

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstance shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 7, 2025

NEW ISSUE – BOOK-ENTRY-ONLY

RATINGS: See “Ratings” herein.

In the opinion of Gust Rosenfeld P.L.C., Phoenix, Arizona, Special Counsel, under existing laws, regulations, rulings and judicial decisions, and assuming continuing compliance with certain restrictions, conditions and requirements by the City, as mentioned under “TAX EXEMPTION” herein, interest income on the Obligations is excluded from gross income for federal income tax purposes. Interest income on the Obligations is not an item of tax preference to be included in computing the alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. In the opinion of Special Counsel, interest income on the Obligations is exempt from Arizona income taxes. See “TAX EXEMPTION,” “OBLIGATION PREMIUM” and “ORIGINAL ISSUE DISCOUNT” herein.

\$56,620,000*

**CITY OF GOODYEAR, ARIZONA
SUBORDINATE LIEN WATER AND SEWER REVENUE OBLIGATIONS,
SERIES 2025**

Dated: Date of Initial Delivery

Due: July 1, as shown on inside front cover page

The Subordinate Lien Water and Sewer Revenue Obligations, Series 2025 (the “Obligations”), will initially be delivered and registered in book-entry-only form in the name of Cede & Co. as nominee of The Depository Trust Company (“DTC”). Beneficial interests in the Obligations will be offered for sale in amounts of \$5,000 of principal due on a specific maturity date and integral multiples thereof. The Obligations will be executed and delivered pursuant to the Master Resolution (as defined herein) as amended and supplemented, including by the Eighth Supplement (as defined herein). The Obligations will be executed and delivered pursuant to a Trust Agreement, to be dated as of February 1, 2025*, between the City and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”) and secured by an Agreement, to be dated as of February 1, 2025*, between the Trustee and the City under which the City will make payments (the “Payments”) to the Trustee to acquire certain improvements (the “Project”) to the City’s water and sewer system (the “System”). The Obligations are being executed and delivered to provide funds to (i) acquire the Project, and (ii) pay costs associated with the execution and delivery of the Obligations, including the premium for the Reserve Policy (as defined herein) and the premium for the Insurance Policy (as defined herein). Interest on the Obligations will accrue at the rates set forth on the inside front cover page hereof from the date of initial execution and delivery and be payable semiannually on January 1 and July 1 of each year, commencing July 1, 2025*, until maturity or prior redemption*, and principal of the Obligations will be payable in accordance with the maturity schedule set forth on the inside front cover page hereof.

So long as the Obligations are in book-entry-only form, principal of and interest on the Obligations will be paid to DTC for credit to the accounts of the DTC participants and, in turn, to the accounts of the owners of beneficial interests in the Obligations. See APPENDIX F – “Book-Entry-Only System” hereto.

MATURITY SCHEDULE ON INSIDE FRONT COVER PAGE

The Obligations will be subject to optional and mandatory redemption prior to maturity* as described under “THE OBLIGATIONS – Redemption Provisions” herein.

The scheduled payment of principal of and interest on the Obligations when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Obligations by Assured Guaranty Inc.



The Payments will be payable from and secured by a pledge of, and lien on, revenues derived by the City from the ownership, use and operation of the System after provision has been made for payment of the reasonable and necessary costs of the operation, maintenance and repair of the System, excluding depreciation and debt service (the “Net Revenues”) on parity with the \$132,705,000 aggregate principal amount of the City’s Existing Subordinate Parity Obligations (as defined herein). Such pledge of Net Revenues will be subordinate, however, to the prior and paramount lien thereon for payment of \$1,925,863 principal amount of senior lien water and sewer revenue bonds of, and loans to, the City now outstanding, and senior lien obligations subsequently issued or incurred on parity therewith. **The Obligations will not constitute an obligation or indebtedness or pledge of the general credit of the City within the meaning or application of any constitutional, charter or statutory limitation or provision, and the owners of the Obligations will never have the right to compel any exercise of the taxing power of the City or to demand payment of the Obligations or interest thereon out of any funds other than from the Net Revenues. See “SECURITY FOR AND SOURCES OF PAYMENT FOR THE OBLIGATIONS” herein.**

The Obligations will be offered when, as and if executed and delivered by the Trustee and received by the underwriter identified below (the “Underwriter”), subject to the approving opinion of Gust Rosenfeld P.L.C., Phoenix, Arizona, Special Counsel, as to validity and tax status of the Obligations. Certain legal matters will also be passed upon for the Underwriter by Greenberg Traurig, LLP, Phoenix, Arizona. It is expected that the Obligations will be delivered through DTC on or about February 6, 2025*.

This cover page contains certain information for convenience of reference only. It is not a summary of material information with respect to the Obligations. Investors must read this entire official statement and all appendices to obtain information essential to the making of an informed investment decision with respect to the Obligations.



* Subject to change.

\$56,620,000*
CITY OF GOODYEAR, ARIZONA
SUBORDINATE LIEN WATER AND SEWER REVENUE OBLIGATIONS,
SERIES 2025

MATURITY SCHEDULE*

Maturity (July 1)	Principal Amount	Interest Rate	Yield	CUSIP® (a) (Base No. 382900)
2025	\$3,315,000	%	%	
2026	2,205,000			
2027	2,235,000			
2031	1,540,000			
2032	1,890,000			
2033	2,265,000			
2034	2,665,000			
2035	2,790,000			
2036	2,935,000			
2037	3,060,000			
2038	3,405,000			
2039	3,565,000			
2040	3,745,000			
2041	4,810,000			
2042	5,140,000			
2043	5,390,000			
2044	5,665,000			

\$ __,000 Term Obligation at ____% Due July 1, 20 __, Yield ____% CUSIP® (a) 382900 __

\$ __,000 Term Obligation at ____% Due July 1, 20 __, Yield ____% CUSIP® (a) 382900 __

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* Subject to change.

CITY OF GOODYEAR, ARIZONA

CITY COUNCIL

Joe Pizzillo, *Mayor*
Wally Campbell, *Vice Mayor*
Benita Beckles, *Councilmember*
Vicki Gillis, *Councilmember*
Brannon Hampton, *Councilmember*
Laura Kaino, *Councilmember*
Trey Terry, *Councilmember*

CITY AND ADMINISTRATIVE OFFICERS

Wynette Reed, *City Manager*
Justin Fair, *Deputy City Manager*
Kini Knudson, *Deputy City Manager*
Jared Askelson, *Finance Director*
Roric Massey, *City Attorney*
Darcie McCracken, *City Clerk*

SPECIAL COUNSEL

Gust Rosenfeld P.L.C.
Phoenix, Arizona

FINANCIAL ADVISOR

Hilltop Securities Inc.
Phoenix, Arizona

TRUSTEE

U.S. Bank Trust Company, National Association
Phoenix, Arizona

REGARDING THIS OFFICIAL STATEMENT

This Official Statement, which includes the cover page, inside front cover page and appendices hereto, does not constitute an offering of any security other than the City of Goodyear, Arizona Subordinate Lien Water and Sewer Revenue Obligations, Series 2025 (the "Obligations"). There shall be no sale of the Obligations by any person in any jurisdiction in which it is unlawful to make such offer, solicitation or sale.

The information set forth herein has been provided by representatives of the City, the Maricopa County Assessor's, Finance and Treasurer's offices, the State of Arizona Department of Revenue, and other sources that are considered to be reliable and customarily relied upon in the preparation of similar official statements, but such information is not guaranteed as to accuracy or completeness and is not to be construed as the promise or guarantee of the City or Hilltop Securities Inc., serving as the financial advisor to the City (the "Financial Advisor") or Stifel, Nicolaus & Company, Incorporated (the "Underwriter") or any of their legal counsel, including the counsel to the Underwriter and Special Counsel (as defined herein). The presentation of information, including tables of receipts from taxes and other revenue sources, is intended to show recent historical information and is not intended to indicate future or continuing trends in the financial position or other affairs of the City. No person, including any broker, dealer or salesman has been authorized to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. All estimates and assumptions contained herein have been based on the latest information available and are believed to be reliable, but no representations are made that such estimates and assumptions are correct or will be realized. All beliefs, assumptions, estimates, projections, forecasts and matters of opinion contained herein are forward looking statements that must be read with an abundance of caution and that may not be realized or may not occur in the future. The information and any expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City or any of the other parties or matters described herein since the date hereof.

The Obligations will not be registered under the Securities Act of 1933 or the Securities Exchange Act of 1934, both as amended, in reliance upon the exemptions provided thereunder pertaining to the issuance and sale of municipal securities, nor will the Obligations be qualified under the Securities Act of Arizona in reliance upon various exemptions contained in such act. Neither the Securities and Exchange Commission nor any other federal, state or other governmental entity or agency will have passed upon the accuracy or adequacy of this Official Statement or approved the Obligations for sale.

The Underwriter has provided the following sentence for inclusion herein: The Underwriter has reviewed the information in this Official Statement in accordance with and as part of its responsibilities with respect to this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The City, the Financial Advisor, the Underwriter, counsel to the Underwriter, and Special Counsel are not actuaries, nor have any of them performed any actuarial or other analysis of the City's unfunded liabilities under the Arizona State Retirement System, the Arizona Public Safety Personnel Retirement System or the Elected Official Retirement Plan.

The City will covenant to provide continuing disclosure as described in this Official Statement under the heading "CONTINUING SECONDARY MARKET DISCLOSURE" and in APPENDIX H – "Form of Continuing Disclosure Certificate," pursuant to Rule 15c2-12 promulgated by the Securities and Exchange Commission.

A wide variety of information, including financial information, concerning the City is available from publications and websites of the City and others. Any such information that is inconsistent with the information set forth in this Official Statement should be disregarded. No such information is a part of, or incorporated into, this Official Statement, except as expressly noted herein.

IN CONNECTION WITH THE OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE OBLIGATIONS OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE OBLIGATIONS TO CERTAIN DEALERS, INSTITUTIONAL INVESTORS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE FRONT COVER PAGE HEREOF AND SUCH PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

Assured Guaranty Inc. ("AG") makes no representation regarding the Obligations or the advisability of investing in the Obligations. In addition, AG has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AG supplied by AG and presented under the heading "OBLIGATION INSURANCE" and APPENDIX I – "Specimen Municipal Bond Insurance Policy".

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TABLE OF CONTENTS

INTRODUCTORY STATEMENT	1
THE OBLIGATIONS	1
Authorization and Purpose	1
General Provisions.....	2
Redemption Provisions.....	2
Optional Redemption.....	2
Mandatory Redemption	3
Notice of Redemption.....	3
Redemption of Less Than All of an Obligation.....	3
Registration and Transfer when Book-Entry-Only System Has Been Discontinued.....	3
SECURITY FOR AND SOURCES OF PAYMENT FOR THE OBLIGATIONS.....	4
General	4
Rate Covenant	4
Reserve Fund.....	4
Additional Subordinate Obligations Covenants	5
Existing Senior Bonds	6
Existing Subordinate Parity Obligations	6
Additional Senior Bonds Covenants.....	6
Defeasance.....	7
COMBINED SCHEDULES OF NET REVENUES AND DEBT SERVICE COVERAGE	7
RISK FACTORS.....	7
THE PROJECT	9
SOURCES AND USES OF FUNDS.....	9
ESTIMATED DEBT SERVICE REQUIREMENTS AND DEBT SERVICE COVERAGE.....	10
OBLIGATION INSURANCE.....	11
Bond Insurance Policy.....	11
Assured Guaranty Inc.	11
OBLIGATION INSURANCE AND RELATED RISK FACTORS	13
RATINGS.....	13
LITIGATION	14
LEGAL MATTERS	14
TAX EXEMPTION.....	14
OBLIGATION PREMIUM.....	15
ORIGINAL ISSUE DISCOUNT.....	16
UNDERWRITING	16
RELATIONSHIP AMONG PARTIES	17
FINANCIAL ADVISOR.....	17
CONTINUING SECONDARY MARKET DISCLOSURE	17
GENERAL PURPOSE FINANCIAL STATEMENTS.....	17
CONCLUDING STATEMENT	18
APPENDIX A: City of Goodyear, Arizona – General Economic and Demographic Information	
APPENDIX B: City of Goodyear, Arizona – Financial Data	
APPENDIX C: City of Goodyear, Arizona – Water and Sewer Systems Information	
APPENDIX D: City of Goodyear, Arizona – Audited Financial Statements for the Fiscal Year Ended June 30, 2024	
APPENDIX E: Summaries of the Authorizing Resolution and the Principal Documents	
APPENDIX F: Book-Entry-Only System	
APPENDIX G: Form of Approving Legal Opinion	
APPENDIX H: Form of Continuing Disclosure Certificate	
APPENDIX I: Specimen Municipal Bond Insurance Policy	

OFFICIAL STATEMENT
\$56,620,000*
CITY OF GOODYEAR, ARIZONA
SUBORDINATE LIEN WATER AND SEWER REVENUE OBLIGATIONS,
SERIES 2025

INTRODUCTORY STATEMENT

This Official Statement, which includes the cover page, the inside front cover page and the appendices hereto, has been prepared at the direction of the City of Goodyear, Arizona (the “City”), in connection with the execution and delivery of \$56,620,000* principal amount of Subordinate Lien Water and Sewer Revenue Obligations, Series 2025 (the “Obligations”) identified on the cover page hereof. Certain information concerning the authorization, purpose, terms, conditions of sale, security for and sources of payment for the Obligations is set forth in this Official Statement. See APPENDICES A and B hereto for general economic and demographic information and financial data, respectively, regarding the City. See APPENDIX C hereto for information regarding the hereinafter defined System.

All financial and other information presented in this Official Statement has been provided by, among others, representatives of the City from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts by the City from the System, taxes and other sources, is intended to show recent historic information and is not intended to indicate future or continuing trends in the financial position, results of operations, or other affairs of the City or the System. No representation is made that past experience, as shown by such financial or other information, will necessarily continue or be repeated in the future.

References to provisions of State of Arizona (“Arizona” or the “State”) law, whether codified in the Arizona Revised Statutes (“A.R.S.”) or uncodified, or the Arizona Constitution, or the Charter of the City are references to those provisions in their current form. Those provisions may be amended, repealed or supplemented.

Certain words and terms used herein and not otherwise defined herein shall have the meanings ascribed to such words and terms in APPENDIX E – “Summaries of the Authorizing Resolution and the Principal Documents.”

THE OBLIGATIONS

Authorization and Purpose

The Obligations will be issued pursuant to Resolution No. 99-662 adopted by the Mayor and Council of the City on January 25, 1999 (the “Master Resolution”), as amended and supplemented by a First Supplemental Resolution adopted by the Mayor and Council of the City on April 27, 2009 (the “First Supplement”), by a Second Supplemental Resolution adopted by the Mayor and Council of the City on December 7, 2009 (the “Second Supplement”), by a Third Supplemental Resolution adopted by the Mayor and Council of the City on February 14, 2011 (the “Third Supplement”), by a Fourth Supplemental Resolution adopted by the Mayor and Council of the City on March 28, 2016 (the “Fourth Supplement”), by a Fifth Supplemental Resolution adopted by the Mayor and Council of the City on February 24, 2020 (the “Fifth Supplement”), by a Sixth Supplemental Resolution adopted by the Mayor and Council of the City on February 24, 2020 (the “Sixth Supplement”), by a Seventh Supplemental Resolution adopted by the Mayor and Council of the City on February 24, 2020 (the “Seventh Supplement”), and by an Eighth Supplemental Resolution adopted by the Mayor and Council of the City on November 18, 2024 (the “Eighth Supplement” and, collectively with the Master Resolution, the First Supplement, the Second Supplement, the Third Supplement, the Fourth Supplement, the Fifth Supplement, the Sixth Supplement, and the Seventh Supplement, the “Authorizing Resolution”) authorizing the execution and delivery of the Obligations. The pledge of the Net Revenues for the Obligations as hereinafter described will be subordinate to the prior and paramount lien thereon for payment of \$1,925,863 principal amount of senior lien water and sewer revenue bonds of, and loans to, the City now outstanding (collectively, the “Existing Senior Bonds”) and senior lien obligations subsequently issued or incurred on parity therewith (the “Additional Senior Bonds,” and collectively with the Existing Senior Bonds, the “Senior Bonds”). The subordinate pledge of the Net Revenues for the Obligations is on parity with the City’s \$132,705,000 aggregate principal amount of subordinate lien water and sewer revenue obligations outstanding (collectively, the “Existing Subordinate Parity Obligations”). See APPENDIX B – “City of Goodyear, Arizona – Financial Data” – TABLE B-3 and TABLE B-4 hereto.

* Subject to change.

The Obligations are being executed and delivered pursuant to the terms of a trust agreement to be dated as of February 1, 2025* (the “Trust Agreement”), between the City and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”) and an agreement to be dated as of February 1, 2025* (the “Agreement”), between the Trustee and the City under which the City will make payments (the “Payments”) to the Trustee to acquire certain improvements (the “Project”) to the City’s water and sewer system (the “System”). See “SECURITY FOR AND SOURCES OF PAYMENT FOR THE OBLIGATIONS” herein. The Obligations are being executed and delivered to provide funds to (i) acquire the Project, and (ii) pay costs associated with the execution and delivery of the Obligations, including the premium for the Reserve Policy (as defined herein) and the premium for the Insurance Policy (as defined herein). See “THE PROJECT” herein.

Summaries of certain provisions of the Authorizing Resolution, the Agreement and the Trust Agreement are included in this Official Statement in APPENDIX E – “Summaries of the Authorizing Resolution and the Principal Documents.” Terms used but not otherwise defined herein have the meanings provided in APPENDIX E. Such summaries are not comprehensive or definitive. All references herein to the Agreement, the Trust Agreement and the Authorizing Resolution are qualified in their entirety by reference to the full text of such documents, and references herein to the Obligations are qualified in their entirety by reference to the form thereof included in the Trust Agreement. Copies of the full texts of the Agreement, the Trust Agreement and the Authorizing Resolution are available for inspection at the office of the City Finance Director, 1900 N. Civic Square, Goodyear, Arizona 85395.

General Provisions

The Obligations will be dated as of the initial date of execution and delivery and will bear interest from such date payable on July 1, 2025*, and semiannually thereafter on January 1 and July 1 of each year (each an “Interest Payment Date”) until maturity or prior redemption. The Obligations will mature on the dates and in the principal amounts and will bear interest at the rates as set forth on the inside front cover page of this Official Statement.

Initially, the Obligations will be administered under a book-entry-only system (the “Book-Entry-Only System”) by The Depository Trust Company (“DTC”), a registered securities depository. Unless and until the Book-Entry-Only System is discontinued, the Obligations will be registered in the name of Cede & Co., as nominee of DTC. Beneficial interests in the Obligations will be offered for sale in the amount of \$5,000 of principal due on a specific maturity date and integral multiples thereof, and payments of principal of, and interest on the Obligations will be paid by the Trustee to DTC and, in turn, through participants in the DTC system. See APPENDIX F – “Book-Entry-Only System” hereto.

SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF THE OBLIGATIONS, REFERENCES IN THIS OFFICIAL STATEMENT TO THE REGISTERED OWNERS OF THE OBLIGATIONS, EXCEPT THOSE UNDER THE HEADINGS “TAX EXEMPTION,” “OBLIGATION PRELIMIMUM” AND “ORIGINAL ISSUE DISCOUNT” WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS OF THE OBLIGATIONS.

If the Book-Entry-Only System is discontinued, interest on the Obligations will be payable by check drawn on the Trustee and mailed on or prior to each Interest Payment Date to the registered owners of the Obligations at the addresses shown on the registration books of the Trustee on the 15th day of the month preceding each such Interest Payment Date (the “Record Date”). Principal of the Obligations will then be payable at maturity or upon redemption prior to maturity upon presentation and surrender of the Obligations to the designated corporate trust office of the Trustee. Additionally, if the Book-Entry-Only System is discontinued, payment of interest may also be made by wire transfer upon 20 days prior written request delivered to the Trustee specifying a wire transfer address in the continental United States by any owner of at least \$1,000,000 aggregate principal amount of the Obligations. Interest will be computed on the basis of a year comprised of 360 days consisting of 12 months of 30 days each.

Redemption Provisions

Optional Redemption

Obligations maturing before or on July 1, 20__ are not subject to redemption prior to maturity. Obligations maturing on or after July 1, 20__, from such maturities as may be selected by the City and by lot within any maturity by the method applied by DTC, are subject to redemption in any order, from prepayments made at the option of the City pursuant to the Agreement, in whole or in part on any date, on or after July 1, 20__, at a redemption price equal to the principal

* Subject to change.

amount of Obligations or portions thereof to be redeemed, together with accrued interest to the date fixed for redemption, but without premium.

Mandatory Redemption

The Obligations maturing on July 1 of the following years will be redeemed from funds of the City prior to maturity on the following redemption dates and in the following amounts, by the payment of the redemption price equal to of the principal amount of the Obligations called for redemption plus accrued interest, if any, on the Obligations so redeemed from the most recent Interest Payment Date to the date of redemption, but without premium:

Redemption Date (July 1)	Principal Amount
Term Obligations Maturing in 20__	
20__	\$,000
20__	,000
20__	,000
20__ (maturity)	,000
Term Obligations Maturing in 20__	
20__	\$,000
20__	,000
20__	,000
20__ (maturity)	,000

Whenever the Obligations are redeemed (other than pursuant to mandatory redemption) or are delivered to the Trustee for cancellation, the principal amount of the Obligations so retired shall satisfy and be credited against the mandatory redemption requirements for such Obligations for such years as the City may direct.

Notice of Redemption

So long as the Obligations are held under the Book-Entry-Only System, notices of redemption will be sent to DTC, in the manner required by DTC. If the Book-Entry-Only System is discontinued, notice of redemption of any Obligation will be mailed to the registered owner of the Obligation or Obligations being redeemed at the address shown on the bond register maintained by the Trustee not more than 60 nor less than 30 days prior to the date set for redemption. Failure to properly give notice of redemption shall not affect the redemption of any Obligation for which notice was properly given. Notice of redemption may be sent to any securities depository by mail, facsimile transmission, wire transmission or any other means of transmission of the notice generally accepted by the respective securities depository. Notice of any redemption will also be sent to the Municipal Securities Rulemaking Board (the “MSRB”), currently through the MSRB’s Electronic Municipal Market Access system (“EMMA”), in the manner required by the MSRB, but no defect in said further notice or record nor any failure to give all or a portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed above.

If moneys for the payment of the redemption price and accrued interest are not held in separate accounts by the Trustee or DTC prior to sending the notice of redemption, such redemption shall be conditional on such moneys being so held on or prior to the date set for redemption and if not so held by such date the redemption shall be cancelled and be of no force and effect. The notice of redemption shall describe the conditional nature of the redemption.

Redemption of Less Than All of an Obligation

The City may redeem an amount that is included in an Obligation in the denomination in excess of, but divisible by, \$5,000. Upon surrender of any Obligation redeemed in part only, the Trustee shall execute and deliver to the registered owner thereof a new Obligation equal in principal amount to the unredeemed portion of the Obligation surrendered and of the same maturity.

Registration and Transfer when Book-Entry-Only System Has Been Discontinued

If the Book-Entry-Only System is discontinued, the Obligations will be transferred only upon the registration books maintained by the Trustee and one or more new Obligations, registered in the name of the transferee, of the same principal amount, maturity and rate of interest as the surrendered Obligation or Obligations will be authenticated, upon surrender to the Trustee of the Obligation or Obligations to be transferred, together with an appropriate instrument of transfer executed by the transferor if the Trustee’s requirements for transfer are met. The Trustee may, but is not

required to, transfer or exchange any Obligations during the period beginning on the Record Date to and including the respective Interest Payment Date. The Trustee may, but is not required to, transfer or exchange any Obligations that have been selected for prior redemption.

If the Trustee transfers or exchanges Obligations within the periods referred to above, the interest payment on such Obligations will be made payable to and mailed (or transferred by wire, as applicable) to the registered owners shown on the registration books maintained by the Trustee as of the close of business on the respective Record Date. The transferor will be responsible for all transfer fees, taxes, fees and any other costs relating to the transfer of ownership of individual Obligations.

SECURITY FOR AND SOURCES OF PAYMENT FOR THE OBLIGATIONS

General

The Obligations will be payable solely from the Payments to be made by the City pursuant to the Agreement. The Payments will be payable from and secured by a pledge of, and lien on, the revenues derived by the City from the ownership, use and operation of the System after provision has been made for the payment from such revenues of the reasonable and necessary expenses of operation, maintenance and repair of the System including salaries, wages, cost of material and supplies, and insurance, but excluding depreciation, Policy Costs, and payments into the Senior Bond Fund, the Subordinate Obligation Fund, the Senior Reserve Fund, the Subordinate Reserve Fund and any payments to be made on any subordinate obligations (the "Net Revenues"). See APPENDIX C hereto for information about the System. The lien on, and pledge of, the Net Revenues for payment of the Obligations will be subordinate to the lien on, and pledge of, the Net Revenues securing the Senior Bonds. The subordinate pledge of the Net Revenues for the Obligations is on parity with the Existing Subordinate Parity Obligations. See "COMBINED SCHEDULES OF NET REVENUES AND DEBT SERVICE COVERAGE" herein.

The Obligations will be special, limited revenue obligations, payable solely from the Payments received by the Trustee from the City under the Agreement, and amounts from time to time deposited in the funds created under the Trust Agreement, and the investment earnings on such funds (except for any investment earnings that are required to be rebated to the United States in order to continue the exclusion of the interest payable on the Obligations from gross income for federal income tax purposes). The City has the right, but no obligation, to appropriate other lawfully available funds to make the Payments. See APPENDIX E – "Summaries of the Authorizing Resolution and the Principal Documents" hereto. The Trustee will hold its right, title and interest in the Agreement in trust for the benefit of the Owners of the Obligations pursuant to the Trust Agreement.

Rate Covenant

The City covenants and agrees that it will establish and maintain rates, fees and other charges for all services supplied by the System to provide Revenues fully sufficient at all times, after making reasonable allowance for contingencies and errors in estimates, to pay the operation and maintenance expenses of the System and to produce an aggregate amount of Net Revenues in each Fiscal Year (currently July 1 through June 30) equal to 115% of the annual debt service requirements of all Outstanding Senior Bonds, the Obligations, Existing Subordinate Parity Obligations and any other obligations incurred on parity with the Obligations (the "Additional Subordinate Obligations"), and said rates, fees and other charges will be established and maintained at rates sufficient to provide an amount of Net Revenues for the then current Fiscal Year which, net of the aggregate amounts required to be deposited to the Senior Bond Fund and the Subordinate Obligation Fund during such Fiscal Year, will still be sufficient to provide at least 100% of the Policy Costs due and owing in such Fiscal Year.

Reserve Fund

Pursuant to the Trust Agreement, the Trustee will establish a reserve fund (the "Subordinate Reserve Fund"). The Subordinate Reserve Fund may be funded with an insurance policy, surety bond, letter of credit or other security (the "Subordinate Reserve Fund Guaranty") or with cash or a combination thereof. Cash in the Subordinate Reserve Fund may be invested in certain investments pursuant to the Trust Agreement (the "Permitted Investments"). Amounts in the Subordinate Reserve Fund will be applied by the Trustee as necessary to provide for the payment of principal and interest on the Existing Subordinate Parity Obligations, the Obligations, and any Additional Subordinate Obligations for which a separate reserve fund is not created.

If cash is drawn out of the Subordinate Reserve Fund, the City must restore, from Net Revenues or other lawfully available funds of the City, as additional Payments, the amount on deposit in the Subordinate Reserve Fund to the Subordinate Reserve Requirement within a five-year period.

If a Subordinate Reserve Fund Guaranty is drawn on, the City shall pay, from Net Revenues or other lawfully available funds of the City, as additional Payments, all amounts required to be paid to the provider of the Subordinate Reserve Fund Guaranty in accordance with its terms or the terms of any associated repayment agreement.

Upon execution and delivery of the Obligations, the Subordinate Reserve Fund will be funded by a surety bond. AG (as defined herein) will issue a municipal bond debt service reserve insurance policy for the Obligations (the "Reserve Policy").

Upon issuance of Additional Subordinate Obligations either: (i) the Subordinate Reserve Fund will be increased to equal the Subordinate Reserve Requirement applicable taking into account the Additional Subordinate Obligations, or (ii) a separate reserve fund will be established and funded in an amount equal to the Subordinate Reserve Requirement for such Additional Subordinate Obligations.

The Subordinate Reserve Requirement for any reserve fund upon issuance of Additional Subordinate Obligations secured by such a reserve fund is the lesser of: (i) 10% of the proceeds from the sale of the Existing Subordinate Parity Obligations and the Obligations (the "Subordinate Obligations") and secured by such reserve fund; (ii) 125% of the average annual debt service on the Subordinate Obligations secured by such reserve fund; or (iii) the Maximum Annual Debt Service of the Subordinate Obligations secured by such reserve fund.

Additional Subordinate Obligations Covenants

Additional Subordinate Obligations having a pledge, claim, or lien on or against the Net Revenues may be issued on parity with or equal to the pledge, claim or lien of the amounts due with respect to the Obligations, Existing Subordinate Parity Obligations and Additional Subordinate Obligations outstanding only if the Net Revenues available for debt service for the Subordinate Obligations for the completed Fiscal Year immediately preceding the issuance of the Additional Subordinate Obligations have been at least equal to 115% of Subordinate Maximum Annual Debt Service on all Subordinate Obligations immediately after issuance of such Additional Subordinate Obligations, as shown by a certificate signed by the Finance Director and such Net Revenues available for debt service for the Subordinate Obligations shall also provide coverage (after deduction of an amount equal to Subordinate Maximum Annual Debt Service immediately after issuance of such Additional Subordinate Obligations) of at least 100% of the City's obligations with respect to the repayment of any Policy Costs relating to the Subordinate Obligations then due and owing. For the purposes of this computation, additional amounts may be added to the Net Revenues of the preceding Fiscal Year, as follows: (i) if all or part of the proceeds of the Additional Subordinate Obligations are to be expended for the acquisition of existing water or sewer properties, there may be added to the Net Revenues of such preceding Fiscal Year the net revenues derived from the operation of such existing water or sewer system properties during the immediately preceding Fiscal Year of the System, as converted to Net Revenues to be estimated by an engineer or engineering firm which shall have a favorable reputation in respect to such matters; or (ii) if subsequent to the first day of such preceding Fiscal Year, the City shall have increased its rates or charges imposed for water or sewer charges, there may be added to the Net Revenues of such Fiscal Year the additional net revenues that would have been received from the operation of the System during such Fiscal Year had such increase been in effect throughout such Fiscal Year, such additional net revenues to be estimated by an engineer or engineering firm which shall have a favorable reputation in respect to such matters.

Existing Senior Bonds

The City's Existing Senior Bonds are set forth in the table below.

Issue Series	Description	Original Amount	Final Maturity	Principal Outstanding
2009	Refunding	\$ 325,000	07-01-2049	\$ 325,000
2009	WIFA Loan	5,716,315(a)	07-01-2029	1,600,863 (b)
Total Existing Senior Bonds Outstanding				<u>\$1,925,863</u>

(a) Actual amount drawn on \$8,000,000 loan.

(b) Represents the City's 2009 financial obligations to the Water Infrastructure Finance Authority of Arizona ("WIFA").

Existing Subordinate Parity Obligations

The City's Existing Subordinate Parity Obligations are set forth in the table below.

Issue Series	Description	Original Amount	Final Maturity	Principal Outstanding
2016	Subordinate Lien Obligations	\$11,540,000	07-01-2045	\$ 5,920,000
2020	Subordinate Lien Obligations	77,530,000	07-01-2049	74,145,000
2020	Subordinate Lien Obligations	30,950,000	07-01-2049	30,950,000
2020	Tax-Exempt Refunding	12,290,000	07-01-2039	10,775,000
2020	Taxable Refunding	13,540,000	07-01-2041	10,915,000
Total Existing Subordinate Parity Obligations Outstanding				<u>\$132,705,000</u>

See also APPENDIX B – "City of Goodyear, Arizona – Financial Data" – TABLE B-4 hereto for the total Subordinate Water and Sewer Revenue Obligations Outstanding and to be Outstanding, inclusive of the Obligations.

Additional Senior Bonds Covenants

The City may issue Additional Senior Bonds in the future pursuant to existing and future voted bond authorizations and supplemental resolutions. The City has \$26,646,616 principal amount of authorized but unissued Additional Senior Bonds pursuant to voter approval given at special bond elections held on September 12, 2000, and September 7, 2004. The purposes and amounts of such authorized but unissued Additional Senior Bonds are set forth below.

Purpose of Water and Sewer Systems Revenue Bond Authorization	Remaining 2000 Bond Authorization	Remaining 2004 Bond Authorization	Total Water and Sewer Revenue Bonds Authorized But Unissued
Sewer System Improvements	\$1,616	\$26,645,000	\$26,646,616
Total	<u>\$1,616</u>	<u>\$26,645,000</u>	<u>\$26,646,616</u>

Additional Senior Bonds may be issued on parity with outstanding Existing Senior Bonds only if the Net Revenues for the completed Fiscal Year immediately preceding the issuance of the Additional Senior Bonds have been at least equal to 115% of Senior Maximum Annual Debt Service on all Outstanding Senior Bonds immediately after issuance of such Additional Senior Bonds as shown by a certificate signed by the Finance Director and such Net Revenues shall also provide coverage (after deduction of an amount equal to Senior Maximum Annual Debt Service immediately after issuance of such Additional Senior Bonds) of at least 100% of the City's obligations with respect to the repayment of any Policy Costs relating to Senior Bonds then due and owing. For the purposes of this computation, additional amounts may be added to the Net Revenues of the preceding Fiscal Year, as follows: (i) if all or part of the proceeds of the Additional Senior Bonds are to be expended for the acquisition of existing water or sewer properties, there may be added to the Net Revenues of such preceding Fiscal Year the net revenues derived from the operation of such existing water or sewer system properties during the immediately preceding Fiscal Year of the System, as converted to Net Revenues to be estimated by an engineer or engineering firm which shall have a favorable reputation in respect to such matters; or (ii) if subsequent to the first day of such preceding Fiscal Year, the City shall have increased its rates or charges imposed for water or sewer services, there may be added to the net revenues of such Fiscal Year the additional net revenues which would have been received from the operation of the System during such Fiscal Year had such

increase been in effect throughout such Fiscal Year, such additional net revenues to be estimated by an engineer or engineering firm which shall have a favorable reputation in respect to such matters.

Defeasance

Pursuant to the Authorizing Resolution, any outstanding Obligations, or portions thereof in authorized denominations, may be paid or discharged by: (i) by paying or causing to be paid the principal of and interest with respect to such Obligations, as and when the same become due and payable, or (ii) depositing with a Defeasance Trustee (as defined in the Master Resolution), in trust for such purpose at or before the maturity date of the Obligations, moneys which, together with amounts on deposit in the Subordinate Obligation Fund and held for such purpose, is fully sufficient to pay or cause to be paid such Obligations, including all principal and interest due thereon to the stated maturity dates or date of redemption prior to maturity; or (iii) depositing with a Depository Trustee, in trust for such purpose, any non-callable United States obligations in such amount as shall be certified to the Trustee and the City by a national firm of certified public accountants acceptable to both the Trustee and the City, as being fully sufficient moneys then on deposit in the Subordinate Obligation Fund, together with the interest to accrue thereon, to pay and discharge or cause to be paid and discharged any Obligations at their stated maturity date, or date of prior redemption, including all principal and interest due thereon.

COMBINED SCHEDULES OF NET REVENUES AND DEBT SERVICE COVERAGE

The following table sets forth a record of the combined schedules of annual revenues, expenditures and Net Revenues for the most recent complete five Fiscal Years and budgeted for the current Fiscal Year followed by a statement of estimated System bond/obligation debt service requirements and debt service coverage provided by such Net Revenues for each Fiscal Year on the respective same basis.

	Budgeted (a)		Audited			
	2024/25(b)(c)	2023/24	2022/23	2021/22	2020/21	2019/20
Total System Revenues	\$63,704,100	\$72,942,490	\$53,005,605	\$53,394,756	\$62,983,880	\$60,392,907
Total System Expenditures	(39,621,200)	(37,924,720)	(31,754,447)	(32,972,216)	(32,793,218)	(26,552,787)
Net Revenues	<u>\$24,082,900</u>	<u>\$35,017,770</u>	<u>\$21,251,158</u>	<u>\$20,422,540</u>	<u>\$30,190,662</u>	<u>\$33,840,120</u>
Utility System Water and Sewer Revenue Bond/Obligation Debt Service Requirements (d)	\$16,683,700	\$ 7,577,754	\$ 7,616,064	\$ 7,599,347	\$ 7,510,795	\$ 3,482,996
Fiscal Year Debt Service Coverage Provided by Net Revenues	1.44x	4.62x	2.79x	2.69x	4.02x	9.72x

- (a) Budgeted figures were obtained from page 233 of the 2025 Annual Budget. The budgeted debt service requirements are the actual System bond debt service requirements for the Fiscal Year.
- (b) Budgeted figures are subject to change until audited and should be viewed with an abundance of caution.
- (c) Utility System Water and Sewer Revenue Bond/Obligation Debt Service Requirements includes the Obligations.
- (d) For Fiscal Year 2019/20 through Fiscal Year 2023/24, amounts were sourced from the Pledged-Revenue Coverage schedule in the Annual Comprehensive Financial Report (the “ACFR”) for Fiscal Year 2023/24, page 198.

RISK FACTORS

The purchase of the Obligations involves certain investment risks that are discussed throughout this Official Statement. Accordingly, each prospective purchaser of the Obligations should make an independent evaluation of all the information presented herein. The following factors, along with all other information in this Official Statement, should be considered by potential investors in evaluating the Obligations. The following discussion of risks is not meant to be an exhaustive list of the risks associated with the purchase of the Obligations and the order of discussion of such risks does not necessarily reflect the relative importance of the various risks. Potential investors are advised to

consider the following factors along with all other information in this Official Statement in evaluating the Obligations. There can be no assurance that other risk factors not discussed under this caption will not become material in the future.

Limited Obligation. The Obligations will not constitute an obligation or indebtedness or pledge of the general credit of the City within the meaning or application of any constitutional, charter or statutory limitation or provision, and the owners of the Obligations will never have the right to compel any exercise of the taxing power of the City or to demand payment of the Obligations or interest thereon out of any funds other than from the sources pledged therefor.

Additional Senior Bonds and Additional Subordinate Obligations of the City. The City has the capacity to issue Additional Senior Bonds and Additional Subordinate Obligations that are payable from the Net Revenues and which are senior to, or on parity with, the Obligations, respectively. To the extent that Additional Senior Bonds or Additional Subordinate Obligations are issued by the City, the funds available to make the debt service payments on the Obligations may be decreased.

Economic Downturns; Adverse Effects on System Revenues. A number of factors, many of which may be beyond the control of the City, could have an adverse impact on the level of Net Revenues, including adverse changes in the global and national economy, the Arizona economy, energy costs, and interest rate levels.

Cybersecurity; Other Safety and Security Risks. Cybersecurity breaches could damage the City's information and security systems and cause material disruption to its operations. The occurrence of military conflicts and terrorist activities, including cyber terrorism, could also adversely impact the operations of the System or the finances of the City. In particular, the continuing Russia/Ukraine war has resulted in several warnings and advisories from the U.S. Department of Homeland Security related to an elevated risk of cyberattacks against municipalities and critical infrastructure. The City maintains active security (including information security) and emergency preparedness programs and has a number of security measures and safeguards in place. However, there can be no assurance that any existing or additional safety and security measures will prove adequate in the event that military conflicts or terrorist activities, including cyber terrorism, or acts of malfeasance are directed against the assets of the System or the information technology systems of the City. The costs of security measures or of remedying damage from security breaches could be greater than presently anticipated.

Costs of System Operation and Availability of Materials. The production of Net Revenues from the System could be materially adversely affected by the costs of operating, maintaining and repairing the System, including the costs of regulatory compliance, and the availability, price of, and demand for commodities. Net Revenues could also be materially adversely affected by other factors beyond the control of the City, such as strikes, energy shortages, material shortages, inflation, pandemics, drought and other adverse weather conditions, changes in federal, state or local law (including, but not limited to the Occupational Safety and Health Act, The Commercial Motor Vehicle Safety Act, the Clean Air Act, the Safe Drinking Water Act, the Clean Water Act, the Arizona Groundwater Code, and the Natural Gas Pipeline Safety Act), changes in international laws and other contingencies.

Factors Affecting the Utility Industry. The utility industry has been, and in the future may be, affected by a number of factors that could impact water and sewer utilities. Such factors include, among others: (i) effects of compliance with rapidly changing environmental, health, safety, licensing, regulatory and legislative standards and requirements; (ii) changes resulting from conservation and demand-side management programs on the timing and use of commodities; (iii) other changes in actual demand from projected future requirements; (iv) expansion of competition in the utility industry; (v) natural disasters such as drought, fires and flooding; and (vi) issues relating to issuance of tax-exempt obligations and restrictions thereon. The City cannot predict what effects these factors will have on the business, operations, and financial condition of the System, but they could be significant.

Water Supply and Drought Conditions. Water for the City's System is provided from two general sources: groundwater allotted by the Arizona Department of Water Resources and the Colorado River via the Central Arizona Project ("CAP") canal. In addition, the City actively recharges the aquifer by sending treated effluent to a Soil Aquifer Treatment facility. This provides needed recharged water to the aquifer and stores water underground for future needs via long term storage credits. The City is currently designated with a 100-Year Assured Water Supply by the Arizona Department of Water Resources. The City has adequate supplies for growth and has engaged in planning and resource management to provide for current and future availability of water supplies during normal and drought conditions. However, the ability of the City's System to operate effectively may still be affected, and potentially may be significantly affected, by the water supply available to the City, which is situated in a desert environment. In particular, recent conditions on the Colorado River system may be indicative of future challenges. The City has been preparing for

various Colorado River shortage scenarios. In accordance with A.R.S. §45-342(A) the City has drafted a Drought Preparedness Plan which is available on the City’s website. If the water supply decreases significantly however, whether by physical limitation or regulatory restrictions, prohibitive water costs or otherwise, System water sales may be diminished and Net Revenues available to pay the debt service may be adversely affected.

While the multiple sources of supply available to the City along with the various plants, wells and other facilities may help to mitigate risk, future water availability, drought, flooding, environmental conditions and other climate related conditions in Arizona and the other Colorado River Basin states are unpredictable and subject to change. For example, since January 2022, Arizona has operated under a drought contingency plan and has received a reduction to its deliveries of Colorado River water as described above. Additional reductions may result from the 2026 re-consultation on the Colorado River by the Bureau of Reclamation and Colorado River Basin States. The impacts associated with climate and natural disasters and other “force majeure” events on the City cannot be predicted, but could be significant.

Other Considerations. The Audited General Purpose Financial Statements of the City included in APPENDIX D hereto are for the Fiscal Year ended June 30, 2024, and may not reflect the current financial positions of the City. Such financial statements are the most recent audited financial statements for the City.

THE PROJECT

A portion of the proceeds of the Obligations will be used to finance the Project, which consists of the Rainbow Valley Water Reclamation Facility design and expansion, the construction of Water Treatment Brine Disposal and various other System improvements and appurtenances.

SOURCES AND USES OF FUNDS*

The proceeds of the Obligations will be applied substantially as follows:

Sources of Funds	
Principal Amount of the Obligations	\$56,620,000.00
[Net] Original Issue Premium (a)	
Total Sources of Funds	\$
 Uses of Funds	
Deposit to Acquisition Fund	\$
Deposit to Delivery Costs Fund (b)	
Total Uses of Funds	\$

- (a) [Net amortizable premium consists of amortizable premium on the Obligations, less original issue discount on the Obligations.]
- (b) Includes certain costs incurred by the City in connection with the execution and delivery of the Obligations, including underwriting compensation, the premium for the Reserve Policy, and the premium for the Insurance Policy.

* Subject to change.

ESTIMATED DEBT SERVICE REQUIREMENTS AND DEBT SERVICE COVERAGE

The following schedule sets forth (i) the annual debt service requirements of the Existing Senior Bonds, (ii) the annual debt service requirements of the Existing Subordinate Parity Obligations, (iii) the estimated annual debt service requirements of the Obligations, (iv) the total estimated annual System debt service requirements following execution and delivery of the Obligations and (v) the estimated debt service coverage ratio for such total annual debt service requirements based upon the City’s Fiscal Year 2023/24 Net Revenues of \$35,017,770.

**City of Goodyear, Arizona
Schedule of Combined Annual Water and Sewer Revenue
Estimated Debt Service Requirements and Debt Service Coverage* (a)**

Period Ending (07-01)	Existing Senior Bonds (b)	Existing Subordinate Parity Obligations (b)	The Obligations*		Estimated Combined Annual Debt Service (d)*	Estimated Combined Debt Service Coverage* (e)
	Debt Service	Debt Service	Principal	Interest (c)		
2025 (f)	\$ 361,574	\$ 7,239,995	\$ 3,315,000	\$1,140,264	\$ 12,056,833	2.90x
2026	361,574	7,245,844	2,205,000	2,665,250	12,477,668	
2027	361,574	7,519,330	2,235,000	2,555,000	12,670,904	
2028	361,574	7,759,678	-	2,443,250	10,564,502	
2029	361,574	7,751,532	-	2,443,250	10,556,356	
2030	21,938	7,927,600	-	2,443,250	10,392,787	
2031	21,938	8,146,032	1,540,000	2,443,250	12,151,220	
2032	21,938	8,142,068	1,890,000	2,366,250	12,420,255	
2033	21,938	8,130,363	2,265,000	2,271,750	12,689,050	
2034	21,938	8,130,413	2,665,000	2,158,500	12,975,850	
2035	21,938	8,124,175	2,790,000	2,025,250	12,961,362	
2036	21,938	8,111,594	2,935,000	1,885,750	12,954,282	
2037	21,938	8,104,678	3,060,000	1,739,000	12,925,616	
2038	21,938	9,626,161	3,405,000	1,586,000	14,639,098	2.39x
2039	21,938	9,634,692	3,565,000	1,415,750	14,637,379	
2040	21,938	9,631,696	3,745,000	1,237,500	14,636,134	
2041	21,938	8,753,074	4,810,000	1,050,250	14,635,261	
2042	21,938	8,667,150	5,140,000	809,750	14,638,838	
2043	21,938	8,670,600	5,390,000	552,750	14,635,288	
2044	21,938	8,668,350	5,665,000	283,250	14,638,538	
2045	21,938	8,670,200			8,692,138	
2046	21,938	8,670,600			8,692,538	
2047	21,938	8,669,050			8,690,988	
2048	21,938	8,669,800			8,691,738	
2049	346,938	8,572,550			8,919,488	
Total (e)	\$2,571,620	\$209,237,222	\$56,620,000		\$303,944,106	

- (a) Schedule prepared by Hilltop Securities Inc. (the “Financial Advisor”).
- (b) See APPENDIX B – “City of Goodyear, Arizona – Financial Data” – TABLE B-3 and TABLE B-4 hereto.
- (c) The first interest payment on the Obligations is due on July 1, 2025*, representing interest from the date of the Obligations. Thereafter, interest payments will be made semiannually on each January 1 and July 1, until maturity or prior redemption. Interest is estimated at 5.00%.
- (d) Totals may not add due to rounding.

* Subject to change.

- (d) Totals may not add due to rounding.
- (e) See “COMBINED SCHEDULES OF NET REVENUES AND DEBT SERVICE COVERAGE” herein. Such Net Revenues provide coverage for the total annual debt service requirements in Fiscal Year 2024/25 of approximately 2.90x* and for the total annual debt service requirements for Fiscal Year 2037/38, the maximum annual debt service payable on all Existing Senior Bonds, the Obligations and the Existing Subordinate Parity Obligations to be outstanding immediately after execution and delivery of the Obligations, of approximately 2.39x*.
- (f) Debt service payable January 1, 2025, is included for purposes of this table.

OBLIGATION INSURANCE

Bond Insurance Policy

Concurrently with the execution and delivery of the Obligations, Assured Guaranty Inc. (“AG” or the “Insurer”) will issue its Municipal Bond Insurance Policy (the “Insurance Policy”) for the Obligations. The Insurance Policy guarantees the scheduled payment of principal of and interest on the Obligations when due as set forth in the form of the Insurance Policy included as an appendix to this Official Statement.

The Insurance Policy is not covered by any insurance security or guaranty fund established under New York, Maryland, California, Connecticut or Florida insurance law.

Assured Guaranty Inc.

AG is a Maryland domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. (“AGL” and together with its subsidiaries, “Assured Guaranty”), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol “AGO.” AGL, through its subsidiaries, provides credit enhancement products to the U.S. and non-U.S. public finance (including infrastructure) and structured finance markets and participates in the asset management business through ownership interests in Sound Point Capital Management, LP and certain of its investment management affiliates. Only AG is obligated to pay claims under the insurance policies AG has issued, and not AGL or any of its shareholders or other affiliates.

AG’s financial strength is rated “AA” (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“S&P”), “AA+” (stable outlook) by Kroll Bond Rating Agency, Inc. (“KBRA”) and “A1” (stable outlook) by Moody’s Investors Service, Inc. (“Moody’s”). Each rating of AG should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AG in its sole discretion. In addition, the rating agencies may at any time change AG’s long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AG. AG only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AG on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Merger of Assured Guaranty Municipal Corp. Into Assured Guaranty Inc.

On August 1, 2024, Assured Guaranty Municipal Corp., a New York domiciled financial guaranty insurance company and an affiliate of AG (“AGM”), merged with and into AG, with AG as the surviving company (such transaction, the “Merger”). Upon the Merger, all liabilities of AGM, including insurance policies issued or assumed by AGM, became obligations of AG.

* Subject to change.

Current Financial Strength Ratings

On October 18, 2024, KBRA announced it had affirmed AG’s insurance financial strength rating of “AA+” (stable outlook).

On July 10, 2024, Moody’s, following Assured Guaranty’s announcement of the Merger, announced that it had affirmed AG’s insurance financial strength rating of “A1” (stable outlook).

On May 28, 2024, S&P announced it had affirmed AG’s financial strength rating of “AA” (stable outlook). On August 1, 2024, S&P stated that following the Merger, there is no change in AG’s financial strength rating of “AA” (stable outlook).

AG can give no assurance as to any further ratings action that S&P, Moody’s and/or KBRA may take. For more information regarding AG’s financial strength ratings and the risks relating thereto, see AGL’s Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

Capitalization of AG

At September 30, 2024:

- The policyholders’ surplus of AG was approximately \$3,644 million.
- The contingency reserve of AG was approximately \$1,374 million.
- The net unearned premium reserves and net deferred ceding commission income of AG and its subsidiaries (as described below) were approximately \$2,438 million. Such amount includes (i) 100% of the net unearned premium reserve and net deferred ceding commission income of AG, and (ii) the net unearned premium reserves and net deferred ceding commissions of AG’s wholly owned subsidiary Assured Guaranty UK Limited (“AGUK”), and its 99.9999% owned subsidiary Assured Guaranty (Europe) SA (“AGE”).

The policyholders’ surplus, contingency reserve, and net unearned premium reserves and net deferred ceding commission income of AG were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGUK and AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the “SEC”) that relate to AG are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

- (i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2023 (filed by AGL with the SEC on February 28, 2024);
- (ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2024 (filed by AGL with the SEC on May 8, 2024);
- (iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2024 (filed by AGL with the SEC on August 8, 2024); and
- (iv) the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2024 (filed by AGL with the SEC on November 12, 2024).

All information relating to AG included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof “furnished” under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Obligations shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC’s website at <http://www.sec.gov>, at AGL’s website at <http://www.assuredguaranty.com>, or will be provided upon request to Assured Guaranty Inc.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL’s website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AG included herein under the heading “OBLIGATION INSURANCE – Assured Guaranty Inc.” or included in a document incorporated by reference herein (collectively, the “AG Information”) shall be modified or superseded to the extent that any subsequently included AG Information (either directly or through incorporation by

reference) modifies or supersedes such previously included AG Information. Any AG Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AG makes no representation regarding the Obligations or the advisability of investing in the Obligations. In addition, AG has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AG supplied by AG and presented under the heading “OBLIGATION INSURANCE”.

OBLIGATION INSURANCE AND RELATED RISK FACTORS

The following are risk factors relating to bond insurance generally. In the event of default of the payment of principal or interest with respect to any of the Obligations when all or some become due, any owner of the Obligations on which such principal or interest was not paid will have a claim under the Insurance Policy for such payments. In the event the Insurer is unable to make payment of principal and interest as such payments become due under the Insurance Policy, the Obligations will remain payable solely from the Payments, which are secured by the Net Revenues, as described under “SECURITY FOR AND SOURCES OF PAYMENT FOR THE OBLIGATIONS.” In the event the Insurer becomes obligated to make payments with respect to the Obligations, no assurance will be given that such event will not adversely affect the market price of the Obligations and the marketability (liquidity) of the Obligations.

The long-term ratings on the Obligations will be dependent in part on the financial strength of the Insurer and its claims paying ability. The Insurer’s financial strength and claims paying ability will be predicated upon a number of factors that could change over time. No assurance will be given that the long-term rating of the Insurer and of the rating on the Obligations insured by the Insurer will not be subject to downgrade, and such event could adversely affect the market price of the Obligations and the marketability (liquidity) of the Obligations.

The obligations of the Insurer will be general obligations of the Insurer, and in an event of default by the Insurer, the remedies available may be limited by applicable bankruptcy law, state receivership or other similar laws related to insolvency of insurance companies.

None of the City, the Financial Advisor, the Underwriter (as defined herein), or their respective attorneys (including Special Counsel (as defined herein) and counsel to the Underwriter), agents or consultants have made independent investigation into the claims paying ability of the Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Insurer will be given. Thus, when making an investment decision, potential investors should carefully consider the ability of the City to pay principal of and interest on the Obligations and the claims paying ability of the Insurer, particularly over the life of the investment.

RATINGS

Moody’s and S&P have assigned underlying ratings of “Aa3” and “AA”, respectively, to the Obligations. S&P is expected to assign an insured rating of “AA” (stable outlook) to the Obligations, based upon the issuance of the Insurance Policy to be issued by the Insurer at the time of delivery of the Obligations. Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: Moody’s at One Front Street, Suite 1900, San Francisco, California 94111, from and S&P at One California Street, 31st Floor, San Francisco, California 94111. Such ratings may subsequently be revised downward or withdrawn entirely by Moody’s or S&P, if, in their respective judgment, circumstances so warrant. Any subsequent downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Obligations. The City will covenant in its continuing disclosure certificate that it will file notice of any formal change in the ratings relating to the Obligations. See “CONTINUING SECONDARY MARKET DISCLOSURE” below.

LITIGATION

To the knowledge of appropriate representatives of the City, no litigation or administrative action or proceeding is pending or threatened, restraining or enjoining, or seeking to restrain or enjoin, the execution, sale or delivery of the Obligations or contesting or questioning the proceedings and authority under which the Obligations have been authorized and are to be executed, sold or delivered, or the validity of the Obligations.

LEGAL MATTERS

The Obligations are sold with the understanding that the City will furnish the Underwriter with the approving opinion of Gust Rosenfeld P.L.C., Phoenix, Arizona (“Special Counsel”) addressing legal matters relating to the validity of the Obligations under Arizona law, and with regard to the status of the interest income on the Obligations for federal and Arizona income tax purposes (see “TAX EXEMPTION” herein). The signed legal opinion of Special Counsel, dated and premised on the law in effect only as of the date of original delivery of the Obligations, will be delivered to the City at the time of original issuance.

The proposed form of the legal opinion is set forth as APPENDIX G. The legal opinion to be delivered may vary from the text of APPENDIX G if necessary to reflect the facts and law on the date of delivery. Special Counsel is to render its opinion, which will speak only as of its date, upon the validity and enforceability of the Obligations under Arizona law and on the exclusion of the interest income on the Obligations from gross income for purposes of calculating federal income taxes and of the exemption of the interest income on the Obligations from Arizona income taxes. (See “TAX EXEMPTION” herein.) The opinion will speak only as of its date and subsequent distribution, by recirculation of this Official Statement or otherwise, should not be construed as a representation that Special Counsel has reviewed or expressed any opinion concerning any matters relating to Obligations subsequent to the original delivery of the Obligations.

Special Counsel has reviewed the information in the tax caption on the cover page as well as the information under the headings “THE OBLIGATIONS,” “SECURITY FOR AND SOURCES OF PAYMENT FOR THE OBLIGATIONS,” “THE PROJECT,” “TAX EXEMPTION,” “OBLIGATION PREMIUM,” “ORIGINAL ISSUE DISCOUNT,” “RELATIONSHIP AMONG PARTIES” (but only as it applies to Special Counsel), “CONTINUING SECONDARY MARKET DISCLOSURE” (except as it relates to the City’s compliance with prior continuing disclosure certificates), and in APPENDICES E, G and H but otherwise has not participated in the preparation of this Official Statement and will not pass upon its accuracy, completeness or sufficiency. Special Counsel has neither examined nor attempted to examine nor verify any of the financial or statistical statements or data contained in this Official Statement and will express no opinion with respect thereto.

The various legal opinions to be delivered concurrently with the delivery of the Obligations express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the performance of parties to the transaction. The rendering of an opinion also does not guarantee the outcome of any legal dispute that may arise out of the transaction. Payment of the fees of Special Counsel, the Underwriter, the Financial Advisor, and counsel to the Underwriter are contingent on the execution and delivery of the Obligations.

Certain legal matters will be passed upon for the Underwriter by Greenberg Traurig, LLP, Phoenix, Arizona, counsel to the Underwriter.

TAX EXEMPTION

In the opinion of Special Counsel, under existing laws, regulations, rulings and judicial decisions, and assuming continuing compliance with certain restrictions, conditions and requirements by the City as described below, the portion of each Payment made by the City under the Agreement and denominated as and comprising interest income pursuant to the Agreement and received by the Owners of the Obligations will be excluded from gross income for federal income tax purposes and is exempt from Arizona income taxes. The opinion of Special Counsel will be dated the date of delivery of the Obligations. The form of such opinion is included herein in APPENDIX G – “Form of Approving Legal Opinion.”

The Internal Revenue Code of 1986, as amended (the “Code”), imposes various restrictions, conditions and requirements relating to the continued exclusion of interest income on the Obligations, from gross income for federal

income tax purposes, including a requirement that the City rebate to the federal government certain of its investment earnings with respect to the Obligations. The City has covenanted to comply with the provisions of the Code relating to such matters and the opinion of Special Counsel assumes continuing compliance with such covenants. Failure to comply with such restrictions, conditions, and requirements could result in the interest income on the Agreement being included as gross income for federal income tax purposes, under certain circumstances, from the date of initial issuance. The Obligations do not provide for an adjustment in the interest rate or yield in the event of taxability and an event of taxability does not cause an acceleration of the principal on the Obligations.

The Code also imposes an “alternative minimum tax” upon certain corporations and individuals. A taxpayer’s “alternative minimum taxable income” (“AMTI”) is its taxable income with certain adjustments. Interest income on the Agreement is not an item of tax preference to be included in the AMTI. Notwithstanding the preceding sentence, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022.

Although Special Counsel will render an opinion that, as of the delivery of the Obligations, interest income on the Agreement will be excluded from gross income for federal income tax purposes, the accrual or receipt of interest on the Obligations may otherwise affect a Beneficial Owner’s (as defined in APPENDIX F – “Book-Entry-Only System”) federal tax liability. Certain taxpayers may experience other tax consequences. Taxpayers who become Beneficial Owners of the Obligations, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain subchapter S corporations, individuals who receive Social Security or Railroad Retirement benefits and taxpayers who have or are deemed to have incurred indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the applicability of such tax consequences to the respective Beneficial Owner. The nature and extent of these other tax consequences will depend upon the Beneficial Owner’s particular tax status and the Beneficial Owner’s other items of income or deduction. Special Counsel expresses no opinion regarding any such other tax consequences.

The Agreement and the Obligations are not “private activity bonds” within the meaning of Section 141 of the Code.

From time to time, there are legislative proposals in Congress, which, if enacted or made effective, could alter or amend the federal tax matters referred to above or adversely affect the market value and marketability (liquidity) of the Obligations. Any such change that occurs before initial delivery of the Obligations could cause Special Counsel to deliver an opinion substantially different from the form of opinion shown in APPENDIX G – “Form of Approving Legal Opinion.” The extent of change in Special Counsel’s opinion cannot be determined at this time. It cannot be predicted whether, when or in what form any such proposal or proposals might be enacted or whether, if enacted, such proposal or proposals would apply to obligations (such as the Obligations) issued prior to enactment or effective date. Prospective purchasers should consult with their own tax advisors regarding any other pending or proposed federal income tax legislation.

OBLIGATION PREMIUM

The initial public offering prices of the Obligations maturing on July 1, 20__, through and including July 1, 20__ (collectively, the “Premium Obligations”), are greater than the amount payable on such Premium Obligations at maturity. An amount equal to the difference between the initial public offering price of a Premium Obligation (assuming that a substantial amount of the Premium Obligations of that maturity are sold to the public at such price) and the amount payable at maturity constitutes premium to the initial Beneficial Owner of such Premium Obligations. The basis for federal income tax purposes of a Premium Obligation in the hands of such initial Beneficial Owner must be reduced each year by the amortizable obligation premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable obligation premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Obligation. The amount of premium that is amortizable each year by an initial Beneficial Owner is determined by using such Beneficial Owner’s yield to maturity. Beneficial Owners of the Premium Obligations should consult with their own tax advisors with respect to the determination of amortizable obligation premium with respect to the Premium Obligations for federal income tax purposes and with respect to the state and local tax consequences of owning Premium Obligations.

ORIGINAL ISSUE DISCOUNT

The initial public offering prices of the Obligations maturing on July 1, 20__, July 1, 20__, and July 1, 20__ (collectively, the “Discount Obligations”), are less than the respective amounts payable at maturity. As a result, the Discount Obligations will be considered to be issued with original issue discount. The difference between the initial public offering price (assuming it is the first price at which a substantial amount of that maturity of Discount Obligations was sold (the “OID Issue Price”)) of the Discount Obligations and the amount payable at maturity of the Discount Obligations will be treated as “original issue discount.” With respect to a Beneficial Owner who purchases a Discount Obligation in the initial public offering at the OID Issue Price and who holds the Discount Obligation to maturity, the full amount of original issue discount will constitute interest income that is not includible in the gross income of the Beneficial Owner of the Discount Obligation for federal income tax purposes and Arizona income tax purposes and that Beneficial Owner will not, under present federal income tax law and present Arizona income tax law, realize a taxable capital gain upon payment of the Discount Obligation at maturity.

The original issue discount on each of the Discount Obligations is treated for federal income tax purposes and Arizona income tax purposes as accreting daily over the term of such Discount Obligation on the basis of a constant interest rate compounded at the end of each six-month period (or shorter period from the date of original issue) ending on January 1 and July 1 (with straight-line interpolation between compounding dates).

The amount of original issue discount accreting each period will be added to the Beneficial Owner’s tax basis for the Discount Obligation. The adjusted tax basis will be used to determine taxable gain or loss upon disposition of the Discount Obligation. Initial Beneficial Owners of a Discount Obligation who dispose of the Discount Obligation prior to maturity should consult their tax advisors as to the amount of the original issue discount accrued over the period held and the amount of taxable gain or loss upon the sale or disposition of the Discount Obligation prior to maturity.

The Code contains certain provisions relating to the accretion of original issue discount in the case of subsequent Beneficial Owners of the Discount Obligations. Beneficial Owners who do not purchase the Discount Obligations in the initial offering at the OID Issue Price should consult their own tax advisors with respect to the tax consequences of the ownership of Discount Obligations.

A portion of the original issue discount that accretes in each year to a Beneficial Owner of a Discount Obligation may result in certain collateral federal income tax consequences as described in “TAX EXEMPTION” herein. Beneficial Owners of Discount Obligations in states other than Arizona should consult their own tax advisors with respect to the state and local tax consequences of owning Discount Obligations.

UNDERWRITING

Stifel, Nicolaus & Company, Incorporated (the “Underwriter” or “Stifel”) has agreed to purchase the Obligations at an aggregate purchase price of \$ ____ pursuant to an obligation purchase agreement (the “Purchase Contract”) entered into by and between the City and the Underwriter. If the Obligations are sold to produce the yields shown on the inside front cover page hereof, the Underwriter’s compensation will be \$ _____. The Purchase Contract provides that the Underwriter will purchase all of the Obligations so offered if any are purchased. The Underwriter may offer and sell the Obligations to certain dealers (including dealers depositing Obligations into unit investment trusts) and others at prices higher or yields lower than the public offering prices or yields stated on the inside front cover page hereof. The initial offering prices or yields set forth on the inside front cover page may be changed from time to time by the Underwriter.

Stifel and its affiliates comprise a full service financial institution engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Stifel and its affiliates may have provided, and may in the future provide, a variety of these services to the City and to persons and entities with relationships with the City, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, Stifel and its affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the City (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the City.

Stifel and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the City.

RELATIONSHIP AMONG PARTIES

Special Counsel has previously represented the Financial Advisor and the Underwriter with respect to other financings and has acted or is acting as bond counsel in other transactions involving the Financial Advisor and the Underwriter and will continue to do so in the future if requested. Special Counsel also serves as bond counsel for political jurisdictions whose boundaries include all or part of the City. Counsel to the Underwriter is currently representing the Financial Advisor and the Underwriter with respect to other financings and will continue to do so in the future if requested. Counsel to the Underwriter also acts as bond counsel for other financings underwritten by the Underwriter and the Financial Advisor. Additionally, Special Counsel serves as special counsel to the City on various legal matters.

FINANCIAL ADVISOR

The Financial Advisor's fee for services rendered with respect to the sale of the Obligations is contingent upon the execution and delivery of the Obligations. The Financial Advisor has not verified and does not assume any responsibility for, the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Obligations, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

CONTINUING SECONDARY MARKET DISCLOSURE

The City will covenant for the benefit of the owners of the Obligations to provide certain financial information and operating data relating to the City by not later than February 1 in each year commencing February 1, 2026 (the "Annual Reports"), and to provide notices of the occurrence of certain listed events (the "Notices"). Such covenants will be made in order to assist the Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"). The Annual Reports, Notices and other information required to be filed by such covenants will be filed by the City with the MSRB, currently through EMMA as described in APPENDIX H – "Form of Continuing Disclosure Certificate." The form of the undertaking which describes the content of the Annual Reports and the Notices and the method of their dissemination is included as APPENDIX H hereto. A failure by the City to comply with these covenants must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Obligations in the secondary market. The City's undertaking to provide continuing disclosure is payable solely from Net Revenues of the System to cover the costs of preparing and sending the Annual Reports and Notices to EMMA. Absence of continuing disclosure could adversely affect the Obligations and specifically their market price and transferability.

The City failed to timely file notice of a rating upgrade, from A+ to AA-, by S&P, issued May 11, 2021, related to the City's Subordinate Lien Water and Sewer Revenue and Refunding Obligations. Such missing notice was filed on March 7, 2022. The City failed to timely file notice of a rating upgrade, from Aa2 to Aa1, by Moody's issued October 11, 2024, related to the City's Senior Excise Tax Bonds. Such missing notice was filed on December 11, 2024. The City has established procedures to facilitate timely filing of rating upgrade notices as required by the Rule.

GENERAL PURPOSE FINANCIAL STATEMENTS

The audited financial statements of the City for the Fiscal Year ended June 30, 2024, a copy of which is included in APPENDIX D of this Official Statement, have been audited by Heinfeld, Meech & Co., P.C. certified public accountants, to the extent and for the period indicated in their report thereon. The City is not aware of any facts that would make such audited financial statements misleading. The audited financial statements are for the Fiscal Year ending June 30, 2024, and are not current. The City neither requested nor obtained the consent of Heinfeld, Meech & Co., P.C. to include the report, and Heinfeld, Meech & Co., P.C. has performed no procedures subsequent to rendering its opinion on the financial statements.

CONCLUDING STATEMENT

To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations or fact of certainty and no representation is made that any of these statements have been or will be realized. Information set forth in this Official Statement has been derived from the records of the City and from certain other sources, as referenced, and is believed by the City to be accurate and reliable. Information other than that obtained from official records of the City has not been independently confirmed or verified by the City and its accuracy is not guaranteed.

Neither this Official Statement nor any statements that may have been or that may be made orally or in writing are to be construed as a part of a contract with the original purchasers or subsequent owners of the Obligations.

This Official Statement has been prepared at the direction of the City and executed for and on behalf of the City by its Finance Director.

CITY OF GOODYEAR, ARIZONA

By: _____
Finance Director

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**City of Goodyear, Arizona
General Economic and Demographic Information**

General

The City (also referred to herein as “Goodyear”), which incorporated in 1946, is a suburban community that lies approximately 17 miles west of downtown Phoenix. The City was founded in 1916 by the Goodyear Tire & Rubber Company for the farming of cotton. Later, a naval air station was established in Goodyear and a subsidiary, Goodyear Aircraft (now Lockheed Martin), began manufacturing flight decks for Navy sea planes. The City has grown from a one-industry, agricultural-based community into a diversified manufacturing and service center for the far west valley area.

