



2013 ANNUAL REPORT

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Cover Towers

Top: South Mountain

Center: North Mountain at sunset

Bottom: South Mountain at night

EXECUTIVE DIRECTOR'S MESSAGE

Dear RWC Board of Directors and Community Members:

I am pleased to submit for your review the 2012-2013 Annual Report which outlines the growth, financial health, operational performance and achievements of the Regional Wireless Cooperative (RWC).

In the last Annual Report, I highlighted some of our efforts to enhance relationships with our public safety customers and other regional radio communications systems. While these activities were impressive and set the stage for future system improvements, this year I am pleased to report substantive progress that has emerged from two working groups.

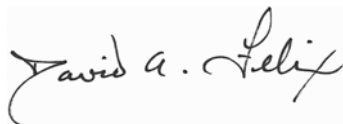
I am also encouraged by continued progress working with the Federal Communications Commission (FCC) to extend the FCC's 2017 deadline to narrow-band our 700 MHz frequencies. This issue, if left unresolved, could significantly impact our Members' local budgets as well as their ability to support the RWC – however, it now appears the FCC is finally moving closer toward taking positive action in our favor.

Related to this issue, the RWC Board of Directors approved the final funding and special assessments for the 700 MHz Narrow-banding, TDMA Conversion and Lifecycle Upgrade hardware project. Planning for this upgrade was exceptionally well managed due to the extraordinary efforts of the Phoenix Information Technology/Radio Services Department, Operations Working Group and Motorola Solutions.

Finally, this year we welcomed the Town of Paradise Valley as our newest member and the City of Maricopa Police Department onto the network. Increases to membership and frontline users serve to make the RWC network more economical and improve interoperability.

Thank you to the Board of Directors, our Executive Committee, and Operations and Policy Working Groups for your volunteerism and dedication. As always, I especially appreciate the men and women who comprise the behind-the-scenes technical and administrative support team that have made the RWC one of the premier public safety interoperable communications systems in the country.

Sincerely,



David Felix, Executive Director
Regional Wireless Cooperative



YEAR IN REVIEW

Joint Strategic Planning Efforts Result in Significant Progress

The Regional Wireless Cooperative (RWC) and Topaz Regional Wireless Cooperative (TRWC) continued their coordination and collaboration efforts through the a joint strategic planning process. Discussions among participants further highlighted the need to establish governance and technical structures which improve wide area roaming and interoperability

From these forums, the joint strategic planning team established a *Governance Working Group* and *Technical Working Group*. The purpose of these working groups is to develop alternatives which will more effectively and efficiently govern the two regional cooperatives and provide the means for end users to seamlessly operate within each other's coverage areas.

Both working groups made significant progress toward this goal. At the end of June 2013, the Governance Working Group developed and assessed a number of governance models and was in the process of educating and soliciting input from the respective boards of directors, executive committees, technical experts and employee unions and associations.

A more detailed assessment to recommend a specific governance model will be completed along with a timeline for implementation. A joint RWC/TRWC board meeting is being planned for Fall 2013 to ratify recommendations from the joint Governance Working Group.

The Technical Working Group identified a number of alternatives for connecting the RWC and TRWC networks to provide enhanced operational roaming across the metropolitan region. Specific criteria were identified which focused on user safety, functionality, and ease of use. These alternatives were vetted through the Operations Working Groups and included two high level Motorola cost proposals. This work is being completed to coincide with the Governance Working Groups' timeline.



Members of the RWC and TRWC work together at a Joint Strategic Planning meeting.

YEAR IN REVIEW (continued)

State of Louisiana Sets the Stage for Favorable FCC Ruling

This year the FCC took two significant actions which are believed to foretell a positive ruling on the RWC's petition to extend the current FCC's mandate to narrow-band 700 MHz frequencies. This mandate will have a significant, negative impact on the RWC Members by requiring them to collectively invest in excess of \$90 million to replace their current inventory of subscriber units (radios) with those that are narrow-band capable – all by January 2017.

First, the FCC granted the State of Louisiana's petition to extend the narrow-banding deadline to 2024. Parts of the RWC's petition were modeled after language in Louisiana's petition, therefore it is believed that the FCC will view the RWC and other regional systems' petitions in a similar fashion.

Second, the FCC published a 700 MHz Notice of Public Rule Making (NPRM) "omnibus item" which is intended to address this issue through a national, broad based approach. The RWC posted a response to this NPRM to reinforce the position articulated in the RWC's petition.

In the RWC's staff assessment, these actions are significant in that the FCC could rule on this item in favor of an extension to 2024 or indefinite suspension of this requirement.

RWC/TRWC Support of Law Enforcement Efforts Recognized

A joint RWC/TRWC award nomination resulted in the United States Attorney's Law Enforcement Coordinating Committee (LECC) recognizing the RWC and TRWC with its *Outstanding Contributions to Community Partnerships for Public Safety Award*. Leadership from the RWC and TRWC accepted the award on behalf of their respective boards of directors. The award citation read in part, "...the RWC and TRWC are model systems in terms of innovative, cost savings and operational efficiencies and effectiveness. The RWC and TRWC deliver exceptional interoperable radio communications service impacting a mission critical public safety necessity..."

Town of Paradise Valley Newest RWC Member

Through the combined efforts of the RWC staff, Phoenix ITS staff and Motorola, the Town of Paradise Valley joined the RWC as its newest member. Approximately 3 years ago, the RWC and Phoenix ITS assisted Paradise Valley develop a budgetary estimate and conceptual design for upgrading their radio communications system with a vision toward RWC participation. At that time a poor economy and budgetary shortfalls inhibited the Town of Paradise Valley from proceeding. Since then the Town of Paradise Valley, led by Chief of Police John Bennett, joined the RWC supported by a two-phased technical plan for building out their infrastructure and transitioning onto the network.

YEAR IN REVIEW (continued)

Law Enforcement User Group Forum

On Monday, April 28th, the RWC staff hosted a law enforcement user forum at the Burton Barr library. The forum, led off by RWC Chairman and City of El Mirage Chief of Police Steve Campbell, focused on educating law enforcement personnel on the governance, technical structure and operational use of the RWC network. A question and answer session provided the attendees, comprised of police, radio dispatch and technical personnel, an opportunity to discuss real-life experiences and system performance issues. Future forums will be scheduled to maintain this important operational feedback.



RWC Executive Director David Felix (left) and RWC Chairman Steve Campbell (right) lead a discussion at the Law Enforcement User Group Forum.

Arizona Public Safety Radio Communication Administrators Forum

On Tuesday, June 25th, the RWC hosted the first forum for regional Arizona public safety radio communications administrators. The focus of the forum was to discuss system information, future upgrades and projects, best practices and infrastructure sharing opportunities. The forum was attended by the administrators and technical representatives from the Topaz Regional Wireless Cooperative (TOPAZ-Mesa); Pima County Wireless Network System (PCWINS-Tucson); Yuma Regional Communications System (YRCS-Yuma); Flagstaff Regional Communications System (FRCS-Flagstaff); Maricopa County Wireless Systems Network (MCWS-Maricopa County); and the State of Arizona Department of Public Safety (DPS).

OVERVIEW

Background

The VHF communications system formerly used by the City of Phoenix's public safety and other departments was based on 1950s technology and unable to meet the operational needs of its users. After much study and several consultants' recommendations, the City replaced the existing system with a Project 25, digital, 800 MHz trunked radio system. 2001 Bond Funds were approved by Phoenix residents to pursue the replacement, which was completed in 2005.

The City formed the Phoenix Regional Wireless Network (PRWN) and began transitioning Phoenix Police, Fire and municipal departments to the new system. PRWN was intended to be a regional radio system supporting the City's operations as well as the Fire Department's automatic aid partners.

In 2008, in order to meet the needs of the expanding network and its many new partners, the Regional Wireless Cooperative (RWC) was formed; PRWN transitioned to RWC upon its formation. The RWC now oversees the administration, operation, management, maintenance and growth of this regional communications network.

Governance

The RWC is a cooperative body formed under an Intergovernmental Agreement. Membership is open to all local, state, and federal governmental entities and tribal entities and currently includes the majority of cities in the Phoenix metropolitan area. Governance provides for a Board of Directors consisting of one executive representative from each Member. The Board directs the operation, maintenance, planning, design, implementation, and financing of the RWC.

The City of Phoenix serves as the "Administrative Managing Member" responsible for the administration and financial management of the RWC. Four administrative staff positions support the RWC: Executive Director, Accountant III, Management Assistant I, and Administrative Aide. RWC staff are City of Phoenix employees residing in the Government Relations office.

System Description

The RWC is a large, Public Safety radio network based on the Project 25, Phase I Standard. The network is an ASTRO 25™, Integrated Voice and Data, trunked radio system. It operates in the 700/800 MHz frequency bands and uses standard Simulcast, IP Simulcast, and individual site trunking. The network consists of seven (7) major simulcast subsystems and ten (10) Intelligent Site Repeaters (ISRs).

The system provides seamless, wide area coverage across the entire metropolitan area. It is data capable, but at the current time is only used in a data capacity to provide encryption services.

Some of the benefits of this large regional radio system include wide area coverage beyond what cities could achieve individually; seamless *interoperability* (the ability for diverse public safety agencies to communicate directly, in real-time, as the need requires); shared resources, such as people, equipment and tower sites and funding and financial responsibilities shared by all members based on their relative size, measured by the number of radios on the network and increased success in obtaining state and federal grant support.

OVERVIEW (continued)

Interoperability

The RWC system has provided a platform on which to build interoperability with many other agencies. Because of the regional nature of the system, significant grant funding has been made available to increase the regional use of the system and reduce the cost of membership in the RWC. Grants have been used to link the many dispatch centers, also known as Public Safety Answering points (PSAPs), in the Valley; add the City of Tempe to the network; increase system capacity to allow greater roaming and interoperability; add several mountain sites to be used for very wide-area coverage, emergency backup and wide area interoperability; provide connectivity to Peoria's new system; and provide cache radios to be used for emergencies.

The RWC system has been effectively used to provide interoperable communications for several special events in the metropolitan area. The system was used during the 2004 Presidential Debate linking motorcade officers, providing interoperability for Tempe and ASU, and administrative communications for the ASU staff coordinating the debate. The system provided support for the annual Fiesta Bowls, the BCS football game, the 2008 Super Bowl, and the 2009 NBA and 2010 MLB All Star games. The Super Bowl, in particular, clearly demonstrated the need for a truly regional radio system and has prompted more discussions between the metropolitan cities regarding more effective use of the RWC.

Many non-members of the RWC have programmed radios to allow them to interoperate with RWC members and other agencies around the Valley. These agencies include members of federal, tribal, state, county, local, quasi-government and support agencies:

Ak-Chin Fire Department	Luke Air Force Base
Arizona Attorney General's Office	Maricopa County Adult Probation
Arizona Department of Corrections	Maricopa County Attorney's Office
Arizona Department of Health Services	Maricopa County Department
Arizona Department of Juvenile Corrections	of Emergency Management
Arizona Department	Maricopa County Department
of Liquor Licenses and Control	of Transportation
Arizona Department of Public Safety	Maricopa County Juvenile Probation Department
Arizona Department of Transportation	Maricopa County Office
Arizona Division of Emergency Management	of Enterprise Technology
Arizona National Guard	Maricopa County Regional Emergency Action
Arizona Radiation Regulatory Agency	Coordination Team (REACT)
Arizona State University Police Department	Maricopa County Sheriff's Office
Buckeye Valley Fire District	Maricopa County Superior Court Marshal's Office
Carefree Fire Department / Rural Metro	Pinal County
Casa Grande Fire Department	Public Safety Interoperable Communication Office
Cave Creek Marshal's Office	Salt River Fire Department
Circle City / Morristown Fire District	Union Pacific Railroad Police Department
Community Bridges, Inc.	US DOJ Bureau of Alcohol, Tobacco,
Federal Reserve Police Department	Firearms and Explosives
Fort McDowell Yavapai Nation	US DOJ Drug Enforcement Agency
Fire Department	US DOJ Federal Bureau of Investigation
Gila River Indian Community	US DOJ United States Marshals Service
Harquahala Fire District	Wittmann Fire District

MISSION STATEMENT

The Mission of the Regional Wireless Cooperative (RWC) is to provide seamless operable and interoperable communications for all Members through a governance structure founded on the principle of cooperation for the mutual benefit of all Members.

In November of 2010, the newly formed staff of the RWC, as a component of the City of Phoenix's Government Relations Department, met to develop a strategic plan to assist them in serving the needs of RWC Members, Board of Directors, Executive Committee and other work groups. The following Value Statements are intended to focus staff's efforts and memorialize their commitment to support the RWC Mission:

We Are Dedicated to Serving Our Customers

We succeed by responding to and focusing our attention on the needs of our customers.

We Value and Respect Diversity

Understanding diversity helps us to work together and serve our communities.

We Work as a Team

Teamwork is the basis of our success. We use cooperation as our first tool in working with others.

We Each Do All We Can

We each have the opportunity and responsibility to develop and use our skills to the highest level.

We Learn, Change and Improve

We are open to new methods and we listen and learn from others. Training and education is the basis for our success.

We Focus on Results

Each of us knows the level of our customer satisfaction, our response time in delivering services and the cost of those services. We use information about the results we provide so we can improve.

We Work with Integrity

Whenever we make a decision, provide a service or deal with customers, we act with honesty and integrity.

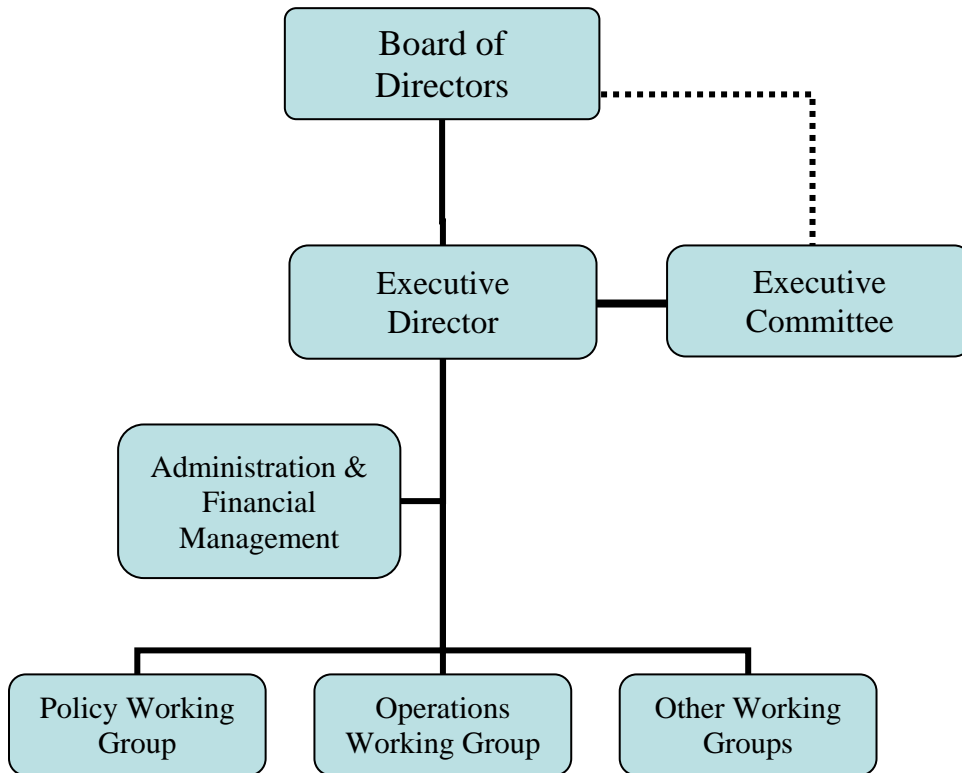
We Make the RWC Better

We work to make the RWC better. Improving the RWC is the reason we come to work each day.

