



City of Glendale, Arizona  
**Comprehensive Annual Financial Report**  
For the Fiscal Year Ended June 30, 2008



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City of Glendale, Arizona

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

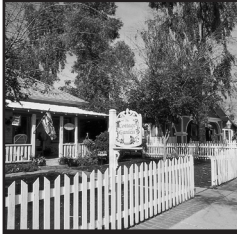
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# **INTRODUCTORY SECTION**

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FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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City of Glendale, Arizona

# Comprehensive Annual Financial Report

*For the Fiscal Year Ended June 30, 2008*

**Mayor**  
**Elaine M. Scruggs**

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## **Councilmembers**

Manuel D. Martinez  
Vice Mayor  
Cholla District

Joyce V. Clark - Yucca District  
Steven E. Frate - Sahuaro District  
David M. Goulet - Ocotillo District  
Yvonne Knaack - Barrel District  
H. Philip Lieberman - Cactus District

---

## **Management Staff**

Ed Beasley - City Manager  
Pam Kavanaugh - Assistant City Manager

Arthur R. Lynch  
Deputy City Manager  
Facilities & Financial Management

Kenneth A. Reedy  
Deputy City Manager - Public Works

Gloria Santiago-Espino  
Deputy City Manager  
Community Services

Horatio Skeete  
Deputy City Manager  
Administrative Services

Jon Froke  
Interim Deputy City Manager  
Community Development

Prepared by the Finance Department  
Raymond H. Shuey  
Chief Financial Officer



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December 4, 2008

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Glendale, Arizona:

State law requires that cities annually publish after the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards (GAAS) by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Glendale, Arizona (the City) for the fiscal year ended June 30, 2008.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Heinfeld, Meech & Co., P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2008, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City's separately issued Single Audit reporting package.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it.

### **Profile of the government**

The City, incorporated in 1910, is located in the northwestern part of metropolitan Phoenix. The City currently occupies a land area of 58.2 square miles and serves a population of 248,731. The City is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the city council.

The City has operated under the council-manager form of government since 1910. Policy-making and legislative authority are vested in a city council consisting of the mayor and six other members. The city council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the government's manager, clerk, attorney and municipal judges. The government's manager is responsible for carrying out the policies and ordinances of the city council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. The council is elected on a non-partisan basis. Council members serve four-year terms, with three council members elected every two years. The mayor is elected to serve a four-year term. The council members are elected by district. The mayor is elected at large.

The City provides a full range of services, including police and fire protection; water and sewer and sanitation services; the construction and maintenance of highways, streets, public facilities and other infrastructure; and recreational activities and cultural events. Certain housing services are provided by the city's public housing authority, which functions, in essence, as a department of the City and therefore has been included as an integral part of the City's financial statements. The City also is financially accountable for two legally separate entities, the municipal property corporation and western loop 101 public facilities corporation, which are reported separately within the City's financial statements.

The annual budget serves as the foundation for the City's financial planning and control. All agencies of the City are required to submit requests for appropriation to the government's manager on or before the last week in January each year. The government's manager uses these requests as the starting point for developing a proposed budget. The government's manager then presents this proposed budget to the council for review during the month of April. The council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than June 30th, the close of the City's fiscal year. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department heads may make transfers of appropriations within a department. Transfers of appropriations between funds, however, require the special approval of the governing council. Budget-to-actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted.

### **Factors affecting financial condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

**Local economy.** The City is currently in an economic environment that performs at a rate near or above the national average. Local indicators point to some erosion of growth, which is consistent with the national economy. The economy of Glendale is based on manufacturing, defense activities, services, private graduate schools, retail trade, restaurants, sports, and entertainment. The Arizona Department of Commerce currently lists the average labor force in the City as 143,966 for the period January through June 2008 and an average employment of 137,631 for the same period. Average employment for the same period last year was 137,141, showing an improvement in total employment, but the city's unemployment rate has grown from 3.1% in fiscal year 2007 to 3.6% in fiscal year 2008.

The City receives significant "State Shared Revenues" that are allocated to various funds. As a result of the mid-decade census and the recalculation of Glendale's pro rata portion of state shared revenues, the City anticipates a smaller segment of these revenues in future years. The City has taken this into account in the budgeting process and does not expect any operating budget reductions.

The City of Glendale has continued to follow its strategy, developed by the Finance Department, to maintain fund balances.

The slowdown in the various sectors of the City's economy is reflective of the flat to negative growth trends of the Phoenix metropolitan area and of the state of Arizona. The County's population is approximately 4.0 million. The state's population was projected to reach 6.6 million in 2008, representing a 2.97% increase over the previous fiscal year. State unemployment rates have risen from 4.5% to 5.5% and a decline in sales tax revenues has been noted by most metropolitan cities.

**Long-term financial planning.** Glendale's Sports and Entertainment district continues to expand with the addition of a spring training facility. It is under construction and is scheduled to open in February 2009 for spring training. The facility is located at the northwest corner of 107<sup>th</sup> Avenue, between Camelback Road and Glendale Avenue and will consist of a 10,000-seat stadium, 3,000 lawn seats, and 12 practice fields. It will be utilized by the Los Angeles Dodgers and Chicago White Sox.

Recently, six hotels with 921 rooms opened near the Sports and Entertainment district and three additional hotels with 609 rooms are either planned or under construction. The site will be developed with residential, restaurant, and retail properties including an 18-hole golf course. This project will provide activities for baseball fans and residents and create economic and tourism opportunities. It is anticipated that the economic impact could be as much as \$19 million per year.

Super Bowl XLII was held on February 3, 2008, at University of Phoenix stadium located in the Westgate City Center area of Glendale. It was a thrilling game between the New York Giants and previously undefeated New England Patriots and generated an estimated economic impact of \$501 million due to direct and indirect visitor spending. Numerous new hotels, restaurants, and stores around Westgate were completed and opened in time for the event.

The ground for the new Glendale City Courthouse located at 47<sup>th</sup> and Glendale Avenues will be prepared for building starting in September 2008 with the completed Courthouse expected to be open early in 2010. The project is the beginning of an effort to revitalize the city's Glendale Avenue corridor.

