water & Sewer Service Charges (2011 - 2013) (1)
(Unaudited)

<u>Description of Water System Services</u>	<u>Existing Fees</u>	<u>Adopted 2011</u>	<u>Adopted 2012</u>	<u>Adopted 2013</u>
Base Charge				
(Meter Size)				
3/4 Inch	\$ 9.69	\$ 9.94	\$ 10.05	\$ 10.23
1 Inch	10.95	11.81	12.74	14.14
1 1/2 Inch	13.56	16.36	19.74	22.86
2 Inches	21.47	26.22	32.02	37.01
3 Inches	38.05	48.43	61.64	70.67
4 Inches	69.78	83.36	99.58	115.24
6 Inches	135.11	159.83	189.08	218.71
Monthly Volume Charge - Residential				
0 - 6,000 gallons (per thousand)	\$ 1.27 (2)	\$ 1.32	\$ 1.46	\$ 1.18
6,001 - 12,000 (per thousand)	2.54 (3)	2.64	2.92	2.36
12,001 - 30,000 (per thousand)	3.81 (4)	3.96	4.38	3.54
30,001+ gallons (per thousand)	4.95	5.15	5.69	5.69
Monthly Volume Charge - Commercial				
0 - 40,000 gallons (per thousand)	\$ 1.70	\$ 2.30	\$ 2.60	\$ 3.00
40,001 - 100,000 gallons (per thousand)	2.72	3.68	4.16	4.80
100,001+ gallons (per thousand)	3.54	4.78	5.41	6.24

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

(2) Monthly volume change for fees is 0 - 8,000 gallons (per thousand).

(3) Monthly volume change for fees is 8,000 - 20,000 gallons (per thousand).

(2) Monthly volume change for fees is 20,001 - 30,000 gallons (per thousand).

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

Schedule of Water System Rate Increases (2011-2013) (1)

Date	Rate <u>Increase</u>
Fiscal Year 2011	7.50%
Fiscal Year 2012	9.40%
Fiscal Year 2013	0.00%

(1) Rate increases were adopted, but are subject to change at the discretion of City Council.

Source: City of Goodyear Finance Department.

<u>Description of Sewer System Services</u>	<u>Existing Fees</u>	Adopted <u>2011</u>	Adopted <u>2012</u>	Adopted <u>2013</u>
Residential Sewer Service				
Base Charge	(See below)			
Volume Charge (per 1,000 gallons)	\$ 4.05	\$ 4.45	\$ 4.90	\$ 5.78
General Commercial Sewer Service				
Base Charge	(See below)			
Volume Charge (per 1,000 gallons)	\$ 4.05	\$ 4.45	\$ 4.90	\$ 5.78
Base Charge				
(Meter Size)				
3/4 Inch	\$ 16.19	\$ 17.52	\$ 18.96	\$ 21.12
1 Inch	20.05	23.70	28.02	32.41
1 1/2 Inch	25.57	29.75	34.61	39.94
2 Inches	44.34	54.57	67.16	77.58
3 Inches	72.04	84.74	99.68	115.22
4 Inches	122.19	130.37	139.10	152.86
6 Inches	247.06	285.03	328.83	378.70

Schedule of Wastewater System Rate Increases (2011-2013) (1)

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

(1) Rate increases were adopted, but are subject to change at the discretion of City Council.

Source: City of Goodyear Finance Department.

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

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

Note: Data prior to 2006 is not available.

Source: City Financial Records and Reports

Business-Type Activities								
Public Improvement Corporation			Water Infrastructure Finance Authority		Water Rights	Total	Percentage of Personal Income	Per Capita
General Obligation Bonds	Municipal Facilities Revenue Bond	Revenue Bonds	Loan					
\$91,121,543	\$102,300,000	\$32,245,000	\$ 12,554,096	\$ -	\$439,926,724	20.66%	\$6,609	
92,753,019	102,300,000	17,040,000	9,925,289	10,314,041	445,292,958	24.92%	6,858	
88,282,261	102,300,000	2,370,000	8,866,108	11,173,544	440,790,280	24.89%	7,047	
88,125,143	67,850,000	2,345,000	9,443,400	-	394,179,400	25.65%	6,742	
54,145,000		2,460,000	9,985,012	-	185,989,012	12.34%	3,335	
28,990,000		2,580,000	10,505,512	-	149,485,512	11.74%	3,007	