The City annexed 67 square miles south of its former southern boundary, which annexation expanded the City to approximately 190 square miles. The annexed area is expected to be primarily utilized in future years for residential land uses.

TABLE A-1

Population Statistics

Year	City of Goodyear	Maricopa County	State of Arizona
2024 Estimate (a)	116,694	4,726,247	7,621,703
2020 Census	95,294	4,420,568	7,151,502
2010 Census	65,275	3,817,117	6,392,017
2000 Census	18,911	3,072,149	5,130,632
1990 Census	6,258	2,122,101	3,665,339

(a) Estimate as of July 1, 2024 (published December 2024).

Source: Arizona Office of Economic Opportunity and U.S. Census Bureau (2020, 2010, 2000 and 1990) – *Census of Population and Housing* and July 1, 2024, Population Estimates for Arizona’s Counties, Incorporated Places and Unincorporated Balance of Counties.

Municipal Government Organization and Services

The City’s charter government provides for six Council Members and a Mayor elected at large. A Vice Mayor is elected by the Mayor and Council Members. Council Members serve four-year staggered terms and the Mayor serves a four-year term. The Mayor is limited to two four-year terms and Council Members are limited to three four-year terms. The City Manager, who is appointed by the City Council, is responsible for the overall operation and supervision of all governmental functions. The operations of City government are provided by a staff of approximately 904 employees.

The City, along with other private utilities, provides refuse collection and public safety (police and fire) to its residents. The City and Liberty Water Company provide water and sewer service to a majority of the City’s residents. Electricity is provided by Arizona Public Service Company, and natural gas is supplied by Southwest Gas Corporation.

The following are certain members of the administrative staff of the City:

Wynette Reed, City Manager. Ms. Reed was appointed City Manager in February 2023. Ms. Reed has more than 36 years of municipal government experience, including over 25 years in management/leadership roles. She came to the City in 2011 as the City’s Human Resources Director and was promoted to Deputy City Manager in March 2013 and has overseen every department in the City during her tenure. Prior to joining the City, Ms. Reed held the Human Resources Director position for the City of Peoria for 3.5 years. Before making her home in Arizona in 2008, she served as HR Director for Larimer County and Assistant HR Director for Fort Collins, Colorado. Ms. Reed has experience in strategic planning, organizational development and human capital planning. She graduated from Colorado State University with a Bachelor of Science degree in Biological Sciences and a Master of Science degree in Organizational Leadership. She was also awarded a certificate of completion for the Senior Executives in State and Local Government Program, July 2015, Harvard University, John F. Kennedy School of Government, Executive Education.

Jared Askelson, Finance Director. Mr. Askelson joined the City of Goodyear in August of 2017 and served as the Financial Services Manager and Deputy Finance Director before being selected as the Finance Director in March 2024. Mr. Askelson has over 24 years of government experience. He previously served two stints with the City of Surprise, Arizona from 2005 to 2010 and again from 2014 to 2017 as a Senior Budget Analyst, Budget Manager, and Assistant Finance Director. From 2011 to 2014, Mr. Askelson served in the City of Mesa as a Senior Budget Analyst and Budget Administrator. His previous government finance experience also includes stops in the City of Casa Grande and the Arizona Game & Fish Department. Mr. Askelson holds a Bachelor’s degree in accountancy from Arizona State University.

Economy

Historically agriculture was a major contributor to the City’s economic base. Agriculture still plays a role in the City’s economy; however, it no longer dominates the area’s economy. Today much of the City’s economy centers around the aerospace industry and retail services. Arizona’s Airline Training Center and Lockheed Martin are located on the Phoenix-Goodyear Airport Campus. Industrial, commercial and residential developments have also become a significant part of the economy.

Goodyear Ballpark is the spring training and player development home of both of Ohio’s Major League Baseball teams – the Cleveland Guardians and the Cincinnati Reds. The Cleveland Guardians started spring training in the City in 2009; the Cincinnati Reds started spring training in the City in 2010. Each team has a year-round presence in Arizona, through Spring Training, extended Spring Training, Rookie League, Fall Instructional League and rehabilitation of injured players at their training complexes. The teams’ development complexes each include a 42,000 square foot clubhouse, six full-size practice fields, two infields, batting cages, pitching mounds, hitting tunnels and observation towers. Both teams have made Arizona their second home, and are actively engaged in the City and surrounding communities, participating in charity activities, youth sports programs and other events.

TABLE A-2 (a)

Unemployment Rate Averages

Year	United States	State of Arizona (a)	Maricopa County (a)	City of Goodyear (a)
2024 (b)	4.0%	3.6%	3.1%	3.5%
2023	3.6	3.9	3.4	3.7
2022	3.7	3.8	3.3	3.7
2021	5.4	5.1	4.6	4.7
2020	8.1	7.8	7.3	6.9
2019	3.7	4.8	4.1	4.4

(a) This table includes restated data: Local Area Unemployment Statistics (“LAUS”) program data is intermittently revised to incorporate new population controls, updated inputs, re-estimation of models, and adjustment to new census division and national control totals.

(b) Data is not seasonally adjusted, is preliminary and is an average through November 2024 for the National Unemployment rate and through October 2024 for LAUS data.

Source: Local Area Unemployment Statistics and National Labor Force Statistics, U.S. Department of Labor, Bureau of Labor Statistics. Data accessed December 17, 2024.

A list of major employers located within the City is set forth in the following table.

TABLE A-3

**Major Employers
City of Goodyear, Arizona**

Employer	Product/Service	Approximate Employment
Amazon Fulfillment	Retail Fulfillment Center	2,260
UPS - Regional Ops Center	Couriers and Delivery Services	1,860
Chewy.com	Pet Products Fulfillment Center	1,490
Abrazo Healthcare (West Valley Hospital)	General Medical and Surgical Hospital	1,150
Macys	General Warehousing and Storage	1,020
Meyer Burger	Solar Panel Production	569
Subzero / Wolf	Consumer Goods Manufacturing	510
City of Hope (Cancer Treatment Centers of America)	Cancer Treatment Hospital	500
Mlily USA	Mattress Manufacturing	420
Andersen Windows	Window Manufacturing	400

Construction

The following tables illustrate a building permit summary for residential and non-residential construction and new housing starts for the City. Values shown in thousands.

TABLE A-4

**Value of Building Permits (a)
City of Goodyear, Arizona
(\$000s omitted)**

Fiscal Year	Residential	Commercial and Industrial	Total
2024/25 (b)	\$117,071	\$117,931	\$ 235,002
2023/24	460,873	432,596	893,469
2022/23	258,443	563,500	821,943
2021/22	402,088	218,177	620,265
2020/21	655,377	295,009	950,386
2019/20	465,608	758,832	1,224,440

(a) Construction is valued on the basis of estimated cost, not on market price or value of construction at the time the permit is issued. The date on which the permit is issued is not to be construed as the date of construction.

(b) Partial Fiscal Year data from July 1, 2024, through September 30, 2024.

TABLE A-5

**New Housing Starts (a)
City of Goodyear, Arizona**

<u>Fiscal Year</u>	<u>Total New Housing Starts</u>
2024/25 (b)	399
2023/24	1,363
2022/23	687
2021/22	1,235
2020/21	2,062
2019/20	1,490

- (a) The date of new housing starts is the date on which the permit is issued and is not to be construed as the date of construction.
- (b) Partial Fiscal Year data from July 1, 2024, through September 30, 2024.

Transportation

The City is readily accessible via ground and air transportation. Highway access is provided by County Highway 85, State Route 303 and Interstate 10. Other freeways, including State Route 101, Interstate 17 and Interstate 8 are readily accessible to the City. The City is approximately 25 miles from Phoenix Sky Harbor International Airport, which offers service from major airlines, commuter airlines and charter companies. The Phoenix-Goodyear Airport, located within the City is classified as a reliever airport to Phoenix Sky Harbor International Airport. The airport has an 8,500-foot lighted and paved runway and offers various airport-related facilities. The City is also served by the major bus companies and rail service is provided by the Union Pacific Railroad.

Education

Elementary and secondary education is provided to residents of the City by Mobile Elementary School District, Avondale Elementary School District, Liberty Elementary School District, Litchfield Elementary School District, Littleton Elementary School District, Buckeye Union High School District, Tolleson Union High School District and Agua Fria Union High School District. Post-secondary education is provided by the Maricopa County Community College District, which provides two-year and professional degrees through a number of facilities located throughout the County and the greater Metropolitan Phoenix Area, including the campus of Estrella Mountain Community College located in the neighboring City of Avondale. Four-year degrees are attainable through Arizona State University located in Phoenix, Glendale, Mesa and Tempe, Grand Canyon University located in Phoenix and other universities located in the greater Metropolitan Phoenix Area that offer flexible class schedules to the working individuals of the County. Franklin Pierce University located in Goodyear offers doctorate programs through its College of Graduate and Professional Studies.

**City of Goodyear, Arizona
Financial Data**

TABLE B-1

**Current Year Statistics (For Fiscal Year 2024/25)
City of Goodyear, Arizona**

Total General Obligation Bonds Outstanding	\$ 131,525,000 (a)
Total Senior Lien Water and Sewer Revenue Bonds Outstanding	1,925,863 (b)
Total Subordinate Lien Water and Sewer Revenue Obligations Outstanding and to be Outstanding	189,325,000 * (c)
Total Senior Lien Excise Tax Obligations Outstanding	58,560,000 (d)
Total Subordinate Lien Excise Tax Obligations Outstanding	3,575,000 (e)
Total Improvement District Bonds Outstanding	13,120,000 (f)
Net Assessed Limited Property Value	1,635,614,667 (g)
Net Full Cash Assessed Value	3,048,635,963 (h)
Estimated Net Full Cash Value	26,359,535,282 (i)

- (a) See “Statements of Bonds Outstanding – General Obligation Bonds Outstanding” in this appendix.
- (b) See “Statements of Bonds Outstanding – Senior Water and Sewer Revenue Bonds Outstanding” in this appendix.
- (c) See “Statements of Bonds Outstanding – Subordinate Water and Sewer Revenue Obligations Outstanding and to be Outstanding” in this appendix.
- (d) See “Statements of Bonds Outstanding – Senior Lien Excise Tax Obligations Outstanding” in this appendix.
- (e) See “Statements of Bonds Outstanding – Subordinate Lien Excise Tax Obligations Outstanding” in this appendix.
- (f) See “Statements of Bonds Outstanding – Improvement District Bonds Outstanding” in this appendix.
- (g) In the context of a specific property parcel, limited property value (“Limited Property Value”) is a property value is determined pursuant to the Arizona Constitution and the Arizona Revised Statutes. Except for certain circumstances, for locally assessed property in existence in the prior year, Limited Property Value is limited to the lesser of full cash value (“Full Cash Value”) or an amount 5% greater than Limited Property Value determined for the prior year for such specific property parcel. A separate Limited Property Value is not provided for centrally valued property. “Net Assessed Limited Property Value” is determined by excluding the value of property exempt from taxation from Limited Assessed Property Value of locally assessed property and from Full Cash Assessed Value of centrally valued property and combining the resulting two amounts.
- (h) In the context of a specific property parcel, Full Cash Value is statutorily defined to mean “that value determined as prescribed by statute” or if no statutory method is prescribed it is “synonymous with market value which means that estimate of value that is derived annually by using standard appraisal methods and techniques,” which generally include the market approach, the cost approach and the income approach. Full Cash Value is used as the ceiling for determining Limited Property Value. Unlike Limited Property Value, increases in Full Cash Value are not limited.
- (i) Estimated net full cash value is the total market value of the property less estimated exempt property within the City, as projected by the Arizona Department of Revenue, Division of Property and Special Taxes (“Estimated Net Full Cash Value”).

Source: *State and County 2024 Abstract of the Assessment Roll*, Arizona Department of Revenue and *Maricopa County 2024 Tax Levy*, Maricopa County Department of Finance.

* Subject to change.

STATEMENTS OF BONDS OUTSTANDING

TABLE B-2

**General Obligation Bonds Outstanding
City of Goodyear, Arizona**

Issue Series	Description	Original Amount	Final Maturity	Principal Outstanding
2016	Refunding	\$54,975,000	07-01-2037	\$ 28,465,000
2017	Various Purpose	25,015,000	07-01-2037	19,275,000
2019	Refunding	4,225,000	07-01-2029	4,105,000
2019	Various Purpose	26,960,000	07-01-2038	22,085,000
2020	Refunding	9,250,000	07-01-2030	5,905,000
2021	Various Purpose	39,530,000	07-01-2040	32,100,000
2022	Various Purpose	23,475,000	07-01-2041	19,590,000
Total General Obligation Bonds Outstanding				<u>\$131,525,000</u> (a)

(a) Does not include an estimated \$75,000,000 principal amount of General Obligation Bonds, Series 2025 (“2025 GO Bonds”) the City may offer pursuant to a separate official statement in the second quarter of calendar year 2025. The 2025 GO bonds, if issued, will be payable from an *ad valorem* property tax levy and will not have any claim on the Net Revenues.

TABLE B-3

**Senior Water and Sewer Revenue Bonds Outstanding
City of Goodyear, Arizona**

Issue Series	Description	Original Amount	Final Maturity	Principal Outstanding
2009	Refunding	\$ 325,000	07-01-2049	\$ 325,000
2009	WIFA Loan	5,716,315(a)	07-01-2029	1,600,863 (b)
Total Water and Sewer Revenue Obligations Outstanding				<u>\$1,925,863</u>

(a) Actual amount drawn on \$8,000,000 loan.

(b) Represents the City’s 2009 financial obligations to WIFA.

TABLE B-4

**Subordinate Water and Sewer Revenue Obligations Outstanding and to be Outstanding
City of Goodyear, Arizona**

Issue Series	Description	Original Amount	Final Maturity	Principal Outstanding
2016	Subordinate Lien Obligations	\$11,540,000	07-01-2045	\$ 5,920,000
2020	Subordinate Lien Obligations	77,530,000	07-01-2049	74,145,000
2020	Subordinate Lien Obligations	30,950,000	07-01-2049	30,950,000
2020	Tax-Exempt Refunding	12,290,000	07-01-2039	10,775,000
2020	Taxable Refunding	13,540,000	07-01-2041	10,915,000
Total Subordinate Water and Sewer Revenue Obligations Outstanding				\$132,705,000
Plus the Obligations				<u>56,620,000</u> *
Total Subordinate Water and Sewer Revenue Obligations to be Outstanding				<u>\$189,325,000</u> *

* Subject to change.

TABLE B-5**Senior Lien Excise Tax Obligations Outstanding (a)
City of Goodyear, Arizona**

Issue Series	Description	Original Amount	Final Maturity	Principal Outstanding	
2016A	Refunding	\$40,530,000	07-01-2032	\$27,470,000	(b)
2016B	Refunding	31,165,000	07-01-2031	16,670,000	(b)
2021	Refunding	25,520,000	07-01-2027	14,420,000	
Total Senior Lien Excise Tax Obligations Outstanding				<u>\$58,560,000</u>	

(a) Secured by a first lien pledge of certain City excise taxes, fines and fees, and certain State shared revenues (collectively, the “Excise Taxes”).

(b) Issued by the City of Goodyear, Arizona Public Improvement Corporation (the “PIC”).

TABLE B-6**Subordinate Lien Excise Tax Obligations Outstanding (a)
City of Goodyear, Arizona**

Issue Series	Description	Original Amount	Final Maturity	Principal Outstanding	
2017	Refunding	\$10,645,000	07-01-2027	\$3,575,000	(b)
Total Subordinate Lien Excise Tax Obligations Outstanding				<u>\$3,575,000</u>	

(a) Secured by a second lien pledge of the Excise Taxes.

(b) Issued by the PIC.

TABLE B-7**Improvement District Bonds Outstanding (a)
City of Goodyear, Arizona**

Issue Series	Description	Original Amount	Final Maturity	Principal Outstanding
2018	Refunding	\$34,870,000	01-01-2031	\$13,120,000
Total Improvement District Bonds Outstanding				<u>\$13,120,000</u>

(a) Improvement District bonded debt is payable from special assessments levied on the property benefited by the financed improvements. Such bonds are a contingent liability of the City to the extent of any delinquent assessments.

CITY EMPLOYEE RETIREMENT SYSTEM

All benefitted employees of the City are covered by one of three pension systems. The Arizona State Retirement System (“ASRS”) is for the benefit of the employees of the state and certain other governmental jurisdictions. All benefitted City employees, except sworn fire and police personnel and the City Council, are included in the plan that is a multiple-employer cost-sharing defined benefit pension plan. All sworn fire and police personnel participate in the Public Safety Personnel Retirement System (“PSPRS”) that is an agent multiple-employer defined benefit pension plan. The Mayor and City Council contribute to the State’s Elected Officials Retirement Plan (“EORP”) that is also a multiple-employer cost-sharing pension plan. The EORP is not described herein because of its relative insignificance to the City’s financial statements.

In addition, eligible employees are covered by other post employment benefit plans. All sworn fire and police personnel participate in the PSPRS that is an agent multiple-employer defined benefit health insurance premium benefit (“OPEB”) plan. Eligible City employees also participate in the City’s defined benefit medical plan OPEB plan. Eligible City employees covered by Arizona State Retirement System also participate in the ASRS OPEB plan. The ASRS OPEB plan is not described below because of its relative insignificance to the financial statements.

At June 30, 2024, the City reported the following unfunded liabilities related to pensions and OPEB for all plans to which it contributes (in thousands):

TABLE B-8

**Net Pension and OPEB Liabilities
City of Goodyear, Arizona**

Plan	Governmental Activities	Business-Type Activities
ASRS	\$44,061,386	\$7,510,497
Long Term Disability	42,052	-
PSPRS-Fire	2,646,623	-
PSPRS-Police	10,614,302	-
Total	<u>\$57,364,363</u>	<u>\$7,510,497</u>

For a more detailed description of these plans and the City contributions to the various plans, please refer to Note 15 of the City's Audited General Purpose Financial Statements for the Fiscal Year Ended June 30, 2024, contained in APPENDIX D of this Official Statement.

**City of Goodyear, Arizona
Water and Sewer Systems Information**

Water System

The water system of the City serves approximately 60% of the population of the City, amounting to over 66,000, residing within a 170.5 square mile service area. The remaining approximately 40% of the population is served by private utility companies. Liberty Water Company provides most of the potable water treatment and distribution services located north of U.S. Interstate Highway I-10. EPCOR Water and Arizona Water also provide water to small portions of the City north of McDowell Road and Van Buren Street, respectively.

In 2023, groundwater wells produced 68% of the water used in the City while other 32% of water used was produced at the City's Surface Water Treatment Plant. The City currently has 11 groundwater wells of its own with a pumping capacity of approximately 18.5 million gallons per day ("mgd") and operates two wells of Adaman Mutual Water Company with a combined capacity of 2.5 mgd per agreement approved by Arizona Department of Water Resources. The City's Surface Water Treatment Plant began operations in 2021 and has a rated capacity of 8 mgd.

The City has nine storage facilities in the water system service area capable of storing 17.2 million gallons. The City has approximately 420 miles of pipelines, including 385 of mains. The total current capacity of the water system is approximately 23 mgd. The record peak day during 2024 required approximately 18.2 mgd. The average day in 2023 was 11.5 mgd.

The groundwater is treated at the Bullard Water Campus. Currently, the plant has a treatment capacity of 4.6 mgd. Site 12 Treatment facility has 4.3 mgd of reverse osmosis treatment and 1 mgd of arsenic removal treatment. Site 21 has 2.8 mgd for arsenic removal treatment and 1.0 mgd for reverse osmosis treatment of nitrates. Site 18 has 0.8 mgd treatment capacity for nitrates with a microbiological removal system.

Source: City of Goodyear Integrated Water Master Plan ("IWMP"). This population is from the 2023 Annual report to Arizona Department of Water Resources ("ADWR"). IWMP uses projection of 65,367 for same area.

The following tables provide information with respect to the City’s water utility system.

**Schedule of Existing and Adopted
Monthly Water Service Charges (a)**

Description of Water System Services	Existing Fees	Adopted 2023	Adopted 2022	Adopted 2021	Adopted 2020	Adopted 2019
Base Charge						
(Meter Size)						
3/4 Inch	\$20.26	\$ 19.67	\$ 19.10	\$ 18.54	\$ 18.54	\$ 17.49
1 Inch	28.02	27.20	26.41	25.64	25.64	24.19
1 1/2 Inch	45.30	43.98	42.70	41.46	41.46	39.11
2 Inches	73.33	71.20	69.12	67.11	67.11	63.31
3 Inches	84.87	82.40	80.00	77.67	77.67	77.67
4 Inches	138.39	134.36	130.45	126.65	126.65	126.65
6 Inches	262.65	255.00	247.57	240.36	240.36	240.36
12 Inches	262.65	255.00	247.57			
Monthly Volume Charge - Residential						
0 - 6,000 gallons (per thousand)	\$2.35	\$ 2.28	\$ 2.21	\$ 2.15	\$ 2.15	\$ 2.03
6,001 - 12,000 gallons (per thousand)	4.67	4.53	4.40	4.27	4.27	4.03
12,001 - 30,000 gallons (per thousand)	7.02	6.81	6.61	6.42	6.42	6.06
30,001+ gallons (per thousand)	11.27	10.94	10.62	10.31	10.31	9.73
Monthly Volume Charge – Commercial						
0 - 40,000 gallons (per thousand)	\$5.53	\$ 5.37	\$ 5.21	\$ 5.06	\$ 5.06	\$ 4.91
40,001 - 100,000 gallons (per thousand)	8.85	8.59	8.34	8.10	8.10	7.86
100,001+ gallons (per thousand)	11.47	11.14	10.82	10.50	10.50	10.19

(a) Rates shown are for inside City customers. Outside City rates (incorporated and unincorporated) are 25% greater than inside City rates. Rate increases are adopted at the direction of City Council.

Source: City of Goodyear Financial Records, Reports and Water & Wastewater Rate Study. 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 (a)

Fiscal Year	Rate Increase
2020	6.0%
2021	0.0
2022	3.0
2023	3.0
2024	3.0
2025	3.0

(a) The table above reflects only certain fees and charges of the City’s water system and is not a comprehensive statement of all such fees.

Schedule of Water System Customers (a)

Fiscal Year	Residential Customers	Commercial Customers	Multi-Unit Customers	Total Customers
2020	19,374	636	38	20,048
2021	20,284	1,054	39	21,377
2022	21,688	1,025	60	22,773
2023	22,376	443	61	22,880
2024	22,338	459	62	22,859

(a) Reflects customers as of June 30 for each Fiscal Year.

Schedule of the 10 Largest Water System Customers

Water System Customer	Description	2023/24 Water System Fees/Charges
Microsoft	Industrial	\$1,512,409
City of Goodyear	Multi Purpose	1,383,093
Las Brisas Community Association	Homeowner's Association	607,275
Canyon Trails Unit HOA 4 West	Homeowner's Association	499,369
Liberty Utilities Corp	Irrigation	498,684
Canyon Trails HOA	Homeowner's Association	472,960
Sundt Construction	Hydrant & Industrial	470,106
Canyon Trails 4 - South	Homeowner's Association	409,509
Cottonflower Goodyear Community	Homeowner's Association	358,542
Avondale Elementary School District	School	351,326
Total		<u>\$6,563,273</u>
Total as a Percent of Total Water System Operating Revenue		10.93%

Sewer System

The sewer system of the City serves approximately 58% of the City's overall requirements from residential and commercial properties, including the EPCOR Water and Arizona Water customers. (Liberty Water Company currently provides the balance, for most of the properties north of U.S. Interstate Highway I-10.)

The City owns and operates three water reclamation facilities. These reclamation facilities (157th Avenue, Corgett, and Rainbow Valley) currently have a combined treatment capacity of 7.5 mgd.

The City has approximately over 301 miles of sewer mains and 17 lift stations.

Source: City of Goodyear IWMP. This population is from the 2023 Annual report to ADWR. IWMP uses projection of 65,367 for same area.

Schedule of Existing and Adopted Monthly Sewer Service Charges (a)

Description of Sewer System Services	Existing Fees	Adopted 2023	Adopted 2022	Adopted 2021	Adopted 2020	Adopted 2019
Residential Sewer Service						
Base Charge						
Volume Charge (Per 1,000 gallons)	\$7.18	\$6.91	\$6.71	\$6.51	\$6.51	\$6.38
General Commercial Sewer Service						
Base Charge						
Volume Charge (Per 1,000 gallons)	\$7.18	\$6.91	\$6.71	\$6.51	\$6.51	\$6.38
Base Charge (Meter Size)						
3/4 Inch	\$26.24	\$25.23	\$24.49	\$23.78	\$23.78	\$23.31
1 Inch	40.26	38.71	37.58	36.49	36.49	35.77
1 1/2 Inch	49.61	47.70	46.31	44.96	44.96	44.08
2 Inches	96.38	92.67	89.97	87.35	87.35	85.64
3 Inches	127.13	122.24	118.68	115.22	115.22	115.22
4 Inches	168.66	162.17	157.45	152.86	152.86	152.86
6 Inches	417.83	401.76	390.06	378.70	378.70	378.70

(a) Rates shown are for inside City customers. Outside City rates (incorporated and unincorporated) are 25% greater than inside City rates. Rate increases are adopted at the direction of City Council.

Schedule of Sewer Rate Increases (a)

Fiscal Year	Rate Increase
2020	2.0%
2021	0.0
2022	3.0
2023	3.0
2024	4.0
2025	4.0

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

Source: City of Goodyear Financial Records, Reports and Water & Wastewater Rate Study. The table above reflects only certain basic fees and charges of the City's sewer system and is not a comprehensive statement of all such fees.

Schedule of Sewer System Customers (a)

Fiscal Year	Residential Customers	Commercial Customers	Multi-Unit Customers	Total Customers
2020	20,383	271	16	20,670
2021	20,383	271	16	20,670
2022	22,732	444	60	23,236
2023	23,561	497	44	24,102
2024	23,562	530	46	24,138

(a) Reflects customers as of June 30 for each Fiscal Year.

Schedule of the 10 Largest Sewer System Customers

Sewer System Customer	Description	2023/24 Wastewater Fees/Charges
Arizona State Prison/Perryville	Prison	\$1,321,714
Microsoft Corporation	Commercial	727,009
City of Goodyear	Multi Purpose	118,383
Factor75 LLC	Industrial	113,858
Shepard Invest Group	Apartments	102,453
JB Park Shadows	Apartments	92,070
Huhtamaki	Irrigation	88,711
Serafina Apartments SPE LLC	Apartments	79,736
Poore Brothers Inc	Food Manufacturer	75,581
Airport Master Meter	Airport	72,763
Total		<u>\$2,792,278</u>
Total as a Percent of Total Sewer System Operating Revenue		<u>8.34%</u>

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City of Goodyear, Arizona

**Audited Financial Statements for
The Year Ended June 30, 2024**

The following audited financial statements are for the Fiscal Year ended June 30, 2024, have been audited by Heinfeld, Meech & Co., P.C., certified public accountants, to the extent and for the period indicated thereon. The City has neither requested nor obtained the consent of Heinfeld, Meech & Co., P.C., to include its report and Heinfeld, Meech & Co., P.C., has performed no procedures subsequent to sending its report on the audited financial statements.

These are the most recent audited financial statements available to the City. THESE AUDITED FINANCIAL STATEMENTS ARE NOT CURRENT AND MAY NOT REPRESENT THE CURRENT FINANCIAL CONDITIONS OF THE CITY.

ANNUAL COMPREHENSIVE FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED JUNE 30, 2024

City of Goodyear, Arizona
Finance Department



City of Goodyear, Arizona
Annual Comprehensive Financial Report
For the Year Ended June 30, 2024

Table of Contents

<u>Introductory Section</u>	<u>Page</u>
Letter of Transmittal	1
GFOA Certificate of Achievement	8
City of Goodyear Officials	9
Organizational Chart	10
<u>Financial Section</u>	
Independent Auditor's Report	13
Management's Discussion and Analysis (MD&A)	17
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Position	37
Statement of Activities	38
Fund Financial Statements:	
Governmental Fund Financial Statements	
Balance Sheet	42
Reconciliation of the Balance Sheet –	
Governmental Funds to the Statement of Net Position	45
Statement of Revenues, Expenditures and Changes in Fund Balances	46
Reconciliation of the Statement of Revenues, Expenditures and	
Changes in Fund Balances – Governmental Funds to the Statement of Activities	49
Proprietary Fund Financial Statements	
Statement of Net Position	50
Statement of Revenues, Expenses and Changes in Fund Net Position	51
Statement of Cash Flows	52
Fiduciary Fund Financial Statements	
Statement of Fiduciary Net Position	53
Statement of Changes in Fiduciary Net Position	54
Notes to Financial Statements	
1. Summary of Significant Accounting Policies	57
2. Cash and Investments	69
3. Receivables	73
4. Capital Assets	74
5. Claims and Judgments Payable	75
6. Leases	75
7. Loan Payable	77
8. General Obligation Bonds Payable	78
9. Revenue Bonds Payable	78
10. Community Facilities Districts Bonds Payable	80
11. Changes in Long-term Liabilities	82
12. Interfund Receivables, Payables, and Transfers	83
13. Contingent Liabilities	84
14. Risk Management	84
15. Pensions and Other Postemployment Benefits	85
16. Excess of Expenditures Over Appropriations	99
17. Fund Balance Classifications	99
18. Deficit Fund Balances	99

**City of Goodyear, Arizona
Annual Comprehensive Financial Report
For the Year Ended June 30, 2024**

Table of Contents

<u>Financial Section</u>	<u>Page</u>
Notes to Financial Statements	
19. Commitments	100
20. Tax Abatement Agreements	101
21. Subsequent Event	102
 Required Supplementary Information	
Schedule of Revenues Expenditures and Changes in Fund Balances – Budget and Actual:	
General Fund	104
Notes to Budget and Actual Schedules	106
Schedule of the Proportionate Share of the Net Pension Liability	107
Schedule of the Proportionate Share of the Net OPEB Liability - Health	108
Schedule of the Proportionate Share of the Net OPEB Liability - LTD	109
Schedule of Changes in the Net Pension Liability and Related Ratios	110
Schedule of Changes in the Net OPEB Liability and Related Ratios	114
Schedule of Pension/OPEB Contributions	118
Notes to the Pension/OPEB Plan Schedules	122
 Other Supplementary Information	
Budgetary Comparison Schedules – Major Governmental Funds	
Non-Utility Development Impact Fees – Capital Projects	124
GO Bonds – Capital Projects	125
McDowell Road Commercial Corridor ID – Debt Service	126
Community Facilities Districts – Debt Service	127
 Non-Major Governmental Funds – Financial Statements	
Combining Balance Sheet	130
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	132
 Budgetary Comparison Schedules – Non-Major Governmental Funds	
Highway User Revenue	134
Community Facilities Districts – General	135
Office of Tourism Prop 302	136
Grants	137
Ball Park	138
Ambulance	139
Debt Service	140
Community Facilities Districts – Capital	141
 Budgetary Comparison Schedules – Other Governmental Funds	
Park and Ride Marquee	144
Court Enhancement	145
Fill-the-Gap	146
JCEF	147
Impound	148
AZ Smart and Safe	149
Officer Safety Equipment	150

City of Goodyear, Arizona
Annual Comprehensive Financial Report
For the Year Ended June 30, 2024

Table of Contents

<u>Financial Section</u>		<u>Page</u>
Budgetary Comparison Schedules – Other Governmental Funds		
One Arizona Opioid		151
Budgetary Comparison Schedules – Enterprise Funds		
Water & Wastewater		152
Sanitation		153
<u>Statistical Section</u>	<u>Table</u>	
Net Position by Component	1	158
Changes in Net Position	2	160
Governmental Activities Tax Revenues by Source	3	167
Excise Tax Collections	4	168
Sales & Use Taxes	5	170
Fund Balances of Governmental Funds	6	172
Changes in Fund Balances of Governmental Funds	7	176
Property Tax Rates	8	178
Principal Property Taxpayers	9	183
Assessed Value and Estimated Actual Value of Taxable Property	10	184
Property Tax Levies and Collections	11	186
Utility Statistical Data Ten Largest Water Users	12	187
Utility Statistical Data Ten Largest Wastewater Users	13	189
Schedule of Existing and Adopted Monthly Water & Wastewater Service Charges	14	190
Ratios of Outstanding Debt by Type	15	192
Ratios of General Bonded Debt Outstanding	16	194
Direct and Overlapping Governmental Activities Debt	17	195
Legal Debt Margin Information	18	196
Pledged Revenue Coverage	19	198
Demographic and Economic Statistics	20	199
Principal Employers	21	200
Full-Time Equivalent City Government Employees by Function	22	201
Operating Indicators by Function	23	202
Capital Asset Statistics by Function	24	206



INTRODUCTORY SECTION

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





November 26, 2024

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

State law requires that 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 be published annually by cities after the close of each fiscal year. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report (ACFR) to the City of Goodyear, Arizona (City) for the fiscal year (FY) ended June 30, 2024.

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

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

The accounting firm of Heinfeld, Meech & Co., P.C. an independent public accounting firm, performed the City's annual financial statement audit. The auditors have issued an unmodified ("clean") opinion of the City of Goodyear's financial statements for the fiscal year ended June 30, 2024. 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 17-32 and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

CITY OF GOODYEAR PROFILE

The City of Goodyear, incorporated in 1946 and chartered in 1988, started as a small-town cultivating cotton for the production of rubber tires during World War I. Located approximately 17 miles west of the downtown Phoenix business district, Goodyear has sustained continued growth and currently encompasses approximately 191 square miles in the western portion of Maricopa County. The City's growth is attributable to excellent transportation corridors, convenient access to the central valley, a variety of housing options, a sense of community and outstanding school districts. According to World Population Review data, City of Goodyear's estimated population for 2024 is 116,460.

1900 N Civic Square
Goodyear, AZ 85395

goodyearaz.gov

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 staggered four-year terms. The City Council is vested with policy and legislative authority and is responsible for passing ordinances, adopting the budget, appointing committee, commission, and board members, and appointing the positions of City Manager, City Attorney, and City Judge. The City Manager is responsible for carrying out the policies and ordinances of the City Council, as well as overseeing the day-to-day operations of the City.

In fiscal year 2024 a staff of 947 full-time equivalent authorized employees working within 16 different departments performed the various functions of Goodyear's city government. The City provides a full range of municipal services, including police, fire, ambulance, residential sanitation, water, wastewater, streets, recreational programs, parks, cultural events, public transportation, planning and zoning, and general administrative services. Goodyear offers a wide range of community facilities including the Goodyear Ballpark, library, community center, swimming pool, and 20 parks encompassing 252 acres. In addition, Goodyear continues to attract major employers with its location along Interstate 10 and State Route 303, availability of land, access to the entire region, 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 controls is subject to periodic evaluation by management and is also considered by the independent auditors in connection with the annual audit of the City's financial statements. All internal control evaluations occur within the above framework. The City's internal accounting controls are considered to adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary Controls

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

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

LOCAL ECONOMIC CONDITION AND OUTLOOK

Major industries located within city boundaries or in close proximity include medical and healthcare, data centers, retail stores, advanced manufacturing & logistics, aviation & aerospace, and higher education.

Goodyear's population has surged in recent years due to Goodyear's job opportunities and quality of life, with an estimated population of 116,460 for 2024.

Unemployment rates declined from 4.1% to 3.8% in 2024; significantly lower than Phoenix's 6.6% rate and the State's 6.0% rate. Major employers like Amazon, UPS, and Abraso Healthcare maintain significant operations in Goodyear, helping sustain Goodyear's economic development.

Housing and commercial projects were strong; Goodyear issued 3,319 building permits (residential, commercial, industrial, and multi-family housing), a reflection of increased demand, double than previous years. Property values also rose, with median home prices exceeding \$400,000 by the end of 2024, reflecting both local demand and the broader Phoenix metro area trend. The City has dedicated resources to expanding commercial and industrial developments, including areas like West Goodyear, which aimed to offer mixed-use spaces for both business and residential needs.

In the past year, the City of Goodyear has made significant strides in infrastructure development, particularly with its new downtown district project known as Goodyear Civic Square (GSQ). This major initiative, which broke ground in recent years, is transforming the City's downtown into a walkable, mixed-use area. Other investment infrastructure includes, major new road, and developing utilities and public spaces to accommodate restaurants, retail, and Class A office spaces, elevating its urban infrastructure to meet community needs, which has stimulated the City's economic and social vitality.

Sales Tax

The City of Goodyear has a significant reliance on city sales tax revenues. Fueled by local growth, sales tax revenues for fiscal year 2024 increased by 32% over fiscal year 2023, with all major sales tax categories showing increases.

State Shared Revenues

The City receives revenue allocations from the State of Arizona. These state shared revenues include allocations of the state income tax, sales tax, fuel tax, and motor vehicle license tax. A significant portion of this revenue is placed in the City's general fund where it is used to support day-to-day activities. The City's state shared revenues represented 18.3% of governmental activities revenue for fiscal year 2024. In total, state shared revenues trended approximately 5.2% higher than the prior year.

Property Tax

For fiscal year 2024, the City's combined (primary and secondary) property tax rate remained consistent with the prior year at \$1.7350 per \$100 of assessed valuation. Property tax collections, however, increased by more than \$2.5 million due to an increase in the overall valuation fueled by construction throughout the city. For FY2024, newly constructed properties added \$81.5 million of assessed value to the city. Assessed valuation growth of existing properties grew by 2.6% which is in line with state law limiting assessed valuation growth. These property values serve as the base for both Primary and Secondary property taxes and assist in ensuring the city's ability to service outstanding debt and maintain basic infrastructure.

For the fiscal year 2025 budget, the Mayor and Council have adopted a total combined property tax rate of \$1.735 per \$100 of assessed valuation, which represents no change from fiscal year 2024. In accordance with its budget policies, the City is below the targeted combined property tax rate of \$1.74 per \$100 of assessed valuation or less.

LONG-TERM FINANCIAL PLANNING

On an annual basis, the City Council reviews progress and determines priorities for the City's long-term strategic plan. Any new funding requests are evaluated in the context of their relationship to the strategic focus areas. The City of Goodyear's mission is as follows:

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

Four focus areas are identified within the FY22-24 Strategic Plan:

1. Fiscal and Resource Management: Maintaining a long-term view, we manage our fiscal, human, and physical resources in an efficient and effective manner. This effort is aligned across the organization with an emphasis on transparency. The City's business practices will be efficient, business friendly, and ensure exceptional customer service to all stakeholders and citizens.

2. Economic Vitality: We will continue to ensure the prosperity of our community by increasing the growth of our economy through diversity of industry, business investment, quality job creation, education, and tourism. To support this growing economy, we will invest in transportation and infrastructure and seek high quality retail and entertainment opportunities.
3. Sense of Community: The City will cultivate a sense of pride through programs, gathering places, and events where the community can come together to participate in opportunities of learning and recreation. We will continue to make Goodyear residents feel connected to their city government through community engagement, outstanding customer service, and clear, accessible communication.
4. Quality of Life: We will continue to make Goodyear a place to live, work, and play that provides diverse activities and amenities in a safe and well-maintained environment, while supporting the arts and promoting the health and wellness of our community.

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

On November 13, 2023, City Council adopted a new Strategic Plan for FY25-27, adding a fifth focus area, Infrastructure: The City of Goodyear will strategically plan, implement and maintain current and future infrastructure and facilities to support the community's quality of life, economic viability and protection of the environment.

MAJOR INITIATIVES

Goodyear is an award-winning community that provides a high quality of life with its master-planned communities, excellent schools, health care, trail systems and entertainment options, including major league sports venues. Goodyear is an outstanding community for families to grow, businesses to thrive and dreams to turn to reality. The City was recently ranked by the U.S. Census Bureau as being among the fastest growing cities in the country. We enjoy more than 300 days of sunshine a year, affordable housing, a low cost of doing business, and excellent access to transportation.

In the past year, the City of Goodyear has made notable strides across several major initiatives, many of which are designed to promote economic growth, infrastructure development, and community engagement.

1. Economic Development: The City received multiple awards for excellence in economic development, recognizing its effective projects, events, and marketing initiatives. Additionally, several high-profile businesses, including WinCo Foods, Shake Shack, and High Tide Seafood Bar & Grill, have committed to opening locations in the City's developing downtown area, GSQ (Goodyear's city center project). This focus on bringing well-known brands to Goodyear aims to create a vibrant commercial and social hub for residents and visitors alike.
2. Industrial Expansion: The launch of Cotton Lane Commerce Park and the expansion of Goodyear Crossing underscore Goodyear's investment in industrial infrastructure. These projects are bringing significant new industrial facilities to the city, supporting both local employment and economic diversification.
3. Community Planning: To serve as a roadmap for development over the next decade, the Goodyear General Plan 2035 was approved by voters on May 21, 2024. The plan, which includes input from residents, addresses priorities such as transportation, parks, housing, and economic development to ensure Goodyear continues to meet the needs of its growing population.
4. Sustainable Growth and Environmental Stewardship: Goodyear is actively engaging in sustainable planning, such as water conservation initiatives and innovative infrastructure projects, to manage resources responsibly as the city expands.
5. Infrastructure Development: The City of Goodyear held a Special Bond Election in November 2023 to seek public support and bond funding for major projects related to traffic improvement, public safety, and park projects, which resulted in a General Obligation (GO) Bond program of \$232 million for the projects.

These initiatives are part of Goodyear's larger strategy to accommodate growth while enhancing the quality of life for its residents and promoting long-term economic resilience.

AWARDS AND ACKNOWLEDGEMENTS

Certificates of Achievement

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 annual comprehensive financial report for the fiscal year ended June 30, 2023.

The City has achieved this prestigious award every year since 2007. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This 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 annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

In addition, the City also received the GFOA's Distinguished Budget Presentation Award, the highest form of recognition in governmental budgeting, for its annual budget document for the fiscal year beginning July 1, 2023. The City has received this award every year since 1994.

Acknowledgement

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

Sincerely,

A handwritten signature in black ink, appearing to read "Jared Askelson". The signature is written in a cursive, flowing style.

Jared Askelson Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Goodyear
Arizona**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

GOODYEAR CITY COUNCIL

Goodyear has a Council-Manager form of government. Our charter provides for six councilmembers and a mayor – all elected at large on a non-partisan ballot. The Mayor and Council serve four-year terms. The Mayor has a two-term limit and Council a three-term limit. Councilmembers serve staggered terms to ensure continuity.



Joe Pizzillo, Mayor
Term 2023 - 2026



Laura Kaino, Vice Mayor
Term 2019 - 2024



Sheri Lauritano, Councilmember
Term 2019 - 2024



Wally Campbell, Councilmember
Term 2023 - 2026



Bill Stipp, Councilmember
Term 2019 - 2024



Brannon Hampton, Councilmember
Term 2023 - 2026

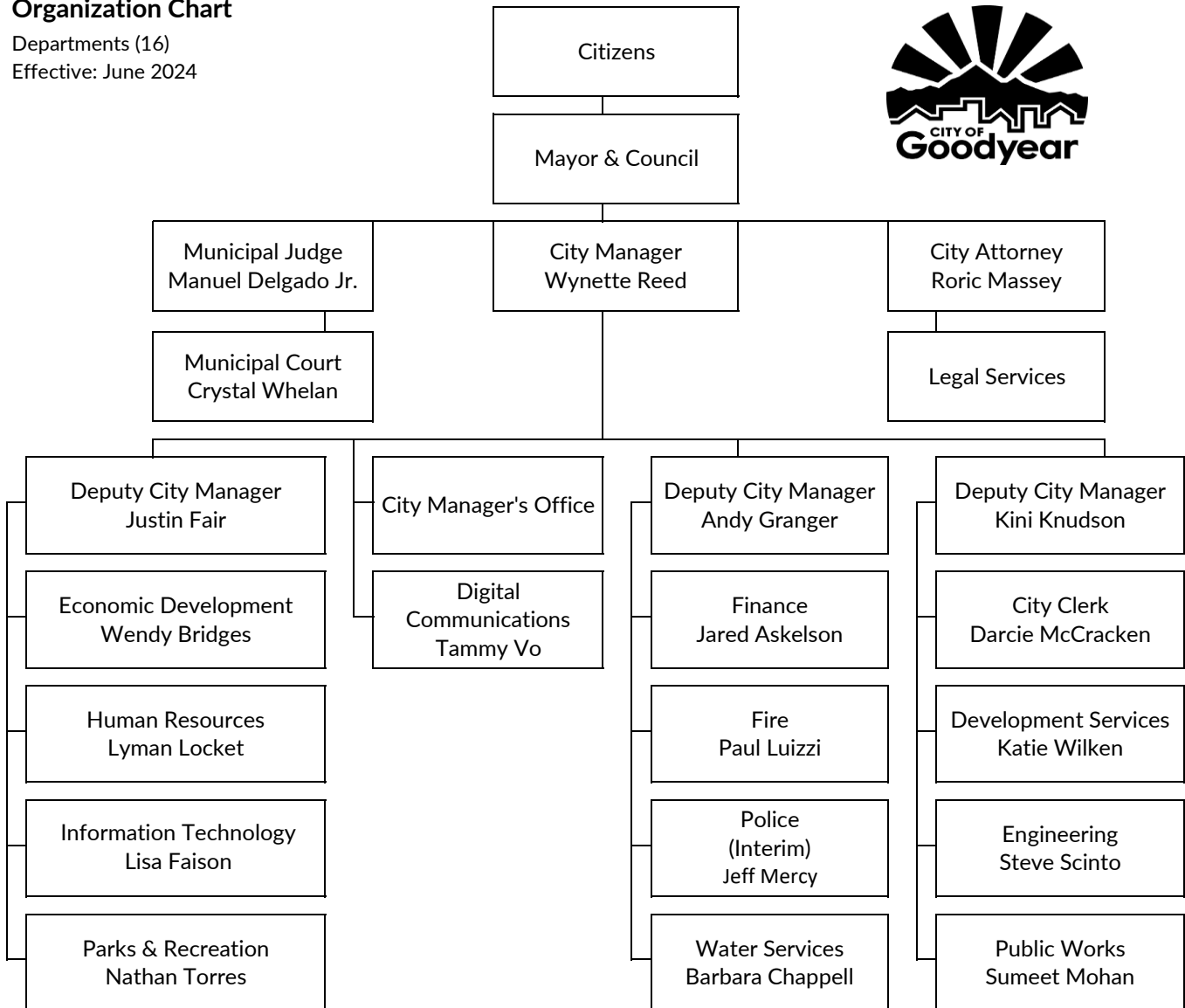


Vicki Gillis, Councilmember
Term 2023 - 2026

We represent and serve our community as responsible stewards of the public trust. We envision and shape our future by engaging citizen involvement and fostering city staff innovation.

Organization Chart

Departments (16)
Effective: June 2024



FINANCIAL SECTION

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



Independent Auditor's Report

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

Report on Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Goodyear, Arizona (City) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of City of Goodyear, Arizona, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, net pension liability information, and other postemployment benefit plan information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Combining and Individual Fund Financial Statements and Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Fund Financial Statements and Schedules information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and Statistical Section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on other work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2024, on our consideration of City of Goodyear, Arizona's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the City of Goodyear, Arizona's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Goodyear, Arizona's internal control over financial reporting and compliance.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Scottsdale, Arizona
November 26, 2024



City of Goodyear, Arizona
Management's Discussion and Analysis
For the Year Ended June 30, 2024

Management is pleased to provide readers of the City of Goodyear, Arizona (City) financial statements this overview and analysis for the fiscal year ended June 30, 2024. This narrative 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) provides a unique focus and serves a different purpose than the letter of transmittal. However, the MD&A is designed to be read in conjunction with the letter of transmittal, the financial statements and the accompanying notes to the financial statements.

Financial Highlights

- Government-wide assets and deferred outflows exceeded liabilities and deferred inflows by \$1,377 billion (*net position*) at the close of fiscal year 2024. The unrestricted net position of \$270.3 million represents the amount available to meet the City's ongoing obligations to citizens and creditors.
- Net position increased by \$161.5 million. This was primarily driven by a \$63.8 million net increase in capital assets. The remaining increase is attributable to an increase in unrestricted net position.
- As of the close of fiscal year 2024, the City's governmental funds reported combined fund balances of \$404.2 million, an increase of \$64.5 million in comparison with the prior year fund balance of \$339.7 million. Of this amount, \$29.9 million, or 7 percent, is available for spending at the government's discretion (unassigned fund balance).
- As of June 30, 2024, unrestricted fund balance (the total of committed, assigned, and unassigned components of fund balance) for the general fund was \$247.7 million, an increase of \$39.3 million from the prior fiscal year.

Overview of Financial Statements

This overview introduces the City's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

City of Goodyear, Arizona
Management's Discussion and Analysis
For the Year Ended June 30, 2024

Overview of Financial Statements

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, combining the two activities is also provided.

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

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

Governmental activities – Most of the City's basic services are included here, such as general government (administration), public safety (police, fire and court), highways and streets, public works, culture and recreation, and development services. These activities are generally supported by taxes and general revenues.

Business-type activities – The services provided by the City included here are water, wastewater, and sanitation services. These activities are primarily supported through user charges or fees intended to recover all or a significant portion of their costs.

The government-wide financial statements include not only the City itself (known as the primary government), but also the operations of 10 Community Facilities Districts. Although legally separate from the City, these component units are blended with the primary government because of their governance and financial relationship to the City. Separate financial statements may be obtained from the City of Goodyear's website www.goodyearaz.gov/cfd.

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.

City of Goodyear, Arizona
Management's Discussion and Analysis
For the Year Ended June 30, 2024

Overview of Financial Statements

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

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

The City maintains thirteen (13) 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, Non-Utility Development Impact Fees – Capital Projects, GO Bond – Capital Projects, McDowell Road Commercial Corridor Improvement District – Debt Service, and Community Facilities Districts – Debt Service, all of which are considered to be major funds. Data from the other eight (8) governmental funds are combined into a single, aggregated Non-major Funds column for presentation. Individual fund data for each of these non-major governmental funds is provided as Supplementary Information, in the form of combining statements and schedules.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary Funds. The City maintains two (2) different types of proprietary funds (enterprise and internal service), which utilize full accrual accounting, the same method used by private sector business. Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses separate enterprise funds to account for its Water, Wastewater and Sanitation operations. The proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The City has one internal service fund, the Self-Insurance Trust. The Self-Insurance Trust Fund reports activities related to self-insurance for employee health benefits. The internal service fund activities are reported as governmental activities on the government-wide statements.

City of Goodyear, Arizona
Management's Discussion and Analysis
For the Year Ended June 30, 2024

Overview of Financial Statements

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

The *Volunteer Firefighter Fund*, is used to report resources held in trust for the alternate pension and benefit plan under Arizona Revised Statutes 9-981 for volunteer reserve firefighters. The Custodial Fund is used to report activities of the Gain, Fill-a-Need, Shop with a Cop, and Arizona in Action activities. This Custodial Fund accounts for resources, not in a trust, that are held by the City for other parties outside of the City's reporting entity.

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

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligations to provide pension and OPEB benefits to its employees.

Supplementary Information - Budgetary Comparison Schedules - Major Governmental Funds are presented immediately following the Required Supplementary Information.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the Supplementary Information – Budgetary Comparison Schedules – Major Governmental Funds.

Budget to actual comparison schedules for the other funds, including the enterprise funds, are presented in the Budgetary Comparison Schedules – Other Funds section.

Government-Wide Financial Analysis

The following tables, graphs and analysis discuss the financial position and changes to the financial position of the City, as a whole, for the year ended June 30, 2024 with comparative information for the previous year.

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. As of June 30, 2024, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1.377 billion. This represents positive growth in the City's net position of \$161.5 million over the previous fiscal year.

City of Goodyear, Arizona
Management’s Discussion and Analysis
For the Year Ended June 30, 2024

Government-Wide Financial Analysis

Total assets for the primary government grew by \$157.5 million, offset by a decrease in total liabilities of \$8.2 million. The drivers behind these changes are discussed in more detail within the following sections.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 530,925,299	\$ 458,417,184	\$ 147,008,175	\$ 110,642,408	\$ 677,933,474	\$ 569,059,592
Capital assets, net	837,090,009	801,337,269	480,757,629	467,867,442	1,317,847,638	1,269,204,711
Total assets	1,368,015,308	1,259,754,452	627,765,804	578,509,850	1,995,781,112	1,838,264,302
Deferred outflows	34,784,220	39,642,180	3,828,249	4,302,979	38,612,469	43,945,159
Current and other liabilities	106,038,099	90,408,134	58,416,472	58,888,368	164,454,571	149,296,502
Long-term liabilities	300,244,338	316,720,572	181,496,589	188,341,627	481,740,927	505,062,199
Total liabilities	406,282,437	407,128,706	239,913,061	247,229,995	646,195,498	654,358,701
Deferred inflows	11,298,146	12,439,824	397,005	362,226	11,695,151	12,802,050
Net position:						
Net investment in capital assets	592,847,643	547,891,870	303,472,138	284,640,676	896,319,781	832,532,546
Restricted for:						
Capital projects			37,786,190	21,764,979	37,786,190	21,764,979
Community facilities	7,414,865	6,675,008			7,414,865	6,675,008
Debt service	39,477,367	42,097,202	447,236	447,280	39,924,603	42,544,482
Other purposes	124,471,376	98,251,619	254,713	257,838	124,726,089	98,509,457
Unrestricted	221,007,694	184,912,404	49,323,710	28,109,835	270,331,404	213,022,239
Total net position	\$ 985,218,945	\$ 879,828,103	\$391,283,987	\$ 335,220,608	\$ 1,376,502,932	\$ 1,215,048,711

As shown in the table above, current and other assets for the total primary government increased \$108.9 million to \$677.9 million as of June 30, 2024. Governmental activities accounted for \$72.5 million of the increase, primarily due to an increase in cash and cash equivalents. Mainly from commercial rental and utilities sales taxes, vehicle license fees and urban revenue sharing. The surplus is the result of ongoing revenues outpacing expenditures. Business-type activities accounted for \$36.4 million of the increase, driven by the receipt and recording of a \$9 million “in-lieu payment” for a water/wastewater infrastructure development agreement, \$17 million in contributed capital and user service charge revenues of over \$11.3 million.

Capital assets, net of depreciation, for the total primary government increased by \$48.6 million. The increase driven by infrastructure improvements to West Goodyear, the Goodyear Municipal Center and Civic Square Garage, building improvements to renovate the police building and fire station, and addition of water lines in the Estrella Mountain Ranch development area.

Deferred outflows decreased by \$5.3 million, related to the City’s net pension/other post employment benefits (OPEB) liability and amortization of deferred charges related to bonded debt.

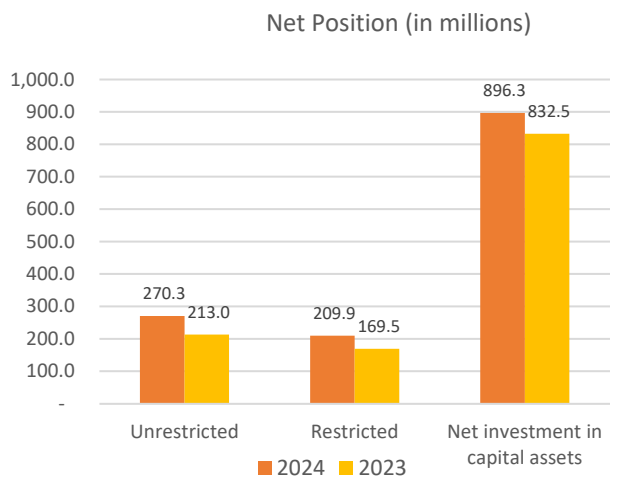
**City of Goodyear, Arizona
Management’s Discussion and Analysis
For the Year Ended June 30, 2024**

Government-Wide Financial Analysis

Current and other liabilities increased by \$15.2 million. Governmental activities accounted for \$15.6 million of the increase, with an increase of \$2.9 million in financial assurance deposits and in-lieu payments related to development agreements, and a \$10.7 million increase in accounts payable, an increase in bond payable of \$1.5 million. Business-type activities decreased \$471,896.

Long-term liabilities decreased by \$23.3 million, attributable to recognition of the short-term portion of principal payments due in the upcoming fiscal year.

As of June 30, 2024, the largest component of the City’s net position was the net investment in capital assets of \$896.3 million (65 percent of total net position). This includes the City’s investment in land and improvements, artwork, construction in progress, right of way, water rights, streetscape, infrastructure, buildings and improvements, vehicles, furniture, and equipment, less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City’s investment in capital assets is reported net of related debt, it should be noted that the resources to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.



An additional portion of the City’s net position, \$209.9 million represents resources that are subject to restrictions on how they may be used. The remaining \$270.3 million is unrestricted and may be used to meet the City’s ongoing obligations to citizens and creditors.

The City’s overall net position increased \$161.5 million from the prior fiscal year, as discussed in the following sections for governmental and business-type activities.

City of Goodyear, Arizona
Management’s Discussion and Analysis
For the Year Ended June 30, 2024

Government-Wide Financial Analysis

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 31,896,162	\$ 23,355,814	\$ 82,175,314	\$ 61,807,806	\$ 114,071,476	\$ 85,163,620
Operating grants and contributions	16,594,202	16,677,690			16,594,202	16,677,690
Capital grants and contributions	35,040,767	36,800,110	42,036,919	7,594,454	77,077,686	44,394,564
General revenues:						
City sales taxes	152,130,402	115,585,674			152,130,402	115,585,674
Franchise taxes	5,530,796	4,608,000			5,530,796	4,608,000
Property taxes	34,083,996	31,543,708			34,083,996	31,543,708
State shared revenue	48,928,158	39,382,895			48,928,158	39,382,895
Unrestricted Investment earnings	20,582,710	9,654,094	5,638,519	1,093,207	26,221,229	10,747,301
Miscellaneous	1,408,476	1,064,227	185,659	55,251	1,594,135	1,119,478
Total revenues	346,195,669	278,672,212	130,036,411	70,550,718	476,232,080	349,222,930
Expenses:						
General government	48,366,196	38,061,902			48,366,196	38,061,902
Public safety	97,127,666	72,526,205			97,127,666	72,526,205
Highways and streets	25,502,886	24,863,132			25,502,886	24,863,132
Public works	11,305,561	8,052,159			11,305,561	8,052,159
Culture and recreation	38,719,469	33,318,763			38,719,469	33,318,763
Development services	18,929,987	15,613,064			18,929,987	15,613,064
Interest on long-term debt	9,099,562	9,537,281			9,099,562	9,537,281
Water and wastewater			58,180,836	49,903,049	58,180,836	49,903,049
Sanitation			7,545,696	7,486,417	7,545,696	7,486,417
Total expenses	249,051,327	201,972,506	65,726,532	57,389,466	314,777,859	259,361,972
Net Surplus (Deficit) before Transfers	97,144,342	76,699,706	64,309,879	13,161,252	161,454,221	89,860,958
Net Transfers	8,246,500	7,556,001	(8,246,500)	(7,556,001)	-	-
Net Surplus (Deficit)	105,390,842	84,255,707	56,063,379	5,605,251	161,454,221	89,860,958
Net position, beginning of the year	879,828,103	795,572,396	335,220,608	329,615,357	1,215,048,711	1,125,187,753
Changes in net position	105,390,842	84,255,707	56,063,379	5,605,251	161,454,221	89,860,958
Net position, ending of the year	\$ 985,218,945	\$ 879,828,103	\$ 391,283,987	\$ 335,220,608	\$ 1,376,502,932	\$ 1,215,048,711

Governmental Activities

The City’s net position, for governmental activities, totaled \$985.2 million at June 30, 2024, which represents an increase of \$105.4 million over the prior fiscal year. Despite experiencing extreme inflationary pressures culminating in aggressive interest rate hikes by the Federal Reserve, the United States economy and more specifically the Phoenix metro area economy continues to show its strength and resilience. The City continued to see strong growth and ongoing construction activity in the community resulting in a positive net position, an indicator of the healthy local economy experienced by the City.

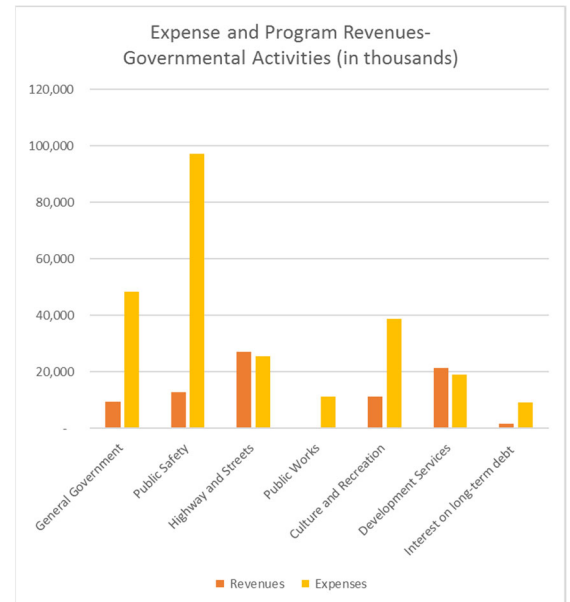
Total revenues of \$346.2 million from governmental activities were \$67.5 million more than the prior year, the City continued to experience month over month increases in general and construction sales taxes throughout fiscal year 2024. Tax collections trended higher than the prior year, actual revenues received remained above fiscal year 2024 budgeted revenue. State Shared Income Tax, State Sales Tax, and Franchise Fees of 6 percent, 7 percent and 20 percent, respectively. Additionally, investment earnings for fiscal year 2024 totaled \$20.6 million, an increase of 112 percent over the prior fiscal year.

**City of Goodyear, Arizona
Management’s Discussion and Analysis
For the Year Ended June 30, 2024**

Government-Wide Financial Analysis

Fiscal year 2024 expenses, for governmental activities, totaled \$249.1 million, an increase of \$47.1 million over the prior fiscal year. Expenses increased across all governmental activities, driven primarily by a seven percent market pay increase that was implemented the first pay period of the fiscal year, for all eligible, non-represented employees as well as the implementation of the final year of the Memorandum of Understanding (MOU) for the represented groups from Police and Fire. The Public Safety and General Government activities experienced the largest expenses, totaling 21 percent and 29 percent of total governmental expenses. The increase in costs were largely driven by the City adding 43 full-time equivalent positions in various departments; the biggest labor increase is associated with the addition of 17 sworn and non-sworn police staff and fire department staff, focused on the City’s efforts to provide in-house ambulance services. General Government expenses are attributable to the maintenance and operation of stormwater basins, property tax expenses as a result of the Qasimyar legal ruling, and contractual expenses related to development related review and inspections.

As show in the chart, revenues generated by the City programs are not sufficient to cover the costs. The City relies on property tax, sales taxes, investment income and other general revenues to cover the costs associated with the various programs.



Business-type Activities

The City’s net position, for business-type activities, totaled \$391.3 million, an increase of \$56.1 million over the prior fiscal year. Fiscal year 2024 user rates increased slightly by 3 percent compared to last year. Revenues from developer contributions, user fees and investment income represent the biggest increases, while capital improvement project expenses show a significant decrease, resulting in revenues exceeding expenses.

The remaining \$581,005 increase was attributable to the Sanitation Fund. Fiscal year 2024 revenues were 7 percent higher compared to last year, due to increase customer base and increase in rates, with more efficient management of cost due to increasing economies of scale leading to a positive net position.

**City of Goodyear, Arizona
Management’s Discussion and Analysis
For the Year Ended June 30, 2024**

Financial Analysis of Governmental Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

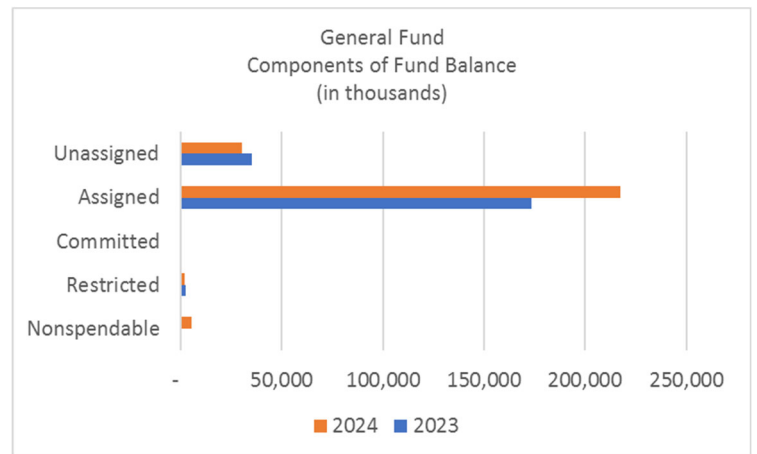
Governmental Funds

The focus of the City’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for discretionary use as they represent the portion of fund balance which has not yet limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City Council.

At June 30, 2024, the City’s governmental funds reported combined fund balances of \$404.2 million, an increase of \$64.5 million of over the prior fiscal year. Of this amount, \$29.9 million, or 7 percent, constitutes unassigned fund balance, which is available for use at the City’s discretion. The remainder of the fund balance is Nonspendable, Restricted, Committed, and Assigned, in the amount of \$7.6 million, \$145.5 million, \$3.9 million and \$217.2 million, respectively.

Analysis of Individual Funds

The general fund is the chief operating fund of the City. As of June 30, 2024, total fund balance increased \$43.6 million to \$255.2 million. Of this amount, \$30.5 million is unassigned. As a measure of the general fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to the City’s total general fund expenditures of \$203.0 million. Unassigned fund balance represents 15 percent of total general fund expenditures, while total fund balance represents 126 percent of that same amount.



The fund balance of the City’s general fund increased \$43.6 million during fiscal year 2024. The increase was primarily due to \$52.0 million increase in assets. More specifically, the increase was in cash and cash equivalents that resulted from the surplus of ongoing revenues vs expenditures in the general fund. As mentioned previously, the surplus was the result of an increase in tax collections. The increase in assets was offset by a \$7.4 million increase in accounts payable and development-related deposits made by developers. The remaining change was attributable to the amortization of deferred inflows related to leases.

City of Goodyear, Arizona
Management's Discussion and Analysis
For the Year Ended June 30, 2024

Financial Analysis of Governmental Funds

The Non-Utility Development Impact Fee - Capital Projects Fund, a major fund, had an \$24.6 million increase in fund balance from the prior year, with a total fund balance of \$116.2 million as of June 30, 2024. The increase was the result of a surplus in revenues over expenditures. Development-related revenues of \$20.8 million increased by 12 percent compared to the prior year. However, capital outlays were less than planned with \$16.4 million in expenses related to over a dozen projects. There were four projects that accounted for 76 percent of the costs: the Fire Station 188 West Goodyear, Police Building Phase II, the Sarival Ave- Jefferson Street to Yuma projects and Estrella Parkway/Pebblecreek Parkway and I-10 interchange.

The General Obligation – Capital Expenditure Fund, a major fund, had a total fund balance of \$15.6 million, a decrease of \$3.8 million from the prior fiscal year. The decrease in fund balance was caused by the spending of resources, obtained through the issuance of long-term debt in a prior period, on capital acquisition and construction in the current period. This included two public safety projects, the Fire Station 183 Renovation & Ambulance facility, and the Police Operations Facility Phase II.

The McDowell Road Commercial Corridor – Debt Service Fund, a major fund, had a total fund balance of \$187,029, an increase of \$17,347 from the prior fiscal year. Special assessment revenue, received for the payment of principal and interest, totaled \$2.9 million in fiscal year 2024. Payments of principal and interest totaled \$2.9 million. In general, current year receipts are adequate to pay principal and interest.

The Community Facilities District – Debt Service fund, a major fund, had a \$51,515 increase in fund balance from the prior year, with a total fund balance of \$2.7 million as of June 30, 2024. The surplus is the net result of the following transactions. Revenues related to property tax and special assessments totaled \$9.5 million. Principal and interest payments were \$9.9 million. During the fiscal year, the Estrella Mountain Ranch Community Facilities District, issued general obligation bonds with a par amount of \$11.1 million. As part of the transaction, the City also received \$233,800 in contributions from the major landowner. Proceeds in the amount of \$11.4 million were used to reimburse a developer for acquiring public infrastructure, and \$290,536 was used to pay bond issuance costs. Additionally, the fund received \$463,943 thousand in investment income.

The Non-Major Governmental Funds, increased by \$40,332 from the prior year, with a total fund balance of \$14.3 million, as of June 30, 2024. The following funds ended the fiscal year with a surplus of revenues versus expenditures: Secondary Property Tax (\$702,441) and CFD (\$739,857). Their surplus was offset by deficit of revenues versus expenditures in the Ball Park Fund (\$1.3 million).