Recently, the City has completed the Glendale Park and Ride lot at 99<sup>th</sup> and Glendale Avenues. With security service during business hours and 392 available parking lots, the lot provides a safe and easily accessible environment to catch a bus or van service for commuting to and from downtown Phoenix and Glendale. In the future, additional transit and parking spaces will be provided.

The new downtown parking garage located at 58<sup>th</sup> Avenue and Palmale was completed in February 2008 and opened for public use March 3, 2008. The garage replaced a 140 space ground lot with a 600 space parking garage and 11,000 square feet of retail, restaurant, and office space.

For fiscal year 2009, the City Council has approved \$6.3 million to fix aged water lines on Glendale Avenue between 43<sup>rd</sup> and 62<sup>nd</sup> Avenues. Water and Sewer Revenue Obligations Series 2008 for \$65.5 million have been issued with the maturity date of 2028 to help fund these projects along with other ongoing capital improvement projects.

The debt service funds of the City are backed by property taxes or excise taxes. The City has continued its practice of paying off its general obligation and revenue obligation bond debt rapidly.

**Cash management policies and practices.** Staff invests temporarily idle cash in repurchase agreements collateralized by high quality U.S. government securities, the Arizona State Treasurer's Local Government Investment Pool or U.S. Treasury obligations.

The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits are either insured by the Federal Deposit Insurance Corporation or collateralized. All collateral on deposits is held by the City's agent or financial institution's trust department in the City's name.

**Risk management.** The City continued its self-insurance program for public liability and property damage claims. As part of the Risk Management Plan, resources are maintained in the risk management fund to meet potential losses. In the event of a deficit at June 30, premiums charged to other funds are increased in the following fiscal year to cover shortages. The City has implemented various risk control techniques such as employee accident prevention training to minimize accident-related losses. The Risk Management Division also conducts a competitive bidding process to obtain other types of commercial insurance. An employee benefit fund was established in prior years to help offset the rising benefit costs to the City. An actuarial study of health insurance funding indicated that creating a separate fund and holding the excess payments and accumulated interest in it would be the best way to develop reserves. Any unused premiums and interest would remain in the fund for future expenses.

**Pension and other post-employment benefits.** Pension benefits are provided through the Arizona State Retirement System or the Arizona Public Safety Personnel Retirement System. The City allows retired employees to participate in the health care and life insurance plans provided to active employees. The plans provide health, dental, vision, and life insurance to participants.

Per Governmental Accounting Standards Board (GASB) Statement 45, the City now recognizes Other Post-Employment Benefits (OPEB) on a city-wide level based on an actuarial study conducted in June of 2008. A \$19.7 million liability was recorded in fiscal year 2008.

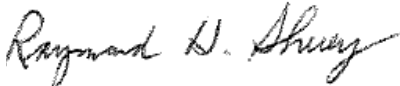
**Awards and acknowledgements.** The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2007. This was the twentieth consecutive year the City has received this prestigious award, and the twenty-second year overall. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated 2007-08. This is the nineteenth year in a row that the City has received the highest form of recognition in governmental budgeting.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. I would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor, Council and City Manager for their unfailing support in maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