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

Fiscal Year Ended June 30	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage Estimated Actual Taxable Value of Property	Per Capita
2011	\$122,480,000	\$ 668,186	\$ 121,811,814	11.47%	\$ 1,830
2010	126,355,000	828,016	125,526,984	11.40%	1,933
2009	124,125,000	592,244	123,532,756	11.40%	1,975
2008	129,845,000	3,026,753	126,818,247	11.40%	2,169
2007	90,195,000	587,476	89,607,524	12.00%	1,607
2006	56,270,000	210,498	56,059,502	12.00%	1,128
2005	58,265,000	123,863	58,141,137	17.77%	1,410
2004	30,395,000	499	30,394,501	11.49%	849
2003	22,270,000	-	22,270,000	10.01%	733
2002	11,210,000	-	11,210,000	6.43%	420

Note: Data prior to 2002 not available.

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

City of Goodyear
Direct and Overlapping Governmental Activities Debt
As of June 30, 2011
(Unaudited)

Governmental Unit	Secondary Assessed Valuation	Debt Outstanding	Estimated Percentage Applicable (a)	Estimated Share of Overlapping Debt
Debt repaid with property taxes and special assessment liens				
Overlapping Debt:				
Maricopa County	\$ 49,662,543,618	\$ -	1.7000%	\$ -
Maricopa County Community College District	49,662,543,618	653,040,000	1.7000%	11,101,680
Avondale Elementary School District #44	500,052,984	33,050,000	78.1200%	25,818,660
Liberty Elementary School District #25	282,255,404	7,875,000	48.1600%	3,792,600
Litchfield Elementary School District #79	782,205,291	35,705,000	36.8200%	13,146,581
Agua Fria Union High School District #216	1,282,258,275	52,485,000	51.6200%	27,092,757
Buckeye Union High School District #201	915,497,793	56,960,000	15.5100%	8,834,496
Centerra Community Facilities District	14,667,214	3,510,000	100.0000%	3,510,000
Cortina Community Facilities District	10,849,319	2,455,000	100.0000%	2,455,000
Cottonflower Community Facilities District	9,913,873	2,745,000	100.0000%	2,745,000
Estrella Mountain Ranch Community Facilities District	76,781,994	17,055,000	100.0000%	17,055,000
Goodyear Community Facilities Utilities District #1	319,823,541	50,640,000	100.0000%	50,640,000
Goodyear Community Facilities General District #1	152,360,941	12,425,000	100.0000%	12,425,000
Palm Valley Community Facilities District #3	55,597,503	8,015,000	100.0000%	8,015,000
Wildflower Ranch Community Facilities General District #1	6,179,510	1,035,000	100.0000%	1,035,000
Wildflower Ranch Community Facilities General District #2	6,161,271	1,220,000	100.0000%	1,220,000
Subtotal of overlapping debt	<u>\$ 103,739,692,149</u>	<u>\$ 938,215,000</u>		<u>\$ 188,886,774</u>
Direct Debt:				
City of Goodyear	848,758,886	129,940,000	100.0000%	129,940,000

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

Sources: Maricopa County Department of Finance, Maricopa County Assessor's Office and Official Statements

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

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

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

	Fiscal Year					
	2011	2010	2009	2008	2007	2006
Secondary Assessed Value	\$ 848,758,886	\$ 982,856,423	\$ 1,000,721,049	\$ 764,237,138	\$ 494,913,013	\$ 391,377,371
<u>20% Limitation</u>						
Debt Limit Equal to 20% of Assessed Valuation	169,751,777	196,571,285	200,144,210	152,847,428	98,982,603	78,275,474
Total Debt Applicable to 20% Limit	<u>122,205,000</u>	<u>126,070,000</u>	<u>123,830,000</u>	<u>129,540,000</u>	<u>90,195,000</u>	<u>47,795,000</u>
Legal 20% Debt Margin (Available Borrowing Capacity)	<u>\$ 47,546,777</u>	<u>\$ 70,501,285</u>	<u>\$ 76,314,210</u>	<u>\$ 23,307,428</u>	<u>\$ 8,787,603</u>	<u>\$ 30,480,474</u>
Total net debt applicable to the limit as a percentage of debt limit	71.99%	64.13%	61.87%	84.75%	91.12%	61.06%
<u>6% Limitation</u>						
Debt Limit Equal to 6% of Assessed Valuation	\$ 50,925,533	\$ 58,971,385	\$ 60,043,263	\$ 45,854,228	\$ 29,694,781	\$ 23,482,642
Total Debt Applicable to 6% Limit	<u>275,000</u>	<u>285,000</u>	<u>295,000</u>	<u>305,000</u>	<u>-</u>	<u>8,475,000</u>
Legal 6% Debt Margin (Available Borrowing Capacity)	<u>\$ 50,650,533</u>	<u>\$ 58,686,385</u>	<u>\$ 59,748,263</u>	<u>\$ 45,549,228</u>	<u>\$ 29,694,781</u>	<u>\$ 15,007,642</u>
Total net debt applicable to the limit as a percentage of debt limit	0.54%	0.48%	0.49%	0.67%	0.00%	36.09%