ATC Buckeye Tower

ORGANIZATIONAL STRUCTURE

The RWC is governed by a Board of Directors, with all members of the RWC having a seat and a vote on the Board. The Executive Director reports to the Board of Directors and serves as a non-voting member of the Board-appointed Executive Committee. The Executive Director is supported by the Executive Committee, Operations Working Group, and other Working Groups, in addition to three staff positions who assist with the administration and financial management of the RWC. The Executive Director and staff are City of Phoenix employees residing in the Office of Government Relations.



MEMBERS



BOARD OF DIRECTORS

Chair

Steven W. Campbell

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Vice Chair

Brad Hartig

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EXECUTIVE COMMITTEE

The purpose of the Executive Committee is to provide high level expertise in communications and operations, advise the Board of Directors, help direct the efforts of the Executive Director and provide intermediate strategic direction for the RWC. Functions of the Executive Committee include review and approval of all proposals and recommendations, budget and financial reports, Network performance reports, and Board of Directors meeting agendas prior to submittal to the Board of Directors. The Executive Committee also identifies performance issues and recommendations for Network enhancements and construction.

The Executive Committee consists of five Representatives appointed by the Board of Directors, plus the Executive Director who is a non-voting member. Representatives, selected from the RWC Membership, consist of: one (1) Police Department executive manager; one (1) Fire Department executive manager; one (1) Municipal executive manager; one (1) Chief Information Officer (or equivalent); and one (1) executive manager from a Network Managing Member. The Executive Committee may not be comprised of Representatives from only one Member and every two years the Board of Directors reviews the Executive Committee representation. The Executive Committee Chair serves a two-year term.

The Executive Committee conducts regularly scheduled meetings at least once monthly prior to the Board of Directors meeting.

Executive Committee Members

Chair

Jesse Cooper
Police Department Acting Bureau
Administrator / IT Project Manager
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jesse.cooper@phoenix.gov

Chris DeChant
Assistant Fire Chief
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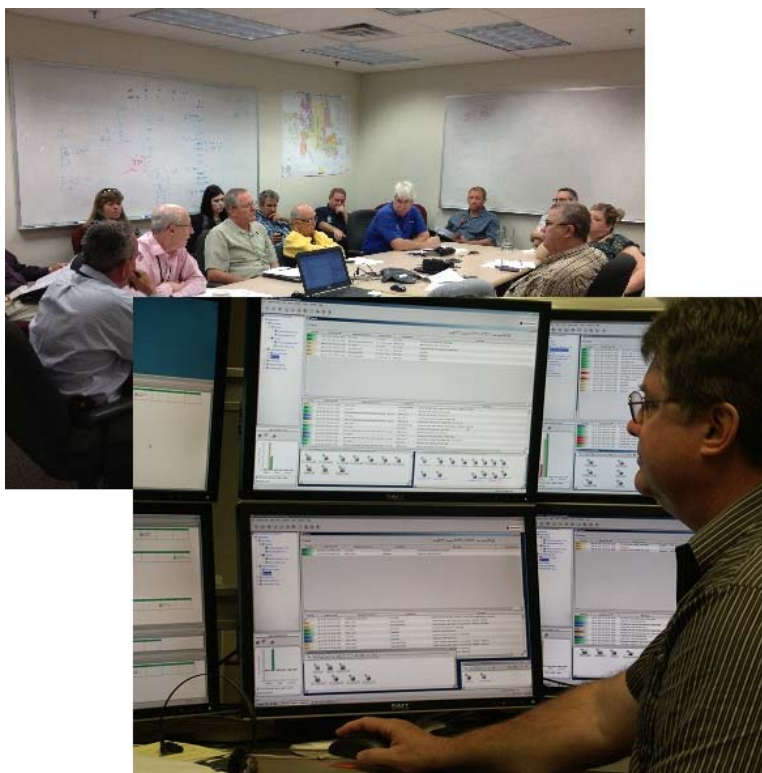
Dave Heck
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Shannon Tolle
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OPERATIONS WORKING GROUP

The Operations Working Group is responsible for addressing Network operational issues and maintaining Board-approved comprehensive policies and procedures for the operation and maintenance of the Network. The Operations Working Group reviews the RWC policies and procedures on an as needed basis, but not less than bi-annually, and submits necessary revisions to the Executive Director for Board of Directors' approval.

Each Member may have up to three (3) representatives ("Agency Representatives"), with one (1) Agency Representative each from a Law Enforcement Agency, Fire Services Agency and Municipal Agency. However, each Member may only have an Agency Representative from each agency for which the Member has actual users on the Network. The Agency Representatives act as liaisons to their respective agencies and are responsible for promptly notifying the Operations Working Group of issues potentially affecting Network operations.



Above: a typical Operations Working Group Meeting
Below: Loy Wiechmann, of the City of Phoenix, monitors the RWC Network.

POLICY WORKING GROUP

The Policy Working Group (PWG) is responsible for developing, reviewing and modifying RWC policies and procedures. The PWG consists of representatives from Member agencies and meets bi-weekly or as required throughout the year. Policies and procedures completed by the PWG must be approved by the Operations Working Group, Executive Committee or Board of Directors prior to implementation.

FINANCIAL MANAGEMENT

The responsibilities and tasks of managing the financial well being of The Regional Wireless Cooperative includes Fund Management, Budget Development, Subscriber Unit Rates and Fees, Member Billing, Procurement, Financial Reporting and Financial Audit.

RWC Budgetary Information for Fiscal Year 2012-13 and 2013-14

	FY 2012-13	FY 2013-14
Operations, Maintenance and Staffing	\$8,238,946	\$8,237,764
System Upgrade (SUAll)	\$2,391,373	\$2,653,000
700MHz Narrow Banding, TDMA, Lifecycle Upgrade		\$8,455,000
Required Minimum Balance	\$65,937	\$4,196
Total Budget	\$10,696,256	\$19,349,960
Subscriber Unit* Rate	\$39.35	\$39.75
Total Positions (Administrative Staff)	4	4

* Includes: mobile and portable radios, dispatch consoles and control stations.



Ron Parks, an Operations Working Group Member from the City of Chandler, performs system maintenance.

FINANCIAL MANAGEMENT (continued)

Funding

The RWC is funded through annual membership fees and special assessments from the Members. The annual membership fees are used to pay administrative services costs, network operations and maintenance services, network infrastructure replacement, and enhancement projects such as system upgrades.

Operations, Maintenance, and Staffing Costs

The operations, maintenance, and staffing portion of the budget is used to pay for the cost of maintaining and staffing the RWC Network. Operations and maintenance expenditures include labor costs related to network operations and maintenance, microwave expenses, and software subscription and service agreements contracted through Motorola. Other costs include land leases, utilities charges, insurance premiums, and maintenance managing member expenses. Staffing include costs associated with the RWC Executive Director and the support staff. Such costs include salaries for staff and an Encryption Specialist, a Project Manager's wages, and office expenses.

Capital Improvement Project Fund

Funds budgeted for system upgrades, infrastructure replacement and other long term capital projects are accounted for in this fund. Funds from RWC members deposited into the Infrastructure Replacement and Enhancement Fund are included in determining RWC Members' equity percentages.

Required Minimum Balance

The required minimum balance is used to provide cash flow for the cost of operating and maintaining the communications network. Member billing for the required minimum balance is accounted for in an RWC operating reserve fund.

Equity

Members of the RWC who contributed assets or funds to pay for RWC infrastructure have equity in the RWC. The total Members' equity in the RWC is equal to the Net Value of RWC.

Grants

Gila River Indian Community Grant

The Regional Wireless Cooperative (RWC) was awarded a grant award from the Gila River Indian Community (GRIC) in the area of Public Safety. The Federal Communications Commission (FCC) has established a mandate, effective January 2017, requiring that all 700 MHz frequencies are to be narrow-banded, which would require a conversion of parts of the RWC network, including new base stations.

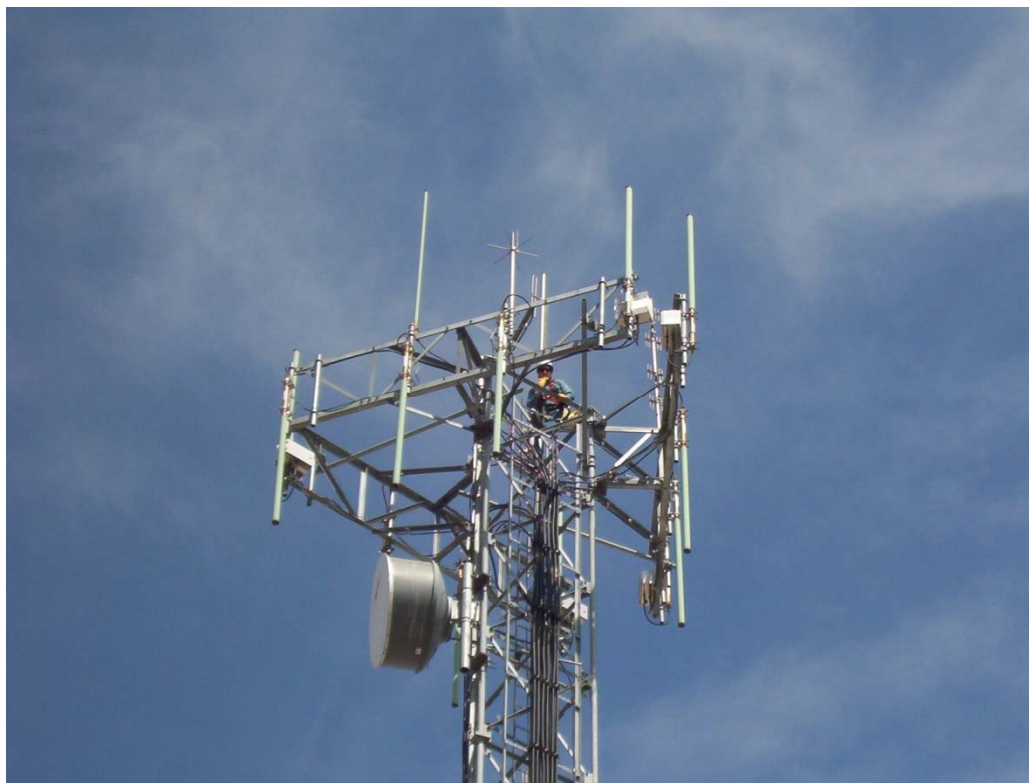
The conversion is planned for January 2017, but the infrastructure must be updated prior to that date. New base stations are one of the most critical components of the infrastructure changes that are necessary, and also the most costly. Funding received from the grant award will help "kick-start" the conversion efforts of the RWC, and also help by reducing costs to our members. The grant award from the GRIC is providing \$176,460 to help reduce costs of the 700 MHz Narrow-Banding and TDMA Conversion Project. With this grant, the RWC will be able to purchase a total of four GTR8000 base stations with TDMA & Dynamic Dual Mode options.

PLAN FOR THE FUTURE

RWC PROJECTS	2013/2014	2014/15	2015/16
Software & Hardware Upgrades		7.14 Upgrade	
Goodyear	Complete Goodyear Police transition to Simulcast J		
Maricopa Community College	Transition MCC to the RWC		
Paradise Valley	Completion construction of new site in Simulcast H	Complete transition to RWC	
700 MHz Narrow-banding (Federal mandate to comply by Jan 2017)	Complete Hardware Upgrade To Simulcast C & F	Complete Hardware Upgrade to Simulcast A	Complete Hardware Upgrade to Simulcast B & IR Sites
800 MHz Re-banding	Complete Negotiations for Cash-Out Option		
PSIC Grant High Sites	End Warranty		
END USER PROJECTS			
Gold Elite to MCC7500 Replacement		Parts Support Ends	
MCC7500 Upgrade: General Purpose Input/Output (GPIOM) to Voice Processor Module (VPM)	Complete VPM upgrades as part of 7.11 Upgrade		
Subscriber Replacement or Upgrade to TDMA Capable Radios	Continue as funding permits to coincide with FCC Mandate as it is revised	Continue as funding permits to coincide with FCC Mandate as it is revised	Continue as funding permits to coincide with FCC Mandate as it is revised

PLAN FOR THE FUTURE (continued)

RWC PROJECTS	2016/2017	2017/2018	2018/2019
Software & Hardware Upgrades	7.16 Upgrade		7.18 Upgrade
700 MHz Narrow-banding (Federal mandate to comply by Jan 2017)	Current mandated completion of Narrow-Banding; Current strategy is to extend cutover to 2019 or beyond		
END USER PROJECTS			
Gold Elite to MCC7500 Replacement	Upgrades must be complete before the 7.18 Upgrade		
Subscriber Replacement or Upgrade to TDMA Capable Radios	Continue as funding permits to coincide with FCC Mandate as it is revised	Continue as funding permits to coincide with FCC Mandate as it is revised	Continue as funding permits to coincide with FCC Mandate as it is revised



A technician performs maintenance on an RWC communication tower.

MOTOROLA SCORECARD

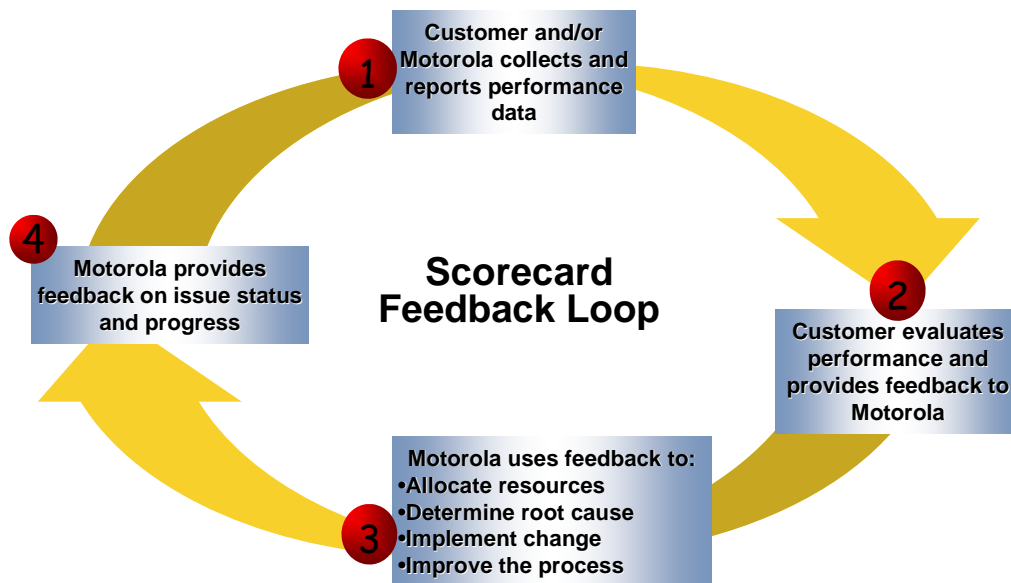
The scorecard initiative, which began at the end of 2004, is a joint process between Motorola and its top customers. Scorecard customers are large entities with plans and strategies in place and who have an idea of how Motorola can assist them. At present, there are 27 scorecard customers worldwide and 11 in the United States which included 5 public safety entities.