Raymond H. Shuey  
Chief Financial Officer

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Glendale  
Arizona

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2007

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



*Charles S. Cox*

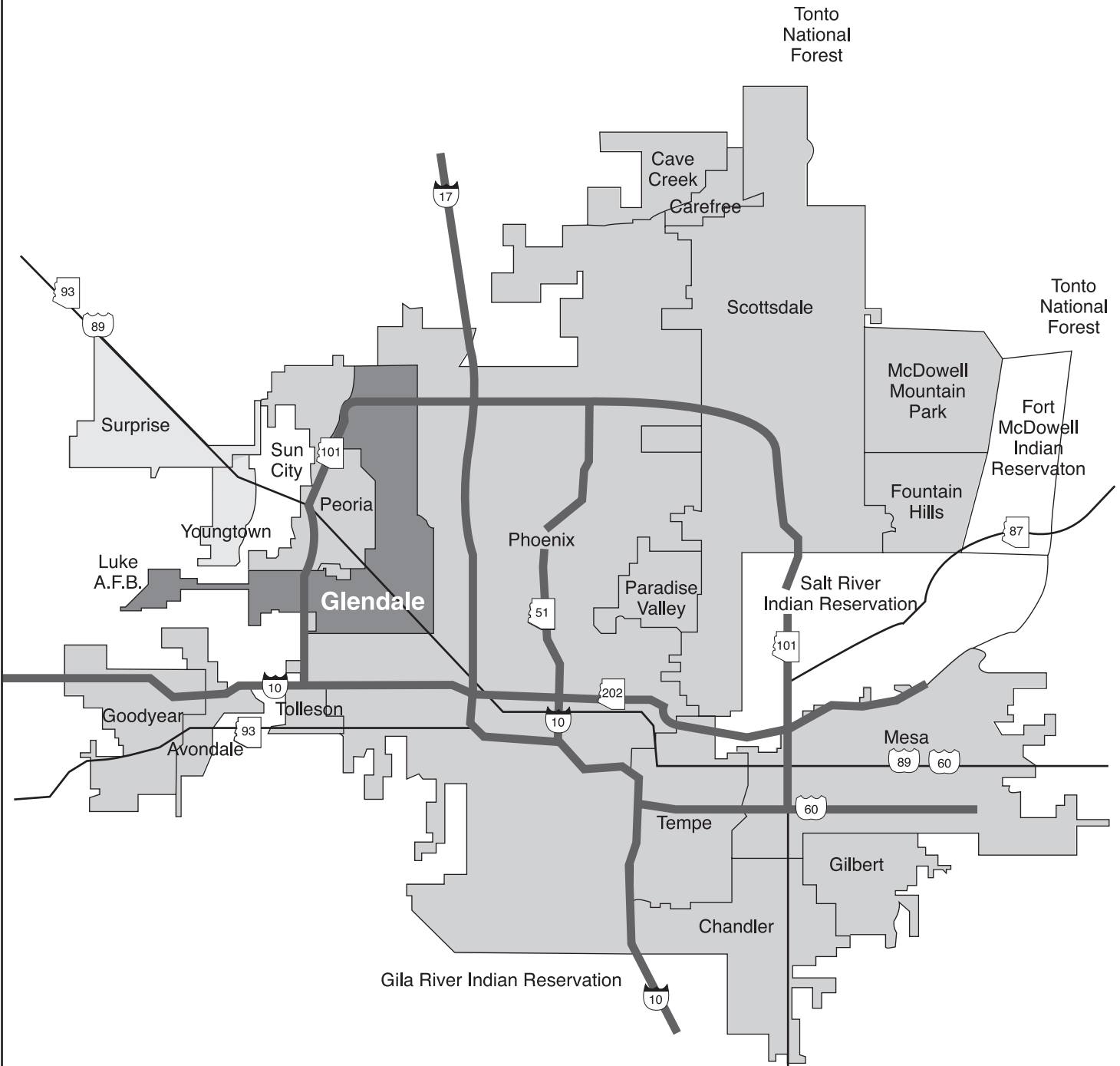
President

*Jeffrey R. Emer*

Executive Director



# Glendale, Arizona and Neighboring Communities





# Glendale City Officials



ELAINE M. SCRUGGS  
*Mayor*



JOYCE V. CLARK  
*Councilmember  
Yucca District*



STEVE E. FRATE  
*Councilmember  
Sahuaro District*



DAVID M. GOULET  
*Councilmember  
Ocotillo District*



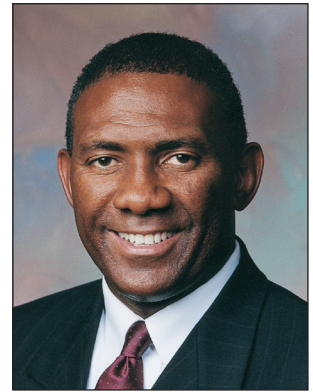
YVONNE KNAACK  
*Councilmember  
Barrel District*



H. PHILIP LIEBERMAN  
*Councilmember  
Cactus District*



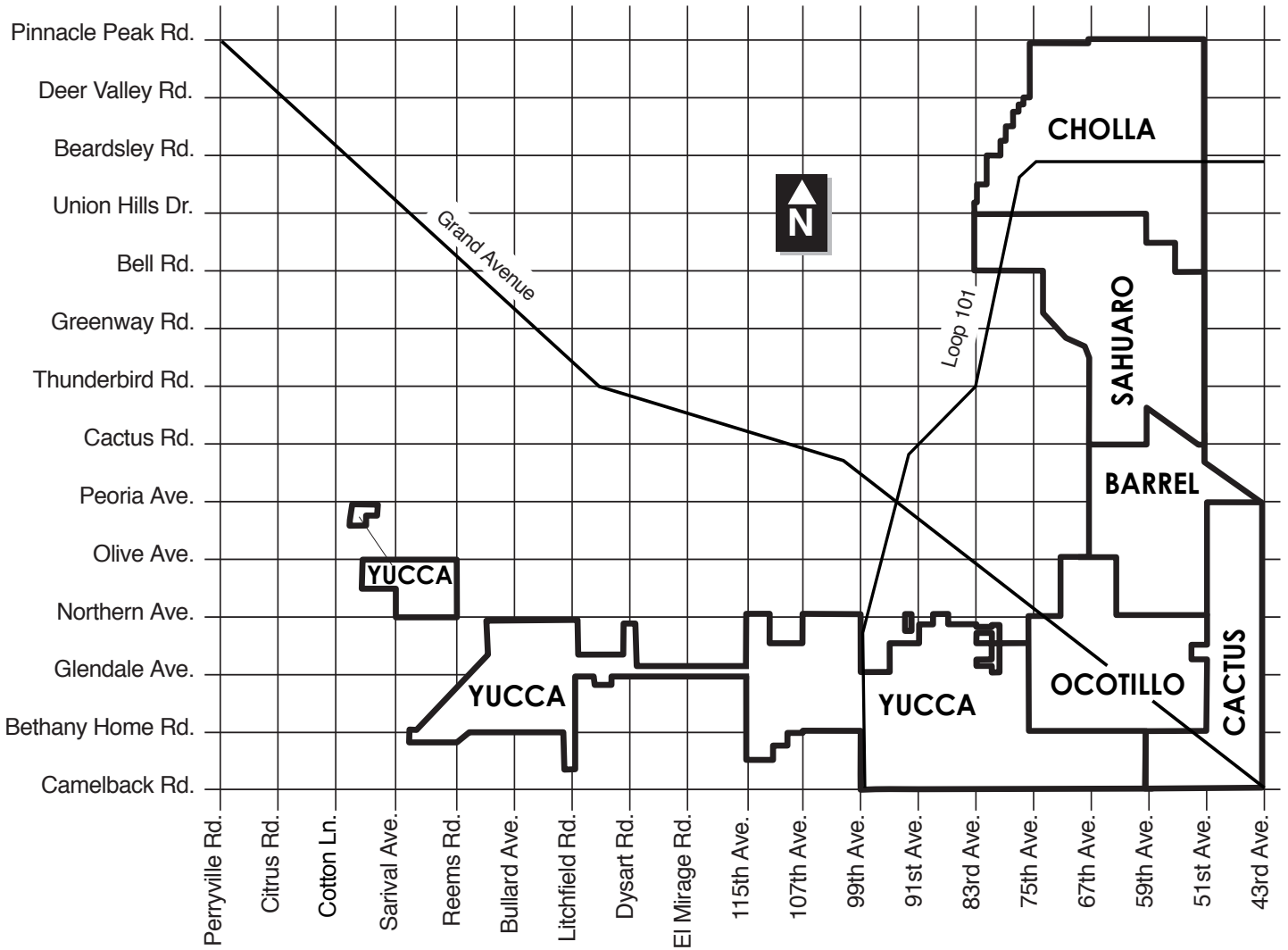
MANUEL D. MARTINEZ  
*Vice Mayor/  
Councilmember  
Cholla District*