Note: Data prior to 2006 is not available.

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

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

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

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

Note: Data prior to 2006 is not available.

* PIC 2007 Bonds issued in FY2008 & PIC 2008 Bonds issued in FY2009

Source: City Financial Records and Reports

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

Fiscal Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Median Age	Education Level in Years of Schooling	Unemployment Rate
2011	66,564	\$ 2,129,116	\$ 31,986	33.5	13 to 16	6.4%
2010*	65,275	1,796,433	27,521	35.5	13 to 16	6.6%
2009	62,554	1,771,217	28,315	39.1	13 to 16	5.8%
2008	58,462	1,536,966	26,290	36.1	13 to 16	3.0%
2007	55,775	1,507,375	27,026	36.3	13 to 16	2.3%
2006	49,714	1,274,269	25,632	35.7	13 to 16	2.3%

Note: Data prior to 2006 is not available.

Source: City Financial Records and Reports

*Obtained from 2010 Census

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

Major Corporation	Fiscal Year			Fiscal Year		
	2011		Percentage of Total City Employment*	2003		Percentage of Total City Employment*
	Employees	Rank		Employees	Rank	
Arizona State Prison/Perryville	956	1	3.19%	825	1	6.28%
Lockheed Martin	870	2	2.90%			0.00%
West Valley Hospital	670	3	2.23%			0.00%
Macy's	532	4	1.77%			0.00%
City of Goodyear	511	5	1.70%	200	8	1.52%
McLane Sunwest	374	6	1.25%	450	2	3.42%
Amazon.com	357	7	1.19%			0.00%
Wal-Mart Supercenter	340	8	1.13%			0.00%
Cancer Treatment Centers of America	325	9	1.08%			0.00%
Sub-Zero / Wolf	284	10	0.95%			0.00%
Newell Rubbermaid, Inc.			0.00%	250	5	1.90%
Timco Aviation Services			0.00%	430	3	3.27%
Cavco Industries, Inc.			0.00%	400	4	3.04%
Fry's Food and Drug Store			0.00%	225	6	1.71%
Aviation Management Systems			0.00%	220	7	1.67%
Target			0.00%	175	9	1.33%
Lufthansa-German Airlines			0.00%	170	10	1.29%
Total	<u>5,219</u>		<u>17.41%</u>	<u>3,345</u>		<u>25.44%</u>

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

¹Source: City Records

*2011 labor force = 29,984; 2003 labor force = 13,147



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

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

Note: Data prior to 2006 is not available.