**City of Goodyear, Arizona
Management’s Discussion and Analysis
For the Year Ended June 30, 2024**

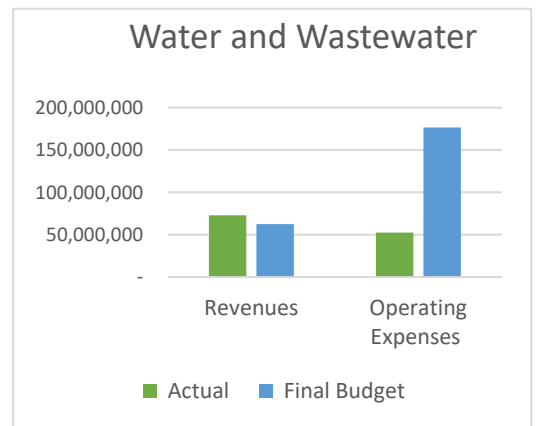
Financial Analysis of Governmental Funds

Proprietary Funds

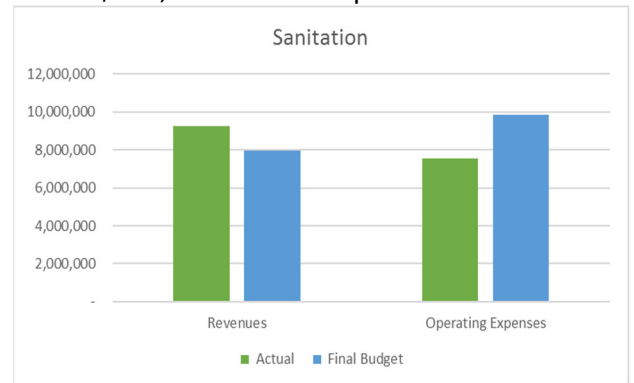
The proprietary fund financial statements are prepared on the same accounting basis and measurement focus as the government-wide financial statements, but provide additional detail since each major enterprise fund is shown discretely.

The proprietary funds net position totals \$391.3 million, an increase of \$56.1 million from the previous fiscal year.

The net position for Water and Wastewater totaled \$385.9 million, an increase of \$55.5 million when compared to the prior year. Unrestricted net position for the Water and Wastewater Fund totaled \$44.8 million, or 12 percent, at the end of the fiscal year. Revenues for fiscal year 2024 exceeded the anticipated budget. As noted earlier in the discussion of business-type activities, revenues from charges for services increased by \$19.9 million in fiscal year 2024 due to rate changes and volume growth. Development related capital contributions and deposits brought in \$34.4 million. Budgeted capital improvement projects of over \$111.2 million were deferred which postponed the use of available fund balance to subsequent years and resulted in the increase in net position in fiscal year 2024.



The net position for Sanitation totaled \$5.4 million, an increase of \$581,005 when compared to last year. Unrestricted net position for the Sanitation Fund totaled \$4.5 million, or 85 percent, at the end of the fiscal year. As noted earlier in the discussion of business-type activities, there were no major changes to operations, compared to last year. Revenues and expenses for fiscal year 2024 exceed anticipated budget due to increases in pre-treatment program revenues, thereby resulting in the increase in net position in fiscal year 2024.



General Fund Budgetary Highlights

The City’s annual budget is the legally adopted expenditure control document of the City. The General Fund budgetary comparison schedule can be found in the Required Supplementary Information section. The other budgetary comparison schedules can be found in the Other Supplementary Information section.

**City of Goodyear, Arizona
Management’s Discussion and Analysis
For the Year Ended June 30, 2024**

General Fund Budgetary Highlights

Original budget compared to final budget. During the fiscal year, there were budget amendments that transferred a net \$14.2 million of budget authority from general fund contingency. The most significant transfers are discussed below.

There were \$2.9 million of budget amendments that transferred budget authority into general fund contingency. Two CIP projects for the improvements to the Goodyear Municipal Complex and Right-of-Way on Estrella Parkway/I10/MC85, as well as asset and equipment replacements were either deferred to future years or canceled, accounted for \$2.6 million of the amendments, or 89 percent of the total amendments into contingency.

There were \$17.1 million of budget amendments to transfer budget authority out of general fund contingency. A budget amendment in the amount of \$2.6 million was approved to design and construct infrastructure to treat 100% of the flows from Perryville Prison. A budget amendment in the amount of \$3.0 million was authorized to procure three fire apparatus pumpers ahead of scheduled replacement to mitigate a long lead time and take advantage of vendor discounts. A budget amendment in the amount of \$7.0 million was approved related to the project design and construct the expansion Goodyear Water Reclamation Facility to accommodate growth and additional capacity needs in the service area as well as potentially modifying the current treatment process of the existing facility. A budget amendment in the amount of \$4.5 million was also completed to move forward the Estrella Parkway/Pebble Creek Parkway and I-10 Interchange project to add lanes under the overpass in both directions.

Final budget compared to actual results. The following table shows the differences between budgeted and actual revenues.

Revenue Source	Final Budget	Actuals	Difference
Taxes	\$ 123,722,700	\$ 156,891,822	\$ 33,169,122
Licenses and permits	9,804,300	21,774,745	11,970,445
Intergovernmental revenues	50,239,200	52,139,830	1,900,630
Charges for services	1,938,900	3,514,417	1,575,517
Fines and forfeitures	1,068,200	955,574	(112,626)
Investment income	1,389,600	11,513,120	10,123,520
Contributions	12,643,300	1,147,662	(11,495,638)
Other revenues	725,000	2,179,747	1,454,747
Total Revenues	201,531,200	250,116,917	48,585,717

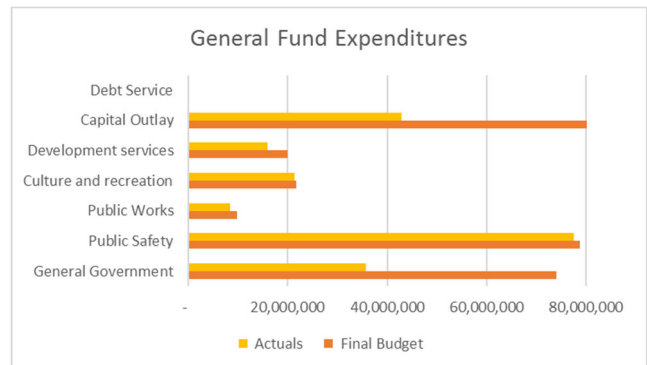
**City of Goodyear, Arizona
Management’s Discussion and Analysis
For the Year Ended June 30, 2024**

General Fund Budgetary Highlights

Tax revenues exceeded budget by \$33.2 million, with retail and construction sales tax accounting for \$32.1 million. Licenses, permits and fees were \$12.0 million more than budget due to Engineering Plan Review and Inspection fees. Intergovernmental revenues exceeded budget by \$1.9 million. As previously mentioned, Intergovernmental Revenues trended approximately 3 percent higher than the prior year, with increases in State Shared Income Tax, and State Sales Tax of 3 percent and 4 percent, respectively. Charges for services of \$3.5 million exceeded budget by \$1.6 million, with \$800 thousand of the variance related to Fire Service fees received from the City of Litchfield Park. The remainder of the variance was attributable to higher than expected collections from special interest classes and recreation center passes. Investment income was \$10.1 million more than budget with the fiscal year performance of the City’s managed investment portfolio outperforming the benchmark.

Permits for single-family housing are still being issued at high levels, an additional 1,206 permits were issued. Compared to prior year activity our city continues to benefit from growth and is currently estimated at over 106,000 residents. In addition to our residential growth, new businesses continue to locate in Goodyear expanding our one-time revenues through permit fees, construction sales taxes, and use tax on equipment. Once completed these new and expanding businesses begin to generate ongoing sales and property taxes for the city, as well as local jobs for our residents, which in turn increases our state shared revenues.

As shown in the following chart, significant variances between budget versus actual results exist in the Capital Outlay and General Government activities. Actuals expenditures of \$42.9 million were \$120.6 million less than a budgeted outlay of \$163.5 million for capital improvement projects. The two largest variances were \$24 million for the Camelback Rd-SR303 to 152nd Ave project, and \$14 million for the construction of Monte Vista Road and Goodyear Way. Budget authority for these and multiple other projects were predominately carried forward to subsequent years.



Actual expenditures of \$35.7 million were \$38.3 million less than a budget of \$74.0 million. Approximately \$33.6 million, or 88 percent, of the variance is attributable to the budget authority reserved for contingency. After accounting for the reserve, general government expenses of \$35.7 million can be compared to a budget of \$40.4 million, resulting in a \$4.7 million variance. The City Manager’s Office accounts for \$2.1 million of the variance, related to community relations and funding expenditures of \$801 thousand, \$940 thousand in professional services and \$339 thousand equipment that are less than budgeted.

City of Goodyear, Arizona
Management’s Discussion and Analysis
For the Year Ended June 30, 2024

Capital Assets and Debt Administration

Capital Assets

The City’s investment in capital assets (net of accumulated depreciation/amortization) for its governmental and business-type activities as of June 30, 2024 totaled \$837.1 million and \$480.8 million, respectively. The investment in capital assets include land, land improvements, artwork, construction in progress, right of way, water rights, streetscape, infrastructure, buildings and improvements, vehicles, furniture and equipment, and the rights to use assets (leased assets). In total, there was an increase of \$48.6 million from the prior fiscal year.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Land and improvements	\$ 71,353,593	\$ 68,944,391	\$ 8,485,127	\$ 8,359,054	\$ 79,838,720	\$ 77,303,445
Artwork	1,186,846	1,008,171	146,978	146,978	1,333,824	1,155,149
Construction in progress	18,809,477	39,877,997	9,026,182	9,117,481	27,835,659	48,995,478
Right of way	90,875,981	90,981,251			90,875,981	90,981,251
Water rights			17,926,510	18,116,981	17,926,510	18,116,981
Streetscape	9,061,008	9,061,008			9,061,008	9,061,008
Infrastructure	285,637,266	271,156,358	310,554,172	294,395,357	596,191,438	565,551,715
Building and improvements	319,366,183	290,184,000	123,727,364	128,719,005	443,093,547	418,903,005
Vehicles, furniture and equipment	40,766,367	30,069,744	10,891,296	9,012,586	51,657,663	39,082,330
Rights to use assets (leased assets)	33,288	54,349			33,288	54,349
Total	\$ 837,090,009	\$ 801,337,269	\$ 480,757,629	\$ 467,867,442	\$ 1,317,847,638	\$ 1,269,204,711

Major capital events during fiscal year 2024 included the following:

- Construction of Fire Station 188 and the renovation of Fire Station 183.
- Construction of the Police Operations Facility Phase II.
- Replacement of water lines in Historic Goodyear.

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

Debt Administration

At the end of the fiscal year, the City had total long-term debt outstanding of \$413.1 million. Of this amount \$131.5 million is in general obligation bonds backed by the full faith and credit of the City, \$69.3 million is in Community Facilities Districts bonds which are paid by the property owners within those districts, \$210.6 million is in revenue bonds which are payable from user fees, assessments, and general fund revenues and \$1.6 million in loans payable to Water Infrastructure Finance Authority of Arizona (WIFA) which is payable from user fees.

City of Goodyear, Arizona
Management's Discussion and Analysis
For the Year Ended June 30, 2024

Capital Assets and Debt Administration

The following schedule shows the outstanding debt obligation as of June 30, 2024 and 2023:

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
General obligation bonds	\$ 100,531,663	\$ 107,045,363	\$ 30,993,340	\$ 34,294,640	\$ 131,525,003	\$ 141,340,003
Community facilities districts bonds	69,315,000	65,183,000			69,315,000	65,183,000
Lease payable	38,668	60,361			38,668	60,361
Loan payable			1,600,863	1,902,451	1,600,863	1,902,451
Revenue bonds	77,580,000	87,545,000	133,030,000	135,100,000	210,610,000	222,645,000
Totals	\$ 247,465,331	\$ 259,833,724	\$ 165,624,203	\$ 171,297,091	\$ 413,089,534	\$ 431,130,815

The State constitution limits the amount of general obligation debt a city may issue to six percent (6 percent) of its total net full cash assessed property valuation. The current six percent debt limitation for the City is \$141.9 million. The City has \$33.1 million of outstanding revenue obligation bonds subject to the six percent limit. In addition, the State constitution limit allows a city to issue an additional twenty percent (20 percent) of its total net full cash assessed property valuation for water, wastewater, lights, transportation, public safety, open space preserves, parks, playgrounds and recreational facilities. The current 20 percent debt limitation for the City is \$472.9 million. The City has \$108.3 million of outstanding general obligation debt of which all is subject to the twenty percent limit.

During the year, the City maintained the following bond ratings, as of June 30, 2024:

Type of Debt	Moody's Investors Service	Standard & Poor's	Fitch Ratings
General Obligation	Aa1	AA+	N/R
Water & Wastewater Revenue Debt			
Senior Lien Water & Sewer Revenue Debt	Aa3	AA	N/R
Subordinate Lien Water & Sewer Revenue Del	Aa3	AA-	N/R
Excise Tax and Public Improvement Corporatic	Aa2	AA+	N/R
Improvement District Bonds	Aa2	A+	N/R

Additional information on the City's long-term debt can be found in Notes 6 through 11.

Economic Factors and Next Year's Budget

Despite experiencing extreme inflationary pressures culminating in aggressive interest rate hikes by the Federal Reserve, the United States economy and more specifically the Phoenix metro area economy continues to show its strength and resilience. As the economy continues marching further into uncharted waters, the best indicators of future economic performance are current development activity and recent history. In reviewing development currently in progress, with the exception of multi-family units, we project permit activity to be flat or slightly decrease in FY2025 resulting in slower growth in ongoing revenues and a reduction in one-time sources.

**City of Goodyear, Arizona
Management's Discussion and Analysis
For the Year Ended June 30, 2024**

Economic Factors and Next Year's Budget

General Fund revenues remain ahead of our adopted budget and are currently projected to grow at a year over year pace of just over 4%. Continued growth within our city means our workforce needs to grow in tandem to maintain and expand current levels of service. To address these service level needs, our budget adds 35.43 fulltime equivalent (FTE) positions. Accordingly, our FY2025 budget includes additional enhancements designed to keep us competitive while ensuring internal equity between all our employee groups. Our budget includes a merit increase and a market adjustment.

At the same time new developments in our city are expanding, mature developments in our City are starting to age. This requires continued investment blending the old with the new to maintain assets and infrastructure ensuring a seamless look and feel throughout our community. The budget fully funded and fully deliverable five-year Capital Improvement Plan (CIP), which represents \$779.4 million of spending over five-years. Due to the efforts of the citizen bond exploratory committee and the approval of our citizens last fall an additional \$232 million of general obligation bond authorization has been incorporated into the City's long-term financing strategy.

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 Annual Comprehensive Financial Report is available on-line at www.goodyearaz.gov. If you have questions about this report or need additional information, contact the City of Goodyear, 1900 N. Civic Square, Goodyear, Arizona 85395 or by email at gyfinance@goodyearaz.gov.

Basic Financial Statements



Government-Wide Financial Statements



City of Goodyear, Arizona
Statement of Net Position
June 30, 2024

	Governmental	Business-type	
	Activities	Activities	Total
Assets			
Cash and cash equivalents	\$ 275,022,290	\$ 56,086,721	\$ 331,109,011
Investments	165,083,070	39,898,377	204,981,447
Receivables (net of allowance)	63,532,072	4,860,642	68,392,714
Leases receivable	5,651,718		5,651,718
Inventories	2,360,329	2,282,509	4,642,838
Prepaid items	5,241,347		5,241,347
Notes receivable	1,675,250		1,675,250
Net pension/OPEB asset	1,980,488	254,713	2,235,201
Temporarily restricted assets:			
Cash and cash equivalents	10,378,735	43,625,213	54,003,948
Capital assets (net of accumulated depreciation/amortization):			
Land	41,741,124	8,359,054	50,100,178
Artwork	1,186,846	146,978	1,333,824
Construction in progress	18,809,477	9,026,182	27,835,659
Right of way	90,875,981		90,875,981
Streetscape	9,061,008		9,061,008
Land improvements	29,612,469	126,073	29,738,542
Infrastructure	285,637,266	310,554,172	596,191,438
Buildings	319,366,183	123,727,364	443,093,547
Vehicles, furniture, and equipment	40,766,367	10,891,296	51,657,663
Water rights		17,926,510	17,926,510
Right to use asset	33,288		33,288
Total assets	<u>1,368,015,308</u>	<u>627,765,804</u>	<u>1,995,781,112</u>
Deferred outflows of resources			
Deferred outflows related to pensions/OPEB	30,505,694	1,419,556	31,925,250
Deferred charge on refunding	4,278,526	2,408,693	6,687,219
Total deferred outflows of resources	<u>34,784,220</u>	<u>3,828,249</u>	<u>38,612,469</u>
Liabilities			
Accounts payable and other current liabilities	29,903,597	8,032,421	37,936,018
Interest payable	1,234,359		1,234,359
Claims and judgments payable	2,449,386		2,449,386
Deposits held	38,086,343	43,620,442	81,706,785
Unearned revenues	510,124		510,124
Noncurrent liabilities:			
Due within one year	33,854,290	6,763,609	40,617,899
Due in more than one year	242,879,975	173,986,092	416,866,067
Net pension and OPEB liability - due in more than one year	57,364,363	7,510,497	64,874,860
Total liabilities	<u>406,282,437</u>	<u>239,913,061</u>	<u>646,195,498</u>
Deferred inflows of resources			
Deferred inflows related to pensions/OPEB	5,961,709	397,005	6,358,714
Leases related	5,336,437		5,336,437
Total deferred inflows of resources	<u>11,298,146</u>	<u>397,005</u>	<u>11,695,151</u>
Net position			
Net investment in capital assets	592,847,643	303,472,138	896,319,781
Restricted for:			
Capital projects		37,786,190	37,786,190
Community facilities	7,414,865		7,414,865
Debt service	39,477,367	447,236	39,924,603
Development impact fees	116,167,515		116,167,515
Pensions/OPEB	1,980,488	254,713	2,235,201
Other purposes	6,323,373		6,323,373
Unrestricted	221,007,694	49,323,710	270,331,404
Total net position	<u>\$ 985,218,945</u>	<u>\$ 391,283,987</u>	<u>\$ 1,376,502,932</u>

City of Goodyear, Arizona
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 48,366,196	\$ 1,845,268	\$ 5,458,839	\$ 2,046,781
Public safety	97,127,666	3,121,684	1,225,770	8,310,708
Highways and streets	25,502,886	118,399	7,722,795	19,222,991
Public works	11,305,561	157	330,889	
Culture and recreation	38,719,469	5,418,613	342,226	5,460,287
Development services	18,929,987	21,392,041		
Interest on long-term debt	9,099,562		1,513,683	
Total governmental activities	<u>249,051,327</u>	<u>31,896,162</u>	<u>16,594,202</u>	<u>35,040,767</u>
Business-type activities				
Water and wastewater	58,180,836	72,942,490		42,036,919
Sanitation	7,545,696	9,232,824		
Total business-type activities	<u>65,726,532</u>	<u>82,175,314</u>		<u>42,036,919</u>
Total primary government	<u><u>314,777,859</u></u>	<u><u>114,071,476</u></u>	<u><u>16,594,202</u></u>	<u><u>77,077,686</u></u>

General revenues:

- Taxes:
 - City sales tax
 - Franchise tax
 - Property tax
 - Auto lieu tax (unrestricted)
 - State sales tax (unrestricted)
 - Urban revenue sharing (unrestricted)
 - Unrestricted investment earnings
 - Other
- Transfers
- Total general revenues and transfers**

Change in net position

Net position, beginning of year

Net position, end of year

Net (Expense) Revenue and Changes in Net Position

Governmental	Business-type	
Activities	Activities	Total
\$ (39,015,308)	\$	\$ (39,015,308)
(84,469,504)		(84,469,504)
1,561,299		1,561,299
(10,974,515)		(10,974,515)
(27,498,343)		(27,498,343)
2,462,054		2,462,054
<u>(7,585,879)</u>		<u>(7,585,879)</u>
<u>(165,520,196)</u>		<u>(165,520,196)</u>
	56,798,573	56,798,573
	<u>1,687,128</u>	<u>1,687,128</u>
	<u>58,485,701</u>	<u>58,485,701</u>
<u>(165,520,196)</u>	<u>58,485,701</u>	<u>(107,034,495)</u>
152,130,402		152,130,402
5,530,796		5,530,796
34,083,996		34,083,996
4,966,269		4,966,269
16,030,191		16,030,191
27,931,698		27,931,698
20,582,710	5,638,519	26,221,229
1,408,476	185,659	1,594,135
<u>8,246,500</u>	<u>(8,246,500)</u>	
<u>270,911,038</u>	<u>(2,422,322)</u>	<u>268,488,716</u>
105,390,842	56,063,379	161,454,221
<u>879,828,103</u>	<u>335,220,608</u>	<u>1,215,048,711</u>
<u>\$ 985,218,945</u>	<u>\$ 391,283,987</u>	<u>\$ 1,376,502,932</u>



Fund Financial Statements

City of Goodyear, Arizona
Balance Sheet
Governmental Funds
June 30, 2024

	General	Non-Utility Development Impact Fees Capital Projects	GO Bonds Capital Projects	McDowell Road Commercial Corridor ID Debt Service
Assets				
Cash and cash equivalents	\$ 159,765,130	\$ 94,250,774	\$ 18,885	\$ 27,886
Investments	112,433,178	24,187,580	15,692,961	152,259
Receivables:				
Taxes	22,669,326			
Interest	16,889			
Accounts	3,369,053			8,000
Assessments	19			15,416,570
Intergovernmental	226,184			
Leases	5,651,718			
Due from other funds	273,727			
Inventories	167,397			
Prepaid items	5,241,347			
Notes receivable	1,675,250			
Restricted cash and investments	7,825,425			
Total assets	<u>\$ 319,314,643</u>	<u>\$ 118,438,354</u>	<u>\$ 15,711,846</u>	<u>\$ 15,604,715</u>
Liabilities				
Accounts payable	\$ 13,097,983	\$ 2,270,839	\$ 121,412	\$
Accrued wages and benefits	2,840,359			
Accrued interest payable				
Claims and judgments payable	1,581,653			
Deposits held	37,896,135			
Due to other funds				
Bonds payable				
Unearned revenue	2,026			4,375
Total liabilities	<u>55,418,156</u>	<u>2,270,839</u>	<u>121,412</u>	<u>4,375</u>
Deferred inflows of resources				
Unavailable revenues - property taxes	71,427			
Unavailable revenues - special assessments				15,413,311
Unavailable revenues - intergovernmental				
Unavailable revenues - other	3,304,145			
Leases related	5,336,437			
Total deferred inflows of resources	<u>8,712,009</u>			<u>15,413,311</u>
Fund balances				
Nonspendable	5,408,744			
Restricted	2,040,075	116,167,515	15,590,434	187,029
Committed				
Assigned	217,203,419			
Unassigned	30,532,240			
Total fund balances	<u>255,184,478</u>	<u>116,167,515</u>	<u>15,590,434</u>	<u>187,029</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 319,314,643</u>	<u>\$ 118,438,354</u>	<u>\$ 15,711,846</u>	<u>\$ 15,604,715</u>

Community Facilities Districts Debt Service	Non-Major Governmental Funds	Total Governmental Funds
\$ 6,142,731	\$ 11,466,607	\$ 271,672,013
1,175,939	5,433,910	159,075,827
85,516	133,099	22,887,941
		16,889
1,012	443,664	3,821,729
20,132,028		35,548,617
	869,558	1,095,742
		5,651,718
		273,727
	2,192,932	2,360,329
		5,241,347
		1,675,250
<u>2,553,310</u>		<u>10,378,735</u>
<u>\$ 30,090,536</u>	<u>\$ 20,539,770</u>	<u>\$ 519,699,864</u>
\$ 900	\$ 4,149,735	\$ 19,640,869
	167,056	3,007,415
1,234,359		1,234,359
	867,733	2,449,386
	190,208	38,086,343
	273,727	273,727
5,988,000		5,988,000
	<u>503,723</u>	<u>510,124</u>
<u>7,223,259</u>	<u>6,152,182</u>	<u>71,190,223</u>
	59,424	130,851
20,131,299		35,544,610
	6,684	6,684
		3,304,145
		<u>5,336,437</u>
<u>20,131,299</u>	<u>66,108</u>	<u>44,322,727</u>
	2,192,932	7,601,676
2,735,978	8,819,978	145,541,009
	3,984,989	3,984,989
		217,203,419
	<u>(676,419)</u>	<u>29,855,821</u>
<u>2,735,978</u>	<u>14,321,480</u>	<u>404,186,914</u>
<u>\$ 30,090,536</u>	<u>\$ 20,539,770</u>	<u>\$ 519,699,864</u>



City of Goodyear, Arizona
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2024

Total fund balances - governmental funds **\$ 404,186,914**

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

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

Governmental capital assets	1,211,865,585	
Less accumulated depreciation/amortization	<u>(374,775,576)</u>	837,090,009

Net OPEB asset is not an available resource and, therefore, is not reported in the funds.

1,980,488

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

Bonds payable	(264,072,658)	
Deferred charged on refunding	4,278,526	
Leases payable	(38,668)	
Net pension/OPEB liability	(57,364,363)	
Compensated absences	<u>(12,622,939)</u>	(329,820,102)

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

Property taxes	130,851	
Special assessments	35,544,610	
Intergovernmental	6,684	
Other	<u>3,304,145</u>	38,986,290

Internal Service Funds are used by management to charge the cost of certain activities to individual funds. The assets and liabilities of the Internal Service Funds are included in the Statement of Net Position.

8,251,361

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

Deferred outflows of resources related to pensions/OPEB	30,505,694	
Deferred inflows of resources related to pensions/OPEB	<u>(5,961,709)</u>	<u>24,543,985</u>

Net position of governmental activities **\$ 985,218,945**

City of Goodyear, Arizona
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	General	Non-Utility Development Impact Fees Capital Projects	GO Bonds Capital Projects	McDowell Road Commercial Corridor ID Debt Service
Revenues				
Taxes	\$ 156,891,822	\$ 14,416,698	\$	\$
Licenses, permits and fees	21,774,745			
Intergovernmental revenue	53,234,972			
Charges for services	3,734,666	20,769,714		
Fines and forfeitures	1,076,316			
Investment income	11,660,771	5,840,902	1,135,887	10,419
Special assessments				2,906,511
Contributions	1,147,662		1,101	
Other revenues	<u>2,179,747</u>			<u>16,000</u>
Total revenues	<u>251,700,701</u>	<u>41,027,314</u>	<u>1,136,988</u>	<u>2,932,930</u>
Expenditures				
Current:				
General government	35,715,358	3,918		
Public safety	77,788,284	1,060		
Highways and streets	1,105,656			
Public works	8,307,459			
Culture and recreation	21,295,254			
Development services	15,883,541			
Capital outlay	42,891,305	16,379,880	4,933,281	
Debt service:				
Principal retirement	21,693			2,370,000
Interest and fiscal charges	6,091			545,583
Bond issuance costs				
Total expenditures	<u>203,014,641</u>	<u>16,384,858</u>	<u>4,933,281</u>	<u>2,915,583</u>
Excess (deficiency) of revenues over expenditures	<u>48,686,060</u>	<u>24,642,456</u>	<u>(3,796,293)</u>	<u>17,347</u>
Other financing sources (uses)				
Transfers in	8,246,500			
Transfers out	(13,680,402)			
Debt issuance				
Premium on debt issuance				
Sale of capital assets	<u>323,265</u>			
Total other financing sources (uses)	<u>(5,110,637)</u>			
Changes in fund balances	<u>43,575,423</u>	<u>24,642,456</u>	<u>(3,796,293)</u>	<u>17,347</u>
Fund balances, beginning of year	<u>211,609,055</u>	<u>91,525,059</u>	<u>19,386,727</u>	<u>169,682</u>
Fund balances, end of year	<u>\$ 255,184,478</u>	<u>\$ 116,167,515</u>	<u>\$ 15,590,434</u>	<u>\$ 187,029</u>

Community Facilities Districts Debt Service	Non-Major Governmental Funds	Total Governmental Funds
\$ 6,858,195	\$ 13,503,955	\$ 191,670,670
		21,774,745
	9,464,527	62,699,499
	4,241,252	28,745,632
		1,076,316
463,943	918,702	20,030,624
2,604,844		5,511,355
233,800	1,304,974	2,687,537
	<u>96,016</u>	<u>2,291,763</u>
<u>10,160,782</u>	<u>29,529,426</u>	<u>336,488,141</u>
	2,290,258	38,009,534
	1,338,360	79,127,704
	8,044,925	9,150,581
	191	8,307,650
	6,913,079	28,208,333
		15,883,541
	15,536,696	79,741,162
6,953,000	14,108,700	23,453,393
2,923,217	6,352,305	9,827,196
<u>290,536</u>		<u>290,536</u>
<u>10,166,753</u>	<u>54,584,514</u>	<u>291,999,630</u>
<u>(5,971)</u>	<u>(25,055,088)</u>	<u>44,488,511</u>
	25,095,420	33,341,920
(11,415,018)		(25,095,420)
11,085,000		11,085,000
387,504		387,504
		<u>323,265</u>
<u>57,486</u>	<u>25,095,420</u>	<u>20,042,269</u>
<u>51,515</u>	<u>40,332</u>	<u>64,530,780</u>
<u>2,684,463</u>	<u>14,281,148</u>	<u>339,656,134</u>
<u>\$ 2,735,978</u>	<u>\$ 14,321,480</u>	<u>\$ 404,186,914</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
For the Year Ended June 30, 2024

Changes in fund balances - total governmental funds **\$ 64,530,780**

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

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

Capital contributions	\$	10,636,944	
Capital outlay		58,112,649	
Less current year depreciation/amortization		<u>(32,052,303)</u>	36,697,290

Some revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes		(5,408)	
Special assessments		(3,390,891)	
Intergovernmental		(37,363)	
Other		<u>1,628,895</u>	(1,804,767)

Issuance of long-term debt provides current financial resources to governmental funds, but the issuance increases long-term liabilities in the Statement of Net Position. (11,472,504)

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

Lease principal retirement		21,693	
Bond principal retirement		<u>23,431,700</u>	23,453,393

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

Current year pension/OPEB contributions		12,017,010	
Pension/OPEB expense		<u>(15,710,324)</u>	(3,693,314)

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

Amortization of deferred charges		(652,391)	
Loss on disposal of assets		(944,550)	
Amortization of premiums and discounts		1,670,561	
Compensated absences		<u>(2,776,547)</u>	(2,702,927)

The Internal Service Funds are used by management to charge the cost of certain activities to the individual funds. The changes in net position of the Internal Service Funds are reported with governmental activities in the Statement of Activities. 382,891

Changes in net position in governmental activities **\$ 105,390,842**

City of Goodyear, Arizona
Statement of Net Position
Proprietary Funds
June 30, 2024

	Business-type Activities			Governmental
			Activities	
	Water & Wastewater	Sanitation	Total Enterprise Funds	Self-Insurance Trust Internal Service Fund
Assets				
Current assets:				
Cash	\$ 52,534,234	\$ 3,552,487	\$ 56,086,721	\$ 3,350,277
Investments	38,001,896	1,896,481	39,898,377	6,007,243
Receivables (net of allowance)	4,328,852	531,790	4,860,642	161,154
Inventories	2,194,302	88,207	2,282,509	
Total current assets	<u>97,059,284</u>	<u>6,068,965</u>	<u>103,128,249</u>	<u>9,518,674</u>
Noncurrent assets:				
Restricted cash and investments	43,625,213		43,625,213	
Net pension/OPEB asset	223,717	30,996	254,713	
Land	8,359,054		8,359,054	
Artwork	146,978		146,978	
Construction in progress	9,026,182		9,026,182	
Land improvements	127,636		127,636	
Infrastructure	392,725,707		392,725,707	
Buildings	172,615,300	150,522	172,765,822	
Vehicles, furniture, and equipment	23,902,183	2,133,163	26,035,346	
Water rights	21,088,078		21,088,078	
Accumulated depreciation	(148,025,963)	(1,491,211)	(149,517,174)	
Total noncurrent assets	<u>523,814,085</u>	<u>823,470</u>	<u>524,637,555</u>	
Total assets	<u>620,873,369</u>	<u>6,892,435</u>	<u>627,765,804</u>	<u>9,518,674</u>
Deferred outflows of resources				
Deferred outflows related to pensions/OPEB	1,246,810	172,746	1,419,556	
Deferred charge on refunding	2,408,693		2,408,693	
Total deferred outflows of resources	<u>3,655,503</u>	<u>172,746</u>	<u>3,828,249</u>	
Current liabilities:				
Accounts payable	7,273,697	502,905	7,776,602	436,844
Accrued wages and benefits	222,711	33,108	255,819	258,475
Claims payable				571,994
Customer deposits	43,581,122	39,320	43,620,442	
Compensated absences - current portion	734,702	128,546	863,248	
Loans payable - current portion	307,619		307,619	
Bonds payable - current portion	5,592,742		5,592,742	
Total current liabilities	<u>57,712,593</u>	<u>703,879</u>	<u>58,416,472</u>	<u>1,267,313</u>
Noncurrent liabilities:				
Compensated absences	149,540	42,729	192,269	
Net pension/OPEB liability	6,596,542	913,955	7,510,497	
Loans payable - net of current portion	1,293,244		1,293,244	
Bonds payable - net of current portion	172,500,579		172,500,579	
Total noncurrent liabilities	<u>180,539,905</u>	<u>956,684</u>	<u>181,496,589</u>	
Total liabilities	<u>238,252,498</u>	<u>1,660,563</u>	<u>239,913,061</u>	<u>1,267,313</u>
Deferred inflows of resources				
Deferred inflows related to pensions/OPEB	348,694	48,311	397,005	
Total deferred inflows of resources	<u>348,694</u>	<u>48,311</u>	<u>397,005</u>	
Net position				
Net investment in capital assets	302,679,664	792,474	303,472,138	
Restricted for:				
Capital projects	37,786,190		37,786,190	
Debt service	447,236		447,236	
Pensions/OPEB	223,717	30,996	254,713	
Unrestricted	44,790,873	4,532,837	49,323,710	8,251,361
Total net position	<u>\$ 385,927,680</u>	<u>\$ 5,356,307</u>	<u>\$ 391,283,987</u>	<u>\$ 8,251,361</u>

City of Goodyear, Arizona
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2024

	<u>Business-type Activities</u>			Governmental
	Water & Wastewater	Sanitation	Total Enterprise Funds	Activities Self-Insurance Trust Internal Service Fund
Operating revenues				
Charges for services	\$ 72,783,209	\$ 9,230,840	\$ 82,014,049	\$
Self insurance premiums				15,212,922
Other revenues	<u>159,281</u>	<u>1,984</u>	<u>161,265</u>	<u>614,041</u>
Total operating revenues	<u>72,942,490</u>	<u>9,232,824</u>	<u>82,175,314</u>	<u>15,826,963</u>
Operating expenses				
Salaries, wages and benefits	9,884,100	1,239,129	11,123,229	
Cost of sales and services	28,579,511	6,132,523	34,712,034	2,557,151
Claims expense				13,439,007
Depreciation	<u>13,933,288</u>	<u>174,044</u>	<u>14,107,332</u>	
Total operating expenses	<u>52,396,899</u>	<u>7,545,696</u>	<u>59,942,595</u>	<u>15,996,158</u>
Operating income (loss)	<u>20,545,591</u>	<u>1,687,128</u>	<u>22,232,719</u>	<u>(169,195)</u>
Nonoperating revenues (expenses)				
Investment income	5,370,122	268,397	5,638,519	552,086
Interest expense and fiscal charges	(5,783,937)		(5,783,937)	
Gain (loss) on sale of assets	<u>180,379</u>	<u>5,280</u>	<u>185,659</u>	
Total nonoperating revenue (expenses)	<u>(233,436)</u>	<u>273,677</u>	<u>40,241</u>	<u>552,086</u>
Income (loss) before contributions and transfers	20,312,155	1,960,805	22,272,960	382,891
Capital contributions	42,036,919		42,036,919	
Transfers out	<u>(6,866,700)</u>	<u>(1,379,800)</u>	<u>(8,246,500)</u>	
Changes in net position	55,482,374	581,005	56,063,379	382,891
Total net position, beginning of year	<u>330,445,306</u>	<u>4,775,302</u>	<u>335,220,608</u>	<u>7,868,470</u>
Total net position, end of year	<u>\$ 385,927,680</u>	<u>\$ 5,356,307</u>	<u>\$ 391,283,987</u>	<u>\$ 8,251,361</u>

City of Goodyear, Arizona
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

	<u>Business-type Activities</u>			<u>Governmental</u>
	<u>Water & Wastewater</u>	<u>Sanitation</u>	<u>Total Enterprise Funds</u>	<u>Self-Insurance Trust Internal Service Fund</u>
<u>Increase/Decrease in Cash and Cash Equivalents</u>				
Cash flows from operating activities:				
Cash received from customers	\$ 72,641,954	\$ 9,219,226	\$ 81,861,180	\$
Cash received from contributions				15,819,206
Cash payments to suppliers for goods and services	(29,779,802)	(6,071,751)	(35,851,553)	(2,070,195)
Cash payments to employees	(9,144,405)	(1,270,124)	(10,414,529)	
Cash payments for claims				(13,669,668)
Net cash provided by/used for operating activities	<u>33,717,747</u>	<u>1,877,351</u>	<u>35,595,098</u>	<u>79,343</u>
Cash flows from investing activities:				
Sale (purchase) of investments	(12,092,316)	(1,626,928)	(13,719,244)	2,312,228
Investment income	5,370,122	268,397	5,638,519	552,086
Net cash provided by/used for investing activities	<u>(6,722,194)</u>	<u>(1,358,531)</u>	<u>(8,080,725)</u>	<u>2,864,314</u>
Cash flows from noncapital financing activities:				
Transfers	(6,866,700)	(1,379,800)	(8,246,500)	
Net cash provided by/used for noncapital financing activities	<u>(6,866,700)</u>	<u>(1,379,800)</u>	<u>(8,246,500)</u>	
Cash flows from capital and related financing activities:				
Principal paid on long-term debt	(5,672,888)	(280,495)	(5,953,383)	
Interest paid	(6,500,435)	5,280	(6,495,155)	
Changes in capital assets	(10,055,878)		(10,055,878)	
Development fees	25,821,759		25,821,759	
Net cash provided by/used for capital and related financing activities	<u>3,592,558</u>	<u>(275,215)</u>	<u>3,317,343</u>	
Net increase/decrease in cash and cash equivalents	23,721,411	(1,136,195)	22,585,216	2,943,657
Cash and cash equivalents, beginning of year	<u>72,438,036</u>	<u>4,688,682</u>	<u>77,126,718</u>	<u>406,620</u>
Cash and cash equivalents, end of year	<u>\$ 96,159,447</u>	<u>\$ 3,552,487</u>	<u>\$ 99,711,934</u>	<u>\$ 3,350,277</u>

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

Operating income/loss	\$ 20,545,591	\$ 1,687,128	\$ 22,232,719	\$ (169,195)
Adjustments to reconcile operating income/loss to net cash provided by/used for operating activities:				
Depreciation/amortization	13,933,288	174,044	14,107,332	
Pension/OPEB expense	1,291,733	21,005	1,312,738	
Employer pension/OPEB Contributions	(776,698)	(107,612)	(884,310)	
Changes in assets and liabilities:				
Increase/decrease in receivables	(300,536)	(13,598)	(314,134)	(7,757)
Increase/decrease in inventory	268,179	(18,477)	249,702	
Increase/decrease in payables	(1,240,177)	80,249	(1,159,928)	33,886
Increase/decrease in accrued liabilities and deposits	(3,633)	54,612	50,979	222,409
Total adjustments	<u>13,172,156</u>	<u>190,223</u>	<u>13,362,379</u>	<u>248,538</u>
Net cash provided by/used for operating activities	<u>\$ 33,717,747</u>	<u>\$ 1,877,351</u>	<u>\$ 35,595,098</u>	<u>\$ 79,343</u>

Supplemental Disclosure of Non-Cash Investing, Capital, and Financing Activities

Contributions of Capital Assets from Developers	\$ 16,480,767
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City of Goodyear, Arizona
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2024

	Pension Trust	
	Fund	Custodial Fund
Assets		
Cash and cash equivalents	\$	\$ 55,316
Mutual funds	222,193	
Exchange traded funds	381,743	
Total assets	603,936	55,316
Net Position		
Restricted for:		
Pensions	603,936	
Individuals and organizations		55,316
Total net position	\$ 603,936	\$ 55,316

City of Goodyear, Arizona
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2024

	Pension Trust	
	Fund	Custodial Fund
Additions		
Investment income	\$ 82,694	\$
Other income	4,743	11,017
Total additions	<u>87,437</u>	<u>11,017</u>
Deductions		
Benefits	159,270	
Recipient payments		24,919
Total deductions	<u>159,270</u>	<u>24,919</u>
Change in net position	(71,833)	(13,902)
Net position, beginning of year	<u>675,769</u>	<u>69,218</u>
Net position, end of year	<u>\$ 603,936</u>	<u>\$ 55,316</u>

Notes to the Financial Statements

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

<u>Note</u>	<u>Page</u>
1. Summary of Significant Accounting Policies	57
2. Cash and Investments	69
3. Receivables	73
4. Capital Assets	74
5. Claims and Judgments Payable	75
6. Leases	75
7. Loan Payable	77
8. General Obligation Bonds Payable	77
9. Revenue Bonds Payable	78
10. Community Facilities Districts Bonds Payable	80
11. Changes in Long-Term Liabilities	82
12. Interfund Receivables, Payables, and Transfers	83
13. Contingent Liabilities	84
14. Risk Management	84
15. Pensions and Other Post Employment Benefits	85
16. Excess of Expenditures Over Appropriations	99
17. Fund Balance Classifications	99
18. Deficit Fund Balances	99
19. Commitments	100
20. Tax Abatement Agreements	101
21. Subsequent Event	102



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 (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City's significant accounting policies are described below.

A. Reporting Entity

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

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

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

The following are the community facilities districts currently operating in the City of Goodyear.

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

Note 1 – Summary of Significant Accounting Policies

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

B. Government-Wide and Fund Financial Statements

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

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. Basis of Presentation - Fund Financial Statements

The fund financial statements provide information about the City's funds, including its fiduciary funds and blended component units. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Fiduciary funds are aggregated and reported by fund type.

The City reports the following major governmental funds:

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

Note 1 – Summary of Significant Accounting Policies

Non-Utility Development Impact Fees Capital Projects - This fund accounts for the capital projects funded with non-utility development impact fees.

GO Bond Capital Projects Fund - This fund accounts for the capital projects financed by general obligation bond debt.

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

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

The City reports the following major proprietary fund:

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

The City reports the following non-major proprietary funds:

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

Internal Service Fund – This fund is used to account for self-insurance for employee benefits. The Internal service fund activities are reported as governmental activities on the government-wide statements.

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

The City reports 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.

Custodial Fund – The Custodial Fund is used to report activities of the Gain, Fill-a-Need, Shop with a Cop, and Arizona in Action activities. This Custodial Fund accounts for resources, not in a trust, that are held by the City for other parties outside of the City's reporting entity.

Note 1 – Summary of Significant Accounting Policies

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of recognition in the financial statements of various kinds of transactions or events.

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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.

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

Expenditures are generally recognized when a liability is incurred, as under accrual accounting. However, debt services principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, and claims and judgments, postemployment benefits are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the City the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end).

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the City.

Note 1 – Summary of Significant Accounting Policies

E. Budgetary Information

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

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

Prior to June 30, the City Council legally enacts the budget, through the passage of an ordinance. The ordinance sets the limit for expenditures for the year, within the voter mandated state expenditure limitation. Additional expenditures may be authorized if directly necessitated by a natural or man-made disaster as prescribed in the state constitution. There were no supplemental appropriations made during fiscal year 2024.

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

In practice, the City Council approves all budget transfers that cross appropriation lines on a monthly basis. All unencumbered expenditure appropriations expire at the end of the fiscal year. Encumbered amounts are re-budgeted in the following year as deemed appropriate and necessary after review by the Budget Office. Budgetary carry forwards are approved by the City Council through the budgetary process.

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

F. Assets, Liabilities, Deferred Outflows / Inflows of Resources, and Net Position/Fund Balance

1. Cash and Cash Equivalents

The City's cash and cash equivalents include cash on hand, demand deposits, short-term investments with original maturities of three months or less from the date of acquisition, and amounts held in trust. The funds held in trust are available to the City up on demand. The City considers short-term investments (including restricted assets) in the State of Arizona investment pool, mutual fund-money market, U.S. Treasury bills and notes with maturities of three months or less at acquisition date to be cash equivalents.

Note 1 – Summary of Significant Accounting Policies

2. 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 government-wide Statement of Net Position, the Balance Sheet and Proprietary Statement of Net Position because their use is limited by applicable bond covenants. Additionally, certain resources appropriated to the City for specific projects, are classified as restricted cash and investments on the government-wide Statement of Net Position because their use is limited by an intergovernmental agreement. The City also restricts the cash and investments in the Community Facilities Districts Debt Service Fund.

3. Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

Each fund's equity in investments represents that fund's position in the consolidated accounts and determines that fund's allocation of interest earned. Arizona Revised Statutes regulate the investment of surplus cash. The City limits its investments to U.S. government securities, certificates of deposit, bonds, repurchase agreements, corporate notes, commercial paper, and money market accounts.

4. Inventory and Prepaid Items

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

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

Note 1 – Summary of Significant Accounting Policies

5. Capital Assets

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

Capital assets are recorded at historical cost if purchased or constructed, except for intangible right-to-use lease assets, the measurement of which is discussed in note 5. Donated capital assets are recorded at estimated acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Major outlays for capital assets and improvements are accounted for as construction work in progress until completed. Once completed and put into service, projects are capitalized and reported at historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed in note 9 below).

Land and construction in progress are not depreciated. Artwork or collections presented in buildings and public outdoor spaces are expected to either be maintained at cost or appreciate over time. Thus, artwork is not depreciated. If individual pieces are lost or destroyed, the loss is recorded. The other tangible and intangible property, plant, equipment, the right to use leased equipment, and infrastructure of the primary government are depreciated / amortized using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	7-50
Land Improvements	15
Vehicles, Furniture and Equipment	3-20
Right-to-use leased equipment	5-20
Infrastructure	20-65
Water Rights	100

Note 1 – Summary of Significant Accounting Policies

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position, and deferred amounts related to pensions and OPEB. The deferred charge on refunding resulted from the difference between the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred amounts related to pension and OPEB related differences between estimated and actual investment earnings, changes in actuarial assumptions, and other pension and OPEB related charges.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in this category. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from four sources: property taxes, special assessments, other and intergovernmental. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the government-wide financial statements the City reports deferred amounts related to leases and deferred amounts related to pension and OPEB.

7. Net Position

For government-wide reporting as well as in proprietary funds, the difference between assets and deferred outflow of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted and unrestricted.

- Net investment in capital assets consists of capital assets, net of accumulated depreciation / amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on assets use either by external parties or by law through constitutional provision or enabling legislation.

Note 1 – Summary of Significant Accounting Policies

- Unrestricted net position is the net amount of the assets, deferred outflow of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

8. Fund Balance

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called "fund balance." The City's governmental funds report the following categories of fund balance, based on the nature of any limitations requiring the use of resources for specific purposes.

- Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be remain intact.
- Restricted - amounts that can be spent only for the specific purposes stipulated by external resource providers such as grantors, or by constitutional provisions, or enabling federal, state, or local legislation. Restriction may be changed or lifted only with the consent of the resource provider.
- Committed - amounts that can be used only for specific purposes determined by the adoption of an ordinance committing fund balance for a specified purpose by the City Council prior to the end of the fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until the resources have been spent for the specified purpose or the Council adopts another ordinance to remove or revise the limitation.
- Assigned - amounts that are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. Only the City Council or the City's Finance Director may assign amounts for specific purposes. Under the City's adopted policy, the City appropriates funding for information technology (IT) replacement, fleet replacement, risk management, police and fire equipment, parks and traffic signal asset management reserves. In addition, amounts encumbered related to projects that carry over into the next fiscal year are reported as assigned. The accumulated appropriations for these purposes which have not been spent are reflected as assigned fund balances.

Note 1 – Summary of Significant Accounting Policies

- Unassigned - residual amounts for the general fund that is not contained in other classifications. The general fund is the only fund that reports a positive unassigned fund balance. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

The City's general fund has unassigned funds consisting of a contingency reserve. The contingency reserve is used to set aside resources to cover unanticipated deficits or revenue reductions that may be caused by adverse economic conditions or public emergency. The amount of the contingency reserve is equal to or greater than 15 percent of fiscal year 2024 on-going revenues.

As previously mentioned, sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted funds to have been depleted before using any of the components of unrestricted fund balance. 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.

9. Leases

Lessee: The City is a lessee for a noncancellable lease for the use of parking and storage areas. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$100,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.

Note 1 – Summary of Significant Accounting Policies

- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor: The City is a lessor for a noncancellable lease of a licensed areas, fiber optic communications systems, and certain buildings and common areas at the Goodyear Municipal Complex. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

10. Receivables and Payables

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

Note 1 – Summary of Significant Accounting Policies

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

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

11. Compensated Absences

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

12. Inter-fund Activity

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

13. Pensions and Other Postemployment Benefits

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

Note 1 – Summary of Significant Accounting Policies

14. Long-term Obligations

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

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

15. 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.

16. Miscellaneous Disclosures

Pursuant to A.R.S. 35-391(B) the City shall disclose in its annual financial report the amount of any reward, discount, incentive, or other financial consideration received by the government entity resulting from credit card payments. The City received \$39,159 in card rebates during the year.

Note 2 – Cash and Investments

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

It is the policy of the City to maintain the maximum safety of principal, maintain liquidity to meet cash flow needs, and provide the highest investment returns.

Note 2 – Cash and Investments

On June 30, 2024, cash and cash equivalents are presented as follows:

	Governmental Activities	Business Activities	Fiduciary Funds	Total
Cash and cash equivalents	\$ 275,022,290	\$ 56,086,721	\$ 55,316	\$ 331,164,327
Restricted cash and cash equivalents	10,378,735	43,625,213		54,003,948
Total	<u>\$ 285,401,025</u>	<u>\$ 99,711,934</u>	<u>\$ 55,316</u>	<u>\$ 385,168,275</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, funds held in trustee accounts for the purpose of debt service payments, and amounts received from various other entities for specific projects.

At June 30, 2024, the City had \$12,023 of cash on hand. The carrying amount of the City's cash in bank totaled \$20,804,768, and the bank balance was \$21,695,591. Of the bank balance, \$250,000 was covered by federal depository insurance, and \$21,445,591 was covered by the Statewide Pooled Collateral Program. The City also has \$442,287 of cash held by the pledging financial institution's trust department in the City's name.

Cash Equivalents

The City invests in the Local Government Investment Pool 5 and Pool 7 (LGIP) investment pools 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 18 months from the settlement date of the purchase and variable-rate securities with final maturity less than 2 years. The weighted average to maturity shall not exceed 90 days. The net asset value per share of the pool at June 30, 2024 was \$1.00. The Arizona State Treasurer issues a publicly available financial report that includes financial statements and required supplementary information. Copies may be obtained by contacting the Arizona State Treasurer, 1700 West Washington, Phoenix, Arizona 85007 or www.aztreasury.gov.

Funds held in the State Treasurer's Local Government Investment Pool represent a proportionate interest in the pool's portfolio; however, the City's portion is not identified with specific investments and is not subject to custodial credit risk. At June 30, 2024, the City's funds invested with the State Treasurer totaled \$320,731,220.

Note 2 – Cash and Investments

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

Investment Type	Total	Remaining Maturity (in Years)
		Less than 1
LGIP 5	\$ 2,903,820	\$ 2,903,820
LGIP 7	317,827,400	317,827,400
Total	<u>\$ 320,731,220</u>	<u>\$ 320,731,220</u>

Investment Type	Total	Rating as of Year End
LGIP 5	\$ 2,903,820	AAAf/S1+
LGIP 7	317,827,400	AAA
Total	<u>\$ 320,731,220</u>	

Investments

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

On June 30, 2024, the City’s investments included the following:

Investment Type	Total	Remaining Maturity (in Years)			Concentration of Credit Risk
		Less than 1	1 to 2	More than 2	
U.S. Treasuries	\$ 130,058,673	\$ 13,005,685	\$ 58,567,381	\$ 58,485,607	52%
Federal Agencies	857,283	857,283			1%
Corporate Notes	50,457,017	6,127,290	14,931,560	29,398,167	20%
Negotiable Certificates of Deposit	11,981,207	3,708,769	3,641,928	4,630,510	5%
Money Market Fund	54,805,244	54,805,244			22%
Mutual Funds	603,936	603,936			0%
Total	<u>\$ 248,763,360</u>	<u>\$ 79,108,207</u>	<u>\$ 77,140,869</u>	<u>\$ 92,514,284</u>	<u>100%</u>

Note 2 – Cash and Investments

On June 30, 2024, the City’s investment ratings were as follows:

Investment Rating	U.S. Treasuries	Federal Agency	Corporate Notes	Negotiable	Money Market Fund	Mutual Funds	Total
				Certificates of Deposit			
A	\$	\$	\$ 11,751,480	\$ 1,850,691	\$	\$	\$ 13,602,171
A-			10,402,187				10,402,187
A+			10,820,124	4,630,510			15,450,634
A-1				3,708,769			3,708,769
AA			1,703,253				1,703,253
AA-			9,250,815	1,791,237			11,042,052
AA+	130,058,673	857,283	2,226,057				133,142,013
AAAm					54,757,117		54,757,117
BBB+			4,303,101				4,303,101
Not Rated					48,127	603,936	652,063
	<u>\$ 130,058,673</u>	<u>\$ 857,283</u>	<u>\$ 50,457,017</u>	<u>\$ 11,981,207</u>	<u>\$ 54,805,244</u>	<u>\$ 603,936</u>	<u>\$ 248,763,360</u>

Custodial Credit Risk

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

Interest Rate Risk

Interest rate risk is the risk of changes in market interest rates that will adversely affect the fair value of an investment. In order to limit interest rate and market risk, State law and the City’s investment policy sets a maximum maturity on any investment to five years. In addition, the City has adopted an average portfolio duration limitation (ranging from 90 days to three years) consistent with the primary investment objective of safety, liquidity and yield. As of June 30, 2024, the average duration to maturity is 1.95 years.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Although the City’s investment policy states that it will mitigate credit risk it does not impose any specific limitations.

Concentration of Credit Risk

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

Note 3 – Receivables

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

	General Fund	McDowell Road Commercial Corridor ID Debt Service	Community Facilities Districts Debt Service	Non-Major Governmental Funds	Self Insurance Fund	Total
Tax Receivable	\$ 22,669,326	\$	\$ 85,516	\$ 133,099	\$	\$ 22,887,941
Interest Receivable	16,889					16,889
Accounts Receivable	3,369,053	8,000	1,012	443,664	161,154	3,982,883
Special Assessments Receivable	19	15,416,570	20,132,028			35,548,617
Intergovernmental Receivable	226,184			869,558		1,095,742
Lease	5,651,718					5,651,718
Notes Receivable	1,675,250					1,675,250
Total Receivables	<u>\$ 33,608,439</u>	<u>\$ 15,424,570</u>	<u>\$ 20,218,556</u>	<u>\$ 1,446,321</u>	<u>\$ 161,154</u>	<u>\$ 70,859,040</u>

As of June 30, 2024, the special assessment and notes receivable balances are not expected to be collected within the next year. Special assessment receivables will be collected in conjunction with the debt retirement schedule for the related bonds outstanding. The notes receivable mature in 2044 and accrue interest at 3.26 percent annum.

The following table summarizes the City's receivables for the proprietary funds as of June 30, 2024.

	Water and Wastewater Fund	Sanitation Fund	Total
Accounts Receivable	\$ 5,021,431	\$ 658,405	\$ 5,679,836
Less:			
Allowance	692,579	126,615	819,194
Total Receivables	<u>\$ 4,328,852</u>	<u>\$ 531,790</u>	<u>\$ 4,860,642</u>

Receivables of the Water & Wastewater Fund, Sanitation and Ambulance Fund are reported net of uncollectible amounts. Total bad debt expense related to the Water & Wastewater Fund revenues, Sanitation Fund revenues, and Ambulance Fund revenues for the current year are \$104,103, \$11,748, and \$105,268 respectively.

Note 4 – Capital Assets

A summary of capital assets activity for the fiscal year ended June 30, 2024 follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 39,713,528	\$ 2,027,596	\$	\$ 41,741,124
Artwork	1,008,171	178,675		1,186,846
Construction in progress	39,877,997	13,616,992	34,685,512	18,809,477
Right of way	90,981,251		105,270	90,875,981
Streetscape	9,061,008			9,061,008
Total capital assets, not being depreciated	180,641,955	15,823,263	34,790,782	161,674,436
Capital assets, being depreciated:				
Land improvements	34,997,755	2,841,553		37,839,308
Infrastructure	443,265,677	25,141,626		468,407,303
Buildings and improvements	410,195,303	42,276,278	1,359,874	451,111,707
Vehicles, furniture and equipment	77,159,983	17,352,385	1,774,312	92,738,056
Right to use-asset	94,775			94,775
Total capital assets, being depreciated	965,713,493	87,611,842	3,134,186	1,050,191,149
Less accumulated depreciation for:				
Land improvements	(5,766,892)	(2,459,947)		(8,226,839)
Infrastructure	(172,109,319)	(10,660,718)		(182,770,037)
Buildings and improvements	(120,011,303)	(12,281,965)	(547,744)	(131,745,524)
Vehicles, furniture and equipment	(47,090,239)	(6,628,612)	(1,747,162)	(51,971,689)
Right to use-asset	(40,426)	(21,061)		(61,487)
Total accumulated depreciation	(345,018,179)	(32,052,303)	(2,294,906)	(374,775,576)
Total capital assets, being depreciated, net	620,695,314	55,559,539	839,280	675,415,573
Governmental activities capital assets, net	\$ 801,337,269	\$ 71,382,802	\$ 35,630,062	\$ 837,090,009
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 8,359,054	\$	\$	\$ 8,359,054
Artwork	146,978			146,978
Construction in progress	9,117,481	7,011,095	7,102,394	9,026,182
Total capital assets, not being depreciated	17,623,513	7,011,095	7,102,394	17,532,214
Capital assets, being depreciated:				
Land improvements		127,636		127,636
Infrastructure	369,023,682	23,702,025		392,725,707
Buildings and improvements	172,765,822			172,765,822
Vehicles, furniture and equipment	22,953,612	3,294,276	212,542	26,035,346
Water rights	21,088,078			21,088,078
Total capital assets, being depreciated	585,831,194	27,123,937	212,542	612,742,589
Less accumulated depreciation for:				
Land improvements		(1,563)		(1,563)
Infrastructure	(74,628,243)	(7,543,292)		(82,171,535)
Buildings and improvements	(44,046,817)	(4,991,641)		(49,038,458)
Vehicles, furniture and equipment	(13,941,026)	(1,380,365)	(177,341)	(15,144,050)
Water rights	(2,971,097)	(190,471)		(3,161,568)
Total accumulated depreciation	(135,587,183)	(14,107,332)	(177,341)	(149,517,174)
Total capital assets, being depreciated, net	450,244,011	13,016,605	35,201	463,225,415
Business-type activities capital assets, net	\$ 467,867,524	\$ 20,027,700	\$ 7,137,595	\$ 480,757,629

Note 4 – Capital Assets

Depreciation and amortization expense were charged to functions/programs as follows:

<u>Governmental activities:</u>		<u>Business-type activities:</u>	
General government	\$ 2,873,347	Water and wastewater	\$ 13,933,288
Public safety	4,778,683	Sanitation	174,044
Highway and streets	16,050,567	Total depreciation expense	<u>\$ 14,107,332</u>
Public works	1,639,466		
Culture and recreation	6,709,940		
Total depreciation expense	<u>\$ 32,052,003</u>		

Note 5 – Claims and Judgments Payable

During fiscal year 2023-24, the City received notice that the Qasimyar v. Maricopa County, Class Action Judgment had been finalized by the Tax Court. The City, along with all taxing districts in Maricopa County, was affected by the judgment. The Tax Court ruling spanned multiple tax years and, in most cases, resulted in a decrease to the Limited Property Value along with a corresponding refund to individual taxpayers.

As a result of the judgment, the County Treasurer's Office published the estimated financial impact for all taxing districts. The City's amount is reported as a claims and judgments payable in the General Fund. The Community Facilities District's portion is reported as a claims and judgments payable in the Community Facilities District Special Revenue Fund, a non-major governmental fund. It is expected that the liability will be paid in the next fiscal year.

Note 6 – Leases

Lease receivable

On July 2, 2021, the City entered into a 192-month lease as lessor for the use of the Park, Ride, & Bullard Wash Sites. An initial lease receivable was recorded in the amount of \$3,668,998. As of June 30, 2024, the value of the lease receivable is \$3,209,189. The value of the deferred inflow of resources as of June 30, 2024 was \$2,997,918. The lessee is required to make monthly fixed payments of \$18,227. The lease has an interest rate of 2.0680%. The City recognized lease revenue of \$228,994 and \$68,180 in interest revenue during the current fiscal year related to this lease.

On July 1, 2021, the City entered into a 45-month lease as lessor for the use of Fiber Optic Communications. An initial lease receivable was recorded in the amount of \$85,639. The lease was paid in full at the end of the year. The City recognized lease revenue of \$22,837 and \$257 in interest revenue during the current fiscal year related to this lease.

Note 6 – Leases

On November 1, 2021, the City entered into a 120-month lease as lessor for the use of the Franklin Pierce University Lease. An initial lease receivable was recorded in the amount of \$3,335,215. As of June 30, 2024, the value of the lease receivable is \$2,442,529. The value of the deferred inflow of resources as of June 30, 2024 was \$2,338,519. City will receive monthly payments ranging between \$23,563 to of \$33,632 over the life of the lease. The lease has an interest rate of 1.6040%. The lessee has a termination period of 60 months as of the lease commencement date. The City recognized lease revenue of \$318,889 and \$41,312 in interest revenue during the current fiscal year.

The future principal and interest lease receivables as of June 30, 2024, were as follows:

<u>Principal and Interest Expected to Maturity</u>			
<u>Fiscal Year</u>	<u>Governmental Activities</u>		
	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
2025	\$ 432,967	\$ 102,060	\$ 535,027
2026	465,319	94,065	559,384
2027	498,433	85,497	583,930
2028	532,331	76,339	608,670
2029	567,035	66,577	633,612
2030 - 2034	2,183,941	188,512	2,372,453
2035 - 2038	971,692	32,655	1,004,347

Lease payable

On July 1, 2021, the City entered into a 54-month lease for the use of Calle Del Pueblo Parking and Storage Facility. An initial lease liability was recorded in the amount of \$94,775. As of June 30, 2024, the value of the lease liability was \$38,668. The City is required to make monthly payments ranging from \$1,250 to \$2,250 over the life of the lease. The lease has an interest rate of 1.0590%. The value of the right to use asset as of June 30, 2024 was \$94,775 with accumulated amortization of \$61,487.

The future principal and lease payments as of June 30, 2024, were as follows:

<u>Amount of Lease Assets by Major Classes of Underlying Asset</u>		
<u>As of Fiscal Year-end</u>		
<u>Asset Class</u>	<u>Lease Asset Value</u>	<u>Accumulated Amortization</u>
Infrastructure	\$ 94,775	\$ 61,487
Total Leases	94,775	61,487

<u>Principal and Interest Requirements to Maturity</u>			
<u>Governmental Activities</u>			
<u>Fiscal Year</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
2025	\$ 25,210	\$ 291	\$ 25,501
2026	13,458	42	13,500

Note 7 – Loan Payable

The City received a loan from the Water Infrastructure Finance Authority. The loan was used for expansion of an effluent wastewater facility and to rehabilitate an existing effluent lift station. The loan payable on June 30, 2024, is as follows:

Description	Interest Rate (Including Fees)	Maturity	Outstanding Principal June 30, 2024	Due Within One Year
Business-type activities				
Water Infrastructure Finance Authority Loan	2.00%	7/1/24-29	\$ 1,600,863	\$ 307,619
Total business-type activities			\$ 1,600,863	\$ 307,619

Annual debt service requirements to maturity on the loan payable on June 30, 2024 is summarized as follows:

Fiscal Year Ending	Principal	Interest
June 30		
2025	\$ 307,619	\$ 32,018
2026	313,772	25,864
2027	320,047	19,590
2028	326,448	13,188
2029	332,977	6,660
	<u>\$ 1,600,863</u>	<u>\$ 97,320</u>

Note 8 – General Obligation Bonds Payable

Bonds payable on June 30, 2024, consisted of the outstanding general obligation and refunding bonds presented below. The bonds are generally callable with interest payable semi-annually. Of the total amounts originally authorized, \$276,446,616 remains unissued. The bonds payable on June 30, 2024, are presented below.

Purpose	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2024	Due Within One Year
Governmental activities:				
General Obligation Bonds Refunding Series 2016	2.00-4.00%	7/1/24-37	\$ 7,481,663	\$ 1,777,328
General Obligation Bonds Series 2017	3.00-5.00%	7/1/27-37	19,275,000	
General Obligation Bonds Series 2019	2.00-3.00%	7/1/24-38	22,085,000	1,000,000
General Obligation Bonds Series 2021	3.00-5.00%	7/1/24-40	32,100,000	1,025,000
General Obligation Bonds Series 2022	4.00-5.00%	7/1/24-41	19,590,000	3,955,000
Total governmental activities			\$ 100,531,663	\$ 7,757,328
Business-type activities:				
General Obligation Bonds Refunding Series 2016	2.00-4.00%	7/1/24-37	\$ 20,983,340	\$ 2,552,742
General Obligation Bonds Refunding Series 2019	3.00-5.00%	7/1/27-29	4,105,000	
General Obligation Bonds Refunding Series 2020	3.00-5.00%	7/1/24-30	5,905,000	860,000
Total business-type activities			30,993,340	3,412,742
Total			\$ 131,525,003	\$ 11,170,070

Note 8 – General Obligation Bonds Payable

Annual debt service requirements to maturity on general obligation bonds payable on June 30, 2024, are summarized as follows:

Fiscal Year Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 7,757,328	\$ 3,682,430	\$ 3,412,742	\$ 1,164,432
2026	4,619,262	3,342,586	3,550,739	1,027,926
2027	4,822,406	3,150,716	3,932,594	885,896
2028	5,012,547	2,959,644	3,577,453	722,618
2029	5,213,346	2,757,218	3,736,654	567,694
2030-34	29,199,601	10,666,342	8,005,400	1,407,096
2035-39	34,922,173	4,939,192	4,777,758	290,522
2040-44	8,985,000	347,700		
	<u>\$ 100,531,663</u>	<u>\$ 31,845,828</u>	<u>\$ 30,993,340</u>	<u>\$ 6,066,184</u>

Note 9 – Revenue Bonds Payable

Revenue bonds payable on June 30, 2024, consisted of the outstanding revenue bonds and refunding bonds presented on the following table. The bonds are generally callable after 10 years with interest payable semi-annually.

Purpose	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2024	Due Within One Year
Governmental activities:				
Excise Tax Revenue Bond				
Taxable Excise Tax Revenue Refunding, Series 2021	.210-1.736%	7/1/24-27	\$ 14,420,000	\$ 4,755,000
Total			<u>14,420,000</u>	<u>4,755,000</u>
Special Assessment Revenue Bond				
McDowell Road Commercial Improvement District Refunding Bonds, Series 2018	1.95-3.60%	1/1/24-31	15,445,000	2,325,000
Total			<u>15,445,000</u>	<u>2,325,000</u>
Public Improvement Corporation Municipal Facilities				
PIC Revenue Refunding Bonds, Series 2016A	3.00-5.00%	7/1/28-32	27,470,000	
PIC Revenue Refunding Bonds, Series 2016B	4.00-5.00%	7/1/24-31	16,670,000	1,845,000
Total			<u>44,140,000</u>	<u>1,845,000</u>
Direct borrowings or direct placements:				
Facilities Revenue Bonds, Series 2017	3%	7/1/24-27	3,575,000	1,155,000
Total			<u>3,575,000</u>	<u>1,155,000</u>
Total governmental activities			<u>\$ 77,580,000</u>	<u>\$ 10,080,000</u>
Business-type activities:				
Revenue Bonds, Series 2009	7%	7/1/49	\$ 325,000	\$
Revenue Bonds, Series 2016	2.00-5.00%	7/1/24-45	5,920,000	180,000
Revenue Bonds, Series 2020	2.00-5.00%	7/1/24-49	74,145,000	1,100,000
Revenue Bonds, Second Series 2020	3.00-4.00%	7/1/30-49	30,950,000	
Revenue Refunding Bonds, Series 2020	2.00-5.00%	7/1/24-39	10,775,000	385,000
Revenue Refunding Taxable Bonds, Series 2020	1.428-3.506%	7/1/24-41	10,915,000	515,000
Total business-type activities			<u>133,030,000</u>	<u>2,180,000</u>
Total			<u>\$ 210,610,000</u>	<u>\$ 12,260,000</u>

Note 9 – Revenue Bonds Payable

Revenue bond debt service requirements to maturity are as follows:

Fiscal Year Ending June 30	Governmental Activities				Business-Type Activities	
			Direct Borrowings or Direct Placements			
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 8,925,000	\$ 2,597,699	\$ 1,155,000	\$ 118,332	\$ 2,180,000	\$ 5,081,934
2026	9,150,000	2,380,961	1,190,000	80,102	2,245,000	5,022,782
2027	9,400,000	2,138,746	1,230,000	40,714	2,615,000	4,926,268
2028	10,025,000	1,869,703			2,970,000	4,811,616
2029	10,460,000	1,407,418			3,095,000	4,678,470
2030-34	26,045,000	1,636,129			19,500,000	21,086,164
2035-39					26,920,000	16,790,988
2040-44					33,795,000	10,705,560
2045-49					39,710,000	3,976,890
	<u>\$ 74,005,000</u>	<u>\$ 12,030,656</u>	<u>\$ 3,575,000</u>	<u>\$ 239,148</u>	<u>\$ 133,030,000</u>	<u>\$ 77,080,672</u>

Pledged Revenue

A. Revenue Bonds

Governmental Activities – The obligations are special revenue obligations of the City. The payments are payable from and secured by a first lien on the excise taxes received by the City. Excise Taxes includes amounts received from the imposition of unrestricted fines and forfeitures, license and permit fees, transaction privilege (sales) taxes, other transaction privilege, excise and business taxes, franchise fees and taxes, bed and rental taxes which the City now or in the future imposes and collects, and all state shared sales and income taxes and state revenue-sharing collected and allocated or apportioned, now or thereafter. Excise tax does not include revenue from development fees or building permit fees. The last scheduled debt service payment occurring on 7/1/2027. Proceeds of the bonds were used to refund in advance of maturity the Municipal Facilities Revenue Refunding Bonds, Series 2011A. Principal and interest paid for the current year and total pledged revenues were \$4,963,370 and \$200,317,355, respectively.