The scorecard initiative is a way for Motorola to improve its performance by validating a customer's key requirements through measurable objectives. Quarterly meetings are held with Motorola's local team, select executives, and RWC Members.

The continuous improvement model includes the collection of performance data, evaluation by the customer, and feedback to Motorola so that improvements can be made.

The 2013 Scorecard for the RWC had 16 metric/performance items. Many of the deliverables are very strategic and also help other customers of the same size. The RWC was the first to request a five-year rolling plan and now every customer's scorecard has this process.

The Scorecard Process is based on a Continuous Improvement Model



PROJECTS AND ACCOMPLISHMENTS

These projects, underway in 2012 and beyond, added new members and improved radio coverage and reliability provided by the Regional Wireless Cooperative.

Buckeye/Goodyear

Four new sites have been added to the RWC network forming a Simulcast J sub-system in the Southwest Valley. These new sites will carry the primary communications traffic for Buckeye and Goodyear, Police, Fire, and Municipal users. Final acceptance was achieved in November 2012 and Buckeye Police made the transition to the new sub-system at that time. Goodyear Police will be transitioning in early 2014 pending the completion of their new dispatch center.

Maricopa

The City of Maricopa transitioned their Police Department onto the RWC as of October 2012. The Police Department was added to Simulcast C; no additional coverage or capacity is required thus no infrastructure changes were necessary. The Town of Buckeye will provide dispatch service for Maricopa Police.

Paradise Valley

The Town of Paradise Valley joined the RWC in the fall of 2012. The Town is planning a two-phased approach to joining the RWC. In the first year, a new site will be constructed in Paradise Valley. During the second year, equipment will be purchased and installed and the new site will be added to the Simulcast H sub-system (Scottsdale). This will provide the necessary coverage for the Town. After the site is completed, Paradise Valley Police will transition to full operation on the RWC network.

800 MHz Re-Banding

This project is to provide compliance with the FCC mandate to relocate the 800 MHz spectrum. The spectrum is being relocated to eliminate interference with the cellular carriers. The project is primarily funded by Sprint/Nextel. Rather than go through the actual re-banding process, the RWC intends to move off of the 800 MHz frequencies, and onto the 700 MHz band making the entire RWC system all 700 MHz. The RWC will negotiate with Sprint/Nextel to use the “cash-out” option, and the funding obtained from this effort will be used to offset the cost of the 700 MHz Narrow-Banding.

700 MHz Narrow-Banding, TDMA Conversion, and Lifecycle Upgrade

The purpose of this project is to comply with Federal mandates to narrow-band the 700 MHz spectrum used by the RWC by converting the RWC system to the Time Division Multiple Access (TDMA) protocol and implementing several key lifecycle changes required due to equipment obsolescence. The project also considers the Federal mandate for 800 MHz re-banding and integrates it with the overall project by converting the entire RWC network to use only 700 MHz frequencies, eliminating the need to re-band the 800 MHz frequencies.

SYSTEM PERFORMANCE

Radio Counts

Radio counts give a generalized picture of the size and relative volume of the system. Radios on the system include all consoles, control stations, portables and mobiles. They also include radios used by the RWC members and those radios used by outside agencies for interoperability. Radio counts are updated quarterly and the last year's totals are shown below:

	FY 2012/13			
	July	October	January	April
	Count	Count	Count	Count
Member Total	18,466	18,531	18,010	17,695
Interoperability	9,456	10,300	10,751	11,682
Grand Total	27,922	28,831	28,761	29,377



Typical handheld radios used by RWC Members.

Overall System Statistics

The following charts provide a compilation of the overall system statistics including the number of calls, busy calls and emergency calls, including the total and average duration of each type of call. A busy signal occurs when a user tries to make a call, but all channel resources are in use and thus the user must wait to complete the call. An emergency call occurs when the user presses the emergency button on a radio. Grade of Service (GOS) for the system is also shown; GOS is explained in more detail in the next item. System statistics provide a general overview of system performance, but they cannot be used as the final guide since statistics must be viewed individually for each sub-system in order to truly see the performance from the user perspective. These statistics are not shown in this report since they are so voluminous.

SYSTEM PERFORMANCE (continued)

	2012	2012	2012	2012
Month	July	August	September	October
Number of Calls	2,325,118	2,465,974	2,268,781	2,439,212
Total Duration (h,hhh:mm:ss)	6,349:51:52	6,818:35:37	6,288:58:04	6,670:58:50
Average Call Duration (Sec)	9.83	9.95	9.98	9.85
Average Calls Per Day	75,004	79,548	75,626	78,684
Number of Busies	17	23	25	120
Busy Duration (Sec)	3	7	5	48
Average Busy Duration (Sec)	0.2	0.3	0.2	0.4
Number of Emergency Calls	287	326	217	261
Emergency Duration (Sec)	9,266	11,346	7,334	9,260
Average Emergency Duration (Sec)	32.3	34.8	33.8	35.5
Grade of Service	0.0007%	0.0009%	0.0011%	0.0049%

	2012	2012	2013	2013
Month	November	December	January	February
Number of Calls	2,283,529	2,276,202	2,393,844	2,035,646
Total Duration (h,hhh:mm:ss)	6,222:42:54	6,225:06:26	6,483:39:38	5,614:52:23
Average Call Duration (Sec)	9.81	9.85	9.75	9.93
Average Calls Per Day	76,118	73,426	77,221	72,702
Number of Busies	18	15	32	71
Busy Duration (Sec)	4	2	10	39
Average Busy Duration (Sec)	0.2	0.1	0.3	0.5
Number of Emergency Calls	251	306	316	246
Emergency Duration (Sec)	8,567	12,550	10,644	7,093
Average Emergency Duration (Sec)	34.1	41.0	33.7	28.8
Grade of Service	0.0008%	0.0007%	0.0013%	0.0035%

	2013	2013	2013	2013
Month	March	April	May	June*
Number of Calls	2,461,473	2,470,945	2,545,180	905,140
Total Duration (h,hhh:mm:ss)	6,748:41:35	6,758:43:18	6,967:47:06	2,469:17:55
Average Call Duration (Sec)	9.87	9.85	9.86	9.82
Average Calls Per Day	79,402	82,365	82,103	30,171
Number of Busies	43	37	58	70
Busy Duration (Sec)	16	9	20	27
Average Busy Duration (Sec)	0.4	0.2	0.3	0.4
Number of Emergency Calls	316	277	306	97
Emergency Duration (Sec)	8,556	8,944	8,449	2,257
Average Emergency Duration (Sec)	27.1	32.3	27.6	23.3
Grade of Service	0.0017%	0.0015%	0.0023%	0.0077%

*June statistics are incomplete due to 7.11 Software Upgrade

SYSTEM PERFORMANCE (continued)

Grade of Service

Grade of Service (GOS) is a measure of how many times a user gets a “Busy” signal when he or she “Pushes To Talk” (PTT) on their radio. GOS is measured in percent as the number of PTT’s where a Busy occurs divided by the total number of PTT’s. The design specifications for the RWC system is to maintain a GOS of 2% or less, which means that there will be only 2 Busies or less, out of each 100 PTT’s. GOS is measured on each Simulcast and Intelligent Site Repeater (ISR) subsystem. GOS reports are prepared weekly and the 2% GOS goal has not been exceeded on any subsystem. The following table shows the maximum GOS for the past year on each subsystem:

RWC Annual GOS Maximum Summary			
Simulcast / ISR	Avg GOS	Max GOS	Date of Max GOS
Simulcast A	0.0007%	0.0371%	05/22/2013 14:00:00
Simulcast B	0.0000%	0.0000%	06/07/2013 12:00:00
Simulcast C	0.0000%	0.0000%	06/07/2013 12:00:00
Simulcast F	0.0000%	0.0000%	06/12/2013 15:00:00
Simulcast G	0.0008%	0.0403%	08/30/2012 15:00:00
Simulcast H	0.0446%	0.6764%	10/16/2012 13:00:00
Simulcast J	0.0000%	0.0000%	06/12/2013 13:00:00
Estrella	0.0000%	0.0000%	06/22/2012 21:00:00
Quintero	0.0000%	0.0000%	06/11/2013 10:00:00
Sky Harbor	0.1095%	2.4113%	10/07/2012 16:00:00
Mt Gillen	0.0000%	0.0000%	06/10/2013 12:00:00
North Mtn	0.0000%	0.0000%	06/12/2013 12:00:00
Sacaton	0.0000%	0.0000%	06/12/2013 09:00:00
South Mtn	0.0000%	0.0000%	06/12/2013 12:00:00
Thompson Peak	0.0000%	0.0000%	06/06/2013 08:00:00
Towers Mtn	0.0000%	0.0000%	06/10/2013 22:00:00
White Tanks	0.0048%	0.2463%	01/01/2013 02:00:00

SYSTEM PERFORMANCE (continued)

System Use

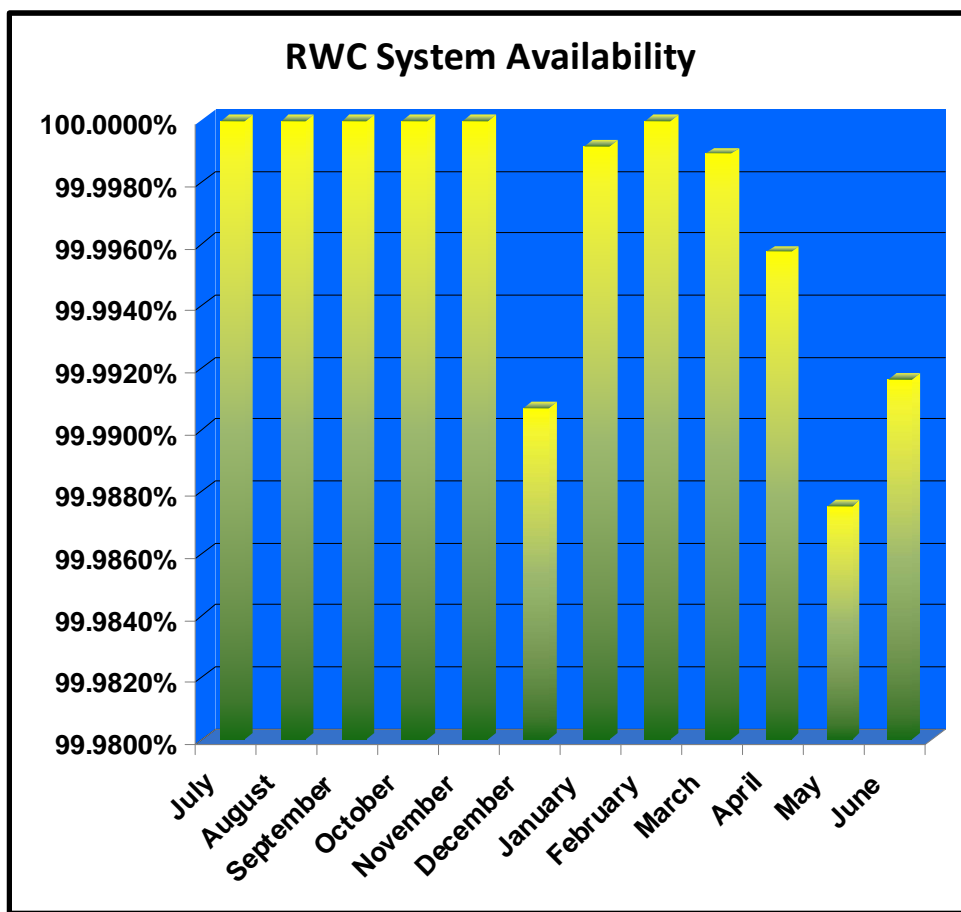
System Use shows the averages of how many of the system's channels are used. It is shown as a percentage of the number of channels used divided by the total number of channels available for each Simulcast and ISR subsystem.

RWC 12 Month Use Data for FY 2012-2013		
Sub-System / ISR	Average Use	Maximum Use
Simulcast A	16.64%	39.79%
Simulcast B	9.74%	33.14%
Simulcast C	10.37%	25.23%
Simulcast F	11.85%	40.85%
Simulcast G	16.88%	42.89%
Simulcast H	9.43%	38.83%
Simulcast J	2.14%	18.31%
Estrella	3.81%	22.91%
Quintero	0.96%	9.02%
Sky Harbor	9.26%	34.31%
South Mountain (Old ISR)	0.97%	8.85%
Mt. Gillen	3.92%	26.92%
North Mountain	0.24%	1.51%
Sacaton	2.29%	21.05%
South Mountain	1.43%	9.51%
Towers Mountain	0.45%	5.85%
White Tanks	10.56%	33.15%

SYSTEM PERFORMANCE (continued)

System Availability

System Availability is a measure of the percentage of time that the system is operating normally, with no operational impact to the users. Since the system is made up of many Simulcast and Intelligent Site Repeater (ISR) sub-systems, the system availability is the combined availability of all these subsystems. The goal is to keep the system operating as close to 100% available from the user's perspective. Note that failures may occur to various components, but due to the system redundancy, there is no impact to the user. If System Availability is less than 100%, it may be due to a failure in a single subsystem, with the majority of the overall network remaining available to the users. System Availability for the RWC network for the twelve month period of June 2012 through June 2013 is shown below:



NOTE: The method for collecting System Availability statistics was modified to be more accurate in December 2012. The statistics now reflect that an outage in any sub-system also affects availability across the whole network.

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Left to right: Kacie Howard, David Clarke, Kelli Butz, David Felix.