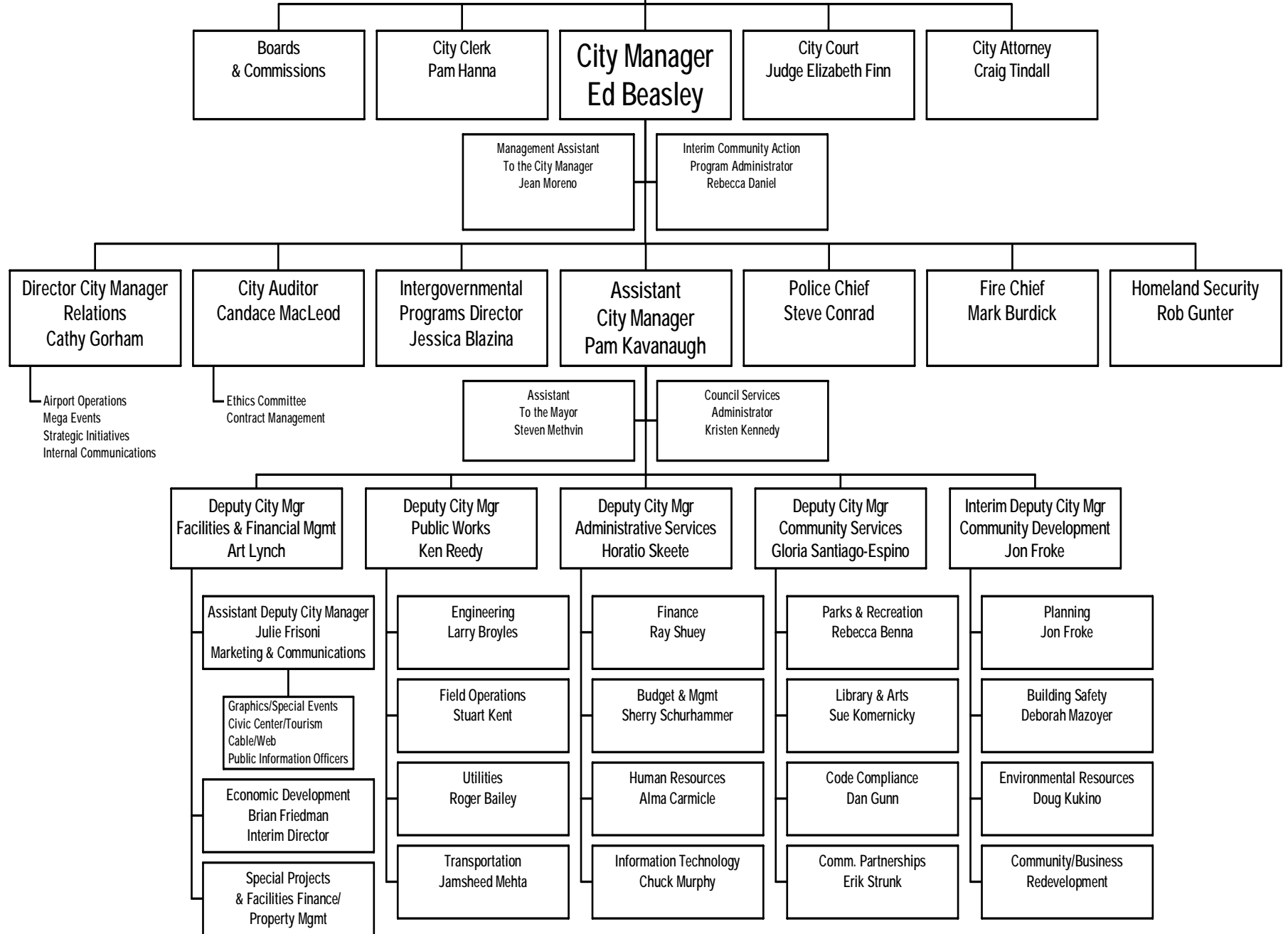
ED BEASLEY  
*City Manager*



# Glendale Council District Boundaries



# Mayor & Council



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City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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# FINANCIAL SECTION

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FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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## INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Members of the City Council  
City of Glendale, Arizona

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Glendale, Arizona (the City) as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Glendale, Arizona as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note I, the City implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, for the year ended June 30, 2008, which represents a change in accounting principle.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2008, on our consideration of City of Glendale, Arizona's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 13 through 23 and pages 77 through 80 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information such as the introductory section, combining statements, other supplementary information and the statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining statements and other supplementary information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

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

HEINFELD, MEECH & CO., P.C.  
Certified Public Accountants

December 4, 2008



City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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# MANAGEMENT'S DISCUSSION & ANALYSIS

(Required Supplementary Information)

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FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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## **Management's Discussion and Analysis**

As management of the City of Glendale (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2008. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

### **Financial highlights**

The financial statements, which follow the MD&A, provide these significant key financial highlights for 2007-08 as follows:

- The City's total net assets increased \$13,937 or 1.28%. The governmental net assets increased by \$13,163 or 1.96%, and the business-type net assets increased by \$774 or 0.19%.
- General revenues from governmental activities increased \$18,431 or 9.83% and were 69.84% of all revenues from governmental activities. Program specific revenues in the form of charges for services and grants and contributions decreased \$10,291 or 10.37%.
- The business-type activities total revenues increased by \$1,799 or 1.69%.
- The total cost of all City programs increased by \$50,807 or 15.02%.
- A major governmental fund, the general fund, had \$166,963 in revenues, which is an increase of \$9,172 or 5.81% from the prior year. The primary sources of revenue in the general fund are local taxes and intergovernmental taxes. The total expenditures of the general fund were \$157,217, which is a decrease of \$5,520 or 3.39%. The fund balance increased \$5,008 or 8.16%. This increase resulted mainly from sale of land near the new spring training baseball facility.
- The City issued by way of voter authorization: 1) \$109,110 in transportation excise tax revenue bonds that will be used for transportation projects such as improvement of streets, intersections, and traffic signals, and 2) \$65,500 in subordinate lien water and sewer revenue obligation bonds that will be used in the various improvements and extensions of existing water and sewer projects, replacement and rehabilitation of water lines throughout the city, and construction of water treatment plants and associated costs.
- In addition, the Municipal Property Corporation (MPC) issued \$94,235 in excise tax revenue bonds. These bonds were used to refund and redeem outstanding excise tax revenue bonds from 2006.

