

**CITY OF GOODYEAR, ARIZONA  
REPORT ON EXAMINATION OF ANNUAL  
EXPENDITURE LIMITATION REPORT  
YEAR ENDED JUNE 30, 2015**

**CITY OF GOODYEAR, ARIZONA  
ANNUAL EXPENDITURE LIMITATION REPORT  
YEAR ENDED JUNE 30, 2015**

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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, 2015. The City's management is responsible for this report. 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 and, accordingly, included examining, on a test basis, evidence supporting the amounts and disclosures in the report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the Annual Expenditure Limitation Report of the City of Goodyear, Arizona referred to above presents, in all material respects, the information prescribed by the uniform expenditure reporting system as described in Note 1.

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

HEINFELD, MEECH & CO., P.C.  
CPAs and Business Consultants

February 24, 2016

City of Goodyear, Arizona  
Annual Expenditure Limitation Report—Part I  
Year Ended June 30, 2015

1. Economic Estimates Commission expenditure limitation	<u>\$ 336,976,889</u>
2. Voter-approved alternative expenditure limitation (Approved _____)	
3. Enter applicable amount from Line 1 or Line 2	<u>\$ 336,976,889</u>
4. Amount subject to the limitation (total amount from Part II, Line C)	<u>\$ 98,094,604</u>
5. Amount under (in excess of) the expenditure limitation <i>(if excess expenditures are reported, provide an explanation)</i>	<u>\$ 238,882,285</u>

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: Larry A. Lange, Finance Director

Telephone Number: 623-882-7898 Date: 3/2/16

*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, 2015

Description	Governmental Funds	Enterprise Funds	Internal Service Funds	Fiduciary Funds	Total
A. Amounts reported on the Reconciliation, Line D	\$ 86,191,158	\$ 43,200,117	\$ 2,052,972	\$ 4,939	\$ 131,449,186
B. Less exclusions claimed:					
Bond proceeds					-
Debt service requirements on bonded indebtedness	8,678,798	15,164,952			23,843,750
Proceeds from other long-term obligations					-
Debt service requirements on other long-term obligations		1,286,240			1,286,240
Dividends, interest, and gains on the sale or redemption of investment securities					-
Trustee or custodian				4,939	4,939
Grants and aid from the federal government	1,066,870				1,066,870
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes					-
Amounts received from the State of Arizona	238,621				238,621
Quasi-external interfund transactions			2,052,972		2,052,972
Amounts accumulated for the purchase of land, and the purchase or construction of buildings or improvements					-
Highway user revenues in excess of those received in fiscal year 1979-80	3,997,363				3,997,363
Contracts with other political subdivisions	542,151				542,151
Refunds, reimbursements, and other recoveries					-
Voter-approved exclusions not identified above ( <b>attach resolution</b> )					-
Prior years carryforward	321,676				321,676
Total exclusions claimed	14,845,479	16,451,192	2,052,972	4,939	33,354,582
C. Amounts subject to the expenditure limitation (If an individual fund category/ type amount is negative, reduce exclusions claimed to net to zero.)	\$ 71,345,679	\$ 26,748,925	\$ -	\$ -	\$ 98,094,604