RWC

(an Arizona Joint Venture)



**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2013**





(An Arizona Joint Venture)

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2013**

**Prepared By:
Regional Wireless Cooperative (RWC)
Kelli Butz**

MEMBERS



**Regional Wireless Cooperative
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2013**

RWC BOARD OF DIRECTORS

Chair

Steven W. Campbell
Police Chief
City of El Mirage

Vice Chair

Brad Hartig
CIO/Executive Director IT
City of Scottsdale

Mark Gorla
Emergency Management Officer
City of Avondale

Wayne Clement
Fire Chief
Town of Guadalupe

Tim Van Scoter
Assistant Fire Chief
Sun City West Fire District

Bob Costello
Fire Chief
Town of Buckeye

Wade Brannon
Fire Chief
City of Maricopa

Paul S. Wilson
Fire Chief
Sun Lakes Fire District

Marc Walker
Assistant Fire Chief
City of Chandler

John Bennett
Police Chief
Town of Paradise Valley

Mike Frazier
Police Chief
City of Surprise

Danny Johnson
Deputy Fire Chief
Daisy Mountain Fire Department

Susan Daluddung
Deputy City Manager
City of Peoria

Brenda Buren
Assistant Police Chief
City of Tempe

Chris DeChant
Assistant Fire Chief
City of Glendale

Ed Zuercher
Assistant City Manager
City of Phoenix

Bob Hansen
Battalion Fire Chief
City of Tolleson

Paul Luizzi
Interim Fire Chief
City of Goodyear

Jim Haner
Fire Chief
Sun City Fire District

**Regional Wireless Cooperative
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2013**

RWC EXECUTIVE COMMITTEE

David Felix
RWC Executive Director

Chair
Jesse Cooper
Police Department Acting Bureau Administrator / IT Project Manager
City of Phoenix

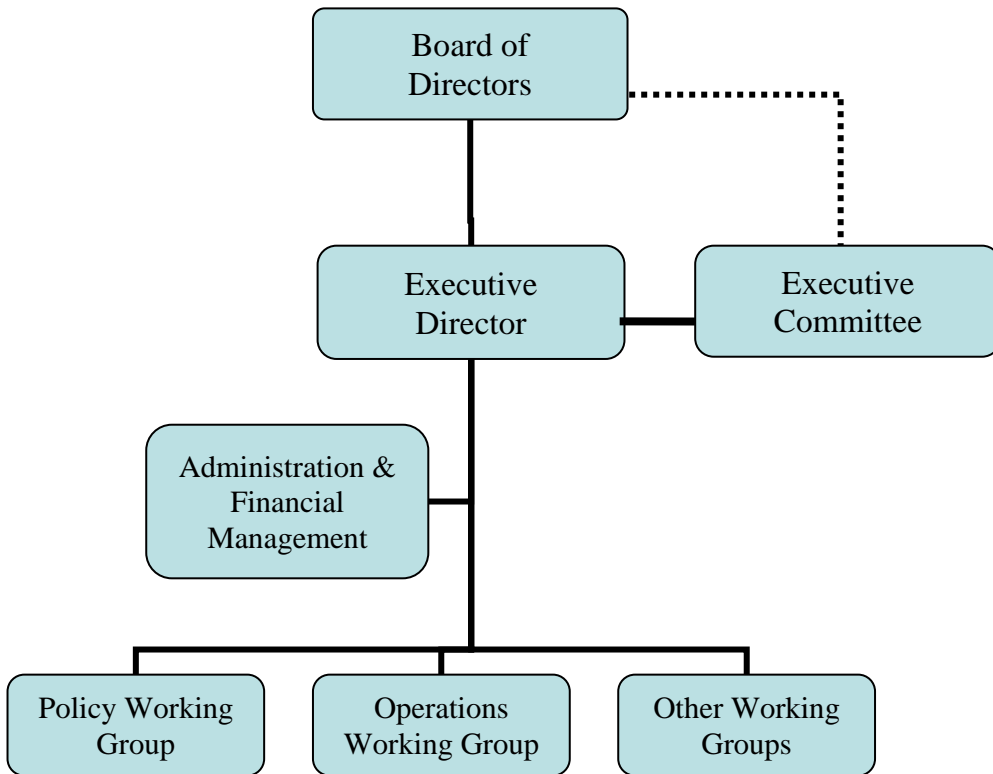
Chris DeChant
Assistant Fire Chief
City of Glendale

Dave Heck
Deputy Director of Finance and Technology / Chief Information Officer
City of Tempe

Bill Phillips
Enterprise Technology Manager
City of Phoenix

Shannon Tolle
Information and Technology Communications Director
City of Scottsdale

Regional Wireless Cooperative Organizational Chart



INTRODUCTORY SECTION



Regional Wireless Cooperative

**Regional Wireless Cooperative
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2013**

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About the cover:

RWC towers at the Town of Buckeye ATC site and on top of South Mountain, and representation of public safety users of the RWC network.



November 2013

To the Board of Directors of the Regional Wireless Cooperative:

In accordance with the governance of the Regional Wireless Cooperative (RWC), I am pleased to submit the RWC Comprehensive Annual Financial Report for the fiscal year ended June 30, 2013. These financial statements are prepared and presented in conformity with accounting principles generally accepted in the United States of America (GAAP) as prescribed in pronouncements of the Governmental Accounting Standards Board (GASB). To the best of our knowledge and belief, this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position, results of operations and cash flows of the RWC. All disclosures necessary to enable the reader to gain an understanding of the RWC's net position and changes in net position have been included.

CliftonLarsonAllen, LLP has issued an unmodified ("clean") opinion on the RWC financial statements as of and for the year ended June 30, 2013. The independent auditors' report is located at the front of the financial section of this report. Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE REGIONAL WIRELESS COOPERATIVE

This report summarizes the activities of the RWC. The RWC was formed in 2008 to oversee the administration, operation, management, and maintenance of an expanding regional communications network. The RWC was formed through a governance structure founded on the principles of cooperation for the mutual benefit of all members, and has expanded to serve a still-growing list of cities, towns, and fire districts, along with many other area entities who serve public safety needs.

The RWC is made up of cities, towns, and fire districts throughout the Valley of the Sun and currently consists of the following 19 members: City of Avondale, Town of Buckeye, City of Chandler, Daisy Mountain Fire District, City of El Mirage, City of Glendale, City of Goodyear, Town of Guadalupe, City of Maricopa, Town of Paradise Valley, City of Peoria, City of Phoenix, City of Scottsdale, Sun City Fire District, Sun City West Fire District, Sun Lakes Fire District, City of Surprise, City of Tempe, and City of Tolleson. The City of Phoenix serves as the Administrative Managing Member, responsible for the administration and financial management of the RWC.

PROFILE OF THE REGIONAL WIRELESS COOPERATIVE (CONTINUED)

The RWC is a large, Public Safety radio network based on the Project 25, Phase I Standard. The network is an ASTRO 25™, integrated voice and data, trunked radio system that operates in the 700/800 MHz frequency bands and uses standard Simulcast, IP Simulcast and individual site trunking. The network consists of seven (7) major simulcast subsystems and ten (10) Intelligent Site Repeaters (ISR's).

This regional radio communications network was built to seamlessly serve the interoperable communication needs of first responders and other municipal radio users in and around Central Arizona's Valley of the Sun. The system is data capable, but at the current time, is only used in a data capacity to provide encryption services. Some of the benefits of this large regional radio system include wide area coverage beyond what cities could achieve individually; seamless interoperability (the ability for diverse public safety agencies to communicate directly, in real-time, as the need requires); shared resources; such as people, equipment, and tower sites; shared funding; and increased success in obtaining state and federal grant support. Financial responsibilities are shared by all members based on their relative size, and is measured by the number of subscriber units (radios) on the network.

LOCAL ECONOMY

According to the Arizona Department of Administration, the total population in the State of Arizona as of 2012 was 6.5 million. This represents a population growth of 25% from a decade ago. The population for the Phoenix metropolitan area grew from 3.07 million in the year 2000 to 3.82 in the year 2010. The 25% population increase in the Phoenix metropolitan area mirrors the State's population increase.

Metro Phoenix, also known as the Valley of the Sun, is home to a strong and growing transportation system including one of the nation's 10 busiest airports, Sky Harbor International Airport. The airport's estimated daily economic impact is \$79 million. On average, 100,000 passengers arrive and depart each day from Sky Harbor. Other features of the area transportation system are two major railways and excellent interstate highways and local freeways connecting the Valley to major markets and ports in western states and Mexico. The Metro Light Rail System currently covers 19 miles linking Mesa, Tempe, and Phoenix. Expansion plans will include service to additional cities in the region.

The Valley has access to a labor pool of several million diverse workers, and has a wealth of educational resources to educate new and existing talent. All three Arizona public universities have a presence in the Valley, along with many other public and private academic institutions offering undergraduate and graduate degrees. Major employers range from hospitals and banks, to private universities and aerospace manufacturers. Emerging industries include renewable energy, biotechnology, and data centers.

LOCAL ECONOMY (CONTINUED)

Arizona has a well-managed water and power supply including an abundant supply of electricity from various sources, including the largest U.S. nuclear plant, dams, coal and gas burning plants as well as wind and solar plants. The water supply to the Valley via canals from local reservoirs and the Colorado River is adequate to meet projected population growth for at least the next 100 years.

LONG TERM FINANCIAL PLANNING

The RWC is currently planning for system software upgrades to version 7.11, in June of 2013, and to version 7.14 in January of 2015. These upgrades have been included in the RWC Five-Year Plan and budget that was recently submitted to the RWC Board of Directors. In addition, there are many product changes that occur as part of the life of the system. Motorola has briefed the RWC on the product roadmap for the next five years. The roadmap includes several key product changes where support for certain products will be ending, thus necessitating upgrades and/or changes in these products. The critical product changes that must be considered are those affecting base stations, consoles, and subscriber units.

Additionally, a Federal Communications Commission (FCC) mandate on the horizon is for all 700 MHz frequencies to be narrow-banded. The narrow-banding requirement affects how the system will change over the next several years. The requirement changes the current 12.5 KHz bandwidth of the 700 MHz channels to 6.25 KHz, effectively doubling the number of channels available. The deadline for this mandate is currently set at January 2017. In order to meet the narrow-banding requirement, the RWC's 700 MHz equipment must use a different communication protocol called Time Division Multiple Access (TDMA), which allows the equipment to broadcast two voice conversations on a single 700 MHz channel.

Currently, the RWC is using the Frequency Division Multiple Access (FDMA) protocol. Although both protocols may be used on the same system, they cannot be used on the same talkgroup at the same time. This limits the ability to seamlessly roam. Thus, in order to comply with the Federal mandate, the RWC must convert the 700 MHz components of the system to TDMA, and in order to maintain seamless roaming, the entire network must be converted to TDMA.

It appears very likely that the FCC will delay the 700 MHz narrow-banding mandate, and the RWC has therefore divided this effort into two phases. The first phase will be to upgrade the RWC network hardware so that it is compatible with and ready for the Phase 2 TDMA Conversion. This phase will also move the RWC off of all 800 MHz frequencies onto the 700 MHz band complying with the FCC mandate regarding 800 MHz re-banding. The Hardware Upgrade phase has been approved at a cost of \$25.4 M, commenced in July 2013, and will be completed in late 2016.

LONG TERM FINANCIAL PLANNING (CONTINUED)

The second phase is the actual TDMA conversion and narrow-banding. This phase is planned and approved, but will not commence until the FCC determines the final 700 MHz narrow-banding deadline. This phase is estimated to cost \$17.7 M.

MAJOR INITIATIVES

The membership of the RWC continues to increase, therefore, the RWC is embarking on several projects aimed at expanding the regional radio network. The projects include the following:

Buckeye/Goodyear

Four new sites have been added to the RWC network forming a Simulcast J sub-system in the Southwest Valley. These new sites will carry the primary communications traffic for Buckeye and Goodyear, Police, Fire, and Municipal users. Final acceptance was achieved in November 2012 and Buckeye Police made the transition to the new sub-system at that time. Goodyear Police will be transitioning in early 2014 pending the completion of their new dispatch center.

Maricopa

The City of Maricopa transitioned their Police Department onto the RWC as of October 2012. The Police Department was added to Simulcast C; no additional coverage or capacity is required thus no infrastructure changes were necessary. The Town of Buckeye will provide dispatch service for Maricopa Police.

Paradise Valley

The Town of Paradise Valley joined the RWC in the fall of 2012. The Town is planning a two-phased approach to joining the RWC. In the first year, a new site will be constructed in Paradise Valley. During the second year, equipment will be purchased and installed and the new site will be added to the Simulcast H sub-system (Scottsdale). This will provide the necessary coverage for the Town. After the site is completed, Paradise Valley Police will transition to full operation on the RWC network.

800 MHz Re-Banding

This project is to provide compliance with the FCC mandate to relocate the 800 MHz spectrum. The spectrum is being relocated to eliminate interference with the cellular carriers. The project is primarily funded by Sprint/Nextel.

MAJOR INITIATIVES (CONTINUED)

Rather than go through the actual re-banding process, the RWC intends to move off of the 800 MHz frequencies, and onto the 700 MHz band making the entire RWC system all 700 MHz. The RWC will negotiate with Sprint/Nextel to use the “cash-out” option, and the funding obtained from this effort will be used to offset the cost of the 700 MHz Narrow-Banding, TDMA Conversion and Lifecycle Upgrade (see “Long Term Financial Planning” above).

RELEVANT FINANCIAL POLICIES

Budgeting Systems and Controls

The RWC maintains budgetary controls, which are designed to ensure compliance with the provisions of the annual budget adopted by the RWC Board of Directors. The RWC budget process provides for input from the RWC Members and the Executive Committee in developing revenue and expenditure projections, and determines RWC programs and services for the coming year.

Accounting and Administrative Controls

Internal controls are procedures that are designed to protect assets from loss, theft, or misuse; check the accuracy and reliability of accounting data; promote operational efficiency; and encourage compliance with managerial policies at a cost that does not exceed the benefits to be derived. Management of the RWC has established a system of integral internal controls designed to provide reasonable, rather than absolute assurance that the financial statements are free of any material misstatements these objectives are met.

Federal and State financial assistance programs require recipients to comply with many laws and regulations. Administrative controls are procedures designed to ensure compliance with these requirements. The RWC has established a system of administrative controls to ensure compliance with the requirements of the programs under which it receives financial assistance. As with other internal controls, this system is subject to a periodic review and evaluation by management. As part of the annual audit process, internal controls are considered in order to determine the nature, timing, and extent of auditing procedures.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (“GFOA”) awarded a Certificate of Achievement in Financial Reporting to the RWC for its comprehensive annual financial report for the fiscal year ended June 30, 2012. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

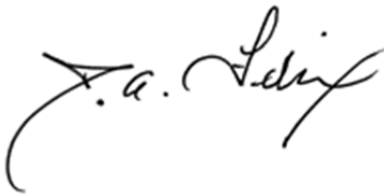
AWARDS AND ACKNOWLEDGEMENTS (CONTINUED)

In order to be awarded a Certificate of Achievement, the RWC published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and the applicable legal requirements.

I believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and are submitting it to the GFOA to determine its eligibility for another certificate.