Business-Type Activities

Revenue bonds are collateralized by a pledge of the gross revenues of the utility systems, as defined in the bond indentures. The bonds are payable solely from water and wastewater customer net revenues with the last scheduled debt service payment occurring on July 1, 2049. Proceeds of the bonds were used for improvements to the City's water and wastewater system. Principal and interest paid for the current year and total water and wastewater customer net revenues were \$7,577,756 and \$35,017,770, respectively.

Note 9 – Revenue Bonds Payable

B. Public Improvement Corporation Municipal Facilities Revenue Bonds

The public improvement corporation municipal facilities revenue bonds are secured by excise taxes or other undesignated general fund revenues and the property referred to as Goodyear Municipal Complex. Proceeds from the bonds were used to construct a major league baseball training facility as well as other municipal facilities. The last scheduled debt service payment on the bonds is July 1, 2032. Principal and interest paid, including the refunded bonds, for the current year and total pledged revenues were \$5,026,340 and \$200,317,355, respectively.

C. McDowell Road Corridor Improvement District Bonds

The City acts as an administrator for the McDowell Road Corridor Improvement District whereby it collects the assessments levied against owners of property within the established district and disburses the amounts collected to retire the bonds issued to finance infrastructure improvements. The last scheduled debt service payment on the bond is January 1, 2031. On June 30, 2024, the special assessments receivable, together with amounts paid in advance and interest to be received over the life of the assessment period, is adequate for the scheduled maturities of the bonds payable and the related interest. Principal and interest paid for the current year and total revenues available to service the debt were \$2,917,058 and \$2,932,930, respectively.

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

Note 10 – Community Facilities Districts Bonds Payable

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

Community facilities district bonds payable on June 30, 2024, consisted of outstanding general obligation and special assessment bonds. The bonds are generally callable with interest payable semiannually.

Note 10 – Community Facilities Districts Bonds Payable

In December 2023, the Estrella Mountain Ranch Community Facilities District, issued general obligation bonds with a par amount of \$11,085,000 and coupon rates between 4.25 and 5.00 percent. The net proceeds of \$11,322,718 included premium of \$387,504, an underwriter's discount of \$94,556 and insurance premium of \$55,230. Costs of Issuance of \$141,500 were funded with Major Landowner Contributions. The general obligation bonds were issued to acquire public infrastructure.

Community facilities district bonds payable on June 30, 2024, are presented as follows.

Purpose	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2024	Due Within One Year
General District No. 1:				
General Obligation Refunding Bonds, Series 2013	5%	7/15/24-7/15/28	\$ 3,485,000	\$ 910,000
Palm Valley:				
General Obligation Refunding Bonds, Series 2016	3.00-4.00%	7/15/24-7/15/32	3,355,000	385,000
Utilities District No. 1:				
General Obligation Refunding Bonds, Series 2014	4%	7/15/24-7/15/28	5,085,000	1,200,000
General Obligation Refunding Bonds, Series 2015	3.00-4.125%	7/15/24-7/15/29	3,605,000	340,000
General Obligation Refunding Bonds, Series 2016	4%	7/15/24-7/15/32	12,795,000	755,000
Wildflower Ranch District 2:				
General Obligation Bonds, Series 2000	7%	7/15/24-7/15/25	55,000	55,000
General Obligation Bonds, Series 2001	6%	7/15/24-7/15/26	100,000	55,000
Estrella Mountain Ranch:				
Special Assessment Revenue Bonds, Series 2015M2	2.50-5.00%	7/1/24-7/1/39	3,552,000	165,000
Special Assessment Revenue Bonds, Series 2015M3	1.90-3.75%	7/1/24-7/1/46	555,000	20,000
General Obligation Refunding Bonds, Series 2017	3.25-5.00%	7/1/24-7/1/32	6,145,000	875,000
Series 2019 Lucero	2.60-4.75%	7/1/24-7/1/43	5,929,000	217,000
Series 2023 Lucero2	4.00-5.75%	7/1/24-7/1/46	4,320,000	115,000
General Obligation Bonds, Series 2023	4.25-5.00%	7/15/31-7/15/43	10,895,000	
Total			59,876,000	5,092,000
Direct placements:				
Centerra:				
General Obligation Refunding Bonds, Series 2016	3%	7/15/24-7/15/31	1,533,000	210,000
General Obligation Bonds, Series 2016	3%	7/15/24-7/15/31	288,000	26,000
Cortina:				
General Obligation Refunding Bonds, Series 2017	3%	7/15/24-7/15/31	1,095,000	145,000
Cottonflower:				
General Obligation Refunding Bonds, Series 2017	3%	7/15/24-7/15/28	815,000	195,000
Estrella Mountain Ranch:				
Special Assessment Revenue Refunding Bonds				
Series 2018 Desert Village	3%	7/1/24-7/1/26	418,000	226,000
Series 2018 Golf Village 2	4%	7/1/24-7/1/30	2,369,000	441,000
Series 2018 Montecito 2	4%	7/1/24-7/1/31	2,921,000	427,000
Total direct placements			9,439,000	1,670,000
Total			\$ 69,315,000	\$ 6,762,000

Note 10 – Community Facilities Districts Bonds Payable

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

Fiscal Year Ending June 30	Governmental Activities			
			Direct Borrowings / Placements	
	Principal	Interest	Principal	Interest
2025	\$ 5,092,000	\$ 2,565,894	\$ 1,670,000	\$ 320,284
2026	5,240,000	2,352,102	1,686,000	264,290
2027	5,395,000	2,146,132	1,555,000	207,674
2028	5,240,000	1,939,486	1,597,000	155,106
2029	4,840,000	1,736,320	1,049,000	101,114
2030-34	17,477,000	5,868,418	1,882,000	95,606
2035-39	8,577,000	3,213,262		
2040-44	7,310,000	1,126,898		
2045-47	705,000	59,136		
	<u>\$ 59,876,000</u>	<u>\$ 21,007,648</u>	<u>\$ 9,439,000</u>	<u>\$ 1,144,074</u>

Note 11 – Changes in Long-Term Liabilities

Long-term liabilities activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences payable	\$ 9,846,392	\$ 24,836,542	\$ 22,059,995	\$ 12,622,939	\$ 9,229,752
Lease liability	60,361		21,693	38,668	25,210
General obligation bonds payable	107,045,363		6,513,700	100,531,663	7,757,328
Community Facilities District bonds payable	53,877,000	11,085,000	5,086,000	59,876,000	5,092,000
Direct borrowings or direct placements-CFD	11,306,000		1,867,000	9,439,000	1,670,000
Public improvement bonds payable	45,890,000		1,750,000	44,140,000	1,845,000
Direct borrowings or direct placements-PIC	4,690,000		1,115,000	3,575,000	1,155,000
Revenue bonds payable	36,965,000		7,100,000	29,865,000	7,080,000
Premiums	17,955,361	387,504	1,672,205	16,670,660	
Discounts	(26,309)		(1,644)	(24,665)	
Net OPEB liability	24,370	11,562		35,932	
Net pension liability	57,352,787		24,356	57,328,431	
Governmental activities long-term liabilities	<u>\$ 344,986,325</u>	<u>\$ 36,320,608</u>	<u>\$ 47,208,305</u>	<u>\$ 334,098,628</u>	<u>\$ 33,854,290</u>
Business-type activities:					
Compensated absences payable	\$ 861,199	\$ 2,208,828	\$ 2,014,510	\$ 1,055,517	\$ 863,248
General obligation bonds payable	34,294,640		3,301,300	30,993,340	3,412,742
Revenue bonds payable	135,100,000		2,070,000	133,030,000	2,180,000
Loans payable - Direct borrowing	1,902,451		301,588	1,600,863	307,619
Premiums	14,974,174		904,193	14,069,981	
Net OPEB liability	4,217	1,903		6,120	
Net pension liability	7,402,817	101,560		7,504,377	
Business-type activities long-term liabilities	<u>\$ 194,539,498</u>	<u>\$ 2,312,291</u>	<u>\$ 8,591,591</u>	<u>\$ 188,260,198</u>	<u>\$ 6,763,609</u>

Note 11 – Changes in Long-Term Liabilities

The City’s outstanding notes from direct borrowings and direct placements related to community facilities districts’ debt of \$9,439,000 are secured by either (1) an ad valorem tax on all taxable property; (2) an assessment levied on each lot in the assessment district; or (3) a debt reserve fund. These notes contain a provision that in the event of default the interest rate will increase, and the legal rights of the creditor will be enforced.

The City’s outstanding notes from direct borrowings and direct placements related to the Public Improvement Corporation’s debt of \$3,575,000 are secured by the lease rental payments received pursuant to a Taxable and a Tax-Exempt Lease Agreement. These outstanding notes contain a provision that in an event of default the interest rate will increase, and the legal rights of the creditor will be enforced.

The City’s outstanding note from direct borrowings and direct placements related to the business-type activities of \$1,600,863 is secured by pledged water and wastewater revenues. This outstanding note contains a provision that in an event of default a late charge of six percent per annum will be charged and the legal rights of the creditor will be enforced.

Note 12 – Interfund Receivables, Payables, and Transfers

Transfers during the fiscal year were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 8,246,500	\$ (13,680,402)
Community Facilities Districts		(11,415,018)
Non-Major Governmental Funds	25,095,420	
Sanitation		(1,379,800)
Water and Wastewater Fund		(6,866,700)
Total	<u>\$ 33,341,920</u>	<u>\$ (33,341,920)</u>

In fiscal year 2024, the General Fund subsidized the Ballpark and Ambulance Funds in the amount of \$13.2 million, and \$472,853. The transfers were used to cover operations, debt service and capital outlays. The Enterprise Funds transferred \$8.2 million to the General Fund for interfund goods and services provided. The transfers between the Community Facilities District Funds of \$11.4 million related to the use of bond proceeds to pay for infrastructure constructed by the developer.

Interfund balances as of June 30, 2024, is as follows:

	<u>Due to</u>	<u>Due From</u>
General Fund	\$	\$ 273,727
Non-Major Governmental Funds	273,727	
	<u>\$ 273,727</u>	<u>\$ 273,727</u>

Note 12 – Interfund Receivables, Payables, and Transfers

In fiscal year 2024, the General Fund advanced \$264,403 to the Grant Funds to cover expenditures awaiting reimbursement from the granting agencies. The \$9,324 owed to the General Fund by the Ambulance Fund was to borrow for negative cash at year-end. These amounts are expected to be collected in the subsequent year.

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, 2024; however, the City expects no material disallowances of expenditures.

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

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

Note 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; injuries to employees; and natural disasters. The City's property and liability and workers' compensation 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 established a Self-Insurance Trust (an Internal Service Fund) to account for and finance its uninsured risk loss related to healthcare claims. Under this program, the Fund provides coverage for up to a maximum of \$250,000 for each claim, not to exceed an annual aggregate of \$14,545,659. The Fund purchases commercial insurance for claims in excess of this coverage. Settled claims have not exceeded the annual aggregate in any of the past five fiscal years.

Note 14 – Risk Management

Liabilities of the fund are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of allocations to specific claims. Estimated recoveries, for example from subrogation, are another component of the claims liability estimate. Changes in the balances of claims liabilities during the past two years are as follows:

Healthcare Benefits	Claims payable Beginning of Year	Current Year Claims and Changes in Estimates	Claims Payments	Claims Payable at End of Year
2023-24	\$ 802,655	\$ 12,875,685	\$ 13,106,346	\$ 571,994
2022-23	663,667	12,224,977	12,085,989	802,655

Note 15 – Pensions and Other Postemployment Benefits

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

Aggregate Amounts. At June 30, 2024, the City reported the following aggregate amounts related to pensions and other postemployment benefits (OPEB) for all plans to which it contributes.

	Governmental Activities	Business-type Activities	Total
Net pension and OPEB assets	\$ (1,980,488)	\$ (254,713)	\$ (2,235,201)
Net pension and OPEB liability	57,364,363	7,510,497	64,874,860
Deferred outflows of resources	30,505,694	1,419,556	31,925,250
Deferred inflows of resources	5,961,709	397,005	6,358,714
Pension and OPEB expense	15,710,324	1,312,738	17,023,062

The City reported \$12,017,010 of pension and OPEB contributions as expenditures in the governmental funds related to all plans to which it contributes.

Note 15 – Pensions and Other Postemployment Benefits

A. Arizona State Retirement System

Plan Description. City employees participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on the ASRS website at www.azasrs.gov.

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

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

*With actuarially reduced benefits

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

Note 15 – Pensions and Other Postemployment Benefits

Retired and disabled members, with at least five years of credited service, are eligible to receive health insurance premium benefits. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. For members with 10 or more years of service, benefits range from \$100 per month to \$260 per month depending on the age of the member and dependents. For members with five to nine years of service, the benefits are the same dollar amounts as above multiplied by a vesting fraction based on completed years of service.

Active members are eligible for a long-term disability benefit in the event they become unable to perform their work. The monthly benefit is equal to two-thirds of their monthly earnings. Members receiving benefits continue to earn service credit up to their normal retirement dates. Members with long-term disability commencement dates after June 30, 1999 are limited to 30 years of service or the service on record as of the effective disability date, if their service is greater than 30 years.

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.29 percent (12.14 percent for retirement and 0.15 percent for long-term disability) of the members' annual covered payroll, and the City was required by statute to contribute at the actuarially determined rate of 12.29 percent (12.03 percent for retirement, 0.11 percent for health insurance premium benefit, and 0.15 percent for long-term disability) of the active members' annual covered payroll.

	<u>Contributions</u>
Pension	\$ 5,948,626
Health Insurance Premium	54,393
Long-Term Disability	74,172

Employers are also required to pay an Alternate Contribution Rate (ACR), for retired members who return to work in positions that would typically be filled by an employee who contributes to ASRS. The City was required by statute to contribute at the actuarially determined rate of 9.99 percent (9.94 for retirement and 0.05 percent for long-term disability). ACR contributions are included in employer contributions presented above.

The City's pension and OPEB contributions are paid by the same funds as the employee's salary, with the largest components coming from the General Fund and the Water and Wastewater Fund.

Note 15 – Pensions and Other Postemployment Benefits

Pension and OPEB Assets/Liability. The net pension and OPEB assets/liability were measured as of June 30, 2023. The total liability used to calculate the net asset or net liability was determined using updated procedures to roll forward the total liability from an actuarial valuation as of June 30, 2022, to the measurement date of June 30, 2023. The City's proportion of the net asset or net liability was based on the City's actual contributions to the applicable plan relative to the total of all participating employers' contributions to the plan for the year ended June 30, 2023.

The City's proportions measured as of June 30, 2023 and the change from its proportions measured as of June 30, 2022 were:

	Net (Asset) Liability	City % Proportion	Increase (Decrease)
Pension	\$ 51,571,883	0.319	0.012
Health Insurance Premium	(1,750,444)	0.324	0.011
Long-Term Disability	42,052	0.321	0.011

Pension/OPEB Expense and Deferred Outflows/Inflows of Resources. The City has deferred outflows and inflows of resources related to the net pension and OPEB assets/liability. Certain changes in the net pension and OPEB assets/liability are recognized as pension and OPEB expense over a period of time rather than the year of occurrence. For the year ended June 30, 2024, the City recognized pension and OPEB expense as follows:

	Expense
Pension	\$ 9,754,729
Health Insurance Premium	(229,064)
Long-Term Disability	36,560

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Deferred Outflows of Resources		
	Pension	Health Insurance Premium	Long-Term Disability
Differences between expected and actual experience	\$ 1,165,319	\$ 73,866	\$ 37,968
Changes of assumptions or other inputs			11,098
Changes in proportion and differences between contributions and proportionate share of contributions	2,366,290		23,801
Contributions subsequent to the measurement date	5,948,626	54,393	74,172
Total	<u>\$ 9,480,235</u>	<u>\$ 128,259</u>	<u>\$ 147,039</u>

Note 15 – Pensions and Other Postemployment Benefits

	Deferred Inflows of Resources		
	Pension	Health Insurance Premium	Long-Term Disability
Differences between expected and actual experience	\$	\$ 652,784	\$ 23,669
Changes of assumptions or other inputs		34,833	61,212
Net difference between projected and actual earnings	1,824,658	76,883	3,365
Changes in proportion and differences between contributions and proportionate share of contributions		49,291	1,627
Total	<u>\$ 1,824,658</u>	<u>\$ 813,791</u>	<u>\$ 89,873</u>

The amounts of deferred outflows of resources resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as an adjustment of the net pension and OPEB assets/liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized in pension and OPEB expense as follows:

Year Ending June 30:	Pension	Health Insurance Premium	Long-Term Disability
2025	\$ 1,596,111	\$ (306,220)	\$ (586)
2026	(1,628,860)	(335,078)	(7,528)
2027	1,966,442	(53,849)	4,201
2028	(226,742)	(48,382)	(7,969)
2029		3,604	(7,566)
Thereafter			2,442

Actuarial Assumptions. The significant actuarial assumptions used to measure the total pension and OPEB liability are as follows:

Actuarial valuation date	June 30, 2022
Actuarial roll forward date	June 30, 2023
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Projected salary increases	2.9-8.4% for pensions/not applicable for OPEB
Inflation	2.3%
Permanent base increases	Included for pensions/not applicable for OPEB
Mortality rates	2017 SRA Scale U-MP for pensions and health insurance premium benefit
Recovery rates	2012 GLDT for long-term disability
Healthcare cost trend rate	Not applicable

Note 15 – Pensions and Other Postemployment Benefits

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2020. The long-term expected rate of return on ASRS plan investments was determined to be 7.0 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Public equity	44%	3.50%
Credit	23%	5.90
Interest rate sensitive	6%	1.50
Private equity	10%	6.70
Real estate	17%	5.90
Total	100%	

Discount Rate. At June 30, 2022, the discount rate used to measure the ASRS Total pension/OPEB liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plans’ fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total pension and OPEB liability.

Sensitivity of the Proportionate Share of the Net Pension and OPEB Assets/Liability to Changes in the Discount Rate. The following presents the City’s proportionate share of the net pension and OPEB assets/liability calculated using the discount rate of 7.0 percent, as well as what the proportionate share of the net pension and OPEB assets/liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

	<u>Proportionate share of the net (assets) liability</u>		
	1% Decrease	Current Discount Rate	1% Increase
Rate	6.0%	7.0%	8.0%
Pension	\$ 77,247,107	\$ 51,571,883	\$ 30,163,289
Health Insurance Premium	(1,223,484)	(1,750,444)	(2,198,243)
Long-Term Disability	61,494	42,052	22,926

Note 15 – Pensions and Other Postemployment Benefits

Pension and OPEB Plan Fiduciary Net Position. Detailed information about the pension and OPEB plan’s fiduciary net position is available in the separately issued ASRS financial report. The report is available on the ASRS website at www.azasrs.gov.

B. Public Safety Personnel Retirement System

Plan Descriptions. City public safety employees who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS). The PSPRS administers an agent multiple-employer defined benefit pension plan and an agent multiple-employer defined benefit health insurance premium benefit (OPEB) plan. A nine-member board known as the Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 4. Employees who were PSPRS members before July 1, 2017, participate in the agent plans, and those who became PSPRS members on or after July 1, 2017, participate in the cost-sharing plans (PSPRS Tier 3 Risk Pool).

The PSPRS issues a publicly available financial report that includes their financial statements and required supplementary information. The report is available on the PSPRS website at www.psprs.com.

The PSPRS Tier 3 Risk Pool plan is not further disclosed because of its relative insignificance to the City's financial statements.

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

	Retirement Initial Membership Date:	
	Tier 1	Tier 2
Years of service and age required to receive benefit	20 years of service, any age or 15 years of service, age 62	25 years or 15 years of credited service, age 52.5
Final average salary is based on	Highest 36 consecutive months of last 20 years	Highest 60 consecutive months of last 20 years
Normal retirement	50% less 2.0% for each year of credited service less than 20 years or plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	1.5 % to 2.5% per year of credited service, not to exceed 80%

Note 15 – Pensions and Other Postemployment Benefits

Accidental disability retirement	50% or normal retirement, whichever is greater
Catastrophic disability retirement	90% of the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater
Ordinary disability retirement	Normal retirement calculated with actual years of credited service or 20 years of credited service, whichever is greater, multiplied by years of credited service (not to exceed 20 years) divided by 20
Survivor benefit:	
Retired members	80% to 100% of retired member's pension benefit
Active members	80% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on inflation. PSPRS also provides temporary disability benefits of 50 percent of the member's compensation for up to 12 months.

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. Benefits range from \$100 per month to \$260 per month depending on the age of the member and dependents.

Employees Covered by Benefit Terms. At June 30, 2024 the following employees were covered by the agent plan's benefit terms:

	PSPRS - Police		PSPRS - Fire	
	Pension	Health Insurance	Pension	Health Insurance
Retirees and beneficiaries	37	37	19	19
Inactive, non-retired members	30	15	12	10
Active members	74	74	69	69
Total	141	126	100	98

Contributions. State statutes establish the pension contribution requirements for active PSPRS employees. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for PSPRS pension and health insurance premium benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contribution rates for the year ended June 30, 2024, are indicated below. Rates are a percentage of active members' annual covered payroll.

Note 15 – Pensions and Other Postemployment Benefits

	Tier 1 & 2	
	PSPRS - Police	PSPRS - Fire
Active members - pension	7.65% to 11.65%	
City of Goodyear:		
Pension	23.24%	19.00%
Health insurance	0.14%	0.34%

Employers are also required to pay an Alternate Contribution Rate (ACR), for retired members who return to work in positions that would typically be filled by an employee who contributes to PSPRS. The City was required by statute to contribute at the actuarially determined rate of 8 percent for both police and fire PSPRS. ACR contributions are included in employer contributions presented above.

In addition to the current contributions shown below, the City had a prepaid overpayment of \$1,265,752 in Fire, and \$1,533,416 in Police applied towards its unfunded liability. The contributions to the pension and OPEB plans for the year ended were:

	Contributions	
	PSPRS - Police	PSPRS - Fire
Pension	\$ 3,961,170	\$ 2,789,185
Health insurance	23,862	49,912

The City’s pension and OPEB contributions are paid by the same funds as the employee’s salary, with the largest component coming from the General Fund.

Pension and OPEB Assets/Liability. At June 30, 2024, the City reported the following assets and liabilities.

	Net (Asset) Liability	
	PSPRS - Police	PSPRS - Fire
Pension	\$ 10,614,302	\$ 2,646,623
Health insurance	(333,784)	(150,973)

The net pension and OPEB assets/liability were measured as of June 30, 2023. The total liability used to calculate the net asset or liability was determined by an actuarial valuation as of that date.

Note 15 – Pensions and Other Postemployment Benefits

Actuarial Assumptions. The significant actuarial assumptions used to measure the total pension/OPEB liability are as follows:

Actuarial valuation date	June 30, 2023
Actuarial cost method	Entry age normal
Investment rate of return Tier 1 & 2	7.2%
Wage inflation	2.75-15.0%
Price inflation	2.5%
Cost-of-living adjustment	1.85%
Mortality rates	PubS-2010 tables
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2021.

The long-term expected rate of return on PSPRS plan investments was determined to be 7.20 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. public Equity	24%	3.98%
International Public Equity	16%	4.49%
Global Private Equity	20%	7.28%
Other Assets	7%	4.49%
Core Bonds	6%	1.90%
Private Credit	20%	6.19%
Diversifying Strategies	5%	3.68%
Cash – Mellon	2%	0.69%
Total	<u>100%</u>	

Discount Rate. At June 30, 2023, the discount rate used to measure the total pension and OPEB assets/liability was 7.2 percent.

Note 15 – Pensions and Other Postemployment Benefits

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

Changes in Net (Assets)/Liability

	Pension			Health Insurance		
	Increase (Decrease)			Increase (Decrease)		
	Total (Assets) Liability	Plan Fiduciary Net Position	Net (Assets) Liability	Total (Assets) Liability	Plan Fiduciary Net Position	Net (Assets) Liability
PSPRS - Police						
Balances at June 30, 2023	\$ 73,733,272	\$ 63,247,468	\$ 10,485,804	\$ 800,908	\$ 1,227,935	\$ (427,027)
Change for the year:						
Service cost	2,156,220		2,156,220	31,883		31,883
Interest on the total liability	5,369,439		5,369,439	59,219		59,219
Differences between expected and actual experience in the measurement of the liability	1,978,874		1,978,874	97,886		97,886
Contributions - employer		3,547,221	(3,547,221)		3,656	(3,656)
Contributions - employee		814,839	(814,839)			
Net investment income		5,078,423	(5,078,423)		92,679	(92,679)
Benefit payments, including refunds of employee contributions	(2,627,911)	(2,627,911)		(20,622)	(20,622)	
Administrative expense		(30,556)	30,556		(590)	590
Other changes/Adjustments to PY		(33,892)	33,892			
Net changes	<u>6,876,622</u>	<u>6,748,124</u>	<u>128,498</u>	<u>168,366</u>	<u>75,123</u>	<u>93,243</u>
Balances at June 30, 2024	<u>\$ 80,609,894</u>	<u>\$ 69,995,592</u>	<u>\$ 10,614,302</u>	<u>\$ 969,274</u>	<u>\$ 1,303,058</u>	<u>\$ (333,784)</u>

Note 15 – Pensions and Other Postemployment Benefits

	Pension Increase (Decrease)			Health Insurance Increase (Decrease)		
	Total (Assets) Liability	Plan Fiduciary Net Position	Net (Assets) Liability	Total (Assets) Liability	Plan Fiduciary Net Position	Net (Assets) Liability
PSPRS - Fire						
Balances at June 30, 2023	\$ 73,323,809	\$ 69,238,309	\$ 4,085,500	\$ 880,714	\$ 992,828	\$ (112,114)
Change for the year:						
Service cost	2,272,405		2,272,405	31,665		31,665
Interest on the total liability	5,357,563		5,357,563	65,442		65,442
Differences between expected and actual experience in the measurement of the liability	1,168,120		1,168,120	(38,631)		(38,631)
Contributions - employer		3,918,794	(3,918,794)		22,844	(22,844)
Contributions - employee		949,254	(949,254)			
Net investment income		5,584,240	(5,584,240)		74,817	(74,817)
Benefit payments, including refunds of employee contributions	(2,371,246)	(2,371,246)		(6,911)	(6,911)	
Administrative expense		(23,501)	23,501		(326)	326
Other changes/Adjustments to PY		(191,822)	191,822			
Net changes	6,426,842	7,865,719	(1,438,877)	51,565	90,424	(38,859)
Balances at June 30, 2024	\$ 79,750,651	\$ 77,104,028	\$ 2,646,623	\$ 932,279	\$ 1,083,252	\$ (150,973)

Sensitivity of the Net Pension and OPEB Assets (Liability) to Changes in the Discount Rate.

The following presents the City's net pension and OPEB assets (liability) calculated using the discount rate of 7.2 percent, as well as what the net assets (liability) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Current		
	1% Decrease	Discount Rate	1% Increase
PSPRS - Police			
Rate	6.20%	7.20%	8.20%
Net pension (assets) liability	\$ 22,994,066	\$ 10,614,302	\$ 663,196
Net OPEB (assets) liability	(206,947)	(333,784)	(439,356)
PSPRS - Fire			
Rate	6.20%	7.20%	8.20%
Net pension (assets) liability	\$ 14,935,999	\$ 2,646,623	\$ (7,326,485)
Net OPEB (assets) liability	(37,721)	(150,973)	(246,399)

Note 15 – Pensions and Other Postemployment Benefits

Plan Fiduciary Net Position. Detailed information about the plans’ fiduciary net position is available in the separately issued PSPRS financial report. The report is available on the PSPRS website at www.psprs.com.

Expense. For the year ended June 30, 2024, the City recognized the following as pension and OPEB expense:

	Expense	
	PSPRS - Police	PSPRS - Fire
Pension	\$ 4,111,906	\$ 3,321,033
Health insurance	1,062	26,836

Deferred Outflows/Inflows of Resources. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension		Health Insurance	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
PSPRS - Police				
Differences between expected and actual experience	\$ 4,504,357	\$ 337,776	\$ 88,571	\$ 236,377
Changes of assumptions or other inputs	921,459		21,592	5,471
Net difference between projected and actual earnings on plan investments	1,131,557		13,218	
Contributions subsequent to the measurement date	3,961,170		23,862	
Total	<u>\$ 10,518,543</u>	<u>\$ 337,776</u>	<u>\$ 147,243</u>	<u>\$ 241,848</u>

	Pension		Health Insurance	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
PSPRS - Fire				
Differences between expected and actual experience	\$ 6,126,251	\$ 2,833,319	\$ 7,186	\$ 189,116
Changes of assumptions or other inputs	1,294,964		9,535	28,333
Net difference between projected and actual earnings on plan investments	1,213,415		13,483	
Contributions subsequent to the measurement date	2,789,185		49,912	
Total	<u>\$ 11,423,815</u>	<u>\$ 2,833,319</u>	<u>\$ 80,116</u>	<u>\$ 217,449</u>

Note 15 – Pensions and Other Postemployment Benefits

The amounts of deferred outflows of resources resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as an adjustment of the net pension and OPEB assets/liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized in pension and OPEB expense as follows:

Year Ending June 30:	PSPRS - Police		PSPRS - Fire	
	Pension	Health Insurance	Pension	Health Insurance
2025	1,306,554	(31,706)	1,403,160	(42,969)
2026	877,581	(38,535)	938,084	(52,246)
2027	2,457,908	2,158	2,556,468	(21,041)
2028	862,959	(27,475)	755,357	(36,811)
2029	714,595	(26,993)	148,242	(28,659)
Thereafter		4,084		(5,519)

C. Goodyear Volunteer and Reserve Firefighter Retirement Trust Plan

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

The assets of the plan are valued annually and the earnings or loss is distributed among the participant's accounts in the plan. The only expenditures being made from this fund are administration fees, benefit payments, and refunds to those firefighters who leave the service of the Fire Department before becoming eligible for pension benefits. The cost of administering the plan is financed from investment earnings. Retirement with full benefits can be at age fifty (50) or 15 years of credited service. This plan was fully vested as of June 30, 2023. As of June 30, 2024, there were four eligible employees participating in the plan. The plan was administered by Cetera Advisor Networks LLC.

As of June 30, 2024, the plan's assets consisted of investments in the amount of \$603,936.

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 – Excess of Expenditures Over Appropriations

For the year ended, June 30, 2024, expenditures exceeded the budget at the fund level in two funds. However, this does not constitute a violation of any legal provision.

Note 17 – Fund Balance Classifications

	General Fund	Non Utility Development Impact Fees Capital Projects	GO Bonds Capital Projects	McDowell Road Commerical Corridor ID Debt Service Fund	Community Facilities Districts Debt Service Fund	Non-Major Funds	Total Governmental Funds
Fund Balances (deficits):							
Nonspendable							
Inventories	\$ 167,397					\$ 2,192,932	\$ 2,360,329
Prepaid items	5,241,347						5,241,347
Restricted							
Ambulance						406,739	406,739
Capital projects			15,590,434				15,590,434
Community facilities districts operations						7,414,865	7,414,865
Court	657,069						657,069
Debt service				187,029	2,735,978	950,326	3,873,333
Development impact fees		116,167,515					116,167,515
Grants						48,048	48,048
Law enforcement	788,863						788,863
Transit	594,143						594,143
Committed							
Ball park						3,984,989	3,984,989
Assigned							
Facilities Asset Mgmt Plan	4,366,907						4,366,907
Fire asset reserve	1,303,511						1,303,511
Fleet replacement	12,852,427						12,852,427
IT replacement	2,058,561						2,058,561
Risk management	1,131,785						1,131,785
Parks management	5,814,513						5,814,513
Traffic signal reserve	2,200,915						2,200,915
General Fund FY2024 Budget	187,474,800						187,474,800
Unassigned	30,532,240					(676,419)	29,855,821
Total fund balances	\$ 255,184,478	\$ 116,167,515	\$ 15,590,434	\$ 187,029	\$ 2,735,978	\$ 14,321,480	\$ 404,186,914

Note 18 – Deficit Fund Balances

As of June 30, 2024, the Tourism Fund had a deficit of \$79,130, revenues in the next fiscal year are expected to eliminate the deficit.

Note 19 – Commitments

Capital Improvement Program (CIP) Commitments

The City has active capital improvement projects that are financed from existing fund balances. As of June 30, 2024, the following balances are for work not yet complete:

<u>Capital Improvement Program (CIP) Commitments</u>	
Project	Amount
30007 - Fire Station 188 Design Build	191,249
30008 - Fire Station 183 Tenant Improvements	140,114
30010 - Fire Station 182 Renovation & Battalion Chief Quarters	310,381
35002 - Tyler New World Upgrade	112,141
40007 - Development Services Permitting System	110,449
42026 - Estrella Parkway: Vineyard Avenue to MC85 Roadway Improvements	3,923,528
42027 - Estrella Parkway: PebbleCreek Parkway & I-10 Interchange	11,296,481
42037 - Yuma Road: Canyon Trails to Sarival Avenue	55,676
42038 - Camelback Road: SR 303 to 152nd Avenue	858,262
42046 - Cotton Lane: Estrella Parkway to Cotton Lane Bridge	283,911
42047 - Lower Buckeye Road & Sarival Avenue	269,333
42048 - Sarival Avenue (West Half): Yuma Road to Elwood Street	1,472,393
42050 - Traffic Management Center Parking Lot Improvements	774,108
42052 - Bullard Ave. Celebrate Life Way to Roosevelt Street	384,641
42058 - McDowell Road: Litchfield Road to Dysart Road	589,741
42060 - Traffic Signal: Estrella Parkway & Centerra Drive	171,692
42061 - Traffic Signal: 152nd Drive & Van Buren Street	450,984
42062 - Traffic Signal: 165th Avenue & Yuma Road	6,291
42063 - Traffic Signal: Cotton Lane & Elwood Street/El Cidro Drive	224,481
42071 - Civic Square Closeout	100,073
42072 - San Gabriel- Elliot Interconnect	69,733
42077 - Traffic Signal: Estrella Parkway & Lower Buckeye Road	35,721
42078 - Traffic Signal- Bullard Avenue & Yuma Road	22,923
42079 - Traffic Signal: Estrella Parkway & Calistoga Drive	10,913
42082 - Traffic Signal: San Gabriel & Elliot	61,170
50050 - Loma Linda Site Improvements	1,287,094
60034 - Brine Disposal	996,405
60047 - Booster 11 Generator	590,147
60075 - Bullard Water Campus Amiad Pre-Filters Replacement	154,631
60077 - Rainbow Valley WRF Plant Design & Expansion	2,025,233
60079 - Integrated Water Master Plan (IWMP) Mid-Term Update	290,037
60093 - Goodyear WRF Blower Replacement	589,382
60103 - Corgett WRF Clarifier Rehabilitation & New Clarifier	123,551
60105 - Goodyear Municipal Complex Tenant Improvements	369,998
60109 - Goodyear WRF Expansion	1,873,116
60110 - Rainbow Valley WRF Expansion	817,558
60119 - Municipal Operations Complex Additional Facilities	412,399
60122 - GMC Tenant Improvements Building B	1,947,921
61002 - Corgett Wash Sewer Replacements	1,375,349
61004 - Site 13 Motor Control Center Replacement	794,925
61006 - Goodyear WRF Blower Replacement	24,000
61009 - Booster 12 Generator Replacement	292,751
61013 - Perryville Grinder Station	76,947
61015 - Improvements to Palo Verde Generating Station (PVNGS)	396,689
	<u>\$ 36,364,522</u>

Note 19 – Commitments

Encumbrances

Encumbrances are employed to effectively plan and control funds for specific items. As of June 30, 2024, the encumbrances to be honored in the next fiscal year have been classified as assigned, unless specified as restricted or committed based on fund nature.

Encumbrances

Fund	Amount
General Fund	\$ 8,526,285
Non-Utility Development Impact Fees	20,942,008
GO Bonds Capital Projects	<u>373,856</u>
Total Governmental Funds	<u>\$ 29,842,149</u>
Water & Wastewater Fund	<u>\$ 6,522,372</u>
Total Proprietary Funds	<u>\$ 6,522,372</u>

Note 20 – Tax Abatement Agreements

Government Property Lease Excise Tax

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

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

For the year ended June 30, 2024, government property lease agreements the City entered into reduced the City tax revenues by \$439,120.

Note 20 – Tax Abatement Agreements

Foreign Trade Zone

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

1. Developers can construct a zone I-1 site of at least 200,000 square feet in a foreign trade zone.
2. Qualifying manufacturing companies can invest at least \$25 million in capital equipment and real property, construct 75,000 square feet building, employ a minimum of 75 full-time employees with 51 percent paid 125 percent of the state median annual wage and paid 75 percent of employees' health insurance premiums.
3. Internet fulfillment companies can locate within a designated foreign trade zone building, generate a minimum of \$25 million of Arizona end-user sales and invest at least \$25 million in capital equipment and real property.
4. Businesses can locate within one of the federally approved Magnet foreign trade zones and comply with the City's Foreign Trade Zone policy and federal requirements.

For the year ended June 30, 2024, properties within the foreign trade zones reduced the City tax revenues by \$570,245.

Sales Tax Abatements

The City has entered into agreements with developers to reimburse for the construction of public infrastructure that will benefit the community. These reimbursements are paid to developers over time from the collection of sales taxes. Payments to developers are considered during the City's budget process. For the year ended June 30, 2024, the one developer agreement reduced City sales tax revenues by \$2,993,400.

Note 21 – Subsequent Event

The City contracted with a consulting firm, on July 1, 2024, to prepare an actuarial valuations report on the new Retiree Healthcare Plan that will become effective on July 1, 2024. The Actuarial Report dated November 19, 2024, indicates an Other Post-Employment Benefit (OPEB) future liability of \$32.7M and an estimated Plan expense of \$3.3M for fiscal year 2025. The City plans to set up an irrevocable trust for this purpose by the end of June 30, 2025.

Required Supplementary Information

City of Goodyear, Arizona
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Non-GAAP Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 123,722,700	\$ 123,722,700	\$ 156,891,822	\$ 33,169,122
Licenses, permits and fees	9,804,300	9,804,300	21,774,745	11,970,445
Intergovernmental revenue	50,239,200	50,239,200	52,139,830	1,900,630
Charges for services	1,938,900	1,938,900	3,514,417	1,575,517
Fines and forfeitures	1,068,200	1,068,200	955,574	(112,626)
Investment income	1,389,600	1,389,600	11,513,120	10,123,520
Contributions	12,377,400	12,643,300	1,147,662	(11,495,638)
Other revenues	725,000	725,000	2,179,747	1,454,747
Total revenues	<u>201,265,300</u>	<u>201,531,200</u>	<u>250,116,917</u>	<u>48,585,717</u>
Expenditures				
Current:				
General government:				
City attorney	3,021,700	3,021,700	2,721,476	300,224
City clerk	1,313,600	1,304,200	1,034,713	269,487
City manager	5,825,400	5,910,100	3,804,375	2,105,725
Communications	1,793,700	1,793,700	1,636,704	156,996
Finance	5,659,700	5,584,000	6,669,317	(1,085,317)
Human resources	6,589,800	6,948,600	5,809,093	1,139,507
ITS	11,725,100	11,869,500	10,704,014	1,165,486
Mayor and council	491,600	491,600	342,267	149,333
Non-departmental	3,500,000	3,500,000	2,993,399	506,601
Reserved for contingency	47,759,100	33,571,800		33,571,800
Total general government	<u>87,679,700</u>	<u>73,995,200</u>	<u>35,715,358</u>	<u>38,279,842</u>
Public safety:				
Fire	31,018,700	30,952,900	32,340,369	(1,387,469)
ITS	10,800	10,800	10,664	136
Municipal court	2,418,600	2,418,600	1,920,902	497,698
Police	43,045,900	45,315,400	43,250,644	2,064,756
Total public safety	<u>76,494,000</u>	<u>78,697,700</u>	<u>77,522,579</u>	<u>1,175,121</u>
Public works:				
Administration	1,329,300	1,329,300	1,343,044	(13,744)
Building services	4,763,000	4,913,000	4,889,008	23,992
Fleet services	92,900	92,900	538,863	(445,963)
Stormwater	963,700	3,463,700	1,536,544	1,927,156
Total public works	<u>7,148,900</u>	<u>9,798,900</u>	<u>8,307,459</u>	<u>1,491,441</u>
Culture and recreation:				
Arts and culture	2,074,800	2,074,800	1,944,937	129,863
Parks	10,987,100	10,996,100	10,318,074	678,026
Recreation	8,401,300	8,656,400	9,032,243	(375,843)
Total culture and recreation	<u>21,463,200</u>	<u>21,727,300</u>	<u>21,295,254</u>	<u>432,046</u>

City of Goodyear, Arizona
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		Non-GAAP	Variance with
	<u>Original</u>	<u>Final</u>		
Development services:				
Development services	12,464,600	12,569,000	10,945,172	1,623,828
Economic development	4,157,800	4,538,000	2,491,337	2,046,663
Engineering	2,800,800	2,800,800	2,447,032	353,768
Total development services	<u>19,423,200</u>	<u>19,907,800</u>	<u>15,883,541</u>	<u>4,024,259</u>
Capital outlay	<u>167,838,100</u>	<u>163,515,500</u>	<u>42,891,305</u>	<u>120,624,195</u>
Debt service:				
Principal retirement			21,693	(21,693)
Interest and fiscal charges		5,000	6,091	(1,091)
Total debt service		<u>5,000</u>	<u>27,784</u>	<u>(22,784)</u>
Total expenditures	<u>380,047,100</u>	<u>367,647,400</u>	<u>201,643,280</u>	<u>166,004,120</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(178,781,800)</u>	<u>(166,116,200)</u>	<u>48,473,637</u>	<u>214,589,837</u>
Other financing sources (uses)				
Transfers in	25,400,500	25,400,500	8,246,500	(17,154,000)
Transfers out	(34,076,200)	(34,076,200)	(12,930,185)	21,146,015
Sale of capital assets			323,265	323,265
Total other financing sources (uses)	<u>(8,675,700)</u>	<u>(8,675,700)</u>	<u>(4,360,420)</u>	<u>4,315,280</u>
Changes in fund balances	<u>(187,457,500)</u>	<u>(174,791,900)</u>	<u>44,113,217</u>	<u>218,905,117</u>
Fund balances, beginning of year	<u>187,474,800</u>	<u>187,474,800</u>	<u>209,031,186</u>	<u>21,556,386</u>
Fund balances, end of year	<u>\$ 17,300</u>	<u>\$ 12,682,900</u>	<u>\$ 253,144,403</u>	<u>\$ 240,461,503</u>

City of Goodyear, Arizona
Notes to Required Supplementary Information
June 30, 2024

Note 1 – Budgetary Basis of Accounting

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

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

The following schedule reconciles expenditures and fund balances at the end of year.

	Beginning Fund Balance	Revenue	Expenditures	Ending Fund Balance
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$211,609,055	\$251,700,701	\$203,014,641	\$255,184,478
Activity budgeted as special revenue funds	<u>(2,577,869)</u>	<u>(1,583,784)</u>	<u>(1,371,361)</u>	<u>(2,040,075)</u>
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	<u>\$209,031,186</u>	<u>\$250,116,917</u>	<u>\$201,643,280</u>	<u>\$253,144,403</u>

City of Goodyear, Arizona
Schedule of the Proportionate Share of the Net Pension Liability
Arizona State Retirement System
Last Ten Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Measurement date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Proportion of the net pension (assets) liability	0.32%	0.31%	0.28%	0.26%	0.25%
Proportionate share of the net pension (assets) liability	\$ 51,571,883	\$ 50,184,300	\$ 37,024,641	\$ 45,605,133	\$ 37,050,173
Covered payroll	\$ 41,946,720	\$ 38,450,304	\$ 32,091,131	\$ 28,572,110	\$ 26,747,686
Proportionate share of the net pension (assets) liability as a percentage of its covered payroll	122.95%	130.52%	115.37%	159.61%	138.52%
Plan fiduciary net position as a percentage of the total pension liability	75.47%	74.26%	78.58%	69.33%	73.24%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Measurement date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Proportion of the net pension (assets) liability	0.27%	0.24%	0.24%	0.24%	0.22%
Proportionate share of the net pension (assets) liability	\$ 37,221,762	\$ 37,471,443	\$ 39,085,443	\$ 36,986,742	\$ 33,264,817
Covered payroll	\$ 25,325,110	\$ 23,806,419	\$ 22,599,315	\$ 21,761,494	\$ 20,166,769
Proportionate share of the net pension (assets) liability as a percentage of its covered payroll	146.98%	157.40%	172.95%	169.96%	164.95%
Plan fiduciary net position as a percentage of the total pension liability	73.40%	69.92%	67.06%	68.35%	69.49%

City of Goodyear, Arizona
Schedule of the Proportionate Share of the Net OPEB Liability
Health Insurance Premium Benefit
Arizona State Retirement System
Last Seven Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Measurement date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Proportion of the net OPEB (asset)	0.32%	0.31%	0.28%	0.26%	0.26%
Proportionate share of the net OPEB (asset)	\$ (1,750,444)	\$ (1,747,907)	\$ (1,400,236)	\$ (190,345)	\$ (71,968)
Covered payroll	\$ 41,946,720	\$ 38,450,304	\$ 32,091,131	\$ 28,572,110	\$ 26,747,686
Proportionate share of the net OPEB (assets) liability as a percentage of its covered payroll	-4.17%	-4.55%	-4.36%	-0.67%	-0.27%
Plan fiduciary net position as a percentage of the total OPEB liability	134.37%	137.79%	130.24%	104.33%	101.62%
	<u>2019</u>	<u>2018</u>			
Measurement date	June 30, 2018	June 30, 2017			
Proportion of the net OPEB (asset)	0.27%	0.24%			
Proportionate share of the net OPEB (asset)	\$ (97,837)	\$ (132,414)			
Covered payroll	\$ 25,325,110	\$ 23,806,419			
Proportionate share of the net OPEB (assets) liability as a percentage of its covered payroll	-0.39%	-0.56%			
Plan fiduciary net position as a percentage of the total OPEB liability	102.20%	103.57%			

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

City of Goodyear, Arizona
Schedule of the Proportionate Share of the Net OPEB Liability
Long-Term Disability
Arizona State Retirement System
Last Seven Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Measurement date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Proportion of the net OPEB (asset)	0.32%	0.31%	0.28%	0.26%	0.26%
Proportionate share of the net OPEB (asset)	\$ 42,052	\$ 28,587	\$ 58,752	\$ 202,049	\$ 168,210
Covered payroll	\$ 41,946,720	\$ 38,450,304	\$ 32,091,131	\$ 28,572,110	\$ 26,747,686
Proportionate share of the net OPEB (assets) liability as a percentage of its covered payroll	0.10%	0.07%	0.18%	0.71%	0.63%
Plan fiduciary net position as a percentage of the total OPEB liability	93.70%	95.40%	90.38%	68.01%	72.85%

	<u>2019</u>	<u>2018</u>
Measurement date	June 30, 2018	June 30, 2017
Proportion of the net OPEB (asset)	0.27%	0.24%
Proportionate share of the net OPEB (asset)	\$ 139,754	\$ 87,433
Covered payroll	\$ 25,325,110	\$ 23,806,419
Proportionate share of the net OPEB (assets) liability as a percentage of its covered payroll	0.55%	0.37%
Plan fiduciary net position as a percentage of the total OPEB liability	77.83%	84.44%

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

City of Goodyear, Arizona
Schedule of Changes in the Net Pension Liability and Related Ratios
Public Safety Personnel Retirement System - Police
Last Ten Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Measurement date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Total pension liability				
Service cost	\$ 2,156,220	\$ 2,160,730	\$ 2,208,847	\$ 2,269,992
Interest	5,369,439	4,963,351	4,586,569	4,141,357
Changes of benefit terms				
Differences between expected and actual experience	1,978,874	1,666,085	641,214	1,426,978
Changes of assumptions or other inputs		466,330		
Benefit payments, including refunds of employee contributions	<u>(2,627,911)</u>	<u>(2,707,211)</u>	<u>(1,747,026)</u>	<u>(1,609,732)</u>
Net change in total pension liability	6,876,622	6,549,285	5,689,604	6,228,595
Total pension liability—beginning	<u>73,733,272</u>	<u>67,183,987</u>	<u>61,494,383</u>	<u>55,265,788</u>
Total pension liability—ending	<u>\$ 80,609,894</u>	<u>\$ 73,733,272</u>	<u>\$ 67,183,987</u>	<u>\$ 61,494,383</u>
Plan fiduciary net position				
Contributions—employer	\$ 3,547,221	\$ 4,835,709	\$ 14,918,307	\$ 2,900,958
Contributions—employee	814,839	802,568	819,075	870,194
Net investment income	5,078,423	(2,603,517)	11,521,830	479,482
Benefit payments, including refunds of employee contributions	(2,627,911)	(2,707,211)	(1,747,026)	(1,609,732)
Hall/Parker settlement				
Administrative expense	(30,556)	(46,953)	(53,304)	(39,094)
Other changes	<u>(33,892)</u>			<u>17,383</u>
Net change in plan fiduciary net position	6,748,124	280,596	25,458,882	2,619,191
Plan fiduciary net position—beginning	63,247,468	62,966,872	37,507,990	34,888,797
Adjustment to beginning of year				2
Plan fiduciary net position—ending	<u>\$ 69,995,592</u>	<u>\$ 63,247,468</u>	<u>\$ 62,966,872</u>	<u>\$ 37,507,990</u>
Net pension (assets) liability—ending	<u>\$ 10,614,302</u>	<u>\$ 10,485,804</u>	<u>\$ 4,217,115</u>	<u>\$ 23,986,393</u>
Plan fiduciary net position as a percentage of the total pension liability	86.83%	85.78%	93.72%	60.99%
Covered payroll	\$ 12,433,902	\$ 13,130,356	\$ 8,656,917	\$ 9,220,411
Net pension (assets) liability as a percentage of covered payroll	85.37%	79.86%	48.71%	260.14%

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
\$ 2,184,422	\$ 2,123,570	\$ 1,914,605	\$ 1,437,416	\$ 1,278,133	\$ 1,278,071
3,834,071	3,331,300	2,971,515	2,477,882	2,301,498	1,966,048
		456,529	3,357,342		186,683
(759,999)	1,802,331	494,534	389,465	(159,382)	260,090
1,323,823		824,808	1,580,891		1,746,183
<u>(1,887,751)</u>	<u>(1,283,523)</u>	<u>(1,454,686)</u>	<u>(1,398,856)</u>	<u>(1,107,068)</u>	<u>(1,220,650)</u>
4,694,566	5,973,678	5,207,305	7,844,140	2,313,181	4,216,425
50,571,222	44,597,544	39,390,239	31,546,099	29,232,918	25,016,493
<u>\$ 55,265,788</u>	<u>\$ 50,571,222</u>	<u>\$ 44,597,544</u>	<u>\$ 39,390,239</u>	<u>\$ 31,546,099</u>	<u>\$ 29,232,918</u>
\$ 3,042,548	\$ 3,953,950	\$ 1,633,633	\$ 1,597,875	\$ 1,173,950	\$ 1,116,495
785,605	947,565	930,370	885,129	768,858	704,171
1,784,598	1,918,567	2,810,340	130,212	739,152	2,311,670
(1,887,751)	(1,283,523)	(1,454,686)	(1,398,856)	(1,107,068)	(1,220,650)
(32,005)	(1,135,981)	(25,267)	(19,137)	(18,421)	
	(29,900)	(25,267)	(19,137)	(18,421)	
	66,475	333,337	167,861	(57,781)	(476,423)
<u>3,692,995</u>	<u>4,437,153</u>	<u>4,227,727</u>	<u>1,363,084</u>	<u>1,498,690</u>	<u>2,435,263</u>
31,210,198	26,773,045	22,545,318	21,182,234	19,683,544	17,248,281
(14,396)					
<u>\$ 34,888,797</u>	<u>\$ 31,210,198</u>	<u>\$ 26,773,045</u>	<u>\$ 22,545,318</u>	<u>\$ 21,182,234</u>	<u>\$ 19,683,544</u>
<u>\$ 20,376,991</u>	<u>\$ 19,361,024</u>	<u>\$ 17,824,499</u>	<u>\$ 16,844,921</u>	<u>\$ 10,363,865</u>	<u>\$ 9,549,374</u>
63.13%	61.72%	60.03%	57.24%	67.15%	67.33%
\$ 9,600,397	\$ 9,388,019	\$ 8,331,614	\$ 7,375,148	\$ 7,012,489	\$ 6,630,426
212.25%	206.23%	213.94%	228.40%	147.79%	144.02%

City of Goodyear, Arizona
Schedule of Changes in the Net Pension Liability and Related Ratios
Public Safety Personnel Retirement System - Fire
Last Ten Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Measurement date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Total pension liability				
Service cost	\$ 2,272,405	\$ 2,111,855	\$ 1,944,759	\$ 1,996,708
Interest	5,357,563	5,179,449	4,652,630	4,060,626
Changes of benefit terms				
Differences between expected and actual experience	1,168,120	(2,181,718)	1,925,481	3,164,096
Changes of assumptions or other inputs		230,953		
Benefit payments, including refunds of employee contributions	(2,371,246)	(1,712,464)	(1,234,072)	(885,597)
Net change in total pension liability	<u>6,426,842</u>	<u>3,628,075</u>	<u>7,288,798</u>	<u>8,335,833</u>
Total pension liability—beginning	<u>73,323,809</u>	<u>69,695,734</u>	<u>62,406,936</u>	<u>54,071,103</u>
Total pension liability—ending	<u>\$ 79,750,651</u>	<u>\$ 73,323,809</u>	<u>\$ 69,695,734</u>	<u>\$ 62,406,936</u>
Plan fiduciary net position				
Contributions—employer	\$ 3,918,794	\$ 5,297,887	\$ 14,569,689	\$ 2,448,698
Contributions—employee	949,254	737,175	693,071	668,206
Net investment income	5,584,240	(2,804,823)	12,513,461	531,059
Benefit payments, including refunds of employee contributions	(2,371,246)	(1,712,464)	(1,234,072)	(885,597)
Hall/Parker settlement				
Administrative expense	(23,501)	(50,581)	(58,006)	(43,297)
Other changes	(191,822)			
Net change in plan fiduciary net position	<u>7,865,719</u>	<u>1,467,194</u>	<u>26,484,143</u>	<u>2,719,069</u>
Plan fiduciary net position—beginning	<u>69,238,309</u>	<u>67,766,592</u>	<u>41,282,449</u>	<u>38,563,377</u>
Adjustment to beginning of year		4,523		3
Plan fiduciary net position—ending	<u>\$ 77,104,028</u>	<u>\$ 69,238,309</u>	<u>\$ 67,766,592</u>	<u>\$ 41,282,449</u>
Net pension (assets) liability—ending	<u>\$ 2,646,623</u>	<u>\$ 4,085,500</u>	<u>\$ 1,929,142</u>	<u>\$ 21,124,487</u>
Plan fiduciary net position as a percentage of the total pension liability	96.68%	94.43%	97.23%	66.15%
Covered payroll	\$ 11,934,516	\$ 12,175,244	\$ 8,629,914	\$ 8,191,627
Net pension (assets) liability as a percentage of covered payroll	22.18%	33.56%	22.35%	257.88%

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
\$ 1,979,628	\$ 2,044,963	\$ 1,819,328	\$ 1,558,056	\$ 1,409,380	\$ 1,405,013
3,813,916	3,111,423	2,846,014	2,121,084	1,822,450	1,640,015
		208,024	4,046,976		(18,156)
(2,153,410)	4,118,805	(389,024)	1,915,498	1,030,908	(813,497)
1,175,572		222,373	1,632,401		619,565
(608,760)	(869,611)	(570,665)	(385,270)	(680,367)	(341,865)
4,206,946	8,405,580	4,136,050	10,888,745	3,582,371	2,491,075
49,864,157	41,458,577	37,322,527	26,433,782	22,851,411	20,360,336
<u>\$ 54,071,103</u>	<u>\$ 49,864,157</u>	<u>\$ 41,458,577</u>	<u>\$ 37,322,527</u>	<u>\$ 26,433,782</u>	<u>\$ 22,851,411</u>
\$ 2,107,184	\$ 3,893,514	\$ 1,153,600	\$ 1,173,975	\$ 968,726	\$ 948,481
598,158	905,341	1,109,821	992,221	848,048	754,465
1,962,666	2,135,563	3,112,669	141,788	791,715	2,374,446
(608,760)	(869,611)	(570,665)	(385,270)	(680,367)	(341,865)
(35,097)	(1,424,092)	(27,942)	(20,803)	(19,707)	
	(33,203)	(27,942)	(20,803)	(19,707)	
	53,121	301	278,213	304,136	(228,831)
4,024,151	4,660,633	4,777,784	2,180,124	2,212,551	3,506,696
34,551,812	29,891,179	25,113,395	22,933,271	20,720,720	17,214,024
(12,586)					
<u>\$ 38,563,377</u>	<u>\$ 34,551,812</u>	<u>\$ 29,891,179</u>	<u>\$ 25,113,395</u>	<u>\$ 22,933,271</u>	<u>\$ 20,720,720</u>
\$ 15,507,726	\$ 15,312,345	\$ 11,567,398	\$ 12,209,132	\$ 3,500,511	\$ 2,130,691
71.32%	69.29%	72.10%	67.29%	86.76%	90.68%
\$ 8,445,713	\$ 8,787,982	\$ 8,028,810	\$ 8,217,597	\$ 7,822,842	\$ 7,338,829
183.62%	174.24%	144.07%	148.57%	44.75%	29.03%

City of Goodyear, Arizona
Schedule of Changes in the Net OPEB Liability and Related Ratios
Public Safety Personnel Retirement System - Police
Last Seven Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Measurement date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Total OPEB liability				
Service cost	\$ 31,883	\$ 34,460	\$ 37,876	\$ 40,698
Interest	59,219	59,020	55,315	57,502
Changes of benefit terms				
Differences between expected and actual experience	97,886	(77,491)	(23,230)	(103,246)
Changes of assumptions or other inputs		18,933		
Benefit payments	(20,622)	(16,101)	(15,483)	(7,405)
Net change in total pension liability	168,366	18,821	54,478	(12,451)
Total OPEB liability—beginning	800,908	782,087	727,609	740,060
Total OPEB liability—ending	<u>\$ 969,274</u>	<u>\$ 800,908</u>	<u>\$ 782,087</u>	<u>\$ 727,609</u>
Plan fiduciary net position				
Contributions—employer	\$ 3,656	\$ 5,364	\$ 21,141	\$ 28,426
Contributions—employee				
Net investment income	92,679	(50,570)	277,240	12,337
Benefit payments	(20,622)	(16,101)	(15,483)	(7,405)
Administrative expense	(590)	(900)	(1,140)	(1,003)
Other changes				
Net change in plan fiduciary net position	75,123	(62,207)	281,758	32,355
Plan fiduciary net position—beginning	1,227,935	1,290,142	1,008,384	976,029
Adjustment to beginning of year				
Plan fiduciary net position—ending	<u>\$ 1,303,058</u>	<u>\$ 1,227,935</u>	<u>\$ 1,290,142</u>	<u>\$ 1,008,384</u>
Net OPEB (assets) liability—ending	<u>\$ (333,784)</u>	<u>\$ (427,027)</u>	<u>\$ (508,055)</u>	<u>\$ (280,775)</u>
Plan fiduciary net position as a percentage of the total OPEB liability	134.44%	153.32%	164.96%	138.59%
Covered payroll	\$ 12,433,902	\$ 13,130,356	\$ 8,656,917	\$ 9,220,411
Net OPEB (assets) liability as a percentage of covered payroll	(2.68)%	(3.25)%	(5.87)%	(3.05)%

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

<u>2020</u>	<u>2019</u>	<u>2018</u>
June 30, 2019	June 30, 2018	June 30, 2017
\$ 27,225	\$ 30,980	\$ 27,494
64,999	57,711	57,481
		3,790
(210,833)	11,892	4,452
14,776		(66,210)
(14,484)	(13,196)	(17,372)
<u>(118,317)</u>	<u>87,387</u>	<u>9,635</u>
858,377	770,990	761,355
<u>\$ 740,060</u>	<u>\$ 858,377</u>	<u>\$ 770,990</u>
\$ 30,174	\$ 17,033	\$ 30,113
48,982	58,322	87,559
(14,484)	(13,196)	(17,372)
(846)	(888)	(774)
	1	
<u>63,826</u>	<u>61,272</u>	<u>99,526</u>
897,807	836,535	737,009
14,396		
<u>\$ 976,029</u>	<u>\$ 897,807</u>	<u>\$ 836,535</u>
<u>\$ (235,969)</u>	<u>\$ (39,430)</u>	<u>\$ (65,545)</u>
131.89%	104.59%	108.50%
\$ 9,600,397	\$ 9,388,019	\$ 8,331,614
(2.46)%	(0.42)%	(0.79)%

City of Goodyear, Arizona
Schedule of Changes in the Net OPEB Liability and Related Ratios
Public Safety Personnel Retirement System - Fire
Last Seven Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Measurement date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Total OPEB liability				
Service cost	\$ 31,665	\$ 29,653	\$ 30,073	\$ 31,919
Interest	65,442	63,946	61,078	60,500
Changes of benefit terms				
Differences between expected and actual experience	(38,631)	(54,317)	(38,999)	(61,104)
Changes of assumptions or other inputs		2,462		
Benefit payments	(6,911)	(14,694)	(10,196)	(10,499)
Net change in total pension liability	51,565	27,050	41,956	20,816
Total OPEB liability—beginning	880,714	853,664	811,708	790,892
Total OPEB liability—ending	<u>\$ 932,279</u>	<u>\$ 880,714</u>	<u>\$ 853,664</u>	<u>\$ 811,708</u>
Plan fiduciary net position				
Contributions—employer	\$ 22,844	\$ 29,367	\$ 33,001	\$ 26,821
Contributions—employee				
Net investment income	74,817	(39,843)	213,971	9,500
Benefit payments	(6,911)	(14,694)	(10,196)	(10,499)
Administrative expense	(326)	(709)	(880)	(773)
Other changes				
Net change in plan fiduciary net position	90,424	(25,879)	235,896	25,049
Plan fiduciary net position—beginning	992,828	1,018,707	782,811	757,762
Adjustment to beginning of year				
Plan fiduciary net position—ending	<u>\$ 1,083,252</u>	<u>\$ 992,828</u>	<u>\$ 1,018,707</u>	<u>\$ 782,811</u>
Net OPEB (assets) liability—ending	<u>\$ (150,973)</u>	<u>\$ (112,114)</u>	<u>\$ (165,043)</u>	<u>\$ 28,897</u>
Plan fiduciary net position as a percentage of the total OPEB liability	116.19%	112.73%	119.33%	96.44%
Covered payroll	\$ 11,934,516	\$ 12,175,244	\$ 8,629,914	\$ 8,191,627
Net OPEB (assets) liability as a percentage of covered payroll	(1.27)%	(0.92)%	(1.91)%	0.35%

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

<u>2020</u>	<u>2019</u>	<u>2018</u>
June 30, 2019	June 30, 2018	June 30, 2017
\$ 19,334	\$ 22,849	\$ 20,875
62,411	57,087	58,459
		375
(124,547)	2,063	21,035
15,548		(94,084)
(11,820)	(24,100)	(7,230)
<u>(39,074)</u>	<u>57,899</u>	<u>(570)</u>
829,966	772,067	772,637
<u>\$ 790,892</u>	<u>\$ 829,966</u>	<u>\$ 772,067</u>
\$ 28,091	\$ 22,840	\$ 31,049
37,808	44,799	66,973
(11,820)	(24,100)	(7,230)
(653)	(682)	(593)
	1	
<u>53,426</u>	<u>42,858</u>	<u>90,199</u>
691,751	648,893	558,694
12,585		
<u>\$ 757,762</u>	<u>\$ 691,751</u>	<u>\$ 648,893</u>
<u>\$ 33,130</u>	<u>\$ 138,215</u>	<u>\$ 123,174</u>
95.81%	83.35%	84.05%
\$ 8,445,713	\$ 8,787,982	\$ 8,028,810
0.39%	1.57%	1.53%

City of Goodyear, Arizona
Schedule of Pension Contributions
All Pension Plans
Last Ten Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Arizona State Retirement System:				
Actuarially determined contribution	\$ 5,948,626	\$ 5,000,049	\$ 4,413,873	\$ 3,690,370
Contributions in relation to the actuarially determined contribution	5,948,626	5,000,049	4,413,873	3,690,370
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Covered payroll	\$ 49,448,263	\$ 41,946,720	\$ 38,450,304	\$ 32,091,131
Contributions as a percentage of covered payroll	12.03%	11.92%	11.48%	11.50%
Public Safety Personnel Retirement System - Police:				
Actuarially determined contribution	\$ 2,415,033	\$ 2,928,518	\$ 3,492,704	\$ 2,918,307
Contributions in relation to the actuarially determined contribution	3,961,170	3,918,241	5,061,277	14,918,307
Contribution deficiency (excess)	<u>\$ (1,546,137)</u>	<u>\$ (989,723)</u>	<u>\$ (1,568,573)</u>	<u>\$ (12,000,000)</u>
Covered payroll	\$ 10,391,708	\$ 12,433,902	\$ 13,130,356	\$ 8,656,917
Contributions as a percentage of covered payroll	23.24%	23.55%	26.60%	33.71%
Public Safety Personnel Retirement System - Fire:				
Actuarially determined contribution	\$ 2,016,208	\$ 2,308,570	\$ 2,941,811	\$ 2,569,689
Contributions in relation to the actuarially determined contribution	2,789,185	3,880,738	5,101,975	14,569,689
Contribution deficiency (excess)	<u>\$ (772,977)</u>	<u>\$ (1,572,168)</u>	<u>\$ (2,160,164)</u>	<u>\$ (12,000,000)</u>
Covered payroll	\$ 10,611,621	\$ 11,934,516	\$ 12,175,244	\$ 8,629,914
Contributions as a percentage of covered payroll	19.00%	19.34%	24.16%	29.78%

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

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 3,294,032	\$ 3,002,190	\$ 2,760,437	\$ 2,566,332	\$ 2,452,025	\$ 2,369,823
<u>3,294,032</u>	<u>3,002,190</u>	<u>2,760,437</u>	<u>2,566,332</u>	<u>2,452,025</u>	<u>2,369,823</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 28,572,110	\$ 26,747,686	\$ 25,325,110	\$ 23,806,419	\$ 22,599,315	\$ 21,761,494
11.53%	11.22%	10.90%	10.78%	10.85%	10.89%
\$ 2,900,958	\$ 3,042,548	\$ 3,953,950	\$ 1,633,633	\$ 1,597,875	\$ 1,173,950
<u>2,900,958</u>	<u>3,042,548</u>	<u>3,953,950</u>	<u>1,633,633</u>	<u>1,597,875</u>	<u>1,173,950</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 9,220,411	\$ 9,600,397	\$ 9,388,019	\$ 8,331,614	\$ 7,375,148	\$ 7,012,489
31.46%	31.69%	42.12%	19.61%	21.67%	16.74%
\$ 2,448,698	\$ 2,107,184	\$ 3,893,514	\$ 1,153,600	\$ 1,173,975	\$ 968,726
<u>2,448,698</u>	<u>2,107,184</u>	<u>3,893,514</u>	<u>1,153,600</u>	<u>1,173,975</u>	<u>968,726</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 8,191,627	\$ 8,445,713	\$ 8,787,982	\$ 8,028,810	\$ 8,217,597	\$ 7,822,842
29.89%	24.95%	44.30%	14.37%	14.29%	12.38%

City of Goodyear, Arizona
Schedule of OPEB Contributions
All OPEB Plans
Last Seven Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
ASRS - Health Insurance Premium Benefit				
Actuarially determined contribution	\$ 54,393	\$ 39,214	\$ 77,178	\$ 122,906
Contributions in relation to the actuarially determined contribution	54,393	39,214	77,178	122,906
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Covered payroll	\$ 49,448,263	\$ 41,946,720	\$ 38,450,304	\$ 32,091,131
Contributions as a percentage of covered payroll	0.11%	0.09%	0.20%	0.38%
ASRS - Long-term Disability				
Actuarially determined contribution	\$ 74,172	\$ 49,908	\$ 69,828	\$ 56,856
Contributions in relation to the actuarially determined contribution	74,172	49,908	69,828	56,856
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Covered payroll	\$ 49,448,263	\$ 41,946,720	\$ 38,450,304	\$ 32,091,131
Contributions as a percentage of covered payroll	0.15%	0.12%	0.18%	0.18%
PSPRS Police - Health Insurance Premium Benefit				
Actuarially determined contribution	\$ 23,862	\$ 31,906	\$ 37,876	\$ 21,141
Contributions in relation to the actuarially determined contribution	23,862	31,906	37,876	21,141
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Covered payroll	\$ 10,391,708	\$ 12,433,902	\$ 13,130,356	\$ 8,656,917
Contributions as a percentage of covered payroll	0.23%	0.26%	0.29%	0.24%
PSPRS Fire - Health Insurance Premium Benefit				
Actuarially determined contribution	\$ 49,912	\$ 64,469	\$ 30,073	\$ 33,001
Contributions in relation to the actuarially determined contribution	49,912	64,469	30,073	33,001
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Covered payroll	\$ 10,611,621	\$ 11,934,516	\$ 12,175,244	\$ 8,629,914
Contributions as a percentage of covered payroll	0.47%	0.54%	0.25%	0.38%

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

<u>2020</u>	<u>2019</u>	<u>2018</u>
\$ 140,567	\$ 123,288	\$ 143,399
<u>140,567</u>	<u>123,288</u>	<u>143,399</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 28,572,110	\$ 26,747,686	\$ 25,325,110
0.49%	0.46%	0.57%
\$ 48,822	\$ 42,908	\$ 40,972
<u>48,822</u>	<u>42,908</u>	<u>40,972</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 28,572,110	\$ 26,747,686	\$ 25,325,110
0.17%	0.16%	0.16%
\$ 28,426	\$ 30,174	\$ 17,033
<u>28,426</u>	<u>30,174</u>	<u>17,033</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 9,220,411	\$ 9,600,397	\$ 9,388,019
0.31%	0.31%	0.18%
\$ 26,821	\$ 28,091	\$ 22,840
<u>26,821</u>	<u>28,091</u>	<u>22,840</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 8,191,627	\$ 8,445,713	\$ 8,787,982
0.33%	0.33%	0.26%

City of Goodyear, Arizona
Required Supplementary Information
Notes to Pension/OPEB Plan Schedules
June 30, 2024

Note 1 – Pension Plan Schedules

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

Factors That Affect Trends. The actuarial assumptions used in the June 30, 2022 valuation for ASRS were based on the results of an actuarial experience study for the five-year period ended June 30, 2020. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2020, actuarial valuation.