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, 2015

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	\$ 97,489,880	\$ 49,206,844	\$ 2,052,972	\$ 4,939	\$ 148,754,635
B. Subtractions:					
Items not requiring use of current financial resources:					
Depreciation		9,951,687			9,951,687
Loss on disposal of capital assets		5,490,713			5,490,713
Bad debt expense					-
Other postemployment benefits (OPEB) expense		491,513			491,513
Pension expense					-
Claims incurred but not reported (IBNR)					-
Landfill closure and postclosure care costs					-
Expenditures of separate legal entities established under Arizona Revised Statutes (A.R.S.)	11,298,722				11,298,722
Required fees paid to the Arizona Department of Revenue					-
Present value of net minimum capital lease and installment purchase contract payments recorded as expenditures at inception of the agreements					-
Involuntary court judgments					-
Total subtractions	<u>11,298,722</u>	<u>15,933,913</u>	<u>-</u>	<u>-</u>	<u>27,232,635</u>
C. Additions:					
Principal payments on long-term debt		5,874,355			5,874,355
Acquisition of capital assets		3,579,896			3,579,896
Amounts paid in the current year but reported as expenses in previous years:					
OPEB					-
Pension contributions		472,935			472,935
Claims previously recognized as IBNR					-
Landfill closure and postclosure care costs					-
Total additions	<u>-</u>	<u>9,927,186</u>	<u>-</u>	<u>-</u>	<u>9,927,186</u>
D. Amounts reported on Part II, Line A	<u>\$ 86,191,158</u>	<u>\$ 43,200,117</u>	<u>\$ 2,052,972</u>	<u>\$ 4,939</u>	<u>\$ 131,449,186</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, 2015**

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 requirements, 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 Net Position for the Fiduciary Funds.

Note 2 - The exclusions claimed for debt service requirements on bonded indebtedness 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 \$5,255,703 and \$4,906,585, respectively, and interest expense of \$3,423,095 and \$10,258,367, respectively.

Note 3 - The exclusion claimed for debt service requirements on other long-term obligations in the Enterprise Funds consists of principal retirement of \$967,770 and interest expense of \$318,470.

Note 4 - 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	\$1,066,870
Amounts received from the State of Arizona	238,621
Highway user revenues in excess of those received in fiscal year 1979-80	3,997,363
Other revenues (nonexcludable)	16,446,532
Total intergovernmental revenues as reported in the fund financial statements	\$21,749,386

Note 5 - The exclusions claimed for quasi-external interfund transactions of \$2,052,972 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, 2015**

Note 6- The following schedule presents Highway User Revenue Fund (HURF) information used in the report:

Highway user revenues received in current fiscal year	\$4,041,402
Highway user revenues in excess of those received in fiscal year 1979-80	(44,039)
Revenues available for exclusion	\$3,997,363

Note 7 - The exclusion claimed for contracts with other political subdivisions of \$542,151 was recorded as charges for services revenues.

Note 8 - The subtraction of \$11,298,722 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	\$9,632,855
Non-Major Governmental Funds – Community Facilities Districts Special Revenue Fund	950,178
Non-Major Governmental Funds – Community Facilities Districts Capital Projects Fund	715,689
Total expenditures of separate legal entities established under Arizona Revised Statutes	\$11,298,722

Note 9 - The addition of \$3,579,896 for acquisition of capital assets in the Enterprise Funds consists of capital asset additions of \$10,112,594 less contributed capital assets of \$6,532,698.

Note 10 - The subtraction of \$491,513 for pension expense consists of the change in the net pension liability recognized in the current year in the Enterprise Funds. The addition of \$472,935 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 2015-16  
YEAR ENDED JUNE 30, 2015**

Description	Fund						Total
	General	Highway User Revenue	Non-Utility Development Impact Fees	Capital Projects	Debt Service	Enterprise	
Carryover from FY 2013-14	\$6,013,953	\$ 47,570	\$ 3,010,797	\$ 288,383	\$144,931	\$6,468,824	\$15,974,458
Carryover applied in FY 2014-15	-	47,570	-	274,106	-	-	321,676
Unused carryover	6,013,953	-	3,010,797	14,277	144,931	6,468,824	15,652,782
Dividends, interest, and gains on the sale or redemption of investment securities	307,561	451	30,741	191	771	151,405	491,120
<b>Total Carryover to FY 2015-16</b>	<b>\$6,321,514</b>	<b>\$ 451</b>	<b>\$ 3,041,538</b>	<b>\$ 14,468</b>	<b>\$ 145,702</b>	<b>\$ 6,620,229</b>	<b>\$ 16,143,902</b>