### **Overview of the financial statements**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *Government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Net assets are categorized as capital assets less related debt, restricted by an outside party, and unrestricted. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

**CITY OF GLENDALE, ARIZONA**  
Management's Discussion and Analysis (MD&A)  
For the Fiscal Year Ended June 30, 2008  
(amounts expressed in thousands)

The *statement of activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, community services, community environment, street maintenance, and interest on long-term debt. The business-type activities of the City include water and sewer, landfill, sanitation, and housing.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

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

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

The City maintains 18 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the major funds. Data from the other 15 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules.

**Proprietary funds.** The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer, landfill, sanitation, and housing services. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its risk management, workers' compensation and employee benefit activities. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the water and sewer, and data from the other three enterprise funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major enterprise funds are provided in the form of combining statements and schedules. Conversely, all three internal service funds are combined into a single, aggregated presentation in the

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proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

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

**Additional required supplementary information.** Following the basic financial statements is Required Supplementary Information (RSI) that further explains and supports the financial information in the financial statements. RSI presents the budgetary comparison schedule for general fund and transportation special revenue fund.

**Other information.** The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the notes to the RSI.

**Government-wide financial analysis**

As noted earlier, net assets may serve over time as a useful indicator of a City's financial position. In the case of the City, assets exceeded liabilities by \$1,102,416 as of June 30, 2008.

By far the largest portion of the City's net assets reflects its investment in capital assets (e.g., land, building, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens. Consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The City's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

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**Net assets**

The following table reflects the condensed Statement of Net Assets compared to prior year.

**Condensed Statement of Net Assets**  
As of June 30, 2008, and 2007  
(in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 326,629	\$ 303,981	\$ 212,197	\$ 192,072	\$ 547,414	\$ 496,053
Capital assets, net	1,133,123	1,025,808	554,561	518,153	1,679,096	1,543,961
<b>Total assets</b>	<b>1,459,752</b>	<b>1,329,789</b>	<b>766,758</b>	<b>710,225</b>	<b>2,226,510</b>	<b>2,040,014</b>
Current liabilities	54,246	57,813	12,792	18,295	67,038	76,108
Noncurrent liabilities	720,639	600,272	336,417	275,155	1,057,056	875,427
<b>Total liabilities</b>	<b>774,885</b>	<b>658,085</b>	<b>349,209</b>	<b>293,450</b>	<b>1,124,094</b>	<b>951,535</b>
Net assets:						
Invested in capital assets, net of related debt	499,322	446,828	297,329	249,569	796,651	696,397
Restricted	133,695	180,303	12,836	11,881	146,531	192,184
Unrestricted	51,850	44,573	107,384	155,325	159,234	199,898
<b>Total net assets</b>	<b>\$ 684,867</b>	<b>\$ 671,704</b>	<b>\$ 417,549</b>	<b>\$ 416,775</b>	<b>\$ 1,102,416</b>	<b>\$ 1,088,479</b>

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, both for the City as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

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The following table presents a summary of the changes in net assets compared to prior year.