The actuarial assumptions used in the June 30, 2023 valuation for PSPRS were based on the results of an actuarial experience study for the five-year period ended June 30, 2021. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The PSPRS Board adopted the experience study recommended changes which were applied to the June 30, 2022 actuarial valuation.

Arizona courts have ruled that provisions of a 2011 law that changed the mechanism for funding permanent pension benefit increases and increased employee pension contribution rates were unconstitutional or a breach of contract because those provisions apply to individuals who were members as of the law's effective date. As a result, the PSPRS changed benefit terms to reflect the prior mechanism for funding permanent benefit increases for those members and revised actuarial assumptions to explicitly value future permanent benefit increases. PSPRS also reduced those members' employee contribution rates. These changes are reflected in the plans' pension liabilities for fiscal year 2015 (measurement date 2014) for members who were retired as of the law's effective date and fiscal year 2018 (measurement date 2017) for members who retired or will retire after the law's effective date. These changes also increased the PSPRS required contributions beginning in fiscal year 2016 for members who were retired as of the law's effective date. These changes increased the required contributions beginning in fiscal year 2019 for members who retired or will retire after the law's effective date.

**Supplementary Information
Budgetary Comparison Schedules
Major Governmental Funds**

Capital Projects Funds

- **Non-Utility Development Impact Fees Fund** – This fund accounts for the receipt and expenditure of development impact or expansion fees for all governmental activities.
- **GO Bonds Fund** – This fund accounts for the proceeds and interest of the sale of voter-approved general obligation bonds that are used for authorized improvements.

Debt Service Funds

- **McDowell Road Commercial Corridor ID Fund** – This fund accounts for the debt portion of the McDowell Road Improvement District.
- **Community Facilities Districts 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 property within each District's boundaries.

City of Goodyear, Arizona
Non-Utility Development Impact Fees
Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Taxes	\$ 6,713,100	\$ 6,713,100	\$ 14,416,698	\$ 7,703,598
Charges for services	14,991,600	14,991,600	20,769,714	5,778,114
Investment income			5,840,902	5,840,902
Total revenues	<u>21,704,700</u>	<u>21,704,700</u>	<u>41,027,314</u>	<u>19,322,614</u>
Expenditures				
Current:				
General government	6,907,400	6,907,400	3,918	6,903,482
Public safety			1,060	(1,060)
Capital outlay	<u>55,502,000</u>	<u>53,477,500</u>	<u>16,379,880</u>	<u>37,097,620</u>
Total expenditures	<u>62,409,400</u>	<u>60,384,900</u>	<u>16,384,858</u>	<u>44,000,042</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(40,704,700)</u>	<u>(38,680,200)</u>	<u>24,642,456</u>	<u>63,322,656</u>
Other financing sources (uses)				
Transfers in	7,924,300	7,924,300		(7,924,300)
Transfers out	<u>(7,924,300)</u>	<u>(7,924,300)</u>		<u>7,924,300</u>
Total other financing sources (uses)				
Changes in fund balances	<u>(40,704,700)</u>	<u>(38,680,200)</u>	<u>24,642,456</u>	<u>63,322,656</u>
Fund balances, beginning of year	<u>90,440,900</u>	<u>90,440,900</u>	<u>91,525,059</u>	<u>1,084,159</u>
Fund balances, end of year	<u>\$ 49,736,200</u>	<u>\$ 51,760,700</u>	<u>\$ 116,167,515</u>	<u>\$ 64,406,815</u>

City of Goodyear, Arizona
GO Bonds
Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment income	\$	\$	\$ 1,135,887	\$ 1,135,887
Contributions			1,101	1,101
Other revenues	<u>15,000,000</u>	<u>13,829,500</u>	<u></u>	<u>(13,829,500)</u>
Total revenues	<u>15,000,000</u>	<u>13,829,500</u>	<u>1,136,988</u>	<u>(12,692,512)</u>
Expenditures				
Capital outlay	<u>75,291,100</u>	<u>69,363,600</u>	<u>4,933,281</u>	<u>64,430,319</u>
Total expenditures	<u>75,291,100</u>	<u>69,363,600</u>	<u>4,933,281</u>	<u>64,430,319</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(60,291,100)</u>	<u>(55,534,100)</u>	<u>(3,796,293)</u>	<u>51,737,807</u>
Other financing sources (uses)				
Debt issuance	<u>40,000,000</u>	<u>40,000,000</u>	<u></u>	<u>(40,000,000)</u>
Total other financing sources (uses)	<u>40,000,000</u>	<u>40,000,000</u>	<u></u>	<u>(40,000,000)</u>
Changes in fund balances	<u>(20,291,100)</u>	<u>(15,534,100)</u>	<u>(3,796,293)</u>	<u>11,737,807</u>
Fund balances, beginning of year	<u>20,291,100</u>	<u>20,291,100</u>	<u>19,386,727</u>	<u>(904,373)</u>
Fund balances, end of year	<u>\$</u>	<u>\$ 4,757,000</u>	<u>\$ 15,590,434</u>	<u>\$ 10,833,434</u>

City of Goodyear, Arizona
McDowell Road Commercial Corridor ID
Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment income	\$	\$	10,419	10,419
Special assessments	3,937,800	3,937,800	2,906,511	(1,031,289)
Other revenues			16,000	16,000
Total revenues	<u>3,937,800</u>	<u>3,937,800</u>	<u>2,932,930</u>	<u>(1,004,870)</u>
Expenditures				
Debt service:				
Principal retirement	3,360,000	3,360,000	2,370,000	990,000
Interest and fiscal charges	578,800	578,800	545,583	33,217
Total expenditures	<u>3,938,800</u>	<u>3,938,800</u>	<u>2,915,583</u>	<u>1,023,217</u>
Changes in fund balances	<u>(1,000)</u>	<u>(1,000)</u>	<u>17,347</u>	<u>18,347</u>
Fund balances, beginning of year	<u>934,900</u>	<u>934,900</u>	<u>169,682</u>	<u>(765,218)</u>
Fund balances, end of year	<u>\$ 933,900</u>	<u>\$ 933,900</u>	<u>\$ 187,029</u>	<u>\$ (746,871)</u>

City of Goodyear, Arizona
Community Facilities Districts
Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 6,964,400	\$ 6,964,400	\$ 6,858,195	\$ (106,205)
Investment income	1,600	1,600	463,943	462,343
Special assessments	3,401,300	3,401,300	2,604,844	(796,456)
Contributions			233,800	233,800
Total revenues	<u>10,367,300</u>	<u>10,367,300</u>	<u>10,160,782</u>	<u>(206,518)</u>
Expenditures				
Capital outlay				
Debt service:				
Principal retirement	7,559,000	7,559,000	6,953,000	606,000
Interest and fiscal charges	4,094,100	4,094,100	2,923,217	1,170,883
Bond issuance costs			290,536	(290,536)
Total expenditures	<u>11,653,100</u>	<u>11,653,100</u>	<u>10,166,753</u>	<u>1,486,347</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,285,800)</u>	<u>(1,285,800)</u>	<u>(5,971)</u>	<u>1,279,829</u>
Other financing sources (uses)				
Transfers in	9,100	9,100		(9,100)
Transfers out			(11,415,018)	(11,415,018)
Debt issuance			11,085,000	11,085,000
Premium on debt issuance			387,504	387,504
Total other financing sources (uses)	<u>9,100</u>	<u>9,100</u>	<u>57,486</u>	<u>48,386</u>
Changes in fund balances	<u>(1,276,700)</u>	<u>(1,276,700)</u>	<u>51,515</u>	<u>1,328,215</u>
Fund balances, beginning of year	<u>1,276,700</u>	<u>1,276,700</u>	<u>2,684,463</u>	<u>1,407,763</u>
Fund balances, end of year	<u>\$</u>	<u>\$</u>	<u>\$ 2,735,978</u>	<u>\$ 2,735,978</u>



**Supplementary Information
Combining Statements
And Budgetary Comparison Schedules
Non-Major Governmental Funds**

Special Revenue Funds

- **Highway User Revenue Fund (HURF)** – Funded through fuel taxes distributed from the State of Arizona
- **Community Facilities Districts** – CFDs represent special districts formed for the purpose of financing the acquisition, construction, operation, and maintenance of the public infrastructure benefiting the community.
- **Office of Tourism Prop 302** – Used to account for restricted funds to support Maricopa County tourism, marketing, and promotion.
- **Grants Fund** – Based on applications to granting agencies by the City and availability of funding by grantors.
- **Ball Park Fund** – Used to account for the activities of the City’s ball park operations.
- **Ambulance** – This fund accounts for the charges and operations of ambulance services within the City.

Debt Service Funds

- **Debt Service Fund** – This fund was established for the accumulation of resources and the servicing of long-term debt not being financed by the proprietary funds. Revenues are generated from the property tax levy sufficient to meet the debt service requirements.

Capital Projects Funds

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

City of Goodyear, Arizona
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2024

	<u>Special Revenue</u>			
	<u>Highway User Revenue</u>	<u>Community Facilities Districts</u>	<u>Office of Tourism Prop 302</u>	<u>Grants</u>
Assets				
Cash and cash equivalents	\$ 1,809,232	\$ 8,264,075	\$ 75,311	\$ 279,813
Investments				
Receivables:				
Taxes		25,587		
Accounts		230		
Intergovernmental	755,656			113,902
Inventories	2,192,932			
Total assets	<u>\$ 4,757,820</u>	<u>\$ 8,289,892</u>	<u>\$ 75,311</u>	<u>\$ 393,715</u>
Liabilities				
Accounts payable	\$ 2,416,186	\$ 7,294	\$ 154,441	\$ 74,580
Accrued wages and benefits	52,060			
Claims and judgments payable		867,733		
Deposits held	190,208			
Due to other funds				264,403
Unearned revenue	503,723			
Total liabilities	<u>3,162,177</u>	<u>875,027</u>	<u>154,441</u>	<u>338,983</u>
Deferred inflows of resources				
Unavailable revenues - property taxes				
Unavailable revenues - intergovernmental				6,684
Total deferred inflows of resources				<u>6,684</u>
Fund balances (deficits)				
Nonspendable	2,192,932			
Restricted		7,414,865		48,048
Committed				
Unassigned	(597,289)		(79,130)	
Total fund balances (deficits)	<u>1,595,643</u>	<u>7,414,865</u>	<u>(79,130)</u>	<u>48,048</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 4,757,820</u>	<u>\$ 8,289,892</u>	<u>\$ 75,311</u>	<u>\$ 393,715</u>

<u>Special Revenue</u>			<u>Total Non-Major Governmental Funds</u>
<u>Ball Park Special Revenue</u>	<u>Ambulance</u>	<u>Debt Service</u>	
\$ 138,751	\$	\$ 899,425	\$ 11,466,607
5,431,097		2,813	5,433,910
		107,512	133,099
	443,434		443,664
			869,558
			2,192,932
<u>\$ 5,569,848</u>	<u>\$ 443,434</u>	<u>\$ 1,009,750</u>	<u>\$ 20,539,770</u>
\$ 1,488,402	\$ 8,832	\$	\$ 4,149,735
96,457	18,539		167,056
			867,733
			190,208
	9,324		273,727
			503,723
<u>1,584,859</u>	<u>36,695</u>		<u>6,152,182</u>
		59,424	59,424
			6,684
		59,424	66,108
			2,192,932
	406,739	950,326	8,819,978
3,984,989			3,984,989
			(676,419)
<u>3,984,989</u>	<u>406,739</u>	<u>950,326</u>	<u>14,321,480</u>
<u>\$ 5,569,848</u>	<u>\$ 443,434</u>	<u>\$ 1,009,750</u>	<u>\$ 20,539,770</u>

City of Goodyear, Arizona
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue			
	Highway User Revenue	Community Facilities Districts	Office of Tourism Prop 302	Grants
Revenues				
Taxes	\$	\$ 2,440,067	\$	\$
Intergovernmental revenue	7,722,795		228,347	1,513,385
Charges for services				
Investment income	285,726	140,683		
Contributions				
Other revenues		96,016		
Total revenues	<u>8,008,521</u>	<u>2,676,766</u>	<u>228,347</u>	<u>1,513,385</u>
Expenditures				
Current:				
General government		1,936,909		353,349
Public safety				432,915
Highways and streets	7,762,571			282,354
Public works				191
Culture and recreation			288,592	
Capital outlay	270,957			444,577
Debt service:				
Principal retirement				
Interest and fiscal charges				
Total expenditures	<u>8,033,528</u>	<u>1,936,909</u>	<u>288,592</u>	<u>1,513,386</u>
Excess (deficiency) of revenues over expenditures	<u>(25,007)</u>	<u>739,857</u>	<u>(60,245)</u>	<u>(1)</u>
Other financing sources (uses)				
Transfers in				
Total other financing sources (uses)				
Changes in fund balances	<u>(25,007)</u>	<u>739,857</u>	<u>(60,245)</u>	<u>(1)</u>
Fund balances, beginning of year	<u>1,620,650</u>	<u>6,675,008</u>	<u>(18,885)</u>	<u>48,049</u>
Fund balances, end of year	<u>\$ 1,595,643</u>	<u>\$ 7,414,865</u>	<u>\$ (79,130)</u>	<u>\$ 48,048</u>

<u>Special Revenue</u>		<u>Capital Projects</u>		<u>Total Non-Major</u>
<u>Ball Park Special</u>			<u>Community</u>	<u>Governmental</u>
<u>Revenue</u>	<u>Ambulance</u>	<u>Debt Service</u>	<u>Facilities Districts</u>	<u>Funds</u>
\$	\$	\$ 11,063,888	\$	\$ 13,503,955
				9,464,527
3,344,542	896,710			4,241,252
386,545		105,748		918,702
1,304,974				1,304,974
				96,016
<u>5,036,061</u>	<u>896,710</u>	<u>11,169,636</u>		<u>29,529,426</u>
				2,290,258
	905,445			1,338,360
				8,044,925
				191
6,624,487				6,913,079
2,942,026	464,118		11,415,018	15,536,696
7,595,000		6,513,700		14,108,700
2,398,810		3,953,495		6,352,305
<u>19,560,323</u>	<u>1,369,563</u>	<u>10,467,195</u>	<u>11,415,018</u>	<u>54,584,514</u>
<u>(14,524,262)</u>	<u>(472,853)</u>	<u>702,441</u>	<u>(11,415,018)</u>	<u>(25,055,088)</u>
<u>13,207,549</u>	<u>472,853</u>		<u>11,415,018</u>	<u>25,095,420</u>
<u>13,207,549</u>	<u>472,853</u>		<u>11,415,018</u>	<u>25,095,420</u>
<u>(1,316,713)</u>		<u>702,441</u>		<u>40,332</u>
<u>5,301,702</u>	<u>406,739</u>	<u>247,885</u>		<u>14,281,148</u>
<u>\$ 3,984,989</u>	<u>\$ 406,739</u>	<u>\$ 950,326</u>	<u>\$</u>	<u>\$ 14,321,480</u>

City of Goodyear, Arizona
Highway User Revenue
Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental revenue	\$ 8,224,700	\$ 8,224,700	\$ 7,722,795	\$ (501,905)
Investment income			285,726	285,726
Total revenues	<u>8,224,700</u>	<u>8,224,700</u>	<u>8,008,521</u>	<u>(216,179)</u>
Expenditures				
Current:				
Highways and streets	10,520,400	10,512,700	7,762,571	2,750,129
Public works	100	100		100
Capital outlay	<u>972,100</u>	<u>972,100</u>	<u>270,957</u>	<u>701,143</u>
Total expenditures	<u>11,492,600</u>	<u>11,484,900</u>	<u>8,033,528</u>	<u>3,451,372</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,267,900)</u>	<u>(3,260,200)</u>	<u>(25,007)</u>	<u>3,235,193</u>
Other financing sources (uses)				
Transfers in	<u>1,015,600</u>	<u>1,015,600</u>		<u>(1,015,600)</u>
Total other financing sources (uses)	<u>1,015,600</u>	<u>1,015,600</u>		<u>(1,015,600)</u>
Changes in fund balances	<u>(2,252,300)</u>	<u>(2,244,600)</u>	<u>(25,007)</u>	<u>2,219,593</u>
Fund balances, beginning of year	<u>2,252,300</u>	<u>2,252,300</u>	<u>1,620,650</u>	<u>(631,650)</u>
Fund balances, end of year	<u>\$</u>	<u>\$ 7,700</u>	<u>\$ 1,595,643</u>	<u>\$ 1,587,943</u>

City of Goodyear, Arizona
Community Facilities District
Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 2,372,200	\$ 2,372,200	\$ 2,440,067	\$ 67,867
Investment income	8,200	8,200	140,683	132,483
Other revenues	109,300	109,300	96,016	(13,284)
Total revenues	<u>2,489,700</u>	<u>2,489,700</u>	<u>2,676,766</u>	<u>187,066</u>
Expenditures				
Current:				
General government	<u>8,281,600</u>	<u>8,281,600</u>	<u>1,936,909</u>	<u>6,344,691</u>
Total expenditures	<u>8,281,600</u>	<u>8,281,600</u>	<u>1,936,909</u>	<u>6,344,691</u>
Changes in fund balances	<u>(5,801,000)</u>	<u>(5,801,000)</u>	<u>739,857</u>	<u>6,540,857</u>
Fund balances, beginning of year	<u>5,801,000</u>	<u>5,801,000</u>	<u>6,675,008</u>	<u>874,008</u>
Fund balances, end of year	<u>\$</u>	<u>\$</u>	<u>\$ 7,414,865</u>	<u>\$ 7,414,865</u>

City of Goodyear, Arizona
Office of Tourism Prop 302
Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental revenue	\$ 300,000	\$ 300,000	\$ 228,347	\$ (71,653)
Total revenues	<u>300,000</u>	<u>300,000</u>	<u>228,347</u>	<u>(71,653)</u>
Expenditures				
Current:				
Culture and recreation	300,000	300,000	288,592	11,408
Capital outlay	<u>164,100</u>	<u>164,100</u>	<u> </u>	<u>164,100</u>
Total expenditures	<u>464,100</u>	<u>464,100</u>	<u>288,592</u>	<u>175,508</u>
Changes in fund balances	<u>(164,100)</u>	<u>(164,100)</u>	<u>(60,245)</u>	<u>103,855</u>
Fund balances, beginning of year	<u>164,100</u>	<u>164,100</u>	<u>(18,885)</u>	<u>(182,985)</u>
Fund balances, end of year	<u><u>\$</u></u>	<u><u>\$</u></u>	<u><u>\$ (79,130)</u></u>	<u><u>\$ (79,130)</u></u>

City of Goodyear, Arizona
Grants
Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental revenue	\$ 2,368,100	\$ 3,232,700	\$ 1,513,385	\$ (1,719,315)
Total revenues	<u>2,368,100</u>	<u>3,232,700</u>	<u>1,513,385</u>	<u>(1,719,315)</u>
Expenditures				
Current:				
General government	483,700	461,700	353,349	108,351
Public safety	486,200	1,196,500	432,915	763,585
Highways and streets	1,000,000	500,000	282,354	217,646
Public works		74,000	191	73,809
Culture and recreation		2,000		2,000
Capital outlay	<u>959,900</u>	<u>1,271,800</u>	<u>444,577</u>	<u>827,223</u>
Total expenditures	<u>2,929,800</u>	<u>3,506,000</u>	<u>1,513,386</u>	<u>1,992,614</u>
Changes in fund balances	<u>(561,700)</u>	<u>(273,300)</u>	<u>(1)</u>	<u>273,299</u>
Fund balances, beginning of year	<u>561,700</u>	<u>561,700</u>	<u>48,049</u>	<u>(513,651)</u>
Fund balances, end of year	<u>\$ _____</u>	<u>\$ 288,400</u>	<u>\$ 48,048</u>	<u>\$ (240,352)</u>

City of Goodyear, Arizona
Ball Park
Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for services	\$ 2,077,500	\$ 2,117,500	\$ 3,344,542	\$ 1,227,042
Investment income			386,545	386,545
Contributions	1,266,500	1,266,500	1,304,974	38,474
Other revenues	<u>10,000</u>	<u>10,000</u>	<u> </u>	<u>(10,000)</u>
Total revenues	<u>3,354,000</u>	<u>3,394,000</u>	<u>5,036,061</u>	<u>1,642,061</u>
Expenditures				
Current:				
Culture and recreation	7,374,200	7,373,400	6,624,487	748,913
Capital outlay	5,653,300	5,363,300	2,942,026	2,421,274
Debt service:				
Principal retirement	7,595,000	7,595,000	7,595,000	
Interest and fiscal charges	<u>2,401,800</u>	<u>2,401,800</u>	<u>2,398,810</u>	<u>2,990</u>
Total expenditures	<u>23,024,300</u>	<u>22,733,500</u>	<u>19,560,323</u>	<u>3,173,177</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(19,670,300)</u>	<u>(19,339,500)</u>	<u>(14,524,262)</u>	<u>4,815,238</u>
Other financing sources (uses)				
Transfers in	<u>15,434,100</u>	<u>15,434,100</u>	<u>13,207,549</u>	<u>(2,226,551)</u>
Total other financing sources (uses)	<u>15,434,100</u>	<u>15,434,100</u>	<u>13,207,549</u>	<u>(2,226,551)</u>
Changes in fund balances	<u>(4,236,200)</u>	<u>(3,905,400)</u>	<u>(1,316,713)</u>	<u>2,588,687</u>
Fund balances, beginning of year	<u>5,746,500</u>	<u>5,746,500</u>	<u>5,301,702</u>	<u>(444,798)</u>
Fund balances, end of year	<u>\$ 1,510,300</u>	<u>\$ 1,841,100</u>	<u>\$ 3,984,989</u>	<u>\$ 2,143,889</u>

City of Goodyear, Arizona
Ambulance
Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for services	\$ 281,700	\$ 281,700	\$ 896,710	\$ 615,010
Total revenues	<u>281,700</u>	<u>281,700</u>	<u>896,710</u>	<u>615,010</u>
Expenditures				
Current:				
Public safety	1,018,500	1,018,500	905,445	113,055
Capital outlay	464,500	440,900	464,118	(23,218)
Total expenditures	<u>1,483,000</u>	<u>1,459,400</u>	<u>1,369,563</u>	<u>89,837</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,201,300)</u>	<u>(1,177,700)</u>	<u>(472,853)</u>	<u>704,847</u>
Other financing sources (uses)				
Transfers in	1,032,500	1,032,500	472,853	(559,647)
Total other financing sources (uses)	<u>1,032,500</u>	<u>1,032,500</u>	<u>472,853</u>	<u>(559,647)</u>
Changes in fund balances	<u>(168,800)</u>	<u>(145,200)</u>	<u></u>	<u>145,200</u>
Fund balances, beginning of year	<u>168,800</u>	<u>168,800</u>	<u>406,739</u>	<u>237,939</u>
Fund balances, end of year	<u>\$</u>	<u>\$ 23,600</u>	<u>\$ 406,739</u>	<u>\$ 383,139</u>

City of Goodyear, Arizona
Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 11,196,100	\$ 11,196,100	\$ 11,063,888	\$ (132,212)
Investment income			105,748	105,748
Total revenues	<u>11,196,100</u>	<u>11,196,100</u>	<u>11,169,636</u>	<u>(26,464)</u>
Expenditures				
Debt service:				
Principal retirement	6,513,700	6,513,700	6,513,700	
Interest and fiscal charges	<u>3,953,500</u>	<u>3,953,500</u>	<u>3,953,495</u>	5
Total expenditures	<u>10,467,200</u>	<u>10,467,200</u>	<u>10,467,195</u>	5
Changes in fund balances	<u>728,900</u>	<u>728,900</u>	<u>702,441</u>	<u>(26,459)</u>
Fund balances, beginning of year	<u>36,200</u>	<u>36,200</u>	<u>247,885</u>	<u>211,685</u>
Fund balances, end of year	<u>\$ 765,100</u>	<u>\$ 765,100</u>	<u>\$ 950,326</u>	<u>\$ 185,226</u>

City of Goodyear, Arizona
Community Facilities District
Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Expenditures				
Capital outlay	15,500,000	15,500,000	11,415,018	4,084,982
Total expenditures	<u>15,500,000</u>	<u>15,500,000</u>	<u>11,415,018</u>	<u>4,084,982</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(15,500,000)</u>	<u>(15,500,000)</u>	<u>(11,415,018)</u>	<u>4,084,982</u>
Other financing sources (uses)				
Transfers in	15,500,000	15,500,000	11,415,018	(4,084,982)
Total other financing sources (uses)	<u>15,500,000</u>	<u>15,500,000</u>	<u>11,415,018</u>	<u>(4,084,982)</u>
Changes in fund balances				
Fund balances, beginning of year				
Fund balances, end of year	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>



**Budgetary Comparison Schedules
Other Funds**

City of Goodyear, Arizona
Park and Ride Marquee
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for services	\$ 114,800	\$ 114,800	\$ 118,399	\$ 3,599
Investment income			102,715	102,715
Total revenues	<u>114,800</u>	<u>114,800</u>	<u>221,114</u>	<u>106,314</u>
Expenditures				
Current:				
Highways and streets	<u>1,429,900</u>	<u>1,802,900</u>	<u>1,105,656</u>	<u>697,244</u>
Total expenditures	<u>1,429,900</u>	<u>1,802,900</u>	<u>1,105,656</u>	<u>697,244</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,315,100)</u>	<u>(1,688,100)</u>	<u>(884,542)</u>	<u>803,558</u>
Changes in fund balances	<u>(1,315,100)</u>	<u>(1,688,100)</u>	<u>(884,542)</u>	<u>803,558</u>
Fund balances, beginning of year	<u>1,315,100</u>	<u>1,315,100</u>	<u>1,478,685</u>	<u>163,585</u>
Fund balances, end of year	<u>\$</u>	<u>\$ (373,000)</u>	<u>\$ 594,143</u>	<u>\$ 967,143</u>

City of Goodyear, Arizona
Court Enhancement
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and forfeits	\$ 80,000	\$ 80,000	\$ 80,846	\$ 846
Investment income			18,290	18,290
Total revenues	<u>80,000</u>	<u>80,000</u>	<u>99,136</u>	<u>19,136</u>
Expenditures				
Current:				
Public safety	<u>404,500</u>	<u>404,500</u>	<u>43,779</u>	<u>360,721</u>
Total expenditures	<u>404,500</u>	<u>404,500</u>	<u>43,779</u>	<u>360,721</u>
Changes in fund balances	<u>(324,500)</u>	<u>(324,500)</u>	<u>55,357</u>	<u>379,857</u>
Fund balances, beginning of year	<u>324,500</u>	<u>324,500</u>	<u>340,763</u>	<u>16,263</u>
Fund balances, end of year	<u>\$</u>	<u>\$</u>	<u>\$ 396,120</u>	<u>\$ 396,120</u>

City of Goodyear, Arizona
Fill-the-Gap
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and forfeits	\$ 6,000	\$ 6,000	\$ 8,486	\$ 2,486
Investment income			4,067	4,067
Total revenues	<u>6,000</u>	<u>6,000</u>	<u>12,553</u>	<u>6,553</u>
Expenditures				
Current:				
Public safety	<u>81,100</u>	<u>81,100</u>		<u>81,100</u>
Total expenditures	<u>81,100</u>	<u>81,100</u>		<u>81,100</u>
Changes in fund balances	<u>(75,100)</u>	<u>(75,100)</u>	<u>12,553</u>	<u>87,653</u>
Fund balances, beginning of year	<u>75,100</u>	<u>75,100</u>	<u>79,107</u>	<u>4,007</u>
Fund balances, end of year	<u>\$</u>	<u>\$</u>	<u>\$ 91,660</u>	<u>\$ 91,660</u>

City of Goodyear, Arizona
JCEF
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and forfeits	\$ 13,500	\$ 13,500	\$ 14,475	\$ 975
Investment income			5,184	5,184
Total revenues	<u>13,500</u>	<u>13,500</u>	<u>19,659</u>	<u>6,159</u>
Expenditures				
Current:				
Public safety	<u>162,400</u>	<u>162,400</u>		<u>162,400</u>
Total expenditures	<u>162,400</u>	<u>162,400</u>		<u>162,400</u>
Changes in fund balances	<u>(148,900)</u>	<u>(148,900)</u>	<u>19,659</u>	<u>168,559</u>
Fund balances, beginning of year	<u>148,900</u>	<u>148,900</u>	<u>149,630</u>	<u>730</u>
Fund balances, end of year	<u>\$</u>	<u>\$</u>	<u>\$ 169,289</u>	<u>\$ 169,289</u>

City of Goodyear, Arizona
Impound
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for services	\$ 100,000	\$ 100,000	\$ 101,850	\$ 1,850
Investment income			16,721	16,721
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>118,571</u>	<u>18,571</u>
Expenditures				
Current:				
Public safety	<u>380,700</u>	<u>380,700</u>	<u>88,507</u>	<u>292,193</u>
Total expenditures	<u>380,700</u>	<u>380,700</u>	<u>88,507</u>	<u>292,193</u>
Changes in fund balances	<u>(280,700)</u>	<u>(280,700)</u>	<u>30,064</u>	<u>310,764</u>
Fund balances, beginning of year	<u>280,700</u>	<u>280,700</u>	<u>288,898</u>	<u>8,198</u>
Fund balances, end of year	<u>\$</u>	<u>\$</u>	<u>\$ 318,962</u>	<u>\$ 318,962</u>

City of Goodyear, Arizona
AZ Smart and Safe
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental revenue	\$ 560,000	\$ 560,000	\$ 750,217	\$ 190,217
Total revenues	<u>560,000</u>	<u>560,000</u>	<u>750,217</u>	<u>190,217</u>
Other financing sources (uses)				
Transfers out	<u>(560,000)</u>	<u>(560,000)</u>	<u>(750,217)</u>	<u>(190,217)</u>
Total other financing sources (uses)	<u>(560,000)</u>	<u>(560,000)</u>	<u>(750,217)</u>	<u>(190,217)</u>
Changes in fund balances				
Fund balances, beginning of year			<u>163</u>	<u>163</u>
Fund balances, end of year	<u>\$</u>	<u>\$</u>	<u>\$ 163</u>	<u>\$ 163</u>

City of Goodyear, Arizona
Officer Safety and Equipment
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and forfeits	\$ 20,000	\$ 20,000	\$ 16,935	\$ (3,065)
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>16,935</u>	<u>(3,065)</u>
Expenditures				
Current:				
Public safety	<u>93,500</u>	<u>93,500</u>	<u>56,112</u>	<u>37,388</u>
Total expenditures	<u>93,500</u>	<u>93,500</u>	<u>56,112</u>	<u>37,388</u>
Changes in fund balances	<u>(73,500)</u>	<u>(73,500)</u>	<u>(39,177)</u>	<u>34,323</u>
Fund balances, beginning of year	<u>73,500</u>	<u>73,500</u>	<u>71,319</u>	<u>(2,181)</u>
Fund balances, end of year	<u>\$</u>	<u>\$</u>	<u>\$ 32,142</u>	<u>\$ 32,142</u>

City of Goodyear, Arizona
One Arizona Opioid
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental revenue	\$ 76,900	\$ 76,900	\$ 344,925	\$ 268,025
Investment income			674	674
Total revenues	<u>76,900</u>	<u>76,900</u>	<u>345,599</u>	<u>268,699</u>
Expenditures				
Current:				
Public safety	<u>76,900</u>	<u>77,300</u>	<u>77,307</u>	<u>(7)</u>
Total expenditures	<u>76,900</u>	<u>77,300</u>	<u>77,307</u>	<u>(7)</u>
Changes in fund balances		<u>(400)</u>	<u>268,292</u>	<u>268,692</u>
Fund balances, beginning of year			<u>169,304</u>	<u>169,304</u>
Fund balances, end of year	<u>\$</u>	<u>\$ (400)</u>	<u>\$ 437,596</u>	<u>\$ 437,996</u>

City of Goodyear, Arizona
Water and Wastewater
Enterprise Fund
Schedule of Operations - Budget and Actual
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Operating revenues				
Charges for services	\$ 62,540,300	\$ 62,540,300	\$ 72,783,209	\$ 10,242,909
Other revenues	23,200	23,200	159,281	136,081
Total operating revenues	<u>62,563,500</u>	<u>62,563,500</u>	<u>72,942,490</u>	<u>10,378,990</u>
Operating expenses				
Salaries, wages and benefits	10,196,300	10,196,300	9,884,100	312,200
Cost of sales and services	146,618,300	166,285,500	28,579,511	137,705,989
Depreciation			13,933,288	(13,933,288)
Total operating expenses	<u>156,814,600</u>	<u>176,481,800</u>	<u>52,396,899</u>	<u>124,084,901</u>
Operating income (loss)	<u>(94,251,100)</u>	<u>(113,918,300)</u>	<u>20,545,591</u>	<u>(134,463,891)</u>
Nonoperating revenues (expenses)				
Investment income			5,370,122	5,370,122
Interest expense and fiscal charges	(7,762,800)	(7,762,800)	(5,783,937)	1,978,863
Gain (loss) on sale of assets			180,379	180,379
Total nonoperating revenue (expenses)	<u>(7,762,800)</u>	<u>(7,762,800)</u>	<u>(233,436)</u>	<u>7,529,364</u>
Income (loss) before contributions and transfers	(102,013,900)	(121,681,100)	20,312,155	141,993,255
Capital contributions	37,501,900	37,501,900	42,036,919	4,535,019
Transfers in	35,427,100	35,697,100		(35,697,100)
Transfers out	<u>(42,293,800)</u>	<u>(42,563,800)</u>	<u>(6,866,700)</u>	<u>35,697,100</u>
Changes in net position	(71,378,700)	(91,045,900)	55,482,374	146,528,274
Total net position, beginning of year	<u>56,294,100</u>	<u>56,294,100</u>	<u>330,445,306</u>	<u>274,151,206</u>
Total net position, end of year	<u>\$ (15,084,600)</u>	<u>\$ (34,751,800)</u>	<u>\$ 385,927,680</u>	<u>\$ 420,679,480</u>

City of Goodyear, Arizona
Sanitation
Enterprise Fund
Schedule of Operations - Budget and Actual
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Operating revenues				
Charges for services	\$ 7,972,300	\$ 7,972,300	\$ 9,230,840	\$ 1,258,540
Other revenues			1,984	1,984
Total operating revenues	<u>7,972,300</u>	<u>7,972,300</u>	<u>9,232,824</u>	<u>1,260,524</u>
Operating expenses				
Salaries, wages and benefits	1,391,900	1,391,900	1,239,129	152,771
Cost of sales and services	8,385,900	8,436,900	6,132,523	2,304,377
Depreciation			174,044	(174,044)
Total operating expenses	<u>9,777,800</u>	<u>9,828,800</u>	<u>7,545,696</u>	<u>2,283,104</u>
Operating income (loss)	<u>(1,805,500)</u>	<u>(1,856,500)</u>	<u>1,687,128</u>	<u>(3,543,628)</u>
Nonoperating revenues (expenses)				
Investment income			268,397	268,397
Gain (loss) on sale of assets			5,280	5,280
Total nonoperating revenue (expenses)			<u>273,677</u>	<u>273,677</u>
Income (loss) before contributions and transfers	(1,805,500)	(1,856,500)	1,960,805	3,817,305
Transfers in	450,000	450,000		(450,000)
Transfers out	<u>(1,829,800)</u>	<u>(1,829,800)</u>	<u>(1,379,800)</u>	<u>450,000</u>
Changes in net position	(3,185,300)	(3,236,300)	581,005	3,817,305
Total net position, beginning of year	<u>4,002,200</u>	<u>4,002,200</u>	<u>4,775,302</u>	<u>773,102</u>
Total net position, end of year	<u>\$ 816,900</u>	<u>\$ 765,900</u>	<u>\$ 5,356,307</u>	<u>\$ 4,590,407</u>



STATISTICAL SECTION

The Statistical Section presents financial statement trends as well as detailed financial and operational information not available elsewhere in the report. The Statistical Section is intended to enhance the reader's understanding of the information presented in the Financial Statements, Notes to the Financial Statements, and Other Supplementary Information presented in this report.



Statistical Section

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

These schedules contain information about the City's operations and various resources to help the reader understand how the information in the City's financial report relates to the services the government provides and the activities it performs.

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

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

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

	Fiscal Year			
	2015	2016	2017	2018
Governmental Activities				
Net investment in capital assets	\$ 365,019,949	\$ 361,739,970	\$ 379,899,821	\$ 381,473,262
Restricted	92,247,738	92,276,066	90,497,505	87,435,376
Unrestricted	<u>5,722,007</u>	<u>19,147,997</u>	<u>16,944,442</u>	<u>29,981,817</u>
Total Governmental Activities Net Position	<u>462,989,694</u>	<u>473,164,033</u>	<u>487,341,768</u>	<u>498,890,455</u>
Business-type Activities				
Net investment in capital assets	176,380,867	180,640,162	181,242,982	199,032,946
Restricted	7,607,902	18,131,719	21,072,234	13,468,708
Unrestricted	<u>14,190,297</u>	<u>7,380,491</u>	<u>15,974,822</u>	<u>24,366,584</u>
Total Business-type Activities Net Position	<u>198,179,066</u>	<u>206,152,372</u>	<u>218,290,038</u>	<u>236,868,238</u>
Primary Government				
Net investment in capital assets	541,400,816	542,380,132	561,142,803	580,506,208
Restricted	99,855,640	110,407,785	111,569,739	100,904,084
Unrestricted	<u>19,912,304</u>	<u>26,528,488</u>	<u>32,919,264</u>	<u>54,348,401</u>
Total Primary Government Net Position	<u>\$ 661,168,760</u>	<u>\$ 679,316,405</u>	<u>\$ 705,631,806</u>	<u>\$ 735,758,693</u>

Source: Statement of Net Position

Table 1

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 342,610,234	\$ 334,972,021	\$ 435,167,043	\$ 505,965,429	\$ 547,891,870	\$ 592,847,643
149,077,511	155,095,665	147,571,052	158,679,422	147,023,829	171,363,608
43,643,472	112,776,992	106,628,136	130,927,545	184,912,404	221,007,694
<u>535,331,217</u>	<u>602,844,678</u>	<u>689,366,231</u>	<u>795,572,396</u>	<u>879,828,103</u>	<u>985,218,945</u>
227,004,152	254,623,951	302,551,844	276,352,992	284,640,676	303,472,138
6,346,204			21,277,991	22,470,097	38,488,139
26,960,200	31,895,840	19,196,217	31,984,374	28,109,835	49,323,710
<u>260,310,556</u>	<u>286,519,791</u>	<u>321,748,061</u>	<u>329,615,357</u>	<u>335,220,608</u>	<u>391,283,987</u>
569,614,386	589,595,972	737,718,887	782,318,421	832,532,546	896,319,781
155,423,715	155,095,665	147,571,052	179,957,413	169,493,926	209,851,747
70,603,672	144,672,832	125,824,353	162,911,919	213,022,239	270,331,404
<u>\$ 795,641,773</u>	<u>\$ 889,364,469</u>	<u>\$ 1,011,114,292</u>	<u>\$ 1,125,187,753</u>	<u>\$ 1,215,048,711</u>	<u>\$ 1,376,502,932</u>

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

	Fiscal Year				
	2015	2016	2017	2018	2019
Expenses**					
Governmental Activities:					
General government	\$ 19,624,056	\$ 19,824,313	\$ 20,151,975	\$ 23,781,937	\$ 23,478,993
Public safety	31,834,683	34,823,588	47,535,184	45,439,446	52,241,594
Highways and streets	17,941,162	20,753,487	19,181,162	26,460,464	21,330,274
Public works	3,361,822	7,920,958	3,569,658	4,232,567	7,972,935
Culture and recreation	6,422,764	6,880,654	15,363,752	19,080,188	19,083,232
Development services	7,005,308	7,981,904	7,316,935	6,591,111	8,380,985
Interest on long-term debt	8,763,353	8,479,284	12,131,284	11,582,014	8,797,275
Total Governmental Activities Expenses	<u>\$ 94,953,148</u>	<u>\$ 106,664,188</u>	<u>\$ 125,249,950</u>	<u>\$ 137,167,727</u>	<u>\$ 141,285,288</u>
Business-type Activities					
Water and wastewater	\$ 25,489,522	\$ 27,647,487	\$ 30,139,626	\$ 26,853,794	\$ 31,493,180
Sanitation	5,802,163	6,444,459	5,868,228	6,206,843	6,681,134
Stadium*	12,407,494	12,647,134			
Total Business-type Activities Expenses	<u>\$ 43,699,179</u>	<u>\$ 46,739,080</u>	<u>\$ 36,007,854</u>	<u>\$ 33,060,637</u>	<u>\$ 38,174,314</u>
Total Primary Government Expenses	<u>\$ 138,652,327</u>	<u>\$ 153,403,268</u>	<u>\$ 161,257,804</u>	<u>\$ 170,228,364</u>	<u>\$ 179,459,602</u>

Notes:

- * Beginning in fiscal year 2017, stadium operations were moved to governmental activities.
- ** Beginning in fiscal year 2016 expense functions were consolidated to align with the basic financial statements

Source: Statement of Activities

Table 2

Fiscal Year				
2020	2021	2022	2023	2024
\$ 26,604,672	\$ 31,006,001	\$ 34,157,389	\$ 38,061,902	\$ 48,366,196
59,271,160	60,372,627	64,651,123	72,526,205	97,127,666
21,599,888	21,439,214	23,563,017	24,863,132	25,502,886
10,177,808	9,655,317	5,602,891	8,052,159	11,305,561
18,739,373	19,716,170	25,843,304	33,318,763	38,719,469
10,466,142	11,665,512	14,906,593	15,613,064	18,929,987
9,009,554	10,360,626	9,236,464	9,537,281	9,099,562
<u>\$ 155,868,597</u>	<u>\$ 164,215,467</u>	<u>\$ 177,960,781</u>	<u>\$ 201,972,506</u>	<u>\$ 249,051,327</u>
\$ 40,540,282	\$ 48,483,586	\$ 49,204,444	\$ 49,903,049	\$ 58,180,836
6,028,780	6,547,622	7,314,418	7,486,417	7,545,696
<u>\$ 46,569,062</u>	<u>\$ 55,031,208</u>	<u>\$ 56,518,862</u>	<u>\$ 57,389,466</u>	<u>\$ 65,726,532</u>
<u>\$ 202,437,659</u>	<u>\$ 219,246,675</u>	<u>\$ 234,479,643</u>	<u>\$ 259,361,972</u>	<u>\$ 314,777,859</u>

continued

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

	Fiscal Year				
	2015	2016	2017	2018	2019
Program Revenue*					
Governmental Activities:					
Charges for Services:					
General government	\$ 2,766,974	\$ 2,398,256	\$ 2,368,056	\$ 2,592,414	\$ 4,965,435
Public safety	1,624,427	1,713,627	1,313,160	1,373,556	6,987,626
Highway and streets				81,727	382,531
Public works					405,393
Culture and recreation	416,607	386,041	3,135,416	2,984,530	4,008,274
Developmental services	5,353,778	7,043,227	9,079,431	10,416,143	12,993,399
Operating Grants and Contributions	10,777,134	9,518,206	10,546,333	16,164,698	9,809,818
Capital Grants and Contributions	8,252,449	12,134,476	12,246,216	7,442,815	21,231,123
Total Governmental Activities Program Revenues	<u>\$ 29,191,369</u>	<u>\$ 33,193,833</u>	<u>\$ 38,688,612</u>	<u>\$ 41,055,883</u>	<u>\$ 60,783,599</u>
Business-type Activities					
Charges for Services:					
Water and wastewater	\$ 24,650,687	\$ 27,724,410	\$ 31,358,803	\$ 35,203,483	\$ 42,658,585
Sanitation	6,922,425	7,125,427	7,577,840	7,812,267	8,058,461
Stadium*	2,237,359	2,234,046			
Operating Grants and Contributions		110,837	110,718		
Capital Grants and Contributions	14,454,883	11,692,490	13,317,172	12,237,823	12,962,807
Total Business-type Activities Revenues	<u>48,265,354</u>	<u>48,887,210</u>	<u>52,364,533</u>	<u>55,253,573</u>	<u>63,679,853</u>
Total Primary Government Revenues	<u>\$ 77,456,723</u>	<u>\$ 82,081,043</u>	<u>\$ 91,053,145</u>	<u>\$ 96,309,456</u>	<u>\$ 124,463,452</u>
Net (Expense)/Revenue					
Governmental Activities	\$ (65,761,779)	\$ (73,470,355)	\$ (86,561,338)	\$ (96,111,844)	\$ (80,501,689)
Business-type Activities	4,566,175	2,148,130	16,356,679	22,192,936	25,505,539
Total Primary Government Net Revenues	<u>\$ (61,195,604)</u>	<u>\$ (71,322,225)</u>	<u>\$ (70,204,659)</u>	<u>\$ (73,918,908)</u>	<u>\$ (54,996,150)</u>

Note:

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

Source: Statement of Activities

Table 2

Fiscal Year				
2020	2021	2022	2023	2024
\$ 3,509,152	\$ 7,070,344	\$ 4,052,068	\$ 1,857,785	\$ 1,845,268
7,243,340	7,421,123	8,569,570	1,914,488	3,121,684
440,190	490,969	722,058	118,143	118,399
583,405	501,541	603,704	120,113	157
2,916,950	2,765,727	4,322,415	3,411,962	5,418,613
18,765,859	19,839,213	17,598,359	15,933,323	21,392,041
18,571,098	9,587,222	20,334,900	16,677,690	16,594,202
<u>23,253,699</u>	<u>30,499,488</u>	<u>42,192,506</u>	<u>36,800,110</u>	<u>35,040,767</u>
<u>\$ 75,283,693</u>	<u>\$ 78,175,627</u>	<u>\$ 98,395,580</u>	<u>\$ 76,833,614</u>	<u>\$ 83,531,131</u>
\$ 60,392,907	\$ 62,983,880	\$ 53,394,756	\$ 53,005,605	\$ 72,942,490
8,319,350	8,042,545	7,683,528	8,802,201	9,232,824
<u>5,765,107</u>	<u>26,481,652</u>	<u>11,254,372</u>	<u>7,594,454</u>	<u>42,036,919</u>
<u>74,477,364</u>	<u>97,508,077</u>	<u>72,332,656</u>	<u>69,402,260</u>	<u>124,212,233</u>
<u>\$ 149,761,057</u>	<u>\$ 175,683,704</u>	<u>\$ 170,728,236</u>	<u>\$ 146,235,874</u>	<u>\$ 207,743,364</u>
\$ (80,584,904)	\$ (86,039,840)	\$ (79,565,201)	\$ (125,138,892)	\$ (165,520,196)
<u>27,908,302</u>	<u>42,476,869</u>	<u>15,813,794</u>	<u>12,012,794</u>	<u>58,485,701</u>
<u>\$ (52,676,602)</u>	<u>\$ (43,562,971)</u>	<u>\$ (63,751,407)</u>	<u>\$ (113,126,098)</u>	<u>\$ (107,034,495)</u>

continued

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

	Fiscal Year				
	2015	2016	2017	2018	2019
Revenues and Other Changes in Net Position					
Governmental Activities:					
Taxes	\$ 66,223,459	\$ 71,256,446	\$ 74,899,373	\$ 82,662,446	\$ 90,314,174
Intergovernmental	16,361,588	16,848,837	20,019,457	19,967,694	21,244,412
Investment income	361,146	710,040	560,547	1,196,857	4,661,685
Special assessments*	4,980,000				
Miscellaneous	975,258	393,977	886,502	341,814	934,949
Transfers	(582,797)	(5,564,606)	2,800,000	3,700,000	3,700,000
Special item - Loss on debt extinguishment				(36,893)	
Total Governmental Activities	<u>\$ 88,318,654</u>	<u>\$ 83,644,694</u>	<u>\$ 99,165,879</u>	<u>\$ 107,868,811</u>	<u>\$ 120,855,220</u>
Business-type Activities					
Investment income	\$ 151,405	\$ 237,615	\$ 123,100	\$ 47,246	\$ 1,595,877
Miscellaneous	103,482	22,955	31,081	37,024	40,902
Transfers	582,797	5,564,606	(2,800,000)	(3,700,000)	(3,700,000)
Total Business-type Activities	<u>\$ 837,684</u>	<u>\$ 5,825,176</u>	<u>\$ (2,645,819)</u>	<u>\$ (3,615,730)</u>	<u>\$ (2,063,221)</u>
Total Primary Government	<u>\$ 89,156,338</u>	<u>\$ 89,469,870</u>	<u>\$ 96,520,060</u>	<u>\$ 104,253,081</u>	<u>\$ 118,791,999</u>
Changes in Net Position					
Governmental Activities	\$ 22,556,875	\$ 10,174,339	\$ 12,604,541	\$ 11,756,967	\$ 40,353,531
Business-type Activities	5,403,859	7,973,306	13,710,860	18,577,206	23,442,318
Total Primary Government	<u>\$ 27,960,734</u>	<u>\$ 18,147,645</u>	<u>\$ 26,315,401</u>	<u>\$ 30,334,173</u>	<u>\$ 63,795,849</u>

Source: Statement of Activities

Table 2

Fiscal Year				
2020	2021	2022	2023	2024
\$ 116,603,604	\$ 137,957,936	\$ 154,920,196	\$ 151,737,382	\$ 191,745,194
22,785,856	26,494,716	29,850,191	39,382,895	48,928,158
4,412,256	899,168	(3,080,671)	9,654,094	20,582,710
797,405	309,020	1,240,870	1,064,227	1,408,476
3,499,244	6,900,553	8,015,934	7,556,001	8,246,500
<u>\$ 148,098,365</u>	<u>\$ 172,561,393</u>	<u>\$ 190,946,520</u>	<u>\$ 209,394,599</u>	<u>\$ 270,911,038</u>
\$ 1,800,177	\$ (461,996)	\$ 33,866	\$ 1,093,207	\$ 5,638,519
-	113,950	35,570	55,251	185,659
(3,499,244)	(6,900,553)	(8,015,934)	(7,556,001)	(8,246,500)
<u>\$ (1,699,067)</u>	<u>\$ (7,248,599)</u>	<u>\$ (7,946,498)</u>	<u>\$ (6,407,543)</u>	<u>\$ (2,422,322)</u>
<u>\$ 146,399,298</u>	<u>\$ 165,312,794</u>	<u>\$ 183,000,022</u>	<u>\$ 202,987,056</u>	<u>\$ 268,488,716</u>
\$ 67,513,461	\$ 86,521,553	\$ 111,381,319	\$ 84,255,707	\$ 105,390,842
26,209,235	35,228,270	7,867,296	5,605,251	56,063,379
<u>\$ 93,722,696</u>	<u>\$ 121,749,823</u>	<u>\$ 119,248,615</u>	<u>\$ 89,860,958</u>	<u>\$ 161,454,221</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 for Specific Programs		Highway User Revenue
				State Shared Sales	State Revenue Sharing	
2015	18,171,606	45,333,649	2,718,204	8,459,645	7,901,942	4,041,402
2016	19,114,087	49,309,600	2,832,759	8,988,686	7,859,101	4,264,827
2017	19,875,628	52,085,570	2,941,175	10,324,010	9,665,448	5,066,574
2018	20,649,103	58,831,503	3,181,840	10,354,186	9,613,508	5,042,068
2019	22,099,698	64,940,363	3,274,113	11,573,618	9,670,794	5,463,045
2020	23,673,696	89,722,744	3,207,164	12,074,091	10,711,765	5,622,730
2021	25,858,467	108,495,439	3,604,030	14,084,067	12,410,649	6,020,431
2022	28,180,626	122,858,885	3,880,685	17,488,685	12,361,506	7,149,095
2023	31,543,708	115,585,674	4,608,000	20,083,986	19,298,909	8,288,543
2024	34,083,996	152,130,402	5,530,796	20,996,460	27,931,698	8,008,521

Source: City Financial Records and Reports

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

	Fiscal Year				
	2015	2016	2017	2018	2019
City Privilege (Sales) Tax	\$ 45,333,649	\$ 49,309,600	\$ 52,085,570	\$ 58,831,503	\$ 64,940,363
State-Shared Sales Tax	5,965,400	6,258,721	7,217,395	7,151,224	8,121,305
State-Shared Income Tax	7,901,942	7,859,101	9,665,448	9,613,508	9,670,794
State-Share Vehicle License Tax	2,494,245	2,729,966	3,106,615	3,202,962	3,452,313
Fines and Forfeitures	860,313	839,108	925,314	1,044,317	1,044,516
Franchise Taxes	2,718,204	2,832,759	2,941,175	3,181,840	3,274,113
Total	<u>\$ 65,273,754</u>	<u>\$ 69,829,255</u>	<u>\$ 75,941,517</u>	<u>\$ 83,025,354</u>	<u>\$ 90,503,404</u>

Source: City Financial Records and Reports

Table 4

Fiscal Year				
2020	2021	2022	2023	2024
\$ 89,722,744	\$ 108,495,439	\$ 122,858,885	\$ 115,585,674	\$ 152,130,403
8,558,218	9,962,516	13,422,577	15,038,266	16,030,191
10,711,765	12,410,649	12,361,506	19,298,909	20,438,898
3,515,873	4,121,551	4,066,108	5,045,720	4,966,269
869,101	1,037,122	1,138,437	1,061,724	1,070,792
3,207,164	3,604,030	3,880,685	4,608,000	5,530,796
<u>\$ 116,584,865</u>	<u>\$ 139,631,307</u>	<u>\$ 157,728,198</u>	<u>\$ 160,638,293</u>	<u>\$ 200,167,349</u>

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

	Fiscal Year				
	2015	2016	2017	2018	2019
Retail Trade	\$ 16,348,224	\$ 17,279,498	\$ 15,858,660	\$ 17,225,692	\$ 19,005,260
Food for Home Consumption	N/A	N/A	3,025,758	3,010,974	3,521,946
Retail Sales Single Item Over \$5,000	N/A	N/A	1,467,287	1,551,211	1,572,031
Online Marketplace	N/A	N/A	N/A	N/A	N/A
Construction	5,559,142	7,545,663	10,836,043	13,341,879	16,452,327
Restaurant & Bar	6,343,415	7,032,111	8,506,564	9,225,969	9,958,478
Utilities	4,051,837	4,077,652	3,606,813	3,804,722	3,882,328
Real Estate	5,480,481	5,575,550	4,772,566	5,005,280	5,690,265
Use Tax	N/A	N/A	1,185,539	1,530,696	3,025,135
Hotels	1,067,357	1,096,710	1,109,804	1,269,275	1,408,405
Miscellaneous	1,032,464	839,592	511,710	647,714	690,088
Services	2,424,312	2,833,590	N/A	N/A	N/A
Mining & Government	7,159	6,534	N/A	N/A	N/A
Manufacturing	1,318,999	1,410,894	N/A	N/A	N/A
Wholesale Trade	1,130,527	1,032,679	N/A	N/A	N/A
Total*	<u>\$ 44,763,917</u>	<u>\$ 48,730,473</u>	<u>\$ 50,880,744</u>	<u>\$ 56,613,413</u>	<u>\$ 65,206,263</u>

Note: 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) & Business Class Summary

Table 5

Fiscal Year				
2020	2021	2022	2023	2024
\$ 23,110,619	\$ 33,935,084	\$ 34,990,477	\$ 32,892,536	\$ 33,523,914
4,244,991	4,934,402	5,136,245	5,952,702	6,263,633
1,808,400	2,235,620	2,292,930	2,335,404	2,616,609
1,420,681	4,453,219	4,173,776	4,937,819	5,658,211
32,982,384	32,360,764	38,424,569	36,609,772	50,446,628
10,088,705	11,978,934	14,691,883	16,218,406	17,679,270
3,880,600	4,325,833	4,898,487	5,951,167	7,459,752
6,518,205	8,006,495	10,860,200	12,418,051	18,005,428
3,013,942	3,414,172	3,522,351	4,121,706	6,556,142
1,302,400	1,682,639	2,444,697	2,436,295	2,501,322
717,475	436,584	688,860	779,634	696,168
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
<u>\$ 89,088,402</u>	<u>\$ 107,763,744</u>	<u>\$ 122,124,474</u>	<u>\$ 124,653,491</u>	<u>\$ 151,407,077</u>

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

	Fiscal Year			
	2015	2016	2017	2018
General Fund				
Nonspendable:				
Advances to other funds	\$ 961,840	\$ 961,840	\$ 1,251,242	\$ 1,045,531
Inventories	21,656			
Prepaid items	573,473	667,798	683,056	758,946
Restricted by:				
Charter mandates	3,841,444	4,009,183	4,186,816	4,377,576
Court	240,631	178,351	200,753	238,965
Law enforcement	309,112	427,243	384,144	432,662
Transit	745,210	847,446	952,239	1,064,752
Assigned to:				
IT replacement	108,301	498,851	1,829,656	1,956,201
Facilities asset mgmt plan				
Fleet replacement	2,508,319	3,196,101	1,251,242	4,504,416
Risk management	1,088,234	1,077,452	933,704	888,212
Parks management		1,271,367	2,729,350	3,033,620
Police asset reserve			2,147,582	134,146
Fire asset reserve			403,209	454,872
Traffic signal reserve				74,699
General Fund Budget				
Unassigned	<u>49,783,760</u>	<u>52,620,845</u>	<u>53,399,369</u>	<u>60,552,115</u>
Total General Fund	<u>\$ 60,181,980</u>	<u>\$ 65,756,477</u>	<u>\$ 70,352,362</u>	<u>\$ 79,516,713</u>
All Other Governmental Funds				
Nonspendable:				
Inventories	\$ 487,413	\$ 564,639	\$ 533,304	\$ 553,663
Prepaid items				
Restricted by:				
Debt service	13,810,210	12,989,198	13,219,610	5,576,920
Development impact fees	9,833,566	12,882,857	12,428,141	19,453,023
Grants				
Highway user funds	174,025	721	37,130	
Tourism				
Transit				35,863
Capital projects	4,414,851		9,869,218	21,876,083
Community facilities districts operations	1,109,573	1,434,106	1,846,863	2,442,864
Ambulance				
Committed			1,647,416	1,963,850
Ball Park				
Unassigned	<u>(66,487)</u>	<u>(28,737)</u>	<u>(105,729)</u>	<u>(22,755)</u>
Total All Other Governmental Funds	<u>\$ 29,763,151</u>	<u>\$ 27,842,784</u>	<u>\$ 39,475,953</u>	<u>\$ 51,879,511</u>

Table 6

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 311,940	\$ 210,154	\$ 283,305	\$ 299,683	\$ 171,959	\$ 167,397
1,402,473	2,134,415	2,159,059		472,374	5,241,347
4,582,213	4,813,576				
294,594	445,474	453,814	509,763	569,500	657,069
470,847	327,832	372,270	324,149	529,685	788,863
1,189,336	1,156,827	1,260,501	1,402,368	1,478,684	594,143
1,988,219	2,656,884	3,209,868	3,113,269	3,099,030	2,058,561
			1,938,782	3,322,634	4,366,907
3,910,722	3,455,394	5,953,763	8,190,265	11,236,256	12,852,427
805,987	475,484	750,000	750,000	750,000	1,131,785
3,280,541	2,421,309	3,103,501	3,733,077	4,332,181	5,814,513
156,142					
738,260	892,018	987,419	1,228,220	619,608	1,303,511
1,362,099	1,299,118	1,387,206	1,418,793	1,694,480	2,200,915
55,747,287	86,240,624	98,074,000	129,774,800	148,278,700	187,474,800
16,546,219	18,030,053	29,258,434	26,378,589	35,053,964	30,532,240
<u>\$ 92,786,879</u>	<u>\$ 124,559,162</u>	<u>\$ 147,253,140</u>	<u>\$ 179,061,758</u>	<u>\$ 211,609,055</u>	<u>\$ 255,184,478</u>
\$ 678,548	\$ 497,974	\$ 521,217	\$ 1,027,794	\$ 1,259,339	\$ 2,192,932
			323,750		
5,913,772	5,945,421	2,277,075	3,323,230	3,102,030	3,873,333
29,633,601	43,001,310	55,713,143	80,340,543	91,525,059	116,167,515
				48,049	48,048
		70		361,311	
		62,500	164,112		
249					
43,953,339	40,471,387	38,019,761	26,425,693	19,386,727	15,590,434
10,164,456	9,978,487	5,643,082	6,586,516	6,675,008	7,414,865
				406,739	406,739
2,555,378					
	3,043,242	3,729,087	4,754,655	5,301,702	3,984,989
(188,894)	(501,057)	(150,748)	(374,937)	(18,885)	(676,419)
<u>\$ 92,710,449</u>	<u>\$ 102,436,764</u>	<u>\$ 105,815,187</u>	<u>\$ 122,571,356</u>	<u>\$ 128,047,079</u>	<u>\$ 149,002,436</u>

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

	Fiscal Year				
	2015	2016	2017	2018	2019
Revenues					
Taxes	\$ 66,203,440	\$ 71,287,200	\$ 74,924,078	\$ 82,602,447	\$ 90,300,757
Licenses and permits	6,558,607	7,357,205	9,302,729	10,636,668	12,314,128
Intergovernmental	21,749,386	21,811,572	25,780,719	26,773,324	27,458,465
Charges for services	4,576,618	5,792,947	9,227,037	10,418,539	12,234,549
Fines and forfeits	860,313	839,108	925,314	1,044,317	1,044,516
Investment income	361,146	710,040	560,547	1,196,857	4,606,033
Special assessments	5,762,295	6,096,012	6,009,405	5,968,798	9,868,376
Contributions	2,976,642	1,346,713	1,638,229	6,358,002	4,036,766
Miscellaneous	243,473	728,930	516,160	2,485,672	1,192,520
Total Revenues	<u>109,291,920</u>	<u>115,969,727</u>	<u>128,884,218</u>	<u>147,484,624</u>	<u>163,056,110</u>
Expenditures *					
General government	18,081,622	17,968,635	19,191,902	20,825,896	20,801,270
Public safety	29,505,746	32,881,648	36,905,961	39,779,006	43,459,463
Highways and streets	5,494,087	5,680,917	5,748,952	5,517,174	7,563,123
Public works	2,268,109	2,255,101	2,598,519	2,897,716	2,827,608
Culture and recreation	5,265,454	5,712,191	12,090,866	11,315,720	14,108,472
Development services	6,933,854	7,933,367	7,187,389	7,159,767	7,641,804
Capital outlay	11,326,103	15,988,901	17,628,611	30,366,883	17,066,876
Debt Service:					
Principal retirement	9,291,703	9,772,183	14,581,544	19,642,573	21,763,951
Interest and debt cost	9,323,202	9,046,458	12,968,581	15,708,001	12,599,646
Payment to refunded bond escrow agent				4,622,056	
Total Expenditures	<u>97,489,880</u>	<u>107,239,401</u>	<u>128,902,325</u>	<u>157,834,792</u>	<u>147,832,213</u>
Excess of Revenues over (under) Expenditures	<u>11,802,040</u>	<u>8,730,326</u>	<u>(18,107)</u>	<u>(10,350,168)</u>	<u>15,223,897</u>

Notes:

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

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

Table 7

Fiscal Year				
2020	2021	2022	2023	2024
\$ 116,390,115	\$ 138,046,896	\$ 154,824,840	\$ 151,767,894	\$191,670,670
18,061,371	19,073,277	16,654,379	16,403,295	21,774,745
39,616,094	34,652,939	58,325,325	54,932,234	62,699,499
17,351,117	23,799,246	24,108,155	23,929,640	28,745,632
869,101	1,037,122	1,138,437	1,061,724	1,076,316
4,351,915	898,599	(3,080,671)	9,483,329	20,030,624
5,509,308	6,810,016	6,357,266	5,603,254	5,511,355
6,247,217	5,588,920	3,454,890	4,585,504	2,687,537
1,504,393	1,257,515	1,842,263	1,768,849	2,291,763
<u>209,900,631</u>	<u>231,164,530</u>	<u>263,624,884</u>	<u>269,535,723</u>	<u>336,488,141</u>
22,828,171	28,189,094	30,533,336	31,308,086	38,009,534
45,641,389	72,064,162	59,500,593	62,746,423	79,127,704
7,399,662	7,548,526	8,103,897	8,323,809	9,150,581
4,044,509	3,708,625	3,316,324	5,835,433	8,307,650
13,042,653	14,500,770	19,566,132	24,418,658	28,208,333
8,916,314	10,500,186	13,320,560	14,869,850	15,883,541
40,565,230	84,788,927	83,697,834	61,318,087	79,741,162
19,465,657	25,673,172	21,852,781	24,391,744	23,453,393
10,818,794	10,941,518	10,386,995	10,536,075	10,117,732
<u>172,722,379</u>	<u>257,914,980</u>	<u>250,278,452</u>	<u>243,748,165</u>	<u>291,999,630</u>
<u>37,178,252</u>	<u>(26,750,450)</u>	<u>13,346,432</u>	<u>25,787,558</u>	<u>44,488,511</u>

continued

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

	Fiscal Year				
	2015	2016	2017	2018	2019
Other Financing Sources and (Uses)					
Transfer in	\$ 4,588,019	\$ 3,539,227	\$ 12,768,632	\$ 13,901,429	\$ 17,954,246
Transfer out	(9,923,248)	(9,091,060)	(9,968,632)	(10,201,429)	(14,254,246)
Sale of assets*					346,124
Debt issuance	4,980,000		10,968,000	25,015,000	33,873,000
Debt premium	(39,461)				958,083
Refunding bonds	7,015,000	18,535,000	118,130,941	51,537,627	
Refunding bonds premium	452,099	2,047,350	14,546,606	722,171	
Payment to refunded bond escrow agent	(7,168,901)	(20,106,713)	(130,387,703)	(49,056,702)	
 Total Other Financing Sources and (Uses)	 <u>(96,492)</u>	 <u>(5,076,196)</u>	 <u>16,057,844</u>	 <u>31,918,096</u>	 <u>38,877,207</u>
 Net Change in Fund Balances	 <u>\$ 11,705,548</u>	 <u>\$ 3,654,130</u>	 <u>\$ 16,039,737</u>	 <u>\$ 21,567,928</u>	 <u>\$ 54,101,104</u>
 Debt Service as a Percentage of Noncapital Expenditures	 20.6%	 18.4%	 22.9%	 23.6%	 24.8%

Notes:

* Beginning in fiscal year 2019 sales of assets was broken out to align with the basic financial statements.

