

**CITY OF GOODYEAR, ARIZONA  
REPORT ON EXAMINATION OF ANNUAL  
EXPENDITURE LIMITATION REPORT  
YEAR ENDED JUNE 30, 2017**

**CITY OF GOODYEAR, ARIZONA  
ANNUAL EXPENDITURE LIMITATION REPORT  
YEAR ENDED JUNE 30, 2017**

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## INDEPENDENT ACCOUNTANTS' REPORT

The Auditor General of the State of Arizona and  
The Honorable Mayor and City Council  
of the City of Goodyear, Arizona

We have examined the accompanying Annual Expenditure Limitation Report of the City of Goodyear, Arizona for the year ended June 30, 2017, and the related notes to the report. The City's management is responsible for presenting this report in accordance with the uniform expenditure reporting system as described in Note 1. Our responsibility is to express an opinion on this report based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether this report is presented in accordance with the uniform expenditure reporting system, in all material respects. An examination involves performing procedures to obtain evidence about the amounts and disclosures in the report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the report, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Annual Expenditure Limitation Report referred to above is presented, in all material respects, in accordance with the uniform expenditure reporting system as described in Note 1.

*Heinfeld, Meech & Co., P.C.*

Heinfeld, Meech & Co., P.C.  
Phoenix, Arizona  
February 9, 2018

City of Goodyear, Arizona  
Annual Expenditure Limitation Report—Part I  
Year Ended June 30, 2017

1. Economic Estimates Commission expenditure limitation	\$ 374,646,818
2. Voter-approved alternative expenditure limitation (Approved _____)	
3. Enter applicable amount from Line 1 or Line 2	\$ 374,646,818
4. Amount subject to the limitation (total amount from Part II, Line C)	\$ 125,616,432
5. Amount under (in excess of) the expenditure limitation <i>(if excess expenditures are reported, provide an explanation)</i>	\$ 249,030,386

I hereby certify, to the best of my knowledge and belief, that the information contained in this report is accurate and in accordance with the requirements of the uniform expenditure reporting system.

Signature of Chief Financial Officer: \_\_\_\_\_

Name and Title: Doug Sandstrom, Finance Director \_\_\_\_\_

Telephone Number: 623-882-7898 \_\_\_\_\_ Date: 2-2(-18)

***If any of the provisions of the Arizona Constitution, Article IX, §20(2)(a), (b), or (c), or A.R.S. §41 1279.07(I) apply to the City/Town, use the long form Part I on page VI-17 of the UERS Manual.***

See accompanying notes to report.

City of Goodyear, Arizona  
Annual Expenditure Limitation Report—Part II  
Year Ended June 30, 2017

Description	Governmental Funds	Enterprise Funds	Internal Service Funds	Fiduciary Funds	Total
A. Amounts reported on the Reconciliation, Line D	\$ 219,612,974	\$ 39,011,817	\$ 1,843,039	\$ 32,068	\$ 260,499,898
B. Less exclusions claimed:					
Debt service requirements	118,719,963	7,623,172			126,343,135
Trustee or custodian				32,068	32,068
Grants and aid from the federal government	430,483	292,410			722,893
Amounts received from the State of Arizona	345,036				345,036
Quasi-external interfund transactions			1,843,039		1,843,039
Highway user revenues in excess of those received in fiscal year 1979-80	5,022,535				5,022,535
Contracts with other political subdivisions	574,760				574,760
Total exclusions claimed	125,092,777	7,915,582	1,843,039	32,068	134,883,466
C. Amounts subject to the expenditure limitation (if an individual fund category/ type amount is negative, reduce exclusions claimed to net to zero.)	\$ 94,520,197	\$ 31,096,235	\$ -	\$ -	\$ 125,616,432

Delete all exclusion line item descriptions not used.

See accompanying notes to report.

City of Goodyear, Arizona  
 Annual Expenditure Limitation Report—Reconciliation  
 Year Ended June 30, 2017

Description	Governmental Funds	Enterprise Funds	Internal Service Funds	Fiduciary Funds	Total
A. Total expenditures/expenses/deductions and applicable other financing uses, special items, and extraordinary items reported within the fund financial statements	\$259,290,028	\$36,028,993	\$ 1,843,039	\$ 32,068	\$297,194,128
B. Subtractions:					
Items not requiring use of current financial resources:					
Depreciation		7,488,465			7,488,465
Pension expense		554,332			554,332
Expenditures of separate legal entities established under Arizona Revised Statutes (A.R.S.)	39,677,054				39,677,054
Total subtractions	<u>39,677,054</u>	<u>8,042,797</u>	<u>-</u>	<u>-</u>	<u>47,719,851</u>
C. Additions:					
Principal payments on long-term debt		3,287,528			3,287,528
Acquisition of capital assets		7,378,806			7,378,806
Pension contributions		359,287			359,287
Total additions	<u>-</u>	<u>11,025,621</u>	<u>-</u>	<u>-</u>	<u>11,025,621</u>
D. Amounts reported on Part II, Line A	<u>\$219,612,974</u>	<u>\$39,011,817</u>	<u>\$ 1,843,039</u>	<u>\$ 32,068</u>	<u>\$260,499,898</u>

*Delete all subtraction and addition line item descriptions not used.*

See accompanying notes to report.