I want to thank all the members of the RWC Board of Directors, the RWC Executive Committee, City of Phoenix (City) Information Technology and Services Department and City Budget and Research Department for their assistance throughout the past year. Special thanks to the City Finance Department for their efforts in the preparation of this comprehensive financial report.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "D. A. Felix". The signature is written in black ink and is positioned above the printed name and title.

David Felix
RWC Executive Director



Government Finance Officers Association

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**Regional Wireless Cooperative
Arizona**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

FINANCIAL SECTION



Regional Wireless Cooperative



CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Regional Wireless Cooperative

Report on the Financial Statements

We have audited the accompanying financial statements of the Regional Wireless Cooperative, which comprise the statements of net position as of June 30, 2013 and 2012, and the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Regional Wireless Cooperative as of June 30, 2013 and 2012, and the respective changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management discussion and analysis on pages 3 through 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Regional Wireless Cooperative's basic financial statements. The accompanying supplementary information, introductory and statistical sections, as referenced in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

CliftonLarsonAllen LLP

Phoenix, Arizona
November 12, 2013

**REGIONAL WIRELESS COOPERATIVE
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information)
June 30, 2013**

The following Management Discussion and Analysis (MD&A) of the Regional Wireless Cooperative's (RWC) activities and financial performance provides an introduction to RWC's financial statements as of and for fiscal year ended June 30, 2013. The information in this MD&A should be considered in conjunction with the information contained in the Letter of Transmittal included in the Introductory Section of this report.

FINANCIAL AND OPERATIONAL HIGHLIGHTS (in thousands)

- Net position for the RWC totaled \$87,711 at June 30, 2013 and \$96,349 at June 30, 2012. Net position for fiscal year 2013 decreased by \$8,638 as compared to fiscal year 2012. In fiscal year 2012, net position decreased by \$3,666. The decrease in 2013 is primarily due to an increase in accumulated depreciation. The decrease in net position for fiscal year 2012 compared to 2011 was primarily due a slow down in construction in progress and an increase in accumulated depreciation.
- Operating revenue was \$9,224 for fiscal year 2013 and \$8,413 for fiscal year 2012. Operating revenues increased by \$811 in 2013 and increased by \$1,486 in 2012. The increase in 2013 is due to increase in Members' contributions for construction of capital assets compared to 2012. In 2012, the increase was due to an increase in RWC member billings, as more radios became operational on the RWC Network.
- The operating expenses decreased by \$1,059 to \$17,089 and increased by \$1,494 to \$18,148 during fiscal years 2013 and 2012 respectively. In 2013, the decrease was related to a decrease of \$1,554 in operation and maintenance expense, an increase of \$98 in administration expense, a decrease of \$48 for special assessment expense, and an increase of \$445 in depreciation expense. In 2012, the increase was attributable to a \$1,749 increase in operation and maintenance expense, a decrease of \$28 in administration expense, a decrease of \$45 for special assessment expense, and a decrease of \$182 in depreciation expense.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the RWC's basic financial statements. The RWC's basic financial statements include statement of net position, statement of revenues and expenses and changes in net position; statement of cash flows; and notes to the financial statements. The RWC's financial statements are prepared on an accrual basis in accordance with generally accepted accounting principles applicable to a governmental entity.

**REGIONAL WIRELESS COOPERATIVE
MANAGEMENT'S DISCUSSION AND ANALYSIS**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Enterprise Operations

The RWC is structured as a joint venture, governed by a Board of Directors, with all members of the RWC having a seat and a vote on the Board. The Executive Director reports to the Board of Directors and serves as a non-voting member of the Board-appointed Executive Committee.

The Executive Director is supported by the Executive Committee, Operations Working Group, and other Working Groups, in addition to three staff positions who assist with the administration and financial management of the RWC. The Executive Director and staff are City of Phoenix employees residing in the Office of Government Relations.

RWC'S FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the joint venture's financial position. The net position of the RWC decreased by \$8,638 for the year ended June 30, 2013 as compared to June 30, 2012 and decreased by \$3,666 in 2012 as compared to June 30, 2011.

RWC's Net Position
(in thousands)

	June 30,		
	2013	2012	2011
Current Assets	\$ 2,599	\$ 1,694	\$ 3,008
Capital Assets, Net	87,125	95,643	99,481
Total Assets	89,724	97,337	102,489
Current Liabilities	2,013	988	2,474
Total Liabilities	2,013	988	2,474
Net Investment in Capital Assets	87,125	95,643	99,481
Restricted	88	-	-
Unrestricted	498	706	534
Net Position	\$ 87,711	\$ 96,349	\$ 100,015

**REGIONAL WIRELESS COOPERATIVE
MANAGEMENT'S DISCUSSION AND ANALYSIS**

RWC'S FINANCIAL ANALYSIS (CONTINUED)

- During fiscal year 2013, current assets increased by \$905 compared to a decrease of \$1,314 in 2012. The increase in 2013 was primarily due to an increase in unrestricted and restricted pooled investments. The decrease in 2012 compared to 2011 was primarily due to a decrease in unrestricted pooled investments.
- Capital assets, net decreased by \$8,518 and by \$3,838 during fiscal years 2013 and 2012, respectively. The decreases in 2013 resulted primarily from an increase of accumulated depreciation. The decrease in net position for 2012 was primarily due a slowdown in construction in progress and an increase in accumulated depreciation.
- Liabilities increased by \$1,025 during fiscal year 2013 and decreased by \$1,485 during fiscal year 2012. The increase in 2013 was primarily attributable to an increase in deferred revenue related to RWC member billings for operations, maintenance and administration. Liabilities decreased by \$1,485 in 2012 as compared to 2011 which was attributed to a decrease in deferred revenue related to RWC member billings for operations, maintenance and administration.
- Net position decreased by \$8,638 to \$87,711 in fiscal year 2013. For fiscal year 2013, \$87,125 was invested in capital assets and \$586 was unrestricted and available for short-term operations and ongoing obligation compared to \$95,643 and \$706 for fiscal year 2012 and \$99,481 and \$534 for fiscal year 2011.

**REGIONAL WIRELESS COOPERATIVE
MANAGEMENT'S DISCUSSION AND ANALYSIS**

RWC'S FINANCIAL ANALYSIS (CONTINUED)

RWC's Changes in Net Position
(in thousands)

	Year Ended June 30,		
	2013	2012	2011
Operating Revenues - Primarily Members' Charges	\$ 9,224	\$ 8,413	\$ 6,927
Non-Operating Revenues	(773)	25	12
Total Revenues	<u>8,451</u>	<u>8,438</u>	<u>6,939</u>
Operating Expenses			
Staff and Administrative	597	499	527
Operations and Maintenance	6,048	7,602	5,853
Special Assessments	-	48	93
Depreciation	10,444	9,999	10,181
Total Operating Expenses	<u>17,089</u>	<u>18,148</u>	<u>16,654</u>
Loss before Capital Contributions	(8,638)	(9,710)	(9,715)
Capital Contributions	-	6,044	12,866
Decrease in Net Position	<u>(8,638)</u>	<u>(3,666)</u>	<u>3,151</u>
Net Position, July 1	<u>96,349</u>	<u>100,015</u>	<u>96,864</u>
Net Position, June 30	<u>\$ 87,711</u>	<u>\$ 96,349</u>	<u>\$ 100,015</u>

**REGIONAL WIRELESS COOPERATIVE
MANAGEMENT'S DISCUSSION AND ANALYSIS**

RWC'S FINANCIAL ANALYSIS (CONTINUED)

- Operating revenues increased by \$811 during 2013 and increased by \$1,486 during 2012. The increase in 2013 is due to increase in Members' contributions for construction of capital assets compared to 2012. The increase in 2012 compared to 2011 was attributable to an increase in the number of billable radios on the RWC Network.
- Non-operating revenues consist of the net increase or decrease in fair value of investments and interest in investments and gain or loss on disposal of capital assets. During fiscal year 2013, non-operating revenues decreased by \$798 and experienced a loss on disposal of capital assets of \$777. During fiscal year 2012 non-operating revenues increased by \$13 and there was no loss on disposal of capital assets.
- During fiscal year 2013, operating expenses decreased by \$1,059. The decrease in 2013 was related to a \$1,554 decrease in operations and maintenance expense and \$48 in special assessments, and increases of \$98 in staff and administrative expense, and \$445 in depreciation expense. During fiscal year 2012, operating expenses increased by \$1,494. The increase in 2012 was related to a \$1,749 increase in operations and maintenance expense, with decreases of \$28 in staff and administrative expense, \$45 in special assessments, and \$182 in depreciation expense.

OPERATING REVENUES

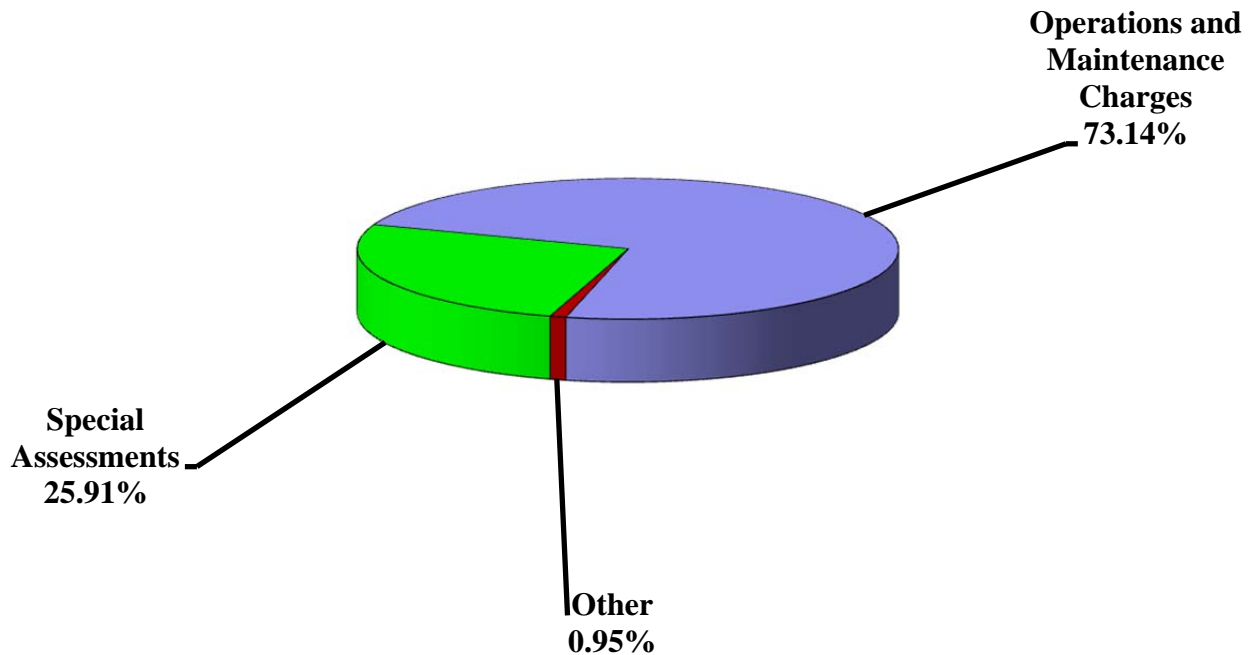
The RWC's revenue is primarily generated by charges to the joint venture members for operations and maintenance costs, special assessments and an operating reserve. For fiscal year 2013, revenues amounted to \$9,224 of which \$6,746 is revenue from operations and maintenance, \$2,390 from special assessments, and the remaining \$88 from other revenue. For fiscal year 2012, revenues amounted to \$8,413 of which \$8,305 is revenue from operations and maintenance, \$48 from special assessments, and the remaining \$60 from other revenue.

**REGIONAL WIRELESS COOPERATIVE
MANAGEMENT'S DISCUSSION AND ANALYSIS**

OPERATING REVENUES (CONTINUED)

The following chart depicts the RWC's revenues by category for the year ended June 30, 2013.

**Operating Revenues
For Fiscal Year Ended June 30, 2013
Total = \$9,224(in thousands)**

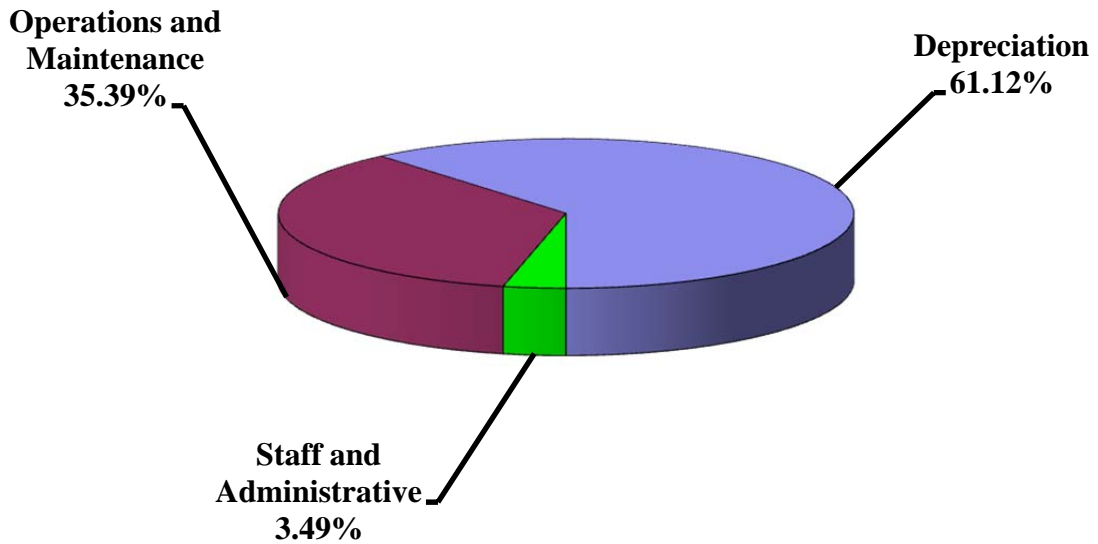


**REGIONAL WIRELESS COOPERATIVE
MANAGEMENT'S DISCUSSION AND ANALYSIS**

OPERATING EXPENSES

The following chart depicts the RWC's operating expenses by category for the year ended June 30, 2013.

**Operating Expenses
For Fiscal Year Ended June 30, 2013
Total = \$17,089
(in thousands)**



**REGIONAL WIRELESS COOPERATIVE
MANAGEMENT'S DISCUSSION AND ANALYSIS**

CAPITAL ASSETS

The RWC's net investment in capital assets as of June 30, 2013 amounts to \$87,125 (net of accumulated depreciation) \$95,643 as of June 30, 2012 and \$99,481 as of June 30, 2011 as shown below. Net capital assets decreased by \$8,518 and decreased by \$3,838 during fiscal year 2012 compared to 2011.