Source: City Financial Records and Reports

Table 7

Fiscal Year				
2020	2021	2022	2023	2024
\$ 28,400,983	\$ 45,929,762	\$ 62,317,732	\$ 41,468,250	\$ 33,341,920
(24,901,739)	(39,029,209)	(54,301,798)	(33,912,249)	(25,095,420)
291,817	213,803	413,605	250,461	323,265
529,285	39,530,000	24,073,000	4,429,000	11,085,000
		2,715,816		387,504
	25,520,000			
	5,859,505			
	(25,201,010)			
<u>4,320,346</u>	<u>52,822,851</u>	<u>35,218,355</u>	<u>12,235,462</u>	<u>20,042,269</u>
<u>\$ 41,498,598</u>	<u>\$ 26,072,401</u>	<u>\$ 48,564,787</u>	<u>\$ 38,023,020</u>	<u>\$ 64,530,780</u>
21.6%	20.4%	18.8%	17.9%	14.4%
				concluded

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

City Direct Rate				Overlapping Rates				
				County-Wide Jurisdictions				
Fiscal Year	Operating Rate	Debt Service Rate	Total City Rate	County Operating Rate	County Library District Rate	County Fire District Assistance Rate	County Flood District Rate	County Education Equalization Rate
2015	1.1836	0.6864	1.8700	1.3209	0.0556	0.0113	0.1392	0.5089
2016	1.1637	0.7063	1.8700	1.3609	0.0556	0.0116	0.1592	0.5054
2017	1.1598	0.7025	1.8623	1.4009	0.0556	0.0112	0.1792	0.5010
2018	1.1344	0.6005	1.7349	1.4009	0.0556	0.0102	0.1792	0.4875
2019	1.1084	0.6266	1.7350	1.4009	0.0556	0.0107	0.1792	0.4741
2020	1.0619	0.6713	1.7332	1.4009	0.0556	0.0095	0.1792	0.4566
2021	1.0330	0.7005	1.7335	1.4009	0.0556	0.0090	0.1792	0.4426
2022	1.0000	0.7350	1.7350	1.3459	0.0556	0.0086	0.1792	0.4263
2023	0.9957	0.7393	1.7350	1.2473	0.0505	0.0082	0.1592	
2024	0.9617	0.7733	1.7350	1.2044	0.0488	0.0081	0.1536	

Source: Maricopa County Assessor's Office

continued

Table 8

Overlapping Rates									
County-Wide Jurisdictions					School Districts				
Fiscal Year	Community College Rate	Central Arizona Project Rate	Special Health Care District Rate	Total County Rate	Agua Fria/ Avondale Rate	Litchfield Rate	Buckeye/ Liberty Rate	Tolleson/ Littleton Rate	Mobile Rate
2015	1.5187	0.1400		3.6946	10.0022	3.7780	8.0102	10.4333	7.8876
2016	1.4940	0.1400		3.7267	9.4960	3.8352	7.6149	9.9303	7.8876
2017	1.4651	0.1400	0.3053	4.0583	9.8771	3.8142	7.0163	9.5342	8.1213
2018	1.4096	0.1400	0.2941	3.9771	8.9315	3.4763	7.0616	9.8185	7.8876
2019	1.1708	0.1400	0.2941	3.7254	8.4894	3.8499	6.8080	10.0261	7.8876
2020	1.1565	0.1400	0.1871	3.5854	7.8709	3.6716	6.6742	10.6716	7.8876
2021	1.1250	0.1400	0.1838	3.5361	7.6157	3.5229	8.8758	10.2551	7.8876
2022	1.1112	0.1400	0.1803	3.4471	7.5438	3.4950	9.3434	10.1994	7.5960
2023	1.0865	0.1400	0.1773	2.8690	6.8083	3.3035	9.5365	9.4401	7.3920
2024	1.0791	0.1400	0.1749	2.8089	6.8207	3.0068	9.1900	8.9940	7.9735

continued

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

Overlapping Rates

Other Special Taxing Districts

Fiscal Year	West	Other Special Taxing Districts					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
2015	0.0810	1.0000	27.1000	3.0361	2.6034	3.2768	1.3000
2016	0.0698	1.0000	27.1000	3.1327	2.5999	3.3377	1.3000
2017	0.0840	1.0000	27.1000	2.7404	2.3824	3.0482	1.3000
2018	0.1780	1.0000	27.1000	2.6706	1.8877	2.5714	1.3000
2019	0.1494	1.0000	29.8100	2.5823	1.8664	2.5413	1.3000
2020	0.1634	1.0000	29.8100	2.4421	1.8994	2.5400	1.3000
2021	0.1655	1.0000	29.8100	2.1576	1.9843	2.5443	1.3000
2022	0.1579	1.0000	29.8100	1.8888	1.5848	1.9407	1.3000
2023	0.1538	1.0000	36.8100	1.7302	1.5846	1.9397	1.3000
2024	0.1807	1.0000	36.8100	1.6994	1.5833	1.9377	1.3000

continued

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
2015	0.7334	1.0162	1.2592	0.3000	2.7761	3.0227
2016	0.7075	1.1497	1.1097	0.3000	2.9103	3.1070
2017	0.8466	1.1500	0.9308	0.3000	2.7230	2.9330
2018	0.9600	1.1500	0.8682	0.3000	2.8882	3.0463
2019	0.8896	1.1480	0.8085	0.3000	2.8489	2.7801
2020	0.8903	0.9390	0.6107	0.3000	2.6309	2.7362
2021	0.9040	0.9039	0.5450	0.3000	2.5582	2.7278
2022	0.7679	0.8559	0.4647	0.3000	2.3306	2.3779
2023	0.7568	0.8428	0.4149	0.3000	1.4600	2.3020
2024	0.7560	0.8025	0.3514	0.3000	0.3000	2.2372

concluded



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

Taxpayer	Fiscal Year					
	2015			2024		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Estrella North LLC				\$ 51,838,416	1	3.58%
Microsoft Corporation				41,552,469	2	2.87%
FR PV 303 PHASE 2 LLC				24,501,428	3	1.69%
VHS of South Phoenix, Inc.	\$ 12,121,447	2	1.84%	23,942,110	4	1.65%
Prologis Commerce Park 1QOZB LLC				20,923,931	5	1.45%
Elwood Logistics Center LLC				18,172,149	6	1.26%
Amazon Com Services LLC				17,754,561	7	1.23%
MACYS LOGISTICS LLC				17,589,759	8	1.21%
SDC PHX I LLC				16,904,120	9	1.17%
LEX GOODYEAR 17510 WTR LLC				16,008,511	10	1.11%
Arizona Public Service Company	21,114,158	1	3.20%			
First American Title Ins Co TR 7854	7,771,023	3	1.18%			
Macy's Retail Holdings, Inc	7,770,796	4	1.18%			
Cardinal Capital Co	7,465,061	5	1.13%			
The Market at Estrella Falls LLC	4,848,713	6	0.74%			
Southwest Gas Corporation	4,805,489	7	0.73%			
Broadway Goodyear, LLC	4,782,845	8	0.73%			
DH Goodyear LLC	4,681,851	9	0.71%			
TPP 211 Canyon Trails, LLC	4,173,031	10	0.63%			
Total	<u>\$ 79,534,414</u>		<u>13.13%</u>	<u>\$ 249,187,454</u>		<u>21.29%</u>

Source: Maricopa County Treasurer

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

Fiscal Year Ended June 30		Total Assessed Value Residential Property	Total Assessed Value Commercial Property	Agricultural/ Vacant Land	Other	Less: Tax-Exempt Property	Net Assessed Value
2015	Primary	393,827,703	192,119,198	158,537,781	1,158,177	115,918,333	629,724,526
	Secondary	416,834,896	196,638,563	169,043,455	1,167,249	122,400,093	661,284,070
2016	Limited Property Value	427,218,918	223,077,763	149,242,505	1,127,677	129,713,965	670,952,898
2017	Limited Property Value	457,689,029	227,887,800	146,856,414	6,601,784	128,500,705	710,534,322
2018	Limited Property Value	499,088,340	234,739,156	159,566,464	6,975,609	137,331,297	763,038,272
2019	Limited Property Value	538,457,161	256,367,234	152,787,152	7,383,730	132,980,202	822,015,075
2020	Limited Property Value	590,823,853	299,172,489	163,622,803	7,807,328	139,439,679	921,986,794
2021	Limited Property Value	650,949,118	344,929,979	177,112,944	8,038,693	150,205,990	1,030,824,744
2022	Limited Property Value	715,248,375	390,866,605	182,107,720	28,564,695	155,524,146	1,161,263,249
2023	Limited Property Value	791,650,225	469,401,672	193,213,508	24,338,329	163,409,387	1,315,194,347
2024	Limited Property Value	861,187,703	520,924,742	208,663,078	27,746,410	168,948,233	1,449,573,700

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

Source: Maricopa County Assessor's Office

Table 10

Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as Percentage of Actual Value
1.1836	6,012,798,998	10.5%
0.6864	6,332,435,414	10.4%
1.8700	6,479,932,484	10.4%
1.8623	6,951,354,974	10.2%
1.7349	7,490,466,600	10.2%
1.7350	7,985,016,888	10.3%
1.7332	8,822,931,900	10.4%
1.7335	9,758,686,383	10.6%
1.7350	11,002,212,492	10.6%
1.7350	12,358,511,781	10.6%
1.7350	13,613,253,756	10.6%

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

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year (a)	Collected within the		Collection in Subsequent Years	Total Collections to Date	
		Fiscal Year of the Levy Amount	Percentage of Levy		Amount	Percentage of Levy
2015	11,992,446	11,808,563	98.47%	85,562	11,894,126	99.18%
2016	12,599,829	12,392,149	98.35%	39,963	12,432,112	98.67%
2017	13,157,209	13,024,932	98.99%	(8,480)	13,016,452	98.93%
2018	13,232,702	13,071,185	98.78%	77,375	13,148,560	99.36%
2019	14,263,392	14,097,133	98.83%	(12,338)	14,084,795	98.75%
2020	15,981,505	15,760,028	98.61%	162,410	15,922,438	99.63%
2021	17,871,100	17,528,715	98.08%	298,374	17,827,089	99.75%
2022	20,150,452	19,740,256	97.96%	148,583	19,888,839	98.70%
2023	22,821,653	22,501,541	98.60%	52,013	22,553,554	98.83%
2024	25,151,508	24,793,758	98.58%		24,793,758	98.58%

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

Source: Maricopa County Treasurer's Office

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

Entity	Type of User	Fiscal Year			
		2015		2024	
		Rank	Fees & Charges	Rank	Fees & Charges
Microsoft	Industrial			1	1,512,409
City of Goodyear	Multi Purpose			2	1,383,093
Las Brisas Community Assoc	Homeowner's Association	6	178,383	3	607,275
Canyon Trails Unit HOA 4 West	Homeowner's Association			4	499,369
Liberty Utilities Corp	Irrigation			5	498,684
Canyon Trails HOA	Homeowner's Association	2	238,517	6	472,960
Sundt Construction	Hydrant & Industrial			7	470,106
Canyon Trails 4 - South	Homeowner's Association	1	281,998	8	409,509
Cottonflower Goodyear Community	Homeowner's Association	10	125,343	9	358,542
Avondale Elementary School Dist.	School	9	157,459	10	351,326
Canyon Trails HOA Unit 4	Homeowner's Association	3	210,435		
Sarival Paseo Joint Community	Homeowner's Association	4	189,034		
Canyon Trails HOA Unit 3	Homeowner's Association	5	184,634		
Agua Fria Union High School Dist.	School	7	167,713		
Cancer Treatment Center	Hospital	8	160,816		
Total			<u>\$ 1,894,333</u>		<u>\$ 6,563,273</u>
Total as a percent of total Water System Operating Revenue			<u>16.14%</u>		<u>10.93%</u>

Source: City customer service and billing records



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

Entity	Type of User	Rank	Fiscal Year			
			2015		2024	
			Rank	Fees & Charges	Rank	Fees & Charges
Arizona State Prison/Perryville	Prison	1	\$ 554,273	1	\$ 1,321,714	
Microsoft Corporation	Commercial			2	727,009	
City of Goodyear	Multi Purpose			3	118,383	
Factor75, LLC	Industrial			4	113,858	
Shepard Invest Group	Apartments			5	102,453	
JB Park Shadows	Apartments	3	90,148	6	92,070	
Huhtamaki	Irrigation			7	88,711	
Serafina Apartments SPE, LLC	Apartments			8	79,736	
Poore Brothers, Inc.	Food Manufacturer, Snac	4	79,858	9	75,581	
Airport Master Meter	Airport			10	72,763	
Cancer Treatment Center	Hospital	2	121,682			
Schoeller Arca Systems Inc	Manufacturer	5	76,641			
Fairfield Goodyear LLC	Apartments	6	75,124			
Fairfield Centerra LLC	Real Estate	7	69,377			
HSL Encantada Goodyear LLC	Apartments	8	49,812			
Avondale Elementary	Education	9	49,215			
Airport Training Center	Airport	10	47,700			
Total			<u>\$ 1,213,830</u>		<u>\$ 2,792,278</u>	
Total as a percent of total Wastewater System Operating Revenue			<u>9.30%</u>		<u>8.34%</u>	

Source: City customer service and billing records

City of Goodyear
Schedule of Existing and Adopted
Monthly Water & Wastewater Service Charges (2015 - 2024)
(Unaudited)

Description of Water System Services	<u>Existing Fees</u> <u>2024</u>	Adopted <u>2015</u>	Adopted <u>2016</u>	Adopted <u>2017</u>	Adopted <u>2018</u>	Adopted <u>2019</u>	Adopted <u>2020</u>	Adopted <u>2021</u>	Adopted <u>2022</u>	Adopted <u>2023</u>
Base Charge										
(Meter Size)										
3/4 Inch	\$ 20.26	\$ 11.24	\$ 12.70	\$ 14.73	\$ 16.35	\$ 17.49	\$ 18.54	\$ 18.54	\$ 19.10	\$ 19.67
1 Inch	28.02	15.54	17.56	20.37	22.61	24.19	25.64	25.64	26.41	27.20
1 1/2 Inch	45.30	25.12	28.39	32.93	36.55	39.11	41.46	41.46	42.70	43.98
2 Inches	73.33	40.67	45.96	53.31	59.17	63.31	67.11	67.11	69.12	71.20
3 Inches	84.87	77.67	77.67	77.67	77.67	77.67	77.67	77.67	80.00	82.40
4 Inches	138.39	126.65	126.65	126.65	126.65	126.65	126.65	126.65	130.45	134.36
6 Inches	262.65	240.36	240.36	240.36	240.36	240.36	240.36	240.36	247.57	255.00
12 Inch	262.65								247.57	255.00
Monthly Volume Charge - Residential										
0 - 6,000 gallons (per thousand)	\$ 2.35 (2)	\$ 1.30	\$ 1.47	\$ 1.71	\$ 1.90	\$ 2.03	\$ 2.15	\$ 2.15	\$ 2.21	\$ 2.28
6,001 - 12,000 (per thousand)	4.67 (3)	2.59	2.93	3.40	3.77	4.03	4.27	4.27	4.40	4.53
12,001 - 30,000 (per thousand)	7.02 (4)	3.89	4.40	5.10	5.66	6.06	6.42	6.42	6.61	6.81
30,001+ gallons (per thousand)	11.27 (5)	6.25	7.06	8.19	9.09	9.73	10.31	10.31	10.62	10.94
Monthly Volume Charge - Commercial										
0 - 40,000 gallons (per thousand)	\$ 5.53	\$ 3.30	\$ 3.73	\$ 4.29	\$ 4.72	\$ 4.91	\$ 5.06	\$ 5.06	\$ 5.21	\$ 5.37
40,001 - 100,000 gallons (per thousand)	8.85	5.28	5.97	6.87	7.56	7.86	8.10	8.10	8.34	8.59
100,001+ gallons (per thousand)	11.47	6.86	7.75	8.91	9.80	10.19	10.50	10.50	10.82	11.14

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

- (1) Rates were updated during January 2017
- (2) Monthly volume change for fees is 0 - 6,000 gallons (per thousand).
- (3) Monthly volume change for fees is 6,001 - 12,000 gallons (per thousand).
- (4) Monthly volume change for fees is 12,001 - 30,000 gallons (per thousand).
- (5) Monthly volume change for fees is 30,001 - and over gallons (per thousand).

Schedule of Water System Rate Increases (2015-2024)

Date	Rate Increase
Fiscal Year 2015	10.0%
Fiscal Year 2016	13.0%
Fiscal Year 2017	16.0%
Fiscal Year 2018	11.0%
Fiscal Year 2019	7.0%
Fiscal Year 2020	6.0%
Fiscal Year 2021	0.0%
Fiscal Year 2022	3.0%
Fiscal Year 2023	3.0%
Fiscal Year 2024	3.0%

Source: City Financial Records, Reports and Water & Wastewater Rate Study.
The table above reflects only certain fees and charges of the City's water system and is not a comprehensive statement of all such fees.

Description of Wastewater System Service	Existing Fees 2024	Adopted 2015	Adopted 2016	Adopted 2017	Adopted 2018	Adopted 2019	Adopted 2020	Adopted 2021	Adopted 2022	Adopted 2023
Residential Wastewater Service										
Base Charge	(See below)									
Volume Charge (per 1,000 gallons)	\$ 7.18	\$ 5.95	\$ 5.95	\$ 6.13	\$ 6.25	\$ 6.38	\$ 6.51	\$ 6.51	\$ 6.71	\$ 6.91
General Commercial Wastewater Service										
Base Charge										
Volume Charge (per 1,000 gallons)	\$ 7.18	\$ 5.95	\$ 5.95	\$ 6.13	\$ 6.25	\$ 6.38	\$ 6.51	\$ 6.51	\$ 6.71	\$ 6.91
Base Charge (Meter Size)										
3/4 Inch	\$ 26.24	\$ 21.75	\$ 21.75	\$ 22.40	\$ 22.85	\$ 23.31	\$ 23.78	\$ 23.78	\$ 24.49	\$ 25.23
1 Inch	40.26	33.38	33.38	34.38	35.07	35.77	36.49	36.49	37.58	38.71
1 1/2 Inch	49.61	41.14	41.14	42.37	43.22	44.08	44.96	44.96	46.31	47.70
2 Inches	96.38	79.91	79.91	82.31	83.96	85.64	87.35	87.35	89.97	92.67
3 Inches	127.13	115.22	115.22	115.22	115.22	115.22	115.22	115.22	118.68	122.24
4 Inches	168.66	152.86	152.86	152.86	152.86	152.86	152.86	152.86	157.45	162.17
6 Inches	417.83	378.70	378.70	378.70	378.70	378.70	378.70	378.70	390.06	401.76

Schedule of Wastewater System Rate Increases (2015-2024)

Date	Rate Increase
Fiscal Year 2015	0.0%
Fiscal Year 2016	3.0%
Fiscal Year 2017	3.0%
Fiscal Year 2018	2.0%
Fiscal Year 2019	2.0%
Fiscal Year 2020	2.0%
Fiscal Year 2021	0.0%
Fiscal Year 2022	3.0%
Fiscal Year 2023	3.0%
Fiscal Year 2024	3.0%

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

Fiscal Year Ended June 30	Governmental Activities							
	General Obligation Bonds	Revenue Bonds	Public Improvement Corporation Municipal Facilities Revenue Bond	McDowell Road Corridor Improvement District	Community Facilities District Bonds	Premium on Debt Payable	Discount on Debt Payable	Lease Liability
2015	21,638,323		10,037,745	40,881,328	108,520,857			
2016	18,564,501		8,859,189	39,304,278	106,289,435			
2017	21,987,761		127,152,711	37,647,228	103,870,391			
2018	43,983,309		121,145,790	34,870,000	94,683,268			
2019	64,022,774		100,376,526	28,910,000	87,776,000			
2020	61,007,711		102,722,600	26,610,000	86,300,170			
2021	94,324,553	24,735,000	62,248,918	23,315,000	73,456,000			
2022	113,133,855	23,855,000	54,461,237	21,080,000	67,187,000			
2023	107,045,363	19,150,000	50,580,000	17,815,000	65,183,000	17,955,361	(26,309)	60,361
2024	100,531,663	14,420,000	47,715,000	15,445,000	69,315,000	16,670,660	(24,665)	38,668

Notes: Beginning in fiscal year 2023, the City began reporting Premiums, Discounts and Financed Purchases

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

Business-Type Activities							
General Obligation Bonds	Public Improvement Corporation		Premium on Debt Payable	Water Infrastructure		Percentage of Personal Income	Per Capita
	Municipal Facilities Revenue Bond	Revenue Bonds		Finance Authority Loan	Total		
77,607,211	103,970,274	30,114,933		9,096,237	401,866,908	21.38%	5,443
73,018,360	104,164,132	42,413,304		3,854,322	396,467,521	19.80%	5,304
66,702,679		41,924,131		3,591,773	402,876,674	21.52%	5,180
58,226,165		40,489,966		3,323,972	396,722,470	16.23%	4,750
48,957,226		37,175,000		3,050,815	370,268,341	14.16%	4,374
48,509,399		153,719,816		2,772,195	481,641,891	16.75%	5,420
40,480,447		139,065,000		2,488,002	460,112,920	14.90%	4,822
37,421,145		137,125,000		2,198,125	456,461,362	12.84%	4,490
34,294,640		135,100,000	14,974,174	1,902,451	464,034,041	11.69%	4,374
30,993,340		133,030,000	14,069,981	1,600,863	443,805,510	9.35%	3,811

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
2015	99,245,534		99,245,534	15.01%	1,344
2016	91,582,861	13,202	91,569,659	13.65%	1,225
2017	88,690,440	703,557	87,986,883	12.38%	1,131
2018	102,209,474	778,715	101,430,759	13.29%	1,215
2019	112,980,000	229,724	112,750,276	13.72%	1,332
2020	109,517,110	229,320	109,287,790	11.85%	1,230
2021	134,805,000	786,066	134,018,934	13.00%	1,406
2022	150,555,000	1,030,090	149,524,910	12.88%	1,471
2023	141,340,003	247,885	141,092,118	10.73%	1,330
2024	131,525,003	950,326	130,574,677	9.01%	1,121

Source: City Financial Records and Reports

Table 17

City of Goodyear
Direct and Overlapping Governmental Activities Debt
As of June 30, 2024
(Unaudited)

Overlapping Jurisdiction	Net Assessed Limited Property Value	Debt Outstanding	Estimated Percentage Applicable (a)	Net Debt Amount
Maricopa County	\$ 54,722,310,149	\$ -	2.646% %	\$ -
Maricopa County Community College District	54,722,310,149	87,320,000	2.646%	2,310,306
Maricopa Special Healthcare District	55,027,363,791	574,205,000	2.631%	15,108,052
Western Maricopa Education Center	20,761,536,409	114,930,000	6.974%	8,014,827
Liberty Elementary School District No. 25	422,757,102	51,905,000	60.451%	31,376,858
Avondale Elementary School District No. 44	654,882,982	35,110,000	87.116%	30,586,276
Littleton Elementary School District No. 65	386,273,800	44,665,000	0.021%	9,302
Litchfield Elementary School District No. 79	1,445,258,456	58,410,000	42.739%	24,964,074
Mobile Elementary School District No. 86	8,128,010	-	49.209%	None
Buckeye Union High School District No. 201	1,064,942,169	61,085,000	23.997%	14,658,849
Tolleson Union High School District No. 214	1,741,234,620	290,850,000	0.005%	13,438
Agua Fria Union High School District No. 216	2,100,141,438	247,420,000	56.577%	139,983,155
Wildflower Ranch Community Facilities District No. 1	6,383,964	0	100.00%	None
Wildflower Ranch Community Facilities District No. 2	6,473,416	260,000	100.00%	260,000
Community Facilities General District No. 1	155,866,963	4,360,000	100.00%	4,360,000
Community Facilities Utilities District No. 1	545,213,822	23,690,000	100.00%	23,690,000
Estrella Mountain Ranch Community Facilities District	166,127,966	18,070,000	100.00%	18,070,000
Cottonflower Community Facilities District	12,108,731	1,000,000	100.00%	1,000,000
Centerra Community Facilities District	19,901,283	2,046,000	100.00%	2,046,000
Cortina Community Facilities District	13,542,759	1,230,000	100.00%	1,230,000
Palm Valley Community Facilities District	195,305,556	3,725,000	100.00%	3,725,000
Subtotal of overlapping debt:	<u>\$ 194,178,063,535</u>	<u>\$ 1,620,281,000</u>		<u>\$ 321,406,137</u>
Direct Debt:				
City of Goodyear	\$ 1,449,573,700	\$ 264,111,326	100.00 %	\$ 264,111,326
Total Direct and Overlapping Debt				\$ 585,517,463
Total Governmental and Business-Type General Obligation Bonds		\$ 131,525,003	100.00 %	\$ 131,525,003

(a) Proportion applicable to the City of Goodyear, Arizona is computed on the ratio of net assessed limited property value for 2023/24

Sources: Maricopa County Assessor's Office and Official Statements

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

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

City of Goodyear
 Legal Debt Margin Information
 For the Fiscal Years Ending June 30,
 (Unaudited)

	Fiscal Year			
	2015	2016	2017	2018
Net Full Cash Assessed Value	\$ 659,588,897	\$ 670,952,898	\$ 871,205,504	\$ 964,201,508
<u>20% Limitation</u>				
Debt Limit Equal to 20% of Assessed Valuation	131,917,779	134,190,580	174,241,101	192,840,302
Total Debt Applicable to 20% Limit	<u>97,570,000</u>	<u>90,065,000</u>	<u>106,130,000</u>	<u>97,065,000</u>
Legal 20% Debt Margin (Available Borrowing Capacity)	<u>\$ 34,347,779</u>	<u>\$ 44,125,580</u>	<u>\$ 68,111,101</u>	<u>\$ 95,775,302</u>
Total net debt applicable to the limit as a percentage of debt limit	73.96%	67.12%	60.91%	50.33%
<u>6% Limitation</u>				
Debt Limit Equal to 6% of Assessed Valuation	\$ 39,575,334	\$ 40,257,174	\$ 52,272,330	\$ 57,852,090
Total Debt Applicable to 6% Limit	<u>220,000</u>	<u>205,000</u>	<u>190,000</u>	<u> </u>
Legal 6% Debt Margin (Available Borrowing Capacity)	<u>\$ 39,355,334</u>	<u>\$ 40,052,174</u>	<u>\$ 52,082,330</u>	<u>\$ 57,852,090</u>
Total net debt applicable to the limit as a percentage of debt limit	0.56%	0.51%	0.36%	0.00%

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

Table 18

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 1,043,418,163	\$ 1,183,659,155	\$ 1,360,568,112	\$ 1,586,384,072	\$ 1,771,783,740	\$ 2,364,310,372
208,683,633	236,731,831	272,113,622	317,276,814	354,356,748	472,862,074
<u>112,980,000</u>	<u>102,605,000</u>	<u>95,275,000</u>	<u>114,070,000</u>	<u>108,255,000</u>	<u>108,255,000</u>
<u>\$ 95,703,633</u>	<u>\$ 134,126,831</u>	<u>\$ 176,838,622</u>	<u>\$ 203,206,814</u>	<u>\$ 246,101,748</u>	<u>\$ 364,607,074</u>
54.14%	43.34%	35.01%	35.95%	30.55%	22.89%
\$ 62,605,090	\$ 71,019,549	\$ 81,634,087	\$ 95,183,044	\$ 106,307,024	\$ 141,858,622
_____	_____	<u>39,530,000</u>	<u>36,485,000</u>	<u>33,085,000</u>	<u>33,085,000</u>
<u>\$ 62,605,090</u>	<u>\$ 71,019,549</u>	<u>\$ 42,104,087</u>	<u>\$ 58,698,044</u>	<u>\$ 73,222,024</u>	<u>\$ 108,773,622</u>
0.00%	0.00%	48.42%	38.33%	31.12%	23.32%

City of Goodyear
Pledged-Revenue Coverage
For the Fiscal Years Ending June 30,
(Unaudited)

Public Improvement Corporation Municipal Facilities Revenue Bonds						
Fiscal Year Ended June 30	Operating Revenue	Pledged Revenue	Debt Service		Coverage	
			Principal	Interest		
2015	82,672,164	59,861,110	230,000	5,458,563	10.52	
2016	87,880,128	67,903,484	235,000	5,451,663	11.94	
2017	95,623,345	68,619,826	3,220,000	3,674,649	9.95	
2018	107,069,770	69,446,051	3,500,000	4,710,941	8.46	
2019	116,486,271	116,789,415	5,840,000	4,563,216	11.23	
2020	152,851,661	116,812,121	6,110,000	4,299,271	11.22	
2021	167,084,631	139,901,726	6,920,000	3,493,813	13.43	
2022	191,216,325	158,008,523	7,787,680	2,648,118	15.14	
2023	198,125,275	160,955,757	3,381,236	2,302,727	28.32	
2024	251,700,701	200,317,355	2,865,000	2,161,340	39.85	

Water & Sewer Bonds & Loans						
Fiscal Year Ended June 30	Operating Revenue	Less: Operating Expenses	Net Operating Revenue	Debt Service		Coverage
				Principal	Interest	
2015	24,748,802	13,405,653	11,343,149	1,467,770	2,207,414	3.09
2016	27,964,881	15,205,094	12,759,787	1,496,834	2,159,000	3.49
2017	31,380,884	18,471,783	12,909,101	1,682,550	2,268,124	3.27
2018	35,230,057	13,551,129	21,678,928	1,742,801	2,292,417	5.37
2019	42,658,585	19,584,574	23,074,011	1,613,157	2,014,361	6.36
2020	60,392,907	26,552,787	33,840,120	2,283,620	1,199,376	9.72
2021	62,983,880	32,793,218	30,190,662	2,439,193	5,071,602	4.02
2022	53,394,756	32,972,216	20,422,540	2,229,877	5,369,470	2.69
2023	53,005,605	31,754,447	21,251,158	2,320,674	5,295,390	2.79
2024	72,942,490	37,924,720	35,017,770	2,371,588	5,206,168	4.62

Source: City Financial Records and Reports

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

Fiscal Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Median Age	Education Level in Years of Schooling	Unemployment Rate
2015	74,743	\$ 2,001,907	\$ 26,784	35.6	13 to 16	5.7%
2016	77,776	\$ 1,871,990	\$ 24,069	36.7	13 to 16	5.5%
2017	78,189	\$ 2,157,938	\$ 27,599	36.7	13 to 16	4.4%
2018	83,512	\$ 2,443,812	\$ 29,263	37.1	13 to 16	4.2%
2019	84,659	\$ 2,615,370	\$ 30,893	37.1	13 to 16	4.8%
2020	88,870	\$ 2,875,389	\$ 32,355	38.2	13 to 16	9.4%
2021	95,294	\$ 3,083,237	\$ 32,355	38.7	13 to 16	6.9%
2022	101,662	\$ 3,554,917	\$ 34,968	38.7	13 to 16	3.6%
2023	106,090	\$ 3,969,888	\$ 37,420	38.7	13 to 16	4.1%
2024*	116,460	\$ 4,749,122	\$ 40,779	40.4	13 to 16	3.8%

Source: Bureau of Labor Statistics and City Financial Records

*2024 World Population Review - BLS not updated since 7/23

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

Major Corporation	Fiscal Year			Fiscal Year		
	2015		Percentage of Total City Employment	2024		Percentage of Total City Employment
Employees	Rank	Employees		Rank		
Amazon Fulfillment				2,260	1	4.89%
UPS - Regional Ops Center				1,860	2	4.03%
Chewy.com				1,490	3	3.23%
Abrazo Healthcare (West Valley Hospital)	750	2	2.16%	1,150	4	2.49%
Macys	600	4	1.73%	1,020	5	2.21%
Meyer Berger			0.00%	569	6	1.23%
Subzero / Wolf	428	7	1.23%	510	7	1.10%
City of Hope (Cancer Treatment Centers of America)	650	3	1.87%	500	8	1.08%
Mlily USA				420	9	0.91%
Andersen Windows				400	10	0.87%
Arizona State Prison/Perryville	850	1	2.45%			
City of Goodyear	527	5	1.52%			
Amazon.com	500	6	1.44%			
McLane Sunwest	360	8	1.04%			
Aeroturbine	300	9	0.86%			
Lockheed Martin	250	10	0.72%			
Total	<u>5,215</u>		<u>15.02%</u>	<u>10,179</u>		<u>22.04%</u>

Source: City Records (Employment numbers are self-reported; does not include grocery/retail stores)
2024 labor force = 46,189 ; 2015 labor force = 34,709

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

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government	69	55	62	50	83	83	83	109	111	113
Financial Services	28	29	31	31	31	32	32	34	34	36
Information Services	18	18	18	19	23	24	24	34	36	38
Police										
Officers	93	96	103	108	111	114	114	136	148	148
Civilians	30	35	38	42	43	49	49	53	58	69
Planning and Development	21	50	50	49	46	50	52	65	64	64
Fire										
Firefighters and Officers	90	92	92	92	106	106	106	126	138	138
Civilians	12	10	10	17	19	20	20	21	24	29
Human Resources	10	10	11	10	11	14	14	16	18	19
Community Services	0	0	0	0	0	0	0	0	0	0
Economic Development	5	6	6	6	6	8	8	11	11	12
Municipal Services	13	13	13	14	15	16	16	20	24	24
Public Works	87	63	63	81	93	95	111	138	148	155
Water	26	27	27	28	29	33	35	32	37	41
Wastewater	19	19	17	18	19	25	28	31	40	48
Sanitation	6	8	7	7	9	10	14	11	14	13
Total	<u>527</u>	<u>531</u>	<u>548</u>	<u>572</u>	<u>644</u>	<u>680</u>	<u>706</u>	<u>837</u>	<u>904</u>	<u>947</u>

Source: City Financial Records and Reports

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

Function	2015	2016	2017	2018
General Government				
<i>City Clerk's Office</i>				
# of records requests	598	629	770	904
<i>City Prosecutor's Office</i>				
Charges filed/charges adjudicated (resolved)	3,623	3,608	4,261	4,031
<i>City Manager's Office</i>				
% of survey respondents rating "Your Neighborhood as a Place to Live" as good to excellent	95%	93%	93%	91%
<i>Digital Communications</i>				
News releases/media updates	NA	88	126	132
Growth of Digital assets (Facebook, Twitter, Instagram, & LinkedIn combined)				9,650
Total newsletter pages sent to citizens	136	144	128	232
Number of visits to website	633,643	543,565	302,777	588,580
Number of web pages viewed	1,855,914	1,472,765	1,500,539	1,271,883
Number of graphics/photography projects completed	135	103	157	318
Police				
# of total arrests	2,846	2,661	3,296	2,808
# of moving violations citations	5,919	3,479	4,382	2,281
Fire				
# of emergency responses	6,972	6,002	7,498	9,115
# of fires extinguished	205	165	214	252
# of inspections	1,539	1,253	2,050	853
Financial Services				
# accounts payable checks issued	6,254	5,914	5,772	5,254
# purchase orders	1,009	1,442	1,512	1,166
# water meters read annually	196,863	201,704	208,083	217,700
Planning and Development				
Customer wait-time (in minutes) at One Stop Shop	<1	NA	NA	NA
Total number of permits issued	2,868	5,610	5,732	5,228
Provide applicant with pre-application meeting within 30 days of submitting request %	1	1	1	1
% of inspections performed within 24 hours of request	0.96	1	1	1
Human Resources				
# of new hires (FT & PT) (1)	144	362	204	220
HR budgeted operating cost as a % of City budgeted payroll	5.05%	5.06%	6.00%	3.12%
Parks and Recreation				
# attending Park & Recreation facilities and Libraries annually (2)	74,527	188,000	249,000	275,000
# of square feet of medians and rights of way maintained	23,151,438	23,151,438	23,151,438	23,151,438
Economic Vitality				
Sales Tax growth (% annual change)	3.85%	8.86%	4.04%	11.66%
Bed Tax growth (% annual change)	25.71%	2.75%	-3.80%	14.37%

Table 23

2019	2020	2021	2022	2023	2024
767	898	1,106	1,008	1,430	1,558
3,656	3,032	3,959	3,539	5,965	5,405
95%	95%	93%	93%	86%	86%
NA	132	114	59	81	126
14,380	22,307	28,466	31,152	10,178	10,886
192	206	194	204	196	196
480,518	533,395	685,787	877,105	528,643	1,053,351
1,407,259	1,450,461	1,615,332	1,984,408	1,842,961	2,554,524
143	485	177	494	232	113
1,585	1,478	2,456	4,462	4,124	3,933
2,327	2,465	2,844	4,561	3,438	3,590
9,583	9,671	9,681	10,406	11,423	12,333
204	182	210	193	188	208
909	2,024	4,183	3,235	5,334	5,539
4,941	5,205	4,146	4,372	5,288	4,811
1,309	1,407	1,379	1,480	1,810	2,015
226,869	233,432	256,488	271,179	275,128	237,865
NA	NA	NA	<1	NA	NA
5,137	1,490	60	1,235	2,113	3,319
1	1	1	NA	NA	NA
1	1	1	100%	100%	100%
234	143	258	320	362	341
2.23%	4.44%	4.45%	4.83%	6.01%	6.04%
299,000	283,093	266,262	1,236,522	2,069,276	2,241,671
23,151,438	23,250,000	23,295,000	23,675,000	23,675,000	24,018,500
13.50%	37.90%	21.00%	13.30%	2.10%	21.50%
9.60%	-6.60%	29.20%	45.30%	-0.30%	2.70%

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

Function	2015	2016	2017	2018
Municipal Services				
# of homes serviced by Residential Refuse Collection	25,320	26,323	26,792	29,911
# of citizens serviced by Household Hazardous Waste collection program	536	503	592	816
Water Service				
# of residential customers	15,404	16,132	16,713	17,733
# of multifamily customers	36	36	36	36
# of commercial customers	1,055	865	846	839
Water Service Connections	17,533	17,034	17,899	18,552
Water production daily peak demand (million gallons per day)	12.70	11.70	12.90	12.90
Reclaimed Water Supplied (million gallons per day)	0.63	0.63	0.38	0.13
Wastewater				
# of residential customers	15,335	16,064	16,649	17,886
# of multifamily customers	69	36	36	36
# of commercial customers	373	382	381	381
Sewer Service Connections	17,139	18,236	18,980	19,340
Sewage Treated (millions gallons per day)	3.81	4.15	4.36	4.47
Other Public Works				
Street resurfacing (miles)	83.23	109.00	70.33	105.27
Potholes repaired	1,253	1,339	756	1,344
Citizen & Neighborhood Resources				
# of new Code Enforcement cases processed per year	2,863	3,544	3,212	2,738

Source: City Financial Records and Reports

NA - information is not readily available at time of production

(1) Large increase is due to a one-time hiring of special census employees

(2) Large increase is due to inclusion of library visitors in FY2016 and new Recreation Center in FY2022

Table 23

2019	2020	2021	2022	2023	2024
29,673	29,673	31,864	33,094	34,984	35,939
631	418	469	361	512	852
19,333	19,374	20,284	21,688	22,376	22,338
38	38	39	60	61	62
621	636	1,054	1,025	443	459
19,992	20,048	21,377	21,464	21,524	22,007
12.40	13.60	15.30	16.90	16.00	18
NA	NA	NA	NA	NA	NA
19,325	20,383	20,383	22,732	23,561	23,562
16	16	16	60	44	46
270	271	271	444	497	530
20,292	20,670	20,670	21,781	21,781	22,142
4.70	4.69	4.69	5.82	5.85	7.55
51.56	133.41	116.00	102.20	72.80	56.40
586	60	103	67	83	87
2,615	1,943	2,488	3,352	3,151	2,914

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

Function	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public Safety										
Police:										
Stations	4	4	6	5	5	4	2	2	2	2
Police Vehicles	133	134	150	133	139	147	155	191	191	213
Fire Stations	6	7	6	6	5	5	7	7	7	8
Highways and Streets										
Street (miles)	934	934	934	939	945	1,012	1,041	1,136	1,147	1,149
Streetlights	8,832	9,041	8,651	9,184	9,635	9,635	9,991	10,198	10,422	10,507
Traffic signals	86	89	89	92	93	95	102	106	108	112
Culture and Recreation										
Parks	18	18	18	18	18	18	18	20	20	20
Parks Acreage	206	206	206	206	206	206	206	238	252	252
Swimming Pools	1	1	1	1	1	1	1	2	2	2
Tennis Courts	6	6	6	6	6	6	6	8	8	8
Recreation/Community Centers	1	1	1	1	1	1	1	2	2	2
Water										
Water Mains (miles)	308	330	336	326	330	331	353	374	408	430
Fire Hydrants	2,951	3,031	3,152	3,177	3,348	3,461	3,475	3,575	3,655	4,302
Storage capacity (Millions of Gallons)	16	16	16	16	16	18	18	18	16	14
Wastewater										
Sanitary Sewers (miles)	242	254	260	265	276	270	276	284	292	301
Storm Sewers (miles)	55	54	55	N/A	N/A	N/A	N/A	62	45	47
Treatment capacity (MGD) (thousands of gallons)	5.6	5.6	5.6	5.6	5.6	5.6	5.3	7.6	7.6	7.6

Source: City Financial Records and Reports



ANNUAL COMPREHENSIVE FINANCIAL REPORT

City of Goodyear, Arizona
Finance Department
1900 North Civic Square
Goodyear, Arizona 85395
623-932-3015



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Summaries of the Authorizing Resolution and the Principal Documents

SUMMARY OF THE PRINCIPAL DOCUMENTS

The following statements are summaries of certain definitions and provisions of the Agreement and the Trust Agreement. Some of these provisions, together with certain other provisions thereof, have been summarized elsewhere in the Official Statement. All such summaries are qualified in their entirety by reference to the full text of such documents and reference is made to such documents for a full and complete statement of their provisions.

DEFINITIONS

All terms not otherwise defined are as defined in the Resolution.

“Accreted Value” shall mean, with respect to any Capital Appreciation Bond, as of the date of calculation, the initial principal amount thereof plus the interest accrued thereon to such date of calculation, compounded from the date of initial delivery of the Capital Appreciation Bonds at the approximate interest rate (or yield) thereof on each January 1 and July 1, assuming in any year that such Accreted Value increases in equal daily amounts on the basis of a year of 360 days composed of 12 months of 30 days each, as shown on any table of accreted values for any series of Capital Appreciation Bonds. For any date other than a January 1 or July 1, the Accreted Value of a Capital Appreciation Bond will be determined by a straight-line interpolation between the values, for the applicable semiannual compounding dates, based on a year of 360 days composed of 12 months of 30 days each.

“Acquisition Fund” means the fund by that name established pursuant to Article III hereof and held by the Trustee.

“Bond Insurance Policy” shall mean, with respect to the Series 2025 Obligations, the municipal bond insurance policy issued by the Insurer guaranteeing the scheduled payment of principal of and interest on the Series 2025 Obligations when due.

“Bond Year” means the Fiscal Year.

“Book Entry Form” or “Book-Entry-Only-System” means, as to the Series 2025 Obligations, a form or system, as applicable, under which (i) physical Series 2025 Obligation certificates in fully registered form are issued only to DTC or its nominee as Owner, with the physical Series 2025 Obligation certificates “immobilized” in the custody of, or on behalf of, DTC and (ii) the ownership of book entry interests in Series 2025 Obligations and principal of, premium, if any, and interest thereon may be transferred only through a book entry made by others than the City or the Trustee. The records maintained by entities other than the City or the Trustee constitute the written record that identifies the owners, and records the transfer, of book entry interests in those Series 2025 Obligations and principal of, premium, if any, and interest thereon.

“Capital Appreciation Bond” or “Capital Appreciation Bonds” shall mean any bonds or obligations described as such when issued.

“City Representative” means the City Manager or Finance Director or any other person authorized by the City Manager or the Council of the City to act on behalf of the City with respect to the 2025 Trust Agreement or the 2025 Agreement.

“Closing Date” means the day when the Series 2025 Obligations, duly executed by the Trustee, are delivered to the Underwriter through the Book-Entry-Only-System.

“Code” means the Internal Revenue Code of 1986, as amended. References to the Code and Sections thereof include applicable regulations and temporary regulations thereunder and any successor provisions to those Sections, regulations or temporary regulations, and any applicable regulations or temporary regulations issued pursuant to the Code.

“Delivery Costs” means all items of expense directly or indirectly payable by or reimbursable to the City or to the Trustee relating to the execution, sale and delivery of the 2025 Agreement, the 2025 Trust Agreement or the Series 2025 Obligations, including but not limited to filing and recording costs, settlement costs, printing costs, reproduction and binding costs, initial fees and charges of the Trustee, financing discounts, legal fees and charges, financial and other

professional consultant fees, costs of rating agencies for credit ratings, fees for execution, transportation and safekeeping of the Series 2025 Obligations, and charges and fees in connection with the foregoing.

“Delivery Costs Fund” means the fund by that name established pursuant to Article III hereof and held by the Trustee.

“Depository Trustee” means any bank or trust company, which may include the Trustee, meeting the requirements of, and designated to act as, Depository Trustee pursuant to the 2025 Agreement.

“DTC” means, as to the Series 2025 Obligations, The Depository Trust Company (a limited purpose trust company), New York, New York until a successor securities depository shall have become such pursuant to the applicable provisions of the 2025 Trust Agreement and, thereafter, DTC shall mean the successor securities depository. Any DTC shall be a securities depository that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a Book-Entry-Only-System to record ownership of beneficial interests in Series 2025 Obligations or principal of, premium, if any, and interest thereon, and to effect transfers of Series 2025 Obligations, in Book Entry Form.

“Event of Default” means an event of default under the Master Resolution and 2025 Agreement, as defined in Section 5.1 thereof.

“Existing Subordinate Parity Obligations” means (i) the outstanding \$5,920,000 aggregate principal amount of the Subordinate Lien Water and Sewer Revenue and Refunding Obligations, Series 2016; (ii) the outstanding \$74,145,000 aggregate principal amount of the Subordinate Lien Water and Sewer Revenue Obligations, Series 2020; (iii) the outstanding \$30,950,000 aggregate principal amount of the Subordinate Lien Water and Sewer Revenue Obligations, Second Series 2020; (iv) the outstanding \$10,775,000 aggregate principal amount of the Subordinate Lien Water and Sewer Revenue Obligations, Refunding Series 2020; and (v) the outstanding \$10,915,000 aggregate principal amount of the Subordinate Lien Water and Sewer Revenue Obligations, Taxable Refunding Series 2020.

“Fitch” means Fitch Ratings, Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency designated by the City by notice to the Trustee.

“Independent Counsel” means an attorney duly admitted to the practice of law before the highest court of the state in which such attorney maintains an office and who is not an employee of the City or the Trustee.

“Insurer” means Assured Guaranty Inc., or any successor thereto or assignee thereof.

“Interest Payment Date” means each of the dates specified in the 2025 Trust Agreement hereof on which interest is due and payable with respect to the Series 2025 Obligations.

“Market Value” means the indicated bid value of the investment or investments to be valued as shown in the Wall Street Journal or any publication having general acceptance as a source of valuation of the same or similar types of securities or any securities pricing service available to or used by the Trustee and generally accepted as a source of valuation.

“Master Resolution” means Resolution No. 99-662 adopted by the Mayor and City Council of the City of Goodyear, Arizona on January 25, 1999, pertaining to the issuance and sale of Senior Bonds and Subordinate Obligations, as thereafter amended and supplemented from time to time.

“Moody’s” means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the City by notice to the Trustee.

“Payment Date” means any date on which a Payment is due from the City pursuant to the 2025 Agreement.

“Payment Fund” means the fund by that name established and held by the Trustee pursuant to Article V hereof.

“Payment Request Form” means the form set forth in Exhibit B hereof.

“Payments” means all payments required to be paid by the City on any Payment Date pursuant to the 2025 Agreement as set forth in Exhibit A to the 2025 Agreement.

“Project Costs” means, with respect to the Project, all costs of acquiring, constructing and installing the Project and all costs incurred by Trustee or City with respect to the transaction to which the 2025 Trust Agreement pertains.

“Rebate Amount” means the amount due to the United States under Section 148(f) of the Code with respect to the investment of proceeds of the Series 2025 Obligations.

“Rebate Consultant” means an individual or firm acceptable to, and retained by, the City experienced in the calculation of rebate due to the United States with respect to tax-exempt municipal bonds.

“Record Date” means the close of business of the Trustee on the 15th day of the month preceding an Interest Payment Date.

“Reimbursement Request Form” means the form set forth in Exhibit C hereof.

“S&P” means Standard & Poor’s Ratings Services, a division of the McGraw-Hill Companies, Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the City by notice to the Trustee.

“Series 2025 Subordinate Rebate Fund” means the fund by that name established and held by the Trustee pursuant to Article V hereof.

“Series 2025 Subordinate Reserve Fund” means the fund of that name established and held by the Trustee pursuant to Article V hereof for the Series 2025 Obligations.

“State” means the State of Arizona.

“Subordinate Reserve Fund Guarantor” shall mean, with respect to the Series 2025 Obligations, Assured Guaranty Inc., or any successor thereto or assignee thereof.

“Subordinate Reserve Fund Guaranty” shall mean, with respect to the Series 2025 Obligations, the municipal bond debt service reserve insurance policy issued by the Subordinate Reserve Fund Guarantor guaranteeing the funding of the Series 2025 Subordinate Reserve Fund.

“Underwriter” means Stifel, Nicolaus & Company, Incorporated, as original purchaser of the Series 2025 Obligations.

“United States Obligations” means any bonds or other obligations which are direct obligations of or fully guaranteed as to timely payment of principal, interest and any premium by the United States of America (including Refcorp Strips).

“Vendor” means any supplier of items for inclusion in the Project who is to be paid from amounts held in the Acquisition Fund.

“2009 WIFA Loan” shall mean the Loan Agreement #91A129-10 dated August 28, 2009, between the City and Water Infrastructure Finance Authority of Arizona.

“2025 Insurance Agreement” means the Insurance Agreement for the Series 2025 Obligations, dated as of February 1, 2025*, by and between the City and the Insurer, together with any duly authorized and executed amendment thereto permitted to be made thereunder.

* Subject to change.

SUMMARY OF THE 2025 AGREEMENT

Means of Financing and Payments. As a means of financing the Project, the City will direct the Trustee to execute and deliver the Series 2025 Obligations and will cause the net proceeds from the sale of the Series 2025 Obligations to be deposited with the Trustee, in trust, and the net proceeds will be used by the Trustee to pay costs of the Project, the costs of execution and delivery of the Series 2025 Obligations, and to provide for a subordinate reserve fund guaranty for the Series 2025 Subordinate Reserve Fund.

(a) (i) In consideration of the Trustee executing and delivering the Series 2025 Obligations and applying the net proceeds of the Series 2025 Obligations as provided in the 2025 Agreement and the 2025 Trust Agreement, the City shall make the Payments as provided in the 2025 Agreement as follows:

On June 15 and December 15 of each year commencing June 15, 2025*, in the following order of priority the following amounts solely from Net Revenues in the Subordinate Obligation Fund established in accordance with to Section 10 of the Master Resolution for deposit into the Payment Fund:

First: The amount due on the next following July 1 or January 1, respectively, as interest on the Series 2025 Obligations as indicated on Exhibit A, which is attached to and made a part of the 2025 Agreement; and

Second: The amount due on the next following July 1 as principal on the Series 2025 Obligations as indicated on Exhibit A.

(ii) As applicable, if a Subordinate Reserve Fund Guaranty secures the Series 2025 Obligations and a Drawdown shall have occurred, the City shall also pay for deposit to, and the Trustee shall pay from, the Subordinate Reimbursement Fund, an amount equal to the Policy Costs for the Subordinate Obligations commencing the 10th day of the first month following a Drawdown and each month thereafter for the next succeeding 11 months or for such longer period if agreed to by the applicable Subordinate Reserve Fund Guarantor, or until all Policy Costs for the Subordinate Obligations, or all Policy Costs for the Subordinate Obligations with respect to such Drawdown have been paid, an amount equal to at least 1/12 (or such other agreed upon portion of the Policy Costs for the Subordinate Obligations) of the aggregate of Policy Costs for the Subordinate Obligations related to the Drawdown.

(iii) As applicable, the City shall further pay for and deposit to, and the Trustee shall pay from, the Series 2025 Subordinate Reserve Fund, on or before the 10th day of each month, an amount equal to 1/60 of the amount required to increase or restore the Reserve Fund Value to the Subordinate Reserve Requirement within a five-year period, or such amount as is required hereunder to restore the Series 2025 Subordinate Reserve Fund to the Subordinate Reserve Requirement after a Series 2025 Subordinate Reserve Fund withdrawal. All money so taken from the Series 2025 Subordinate Reserve Fund to pay principal, Accreted Value or interest shall be replaced therein from the first money in the Revenue Fund thereafter received which is not required for current transfers into the Operation and Maintenance Fund, payment of Senior Bonds and the Subordinate Obligation Fund pursuant to the Master Resolution and payment of Policy Costs for the Subordinate Obligations pursuant to the Master Resolution.

(iv) The City shall also further pay the Trustee's Delivery Costs and any costs incurred by the Trustee in connection with the Project.

(v) The City shall also further pay amounts due to the Insurer (as more fully described in the 2025 Trust Agreement and the 2025 Insurance Agreement) not paid pursuant to (a)(i) above.

(b) The City shall allow the Trustee to pay from the Subordinate Reimbursement Fund amounts authorized to be paid from the Subordinate Reimbursement Fund as provided in the Master Resolution.

(c) Subject to the limitation to payment from a subordinate lien on Net Revenues as described in the Master Resolution, the obligations of the City to make the Payments from the sources described herein and to perform and observe the other agreements contained herein shall be absolute and unconditional and shall not be subject to any defense or any right of set-off, abatement, counterclaim, or recoupment arising out of any breach by the Trustee of any obligation to the City or otherwise, or out of indebtedness or liability at any time owing to the City by the Trustee. Until such time as all of the Payments shall have been fully paid or provided for, the City (i) will not suspend or discontinue any Payments provided for herein, (ii) will perform and observe all other agreements contained herein,

* Subject to change.

and (iii) will not terminate the term hereof for any cause, including, without limiting the generality of the foregoing, failure of the Trustee or any other person to complete the financing of the Project, the occurrence of any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Project, the taking by eminent domain of title to or temporary use of any or all of the Project, commercial frustration of purpose, abandonment of the Project by the City, any change in the tax or other laws of the United States of America or of the State of Arizona or any political subdivision of either or any failure of the Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the 2025 Trust Agreement or the 2025 Agreement. Nothing contained in this Section shall be construed to release the Trustee from the performance of any of the agreements on its part herein or in the 2025 Trust Agreement contained and in the event the Trustee shall fail to perform any such agreements on its part, the City may institute such action against the Trustee as the City may deem necessary to compel performance so long as such action does not abrogate the obligations of the City contained in paragraph (a) of this Section 2.1. The City shall pay as additional payments (i) all fees, expenses (including closing fees and expenses) and indemnities of the Trustee under the 2025 Trust Agreement and the Insurer under the 2025 Insurance Agreement to the extent, if any, that such fees, expenses and indemnities are not met by the scheduled Payments, and (ii) losses on investments made by the Trustee at the direction of the City under the terms of the 2025 Trust Agreement, but only to the extent necessary to meet the Series 2025 Obligation requirements and to pay the Trustee's fees and expenses under the 2025 Trust Agreement. The City shall pay the amounts specified herein directly to the Trustee as they become due, or, as applicable, within 20 days after the receipt by the City of an invoice therefor.

(d) In the event that the City expects that it will not make a Payment when due hereunder, the City shall, at least five Business Days before the date such Payment is due, notify the Trustee in writing of such expectation.

(e) Amounts due as the Payments shall be for the Series 2025 Obligations for the purposes set forth under the Master Resolution. The Subordinate Obligation Fund will be held by the City and used to make the Payments or payments with respect to all of the Subordinate Parity Obligations when due. The aggregate amount of the Payments owed pursuant to the 2025 Agreement shall be that amount that shall be payable by the City of sufficient amounts and at such times as to permit the Trustee to make timely payment of the amounts with respect to on the Series 2025 Obligations as set forth in Exhibit A.

Additional Payments. If the payments are insufficient to meet the requirements under the 2025 Trust Agreement, then, upon notice from the Trustee, the City shall pay as additional payments such amounts as are required from time to time to meet any such deficiency.

Excess Money in Payment Fund. Any money in the Payment Fund created pursuant to the 2025 Trust Agreement that exceeds the amounts necessary for the current debt service on the Series 2025 Obligations then outstanding shall annually on March 30, so long as the City is not in default hereunder, constitute a credit to the City on the next succeeding Payment or Payments due or coming due hereunder.

Pledge of Net Revenues; Limited Obligations. The pledge of Net Revenues as set forth in the Master Resolution is incorporated in the 2025 Agreement. The City's obligation to make the Payments is limited to payment from Net Revenues and shall in no circumstance constitute a general obligation of, or a pledge of the full faith and credit of, the City, the State of Arizona, or any of its political subdivisions, or require the levy of, or be payable from the proceeds of, any ad valorem taxes.

Use of Other Funds at the Option of City. The City may, at the City's sole option, make such Payments from its other funds as permitted by law and as the City shall determine from time to time, and the Trustee acknowledges that it has no claim hereunder to such other funds. No part of the Payments made pursuant to the 2025 Agreement shall be payable out of any ad valorem taxes imposed by the City or from bonds or other obligations, the payment of which the City's general taxing authority is pledged, unless (i) the same shall have been duly budgeted by the City according to law, (ii) such payment shall be within the budget limitations of the statutes of the State of Arizona, and (iii) any such bonded indebtedness or other obligation is within the debt limitations of the Constitution of the State of Arizona.

Senior Bonds and Subordinate Parity Obligations. So long as any amounts due hereunder remain unpaid or unprovided for, the City shall not create, suffer or permit any lien upon the Net Revenues senior to the lien hereof except for Senior Bonds upon compliance with the requirements therefor set out in the Master Resolution. So long as any amounts due hereunder remain unpaid or unprovided for, the City shall not create, suffer or permit any lien upon

Net Revenues on parity herewith except for other Subordinate Parity Obligations upon compliance with the requirements therefor set out in the Master Resolution.

Rate Covenant and Coverage. The rate covenant and other covenants as set forth in the Master Resolution are incorporated in the 2025 Agreement.

Enforcement by Trustee. In the event of any default by the City, the Trustee, on behalf of the holders of the Series 2025 Obligations, may enforce this lien and pledge and the aforesaid covenants and agreements in accordance with the terms and conditions of the 2025 Trust Agreement, but subject to Insurer's rights under the 2025 Trust Agreement and the 2025 Insurance Agreement.

Indemnification.

(a) To the extent permitted by law (and except to the extent caused by or resulting from the Trustee's fraud, deceit, bad faith, willful misconduct or negligence), the City shall indemnify, protect, save and keep harmless the Trustee and its agents, employees, officers and directors for, from and, at the City's expense, defend the Trustee and its agents, employees, officers and directors against any and all liability, obligations, losses, damages, penalties, claims, actions, costs and expenses (including but not limited to reasonable attorneys' fees) of whatsoever kind and nature imposed on, incurred by or asserted against the Trustee or its agents, employees, officers and directors which in any way relate to or arise out of the 2025 Agreement or the reasonable and necessary actions or omissions of the Trustee relating to the 2025 Agreement, or the violation or breach by the City of any of its representations, warranties or covenants herein or the ownership, delivery, rental, lease, possession, use, operation, condition, sale, financing, return or other disposition of the Project, including, without limitation: (a) noncompliance with any applicable provisions of the Americans with Disabilities Act and regulations issued thereunder; (b) any actual or alleged environmental condition in, on or at the Project; (c) any generation, processing, handling, transportation, storage, treatment or disposal of any Regulated Substance in, on, at or from the Project; or (d) any presence or Release of any Regulated Substance in, on, at or from the Project. For the purposes of the 2025 Agreement: (i) "Environmental Law" shall mean any federal, state or local environmental or health or safety law, regulation or rule, including, without limitation, any judicial or administrative statement of general or specific applicability; (ii) "Regulated Substance" shall mean any substance, material or waste regulated by any Environmental Law; and (iii) "Release" shall mean any release, including, without limitation, any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing into the environment.

(b) The Trustee, promptly after determining that any event or condition that requires or may require indemnification by the City hereunder exists or may exist, or after receipt of notice of the commencement of any action in respect of which indemnity may be sought hereunder, shall notify the City in writing of such circumstances or action (the "Notification"). Upon giving of the Notification, the Trustee shall cooperate fully with the City in order that the City may defend, compromise or settle any such matters or actions which may result in payment by the City hereunder. The City shall give the Trustee notice of its election within 15 days after receiving the Notification whether the City, at its sole cost and expense, shall represent and defend the Trustee in any claim or action that may result in a request for indemnification hereunder. If the City timely gives the notice that it will represent and defend the Trustee thereafter, the Trustee shall not settle or compromise or otherwise interfere with the defense or undertakings of the City hereunder. The City shall not settle or compromise any claim or action against the Trustee without the written approval of the Trustee, except to the extent that the City shall pay all losses and the Trustee shall be fully released from such claim or action. The City shall be subrogated to the Trustee's rights with respect to such events or conditions for which the City indemnifies the Trustee hereunder. If the City either fails to timely give its notice or notifies the Trustee that the City will not represent and defend the Trustee, then the Trustee may defend, settle, compromise or admit liability as it or they shall determine in the reasonable exercise of their discretion and in an effort to minimize any claims for indemnity made hereunder. If the Trustee determines it is necessary to retain separate counsel, it may do so at the City's expense.

Default and Remedies. With respect to the Series 2025 Obligations, the occurrence of any of the events described in the Master Resolution is defined as and declared to be and to constitute an event of default hereunder and under the Master Resolution and the remedies therefor shall be as provided in the Master Resolution and the 2025 Insurance Agreement.

No Acceleration; Remedies. The obligation of the City to make the Payments is not subject to acceleration and such Payments may not be made immediately due and payable for any reason.

Accumulation of Remedies. Each right, power and remedy of the City provided for in the 2025 Agreement shall be cumulative and concurrent and shall be in addition to every other right, power or remedy provided for in the 2025 Agreement, or, unless prohibited by the terms hereof, now or hereafter existing at law or in equity or by statute or otherwise, to be enforced; and the exercise or beginning of the exercise by the City of any one or more of the rights, powers or remedies provided for in the 2025 Agreement shall not preclude the simultaneous or later exercise by the City of any or all of such other rights, powers or remedies provided for in the 2025 Agreement.

Optional Prepayment; Option to Partially Prepay; Providing for Payment.

(a) The City may not prepay the principal component of any Payment under the 2025 Agreement in full or in part prior to July 1, [20__]. On any date on or after July 1, [20__], the City may prepay all or a portion of the principal component of future Payments without premium. Such option shall be exercised by written notice to the Trustee not less than 30 days prior to such prepayment date. All partial prepayments of principal will be credited against principal Payments coming due in the order of payment directed by the City. Prepayments must be made in minimum increments of principal equal to \$5,000 or any integral multiple thereof. When a partial prepayment is made or provided for, interest shall cease to accrue from the prepayment date with respect to the principal amount so prepaid.

(b) The City may provide for the payment or prepayment of any Payment in any one or more of the following ways:

(i) by paying such Payment or prepayment as provided herein as and when the same becomes due and payable either at its scheduled or upon optional payment as may be applicable;

(ii) by depositing with a Depository Trustee (as defined below), in trust for such purposes, at or before the date the same becomes due and payable either at its scheduled due date or upon optional payment, as may be applicable money which, together with the amounts then on deposit with the Trustee and available for such Payment is fully sufficient to make, or cause to be made, such Payment; or

(iii) by depositing with a Depository Trustee, in trust for such purpose, any United States Obligations which are noncallable, in such amount as shall be certified to the Trustee and the City, by a national firm of certified public accountants acceptable to the City, as being fully sufficient, together with the interest to accrue thereon and moneys then on deposit with the Trustee and available for such Payment, to make, or cause to be made, such Payment or prepayment, as and when the same becomes due and payable either at maturity or upon optional payment, as may be applicable.

(c) Provided the City shall have complied with all of the terms and conditions of this 2025 Agreement and the 2025 Trust Agreement, the City shall have the option to prepay not less than all of the financing of the Project at any time by payment to the Trustee or a Depository Trustee of an amount sufficient to provide for the payment, pursuant to paragraph (b) above, of (i) all Payments due or to come due on or prior to the date selected by City on which a prepayment of the principal of Payments can be made pursuant to paragraph (a) (the “*Prepayment Date*”) and (ii) all of the principal pursuant to paragraph (a) on such Prepayment Date, on all Payments to come due after such Prepayment Date. Such option shall be exercised by written notice to the Trustee not less than 30 days prior to the Prepayment Date specified by the City and all amounts necessary to exercise such option must be paid to the Trustee or a Depository Trustee on or prior to the Prepayment Date, such exercise to be effective upon such payment and compliance with other requirements of paragraph (b).

Provisions are Severable. In the event any clause or provision of the 2025 Agreement shall be held to be invalid by any court of competent jurisdiction, the invalidity of any such clause or provision shall not affect any of the remaining provisions hereof.

Applicable Law. The 2025 Agreement shall be governed exclusively by the provisions hereof and by the applicable laws of the State of Arizona.

Notice as to Conflict of Interest. A.R.S. § 38-511 provides that the City may, within three years after its execution, cancel any contract, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the City is, at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract. In addition, the City may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the City from any other party to the contract arising as a result of the

contract. The Trustee shall not knowingly take any action which would permit the City to cancel the 2025 Agreement under this provision.

SUMMARY OF THE 2025 TRUST AGREEMENT

Authorization of the Series 2025 Obligations.

(a) The Trustee is authorized and directed to execute and deliver to the Underwriter through the Book-Entry-Only-System, Series 2025 Obligations in an aggregate principal amount of \$[_____].

(b) The Trustee shall not, at any time while the Series 2025 Obligations are outstanding, issue or authenticate additional bonds or obligations payable from the Payments.

Transfer and Exchange. The Series 2025 Obligations shall be transferred or exchanged by the Trustee in accordance with the Master Resolution.

Execution of Documents and Proof of Ownership. Any request, direction, consent, revocation of consent, or other instrument in writing required or permitted by the 2025 Trust Agreement to be signed or executed by Series 2025 Obligation Owners may be in any number of concurrent instruments of similar tenor, and may be signed or executed by such Owners of the Series 2025 Obligations in person or by their attorneys or agents appointed by an instrument in writing for that purpose, or by any bank, trust company or other depository for such Series 2025 Obligations. Proof of the execution of any such instrument, or of any instrument appointing any such attorney or agent, and of the ownership of Series 2025 Obligations shall be sufficient for any purpose of the 2025 Trust Agreement (except as otherwise herein provided), if made in the following manner:

(a) The fact and date of the execution by any Owner of the Series 2025 Obligations or his attorney or agent of any such instrument and of any instrument appointing any such attorney or agent, may be proved by a certificate, which need not be acknowledged or verified, of an officer of any bank or trust company located within the United States of America, or of any notary public, or other officer authorized to take acknowledgments of deeds to be recorded in such jurisdictions, that the persons signing such instruments acknowledged before him the execution thereof. Where any such instrument is executed by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such certificate shall also constitute sufficient proof of his authority.

(b) The fact of the ownership of Series 2025 Obligations by any person and the amount, the maturity and the numbers of such Series 2025 Obligations and the date of his holding the same be proved on the registration books maintained pursuant to Section 2.13 hereof.

Nothing shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated which the Trustee may deem sufficient. Any request or consent of the Owner of any Series 2025 Obligation shall bind every future Owner of the same Series 2025 Obligation in respect of anything done or suffered to be done by the Trustee in pursuance of such request or consent.

Payment of Unclaimed Amounts. If the Book-Entry-Only System has been discontinued, in the event any check for payment of interest on a Series 2025 Obligation is returned to the Trustee unendorsed or is not presented for payment within two years (subject to applicable escheat laws) from its payment date or any Series 2025 Obligation is not presented for payment of principal at the maturity or redemption date, if funds sufficient to pay such interest or principal due upon such Series 2025 Obligation shall have been made available to the Trustee for the benefit of the Owner of the Series 2025 Obligation thereof, it shall be the duty of the Trustee to hold such funds, without liability for interest thereon, for the benefit of the Owner of such Series 2025 Obligation who shall thereafter be restricted exclusively to such funds for any claim of whatever nature relating to such Series 2025 Obligation or amounts due thereunder. The Trustee's obligation to hold such funds shall continue for two years and six months (subject to applicable escheat laws) following the date on which such interest or principal payment became due, whether at maturity, or at the date fixed for redemption or otherwise, at which time the Trustee shall surrender such unclaimed funds so held to the City, whereupon any claim of whatever nature by the Owner of such Series 2025 Obligation arising under such Series 2025 Obligation shall be made upon the City.

Acquisition Fund Establishment and Purpose. The Trustee shall establish a special trust fund designated as the "City of Goodyear 2025 Project Acquisition Fund" (hereinafter referred to as the "*Acquisition Fund*"); shall keep such fund separate and apart from all other funds and moneys held by it; shall administer such fund as provided in the

2025 Trust Agreement; and shall expend funds only for Project Costs; provided, however, that amounts in the Acquisition Fund shall be used to pay principal and interest on the Series 2025 Obligations if insufficient funds are otherwise available to make such payments when due.