**CITY OF GOODYEAR, ARIZONA  
NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT  
YEAR ENDED JUNE 30, 2017**

Note 1 - Summary of Significant Accounting Policies

The Annual Expenditure Limitation Report (AELR) is presented as prescribed by the Uniform Expenditure Reporting System (UERS), as required by Arizona Revised Statutes §41-1279.07. The AELR excludes expenditures, expenses, or deductions of certain revenues specified in the Arizona Constitution, Article IX, §20, from the total expenditures, expenses, or deductions reported in the fund financial statements.

In accordance with the UERS, a note to the AELR is presented below for any exclusion claimed on Part II and each subtraction or addition in the Reconciliation that cannot be traced directly to an amount reported in the fund financial statements. All references to financial statement amounts in the following notes refer to the Statement of Revenues, Expenditures, and Changes in Fund Balances for the Governmental Funds; Statement of Revenues, Expenses, and Changes in Fund Net Position for the Proprietary Funds; Statement of Cash Flows for the Proprietary Funds; and the Statement of Changes in Fiduciary Net Position for the Fiduciary Funds.

Note 2 - The exclusions claimed for debt service requirements in the Governmental Funds, excluding the principal retirement and interest expense of the Community Facilities Districts Debt Service Fund, and the Enterprise Funds consists of principal retirement of \$112,396,569 and \$3,287,528, respectively, and interest expense of \$6,323,394 and \$4,335,644, respectively.

Note 3 - The following schedule presents intergovernmental revenues from which exclusions have been claimed for federal grants and aid, amounts received from the State of Arizona, and highway user revenues in the Governmental Funds:

<b>Description</b>	
Grants and aid from the federal government	\$430,483
Amounts received from the State of Arizona	345,036
Highway user revenues in excess of those received in fiscal year 1979-80	5,022,535
Other revenues (nonexcludable)	19,982,665
Total intergovernmental revenues as reported in the fund financial statements	\$25,780,719

Note 4 - The exclusions claimed for quasi-external interfund transactions of \$1,843,039 in the Internal Service Fund were recorded as charges for services and miscellaneous revenues.

**CITY OF GOODYEAR, ARIZONA  
NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT  
YEAR ENDED JUNE 30, 2017**

Note 5 - The following schedule presents Highway User Revenue Fund (HURF) information used in the report:

Highway user revenues received in current fiscal year	\$5,066,574
Highway user revenues in excess of those received in fiscal year 1979-80	(44,039)
Revenues available for exclusion	\$5,022,535

Note 6 - The exclusion claimed for contracts with other political subdivisions of \$574,760 was recorded as charges for services revenues.

Note 7 - The subtraction of \$39,677,054 for separate legal entities established under Arizona Revised Statutes consists of expenditures of community facilities districts included within the city's reporting entity, but not included in the Economic Estimates Commission base limit calculations, and are reported in the Governmental Funds category in the fund financial statements:

Fund	Governmental Funds
Community Facilities Districts Debt Service	\$38,423,448
Non-Major Governmental Funds – Community Facilities Districts Special Revenue Fund	930,606
Non-Major Governmental Funds – Community Facilities Districts Capital Projects Fund	323,000
Total expenditures of separate legal entities established under Arizona Revised Statutes	\$39,677,054

Note 8 - The addition of \$7,378,806 for acquisition of capital assets in the Enterprise Funds consists of capital asset additions of \$12,352,353 less contributed capital assets of \$4,973,547.

Note 9 - The subtraction of \$554,332 for pension expense consists of the change in the net pension liability recognized in the current year in the Enterprise Funds. The addition of \$359,287 for pension contributions paid in the current year consists of the required pension contributions made to the Arizona State Retirement System from the Enterprise Funds.



**CITY OF GOODYEAR, ARIZONA  
SCHEDULE OF CARRYOVERS TO FY 2017-18  
YEAR ENDED JUNE 30, 2017**

Description	Fund						Total
	General	Highway User Revenue	Non-Utility Development Impact Fees	Debt Service	Grants	Enterprise	
Carryover from FY 2015-16	\$6,943,993	\$ -	\$ 3,093,816	\$ 145,702	\$ 15,811	\$14,357,844	\$24,557,166
Carryover applied in FY 2016-17	-	-	-	-	-	-	-
Unused carryover	6,943,993	-	3,093,816	145,702	15,811	14,357,844	24,557,166
Use of Bonds Proceed Dividends, interest, and gains on the sale or redemption of investment securities	453,514	4,676	50,509	92	860	123,100	632,751
						(446,085)	(446,085)
<b>Total Carryover to FY 2017-18</b>	<b>\$ 7,397,507</b>	<b>\$ 4,676</b>	<b>\$ 3,144,325</b>	<b>\$ 145,794</b>	<b>\$ 16,671</b>	<b>\$ 14,034,859</b>	<b>\$ 24,743,832</b>