RWC's Capital Assets
(in thousands)

	June 30,		
	2013	2012	2011
Buildings	\$ 28,842	\$ 26,179	\$ 26,179
Improvements Other than Buildings	4,830	3,229	3,229
Equipment	91,070	77,287	70,073
Intangible Assets	446	-	-
Construction in Progress	2,396	19,054	20,107
Accumulated Depreciation	(40,459)	(30,106)	(20,107)
Capital Assets, Net	\$ 87,125	\$ 95,643	\$ 99,481

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

During fiscal year 2013, the Town of Paradise joined the RWC as a new member. Discussions are in progress with Maricopa County Community College District for membership to the RWC. In November 2012, the 2013-14 budget was presented to the RWC Board of Directors and was approved.

REQUEST FOR FINANCIAL INFORMATION

This financial report is designed to provide a general overview of RWC'S finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Regional Wireless Cooperative, 200 West Washington Street, 12th Floor, Phoenix, Arizona, 85003-1611.

BASIC FINANCIAL STATEMENTS



Regional Wireless Cooperative

Regional Wireless Cooperative
Statements of Net Position
June 30, 2013 and 2012
(in thousands)

	2013	2012
<u>ASSETS</u>		
Current Assets		
Unrestricted Assets		
Equity in Pooled Cash and Investments	\$ 1,745	\$ 866
Equity in Pooled Cash and Investments Operating Reserve	694	627
Equity in Pooled Cash and Investments Capital Reserve	61	61
Accounts Receivable	11	140
Total Unrestricted Assets	<u>2,511</u>	<u>1,694</u>
Current Restricted Assets		
Capital Projects		
Equity in Pooled Cash and Investments	88	-
Total Restricted Assets	<u>88</u>	<u>-</u>
Total Current Assets	<u>2,599</u>	<u>1,694</u>
Noncurrent Assets		
Capital Assets		
Buildings	28,842	26,179
Improvements Other Than Buildings	4,830	3,229
Equipment	91,070	77,287
Intangible Assets	446	-
Construction in Progress	2,396	19,054
Less: Accumulated Depreciation	<u>(40,459)</u>	<u>(30,106)</u>
Capital Assets, Net	<u>87,125</u>	<u>95,643</u>
Total Assets	<u>89,724</u>	<u>97,337</u>
<u>LIABILITIES</u>		
Current Liabilities		
Accounts Payable	22	320
Members' Payable	1,991	668
Total Current Liabilities	<u>2,013</u>	<u>988</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	87,125	95,643
Restricted	88	-
Unrestricted	498	706
Net Position	<u>\$ 87,711</u>	<u>\$ 96,349</u>

The accompanying notes are an integral part of these financial statements.

Regional Wireless Cooperative
Statements of Revenues, Expenses and
Changes in Net Position
For the Fiscal Years Ended June 30, 2013 and 2012
(in thousands)

	2013	2012
Operating Revenues		
Operations and Maintenance Charges	\$ 6,746	\$ 8,305
Special Assessment	2,390	48
Other	88	60
Total Operating Revenues	<u>9,224</u>	<u>8,413</u>
Operating Expenses		
Staff and Administrative	597	499
Operation and Maintenance	6,048	7,602
Special Assessment	-	48
Depreciation	10,444	9,999
Total Operating Expenses	<u>17,089</u>	<u>18,148</u>
Operating Income (Loss)	<u>(7,865)</u>	<u>(9,735)</u>
Non-Operating Revenues (Expenses)		
Investment Income:		
Net Decrease in Fair Value of Investments	(77)	(53)
Interest	81	78
Loss on Disposal of Capital Assets	(777)	-
Total Non-Operating Revenues (Expenses)	<u>(773)</u>	<u>25</u>
Income (Loss) Before Contributions	<u>(8,638)</u>	<u>(9,710)</u>
Capital Contributions	-	6,044
Change in Net Position	<u>(8,638)</u>	<u>(3,666)</u>
Net Position, July 1	<u>96,349</u>	<u>100,015</u>
Net Position, June 30	<u>\$ 87,711</u>	<u>\$ 96,349</u>

The accompanying notes are an integral part of these financial statements.

Regional Wireless Cooperative
Statements of Cash Flows
For the Fiscal Years Ended June 30, 2013 and 2012
(in thousands)

	2013	2012
Cash Flows from Operating Activities		
Cash Received from Members	\$ 9,353	\$ 8,273
Cash Paid to Suppliers	(5,023)	(9,135)
Cash Paid to Employees	(485)	(401)
Cash Paid for Staff and Administrative Expenses	(112)	(98)
Net Cash Provided by (Used In) Operating Activities	<u>3,733</u>	<u>(1,361)</u>
Cash Flows from Capital and Related Financing Activities		
Acquisition and Construction of Capital Assets	(2,703)	(118)
Net Cash Used by Capital and Related Financing Activities	<u>(2,703)</u>	<u>(118)</u>
Cash Flows from Investing Activities		
Interest on Investments	4	25
Net Cash Provided by Investing Activities	<u>4</u>	<u>25</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,034	(1,454)
Cash and Cash Equivalents, July 1	1,554	3,008
Cash and Cash Equivalents, June 30	<u>\$ 2,588</u>	<u>\$ 1,554</u>
Reconciliation of Operating Loss to Net Cash Provided by (Used In) Operating Activities		
Operating Loss	\$ (7,865)	\$ (9,735)
Adjustments to Reconcile Operating Loss to Net Cash		
Depreciation	10,444	9,999
Changes in Assets and Liabilities:		
Accounts Receivables	129	(140)
Accounts Payable	(298)	78
Members' Payable	1,323	(1,563)
Net Cash Provided by (Used In) Operating Activities	<u>\$ 3,733</u>	<u>\$ (1,361)</u>
Noncash Transactions Affecting Financial Position		
Contributions of Capital Assets	\$ -	\$ 6,044
Total Noncash Transactions Affecting Financial Position	<u>\$ -</u>	<u>\$ 6,044</u>

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NOTES TO THE FINANCIAL
STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

The Notes to the Financial Statements include a summary of significant accounting policies and other disclosures necessary for a clear understanding of the accompanying financial statements.

An index to the notes follows:

<u>NOTE</u>	<u>DESCRIPTION</u>	<u>PAGE</u>
1	Organization and Summary of Significant Accounting Policies	14
2	Cash and Investments	18
3	Capital Assets	21
4	Members' Equity	23
5	Related Party Transactions	24
6	Commitments and Contingencies	24
7	Pension Plans	24
8	Other Post-Employment Benefits	26

**Regional Wireless Cooperative
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2013 and 2012**

The Regional Wireless Cooperative (RWC) was formed in 2008 to oversee the administration, operation, management and maintenance of the expanding regional communication network. The RWC is an Arizona joint venture made up of 19 member cities, towns and fire districts throughout the Valley of the Sun. The RWC is a large, Public Safety radio network based on the Project 25, Phase I Standard. The network is an ASTRO 25™, integrated voice and data, trunked radio system. It operates in the 700/800 MHz frequency bands and uses standard Simulcast, IP Simulcast, and individual site trunking. The network consists of seven major simulcast subsystems and ten Intelligent Site Repeaters (ISR's).

The system provides seamless, wide area coverage in and around Central Arizona's Valley of the Sun. The system is data capable, but at the current time is only used in a data capacity to provide encryption services.

Some of the benefits of this large regional radio system include wide area coverage beyond what cities could achieve individually; seamless interoperability (the ability for diverse public safety agencies to communicate directly, in real-time, as the need requires); shared resources; such as people, equipment, and tower sites and funding; and increased success in obtaining state and federal grant support. Financial responsibilities are shared by all members based on their relative size, and is measured by the number of subscriber units (radios) on the network.

1. Organization and Summary of Significant Accounting Policies

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

The RWC is a special purpose governmental entity, engaged only in business-type activities. It is required to present the financial statements required for enterprise funds, which include a statement of net position, a statement of revenues, expenses and changes in net position, and a statement of cash flows. It also requires a Management's Discussion and Analysis as required supplementary information.

The RWC's other significant accounting and financial policies are described as follows:

Regional Wireless Cooperative
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2013 and 2012

1. Organization and Summary of Significant Accounting Policies (Continued)

(a) Reporting Entity

The RWC is structured and reported as a joint venture between the members. Each member includes their equity in the joint venture in their respective basic financial statements. The accompanying financial statements present the financial position of the RWC only. The RWC does not have any component units.

(b) Basis of Accounting

The RWC is accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. All assets, liabilities, net position, revenues, and expenses are accounted for through an enterprise fund. Revenues are recorded when earned and expenses recorded at the time the liabilities are incurred.

The Statement of Net Position present the reporting entity's assets and liabilities, with the difference reported as net position. Net position is reported in three categories:

Net investment in capital assets consists of capital assets, net of accumulated depreciation and is reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

Restricted results when constraints placed on asset use are either externally imposed by creditors, grantor, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted consist of those assets which do not meet the definition of the two preceding categories. Unrestricted often are designated to indicate that management does not consider them to be available for general operations. The unrestricted component often has constraints on resources which are imposed by management, but can be removed or modified by the RWC Board of Directors.

Regional Wireless Cooperative
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2013 and 2012

1. Organization and Summary of Significant Accounting Policies (Continued)

The Statement of Revenues, Expenses and Changes in Net Position demonstrates the degree to which the expenses are offset by revenues. Operating revenues are members' charges and other miscellaneous revenues that are received based on the ongoing activities of the RWC. Operating expenses are those incurred for network operations, maintenance, administration and depreciation of capital assets. Non-operating revenues and expenses are items that are not a result of the direct operations of the network, including interest.

(c) Cash, Cash Equivalents, and Pooled Investments

Pooled investments are cash equivalents and are held in the investment pool of the City of Phoenix, Arizona (City). The City's cash resources are combined to form a cash and investment pool managed by the City Treasurer. Interest earned by the pool is distributed monthly to the RWC based on daily equity in the pool.

The RWC's pooled investments are stated at fair value, except for purchase agreements with original maturities of one year or less which are valued at cost that approximates fair value. Fair value is based on quoted market prices as of the valuation date.

(d) Receivables

Management analyzes receivables periodically to determine whether an allowance for doubtful accounts should be recorded. There is no current provision required for possible bad debts.

Regional Wireless Cooperative
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2013 and 2012

1. Organization and Summary of Significant Accounting Policies (Continued)

(e) Capital Assets

Capital assets are recorded at historical cost plus capitalized interest on assets constructed. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets as follows:

Land	Not depreciated
Buildings	10 – 40 years
Improvements other than buildings	10 – 50 years
Equipment	5 – 30 years
Intangibles	5 – 40 years
Construction in progress	Not depreciated

A gain or loss on disposal of capital assets is recognized when assets are retired from service or are otherwise sold or removed. The minimum capitalization policy is \$5,000 or more with an estimated useful life exceeding two years.

(f) Members' Payable

The RWC reports members' payable in connection with revenues from billings to members. Members' payable at June 30, 2013 was \$1,990,904 and \$668,270 at June 30, 2012.

(g) Operating Revenues

Operating revenues include members' charges and other revenues. Members' charges are contributions received from the members for costs of operation and maintenance, administration, and the construction of capital assets. All operating revenues are recognized when earned. Members' charges for operating costs are earned ratably throughout the year.

Regional Wireless Cooperative
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2013 and 2012

1. Organization and Summary of Significant Accounting Policies (Continued)

(h) Operating Expenses

Operating expenses include operation and maintenance expenses, depreciation and administrative expenses. Administrative expenses include direct administrative costs for RWC staff. Operating, maintenance, and administrative costs are allocated to the members based on the number of operable subscribers on the network.

(i) Application of Restricted or Unrestricted Resources

In cases where an expense is incurred for purposes for which both restricted and unrestricted resources are available, the expense is applied to the restricted resources.

(j) Budget

The RWC staff prepares and presents the operating and capital budget to the Executive Committee. The budget includes operations and maintenance, administration costs as well as planned capital costs. The budget is forwarded to the RWC Board of Directors for approval and adoption. It is the responsibility of each RWC member to take appropriate steps in conformity with the state and local laws to ensure that it appropriates sufficient funds to cover its obligation. The budget is prepared in sufficient detail to facilitate its use by management in monitoring operations.

(k) Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make a number of estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Cash and Investments

The RWC did not have cash on hand at June 30, 2013 and 2012. Pooled investments are maintained in the cash and investment pool of the City.

**Regional Wireless Cooperative
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2013 and 2012**

2. Cash and Investments (Continued)

Pooled Investments

The RWC investments are included in the City pooled investments. The City Charter and ordinances authorize the City to invest in obligations of the United States Treasury, its agencies and instrumentalities, repurchase agreements, money market accounts, certificates of deposit, the State Treasurer's investment pool, highly rated obligations issued or guaranteed by any state or political subdivision thereof rated in the highest short-term or second highest long-term category, and investment grade corporate bonds, debentures, notes and other evidences of indebtedness issued or guaranteed by a solvent U.S. corporation which is not in default as to principal or interest.

The RWC's pooled investments are carried at fair value, which is the same as the fair value of the City's pooled shares. It is the City of Phoenix's policy generally to hold investments until maturity. The RWC's pooled investments at June 30, 2013 and 2012 are summarized below.

<u>Fiscal Year Ended</u>	<u>Credit Quality Rating</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
June 30, 2013	N/A	\$ 2,588	2.11
June 30, 2012	N/A	\$ 1,554	1.61

Interest Rate Risk

In order to limit interest rate risk, the City's investment policy limits maturities as follows:

U.S. Treasury Securities	5 year final maturity
Securities guaranteed, insured, or backed by the full faith and credit of the U.S. Government	5 year final maturity
U.S. Government Agency Securities	5 year final maturity
Repurchase Agreements	60 days
Municipal Obligations	5 years for long-term issues
Money Market Mutual Funds	90 days
Commercial Paper	270 days

Regional Wireless Cooperative
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2013 and 2012

2. Cash and Investments (Continued)

Interest Rate Risk (Continued)

For Mortgage Backed Securities (MBS) and Collateralized Mortgage Obligations (CMO), the maximum weighted average life using current Public Securities Association (PSA) prepayment assumption shall be 12 years at the time of purchase for MBS and 5 years at the time of purchase for CMO.

Credit Risk

The City's investment policy limits its investments to the top ratings issued by nationally recognized statistical rating organizations such as Standard & Poor's "S&P" and Moody's Investors Service "Moody's". The portfolio is primarily invested in securities issued by the U.S. Treasury or by U.S. Government Agency Securities which are rated Aaa by Moody's and AA+ by S&P. Repurchase agreements are generally collateralized by U.S. Treasuries and U.S. Government Agency Securities at 102%. In addition, the portfolio is invested in pre-funded municipal securities for which the payment of interest, and ultimately the repayment of the principal, is backed by U.S. Government Securities. Municipal securities must have a short-term minimum rating of A1 by S&P and P1 by Moody's and a long-term uninsured rating of A+ by S&P and A1 by Moody's. The rating requirements do not apply to obligations, issued by the City of Phoenix. Money market mutual funds must have a current minimum money market rating of AAAm by S&P and Aaa by Moody's. For commercial paper, an Issuer's program must have a minimum rating of A1 by S&P and P1 by Moody's. The issuing corporation must be organized and operating in the United States and have a minimum long-term debt rating of A+ by S&P and A1 by Moody's. Programs rated by only one of the agencies are ineligible.