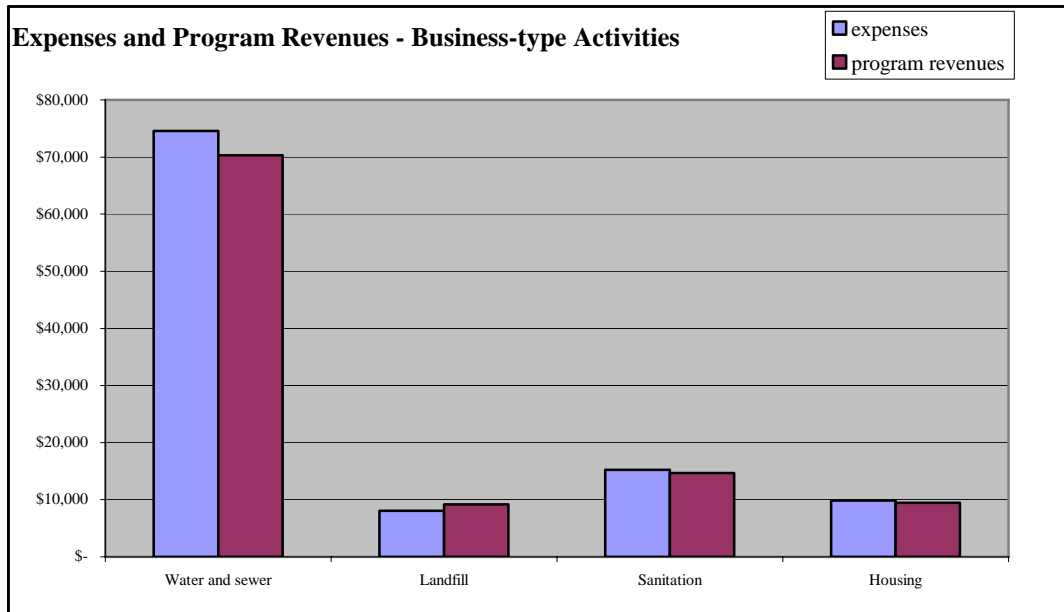
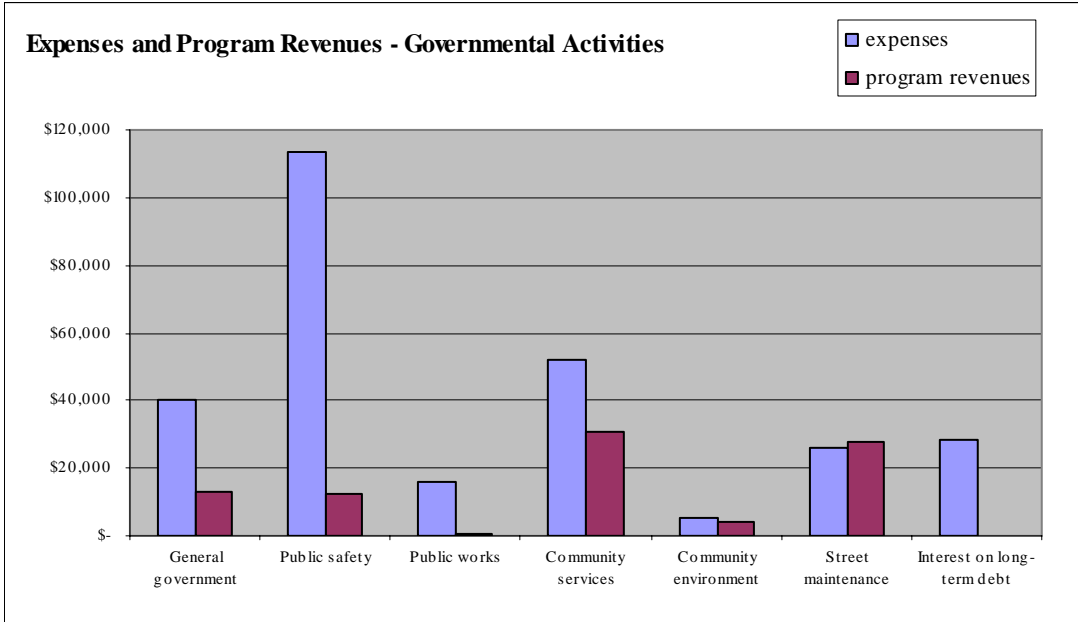
**Changes in Net Assets**  
As of June 30, 2008, and 2007  
(in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2008	2007	2008	2007	2008	2007
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 41,278	\$ 36,438	\$ 91,012	\$ 87,182	\$ 132,290	\$ 123,620
Operating grants and contributions	33,191	36,566	8,348	8,254	41,539	44,820
Capital grants and contributions	14,491	26,247	4,346	5,125	18,837	31,372
<b>Total program revenues</b>	<b>88,960</b>	<b>99,251</b>	<b>103,706</b>	<b>100,561</b>	<b>192,666</b>	<b>199,812</b>
General revenues:						
Property taxes	28,826	23,085	-	-	28,826	23,085
Sales taxes	105,175	97,825	-	-	105,175	97,825
State shared sales tax	22,237	23,037	-	-	22,237	23,037
Urban revenue sharing (state shared income tax)	34,109	27,518	-	-	34,109	27,518
Auto in-lieu taxes	9,730	10,044	-	-	9,730	10,044
Investment earnings, unrestricted	4,742	5,557	4,044	5,381	8,786	10,938
Gain on disposal of capital assets	879	202	126	103	1,005	305
Miscellaneous	302	301	108	140	410	441
<b>Total revenues</b>	<b>294,960</b>	<b>286,820</b>	<b>107,984</b>	<b>106,185</b>	<b>402,944</b>	<b>393,005</b>
<b>Expenses:</b>						
General government	39,998	37,992	-	-	39,998	37,992
Public safety	113,285	92,405	-	-	113,285	92,405
Public works	16,006	14,816	-	-	16,006	14,816
Community services	52,185	45,481	-	-	52,185	45,481
Community environment	5,164	4,698	-	-	5,164	4,698
Street maintenance	26,175	24,906	-	-	26,175	24,906
Interest on long-term debt	28,475	23,551	-	-	28,475	23,551
Water and sewer	-	-	74,581	63,289	74,581	63,289
Landfill	-	-	8,067	8,264	8,067	8,264
Sanitation	-	-	15,209	13,847	15,209	13,847
Housing	-	-	9,862	8,951	9,862	8,951
<b>Total expenses</b>	<b>281,288</b>	<b>243,849</b>	<b>107,719</b>	<b>94,351</b>	<b>389,007</b>	<b>338,200</b>
<b>Excess before transfers</b>	<b>13,672</b>	<b>42,971</b>	<b>265</b>	<b>11,834</b>	<b>13,937</b>	<b>54,805</b>
<b>Transfers in (out)</b>	<b>(509)</b>	<b>(364)</b>	<b>509</b>	<b>364</b>	<b>-</b>	<b>-</b>
<b>Increase in net assets</b>	<b>13,163</b>	<b>42,607</b>	<b>774</b>	<b>12,198</b>	<b>13,937</b>	<b>54,805</b>
<b>Net assets, beginning</b>	<b>671,704</b>	<b>629,097</b>	<b>416,775</b>	<b>404,577</b>	<b>1,088,479</b>	<b>1,033,674</b>
<b>Net assets, ending</b>	<b>\$ 684,867</b>	<b>\$ 671,704</b>	<b>\$ 417,549</b>	<b>\$ 416,775</b>	<b>\$ 1,102,416</b>	<b>\$ 1,088,479</b>