Source: City Financial Records and Reports

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

Function	Fiscal Year					
	2011	2010	2009	2008	2007	2006
General Government						
<i>City Clerk's Office</i>						
# of records requests	550	504	613	648	576	180
<i>City Prosecutor's Office</i>						
Charges filed/charges adjudicated (resolved)	3,380	3,395	2,494	2,469	3,653	2,692
<i>City Manager's Office</i>						
% of survey respondents rating "Your Neighborhood as a Place to Live" as good to excellent	90%	90%	94%	94%	94%	91%
<i>Communications & Public Information</i>						
News releases/media updates	150	235	161	182	129	92
Traffic construction alerts	349	253	1,135	462	215	267
Total newsletter pages sent to citizens	144	176	186	136	116	42
Web pages created/updated	4,215	4,825	5,721	5,788	4,296	2,520
Number of visits to website	703,174	715,285	738,949	1,509,717	1,322,259	840,757
Number of web pages viewed	2,104,553	2,208,180	2,346,423	7,203,478	4,865,081	5,318,311
Number of graphics/photography projects completed	230	217	200	200	175	140
Police						
# Total arrests	2,254	4,731	2,829	2,614	2,814	2,603
# Moving violations citations	12,581	11,810	13,313	11,452	12,422	12,175
Fire						
# Emergency responses	6,597	5,570	5,328	3,431	3,236	1,960
# Fire extinguished	235	226	270	143	154	150
# Inspections	3,229	4,262	3,953	3,427	2,403	759
Financial Services						
# accounts payable checks issued	6,413	8,024	10,184	9,949	9,305	9,014
# purchase orders	1,344	1,147	918	1,043	1,002	1,067
# water meters read annually	170,657	168,647	163,444	155,805	147,241	125,382
Information Services						
# documents requests for service (Help Desk tickets)	4,108	3,637	5,045	6,052	4,000	3,477
# of SPAM emails blocked from being delivered to the staff	5,126,114	11,948,508	15,370,086	5,214,519	3,587,184	878,595
# of emails received	6,102,710	12,857,998	16,327,382	6,008,336	4,264,236	1,246,386
Planning and Development						
Customer wait-time (in minutes) at One Stop Shop	< 3	< 3	< 5	< 5	< 5	< 5
Total Number of Permits Issued	3,269	4,232	3,401	5,874	1,340	7,859
Provide applicant with pre-application meeting within 30 days of submitting request	100%	100%	100%	100%	100%	100%
% of inspections performed within 24 hours of request	100%	100%	100%	100%	100%	100%
Human Resources						
# of new hires (FT & PT)	125	247	158	179	164	174
HR operating cost as a % of City payroll	4.11%	4.18%	4.11%	4.36%	5.50%	5.26%

continued

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

Function	Fiscal Year					
	2011	2010	2009	2008	2007	2006
Parks and Recreation						Table 23
# attending Park & Recreation facilities and Libraries annually	54,428	52,241	51,844	49,111	50,093	46,330
# of square feet of medians and rights of way maintained *	22,696,736	22,175,027	22,118,000	15,320,000	15,320,000	15,320,000
Economic Vitality						
Sales Tax growth (% annual change)	4.42%	-10.40%	-12.30%	-10.25%	21%	70%
Bed Tax growth (% annual change)	-7.31%	-3.90%	-15%	6%	7%	23%
Municipal Services						
# of homes serviced by Residential Refuse Collection	21,489	20,928	20,149	19,811	18,664	17,228
# of citizens serviced by Household Hazardous Waste collection program	729	848	-	634	510	531
Water Service						
Water Service Connections	14,588	14,488	13,975	13,500	13,051	11,597
Drinking Water Supplied (million gallons per day)	11.40	11.10	11.00	10.80	6.86	6.95
Reclaimed Water Supplied (million gallons per day)	0.37	0.23	0.45	0.27	0.09	0.09
Wastewater						
Sewer Service Connections	16,743	16,144	16,144	13,500	11,398	5,037
Sewage Treated (millions gallons per day)	3.73	3.73	3.70	3.24	2.48	2.29
Other Public Works						
Street resurfacing (miles)	12.5	-	4	-	34	32.7
Potholes repaired	260	372	681	783	1,096	977
Citizen & Neighborhood Resources						
# of new Code Enforcement cases processed per year	2,016	2,255	2,155	2,698	2,755	2,092

Note: Data prior to 2006 is not available.

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

Source: City Financial Records and Reports

concluded

Table 24

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

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

Note: Data prior to 2006 is not available.

Source: City Financial Records and Reports

Single Audit Section





HENRY & HORNE, LLP
Certified Public Accountants

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

The Honorable Mayor and Council
City of Goodyear, Arizona

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Goodyear (the City), Arizona as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 15, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the *Comptroller General of the United States*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

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

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

Tempe
2055 E. Warner Road
Suite 101
Tempe, AZ 85284-3487
(480) 839-4900
Fax (480) 839-1749

Scottsdale
7098 E. Cochise Road
Suite 100
Scottsdale, AZ 85253-4517
(480) 483-1170
Fax (480) 483-7126

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

Compliance and Other Matters

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

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

Henry + Horne LLP

Casa Grande, Arizona
November 15, 2011



HENRY & HORNE, LLP
Certified Public Accountants

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

The Honorable Mayor and Council
City of Goodyear, Arizona

Compliance

We have audited the compliance of the City of Goodyear (the City), Arizona with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2011. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. However, the results of our auditing procedures disclosed no instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133.