Regional Wireless Cooperative
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2013 and 2012

2. Cash and Investments (Continued)

Concentration of Credit Risk

Investments in any one issuer that represent 5% or more of total City investment are as follows (in thousands)

<u>Issuer</u>	<u>Fair Value</u>
FHLB	\$200,590

3. Capital Assets

Capital assets for the fiscal years ended June 30, 2013 and 2012 were as follows (in thousands):

	<u>Balance, July 31, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, June 30, 2013</u>
Non-Depreciable Assets				
Construction in Progress	\$ 19,054	\$ 2,396	\$ (19,054)	\$ 2,396
Total Non-Depreciable Assets	<u>19,054</u>	<u>2,396</u>	<u>(19,054)</u>	<u>2,396</u>
Depreciable Assets				
Buildings	26,179	3,532	(868)	28,842
Improvements other than Buildings	3,229	1,601	-	4,830
Equipment	77,287	21,325	(7,542)	91,070
Intangible	-	446	-	446
Less Accumulated Depreciation	<u>(30,106)</u>	<u>(10,444)</u>	<u>91</u>	<u>(40,459)</u>
Total Depreciable Assets, Net	<u>76,589</u>	<u>16,460</u>	<u>(8,319)</u>	<u>84,729</u>
Total Capital Assets, Net	<u>\$ 95,643</u>	<u>\$ 18,856</u>	<u>\$ (27,373)</u>	<u>\$ 87,125</u>

Regional Wireless Cooperative
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2013 and 2012

3. Capital Asset (Continued)

	Balance, July 1, 2011	Additions	Deletions	Balance, June 30, 2012
Non-Depreciable Assets				
Construction in Progress	\$ 20,107	\$ -	\$ (1,053)	\$ 19,054
Total Non-Depreciable Assets	<u>20,107</u>	<u>-</u>	<u>(1,053)</u>	<u>19,054</u>
Depreciable Assets				
Buildings	26,179	-	-	26,179
Improvements other than Buildings	3,229	-	-	3,229
Equipment	70,073	7,214	-	77,287
Intangible	-	-	-	-
Less Accumulated Depreciation	<u>(20,107)</u>	<u>(9,999)</u>	<u>-</u>	<u>(30,106)</u>
Total Depreciable Assets, Net	<u>79,374</u>	<u>(2,785)</u>	<u>-</u>	<u>76,589</u>
Total Capital Assets, Net	<u>\$ 99,481</u>	<u>\$ (2,785)</u>	<u>\$ (1,053)</u>	<u>\$ 95,643</u>

**Regional Wireless Cooperative
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2013 and 2012**

4. Members' Equity

A summary of the joint venture members' equity is as follows:

	<u>June 30, 2013</u>	<u>June 30, 2012</u>
City of Avondale	\$ 376,186	\$ 395,372
Town of Buckeye	22,495	5,016
City of Chandler	1,109,261	1,153,140
Daisy Mountain Fire District	127,618	142,345
City of El Mirage	291,516	318,075
City of Glendale	2,526,231	2,681,575
City of Goodyear	156,705	165,715
Town of Guadalupe	119,152	132,373
City of Maricopa	9,705	262
Town of Paradise Valley	-	-
City of Peoria	1,283,742	1,349,833
City of Phoenix	66,550,601	73,392,485
City of Scottsdale	128,420	10,222
Sun City Fire District	961,266	1,072,507
Sun City West Fire District	432,158	480,296
Sun Lakes Fire District	2,952	367
City of Surprise	904,618	973,700
City of Tempe	12,564,803	13,917,854
City of Tolleson	143,638	158,034
Total	<u>\$ 87,711,067</u>	<u>\$ 96,349,171</u>

Regional Wireless Cooperative
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2013 and 2012

5. Related Party Transactions

Staff and administrative costs are City of Phoenix central services costs allocated to RWC. These costs include: building maintenance, custodial services, electrical maintenance, accounting, insurance, payroll, money management, accounts payable, various financial services, real estate, materials management, personnel, safety, fringe benefit administration, labor relations and training, switchboard, internal and external auditing, general management services, and legal services. Staff and administrative costs allocated to RWC was \$597,658 and \$498,791 for the years ended June 30, 2013 and 2012 respectively.

6. Commitments and Contingencies

The RWC has entered into contractual agreements with Motorola to provide services related to maintenance, operations, and upgrades of the RWC Network. The percentages of the total RWC budget for these agreements were 47% for the year ending June 30, 2013 and 31% year ended June 30, 2012.

At this point in time, RWC is not involved in any litigation and claims arising in the normal course of operations. In the opinion of management based on consultation with legal counsel, losses, if any, from pending litigation and claims are covered by insurance or are immaterial; therefore, no provision has been made in the accompanying financial statements for losses, if any, that might arise from the ultimate outcome of these matters.

7. Pension Plans

(a) Plan Description

The RWC's full-time employees are covered by the City of Phoenix Employees' Retirement Plan (COPERS). In addition to normal retirement benefits, COPERS also provides for disability and survivor benefits, as well as deferred pensions for former employees. Pension benefits vest after five years for general City of Phoenix (City) employees.

COPERS is a single-employer defined benefit pension plan for all full-time classified civil service general City employees. Members are eligible for retirement benefits upon meeting one of the following age and service requirements:

**Regional Wireless Cooperative
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2013 and 2012**

7. Pension Plans (Continued)

(a) Plan Description (Continued)

1. Age 60 years, with ten or more years of credited service.
2. Age 62 years, with five or more years of credited service.
3. Any age, which added to years of credited service equals 80.

COPERS is authorized by and administered in accordance with Chapter XXIV of the Charter of the City of Phoenix. Authority to make amendments to the plan rests with City voters. It is administered by a nine-member Retirement Board. COPERS has been included as part of the City's reporting entity as a pension trust fund. Copies of the separately issued COPERS financial report, which includes financial statements and required supplemental information, may be obtained from COPERS, 200 West Washington Street, 10th Floor, Phoenix, Arizona 85003.

(b) Funding Policy

The employee contribution rate is 5% of compensation. The City contributes an actuarially determined amount to COPERS to fully fund benefits for active members and to amortize any unfunded actuarial liability as a level percent of projected member payroll over an open period of 30 years from July 1, 2011. The RWC's contributions to COPERS equaled the annual required contributions and were as follows (in actual dollars).

<u>Fiscal Year Ended</u>	<u>Required Contributions</u>	<u>Percentage of Covered Payroll</u>
June 30, 2013	\$ 71,765	19.27%
June 30, 2012	\$ 58,459	18.28%
June 30, 2011	\$ 46,869	19.01%

**Regional Wireless Cooperative
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2013 and 2012**

8. Other Post-Employment Benefits

Post-Employment Healthcare and Long-Term Disability Program

The City provides certain post-employment health care benefits for its retired employees. Retirees meeting certain qualifications are eligible to participate in the City's health insurance program along with the City's active employees. As of August 1, 2007, separate rates have been established for active and retiree health insurance.

Medical Expense Reimbursement Plan

Employees eligible to retire in 15 years or less from August 1, 2007, will receive a monthly subsidy from the City's Medical Expense Reimbursement Plan (MERP) when they retire. The MERP is a single-employer, defined benefit plan. Contributions by the City (plus earnings thereon) are the sole source of funding for the MERP.

The City has established the City of Phoenix MERP Trust and the City of Phoenix Long-Term Disability (LTD) Trust to fund all or a portion of the City's share of liabilities incurred in providing the benefits as reflected in the Administrative Regulation 2.42 Medical Expense Reimbursement Plan for Retirees and Eligible Surviving Spouses or Qualified Domestic Partners and in Administrative Regulation 2.323 City of Phoenix Long-Term Disability Program. A five-member Board of Trustees has been delegated fiduciary responsibility for the MERP and LTD Trusts, subject to oversight by the City Council. The LTD Trust issues a separate report that can be obtained from the City's Finance Department, through the Financial Accounting and Reporting Division on the 9th Floor of 251 W. Washington Street, Phoenix, Arizona, 85003.

The City's annual other post-employment benefit (OPEB) expense is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

Regional Wireless Cooperative
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2013 and 2012

8. Other Post-Employment Benefits (Continued)

Post-Employment Healthcare and Long-Term Disability Program (Continued)

Post-Employment Health Plan

Employees eligible to retire in more than 15 years from August 1, 2007 who have payroll deductions for City medical insurance coverage are entitled to a \$150 monthly contribution to a Post Employment Health Plan (PEHP) account in lieu of MERP subsidies. PEHP is a 100% employer-paid defined contribution. Funds accumulated in the account can be used upon termination of employment for qualified medical expenses. The current administrator of the plan is Nationwide Retirement Solutions.

Actuarial Valuations

As of July 1, 2013, the most recent actuarial valuation date, the projected unit credit method was used. The actuarial assumptions included a 7.0 percent investment rate of return (net of administrative expenses), which is the expected long-term investment returns on plan assets. The actuarial value of assets was equal to fair value. The AAL, or in this case surplus, is amortized over a period such that the normal cost plus the amortization payment equals the budgeted contribution amount. The amortization will not exceed 30 years.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the City are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the City and plan members) and include the types of benefits provided at the time of each valuation. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The RWC has no assets or liabilities reflected on its statements of net position related to GASB No. 45 as of June 30, 2013 and 2012.

SUPPLEMENTARY INFORMATION



Regional Wireless Cooperative

**Regional Wireless Cooperative
Members' Operating Fund Reserve
For the Fiscal Year Ended June 30, 2013**

Member	Beginning Balance July 2012	Contributions	Interest	Ending Balance June 2013
City of Avondale	\$ -	\$ 9,585	\$ 11	\$ 9,596
Town of Buckeye	6,867	-	8	6,875
City of Chandler	32,879	-	39	32,918
Daisy Mountain Fire District	146	-	0	146
City of El Mirage	2,630	-	3	2,633
City of Glendale	-	56,353	67	56,420
City of Goodyear	-	-	-	-
Town of Guadalupe	146	-	-	146
City of Maricopa	401	-	-	401
Town of Paradise Valley	-	-	-	-
City of Peoria	30,791	-	37	30,828
City of Phoenix	437,862	-	520	438,382
City of Scottsdale	51,230	-	61	51,290
Sun City Fire District	1,456	-	2	1,458
Sun City West Fire District	1,384	-	2	1,385
Sun Lakes Fire District	983	-	1	984
City of Surprise	9,606	-	11	9,618
City of Tempe	50,003	-	59	50,063
Town of Tolleson	728	-	1	729
Total	<u><u>\$ 627,111</u></u>	<u><u>\$ 65,938</u></u>	<u><u>\$ 822</u></u>	<u><u>\$ 693,871</u></u>

RWC members maintain an operating fund reserve to provide cash flow for cost of operating and maintaining the communication network. Each member's obligation to fund the balance reserve is proportionate to its subscriber units in use on the Network at the time the fee is assessed.

**Regional Wireless Cooperative
Members' Infrastructure Replacement and Enhancement Activity
For the Fiscal Year Ended June 30, 2013**

Member	July 2012	Contributions	Expenditure	June 2013
City of Avondale	\$ 28	\$ -	\$ -	\$ 28
Town of Buckeye	773	-	-	773
City of Chandler	719	-	-	719
Daisy Mountain Fire District	117	-	-	117
City of El Mirage	315	-	-	315
City of Glendale	-	-	-	-
City of Goodyear	61	-	-	61
Town of Guadalupe	24	-	-	24
City of Maricopa	40	-	-	40
Town of Paradise Valley	-	-	-	-
City of Peoria	3,859	-	-	3,859
City of Phoenix	45,366	-	-	45,366
City of Scottsdale	1,576	-	-	1,576
Sun City Fire District	32	-	-	32
Sun City West Fire District	24	-	-	24
Sun Lakes Fire District	57	-	-	57
City of Surprise	1,229	-	-	1,229
City of Tempe	5,969	-	-	5,969
Town of Tolleson	-	-	-	-
Total	\$ 60,190	\$ -	\$ -	\$ 60,190

RWC members funded the Infrastructure Replacement and Enhancement Fund through contribution based on number of subscriber units on the network at the time of the assessment. Funds in this fund are used to pay for network upgrade and system enhancements.

**Regional Wireless Cooperative
Net Operating and Maintenance Expenditures
For the Fiscal Years Ended June 30, 2013**

Member	2013		Net Operating Expenditures
	Amount Billed	Charge (Credit) Per User Charge Settlement (1)	
City of Avondale	\$ 137,315	\$ (28,430)	\$ 108,885
Town of Buckeye	99,162	(21,175)	77,987
City of Chandler	437,847	(97,694)	340,153
Daisy Mountain Fire District	2,715	(604)	2,112
City of El Mirage	41,081	(9,137)	31,945
City of Glendale	736,203	(152,282)	583,921
City of Goodyear	47,220	(10,527)	36,693
Town of Guadalupe	5,194	(1,158)	4,036
City of Maricopa	51,116	(11,173)	39,943
Town of Paradise Valley	-	-	-
City of Peoria	424,744	(94,683)	330,061
City of Phoenix	4,993,869	(1,115,796)	3,878,073
City of Scottsdale	648,213	(144,544)	503,669
Sun City Fire District	19,832	(4,421)	15,411
Sun City West Fire District	17,944	(4,000)	13,943
Sun Lakes Fire District	14,166	(3,158)	11,008
City of Surprise	189,588	(42,274)	147,314
City of Tempe	737,813	(164,564)	573,248
Town of Tolleson	13,458	(3,004)	10,454
Non-Members	37,498	-	37,498
Total	\$ 8,654,978	\$ (1,908,624)	\$ 6,746,354

(1) These amounts represent the settlement of operating and maintenance expenditures.

**Regional Wireless Cooperative
Net Operating and Maintenance Expenditures
For the Fiscal Years Ended June 30, 2012**

Member	2012		Net Operating Expenditures
	Amount Billed	Charge (Credit) Per User Charge Settlement (1)	
City of Avondale	\$ 45,360	\$ (5,573)	\$ 39,787
Town of Buckeye	98,247	(6,808)	91,438
City of Chandler	485,901	(30,480)	455,420
Daisy Mountain Fire District	3,667	(353)	3,314
City of El Mirage	41,350	(2,715)	38,635
City of Glendale	280,116	(31,750)	248,367
City of Goodyear	51,426	(4,908)	46,518
Town of Guadalupe	2,666	(249)	2,417
City of Maricopa	9,742	(1,035)	8,707
City of Peoria	459,658	(29,556)	430,102
City of Phoenix	5,646,112	(356,995)	5,289,117
City of Scottsdale	764,773	(47,304)	717,469
Sun City Fire District	20,313	(1,342)	18,971
Sun City West Fire District	18,099	(1,340)	16,758
Sun Lakes Fire District	15,260	(989)	14,271
City of Surprise	155,066	(10,532)	144,535
City of Tempe	760,792	(50,703)	710,090
Town of Tolleson	14,067	(1,569)	12,498
Non-Members	16,506	-	16,506
Total	\$ 8,889,121	\$ (584,203)	\$ 8,304,917

(1) These amounts represent the settlement of operating and maintenance expenditures.