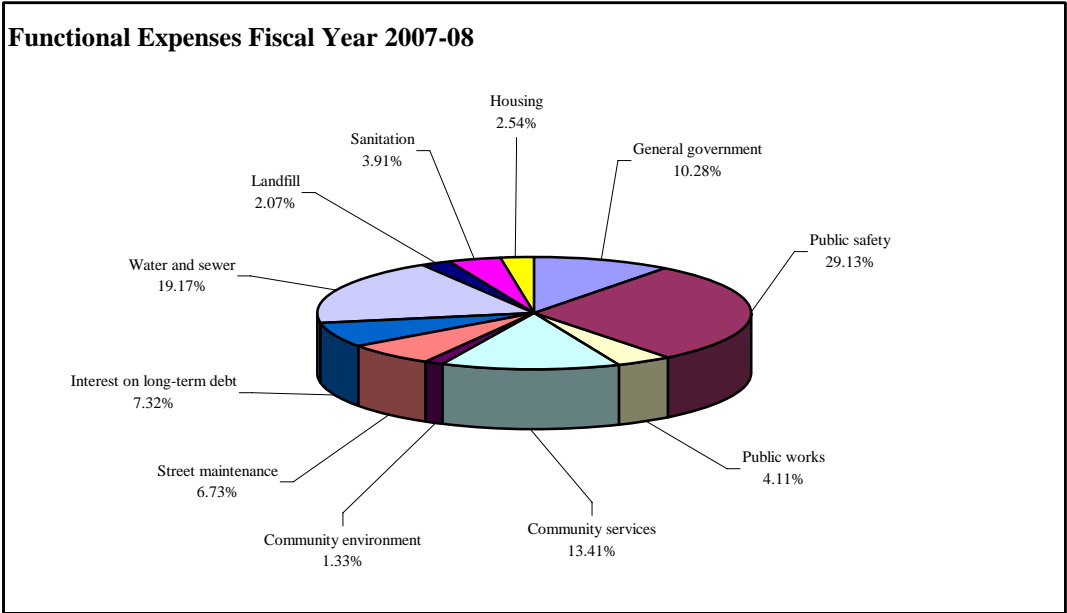
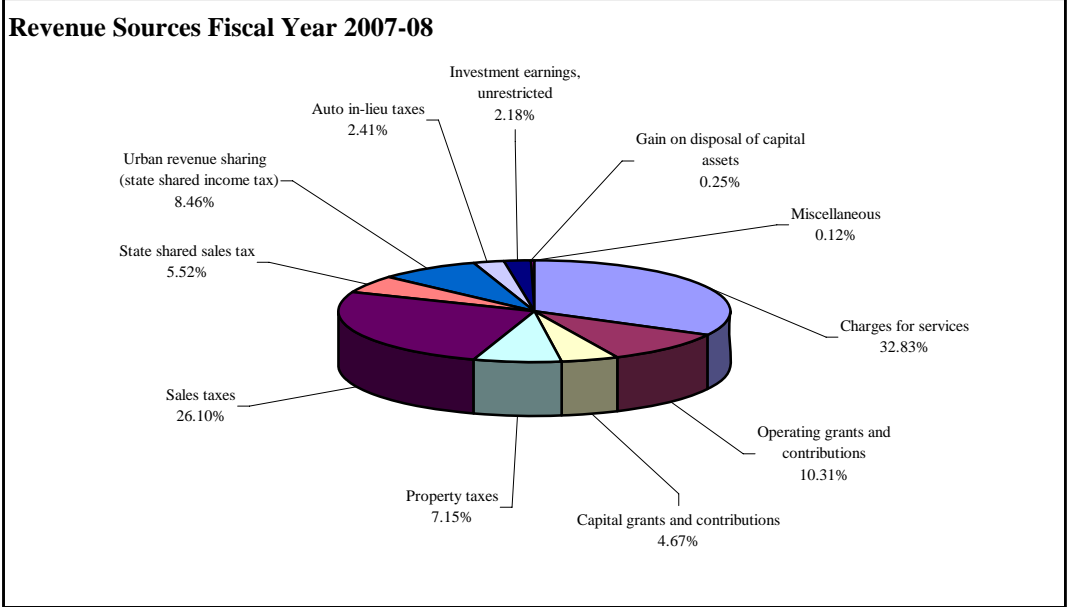
**Changes in net assets.** The increase in net assets for the governmental activities was primarily due to increased revenues from the development of Westgate City Center and Super Bowl. The slight increase in net assets, in comparison with the prior year, is a result of the slowing economy. The City's revenue from governmental activities for the fiscal year ended June 30, 2008, was \$294,960. The cost of programs and services for governmental activities was \$281,288.

The increase in net assets for the business activities was primarily due to landfill revenues exceeding expenses by \$2,202. The City's revenue from business-type activities for the fiscal year ended June 30, 2008, was \$107,984. The cost of programs and services was \$107,719.

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 (amounts expressed in thousands)



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**Financial analysis of the City's funds**

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

**Governmental funds.** The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a City's net resources available for spending at the end of the fiscal year.

The financial performance of the City as a whole is reflected in its governmental funds.

- As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$219,463, an increase of \$9,753 or 4.65% in comparison with the prior year. This increase resulted mainly from the sale of land near the new spring training baseball facility.
- *Unreserved undesignated fund balance*, which is available for spending at the City's discretion within a fund, was \$120,691, an increase of \$1,138 from the prior year.
- The City also had \$31,355 in unreserved, designated fund balance, which represents self-imposed limitations on the use of otherwise available expendable financial resources in governmental funds as discussed in Note XV. Unreserved, designated fund balance showed a decrease from the prior year due primarily to fund balance designated for streets construction was used to pay for capital projects instead of issuing new debt.
- The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed for a variety of restricted purposes, such as perpetual care for the City's cemetery, debt service, and development impact fees.

**Summary of Reserved Fund Balances  
 by Fund Type  
 (in thousands)**

General	\$ 9,271
Special revenue	21,867
Debt service	30,336
Capital projects	545
Permanent	<u>5,398</u>
Total	<u>\$ 67,417</u>

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the unreserved fund balance of the general fund was \$57,117, while total fund balance reached \$66,388. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 36.33% of total general fund expenditures, while total fund balance represents 42.23% of that same amount.

The transportation fund accounts for the City's public transit program and transportation improvement projects. The fund saw an increase in fund balance of \$71,570 for the fiscal year ended June 30, 2008. This increase is due to the issuance of transportation revenue bonds to fund continuing efforts to improve public transit, arterial streets, park and ride lots, and coordinated traffic signals.

The public facilities corporation construction fund accounts for the resources used to finance public projects such as the new spring training baseball facility at the northwest corner of 107<sup>th</sup> Avenue and Camelback Road. The fund was established in the fiscal year ending June 30, 2008, and at June 30 has a fund deficit of \$34,833.

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Excise tax revenue bonds were issued by the Public Facilities Corporation in October 2008 for \$199,750, which covered the deficit.