Transfers Upon Acquisition. Upon completion of the acquisition, construction and installation of the Project and with the direction of the City Representative, but in no event later than [_____, 2028], all remaining moneys not needed to pay Project Costs in the Acquisition Fund shall be transferred to the Payment Fund and applied by the Trustee to the Payments due from the City on the next succeeding Payment Date. Upon such transfer the Acquisition Fund shall be closed.

Optional Redemption. The Series 2025 Obligations maturing on and after July 1, [20__], are subject to redemption prior to maturity, from prepayments made at the option of the City pursuant to the 2025 Agreement, in whole or in part on any date, on or after July 1, [20__], at a redemption price equal to the principal amount of Series 2025 Obligations or portions thereof to be redeemed, together with accrued interest to the date fixed for redemption, but without premium, from such maturities as may be selected by the City and by lot within any maturity by the method applied by DTC.

Mandatory Redemption. The Series 2025 Obligations maturing on July 1, 20__, July 1, 20__, July 1, 20__, and July 1, 20__, will be subject to mandatory redemption on the following dates and in the following amounts at a price equal to the principal amount of each Series 2025 Obligation or portion thereof to be redeemed, together with accrued interest to the date fixed for redemption, but without premium.

Selection of Series 2025 Obligations for Redemption. The Series 2025 Obligations shall be redeemed only in the principal amounts of \$5,000 each or integral multiples thereof. The City shall, at least 45 days prior to the redemption date in the case of the Series 2025 Obligations subject to optional redemption, notify the Trustee of such redemption date and of the maturities of the Series 2025 Obligations and the principal amount of the Series 2025 Obligations of any such maturity to be redeemed on such date. For the purposes of any redemption of less than all of the Series 2025 Obligations of a single maturity, if the Book-Entry-Only-System is not in effect, the particular Series 2025 Obligations or portions of Series 2025 Obligations of such maturity to be redeemed shall be selected by lot not more than 45 nor less than 30 days prior to the redemption date by the Trustee by such selection methods as the Trustee shall in its sole discretion deem appropriate and fair; provided, however, that such selection methods shall provide for the selection of Series 2025 Obligations or portions thereof for redemption in principal amounts of \$5,000 or integral multiples thereof such that any \$5,000 Series 2025 Obligation or \$5,000 portion of a Series 2025 Obligation of such maturity shall be as likely to be called for redemption as any other such \$5,000 Series 2025 Obligation or \$5,000 portion thereof. The Trustee shall promptly notify the City in writing of the Series 2025 Obligations so selected for redemption, and the City will provide the Trustee within 30 days a recomputed payment schedule for the 2025 Agreement.

Establishment and Application of Delivery Costs Fund.

(a) The Trustee shall establish a special trust fund designated as the “City of Goodyear 2025 Project Delivery Costs Fund” (hereinafter referred to as the “*Delivery Costs Fund*”), shall keep such fund separate and apart from all other funds and monies held by it, and shall administer such fund as provided in the 2025 Trust Agreement.

(b) Amounts in the Delivery Costs Fund shall be disbursed for Delivery Costs. Disbursements from the Delivery Costs Fund shall be made by the Trustee upon receipt of a certificate requesting disbursement executed or approved by the City Representative. Each such certificate shall set forth the amounts to be disbursed for payment, or reimbursement of previous payments, of Delivery Costs and the person or persons to whom said amounts are to be disbursed.

(c) On the earlier of September 1, 2025, or when all Delivery Costs associated with the Series 2025 Obligations have been paid (as shown by a certificate of a City Representative, if requested by the Trustee), the Trustee shall transfer any amounts remaining in the Delivery Costs Fund to the Payment Fund or Acquisition Fund as directed by the City, and the Delivery Costs Fund shall be closed.

Application of Acquisition Fund Investment Earnings. Subject to provisions pertaining to arbitrage rebate, the Trustee shall transfer, on or before each January 1 and July 1, any investment earnings on the monies on hand in the Acquisition Fund to the Payment Fund to be applied and credited to pay Payments due pursuant to the 2025 Agreement.

Payments by the City. Subject to the limitation to the subordinate claim on Net Revenues, the City shall be required to make Payments as required in the 2025 Agreement as necessary to make the payments to the 2025 Agreement, taking into account any funds on deposit in the Payment Fund as a credit towards any Payment then due. The Trustee, on or before each Payment Date, shall notify the City of the amount required to be paid on that Payment Date after taking into account interest earnings which will be transferred to the Payment Fund in accordance herewith.

Notice of Redemption.

(a) When optional redemption is authorized, the Trustee shall give notice of the optional redemption of the Series 2025 Obligations. Such notice shall specify: (i) that the Series 2025 Obligations or a designated portion thereof are to be redeemed, (ii) the date of redemption, (iii) the place or places where the redemption will be made, and (iv) in the case of each Series 2025 Obligation called only in part, the portion of the principal thereof that is to be redeemed. The notice shall further state that if, on the specified redemption date, monies for redemption of all said Series 2025 Obligations to be redeemed, together with interest to the date of redemption, shall be held by the Trustee, then, from and after such date of redemption, interest with respect to the Series 2025 Obligations so called shall cease to accrue and become payable. If the money necessary for such redemption is not held by the Trustee or DTC, at the time of mailing the notice of redemption, the notice shall further state that the redemption is conditional on such money being so held on the date set for redemption, and that if not so held, the redemption shall be cancelled and the notice shall be of no force or effect.

(b) The Trustee shall cause notice of any redemption, including mandatory, of the Series 2025 Obligations to be sent electronically to DTC by the method required by DTC and to the Municipal Securities Rulemaking Board (the “MSRB”), currently through the MSRB’s Electronic Municipal Market Access system, by the method required by the MSRB, no more than 60 and no fewer than 30 calendar days prior to the redemption date. If the Book-Entry-Only-System is discontinued, notice of such redemption shall be mailed by first class mail to the Underwriter, or if the Underwriter is a syndicate, to the managing member of such syndicate, and to the respective Owners of Series 2025 Obligations designated for redemption at their addresses appearing on the Series 2025 Obligation registration books, at least 30 days, but not more than 60 days prior to the redemption date, which notice shall, in addition to setting forth the above information, set forth, in the case of each Series 2025 Obligation called only in part, the portion of the principal thereof which is to be redeemed; provided that neither failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of such Series 2025 Obligations.

Partial Redemption of Series 2025 Obligation. Upon surrender of any Series 2025 Obligation redeemed in part only, the Trustee shall execute and deliver to the registered Owner of the Series 2025 Obligation thereof, at the expense of the City, a new Series 2025 Obligation or Series 2025 Obligations of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Series 2025 Obligation surrendered and of the same maturity.

Effect of Notice of Redemption.

(a) Notice having been given as aforesaid, and monies for the redemption (including the interest on the Series 2025 Obligations to the applicable date of redemption and any applicable premium), having been set aside in the Payment Fund, the Series 2025 Obligations shall become due and payable on said date of redemption, and, upon presentation and surrender thereof at the office or offices specified in said notice, said Series 2025 Obligations shall be paid at the unpaid principal amount (or applicable portion thereof) with respect thereto, plus interest accrued and unpaid to said date of redemption on Series 2025 Obligations and any applicable premium.

(b) If, on said date of redemption, monies for the optional redemption of all the Series 2025 Obligations to be redeemed, together with interest to said date of redemption, shall be held by the Trustee or a Depository Trustee so as to be available therefor on such date of redemption, and, if notice of redemption thereof shall have been given as aforesaid, then, from and after said date of redemption, interest with respect to the Series 2025 Obligations shall cease to accrue and become payable. If on such date such monies are not so held, the redemption shall be cancelled and the notice shall be of no force or effect.

(c) All monies held by or on behalf of the Trustee or a Depository Trustee for the redemption of Series 2025 Obligations shall be held in trust for the account of the Owners of the Series 2025 Obligations so to be redeemed.

(d) All Series 2025 Obligations paid at maturity or redeemed prior to maturity pursuant to the provisions of this Article shall be cancelled upon surrender thereof and destroyed.

Trustee's Rights in 2025 Agreement. The Trustee holds in trust hereunder all of its rights and duties in the 2025 Agreement, including but not limited to all of the Trustee's rights to receive and collect all of the Payments and all other amounts required to be deposited in the Payment Fund pursuant to the 2025 Agreement or pursuant hereto. All Payments and such other amounts to which the Trustee may at any time be entitled shall be paid directly to the Trustee in trust, and all of the Payments collected or received by the Trustee shall be held by the Trustee in trust hereunder.

Establishment of Payment Fund. The Trustee shall establish a special fund designated as the "City of Goodyear 2025 Project Payment Fund" (which shall also be known as the "*Payment Fund*"). All monies at any time deposited by the Trustee in the Payment Fund shall be held by the Trustee in trust for the benefit of the Owners of the Series 2025 Obligations. So long as any Series 2025 Obligations are Outstanding, the City shall have no beneficial right or interest in the Payment Fund or the monies deposited therein, except only as provided in the 2025 Trust Agreement, and such monies shall be used and applied by the Trustee as hereinafter set forth.

Deposits. There shall be deposited in the Payment Fund all Payments received by the Trustee and withdrawn from the Subordinate Obligation Fund for such purpose.

Application of Monies. All amounts in the Payment Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of and interest, and redemption premiums, if any, with respect to the Series 2025 Obligations as the same shall become due and payable, in accordance with the provisions of Articles II and IV hereof.

Transfers of Investment Earnings to Payment Fund. Subject to provisions pertaining to arbitrage rebate, the Trustee shall, annually 15 days prior to each July 1 Interest Payment Date, transfer any remaining income or profit on the investment of monies in the funds hereunder to the Payment Fund.

Subordinate Rebate Fund.

(a) In the event the City is required to rebate its earnings and profits from the investment of the Series 2025 Obligations, the Trustee shall establish, as a separate deposit account in the custody of the Trustee, a fund to be designated as the "City of Goodyear Series 2025 Subordinate Rebate Fund" (which shall also be known as the "*Series 2025 Subordinate Rebate Fund*"). Money and investments in the Series 2025 Subordinate Rebate Fund shall not be used for the payment of debt service on the Series 2025 Obligations and any provision hereof to the contrary notwithstanding, amounts credited to the Series 2025 Subordinate Rebate Fund shall be free and clear of any lien hereunder. Monies and investments in the Series 2025 Subordinate Rebate Fund are not included within the trust estate executed in the granting clauses hereof and shall be invested pursuant to the procedures and in the manner provided for investment of monies in the Funds.

(b) Unless otherwise provided in Subsequent Rebate Instructions (defined below), promptly after the end of every fifth Bond Year of the Series 2025 Obligations and promptly after the payment in full of all Outstanding Series 2025 Obligations, the City shall engage, and furnish information to, the Rebate Consultant to calculate the Rebate Amount as of the end of every fifth Bond Year of the Series 2025 Obligations or the date of such payment in full and shall provide to the Trustee copies of such calculations. Upon the occurrence of an Event of Default and at the request of the Trustee, the Rebate Consultant shall calculate the Rebate Amount as of the date requested by the Trustee and provide such calculation to the Trustee on or before the date so requested. Whenever there is a rebate calculation and the Rebate Consultant provides the calculation to the Trustee, the Trustee shall then notify the City Representative in writing of the amount then on deposit in the applicable account in the Series 2025 Subordinate Rebate Fund.

(c) If the City fails to retain a Rebate Consultant or if the Rebate Consultant fails to make the calculation of Rebate Amount by the 30th day after the end of every fifth Bond Year of the Series 2025 Obligations or the date of payment in full of the Series 2025 Obligations, the Trustee shall promptly notify the City of such failure and the Trustee shall retain an independent certified public accounting firm or other qualified independent person, at the expense of the City, to make or cause to be made such calculation and shall provide copies of such calculations to the City.

(d) The City is obligated to pay the Rebate Amount to the Trustee which will be deposited by the Trustee into the Series 2025 Subordinate Rebate Fund. If the amount then on deposit in the Series 2025 Subordinate Rebate Fund is in excess of the Rebate Amount as computed by the Rebate Consultant, the Trustee shall forthwith pay

that excess amount to the City. If the amount then on deposit in the Series 2025 Subordinate Rebate Fund is less than the Rebate Amount (computed by taking into account the amount or amounts, if any, previously paid to the United States pursuant to this Section), the City shall, within five days after receipt of the aforesaid notice from the Trustee, pay to the Trustee from Net Revenues available for Debt Service on the Subordinate Obligations or other funds legally available therefor, for deposit in the Series 2025 Subordinate Rebate Fund an amount sufficient to cause the Series 2025 Subordinate Rebate Fund to contain an amount equal to the Rebate Amount.

(e) If at any time the Trustee is required to retain or pay a Rebate Consultant, then the Trustee, after delivering to the City a demand for payment of an amount sufficient to pay the Rebate Consultant within three business days after such demand, shall withdraw from any fund established hereunder, such amount as may be needed to pay the Rebate Consultant. If at any time when the Trustee is required to withdraw money from the Series 2025 Subordinate Rebate Fund to make a payment to the United States of America the amount held by the Trustee in the Series 2025 Subordinate Rebate Fund is insufficient to permit such withdrawal and payment, then the Trustee, after delivering a demand for such deficiency to the City, shall withdraw from any fund established hereunder and transfer the amount so withdrawn in each case to the Series 2025 Subordinate Rebate Fund in such amounts as may be to make the amount in the Series 2025 Subordinate Rebate Fund, after such transfers, equal to the amount required to be withdrawn and paid to the United States of America.

(f) This Section shall supersede all other sections of this 2025 Trust Agreement, to the end that the interest on the Series 2025 Obligations shall not be included in gross income for federal income tax purposes as a result of the inadequacy at any time of the Series 2025 Subordinate Rebate Fund, unless the total amount held by the Trustee in all funds established hereunder is insufficient, and no money for such purpose is provided by City.

(g) Within 60 days after the end of the fifth Bond Year of the Series 2025 Obligations and every fifth succeeding Bond Year of the Series 2025 Obligations thereafter, the Trustee, acting on behalf of the City, shall pay to the United States in accordance with Section 148(f) of the Code from the monies then on deposit in the Series 2025 Subordinate Rebate Fund an amount equal to 90% (or such greater percentage not in excess of 100% as the City may direct the Trustee to pay) of the Rebate Amount (such Rebate Amount to be notified to the Trustee by the City or the Rebate Consultant) earned from the date of the original delivery of the Series 2025 Obligations to the end of such fifth Bond Year of the Series 2025 Obligations including income attributable to Rebate Amount during the final payment period (as defined in applicable Regulations under the Code).

(h) Within 60 days after the payment in full of all Outstanding Series 2025 Obligations, the Trustee shall pay to the United States in accordance with Section 148(f) of the Code from the monies then on deposit in the Series 2025 Subordinate Rebate Fund an amount equal to 100% of the Rebate Amount earned from the date of the original delivery of the Series 2025 Obligations to the date of such payment. Any monies remaining in the Series 2025 Subordinate Rebate Fund following such payment shall be paid to the City.

(i) The City and the Trustee shall comply with any written instructions relating to this Section 5.7 furnished after the execution and delivery of the Series 2025 Obligations from the City and accompanied by an opinion of nationally recognized bond counsel addressed to the City and the Trustee to the effect that compliance with such instructions will not adversely affect any exclusion of interest on any of the Series 2025 Obligations from gross income for federal income tax purposes (the “*Subsequent Rebate Instructions*”), even if such Instructions are different from or inconsistent with this Section. The City and the Trustee shall be entitled to rely conclusively on the calculations made pursuant to this Section and any Subsequent Rebate Instructions and shall not be responsible for any loss or damage resulting from any action taken or omitted to be taken in reliance upon those calculations.

(j) The Trustee shall obtain and keep records of the computations made pursuant to this Section and all original source documents and other information necessary to, or from, such computations for a period ending six years after the last of the Series 2025 Obligations is retired, or such later date as required by its policies and procedures.

(k) The Trustee shall keep and make available to the City such records concerning the investments of the gross proceeds of the Series 2025 Obligations and the investments of earnings from those investments as may be required by the Rebate Consultant in order to enable the Rebate Consultant to make the aforesaid computations as are required under Section 148(f) of the Code. The City shall obtain and keep such records of the computations made pursuant to this Section as are required under Section 148(f) of the Code.

(l) The Trustee shall establish in the Series 2025 Subordinate Rebate Fund and any other fund such accounts and subaccounts as it is instructed by the City in order to assist it in determining applicable accounting for tax purposes and recordkeeping activities in connection therewith.

(m) All computations and determinations pursuant to this Section shall be made in accordance with Section 148(f) of the Code.

Surplus. Any surplus remaining in any of the funds or accounts created hereunder, after redemption and payment of all Series 2025 Obligations, including premiums and accrued interest, if any, and payment of any applicable fees and expenses to the Trustee, or provision for such payment having been made to the satisfaction of the Trustee, shall be withdrawn by the Trustee and remitted to the City.

Separate Funds and Accounts. Monies and investments properly paid into and held in the funds and accounts established hereunder shall not be subject to the claims of the owners of any other Subordinate Parity Obligations, and the Owners of the Series 2025 Obligations shall have no claim or lien upon any monies or investments properly paid into and held in the funds and accounts established under the proceedings for any other Subordinate Parity Obligations.

Subordinate Reimbursement Fund.

(a) If a Subordinate Reserve Fund Guaranty secures the Series 2025 Obligations and a Drawdown shall have occurred, the City shall transfer to the Trustee for deposit into the Subordinate Reimbursement Fund for payment of Policy Costs for the Subordinate Obligations commencing the 10th day of the first month following a Drawdown and each month thereafter for the next succeeding 11 months or for such longer period if agreed to by the Subordinate Reserve Fund Guarantor, or until the Subordinate Reimbursement Fund contains amounts sufficient to reimburse all Policy Costs for the Subordinate Obligations, or all Policy Costs for the Subordinate Obligations with respect to such Drawdown have been paid from the Subordinate Reimbursement Fund created by the Master Resolution, an amount equal to at least 1/12 (or such other agreed upon portion of the Policy Costs for the Subordinate Obligations) of the aggregate of Policy Costs for the Subordinate Obligations related to the Drawdown. Moneys may be paid from the Subordinate Reimbursement Fund to reimburse the Subordinate Reserve Fund Guarantor for any Drawdown at any time, as directed by the Finance Director.

(b) Moneys in the Subordinate Reimbursement Fund shall be used only to reimburse the Subordinate Reserve Fund Guarantor for Policy Costs for the Series 2025 Obligations resulting from Drawdowns. If more than one Subordinate Reserve Fund Guarantee shall hereafter be deposited to the Series 2025 Subordinate Reserve Fund, Policy Costs for the Series 2025 Obligations with respect to any Drawdown which occurs against the Subordinate Reserve Fund Guaranties shall be reimbursed on a pro rata basis (calculated by reference to the maximum amounts available for such reimbursement) after first applying all cash and investments in the Series 2025 Subordinate Reserve Fund and prior to any replenishment of the Series 2025 Subordinate Reserve Fund.

(c) If the City fails to repay any Policy Costs for the Subordinate Obligations, any Subordinate Reserve Fund Guarantor shall be entitled to exercise any and all remedies available at law or under the Master Resolution other than (i) acceleration of the maturity of the Subordinate Obligations or (ii) any other remedies which would adversely affect the rights of the Owners of the Subordinate Obligations and the Owners of the Senior Bonds.

(d) All Subordinate Reserve Fund Guaranties shall by their terms expire no earlier than the final maturity date of the respective series of Subordinate Obligations for which said Subordinate Reserve Fund Guaranty applies.

Series 2025 Subordinate Reserve Fund. The Trustee shall establish a special trust fund designated as the City of Goodyear Series 2025 Subordinate Reserve Fund (hereinafter referred to as the “*Series 2025 Subordinate Reserve Fund*”), shall keep such fund separate and apart from all other funds and monies held by it, and shall administer such funds. The Series 2025 Subordinate Reserve Fund can be funded with cash, a Subordinate Reserve Fund Guaranty, or a combination of both. The prior written consent of the Insurer is a condition precedent to the deposit of any Subordinate Reserve Fund Guaranty in lieu of a cash deposit into the Series 2025 Subordinate Reserve Fund as set forth in the 2025 Insurance Agreement.

(a) On or before the 10th day of each month, the City shall transfer to the Trustee from the Subordinate Reserve Fund created by the Master Resolution for deposit into the Series 2025 Subordinate Reserve Fund an amount equal to 1/60 of the amount required to increase or restore the Reserve Fund Value to the Subordinate

Reserve Requirement for the Series 2025 Obligations within a five-year period for the Series 2025 Obligations, or such amount as is required hereunder to restore the Series 2025 Subordinate Reserve Fund to the Subordinate Reserve Requirement for the Series 2025 Obligations after a Subordinate Reserve Fund withdrawal.

(b) If, on any Principal Payment Date or Interest Payment Date, a Deficiency exists, then:

(i) If there are investments or cash in the Series 2025 Subordinate Reserve Fund, such investments shall be liquidated and the cash and investment proceeds transferred to the Subordinate Obligation Fund for payment of interest on, Accreted Value of, or principal of, the Series 2025 Obligations; and

(ii) If the Deficiency is not cured after any transfers pursuant to subparagraph (a) above, then the Trustee shall deliver a request for Drawdown to the Subordinate Reserve Fund Guarantor(s) for the Series 2025 Obligations. All Drawdown proceeds shall be applied to payment of the interest on, Accreted Value of, or principal of, the Series 2025 Obligations.

(c) Money in the Series 2025 Subordinate Reserve Fund and Drawdowns shall be used solely for the payment of interest on, or principal of the Series 2025 Obligations as to which there would otherwise be default in such payment. All money so taken from the Series 2025 Subordinate Reserve Fund to pay principal, or interest shall be replaced therein from the first money in the Revenue Fund thereafter received which is not required for current transfers pursuant to the Master Resolution.

(d) The Series 2025 Subordinate Reserve Fund will be funded by a Subordinate Reserve Fund Guaranty.

Subordinate Reserve Fund Guaranty. If at any time the City shall deliver to the Trustee (a) a Subordinate Reserve Fund Guaranty, (b) an opinion of Independent Counsel stating that the delivery of such Subordinate Reserve Fund Guaranty to the Trustee is authorized under the 2025 Trust Agreement and complies with the terms hereof, (c) evidence that the Subordinate Reserve Fund Guarantor is rated “AA” or better by S&P, and (d) if subsequent to execution and delivery of the Series 2025 Obligations evidence satisfactory to the Trustee that Moody’s, if the Series 2025 Obligations are rated by Moody’s, or S&P, if the Series 2025 Obligations are rated by S&P, or Fitch, if the Series 2025 Obligations are rated by Fitch, or any combination of the foregoing, as applicable, has reviewed the proposed Subordinate Reserve Fund Guaranty and that (i) the issuance of the Subordinate Reserve Fund Guaranty to the Trustee to satisfy the Subordinate Reserve Requirement for the Series 2025 Obligations, and (ii) if the proposed Subordinate Reserve Fund Guaranty is to be substituted for a Subordinate Reserve Fund Guaranty then in effect, the substitution of the proposed Subordinate Reserve Fund Guaranty for the Subordinate Reserve Fund Guaranty then in effect, will not, by itself, result in a reduction or withdrawal of its rating on the Series 2025 Obligations, and if such rating shall be in effect on the date of such issuance and, if applicable, substitution, then the Trustee shall accept such Subordinate Reserve Fund Guaranty and, if applicable, promptly surrender the previously held Subordinate Reserve Fund Guaranty, if any, to the issuer thereof for cancellation.

Pledge. The Series 2025 Obligations shall be equally and ratably secured hereby without priority one over the other. The Series 2025 Obligations shall each enjoy complete parity of lien on the Net Revenues available for debt service on the Subordinate Obligations despite the fact that any of the Subordinate Obligations may be delivered at an earlier date than any other of the Subordinate Obligations. The subordinate pledge of the Series 2025 Obligations is on a parity with the Existing Subordinate Parity Obligations.

Protection of Lien. The Trustee and the City hereby agree not to make or create or suffer to be made or created any assignment or lien having priority or preference over the assignment and lien hereof upon the interests granted hereby or any part thereof, except for Senior Bonds now or hereafter issued if the conditions set forth in Section 15 of the Master Resolution are met. The Trustee and the City agree that no obligations the payment of which is secured by an equal claim on or interest in property or revenues pledged hereunder will be issued by either except in lieu of, or upon transfer of registration or exchange of, any Series 2025 Obligation as provided herein and except for Subordinate Parity Obligations now or hereafter issued if the conditions set forth in Section 15 of the Master Resolution are met.

Subordinate Parity Obligations. The City reserves the right to issue additional Subordinate Parity Obligations payable from and secured by an equal lien on the Net Revenues with the Series 2025 Obligations herein authorized and for the purpose or purposes as specified by law if the conditions set forth in Section 15 of the Master Resolution are met.

Held in Trust. The monies and investments held by the Trustee under the 2025 Trust Agreement are irrevocably held in trust for the benefit of the Owners of the Series 2025 Obligations, and for the purposes herein specified, and such monies, and any income or interest earned thereon, shall be expended only as provided in the 2025 Trust Agreement, and shall not be subject to levy or attachment or lien by or for the benefit of any creditor of the City, the Trustee or any Owner of Series 2025 Obligations.

Investments Authorized. Upon written order of the City Representative, monies held by the Trustee hereunder shall be invested and reinvested by the Trustee in Permitted Investments. The City Representative may by written order filed with the Trustee direct such investment in specific Permitted Investments. Such investments, if registrable, shall be registered in the name of the Trustee and shall be held by the Trustee. The Trustee may purchase or sell to itself or any affiliate, as principal or agent, investments authorized and may invest in funds which are Permitted Investments to which the Trustee or any of its affiliates provide services as an investment advisor. Such investments and reinvestments shall be made giving full consideration to the time at which funds are required to be available. The Trustee may act as purchaser or agent in the making or disposing of any investment. Amounts in the Payment Fund may be invested only in Permitted Investments which (a) are rated no lower than the underlying rating on the Series 2025 Obligations or (b) secured by obligations which are so rated. Absent written direction of the City, the Trustee shall invest monies held under the 2025 Trust Agreement in those investments described in clause (2) of Permitted Investments.

Accounting. The Trustee shall furnish to the City, not less than semiannually, an accounting (which may be in the form of its customary statement) of all investments made by the Trustee. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made.

Allocation of Earnings. Subject to provisions pertaining to arbitrage rebate, to annual transfers to the Payment Fund and to the Series 2025 Subordinate Reserve Fund, any income, profit or loss on such investments shall be deposited in or charged to the respective funds from which such investments were made, and any interest on any deposit of funds shall be deposited in the fund from which such deposit was made, except as otherwise provided herein; provided however, that, if the amount in the Series 2025 Subordinate Reserve Fund exceeds the Subordinate Reserve Requirement, such excess shall be transferred to the Payment Fund.

Valuation and Disposition of Investments. For the purpose of determining the amount in any fund, all Permitted Investments credited to such fund shall be valued at Market Value. The Trustee may sell at the best price obtainable, or present for redemption, any Permitted Investment so purchased by the Trustee whenever it shall be necessary in order to provide monies to meet any required payment, transfer, withdrawal or disbursement from the fund to which such Permitted Investment is credited, and the Trustee shall not be liable or responsible for any loss resulting from such investment. With respect to the valuation of the Series 2025 Subordinate Reserve Fund, valuation shall occur every January 1 and July 1 commencing July 1, 2025* and immediately upon a withdrawal from the Series 2025 Subordinate Reserve Fund.

Arbitrage Covenant. The City hereby covenants with the Owners of the Series 2025 Obligations that it will make no use of the proceeds of the Series 2025 Obligations or other monies which would cause the obligations of the City under the 2025 Agreement to be “arbitrage bonds” subject to federal income taxation by reason of Section 148 of the Code.

Tax Covenants.

(a) In consideration of the acceptance and execution of the 2025 Agreement by the Trustee and the purchase by the Owners of the Series 2025 Obligations, from time to time, and in consideration of retaining the exclusion of interest income from gross income on the 2025 Agreement and the Series 2025 Obligations for federal income tax purposes, the City covenants with the Trustee and the Series 2025 Obligation holders from time to time to neither take nor fail to take any action, which action or failure to act is within its power and authority and would result in interest income on the 2025 Agreement or the Series 2025 Obligations to become subject to inclusion in gross income for federal income tax purposes under either laws existing on the date of execution of the 2025 Agreement or such laws as they may be modified or amended.

(b) The City agrees that it will comply with such requirement(s) and will take any such action(s) as are necessary to prevent interest income on the 2025 Agreement or the Series 2025 Obligations from becoming subject to inclusion in gross income for federal income tax purposes. Such requirements may include but are not

* Subject to change.

limited to making further specific covenants; making truthful certifications and representations and giving necessary assurances; complying with all representations, covenants and assurances contained in certificates or agreements to be prepared by special counsel; to pay to the United States of America any required amounts representing rebates of arbitrage profits relating to the 2025 Agreement; filing forms, statements and supporting documents as may be required under the federal tax laws; limiting the term of and yield on investments made with monies relating to the 2025 Agreement; and limiting the use of the proceeds of the 2025 Agreement and property financed thereby.

Appointment of Trustee. U.S. Bank Trust Company, National Association is hereby appointed Trustee by the City for the purpose of executing and delivering the 2025 Agreement and receiving all monies required to be deposited with the Trustee hereunder and to allocate, use and apply the same as provided in the 2025 Trust Agreement. The City covenants that it will maintain as Trustee a bank or trust company with a combined capital and surplus of at least \$50,000,000, and subject to supervision or examination by federal or State authority, so long as any Series 2025 Obligations are Outstanding. If such bank or trust company publishes a report of condition at least annually pursuant to law or to the requirements of any supervising or examining authority above referred to then for the purpose of the 2025 Trust Agreement the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

Liability of Trustee; Standard of Care. The recitals of facts, covenants and agreements herein and in the Series 2025 Obligations contained shall be taken as statements, covenants and agreements of the City, and the Trustee assumes no responsibility for the correctness of the same, or makes any representations as to the validity or sufficiency of the 2025 Trust Agreement or of the Series 2025 Obligations or shall incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Series 2025 Obligations assigned to or imposed upon them, respectively, including but not limited to the Trustee's obligations under the 2025 Trust Agreement. Prior to the occurrence of an Event of Default, or after the timely cure of an Event of Default, the Trustee shall perform only such duties as are specifically set forth in the 2025 Trust Agreement and no implied covenants or obligations shall be read into the 2025 Trust Agreement against the Trustee. After the occurrence of an Event of Default, the Trustee shall exercise such of the rights and powers vested in it, and use the same degree of care and skill in such exercise, as a prudent indenture trustee would exercise under the circumstances in the conduct of the Trustee's corporate trust business.

Merger or Consolidation. Any bank or company into which the Trustee may be merged or converted or with which it may be consolidated or any bank or company resulting from any merger, conversion or consolidation to which it shall be a party or any bank or company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided that such company is eligible, shall be the successor to the Trustee without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

Protection and Rights of the Trustee.

(a) The Trustee shall be protected and shall incur no liability in acting or proceeding in good faith upon any resolution, notice, telegram, request, consent, waiver, certificates, statements, affidavit, voucher, bond, requisition or other paper or document which it shall in good faith believe to be genuine and to have been passed or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions hereof, and the Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements. The Trustee shall not be bound to recognize any person as an Owner of any Series 2025 Obligation or to take any action at his request unless such Series 2025 Obligation shall be deposited with the Trustee and satisfactory evidence of the ownership of such Series 2025 Obligation shall be furnished to the Trustee. The Trustee may consult with counsel, who may be counsel to the City with regard to legal questions and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith in accordance therewith.

(b) Whenever in the administration of its duties under the 2025 Trust Agreement, the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) shall be deemed to be conclusively proved and established by the certificate of the City Representative and such certificate shall be full warranty to the Trustee for any action taken or suffered under the provisions hereof upon the faith thereof, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

(c) The Trustee may become the Owner of the Series 2025 Obligations with the same rights it would have if it were not Trustee; may acquire and dispose of other bonds or evidence of indebtedness of the City with the same rights it would have if it were not the Trustee; and may act as a depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners of Series 2025 Obligations, whether or not such committee shall represent the Owners of the majority in principal amount of the Series 2025 Obligations then Outstanding.

(d) The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, or receivers, and shall be entitled to advice of counsel concerning all matters of trust and its duty hereunder, and the Trustee shall not be answerable for the default or misconduct of any such attorney, agent, or receiver selected by it with reasonable care. The Trustee shall not be answerable for the exercise of any discretion or power hereunder or for anything whatever in connection with the funds and accounts established hereunder, except only for its own willful misconduct or negligence.

(e) No provision in the 2025 Trust Agreement shall require the Trustee to risk or expend its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder.

(f) The Trustee shall not be accountable for the use or application by the City or any other party of any funds which the Trustee has released in accordance with the terms hereof.

(g) The Trustee makes no representation or warranty, express or implied, as to the title, value, design, compliance with specifications or legal requirements, quality, durability, operation, condition, merchantability or fitness for any particular purpose or fitness for the use contemplated by the City of the Project. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from the 2025 Agreement or the 2025 Trust Agreement for the acquisition, construction, installation, furnishing, equipping, existence or use of the Project.

(h) Notwithstanding any provision herein or in the 2025 Agreement to the contrary, the Trustee shall not be required to take notice or be deemed to have notice of an Event of Default, except an Event of Default under the Master Resolution and the 2025 Agreement, unless the Trustee has actual notice thereof or is specifically notified in writing of such default by the City or the Owners of at least 25% in aggregate principal amount of the Series 2025 Obligations then Outstanding.

Removal of Trustee.

(a) The City (but only if no Event of Default has occurred and is continuing), or the Owners of a majority in aggregate principal amount of all Series 2025 Obligations Outstanding, by written directive, at any time and for any reason, may remove the Trustee and any successor thereto, but any such successor shall be a bank or trust company acceptable to the City and doing business and having an office in the State, having a combined capital (exclusive of borrowed capital) and surplus of at least \$50,000,000 and subject to supervision or examination by federal or State authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or the requirements of any supervising or examining authority above referred to, then, for the purposes of this Section 8.6, the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

(b) The Trustee may at any time resign by giving written notice to the City. Upon receiving such notice of resignation, the City shall promptly appoint a successor trustee by an instrument in writing; provided, however, that in the event that the City does not appoint a successor trustee within 30 days following the City's sending notice of removal or its receipt of such notice of resignation, the resigning or removed Trustee may petition at the expense of the City, the appropriate court having jurisdiction to appoint a successor trustee. Any resignation or removal of the Trustee and appointment of a successor trustee shall become effective upon acceptance of appointment by the successor trustee. Trustee and City shall execute any documents reasonably required to affect the transfer of rights and obligations of the Trustee to the successor trustee. Upon such acceptance, the successor trustee shall mail notice thereof to the Series 2025 Obligation Owners at their respective addresses set forth on the Series 2025 Obligation registration books maintained pursuant to the Master Resolution.

(c) Notwithstanding the foregoing, in the event the Trustee merges or becomes consolidated with any other entity which resulting entity is otherwise qualified to be a successor trustee, such resulting entity shall assume all rights, obligations and duties of the Trustee hereunder and under the 2025 Agreement without the execution or filing of any papers or any further act on the part of either party hereto.

Appointment of Agent. The Trustee may appoint an agent or agents to exercise any of the powers, rights or remedies granted to the Trustee hereunder and to hold title to property or to take any other action which may be desirable or necessary.

Commingling. The Trustee may commingle any of the funds held by it pursuant hereto in a separate fund or funds for investment purposes only; provided, however, that all funds or accounts held by the Trustee hereunder shall be accounted for separately notwithstanding such commingling by the Trustee.

Records. The Trustee shall keep complete and accurate records of all monies received and disbursed by the Trustee hereunder, which shall be available for inspection by the City, or any of their agents, at any time during regular business hours. The Trustee shall provide the City Representative with semiannual reports of funds transactions and balances.

Amendments Permitted.

(a) **Amendments Requiring Consent.** Except as set forth in paragraph (b), with respect to amendments affecting the Series 2025 Obligations, the Insurer, the applicable Subordinate Reserve Fund Guarantor and the Owners of two-thirds in aggregate principal amount of the Series 2025 Obligations at any time Outstanding (not including in any case the Series 2025 Obligations that may then be held or owned by or for the account of the City, but including the Series 2025 Obligations as may be issued for the purpose of refunding any of the Subordinate Obligations authorized by the Master Resolution if such refunding Subordinate Obligations are not owned by the City) shall have the right from time to time to consent to and approve modifications and amendments to the 2025 Trust Agreement and the 2025 Agreement; provided however, the modification and amendments do not adversely, materially affect the rights of the Owners of the Senior Bonds; provided, further, that the 2025 Trust Agreement and the 2025 Agreement may not be so modified or amended in such manner as to:

- (i) Make any change in the maturity of Outstanding Series 2025 Obligations.
- (ii) Make any change in the rate of interest borne by any of Outstanding Series 2025 Obligations.
- (iii) Reduce the amount of the principal of, or redemption premium, if any, payable on any Outstanding Series 2025 Obligations.
- (iv) Modify the terms of payment of principal of, interest, or of redemption premium, if any, of Outstanding Series 2025 Obligations or any of them or impose any adverse conditions with respect to such payment.
- (v) Affect the rights of the Owners of less than all of the Series 2025 Obligations then Outstanding.

Whenever the City shall propose to amend or modify the 2025 Trust Agreement and the 2025 Agreement for amendments requiring consent, it shall cause notice of the proposed amendment to be mailed by first class mail, postage prepaid, to the Owners of the Series 2025 Obligations, the Insurer and each Subordinate Reserve Fund Guarantor, if applicable. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy of the proposed amendatory resolution is on file in the Office of the City Clerk for public inspection. In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action under the Master Resolution or the 2025 Trust Agreement would adversely affect the security of the Series 2025 Obligations or the rights of the Owners of the Series 2025 Obligations, the Trustee shall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no Bond Insurance Policy and as set forth in the 2025 Insurance Agreement.

Whenever at any time within one year from the mailing of said notice there shall be filed with the City Clerk an instrument or instruments executed by the Insurer, all applicable Subordinate Reserve Fund Guarantors and the Owners of at least two-thirds in aggregate principal amount of the Series 2025 Obligations, at the time Outstanding, which instrument or instruments shall refer to the proposed amendment described in said notice and shall specifically consent to and approve the adoption thereof, thereupon, but not otherwise, the City Council may adopt such amendment and such amendment shall become effective.

If the Insurer, the Subordinate Reserve Fund Guarantor, if applicable, and the Owners of at least two-thirds in aggregate principal amount of the Series 2025 Obligations, at the time Outstanding, at the time of the adoption of such amendment or the predecessors in title of such Owners of the Series 2025 Obligations, shall have consented to and approved the amendment as herein provided, no Owner of the Series 2025 Obligations whether or not such Owner of the Series 2025 Obligations shall have consented to or shall have revoked any consent as in this Section provided, shall have any right or interest to object to the adoption of such amendment or to object to any of the terms or provisions therein contained or to the operation thereof or to enjoin or restrain the City or the Council from taking any action pursuant thereto.

Any consent given by the Owner of the Series 2025 Obligations pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of mailing above provided for and shall be conclusive and binding upon all future owners of the same Series 2025 Obligation during such period. Such consent may be revoked at any time after such six months' period by the Owner of the Series 2025 Obligations who gave such consent or by a successor in title by filing notice of such revocation with the City Clerk, but such revocation shall not be effective if the Owners of two-thirds in aggregate principal amount of the Series 2025 Obligations, at the time Outstanding have, prior to the attempted revocation, consented to and approved such amendment.

The fact and date of the execution of any instrument under the provisions of this Section may be proved by the certificate of any officer in any jurisdiction who by the laws thereof is authorized to take acknowledgments of deeds within such jurisdiction, that the person signing such instrument acknowledged before him the execution thereof, or may be proved by an affidavit of a witness to such execution sworn to before such officer.

The amount and numbers of the Series 2025 Obligations held by any person executing such instrument and the date of his holding the same may be proved by a certificate executed by the Trustee showing that on the date therein mentioned such person was shown as the Owner of the Series 2025 Obligations on the registration books maintained by the Trustee for the Series 2025 Obligations maintained by the Trustee described in such certificate.

(b) Amendments Without Consent. Without the consent of, or notice to, any of the Owners of the Series 2025 Obligations, the City may, with the consent of the Insurer and the Subordinate Reserve Fund Guarantor, if any, of the Series 2025 Obligations, enter into amendments or modifications to the 2025 Trust Agreement and 2025 Agreement, provided however, the modification and amendments do not adversely, materially affect the rights of the Owners of the Senior Bonds and which shall not, in the opinion of the City, be inconsistent with the terms and provisions hereof for any one or more of the following purposes:

(i) to cure any ambiguity, inconsistency or formal defect or omission in the Master Resolution, the 2025 Trust Agreement or the 2025 Agreement;

(ii) to grant to or confer upon the Owners of the Series 2025 Obligations any additional rights, remedies, powers or authority that lawfully may be granted to or conferred upon the Owners of the Series 2025 Obligations;

(iii) to assign additional revenues under the Master Resolution or the 2025 Trust Agreement or the 2025 Agreement;

(iv) to accept additional security and instruments and documents of further assurance with respect to the Series 2025 Obligations;

(v) to add to the covenants, agreements and obligations of the City under the Master Resolution, the 2025 Trust Agreement or the 2025 Agreement, other covenants, agreements and obligations to be observed for the protection of the Owners of the Series 2025 Obligations, or to surrender or limit any right, power or authority reserved to or conferred upon the City in Master Resolution, the 2025 Trust Agreement or the 2025 Agreement, including without limitation, the limitation of rights of redemption so that in certain instances Subordinate Obligations of different series will be redeemed in some prescribed relationship to one another for the protection of the Owners of a particular series of Subordinate Obligations;

(vi) to make necessary or advisable amendments or additions in connection with the issuance of Subordinate Parity Obligations in accordance with the Master Resolution and this 2025 Trust Agreement as do not adversely affect the interests of Owners of outstanding Series 2025 Obligations;

(vii) to permit the use of the Book-Entry-Only System to identify the owner of an interest in an obligation issued by the City under the Master Resolution and the 2025 Trust Agreement, whether that obligation was formerly, or could, be evidenced by a tangible security;

(viii) to specify further the duties and responsibilities of, and to define further the relationship among, the City, the Insurer, the Subordinate Reserve Fund Guarantor, if applicable, and the Trustee;

(ix) to achieve compliance of the Master Resolution, the 2025 Trust Agreement and the 2025 Agreement with any applicable federal securities or tax law; and

(x) to permit any other amendment which, in the judgment of the City, is not to be prejudicial of the City or the Owners of the Series 2025 Obligations.

Disqualified Series 2025 Obligations. The Series 2025 Obligations owned or held by or for the account of the City or by any person directly or indirectly controlled by, or under direct or indirect common control with the City (except any Series 2025 Obligations held in any pension or retirement fund) shall not be deemed Outstanding for the purpose of any vote, consent, waiver or other action or any calculation of Outstanding Series 2025 Obligations provided for herein and shall not be entitled to vote upon, consent to, or take any other action provided for in the 2025 Trust Agreement.

Effect of Supplemental Agreement.

(a) From and after the time any supplemental agreement becomes effective, the 2025 Trust Agreement or the 2025 Agreement, as the case may be, shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties hereto or thereto and all Owners of Series 2025 Obligations Outstanding, as the case may be, shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any supplemental agreement shall be deemed to be part of the terms and conditions of the 2025 Trust Agreement or the 2025 Agreement, as the case may be, for any and all purposes.

(b) The Trustee may require each Series 2025 Obligation Owner, before his consent shall be deemed effective, to reveal whether the Series 2025 Obligations as to which such consent is given are disqualified.

Endorsement or Replacement of Series 2025 Obligations Delivered After Amendments. The Trustee or the City may determine that Series 2025 Obligations delivered after the effective date of any action taken as provided in this Article IX shall bear a notation, by endorsement or otherwise, in form approved by the Trustee, as to such action. In that case, upon demand of the Owner of any Series 2025 Obligation Outstanding at such effective date and presentation of his Series 2025 Obligation for the purpose at the office of the Trustee and the City, a suitable notation shall be made on such Series 2025 Obligation. The Trustee or the City may determine that the delivery of substitute Series 2025 Obligations, so modified as in the opinion of the City or the Trustee is necessary to conform to such Series 2025 Obligation Owners' action, which substitute Series 2025 Obligations shall thereupon be prepared, executed and delivered. In that case, upon demand of the Owner of any Series 2025 Obligation then Outstanding, such substitute Series 2025 Obligation shall be exchanged at the principal office of the Trustee, without cost to such Owner of the Series 2025 Obligation, for a Series 2025 Obligation of the same character then Outstanding, upon surrender of such Outstanding Series 2025 Obligation.

Amendatory Endorsement of Series 2025 Obligations. The provisions of this Article shall not prevent any Series 2025 Obligation Owner from accepting any amendment as to the particular Series 2025 Obligations held, provided that proper notation thereof is made on such Series 2025 Obligations.

Notice to Rating Agencies. Any rating agency rating the Series 2025 Obligations must receive notice of each amendment and a copy thereof at least 15 days in advance of its execution and adoption.

Compliance With and Enforcement of 2025 Agreement. The City covenants and agrees with the Owners of the Series 2025 Obligations to perform all obligations and duties imposed on it under the 2025 Agreement. The City will not do or permit anything to be done, or omit or refrain from doing anything, in any case where any such act done or permitted to be done, or any such omission of or refraining from action, would or might be an Event of Default under the 2025 Agreement. The City, immediately upon receiving or giving any notice, communication or other document in

any way relating to or affecting its estate in the Project, which may or can in any manner affect such estate of the City, will deliver the same, or a copy thereof, to the Trustee.

Observance of Laws and Regulations. The City will well and truly keep, observe and perform all valid and lawful obligations or regulations now or hereafter imposed on it by contract, or prescribed by any law of the United States of America, or of the State, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired by the City, including its right to exist and carry on business as a political subdivision, to the end that such rights, privileges and franchises shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired.

Recordation and Filing. The City shall file the 2025 Agreement (or a memorandum thereof or a financing statement with respect thereto), and all such documents as may be required by law (and shall take all further actions which may be necessary or be reasonably required by the Trustee), all in such manner, at such times and in such places as may be required by law in order fully to preserve, protect and perfect the security of the Trustee and the Series 2025 Obligation Owners to the extent possible.

Further Assurances. The Trustee and the City will make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the 2025 Trust Agreement and the 2025 Agreement, and for the better assuring and confirming unto the Owners of the Series 2025 Obligations the rights and benefits provided herein.

Notification to the City of Failure to Make Payments. The Trustee shall notify the City of any failure by the City to make any Payment or other payment required under the 2025 Agreement to be made to the Trustee, in writing and within one Business Day of any such failure. Such notice shall not be a prerequisite for the occurrence of an Event of Default under the 2025 Agreement.

Compliance with the Covenants in the Master Resolution. The City covenants and agrees with the Owners of the Series 2025 Obligations to perform all obligations and duties imposed on it under the Master Resolution, as amended and supplemented. The City will not do or permit anything to be done, or omit or refrain from doing anything, in any case where such act done or permitted to be done, or any such omission of or refraining from action, would or might be an Event of Default under the Master Resolution, as amended and supplemented.

Limited Liability of the City. Except for the payment of Payments from Net Revenues when due in accordance with the 2025 Agreement and the performance of the other covenants and agreements of the City contained in the 2025 Agreement, the City shall have no pecuniary obligation or liability to any of the other parties or to the Owners of the Series 2025 Obligations with respect to the 2025 Trust Agreement, or the terms, execution, delivery or transfer of the Series 2025 Obligations, or the distribution of Payments to the Owners of the Series 2025 Obligations by the Trustee.

No Liability of the City for Trustee Performance. The City shall have no obligation or liability to any of the other parties or to the Owners of the Series 2025 Obligations with respect to the performance by the Trustee of any duty imposed upon it hereunder.

Indemnification of the Trustee.

(a) To the extent permitted by law, the City shall indemnify and save the Trustee harmless for, from and against all claims, losses, costs, expenses, liability and damages, including legal fees and expenses, arising out of: (i) the use, maintenance, condition or management of, or from any work or thing done on, the Project by the City; (ii) any breach or default on the part of the City in the performance of any of its obligations hereunder and under any other agreement made and entered into for purposes of the Project; (iii) any act of negligence of the City or of any of its agents, contractors, servants, employees or licensees with respect to the Project; (iv) any act of negligence of any assignee of, or purchaser from, the City or of any of its or their agents, contractors, servants, employees or licensees with respect to the Project; (v) the construction or acquisition of the Project or the payment of Project Costs; (vi) the actions of any other party, including but not limited to the ownership, operation or use of the Project by the City; (vii) the Trustee's exercise and performance of its powers and duties hereunder; or (viii) any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading in any official statement or other offering circular utilized in connection with the sale of the Series 2025 Obligations, including the costs and expenses of defending itself against any claim of liability arising hereunder. No indemnification will be made under this Section or elsewhere in the 2025 Trust Agreement for willful misconduct, negligence or breach of duty under the

2025 Trust Agreement by the Trustee, or by its officers, agents, employees, successors or assigns. The City's obligations hereunder shall remain valid and binding notwithstanding the maturity and payment or redemption of the Series 2025 Obligations or resignation or removal of the Trustee.

(b) The Trustee, promptly after determining that any event or condition that requires or may require indemnification by the City hereunder exists or may exist, or after receipt of notice of the commencement of any action in respect of which indemnity may be sought hereunder, shall notify the City in writing of such circumstances or action (the "*Notification*"). Upon giving of the Notification, the Trustee shall cooperate fully with the City in order that the City may defend, compromise or settle any such matters or actions that may result in payment by City hereunder. The City shall give the Trustee notice of its election within 15 days after receiving the Notification whether the City, at its sole cost and expense, shall represent and defend the Trustee in any claim or action that may result in a request for indemnification hereunder. If the City timely gives the notice that it will represent and defend the Trustee thereafter, the Trustee shall not settle or compromise or otherwise interfere with the defense or undertakings of the City hereunder. The City shall not settle or compromise any claim or action against the Trustee without the written approval of the Trustee, except to the extent that the City shall pay all losses and the Trustee shall be fully released from such claim or action. If the City either fails to timely give its notice or notifies the Trustee that the City will not represent and defend the Trustee, the Trustee may defend, settle, compromise or admit liability as it shall determine in the reasonable exercise of its discretion and in an effort to minimize any claims for indemnity made hereunder. In the event the City is required to and does indemnify the Trustee as herein provided, the rights of the City shall be subrogated to the rights of the Trustee to recover such losses or damages from any other person or entity.

Opinion of Independent Counsel. Before being required to take any action, the Trustee may require an opinion of Independent Counsel acceptable to the Trustee, which opinion shall be made available to the other parties hereto upon request, which counsel may be counsel to any of the parties hereto, or a verified certificate of any party hereto, or both, concerning the proposed action. If it does so in good faith, the Trustee shall be absolutely protected in relying thereon.

Seller's Rights Held in Trust. As provided herein, the Trustee holds in trust hereunder all of the Seller's rights in and to the 2025 Agreement, including without limitation all of the Seller's rights to exercise such rights and remedies conferred on the Seller pursuant to the 2025 Agreement as may be necessary or convenient to enforce payment of the Payments and any other amounts required to be deposited in the Payment Fund and enforcement of the pledge of Net Revenues.

Remedies of Owners and the Trustee.

(a) With respect to Series 2025 Obligations and subject to the provisions of the Master Resolution, as applicable to Series 2025 Obligations hereof, the Trustee, on behalf of any Owner of the Series 2025 Obligations, may either at law or in equity, by suit, action, mandamus or other proceedings, in any court of competent jurisdiction protect the lien on the Net Revenues created by the Master Resolution and enforce and compel performance of all duties imposed upon the City by the provisions of the Master Resolution, Series 2025 Obligations or any Supplemental Resolution, including the setting and collecting of sufficient rates and revenues, and the segregation of the income and Revenues of the System and the proper application thereof.

(b) If an event of default described in the Master Resolution and the 2025 Agreement occurs and is continuing, then upon the filing of suit by the Trustee, on behalf of any Owner of the Series 2025 Obligations, any court having jurisdiction of the action may appoint a receiver to administer the System on behalf of the City with power to charge and collect rates, fees and charges sufficient to provide for the payment of all Subordinate Obligations and obligations Outstanding against the System and for payment of Operating Expenses, and to apply Revenues in conformity therewith.

(c) Notwithstanding the foregoing, the remedies of the Owners of the Subordinate Obligations are subject to the remedies granted at law or in equity to the Owners of the Senior Bonds.

Non-Waiver. Nothing in the 2025 Trust Agreement or in the Series 2025 Obligations, shall affect or impair the obligation of the City to pay or prepay the Payments as provided in the 2025 Agreement, or affect or impair the right of action, which is absolute and unconditional, of the Series 2025 Obligation Owners to institute suit to enforce and collect such payment.

Institution of Legal Proceedings. If one or more Events of Default shall happen and be continuing, the Trustee in its discretion may, and upon the written request of the Owners of a majority in aggregate principal amount of

the Series 2025 Obligations then Outstanding, and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of the Owners of Series 2025 Obligations by a suit in equity or action at law for the specific performance of any covenant or agreement contained herein.

Power of Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Owners of a majority in aggregate principal amount of the Series 2025 Obligations then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Series 2025 Obligations, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Trustee shall not discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, without the consent of the Owners of a majority in aggregate principal amount of the Series 2025 Obligations Outstanding.

Limitation on Obligation Owners' Right to Sue.

(a) No Owner of any Series 2025 Obligation issued hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this 2025 Trust Agreement, unless (i) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default; (ii) the Owners of at least a majority in aggregate principal amount of all the Series 2025 Obligations then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (iii) said Owners shall have tendered to the Trustee reasonable indemnity against the costs, expenses, and liabilities to be incurred in compliance with such request; and (iv) the Trustee shall have refused or omitted to comply with such request for a period of 60 days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

(b) Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Series 2025 Obligations of any remedy hereunder; it being understood and intended that no one or more Owners of Series 2025 Obligations shall have any right in any manner whatever by his or their action to enforce any right under the 2025 Trust Agreement, except in the manner herein provided, and that all proceedings at law or in equity with respect to an Event of Default shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding Series 2025 Obligations.

(c) The right of any Owner of any Series 2025 Obligation to receive payment of said Owner's proportionate interest in the Payments as the same become due, or to institute suit for the enforcement of such payment, shall not be impaired or affected without the consent of such Owner, notwithstanding the foregoing provisions of this Section or any other provision hereof.

Insurer to be Deemed an Owner. The Insurer shall be deemed to be the sole holder of the Series 2025 Obligations for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the Series 2025 Obligations are entitled to take pursuant to the 2025 Insurance Agreement, the Master Resolution or the 2025 Trust Agreement pertaining to (a) defaults and remedies and (b) the duties and obligations of the Trustee. In furtherance thereof and as a term of the Master Resolution, the 2025 Trust Agreement, the Trustee and each owner of the Series 2025 Obligations appoint the Insurer as their agent and attorney-in-fact and agree that the Insurer may at any time during the continuation of any proceeding by or against the City under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "*Insolvency Proceeding*") direct all matters relating to such Insolvency Proceeding, including without limitation, (i) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a "*Claim*"), (ii) the direction of any appeal of any order relating to any Claim, (iii) the posting of any surety, supersedeas or performance bond pending any such appeal, and (iv) the right to vote to accept or reject any plan of adjustment. In addition, the Trustee and each owner of the Series 2025 Obligations delegate and assign to the Insurer, to the fullest extent permitted by law, the rights of the Trustee and each owner of a Series 2025 Obligation in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding.

Registered Bond Payment Concerning the Bond Insurance Policy. The provisions of Section 20 of the Master Resolution apply to the Series 2025 Obligations.

Method of Valuation and Frequency of Valuation. The provisions of Section 21 of the Master Resolution apply to the Series 2025 Obligations.

Third Party Beneficiary. The Insurer is a third-party beneficiary to the Master Resolution, the 2025 Trust Agreement and the 2025 Agreement.

Limits on Insurer's Rights. As set forth in the 2025 Insurance Agreement, the rights of the Insurer to direct or consent to City, Trustee or Owner of the Series 2025 Obligation actions or to require notice pursuant to the Master Resolution and the 2025 Trust Agreement will be suspended during any period in which the Insurer is in default in its payment obligations pursuant to the Bond Insurance Policy (except to the extent of amounts previously paid by the Insurer and due and owing to the Insurer) and will be of no force or effect in the event the Bond Insurance Policy is no longer in effect, the Insurer asserts that the Bond Insurance Policy is not in effect or the Insurer has provided written notice that it waives such rights.

Defeasance. All or any part of the Series 2025 Obligations shall be deemed to have been paid or discharged and no longer Outstanding in accordance with the provisions of the Master Resolution, the 2025 Trust Agreement and the requirements set forth in the 2025 Insurance Agreement.

Records. The Trustee shall keep complete and accurate records of all monies received and disbursed hereunder, which shall be available for inspection by the City and any Owner of the Series 2025 Obligations, or the agent of any of them, at any time during regular business hours.

Covenant as to Conflict of Interest. A.R.S. § 38-511 provides that the City may, within three years after its execution, cancel any contract, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the City is, at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract. In addition, the City may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the City from any other party to the contract arising as a result of the contract.

2025 Insurance Agreement Supersedes. To the extent the terms and provisions of the 2025 Trust Agreement conflict with the terms and provisions of the 2025 Insurance Agreement, the 2025 Insurance Agreement shall control and supersede the 2025 Trust Agreement.

Governing Law. The 2025 Trust Agreement shall be construed and governed in accordance with the laws of the State of Arizona.

Binding Effect and Successors. The 2025 Trust Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. Whenever in the 2025 Trust Agreement either the City or the Trustee is named or referred to, such reference shall be deemed to include successors or assigns thereof, and all the covenants and agreements herein contained by or on behalf of the City or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Parties Interested Herein. Nothing in the 2025 Trust Agreement or the Series 2025 Obligations, expressed or implied, is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the City, the Trustee, the Insurer, the Reserve Fund Guarantor, and the Owners of the Series 2025 Obligations, any legal or equitable right, remedy or claim under or by reason of the 2025 Trust Agreement or any covenant, condition or stipulation hereof, and all covenants, stipulations, provisions and agreements herein contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, the Trustee, and the Owners of the Series 2025 Obligations.

Waiver of Notice. Whenever in the 2025 Trust Agreement the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SUMMARY OF THE RESOLUTION

Section 1. Definitions.

“Accreted Value” shall mean, with respect to any Capital Appreciation Bond, as of the date of calculation, the initial principal amount thereof plus the interest accrued thereon to such date of calculation, compounded from the date of initial delivery of the Capital Appreciation Bonds at the approximate interest rate (or yield) thereof on each January 1 and July 1, assuming in any year that such Accreted Value increases in equal daily amounts on the basis of a year of 360 days composed of 12 months of 30 days each, as shown on any table of accreted values for any series of Capital Appreciation Bonds. For any date other than a January 1 or July 1, the Accreted Value of a Capital Appreciation Bond will be determined by a straight-line interpolation between the values, for the applicable semiannual compounding dates, based on a year of 360 days composed of 12 months of 30 days each.

“Act” shall mean Arizona Revised Statutes, Title 9, Chapter 5, Article 3, as amended.

“Agreement” shall mean any agreement between a Reserve Fund Guarantor and the City pertaining to the reimbursement of a Reserve Fund Guarantor upon a Drawdown, as such agreement may be amended, modified or supplemented from time to time.

“Annual Debt Service Requirement” shall mean for any Fiscal Year the amount to be paid in such Fiscal Year with respect to any applicable series of Senior Bonds or any applicable series of Subordinate Obligations for payment of principal of (whether such principal payments are due at maturity or because of mandatory sinking fund redemption), interest on and Accreted Value of the applicable series of Senior Bonds or Subordinate Obligations. If interest on any Senior Bonds or Subordinate Obligations, as applicable, is payable pursuant to available interest rate formula, the interest rate on any such Senior Bonds or Subordinate Obligations, as applicable, for periods when the actual interest rate on such Senior Bonds or Subordinate Obligations, as applicable, cannot yet be determined shall be assumed to be equal to an interest rate equal to whichever of the following is the highest:

(i) the average annual interest rate on the applicable Senior Bonds or Subordinate Obligations over the last five years; or

(ii) if the terms of such Senior Bonds or Subordinate Obligations provide for conversion of the interest rate payable on such Senior Bonds or Subordinate Obligations to a fixed interest rate for the remainder of their term to maturity, an interest rate per annum determined in accordance with the provisions of such Senior Bonds or Subordinate Obligations as if the interest rate payable thereon were being converted to a fixed interest rate for the remainder of their term to maturity.

“Bond Funds” shall mean the Senior Bond Fund and the Subordinate Obligation Fund created pursuant to the Resolution.

“Bond Insurance Policy” shall mean, with respect to the 1999 Bonds, the 1999 Bond Insurance Policy and any other municipal bond insurance policy issued by an Insurer insuring the payment of the principal of and interest on all or any of the Current Interest Parity Bonds which are Senior Bonds or Subordinate Obligations, as applicable, or the Accreted Value on any Capital Appreciation Parity Bonds which are Senior Bonds or Subordinate Obligations, as applicable.

“Bond Registrar” or “Registrar” shall mean as to the 1999 Bonds, initially Norwest Bank Arizona, N.A., or its successor, as bond registrar and as to any other series of Bonds, any bank, trust company or other entity designated as such by or pursuant to a Supplemental Resolution.

“Bonds” shall mean all Outstanding Senior Bonds or Subordinate Obligations.

“Business Day” shall mean any day other than a Saturday, Sunday or a day on which banks located in Phoenix, Arizona or New York, New York are authorized by law to close.

“Capital Appreciation Bonds” shall mean any Bonds described as such when issued and further designated as Senior Bonds or Subordinate Obligations.

“Capitalized Reserve Account” shall mean the capitalized reserve accounts created pursuant to the Resolution.

“Contributed Reserve Account” shall mean the contributed reserve accounts created pursuant to the Resolution.

“Council” shall mean the governing body of the City, consisting of the Mayor and Council of the City.

“Current Interest Bonds” shall mean any Bonds described as such when issued and further designated as Senior Bonds or Subordinate Obligations.

“Debt Service Payments” shall mean those payments required to be made by or on behalf of the City which will be applied to payment of principal of and interest and any premium due on the Current Interest Bonds and the Accreted Value and any premium due on the Capital Appreciation Bonds.

“Defeasance Obligations” shall mean the deposit of:

1. Cash but only if legal tender of the United States of America (“U.S.”).
2. U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series (“SLGs”).
3. Direct obligations of the U.S. Treasury which have been stripped by the U.S. Treasury itself, CATS, TIGRS and similar securities.
4. Resolution Funding Corp. (REFCORP) securities, but only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form are acceptable.
5. Pre-refunded municipal bonds rated “Aaa” by Moody’s Investors Service (“Moody’s”) and “AAA” by Standard & Poor’s Ratings Services, a division of the McGraw-Hill Companies, Inc. (“S&P”). If, however, the issue is only rated by S&P A (i.e., there is no Moody’s rating), then the pre-refunded bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or AAA rated pre-refunded.
6. Obligations issued by the following agencies which are backed by the full faith and credit of the U.S.:
 - a. U.S. Export-Import Bank (Eximbank)
Direct obligations or fully guaranteed certificates of beneficial ownership
 - b. Rural Development Administration (“RD”) fka, Farmers Home Administration (FmHA)
Certificates of beneficial ownership
 - c. Federal Financing Bank
 - d. General Services Administration Participation certificates
 - e. U.S. Maritime Administration Guaranteed Title XI financing
 - f. U.S. Department of Housing and Urban Development (HUD) Project Notes
Local Authority Bonds
New Communities Debentures
U.S. government guaranteed debentures
U.S. Public Housing Notes and Bonds
U.S. government guaranteed public housing notes and bonds.
7. Such other instrument as may be approved, in writing, by the Insurer of the applicable series of Bonds being defeased.

“Deficiency” shall mean the difference between (i) the total amount due on a Principal Payment Date or Interest Payment Date for the Bonds and (ii) the amount which has been deposited into the Senior Bond Fund or

Subordinate Obligation Fund, as applicable, from money paid by the City or from other funds legally available to the Paying Agent under the applicable series of Senior Bonds or Subordinate Obligations from payment to the Owners (which funds shall not include payments made pursuant to any Bond Insurance Policy or Reserve Fund Guaranty).

“Depository” shall mean a commercial bank doing business in the State which has an office in the State and whose deposits are insured by the Federal Deposit Insurance Corporation.

“Drawdown” shall mean any amount drawn by the Paying Agent on a Reserve Fund Guaranty.

“Drawdown Date” shall mean the date on which the Paying Agent draws down proceeds of a Reserve Fund Guaranty, which shall be a Principal Payment Date or an Interest Payment Date or, with respect to Variable Rate Bonds, such other time as specified in the Supplemental Resolution.

“Fiscal Year” shall mean the 12-month period beginning on July 1 of each year and ending on the last day of June of the next succeeding year.

“Insurer” shall mean, as to the 1999 Bonds, the 1999 Insurer, and as to any subsequently issued Bonds, the issuer of any Bond Insurance Policy that pertains to any series of Bonds.

“Interest Payment Date” or “Interest Payment Dates” shall mean, as to the Current Interest Bonds, the date or dates designated as an Interest Payment Date or Dates in the form of Current Interest Bond for which provision is made in any applicable Supplemental Resolution.

“Liquidity Provider” shall mean, as to any Variable Rate Bonds the issuer of a letter of credit, surety bond, or bond purchase agreement under which the Liquidity Provider agrees to either purchase any Variable Rate Bonds or provide a letter of credit permitting a remarketing agent to purchase any Variable Rate Bonds under designated terms and conditions.

“Net Revenues” shall mean for each Fiscal Year the Revenues remaining after deduction of Operating Expenses.

“Operating Expenses” shall mean any annual premium and fees payable, with respect to Senior Bonds only, to any Liquidity Provider, Reserve Fund Guarantor, Paying Agent and Registrar and the reasonable and necessary costs of operation, maintenance, and repair of the System, including salaries, wages, cost of materials and supplies, and insurance, but shall exclude depreciation, Policy Costs, payments into the Senior Bond Fund and the Senior Reserve Fund and any payments to be made on or with respect to any Subordinate Obligations.

“Outstanding” or “Outstanding Bonds” when used with reference to the Bonds, shall mean, as of any date of determination, all Bonds theretofore authenticated and delivered except:

1. Bonds theretofore cancelled by the City or delivered to the City or a Paying Agent for cancellation;
2. Bonds which are deemed paid and no longer Outstanding as provided herein; and
3. Bonds in lieu of which other Bonds have been issued pursuant to the provisions hereof relating to Bonds destroyed, stolen, lost or mutilated, unless evidence satisfactory to the Finance Director has been received that any such Bond is held by a bona fide purchaser.

“Owner” shall mean any person who shall be the registered owner of any Bond or Bonds outstanding.

“Parity Bonds” shall mean any additional bonds or other obligations issued on a parity with the 1999 Bonds pursuant to the provisions of the Master Resolution.

“Paying Agent” shall mean, except as provided in the Master Resolution, as to the 1999 Bonds, initially Norwest Bank Arizona, N.A., or any successor thereto and as to any subsequent series of Bonds, any bank, trust company or other entity designated as such by or pursuant to a Supplemental Resolution.

“Permitted Investments” shall mean:

1. Defeasance Obligations.

2. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

- a. U.S. Export-Import Bank, Direct obligations or fully guaranteed certificates of beneficial ownership
- b. Rural Economic and Community Development (formerly known as Farmers Home Administration), Certificates of beneficial ownership
- c. Federal financing Bank
- d. Federal Housing Administration Debentures
- e. General Services Administration, Participation certificates
- f. Government National Mortgage Association (“GNMA”) GNMA - guaranteed mortgage-backed bonds
GNMA - guaranteed pass-through obligations
- g. U.S. Maritime Administration, Guaranteed Title XI financing
- h. U.S. Department of Housing and Urban Development, Project Notes, Local Authority Bonds, New Communities Debentures - U.S. Government guaranteed debentures and U.S. Public Housing Notes and Bonds U.S. government guaranteed public housing notes and bonds

3. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following United States government agencies (non-full faith and credit agencies):

- a. Federal Home Loan Bank System, senior debt obligations
- b. Federal Home Loan Mortgage Corporation (“FHLMC”) Participation Certificates and Senior debt obligations
- c. Fannie Mae, fka Federal National Mortgage Association (“FNMA”), Mortgage- backed securities and senior debt obligations (excluded are stripped mortgage securities which are valued greater than par on the portion of unpaid principal)
- d. Student Loan Marketing Association, senior debt obligations
- e. Resolution Funding Corporation
- f. Farm Credit System, Consolidated statewide bonds and notes

4. Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of AAAM-G; AAAM; or AAM and if rated by Moody's of AAA, Aa1 or Aa2.