Tempe
2055 E. Warner Road
Suite 101
Tempe, AZ 85284-3487
(480) 839-4900
Fax (480) 839-1749

Scottsdale
7098 E. Cochise Road
Suite 100
Scottsdale, AZ 85253-4517
(480) 483-1170
Fax (480) 483-7126

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

Internal Control Over Compliance

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

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

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

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

Henry + Horne LLP

Casa Grande, Arizona
November 15, 2011



CITY OF GOODYEAR
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2011

	Grant Number	Federal CFDA Number	Expenditures
U.S. Department of Housing and Urban Development:			
Passed through Maricopa County Department of Housing:			
HOME Grant	UC0914	14.239	\$ 123,442
HOME Grant	UC1014	14.239	1,274
Community Development Block Grant	DG0902	14.218	<u>291,476</u>
Total U.S. Department of Housing and Urban Development			<u>416,192</u>
U.S. Department of Justice:			
Passed through Governor's Office for Children, Youth & Families:			
STOP Calendar 2010	ST-WSG-09-9365-05Y2	16.588	10,570
STOP Calendar 2011	ST-WSG-09-9365-05Y3	16.588	15,960
Passed through The Bureau of Justice Assistance:			
Bullet Proof Vest Partnership	2009-BVP	16.607	3,647
Edward Byrne Memorial Grant Program			
Passed through The Bureau of Justice Assistance:			
Use of Force Simulation Training Grant	2010-DJ-BX-1160	16.738	15,562
Passed through Maricopa County:			
iRecord Custodial Interview Initiative	C4209015300	16.738	<u>14,229</u>
Edward Byrne Memorial Grant Subtotal			29,791
Passed through Maricopa County:			
ARRA MCNNET Grant	C-50-10-021-3-01	16.803	74,472
ARRA MCNNET OT Grant	C-50-10-024-3-01	16.804	<u>8,049</u>
Total U.S. Department of Justice			<u>142,489</u>
U.S. Department of Transportation:			
Passed through Arizona Department of Transportation:			
ARRA Yuma Road Bridge	SS 544 03D/01C	20.205	3,820
Passed through Arizona Governor's Office of Highway Safety:			
Highway Safety Cluster			
CIOT Enforcement	2011-OT-033	20.600	4,667
West Valley DUI Task Force Enf OT	2011-410-006	20.601	<u>33,030</u>
Highway Safety Cluster Subtotal			37,697
CIOT Next Generation Maricopa County	2009-NG-008	20.614	10,492
Passed through City of Phoenix			
Park and Ride Grant	AZ-90-X070-00	20.507	135,061 *
Park and Ride Grant	AZ-95-X003-00	20.507	168,011 *
ARRA Park and Ride Grant	AZ-66-X001-00	20.507	1,047,382 *
ARRA Park and Ride Grant	AZ-96-X002	20.507	1,527,518 *
Park and Ride Grant	AZ-95-X006	20.507	<u>2,219,317 *</u>
Total U.S. Department of Transportation			<u>5,149,298</u>

U.S. Department of Energy:			
ARRA Energy Efficiency and Conservation			
Block Grant	DE-SC0002957	81.128	<u>190,948</u>
Total U.S. Department of Energy			<u>190,948</u>
U.S. Department of the Education:			
Passed through Governor's Office of Economic Recovery:			
AZAFIS System Grant	OER-11-IGA-GS-62	84.397	<u>24,529</u>
Total U.S. Department of the Education			<u>24,529</u>
U.S. Department of Homeland Security			
Passed through Arizona Division of Emergency Management:			
CBRNE Response Team Sustainment/Enhancer	555810-01	97.067	46,400
CBRNE Response Team Sustainment/Enhancer	777811-02	97.067	82,832
Urban Area Assessment TLO Sustainment	777811-01	97.067	<u>2,104</u>
Total Department of Homeland Security			<u>131,336</u>
Total Expenditures of Federal Awards			<u>\$ 6,054,792</u>

*Denotes major program

CITY OF GOODYEAR, ARIZONA
NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2011

NOTE 1 BASIS OF ACCOUNTING

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

CITY OF GOODYEAR, ARIZONA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year Ended June 30, 2011

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

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

Type of auditors' report issued on compliance for each major program listed below: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? yes X no

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
20.507	Department of Transportation Park & Ride Grant

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? X yes no

CITY OF GOODYEAR, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2011

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

None Noted

SECTION III – FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

None Noted

SECTION IV – PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no prior year findings.