STATISTICAL SECTION

STATISTICAL SECTION

This section of the RWC's comprehensive annual financial report presents detailed information as context for understanding of the information in the financial statements, note disclosures, required supplementary information, and the joint venture's overall financial condition.

Financial Trends

These schedules contain trend information to help the reader understand how the RWC's financial performance and well-being have changed over time.

	<u>Page</u>
Statements of Net Position	32
Statements of Revenues and Expenses and Changes in Net Position	32
Members' Operating Charges	33

Demographic and Economic Information

These schedules offer demographic and economic indicators to show the environment within which the RWC's financial activities take place.

	<u>Page</u>
Jurisdictions Map	34
Coverage Map	35
RWC Cities' Population Growth	36
Major Employers Metropolitan Phoenix	37

Operating Information

These schedules contain service data to show how the RWC's financial information relates to the services the RWC provides and the activity it performs.

	<u>Page</u>
Subscriber Units	37
Full-Time Equivalent Employees	37

**Regional Wireless Cooperative
Statements of Net Position
Last Four Fiscal Years
(in thousands)**

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Net Investment in Capital Assets	\$ 87,125	\$ 95,643	\$ 99,481	\$ 96,350
Unrestricted	<u>586</u>	<u>706</u>	<u>534</u>	<u>514</u>
Total Net Position	<u>\$ 87,711</u>	<u>\$ 96,349</u>	<u>\$ 100,015</u>	<u>\$ 96,864</u>

**Statements of Revenues and Expenses and Changes in Net Position
Last Four Fiscal Years
(in thousands)**

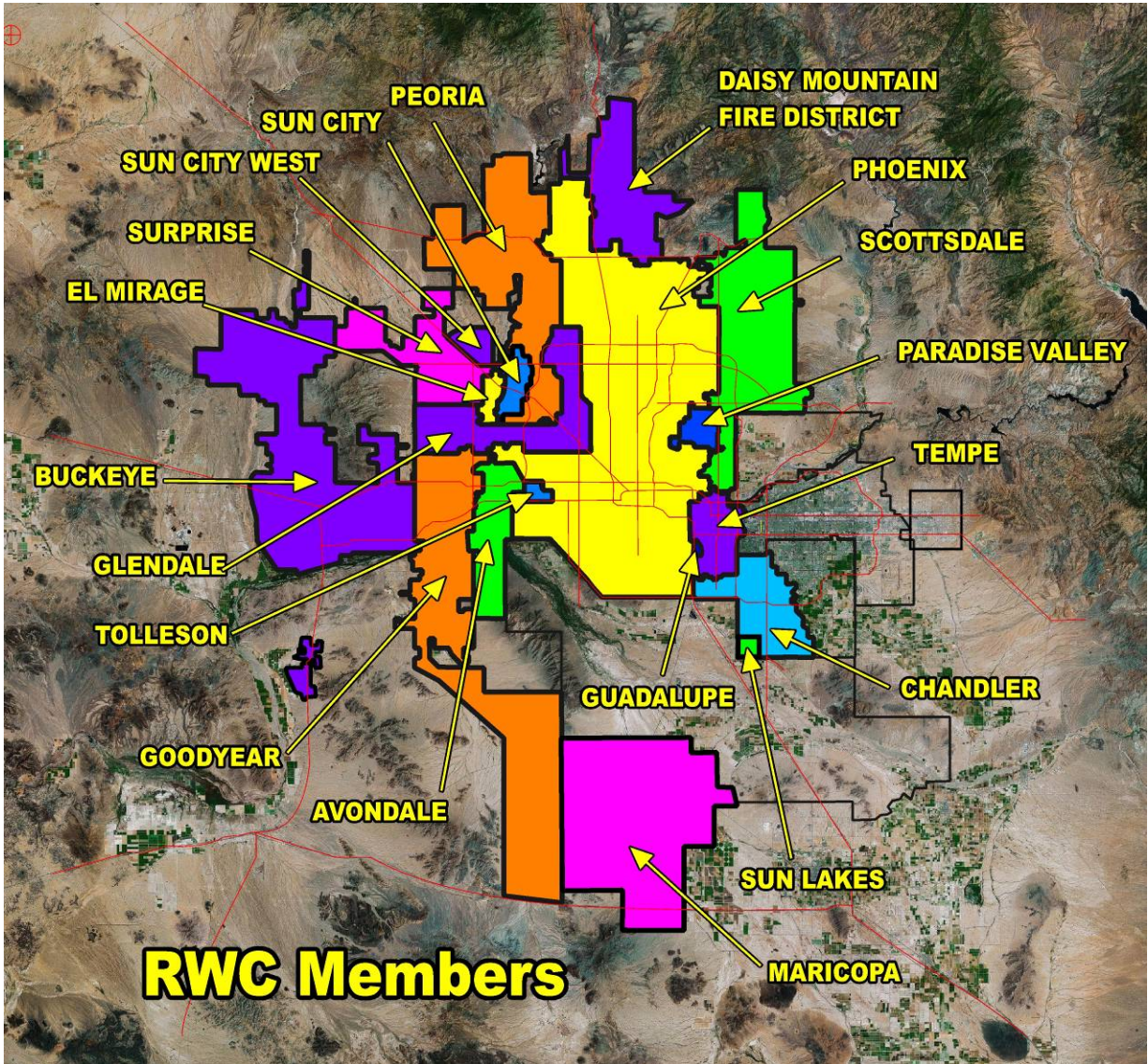
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Operating Revenues				
Operation and Maintenance Charges	\$ 6,746	\$ 8,305	\$ 6,389	\$ 5,964
Special Assessments	2,390	48	93	-
Other	<u>88</u>	<u>60</u>	<u>445</u>	<u>-</u>
Total Operating Revenues	<u>9,224</u>	<u>8,413</u>	<u>6,927</u>	<u>5,964</u>
Operating Expenses				
Staff and Administrative	597	499	527	30
Operation and Maintenance	6,048	7,602	5,853	5,420
Special Assessment	-	48	93	-
Depreciation	<u>10,444</u>	<u>9,999</u>	<u>10,181</u>	<u>9,926</u>
Total Operating Expenses	<u>17,089</u>	<u>18,148</u>	<u>16,654</u>	<u>15,376</u>
Operating Loss	(7,865)	(9,735)	(9,727)	(9,412)
Non-Operating Revenues (Expenses)				
Investment Income				
Net Decrease in Fair Value of Investments	(77)	(53)	(18)	-
Interest	81	78	30	-
Loss on Disposal of Capital Assets	<u>(777)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Non-Operating Revenues (Expenses)	<u>(773)</u>	<u>25</u>	<u>12</u>	<u>-</u>
Loss Before Contributions	<u>(8,638)</u>	<u>(9,710)</u>	<u>(9,715)</u>	<u>(9,412)</u>
Capital Contributions	<u>-</u>	<u>6,044</u>	<u>12,866</u>	<u>106,276</u>
Change in Net Position	<u>\$ (8,638)</u>	<u>\$ (3,666)</u>	<u>\$ 3,151</u>	<u>\$ 96,864</u>

**Regional Wireless Cooperative
Members' Operating Charges
Last Four Fiscal Years**

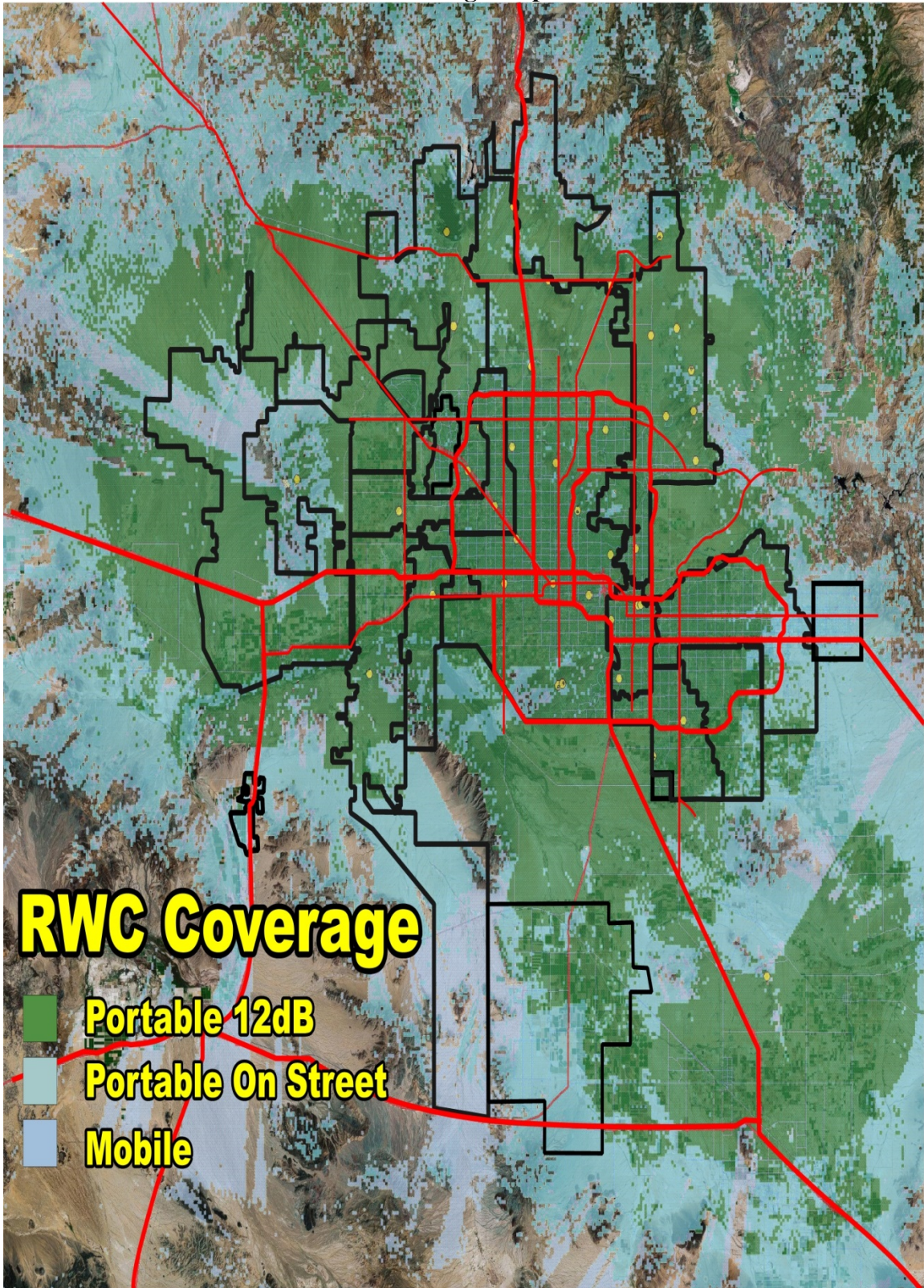
Member	2013	2012	2011	2010
City of Avondale	\$ 108,885	\$ 39,787	\$ 10,297	\$ 885
Town of Buckeye	77,987	91,438	81,737	41,952
City of Chandler	340,153	455,420	54,459	2,856
Daisy Mountain Fire	2,112	3,314	1,830	110
City of El Mirage	31,945	38,635	34,353	22,574
City of Glendale	583,921	248,367	5,604	-
City of Goodyear	36,693	46,518	12,539	1,121
Town of Guadalupe	4,036	2,417	382	34
City of Maricopa	39,943	8,707	6,099	366
Town of Paradise Valley	-	-	-	-
City of Peoria	330,061	430,102	411,673	340,948
City of Phoenix	3,878,073	5,289,117	4,937,469	4,912,226
City of Scottsdale	503,669	717,469	48,494	4,336
Sun City Fire District	15,411	18,971	6,807	141
Sun City West Fire	13,943	16,758	4,337	190
Sun Lakes Fire District	11,008	14,271	4,562	102
City of Surprise	147,314	144,535	123,972	82,651
City of Tempe	573,248	710,090	630,029	553,684
Town of Tolleson	10,454	12,498	-	-
Non-Members	37,498	16,506	14,537	-
Total	\$ 6,746,354	\$ 8,304,917	\$ 6,389,177	\$ 5,964,176

(1) Non-RWC Member's fee for use of the RWC Network.

Regional Wireless Cooperative Jurisdictions Map



Regional Wireless Cooperative Coverage Map



**Regional Wireless Cooperative
RWC Cities' Population Growth
Last Four Calendar Years**

Member	2012	2011	2010	2009
City of Avondale	76,870	76,392	76,238	77,392
Town of Buckeye	54,102	52,334	50,876	49,131
City of Chandler	241,214	238,381	236,326	252,056
City of El Mirage	32,067	31,862	31,797	32,280
City of Glendale	229,008	227,446	226,721	250,000
City of Goodyear	69,018	67,337	65,275	62,554
Town of Guadalupe	5,943	5,895	5,523	5,712
City of Maricopa	44,396	43,598	43,482	39,429
Town of Paradise Valley	13,154	13,035	12,820	15,184
City of Peoria	157,653	155,754	154,058	159,263
City of Phoenix	1,464,405	1,451,966	1,445,632	1,665,320
City of Scottsdale	219,713	217,965	217,385	220,410
City of Surprise	119,530	118,349	117,517	108,761
City of Tempe	164,659	162,503	161,719	172,641
Town of Tolleson	6,579	6,541	6,545	6,840

Source: Maricopa Association of Governments, US Census Bureau, and Comprehensive Annual Financial Reports

**Major Employers Metropolitan Phoenix
Current Year and 10 Years Ago**

Employer	2013		2003	
	Employees	Rank	Employees	Rank
State of Arizona	52,076	1	49,849	1
Wal-Mart	31,837	2	15,895	2
Banner Health Systems	25,126	3	15,521	4
City of Phoenix	14,983	4	13,156	7
Wells Fargo	13,679	5		
Maricopa County	13,308	6	15,523	3
Bank of America	12,500	7		
Arizona State University	12,222	8		
JPMorgan/Chase	11,407	9		
Intel Corporation	11,000	10	15,000	5
Kroger Company			13,500	6
US Postal Service			11,406	8
Motorola			10,600	9
Intel Corporation			10,000	10
Phillips Petroleum			10,000	10

Source: Phoenix Business Journal Book of Lists

**Regional Wireless Cooperative
Subscriber Units
Last Four Fiscal Years**

	2013	2012	2011	2010
Subscriber Units				
Member Total	17,695	18,213	17,996	14,049
Interoperability	11,682	8,390	5,727	6,639
Grand Total	29,377	26,603	23,723	20,688

**Full-Time Equivalent Employees
Last Four Fiscal Years**

	2013	2012	2011	2010
Administrative Staff	4	4	4	4