5. Certificates of deposit secured at all times by collateral described in paragraphs (2) and/or (3) above. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks whose short term obligations are rated A-1 or better by S&P and P-1 by Moody's. The collateral must be held by a third party and the Owners must have a perfected first security interest in the collateral.

6. Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC, including BIF and SAIF.

7. Commercial paper rated, at the time of purchase, "Prime-1" by Moody's and "A-1" or better by S&P.

8. Bonds or notes issued by any state or municipality which are rated by Moody's and S&P in one of the two highest rating categories assigned by such agencies.

9. Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime-1" or "A3" or better by Moody's and "A-1" or "A" or better by S&P.

10. Repurchase agreements that provide for the transfer of securities from a dealer bank or securities firm (seller/borrower) to the City a (buyer/lender), and the transfer of cash from the City to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the municipal entity in exchange for the securities at a specified date.

Repurchase agreements must satisfy the following criteria:

- a. Repurchase agreements must be between the City and a dealer bank or securities firm which are either:
 - (i) Primary dealers on the Federal Reserve reporting dealer list which are rated A or better by S&P and Moody's, or
 - (ii) Banks rated "A" or above by S&P and Moody's.
- b. The written repurchase agreement must include the following:
 - (i) Securities which are acceptable for transfer are:
 - (x) Direct U.S. Governments, or
 - (y) Federal agencies backed by the full faith and credit of the U.S. Government (and FNMA and FHLMC)
 - (ii) The term of the repurchase agreement shall be no longer than 30 days.
 - (iii) The collateral must be delivered to the City or a bank of the City's choice (if City is not supplying the collateral) or third party acting as agent for the City (if the City is supplying the collateral) before/simultaneously with payment (perfection by possession of certificated securities).
 - (iv) The City has a perfected first priority security interest in the collateral.
 - (v) Collateral is free and clear of third-party liens and in the case of SIPC broker was not acquired pursuant to a repurchase agreement or reverse repurchase agreement.
 - (vi) Failure to maintain the requisite collateral percentage will require the City, the bank or the third party holding the collateral to liquidate collateral.
 - (vii) Valuation of Collateral
 - (1) The securities must be valued weekly, marked-to-market at current market price plus accrued interest
 - (2) The value of collateral must be equal to 104% of the amount of cash transferred by the City, the bank or the third party holding the collateral to the dealer bank or securities firm under the repurchase agreement plus

accrued interest. If the value of securities held as collateral slips below 104% of the value of the cash transferred by the City, then additional cash and/or acceptable securities must be delivered by the seller/borrower. If, however, the securities used as collateral are FNMA or FHLMC, then the value of the collateral must equal 105%

- c. The City receives a legal opinion that the repurchase agreement is a legal investment of public monies under the laws of the State.

11. Investments with the State Treasurer in the pooled investment fund for the collective investment of public funds in the State authorized to be created by Title 35, Chapter 2, Article 2, Section 35-326, Arizona Revised Statutes, as amended.

12. Investment Agreements, including GIC's, issued by entities rated A or better by S&P and Moody's that are otherwise acceptable to any Insurer.

"Policy Costs" shall mean the amount necessary to reimburse a Reserve Fund Guarantor for any Drawdowns including, without limitation, the amount of any Drawdown, such Reserve Fund Guarantor's expenses thereon including any legal expenses and interest on such amounts at the Reimbursement Rate until paid.

"Principal Payment Date" shall mean the date on which principal of the Current Interest Bonds or Variable Rate Bonds is to be paid either at maturity or as a result of mandatory redemption or, with respect to Capital Appreciation Bonds, the date for payment of the matured Accreted Value.

"Reimbursement Funds" shall mean the Senior Reimbursement Fund and the Subordinate Reimbursement Fund created pursuant to the Resolution.

"Reimbursement Rate" shall mean with respect to any Agreement pertaining to a Reserve Fund Guaranty for any Bonds, the rate of interest set forth in the applicable Agreement.

"Reserve Funds" shall mean the Senior Reserve Fund and the Subordinate Reserve Fund created pursuant to the Resolution.

"Reserve Fund Guarantor" shall mean the issuer of either a Senior Reserve Fund Guaranty or a Subordinate Reserve Fund Guaranty.

"Reserve Fund Guaranty" shall mean either a Senior Reserve Fund Guaranty or a Subordinate Fund Guaranty, as pertaining to the applicable series of Bonds.

"Reserve Fund Guaranty Amount" shall mean, as to any series of Bonds, the Senior or Subordinate Reserve Requirement immediately following the issuance of such series less the Reserve Fund Value on such date.

"Reserve Fund Value" shall mean the value of monies and investments credited to the applicable Reserve Fund determined in accordance with the Resolution, plus the aggregate dollar amounts of the applicable Reserve Fund Guarantees.

"Reserve Requirement" shall mean either the Senior Reserve Requirement or the Subordinate Reserve Requirement, as applicable.

"Revenue Fund" shall mean the revenue fund created pursuant to the Master Resolution.

"Revenues" shall mean and include all service charges, income, monies and receipts derived by the City from the ownership, use and operation of the System, or any part thereof, including, without limitation, interest received on, and profits realized from the sale of, investments made with monies of the System; however, the term Revenues shall include neither: (i) interest received on any investments placed irrevocably in trust to pay, or provide for the payment of, any Bond or Bonds to be refunded, (ii) impact or development fees, or (iii) amounts received which the City is now or at the time of receipt contractually required to pay out as reimbursement for construction or installation of water or sewer facilities included in the System.

“Senior Bonds” shall mean the 1999 Bonds and any Senior Parity Bonds issued pursuant to the Master Resolution and secured as to payment by the Net Revenues of the System.

“Senior Maximum Annual Debt Service” shall mean, at the time of computation, the greatest scheduled Annual Debt Service Requirement of the Senior Bonds occurring in the then-current, or any subsequent Fiscal Year. When computing Senior Maximum Annual Debt Service, Senior Bonds subject to mandatory redemption shall be treated as maturing on the date such mandatory redemption is to occur.

“Senior Parity Bonds” shall mean any additional bonds or other obligations issued on a parity with the 1999 Bonds pursuant to the provisions of the Resolution.

“Senior Reimbursement Fund” shall mean the fund created pursuant to the Master Resolution.

“Senior Reserve Fund” shall mean the fund created pursuant to the Master Resolution.

“Senior Reserve Fund Guarantor” shall mean an issuer of a Senior Reserve Fund Guaranty whose Senior Reserve Fund Guaranty, when issued will not adversely affect any then-current rating pertaining to the Bonds, or any series thereof, if then rated by Moody's Investors Service or by Standard & Poor's Corporation.

“Senior Reserve Fund Guaranty” shall mean any surety bond, letter of credit or line of credit, guaranty agreement or insurance policy executed and delivered to the City or a Paying Agent on behalf of the City as a Senior Reserve Fund Guaranty.

“Senior Reserve Requirement” shall mean, with respect to the 1999 Bonds \$333,500.00 and, with respect to any series of Senior Parity Bonds having a Reserve Fund or part of a common reserve fund means an amount equal to in the aggregate for the 1999 Bonds and for all such Senior Parity Bonds, the lesser of: (i) 10% of the proceeds from the sale (as those words are used in Section 148(d)(2) of the Internal Revenue Code of 1986, as amended) of the applicable series of the Senior Bonds, (ii) 125% of the average Annual Debt Service Requirement for the 1999 Bonds and Senior Bonds (or, if a standalone reserve fund of the applicable series of Senior Bonds), or (iii) Senior Maximum Annual Debt Service of the 1999 Bonds and Senior Bonds (or, if a standalone reserve fund of the applicable series of Senior Bonds). With respect to Senior Bonds secured by a common reserve fund, the Senior Reserve Fund Requirement shall be recalculated upon the issuance of any Senior Parity Bonds, which require a Reserve Fund, and whenever any Senior Bonds become no longer Outstanding.

“State” shall mean the State of Arizona.

“Subordinate Maximum Annual Debt Service” shall mean, at the time of computation, the greatest scheduled Annual Debt Service Requirement for the applicable series of the Subordinate Obligations occurring in the then-current, or any subsequent Fiscal Year. When computing Subordinate Maximum Annual Debt Service, Subordinate Obligations subject to mandatory redemption shall be treated as maturing on the date such mandatory redemption is to occur.

“Subordinate Obligations” shall mean the Subordinate Obligations and any Subordinate Parity Obligations hereafter incurred by the City, payable from Net Revenues which by the terms of such obligation are subordinate to the Senior Bonds.

“Subordinate Parity Obligations” shall mean any additional bonds or other obligations issued on a parity with the Subordinate Obligations pursuant to the provisions of the Resolution.

“Subordinate Reimbursement Fund” shall mean the fund created pursuant to the Resolution.

“Subordinate Reserve Fund” shall mean the fund created pursuant to the Resolution.

“Subordinate Reserve Fund Guarantor” shall mean an issuer of a Subordinate Reserve Fund Guaranty whose Subordinate Reserve Fund Guaranty, when issued will not adversely affect any then-current rating pertaining to the Subordinate Obligations, or any series thereof, if then rated by Moody's Investors Service or by Standard & Poor's Corporation.

“Subordinate Reserve Fund Guaranty” shall mean any surety bond, letter of credit or line of credit, guaranty agreement or insurance policy executed and delivered to the City or a Paying Agent on behalf of the City as a Subordinate Reserve Fund Guaranty.

“Subordinate Reserve Requirement” shall mean, with respect to any series of Subordinate Obligations having a Reserve Fund or part of a common reserve fund means an amount equal to in the aggregate for Subordinate Parity Obligations, the lesser of: (i) 10% of the proceeds from the sale (as those words are used in Section 148(d)(2) of the Internal Revenue Code of 1986, as amended) of the applicable series of Subordinate Obligations, (ii) 125% of the average Annual Debt Service Requirement for the Subordinate Obligations (or, if a standalone reserve fund of the applicable series of Subordinate Obligations), or (iii) Subordinate Maximum Annual Debt Service of the Subordinate Obligations (or, if a standalone reserve fund of the applicable series of Subordinate Obligations). With respect to Subordinate Obligations secured by a common reserve fund, the Subordinate Reserve Requirement shall be recalculated upon the issuance of any Subordinate Parity Obligations and whenever Subordinate Obligations become no longer Outstanding.

“Supplemental Resolution” shall mean any resolution of the City supplemental to the Master Resolution authorizing the issuance of a series of Parity Bonds.

“System” shall mean the complete water and sewer system of the City and all water and sewer properties of every nature hereafter owned by the City, including all improvements and extensions made from time to time by the City while any of the Bonds remain outstanding, and including all real and personal property of every nature comprising part of or used or useful in connection with the City's water and sewer system, and including all appurtenances, contracts, leases, franchises, and other intangibles.

“Variable Rate Bonds” shall mean any Bonds described as such when issued and interest on such Bonds is payable pursuant to a variable interest rate formula and further designated as Senior Bonds or Subordinate Obligations.

“1999 Bonds” shall mean only those Bonds comprising the \$3,335,000 aggregate stated principal amount of City of Goodyear Water and Sewer Revenue Refunding and Improvement Bonds, Series 1999.

“1999 Insurer” shall mean Financial Security Assurance, Inc., the issuer of the 1999 Bond Insurance Policy.

“1999 Bond Insurance Policy” shall mean the financial guaranty insurance policy issued by the 1999 Bond Insurer insuring the payment when due of the Accreted Value of the 1999 Bonds.

Section 2. Coverage. The City covenants and agrees with the Owners that it will establish and maintain rates, fees and other charges for all services supplied by the System to provide Revenues fully sufficient at all times, after making reasonable allowance for contingencies and errors in estimates, to pay the Operating Expenses and to produce an aggregate amount of Net Revenues in each Fiscal Year equal to 115% of the Annual Debt Service Requirements of all of the Outstanding Bonds, and said rates, fees and other charges shall also be established and maintained at rates sufficient to provide an amount of Net Revenues for the then current Fiscal Year which, net of the aggregate amounts required to be deposited to the Senior Bond Fund and Subordinate Obligation Fund during such Fiscal Year, will still be sufficient to provide at least 100% of the City's Policy Costs due and owing in such Fiscal Year.

Section 3. Creation of Funds: Application of Revenues.

A. Funds. The Finance Director shall create the following special funds and accounts to be held in trust for the Owners or the City, as the case may be, and expended follows:

1. The City of Goodyear Water and Sewer Revenue Bond Revenue Fund (the “Revenue Fund”).
2. The City of Goodyear Water and Sewer Revenue Bond Operation and Maintenance Fund (the “Operation and Maintenance Fund”).
3. The City of Goodyear Water and Sewer Revenue Senior Bond Principal and Interest Fund (the “Senior Bond Fund”).
4. The City of Goodyear Water and Sewer Revenue Senior Bond Reserve Fund Guarantor or Liquidity Provider Reimbursement Fund (the “Senior Reimbursement Fund”).
5. The City of Goodyear Water and Sewer Revenue Senior Bond Reserve Fund (the “Senior Reserve Fund”), which fund shall also contain, if applicable, separate accounts to be known as the Capitalized Reserve Account and the Contributed Reserve Account.

6. The City of Goodyear Water and Sewer Revenue Subordinate Obligation Fund (the “Subordinate Obligation Fund”).

7. The City of Goodyear Water and Sewer Revenue Subordinate Reserve Fund Guarantor or Liquidity Provider Reimbursement Fund (the “Subordinate Reimbursement Fund”).

8. The City of Goodyear Water and Sewer Revenue Subordinate Reserve Fund (the “Subordinate Reserve Fund”) which fund shall also contain, if applicable, separate accounts to be known as the Capitalized Reserve Account and the Contributed Reserve Account.

The City may establish segregated reserve fund accounts for any series of Subordinate Obligations which segregated reserve funds may be restricted to payment of a certain series of Subordinate Obligations. Further, the City may provide that a segregated reserve fund or any portion of a common reserve fund may be held and administered by the trustee or trustees for the applicable series of Subordinate Obligations.

B. Application of Revenues. Pursuant to the provisions of the Master Resolution or any Supplemental Resolution, and as long as any of the Bonds are outstanding and unpaid either as to principal, Accreted Value or as to interest, the entire Revenues shall be deposited as collected with a Depository, and shall be held in the custody of the Finance Director of the City in the Revenue Fund. The Revenue Fund shall be disbursed only for the purposes hereinafter authorized and only in the following order of priority:

1. Operation and Maintenance Fund. First, to the “Operation and Maintenance Fund” on or before the 10th day of each month an amount which, together with any money already on deposit in said Fund, will be sufficient to pay Operating Expenses for said month. Money in the Operation and Maintenance Fund shall be used only for the payment of Operating Expenses.

2. Senior Bond Fund. Second, on or before the 10th day of each month, to the Senior Bond Fund the following amounts in the following manner:

a. One-sixth (1/6) of the interest becoming due on the next Interest Payment Date on all of the Senior Bonds then Outstanding; and

b. Commencing March 1, 1999, through June 1, 1999, one-fourth (1/4) of the Accreted Value of the Series 1999 Bonds coming due on July 1, 1999, and commencing July 1, 1999, one-twelfth (1/12) of the principal or matured Accreted Value becoming due on the next succeeding Principal Payment Date on all of the Senior Bonds then Outstanding.

The Senior Bond Fund shall be a trust fund and shall be used solely for the purpose of paying the principal of and interest on the Senior Bonds. Monies in the Senior Bond Fund shall be transferred to the Paying Agent as needed to punctually pay all principal, Accreted Value and interest on the Senior Bonds as it matures or comes due.

3. Senior Reimbursement Fund. Third, if a Senior Reserve Fund Guaranty secures any Senior Bonds and a Drawdown shall have occurred, there shall be deposited to the Senior Reimbursement Fund for payment of Policy Costs for the Senior Bonds commencing the 10th day of the first month following a Drawdown and each month thereafter for the next succeeding 11 months or for such longer period if agreed to by the applicable Senior Reserve Fund Guarantor, or until the Senior Reimbursement Fund contains amounts sufficient to reimburse all Policy Costs for the Senior Bonds, or all Policy Costs for the Senior Bonds with respect to such Drawdown have been paid, an amount equal to at least 1/12 (or such other agreed upon portion of the Policy Costs for the Senior Bonds) of the aggregate of Policy Costs for the Senior Bonds related to the Drawdown. Monies may be paid from the Senior Reimbursement Fund to reimburse a Senior Reserve Fund Guarantor for any Drawdown at any time, as directed by the Finance Director.

Monies in the Senior Reimbursement Fund shall be used only to reimburse Senior Reserve Fund Guarantors for Policy Costs for the Senior Bonds resulting from Drawdowns. If more than one Senior Reserve Fund Guarantee shall hereafter be deposited to the Senior Reserve Fund, Policy Costs for the Senior Bonds with respect to any Drawdown which occurs against the Senior Reserve Fund Guaranties shall be reimbursed on a pro rata basis (calculated by reference to the maximum amounts available for such reimbursement) after first applying all cash and investments in the Senior Reserve Fund and prior to any replenishment of the Senior Reserve Fund.

If the City fails to repay any Policy Costs for the Senior Bonds, any Senior Reserve Fund Guarantor or shall be entitled to exercise any and all remedies available at law or under the Master Resolution other than (i) acceleration of the maturity of the Senior Bonds or (ii) any other remedies which would adversely affect the rights of the Owners of the Senior Bonds.

All Senior Reserve Fund Guaranties shall be held by the Paying Agent acting as fiduciary for the Owners of the Senior Bonds. All Senior Reserve Fund Guaranties shall by their terms expire no earlier than the final maturity date of the respective series of Senior Bonds for which said Senior Reserve Fund Guaranty applies.

4. Senior Reserve Fund. Fourth, on or before the 10th day of each month, to the Senior Reserve Fund an amount equal to 1/60th of the amount required to increase or restore the Reserve Fund Value to the Senior Reserve Requirement within a five-year period, or such amount as is required hereunder to restore the Senior Reserve Fund to the Senior Reserve Requirement after a Senior Reserve Fund withdrawal.

If, on any Principal Payment Date or Interest Payment Date, a Deficiency exists, then:

a. If there are investments or cash in the Senior Reserve Fund, such investments shall be liquidated and the cash and investment proceeds transferred to the Senior Bond Fund and

b. If the Deficiency is not cured after any transfers pursuant to subparagraph a. above, then the Paying Agent shall deliver a request for Drawdown to the Senior Reserve Fund Guarantor(s). All Drawdown proceeds shall be applied to payment of the interest on, Accreted Value of, or principal of, the Senior Bonds.

When Senior Parity Bonds are issued, the proceedings for such Senior Parity Bonds shall provide for either a Senior Reserve Fund Guaranty, a payment of Senior Parity Bond proceeds to the Capitalized Reserve Account or the Contributed Reserve Account of the Senior Reserve Fund shall be increased by deposits which will increase the Reserve Fund Value within five years from the date of the issuance of such Senior Parity Bonds to not less than the Senior Reserve Requirement immediately after issuance of such Senior Parity Bonds. If, at any time, the Reserve Fund Value exceeds the Senior Reserve Requirement, any excess shall be transferred to the Revenue Fund. Notwithstanding the foregoing, Senior Parity Bonds may be issued without a Senior Reserve Requirement, provided such Senior Parity Bonds shall have no claim on any amounts or Senior Reserve Fund Guaranty in the Senior Reserve Fund.

Money in the Senior Reserve Fund and Drawdowns shall be used solely for the payment of interest on, Accreted Value of or principal of the Senior Bonds as to which there would otherwise be default in such payment. All money so taken from the Senior Reserve Fund to pay principal, accreted Value or interest shall be replaced therein from the first money in the Senior Revenue Fund thereafter received which is not required for current transfers into the Operation and Maintenance Fund and the Senior Bond Fund pursuant to the Master Resolution and payment of Policy Costs for the Senior Bonds pursuant to the Master Resolution.

5. Subordinate Obligation Fund. Fifth, to the Subordinate Obligation Fund:

a. On or before the 10th day of each month, commencing July 10, 2010, an amount which when added to the balance then in the respective debt service payment fund or account established pursuant to an indenture or trust agreement authorizing the issuance of Subordinate Obligations shall be equal to 1/6th of the interest becoming due on the next Interest Payment Date with respect to all Subordinate Obligations (except for the first year which shall be equal to 1/5th of the interest becoming due on the first Interest Payment date with respect to all Subordinate Obligations); and

b. On or before the 10th day of each month, commencing July 10, 2021, an amount which when added to the balance then in the respective debt service payment fund or account established pursuant to an indenture or trust agreement authorizing the issuance of Subordinate Obligations shall be equal to one-twelfth of the principal due on the next Principal Payment Date with respect to all Subordinate Obligations (except for the first year which shall be equal to 1/11th of the principal due on the first Principal Payment Date with respect to all Subordinate Obligations).

The Subordinate Obligation Fund shall be a trust fund and shall be used solely for the purpose of paying the principal of and interest on the Subordinate Obligations and the fees and expenses described in paragraph (c) below. Monies in the Subordinate Obligation Fund shall be transferred to the Paying Agent as needed to punctually pay all principal, Accreted Value and interest on the Subordinate Obligations as it matures or comes due.

c. From time to time, amounts necessary to pay the compensation, fees, expenses, advances and indemnity amounts owed to the trustees, paying agents and registrars for any Subordinate Obligations.

6. Subordinate Reimbursement Fund. Sixth, if a Subordinate Reserve Fund Guaranty secures any Subordinate Obligations and a Drawdown shall have occurred, there shall be deposited to the Subordinate Reimbursement Fund for payment of Policy Costs for the Subordinate Obligations commencing the 10th day of the first month following a Drawdown and each month thereafter for the next succeeding 11 months or for such longer period if agreed to by the applicable Subordinate Reserve Fund Guarantor, or until the Subordinate Reimbursement Fund contains amounts sufficient to reimburse all Policy Costs for the Subordinate Obligations, or all Policy Costs for the Subordinate Obligations with respect to such Drawdown have been paid, an amount equal to at least 1/12th (or such other agreed upon portion of the Policy Costs for the Subordinate Obligations) of the aggregate of Policy Costs for the Subordinate Obligations related to the Drawdown. Monies may be paid from the Subordinate Reimbursement Fund to reimburse a Subordinate Reserve Fund Guarantor for any Drawdown at any time, as directed by the Finance Director.

All amounts in the Subordinate Reimbursement Fund shall be held by the trustee of an indenture or trust agreement authorizing the applicable series of Subordinate Obligations for the purposes provided under the Master Resolution. Monies in the Subordinate Reimbursement Fund shall be used only to reimburse Subordinate Reserve Fund Guarantors for Policy Costs for the Subordinate Obligations resulting from Drawdowns. If more than one Subordinate Reserve Fund Guarantee shall hereafter be deposited to the Subordinate Reserve Fund, Policy Costs for the Subordinate Obligations with respect to any Drawdown which occurs against the Subordinate Reserve Fund Guaranties shall be reimbursed on a pro rata basis (calculated by reference to the maximum amounts available for such reimbursement) after first applying all cash and investments in the Subordinate Reserve Fund and prior to any replenishment of the Subordinate Reserve Fund.

If the City fails to repay any Policy Costs for the Subordinate Obligations, any Subordinate Reserve Fund Guarantor shall be entitled to exercise any and all remedies available at law or under the Resolution other than (i) acceleration of the maturity of the Subordinate Obligations or (ii) any other remedies which would adversely affect the rights of the Owners of the Subordinate Obligations.

All Subordinate Reserve Fund Guaranties shall be held by the Paying Agent acting as fiduciary for the Owners of the Subordinate Obligations. All Subordinate Reserve Fund Guaranties shall by their terms expire no earlier than the final maturity date of the respective series of Subordinate Obligations for which said Subordinate Reserve Fund Guaranty applies.

7. Subordinate Reserve Fund. Seventh, on or before the 10th day of each month, to the Subordinate Reserve Fund an amount equal to 1/60th of the amount required to increase or restore the Reserve Fund Value to the Subordinate Reserve Requirement within a five-year period, or such amount as is required hereunder to restore the Subordinate Reserve Fund to the Subordinate Reserve Requirement after a Subordinate Reserve Fund withdrawal.

If, on any Principal Payment Date or Interest Payment Date, a Deficiency exists, then:

a. If there are investments or cash in the Subordinate Reserve Fund, such investments shall be liquidated and the cash and investment proceeds transferred to the Subordinate Obligation Fund and

b. If the Deficiency is not cured after any transfers pursuant to subparagraph a. above, then the Paying Agent shall deliver a request for Drawdown to the Subordinate Reserve Fund Guarantor(s). All Drawdown proceeds shall be applied to payment of the interest on, Accreted Value of, or principal of, the Subordinate Obligations.

All amounts in the Subordinate Reserve Fund shall be held by the trustee of an indenture or trust agreement authorizing the applicable series of Subordinate Obligations for the purposes provided under the Resolution. When Subordinate Parity Obligations are hereafter issued, the proceedings for such Subordinate Parity Obligations shall provide for either a Subordinate Reserve Fund Guaranty, a payment of Subordinate Parity Obligation proceeds to the Capitalized Reserve Account or the Contributed Reserve Account of the Subordinate Reserve Fund shall be increased by deposits which will increase the Reserve Fund Value within five years from the date of the issuance of such Subordinate Parity Obligations to not less than the Subordinate Reserve Requirement immediately after issuance of such Subordinate Parity Obligations. If, at any time, the Reserve Fund Value exceeds the Subordinate Reserve Requirement, any excess shall be transferred to the Revenue Fund. Notwithstanding the foregoing, Subordinate Parity Obligations may be issued without a Subordinate Reserve Requirement, provided such Subordinate Parity Obligations shall have no claim on any amounts or Subordinate Reserve Fund Guaranty in the Subordinate Reserve Fund.

Money in the Subordinate Reserve Fund and Drawdowns shall be used solely for the payment of interest on, Accreted Value of or principal of the Subordinate Obligations as to which there would otherwise be default in such payment. All money so taken from the Subordinate Reserve Fund to pay principal, accreted Value or interest shall be replaced therein from the first money in the Subordinate Revenue Fund thereafter received which is not required for current transfers into the Operation and Maintenance Fund and the Subordinate Obligation Fund pursuant to the Resolution and payment of Policy Costs for the Subordinate Obligations pursuant to the Resolution.

8. Surplus Revenues. All money remaining in the Revenue Fund after all of the payments required in subparagraphs (1) through (7), inclusive above, have been made, shall be regarded as surplus and may be used for any lawful purpose of the City.

C. Deficiency in Funds. The money in the Revenue Fund shall be allotted and paid into the various Funds hereinbefore established in the order in which said Funds are listed and if in any month the money in the Revenue Fund is insufficient to place the required amount in any of said funds, the deficiency shall be made up in the following month or months after payment into all Funds enjoying a prior claim to the Revenues has been met in full.

D. Investment. Monies on deposit in the Revenue Fund, the Operation and Maintenance Fund, the Bond Funds, the Reserve Funds, and the Reimbursement Funds may be invested and reinvested by the City in Permitted Investments. All income derived from such investments, shall be regarded as Revenues of the System and shall be deposited in the Revenue Fund. Such investments shall at any time necessary be liquidated and the proceeds thereof applied to the purpose for which the respective fund or account was created.

E. Subaccounts. The Reserve Funds shall contain two accounts, the Contributed Reserve Account and the Capitalized Reserve Account. The two accounts are created to provide segregation of the monies and investments deposited to the Reserve Funds and to provide a means of tracking such deposits and investment income thereon for arbitrage rebate purposes. All deposits to the Reserve Funds from Revenues shall be deposited into the Contributed Reserve Account. All deposits into the Reserve Funds from the proceeds of Bonds shall be deposited to the Capitalized Reserve Account. Any proceedings hereinafter taken with respect to the issuance of Bonds may specify the amount which shall be deposited to either Account, so long as the minimum amount required by the Resolution to be deposited to the applicable Reserve Fund shall be so deposited. Amounts may be deposited to the Reserve Funds either by the purchase and deposit of a Reserve Fund Guaranty, through the deposit of Bond proceeds or by deposits from Revenues. All Reserve Fund Guaranties shall be deemed deposited to, and a part of, the Capitalized Reserve Account.

Section 4. Charges for Services Supplied by the System. So long as any Bonds remain outstanding and unpaid and an Agreement is in full force and effect, the City covenants and agrees that it will permit no free water or sewer services to be furnished to any consumer or user whatsoever, and the rates for all services supplied through the System to the City and its residents and to all consumers shall meet the requirements of the Resolution.

Such schedule of rates shall be revised at such time or times as shall be necessary to meet the requirements of Sections 9 and 10 hereof, but such schedules shall not be reduced unless the Bond Funds, the Reserve Funds and the Reserve Fund Guarantor Reimbursement Funds contain their total minimum amounts.

Section 5. Covenants Regarding the Operation of the System. The City hereby covenants and agrees with each and every Owner:

A. That the City will own (which ownership may include the lease-purchase of system components), operate and maintain the System in good condition and operate the same in an efficient manner and at reasonable cost;

B. That the City will maintain insurance on all System properties of the type and with the coverage normally carried by municipalities or private companies engaged in a similar business;

C. That the City will cause to be kept proper books and accounts adapted to the System, and will cause the books and accounts to be audited at the end of each Fiscal Year by a recognized firm of independent certified public accountants;

D. That the City will faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the State of Arizona, including the making and collecting of sufficient rates for services rendered by the System as above provided, and will segregate and apply Revenues of the System to the various Funds as specified in the Resolution;

E. That the City will not sell, lease (as lessor), mortgage or in any manner dispose of the System or any part thereof, including any and all extensions and additions that may be made thereto, until all of the Bonds and the City's obligations under any Agreement shall have been paid in full; provided, however, that this covenant shall not be construed to prevent the disposal by the City of property which in its judgment has become inexpedient for use in connection with the System;

F. That the Council will, prior to the beginning of each Fiscal Year, prepare and adopt a budget of estimated Revenues and Operating Expenses for the operation and maintenance of the System for the ensuing Fiscal Year, and will undertake to operate the System within such budget to the best of its ability.

G. That the City will discontinue the service to any premises the owner or occupant of which shall be delinquent for more than 90 days in the payment of charges, will not resume the service until all delinquent charges, with interest and penalties, shall have been paid, and will do all things and exercise all remedies legally available to assure the prompt payment of charges for Water services supplied by the System;

H. That the City will employ competent and experienced management for the System, will use its best efforts to see that the System is at all times operated and maintained in good repair and condition and in such manner that the operating efficiency thereof shall be of good character;

I. That the City will from time to time duly pay and discharge, or cause to be paid and discharged, all taxes, assessments or other governmental charges, if any, lawfully imposed upon the System, or upon any part thereof, or upon any Revenues therefrom when the same shall become due, as well as any lawful claims for labor and materials and supplies which, if unpaid, might by law become a lien or charge upon the System, or any part thereof, or upon any Revenues therefrom, or which might impair the security of the Bonds and subject to the provisions of this resolution, will duly observe and conform to all valid requirements of any governmental authority relative to the System, or any part thereof, and to all covenants, terms and conditions of the Resolution applicable thereto;

J. If all or any part of the System shall be taken by eminent domain proceedings or other proceedings authorized by law, the net proceeds (if greater than \$100,000) realized by the City therefrom shall be deposited in a special fund, in trust, subject to the rights of the Owners of the Bonds to share in such net proceeds equally and ratably in the proportion which the principal amount and Accreted Value of Bonds owned or held by each holder or Owner bears to the total principal amount and Accreted Value of all of the Bonds then outstanding, and without preference or priority of any one Bond of this series, or of any other Parity Bond, over any other, and subject to the rights of the Reserve Fund Guarantor to share in such net proceeds;

K. To the extent permitted by law, the City will not grant a franchise or a permit for the operation of any competing water or sewer system in the City other than the franchises that currently exist in the City or providers of water or sewer currently operating within the City pursuant to a certificate of convenience and necessity, provided however, that this covenant shall not prohibit the City from entering into "privatization" contracts, agreements or other similar arrangements with private parties;

L. That no bonds or other obligations will be issued superior in lien on the Revenues to the Bonds herein authorized to be issued or on a parity with the Bonds except in accordance with the provisions of Section 15 of this resolution; and

M. That each officer of the City or person having custody of Revenues shall be under fidelity bond at all times in an amount not less than the total funds in the custody of such officer or person at any one time.

Section 6. Defaults; Events of Default.

A. With respect to Senior Bonds, the occurrence of any of the following events is defined as and declared to be and to constitute an event of default hereunder:

1. Payment of any interest on any Senior Bonds shall not be made when and as that interest shall become due and payable;

2. Payment of the principal of or any premium on any Senior Bonds shall not be made when and as that principal or premium shall become due and payable, whether at stated maturity or by mandatory redemption, or the payment of the Accreted Value of or any premium on any Capital Appreciation Bond designated as a Senior Bond shall not be made when and as that Accreted Value or premium shall become due and payable;

3. Failure by the City to observe or perform any other covenant, agreement or obligation on its part to be observed or performed contained in the Resolution or in the Senior Bonds, which failure shall have continued for a period of sixty (60) days after written notice of such failure, by registered or certified mail, shall have been given to the City, requiring that it be remedied, which notice may be given by the Insurer of the applicable Senior Bonds or Owners of not less than twenty-five percent (25%) in aggregate principal amount of Current Interest Bonds and Accreted Value of Capital Appreciation Bonds designated as Senior Bonds then outstanding; or

4. The occurrence of an event of bankruptcy as to the City or the City shall: (i) commence a proceeding under any federal or state insolvency, reorganization or similar law, or have such a proceeding commenced against them and either have an order of insolvency or reorganization entered against them or have the proceedings remain undismissed and unstayed for 90 days; or (ii) have a receiver, conservator, liquidator or trustee appointed for them or for the whole or any substantial part of their property.

B. With respect to Subordinate Obligations, the occurrence of any of the following events is defined as and declared to be and to constitute an event of default hereunder:

1. Payment of any interest on any Senior Bonds or any Subordinate Obligations shall not be made when and as that interest shall become due and payable;

2. Payment of the principal of or any premium on any Senior Bonds or any Subordinate Obligations shall not be made when and as that principal or premium shall become due and payable, whether at stated maturity or by mandatory redemption, or the payment of the Accreted Value of or any premium on any Capital Appreciation Bond designated as a Senior Bond or a Subordinate Obligation shall not be made when and as that Accreted Value or premium shall become due and payable;

3. Failure by the City to observe or perform any other covenant, agreement or obligation on its part to be observed or performed contained in the Resolution, the applicable payment or similar agreement, or in the Subordinate Obligations, which failure shall have continued for a period of 60 days after written notice of such failure, by registered or certified mail, shall have been given to the City, requiring that it be remedied, which notice may be given by the Insurer of the applicable Subordinate Obligations or Owners of not less than 25% in aggregate principal amount of Current Interest Bonds and Accreted Value of Capital Appreciation Bonds designated as Subordinate Obligations then outstanding; or

4. The occurrence of an event of bankruptcy as to the City or the City shall: (i) commence a proceeding under any federal or state insolvency, reorganization or similar law, or have such a proceeding commenced against them and either have an order of insolvency or reorganization entered against them or have the proceedings remain undismissed and unstayed for 90 days; or (ii) have a receiver, conservator, liquidator or trustee appointed for them or for the whole or any substantial part of their property.

Section 7. Remedies of Owners.

A. With respect to Senior Bonds and subject to the provisions of the Master Resolution, as applicable for any series of Senior Bonds, any Owner of the Senior Bonds may either at law or in equity, by suit, action,

mandamus or other proceedings, in any court of competent jurisdiction protect the lien on the Net Revenues created by the Resolution and enforce and compel performance of all duties imposed upon the City by the provisions of the Resolution or any Supplemental Resolution, including the setting and collecting of sufficient rates and revenues, and the segregation of the income and Revenues of the System and the proper application thereof.

If an event of default related to failure to timely pay the interest on, principal of or premium, if any, on the Senior Bonds occurs and is continuing, then upon the filing of suit by any Owner of the Senior Bonds, any court having jurisdiction of the action may appoint a receiver to administer the System on behalf of the City with power to charge and collect rates, fees and charges sufficient to provide for the payment of all Senior Bonds and obligations Outstanding against the System and for payment of Operating Expenses, and to apply Revenues in conformity therewith.

B. With respect to Subordinate Obligations and subject to the provisions of the Master Resolution, as applicable to any series of Subordinate Obligations hereof, the trustee for the applicable series of Subordinate Obligations, on behalf of any Owner of such Subordinate Obligations, may either at law or in equity, by suit, action, mandamus or other proceedings, in any court of competent jurisdiction protect the lien on the Net Revenues created by the Master Resolution and enforce and compel performance of all duties imposed upon the City by the provisions of the Master Resolution, the applicable purchase or similar agreement or any Supplemental Resolution, including the setting and collecting of sufficient rates and revenues, and the segregation of the income and Revenues of the System and the proper application thereof.

If an event of default related to failure to timely pay the interest on, principal of or premium, if any, on the Subordinate Obligations and as described in the applicable purchase or similar agreement occurs and is continuing, then upon the filing of suit by the Trustee for the applicable series of Subordinate Obligations, on behalf of any Owner of such Subordinate Obligations, any court having jurisdiction of the action may appoint a receiver to administer the System on behalf of the City with power to charge and collect rates, fees and charges sufficient to provide for the payment of all Subordinate Obligations and obligations Outstanding against the System and for payment of Operating Expenses, and to apply Revenues in conformity therewith.

Notwithstanding the foregoing, the remedies of the Owners of the Subordinate Obligations are subject to the remedy granted at law or in equity to the Owners of the Senior Bonds.

Section 8. Modification of Resolution and Trust Agreement.

A. With respect to the Senior Bonds:

1. Amendments Requiring Consent. Except as set forth in paragraph (A)(2), with respect to amendments affecting only a certain series of Senior Bonds, either the applicable Insurer, Reserve Fund Guarantor and Liquidity Provider of such series of Senior Bonds or the Owners of 2/3rd in aggregate principal amount of such series of Current Interest Bonds and Accreted Value of Capital Appreciation Bonds, both designated as Senior Bonds, at any time Outstanding (not including in any case any Senior Bonds which may then be held or owned by or for the account of the City, but including such refunding Senior Bonds as may be issued for the purpose of refunding any of the Senior Bonds herein authorized if such refunding Senior Bonds are not owned by the City) and with respect to all Senior Bonds, all issuers of Bond Insurance Policies for Senior Bonds, and all Senior Reserve Fund Guarantors or the Owners of 2/3rd in aggregate principal amount of all such Current Interest Bonds and Accreted Value of Capital Appreciation Bonds, both designated as Senior Bonds, at the time Outstanding shall have the right from time to time to consent to and approve modifications and amendments to the Resolution as it relates to Senior Bonds; provided, however, that the Resolution may not be so modified or amended in such manner as to:

- (i) Make any change in the maturity of Outstanding Senior Bonds.
- (ii) Make any change in the rate of interest borne by any of Outstanding Senior Bonds.
- (iii) Reduce the amount of the principal of, Accreted Value of, or redemption premium, if any, payable on any Outstanding Senior Bond.
- (iv) Modify the terms of payment of principal of, Accreted Value of or interest, or of redemption premium, if any, of Outstanding Senior Bonds or any of them or impose any adverse conditions with respect to such payment.

- (v) Affect the rights of the Owners of less than all of the Senior Bonds then Outstanding or of any of the Subordinate Obligations.

Whenever the City shall propose to amend or modify the Resolution under the provisions of the Master Resolution, it shall cause notice of the proposed amendment to be mailed and set forth the nature of the proposed amendment.

Whenever at any time within one year from the mailing of said notice there shall be filed with the City Clerk an instrument or instruments executed by either all Senior Reserve Fund Guarantors and all Insurers and any Liquidity Providers both for such Senior Bonds or the Owners of at least 2/3rd in aggregate principal amount of the Current Interest Bonds and Accreted Value of Capital Appreciation Bonds of the applicable series of Senior Bonds, if the amendment affects only a series of Senior Bonds, at the time Outstanding, which instrument or instruments shall refer to the proposed amendment described in said notice and shall specifically consent to and approve the adoption thereof, thereupon, but not otherwise, the Council may adopt such amendment and such amendment shall become effective.

If all Senior Reserve Fund Guarantors, all Insurers and any Liquidity Providers, both for such Senior Bonds, or the Owners of at least 2/3rd in aggregate principal amount of the current Interest Bonds and Accreted Value of Capital Appreciation Bonds of the applicable series of Senior Bonds, if the amendment affects only a series of Senior Bonds, at the time Outstanding, at the time of the adoption of such amendment or the predecessors in title of such Owners of the Senior Bonds, shall have consented to and approved the amendment as herein provided, no Owner of the Senior Bonds whether or not such Owner of the Senior Bonds shall have consented to or shall have revoked any consent, shall have any right or interest to object to the adoption of such amendment or to object to any of the terms or provisions therein contained or to the operation thereof or to enjoin or restrain the City or the Council from taking any action pursuant thereto.

Any consent given by the Owner of the Senior Bonds pursuant to the provisions of the Master Resolution shall be irrevocable for a period of six months from the date of mailing above provided for and shall be conclusive and binding upon all future owners of the same Senior Bond during such period. Such consent may be revoked at any time after such six months' period by the Owner of the Senior Bonds who gave such consent or by a successor in title by filing notice of such revocation with the City Clerk, but such revocation shall not be effective if the Owners of 2/3rd in aggregate principal amount of the Current Interest Bonds and Accreted Value of Capital Appreciation Bonds of the applicable series of Senior Bonds, if the amendment affects only a series of Senior Bonds, at the time Outstanding have, prior to the attempted revocation, consented to and approved such amendment.

2. Amendments Without Consent. Without the consent of, or notice to, any of the Owners, the City may, with the consent of the Insurer, Reserve Fund Guarantor and Liquidity Provider, if any, of the applicable series of Senior Bonds, enter into resolutions supplemental to the Resolution which shall not, in the opinion of the City, be inconsistent with the terms and provisions hereof for any one or more of the following purposes:

- (i) to cure any ambiguity, inconsistency or formal defect or omission in the Master Resolution;
- (ii) to grant to or confer upon the Owners of the Senior Bonds any additional rights, remedies, powers or authority that lawfully may be granted to or conferred upon the Owners of the Senior Bonds;
- (iii) to assign additional revenues under the Resolution;
- (iv) to accept additional security and instruments and documents of further assurance with respect to the Senior Bonds;
- (v) to add to the covenants, agreements and obligations of the City under the Resolution, other covenants, agreements and obligations to be observed for the protection of the Owners of the Senior Bonds, or to surrender or limit any right, power or authority reserved to or conferred upon the City in the Resolution, including without limitation, the limitation of rights of redemption so that in certain instances Senior Bonds of different series will be redeemed in some

prescribed relationship to one another for the protection of the Owners of a particular series of Senior Bonds;

(vi) to make necessary or advisable amendments or additions in connection with the issuance of Senior Bonds in accordance with the Master Resolution as do not adversely affect the interests of Owners of outstanding Senior Bonds;

(vii) to permit the use of a book entry system to identify the owner of an interest in an obligation issued by the City under the Resolution, whether that obligation was formerly, or could, be evidenced by a tangible security;

(viii) to specify further the duties and responsibilities of, and to define further the relationship among, the City, any Insurer, Reserve Fund Guarantor, Liquidity Provider, the Registrar and any Paying Agents all related to the Senior Bonds;

(ix) to achieve compliance of the Resolution with any applicable federal securities or tax law; and

(x) to permit any other amendment which, in the judgment of the City, is not to be prejudice of the City or the Owners of the Senior Bonds.

B. With respect to the Subordinate Obligations:

1. Amendments Requiring Consent. Except as set forth in paragraph (B)(2), with respect to amendments affecting only a certain series of Subordinate Obligations, either the applicable Insurer, Subordinate Reserve Fund Guarantor and Liquidity Provider of such series of Subordinate Obligations or the Owners of 2/3rd in aggregate principal amount of such series of Current Interest Bonds and Accreted Value of Capital Appreciation Bonds, both designated as Subordinate Obligations, at any time Outstanding (not including in any case any Subordinate Obligations which may then be held or owned by or for the account of the City, but including such refunding Subordinate Obligations as may be issued for the purpose of refunding any of the Subordinate Obligations herein authorized if such refunding Subordinate Obligations are not owned by the City) and with respect to all Subordinate Obligations, all issuers of Bond Insurance Policies for Subordinate Obligations, and all Subordinate Reserve Fund Guarantors or the Owners of 2/3rd in aggregate principal amount of all such Current Interest Bonds and Accreted Value of Capital Appreciation Bonds, both designated as Subordinate Obligations, at the time Outstanding shall have the right from time to time to consent to and approve modifications and amendments to the Resolution as it relates to Subordinate Obligations and provided however, the modification and amendments do not adversely, materially affect the rights of the Owners of the Senior Bonds; provided, further, that the Resolution may not be so modified or amended in such manner as to:

- (i) Make any change in the maturity of Outstanding Subordinate Obligations.
- (ii) Make any change in the rate of interest borne by any of Outstanding Subordinate Obligations.
- (iii) Reduce the amount of the principal of, Accreted Value of or redemption premium, if any, payable on any Outstanding Subordinate Obligation.
- (iv) Modify the terms of payment of principal of, Accreted Value of or interest, or of redemption premium, if any, of Outstanding Subordinate Obligations or any of them or impose any adverse conditions with respect to such payment.
- (v) Affect the rights of the Owners of less than all of the Subordinate Obligations then Outstanding.

Whenever the City shall propose to amend or modify the Resolution, it shall cause notice of the proposed amendment to be mailed and set forth the nature of the proposed amendment.

Whenever at any time within one year from the mailing of said notice there shall be filed with the City Clerk an instrument or instruments executed by either all Subordinate Reserve Fund Guarantors and all Insurers and any Liquidity Providers both for such Subordinate Obligations or the Owners of at least

2/3rd in aggregate principal amount of the Current Interest Bonds and Accreted Value of Capital Appreciation Bonds of the applicable series of Subordinate Obligations, if the amendment affects only a series of Subordinate Obligations, at the time Outstanding, which instrument or instruments shall refer to the proposed amendment described in said notice and shall specifically consent to and approve the adoption thereof, thereupon, but not otherwise, the Council may adopt such amendment and such amendment shall become effective.

If all Subordinate Reserve Fund Guarantors, all Insurers and any Liquidity Providers, both for such Subordinate Obligations, or the Owners of at least 2/3rd in aggregate principal amount of the current Interest Bonds and Accreted Value of Capital Appreciation Bonds of the applicable series of Subordinate Obligations, if the amendment affects only a series of Subordinate Obligations, at the time Outstanding, at the time of the adoption of such amendment or the predecessors in title of such Owners of the Subordinate Obligations, shall have consented to and approved the amendment as herein provided, no Owner of the Subordinate Obligations whether or not such Owner of the Subordinate Obligations shall have consented to or shall have revoked any consent, shall have any right or interest to object to the adoption of such amendment or to object to any of the terms or provisions therein contained or to the operation thereof or to enjoin or restrain the City or the Council from taking any action pursuant thereto.

Any consent given by the Owner of the Subordinate Obligations pursuant to the provisions of the Resolution shall be irrevocable for a period of six months from the date of mailing above provided for and shall be conclusive and binding upon all future owners of the same Subordinate Obligation during such period. Such consent may be revoked at any time after such six months' period by the Owner of the Subordinate Obligations who gave such consent or by a successor in title by filing notice of such revocation with the City Clerk, but such revocation shall not be effective if the Owners of 2/3rd in aggregate principal amount of the Current Interest Bonds and Accreted Value of Capital Appreciation Bonds of the applicable series of Subordinate Obligations, if the amendment affects only a series of Subordinate Obligations, at the time Outstanding have, prior to the attempted revocation, consented to and approved such amendment.

2. Amendments Without Consent. Without the consent of, or notice to, any of the Owners, the City may, with the consent of the Insurer, Subordinate Reserve Fund Guarantor and Liquidity Provider, if any, of the applicable series of Subordinate Obligations, and the trustee of the applicable series of Subordinate Obligations, enter into resolutions supplemental to the Resolution as it relates to the Subordinate Obligations, and provided however, the resolutions supplemental to the Resolution do not adversely, materially affect the rights of the Owners of the Senior Bonds, which shall not, in the opinion of the City, be inconsistent with the terms and provisions hereof for any one or more of the following purposes:

- (i) to cure any ambiguity, inconsistency or formal defect or omission in the Master Resolution;
- (ii) to grant to or confer upon the Owners of the Subordinate Obligations any additional rights, remedies, powers or authority that lawfully may be granted to or conferred upon the Owners of the Subordinate Obligations;
- (iii) to assign additional revenues under the Resolution;
- (iv) to accept additional security and instruments and documents of further assurance with respect to the Subordinate Obligations;
- (v) to add to the covenants, agreements and obligations of the City under the Resolution, other covenants, agreements and obligations to be observed for the protection of the Owners of the Subordinate Obligations, or to surrender or limit any right, power or authority reserved to or conferred upon the City in the Resolution, including without limitation, the limitation of rights of redemption so that in certain instances Subordinate Obligations of different series will be redeemed in some prescribed relationship to one another for the protection of the Owners of a particular series of Subordinate Obligations;
- (vi) to make necessary or advisable amendments or additions in connection with the issuance of Subordinate Obligations in accordance with the Resolution as do not adversely affect the interests of Owners of outstanding Subordinate Obligations;

(vii) to permit the use of a book entry system to identify the owner of an interest in an obligation issued by the City under the Resolution, whether that obligation was formerly, or could, be evidenced by a tangible security;

(viii) to specify further the duties and responsibilities of, and to define further the relationship among, the City, any Insurer, Subordinate Reserve Fund Guarantor, the trustee of the applicable series of Subordinate Obligations all related to the Subordinate Obligations;

(ix) to achieve compliance of the Resolution with any applicable federal securities or tax law; and

(x) to permit any other amendment which, in the judgment of the City, is not to be prejudice of the City or the Owners of the Subordinate Obligations.

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Book-Entry-Only System

This information concerning DTC and DTC's book-entry-only system has been obtained from DTC and the City takes no responsibility for the accuracy thereof. The Beneficial Owners (defined below) should confirm this information with DTC or the DTC participants.

DTC will act as securities depository for the Obligations. The Obligations will be executed and delivered as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Obligations certificate will be executed and delivered for each maturity of the Obligations, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and, together with Direct Participants, "Participants"). DTC has a rating of "AA+" from Standard & Poor's. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Obligations under the DTC system must be made by or through Direct Participants, which will receive a credit for the Obligations on DTC's records. The ownership interest of each actual purchaser of each Obligation ("Beneficial Owner") is in turn to be recorded on the Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Obligations are to be accomplished by entries made on the books of Direct Participants and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Obligations, except in the event that use of the book-entry system for the Obligations is discontinued.

To facilitate subsequent transfers, all Obligations deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Obligations with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Obligations; DTC's records reflect only the identity of the Direct Participants to whose accounts such Obligations are credited, which may or may not be the Beneficial Owners. The Direct Participants and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Obligations may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Obligations, such as redemptions, tenders, defaults, and proposed amendments to the Obligations documents. For example, Beneficial Owners of Obligations may wish to ascertain that the nominee holding the Obligations for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative,

Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Obligations within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Obligations unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Obligations are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on the Obligations will be made by the Trustee to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the City or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct Participants and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Obligations purchased or tendered through its Participant to the Trustee, and shall effect delivery of such Obligations by causing the Direct Participant to transfer the Participant's interests in the Obligations, on DTC's records, to the Trustee. The requirement for physical delivery of Obligations in connection with an optional tender or mandatory purchase will be deemed satisfied when the ownership rights in the Obligations are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Obligations to the Trustee's DTC account.

DTC may discontinue providing its services as depository with respect to the Obligations at any time by giving reasonable notice to the Trustee or the City. Under such circumstances, in the event that a successor depository is not obtained, Obligation certificates are required to be printed and delivered.

The City may decide to discontinue the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Obligation certificates will be printed and delivered to DTC.

NONE OF THE CITY, THE TRUSTEE, THE UNDERWRITER OR THE FINANCIAL ADVISOR WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC, TO DIRECT PARTICIPANTS, OR TO INDIRECT PARTICIPANTS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT; (2) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE OBLIGATIONS UNDER THE AGREEMENT; (3) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR INTEREST OR PAYMENT AMOUNT DUE WITH RESPECT TO THE PRINCIPAL OR INTEREST OR PAYMENT AMOUNT DUE WITH RESPECT TO THE OBLIGATIONS; (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF THE OBLIGATIONS; OR (5) ANY OTHER MATTERS.

Form of Approving Legal Opinion

[Closing Date]

U.S. Bank Trust Company, National Association
Phoenix, Arizona

Re: City of Goodyear, Arizona
Subordinate Lien Water and Sewer Revenue Obligations,
Series 2025

Ladies and Gentlemen:

We have examined the proceedings relating to the execution and delivery by U.S. Bank National Association (the “Trustee”) of \$56,620,000* aggregate principal amount of Subordinate Lien Water and Sewer Revenue Obligations, Series 2025, dated February 6, 2025* (the “Series 2025 Obligations”), pursuant to a Trust Agreement dated as of February 1, 2025* (the “2025 Trust Agreement”), between the Trustee and the City of Goodyear, Arizona (the “City”). Each of the Series 2025 Obligations evidences a proportionate interest of the owners thereof in an Agreement dated as of February 1, 2025* (the “2025 Agreement”), between the Trustee and the City, under which the City will make payments (the “Payments”) to the Trustee for the purpose of financing the construction and acquisition of various improvements and additions to the City’s water and sewer system (the “System”). The Payments under the 2025 Agreement are secured by a subordinate lien on and pledge of certain revenues of the System, net of the costs of operating and maintaining the System (the “Net Revenues”), as more fully described in the Master Resolution dated as of January 25, 1999, as thereafter amended and supplemented by that certain First Supplemental Resolution dated April 27, 2009, by that certain Second Supplemental Resolution dated December 7, 2009, by that certain Third Supplemental Resolution dated February 14, 2011, by that certain Fourth Supplemental Resolution dated March 28, 2016 (as corrected by that certain resolution dated May 9, 2016), by that certain Fifth Supplemental Resolution dated February 24, 2020, by that certain Sixth Supplemental Resolution dated February 24, 2020, by that certain Seventh Supplemental Resolution dated February 24, 2020, and by that Eighth Supplemental Resolution dated November 18, 2024 (collectively the “Authorizing Resolution”) and the 2025 Trust Agreement. We have also examined a form of the Series 2025 Obligations.

Based upon such examination, we are of the opinion that, under the law existing on the date of this opinion:

1. The Series 2025 Obligations, Authorizing Resolution, 2025 Trust Agreement and 2025 Agreement are legal, valid, binding and enforceable in accordance with their respective terms, except that the binding effect and enforceability thereof are subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws in effect from time to time affecting the rights of creditors generally, and except to the extent that the enforceability thereof may be limited by the application of general principles of equity.

2. The 2025 Agreement and the Series 2025 Obligations are payable from and are secured by a subordinate pledge of and lien on the Net Revenues on parity with the City’s: \$14,950,000 original aggregate principal amount of Subordinate Lien Water and Sewer Revenue Obligations, Series 2010; \$15,480,000 original aggregate principal amount of Subordinate Lien Water and Sewer Revenue Obligations, Series 2011; \$11,540,000 original aggregate principal amount of Subordinate Lien Water and Sewer Revenue and Refunding Obligations, Series 2016; \$77,530,000 original aggregate principal amount of Subordinate Lien Water and Sewer Revenue Obligations, Series 2020; \$12,290,000 original aggregate principal amount of Subordinate Lien Water and Sewer Revenue Obligations, Refunding Series 2020; \$13,540,000 original aggregate principal amount of Subordinate Lien Water and Sewer Revenue Obligations, Taxable Refunding Series 2020; and \$30,950,000 original aggregate principal amount of Subordinate Lien Water and Sewer Revenue Obligations, Second Series 2020 (collectively, the “Parity Obligations”). Such pledge and lien are subordinate to the pledge of and lien on the Net Revenues for the payment of the City’s water and sewer revenue bonds and other obligations secured by a senior pledge of and lien on the Net Revenues, whether now outstanding or hereafter incurred. Additional obligations may be issued in the future on a parity with the Series 2025 Obligations and the Parity Obligations.

3. Under existing laws, regulations, rulings and judicial decisions, the portion of each Payment made by the City under the 2025 Agreement and denominated as and comprising interest pursuant to the 2025

* Subject to change.

Agreement and received by the owners of the Series 2025 Obligations is excluded from gross income for the purpose of calculating federal income taxes and is exempt from Arizona income taxes. Interest income on the Bonds is not an item of tax preference to be included in computing the alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code (as defined herein)) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. The Series 2025 Agreement and the Series 2025 Obligations are not private activity bonds within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended (the “Code”). We express no opinion regarding other federal tax consequences arising with respect to either the Series 2025 Agreement or the Series 2025 Obligations.

The Code imposes various restrictions, conditions and requirements relating to the continued exclusion of interest income on the 2025 Agreement received by the owners of the Series 2025 Obligations from gross income for federal income tax purposes, including a requirement that the City rebate to the federal government certain of the investment earnings with respect to the 2025 Agreement received by the owners of the Series 2025 Obligations. Failure to comply with such restrictions, conditions and requirements could result in the interest income on the 2025 Agreement received by the owners of the Series 2025 Obligations being included as gross income for federal income tax purposes from their date of issuance. The City has covenanted to comply with the restrictions, conditions and requirements of the Code necessary to preserve the tax-exempt status of the interest income on the 2025 Agreement received by the owners of the Series 2025 Obligations. For purposes of this opinion, we have assumed continuing compliance by the City with such restrictions, conditions and requirements.

As to questions of fact material to our opinion, we have relied upon, and assumed due and continuing compliance with the provisions of, the proceedings and other documents, and have relied upon certificates, covenants and representations furnished to us without undertaking to verify the same by independent investigation, including, without limitation, those with respect to causing interest on the Series 2025 Obligations to be and remain excluded from gross income for federal income tax purposes.

GUST ROSENFELD P.L.C.

Form of Continuing Disclosure Certificate

\$56,620,000*
CITY OF GOODYEAR, ARIZONA
SUBORDINATE LIEN WATER AND SEWER REVENUE OBLIGATIONS,
SERIES 2025
(CUSIP BASE NUMBER 382900)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this “*Disclosure Certificate*”) is undertaken by the City of Goodyear, Arizona (the “*City*”), in connection with the execution and delivery of \$56,620,000* aggregate principal amount of Subordinate Lien Water and Sewer Revenue Obligations, Series 2025 (the “*Obligations*”). The Obligations are being executed and delivered pursuant to a Trust Agreement, dated as of February 1, 2025* (the “*Trust Agreement*”), by and between the City and U.S. Bank Trust Company, National Association, as trustee (the “*Trustee*”). In consideration of the initial execution and delivery of the Obligations, the City covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the Beneficial Owners (as defined herein) and in order to assist the Participating Underwriter (as defined herein) in complying with the Rule (as defined herein).

Section 2. Definitions. Any capitalized term used herein shall have the following meanings, unless otherwise defined herein:

“*Annual Report*” shall mean the annual report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“*Audited Financial Statements*” shall mean the City’s annual financial statements, which are currently prepared in accordance with generally accepted accounting principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and which the City intends to continue to prepare in substantially the same form.

“*Beneficial Owner*” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Obligations (including persons holding Obligations through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Obligations for federal income tax purposes.

“*Dissemination Agent*” shall mean the City, or any person designated in writing by the City as the Dissemination Agent.

“*EMMA*” shall mean the Electronic Municipal Market Access system of MSRB, or any successor thereto approved by the Securities and Exchange Commission, as a repository for municipal continuing disclosure information pursuant to the Rule.

“*Financial Obligation*” shall mean (a) a debt obligation; (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) a guarantee of (a) or (b), except that “*Financial Obligation*” does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“*Listed Events*” shall mean any of the events listed in Section 5 of this Disclosure Certificate.

“*MSRB*” shall mean the Municipal Securities Rulemaking Board, or any successor thereto.

* Subject to change.

“*Official Statement*” shall mean the final official statement dated _____, 2025 relating to the Obligations.

“*Participating Underwriter*” shall mean any of the original underwriters of the Obligations required to comply with the Rule in connection with the offering of the Obligations.

“*Rule*” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“*Special Counsel*” shall mean Gust Rosenfeld P.L.C. or such other nationally recognized securities law counsel as may be selected by the City.

Section 3. Provision of Annual Reports.

(a) Commencing February 1, 2026, and by no later than February 1 of each year thereafter (the “*Filing Date*”), the City shall, either directly or by directing the Dissemination Agent to do so, provide an Annual Report to MSRB. The Annual Report shall be provided electronically and in a format prescribed by MSRB. The Annual Report shall be consistent with the requirements of Section 4 of this Disclosure Certificate and shall include information from the fiscal year ending on the preceding June 30. All documents provided to MSRB shall be accompanied by identifying information prescribed by MSRB. Currently, filings are required to be made with EMMA. Not later than 15 business days prior to such Filing Date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City).

(b) If the City is unable or for any reason fails to provide electronically to EMMA an Annual Report or any part thereof by the Filing Date required in subsection (a) above, the City shall, in a timely manner, send a notice to EMMA in substantially the form attached as Exhibit A not later than the Filing Date.

(c) If the City’s Audited Financial Statements are not submitted with the Annual Report and the City fails to provide to EMMA a copy of its Audited Financial Statements within 30 days of receipt thereof by the City, then the City shall, in a timely manner, send a notice to EMMA in substantially the form attached as Exhibit B.

(d) The Dissemination Agent shall:

(i) Determine the proper electronic filing address of EMMA each year prior to the date(s) for providing the Annual Report and Audited Financial Statements; and

(ii) If the Dissemination Agent is other than the City, file a report or reports with the City certifying that the Annual Report and Audited Financial Statements, if applicable, have been provided pursuant to this Disclosure Certificate, stating the date such information was provided and listing where it was provided.

Section 4. Content of Annual Reports.

(a) The Annual Report may be submitted as a single document or as separate documents comprising an electronic package, and may incorporate by reference other information as provided in this Section, including the Audited Financial Statements of the City; provided, however, that if the Audited Financial Statements of the City are not available at the time of the filing of the Annual Report, the City shall file unaudited financial statements of the City with the Annual Report and, when the Audited Financial Statements of the City are available, the same shall be submitted to EMMA within 30 days of receipt thereof by the City.

(b) The City’s Annual Report shall contain or incorporate by reference the following:

(i) Type of Financial and Operating Data to be Provided:

(A) Subject to the provisions of Sections 3 and 4(a) hereof, Audited Financial Statements for the City.

(B) Annually updated financial information and operating data of the type contained in Appendix C and the table “Combined Schedules of Net Revenues and Debt Service Coverage” in the Official Statement.

(C) In the event of an amendment pursuant to Section 8 of this Disclosure Certificate not previously described in an Annual Report, an explanation, in narrative form, of the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided and, if the amendment is made to the accounting principles to be followed, a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles, including a qualitative discussion of the differences, and the impact on the presentation and, to the extent feasible, a quantitative comparison.

(ii) Accounting Principles Pursuant to Which Audited Financial Statements Shall Be Prepared: The Audited Financial Statements shall be prepared in accordance with generally accepted accounting principles and state law requirements as are in effect from time to time. Notice of amendment to the accounting principles shall be sent within 30 days to EMMA.

(c) Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the City or related public entities, which have been submitted to EMMA or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from EMMA. The City shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Listed Events.

(a) This Section shall govern the giving of notices by the City, either directly or by directing the Dissemination Agent to do so, of the occurrence of any of the following events with respect to the Obligations. The City shall in a timely manner, not in excess of 10 business days after the occurrence of the event, provide notice of the following events with EMMA:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service (the “IRS”) of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Obligations, or other material events affecting the tax status of the Obligations;
- (vii) Modifications to rights of Beneficial Owners, if material;
- (viii) Obligation calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Obligations, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the City;
- (xiii) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) The incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect Beneficial Owners, if material; and
- (xvi) A default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

(b) “Materiality” will be determined in accordance with the applicable federal securities laws.

Note to Section 5(a)(xii): For the purposes of the event identified in subsection (a)(xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

Section 6. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate (a) if the City shall no longer have liability for any obligation on or relating to repayment of the Obligations under the Trust Agreement, or (b) upon the termination of the continuing disclosure requirements of the Rule by legislative, judicial or administrative action. If termination pursuant to (a) occurs prior to the final payment date of the Obligations, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(a).

Section 7. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 8. Amendment. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate if:

(a) The amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in identity, nature or status of the City, or the type of business conducted;

(b) This Disclosure Certificate, as amended, would, in the opinion of Special Counsel, have complied with the requirements of the Rule at the time of the primary offering of the Obligations, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment does not materially impair the interests of Beneficial Owners, as determined by Special Counsel.

Section 9. Filing with EMMA. The City shall, or shall cause the Dissemination Agent to, electronically file all items required to be filed with EMMA.

Section 10. Additional Information. The City may, at the City's election, include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate. If the City chooses to include such information, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, any Beneficial Owner may seek specific performance by court order to cause the City to comply with its obligations under this Disclosure Certificate. The sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance and such failure shall not constitute a default under the Obligations or the resolution authorizing the Obligations.

Section 12. Compliance by City. The City hereby covenants to comply with the terms of this Disclosure Certificate. The City expressly acknowledges and agrees that compliance with the undertaking contained in this Disclosure Certificate is its sole responsibility and the responsibility of the Dissemination Agent, if any, and that such compliance, or monitoring thereof, is not the responsibility of, and no duty is present with respect thereto for, the Participating Underwriter or Special Counsel.

Section 13. Undertaking Payable from Net Revenues. The City's undertaking to provide information under this Disclosure Certificate is payable solely from Net Revenues of the System (as such terms are defined in

the Official Statement) to cover the costs of preparing and sending the Annual Report and notices of Listed Events to EMMA. Until payment of the Obligations, no receipts segregated or collected for the purpose of paying the principal of and interest and redemption charges on bonds or obligations and other lawful long-term obligations issued or incurred for a specific capital purpose shall be subject to the provisions of Arizona Revised Statutes, Title 42, Chapter 17, the State of Arizona budget law.

Section 14. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and the Beneficial Owner, and shall create no rights in any other person or entity.

Section 15. Governing Law and Interpretation of Terms. This Disclosure Certificate shall be governed by the law of the State of Arizona and any action to enforce this Disclosure Certificate must be brought in an Arizona state court. The terms and provisions of this Disclosure Certificate shall be interpreted in a manner consistent with the interpretation of such terms and provisions under the Rule and the federal securities law.

[Signature on following page]

Dated: [Closing Date].

CITY OF GOODYEAR, ARIZONA

Its Finance Director

[Signature page to Continuing Disclosure Certificate]

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Goodyear, Arizona
Name of Issue: \$56,620,000* Subordinate Lien Water and Sewer Revenue Obligations, Series 2025
Dated Date of Obligations: [Closing Date] Base CUSIP: 382900

NOTICE IS HEREBY GIVEN that the City has not provided an Annual Report with respect to the above-named Obligations as required by Section 3(a) of the Continuing Disclosure Certificate dated [Closing Date]. The City anticipates that the Annual Report for fiscal year ended June 30, ____ will be filed by _____.

Dated: _____

CITY OF GOODYEAR, ARIZONA

By _____
Its _____

EXHIBIT B

NOTICE OF FAILURE TO FILE AUDITED FINANCIAL STATEMENTS

Name of Issuer: City of Goodyear, Arizona
Name of Issue: \$56,620,000 Subordinate Lien Water and Sewer Revenue Obligations, Series 2025
Dated Date of Obligations: [Closing Date] Base CUSIP: 382900

NOTICE IS HEREBY GIVEN that the City failed to provide its Audited Financial Statements with its Annual Report or, if not then available, within 30 days of receipt as required by Section 4(a) of the Continuing Disclosure Certificate dated [Closing Date] with respect to the above-named Obligations. The City anticipates that the Audited Financial Statements for the fiscal year ended June 30, ____ will be filed by _____.

Dated: _____

CITY OF GOODYEAR, ARIZONA

By _____
Its _____

[Exhibit to Continuing Disclosure Certificate]

* Subject to change.

Specimen Municipal Bond Insurance Policy



MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No.: -N

BONDS: \$ in aggregate principal amount of

Effective Date:

Premium: \$

ASSURED GUARANTY INC. ("AG"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AG, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AG shall have received Notice of Nonpayment, AG will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AG, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AG. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AG is incomplete, it shall be deemed not to have been received by AG for purposes of the preceding sentence and AG shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AG shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AG hereunder. Payment by AG to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AG under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AG shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AG which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AG may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AG pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AG and shall not be deemed received until received by both and (b) all payments required to be made by AG under this Policy may be made directly by AG or by the Insurer's Fiscal Agent on behalf of AG. The Insurer's Fiscal Agent is the agent of AG only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AG to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AG agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AG to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AG, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY INC. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY INC.

By _____
Authorized Officer

1633 Broadway, New York, N.Y. 10019

(212) 974-0100

Form 500 (8/24)

Municipal Advisory Services
Provided By