**Proprietary funds.** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Net assets of the enterprise funds and the internal service funds increased \$1,328 or 0.31%. The enterprise funds' total net assets were 3.07% restricted and 40.69% unrestricted. 56.24% is invested in capital assets. Internal service funds were 100.0% unrestricted.

The water and sewer fund accounts for operations, maintenance and construction projects of City-owned water and sewer systems. The fund saw a decrease in net assets of \$1,279 for the fiscal year ended June 30, 2008. This decrease is primarily due to the inclusion of other post-employment benefits expenses not previously recognized.

The internal service fund accounts for risk management, workers' compensation, and employee benefits provided to other departments. The fund saw an increase of \$527 for the fiscal year ended June 30, 2008. This increase was due to an increase in self insurance premiums through employee benefits.

**General fund budgetary highlights**

Consistent with national economic conditions, the City's investment revenue was negatively impacted by the economic downturn.

- Investment revenue decreased this year as a result of the economic pressures currently prevalent in our economy.
- General fund revenues exceeded the final amended budget by \$12,151 or 6.48%, primarily due to revenue received from the sale of land near the new spring training baseball facility.
- General fund expenditures were less than the final amended budget by \$47,295 or 20.95%. This positive variance resulted in each major expenditure category ending the year under budget.

**Capital asset and debt administration**

**Capital assets.** The City's investment in capital assets (net of accumulated depreciation) as of June 30, 2008, for its governmental-type activities was \$1,133,123 and for the business-type activities was \$554,561. The investment in governmental and business-type capital assets consisted of land, buildings, machinery and equipment, and infrastructure for streets, parks, airport and street lighting, water and wastewater treatment plants.

Major capital asset events during the current fiscal year included the following:

- Completed construction of Oasis Water Campus, \$63,785
- Retrofitting of Cholla Water Treatment Plant, \$16,478
- Completed construction of regional public safety training facility, \$53,039
- Began construction of spring training baseball facility, \$34,833
- Completed downtown parking structure, \$17,232
- Completed new park and ride lot at 99<sup>th</sup> and Glendale Avenues, \$13,707

**CITY OF GLENDALE, ARIZONA**  
Management's Discussion and Analysis (MD&A)  
For the Fiscal Year Ended June 30, 2008  
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The following table is a summary of capital assets reflected in the June 30, 2008, financial statements as compared to last year's financial statements.

**Capital Assets at Year End**  
(Net of depreciation)  
(in thousands)

	Governmental Activities		Business-type Activities, As Restated		Total Primary Government, As Restated	
	2008	2007	2008	2007	2008	2007
Construction in progress	\$ 253,573	\$ 251,824	\$ 17,773	\$ 89,120	\$ 271,346	\$ 340,944
Land	69,130	70,205	22,128	11,609	91,258	81,814
Water storage rights	-	-	8,588	6,628	8,588	6,628
Artwork	1,448	1,448	-	-	1,448	1,448
Buildings	188,800	141,068	8,175	8,485	196,975	149,553
Improvements other than buildings	73,256	70,571	45,286	21,246	118,542	91,817
Infrastructure-streets	425,946	373,865	-	-	425,946	373,865
Infrastructure-parks	51,889	50,029	-	-	51,889	50,029
Infrastructure-airport	8,025	7,844	-	-	8,025	7,844
Infrastructure-flood/storm drains	27,805	26,954	-	-	27,805	26,954
Water lines	-	-	73,918	73,613	73,918	73,613
Sewer lines	-	-	79,057	79,874	79,057	79,874
Water treatment plant	-	-	154,655	78,372	154,655	78,372
Sewer treatment plant	-	-	115,875	119,743	115,875	119,743
Meters and services	-	-	18,461	19,198	18,461	19,198
Fire hydrants	-	-	3,376	3,478	3,376	3,478
Machinery and equipment	14,881	15,515	814	799	15,695	16,314
Computer equipment	1,729	1,028	216	214	1,945	1,242
Software	132	191	-	-	132	191
Automotive equipment	16,509	15,266	6,239	5,774	22,748	21,040
<b>Total</b>	<b>\$ 1,133,123</b>	<b>\$ 1,025,808</b>	<b>\$ 554,561</b>	<b>\$ 518,153</b>	<b>\$ 1,687,684</b>	<b>\$ 1,543,961</b>

Additional information on capital assets can be found in Note IV of the financial statements.

**Long-term debt.** At the end of the current fiscal year, the City had total debt outstanding of \$982,476 compared to \$825,056 last year, a 19.08% net increase. Of this amount, \$223,660 comprises debt backed by the full faith and credit of the City.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2008	2007	2008	2007	2008	2007
General obligation	\$ 212,524	\$ 224,234	11,136	12,115	\$ 223,660	\$ 236,349
Transportation revenue bond	109,110	-	-	-	109,110	-
Highway users revenue bonds	30,895	34,065	-	-	30,895	34,065
Municipal property corporation revenue bonds	298,050	293,530	-	-	298,050	293,530
Capital lease obligation	10,838	12,492	1,688	2,349	12,526	14,841
Water and sewer revenue bonds/obligations	-	-	288,950	229,130	288,950	229,130
Notes payable	9,045	6,279	10,240	10,862	19,285	17,141
<b>Total</b>	<b>\$ 670,462</b>	<b>\$ 570,600</b>	<b>\$ 312,014</b>	<b>\$ 254,456</b>	<b>\$ 982,476</b>	<b>\$ 825,056</b>

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The City's total long-term debt increased by \$157,420 from the prior year. A key factor in this increase was the issuance of subordinate lien water and sewer revenue obligations, refinancing of municipal property corporation bonds during the year, and issuance of transportation excise tax revenue obligation bonds.

The City maintains an "AA" underlying rating from Standard & Poor's and an "Aa2" underlying rating from Moody's for general obligation debt. The subordinate lien water and sewer revenue bonds are rated "A1" by Moody's and "AA" by Standard & Poor's. Transportation bonds were assigned an underlying rating of "AA" by Standard & Poor's and "A1" by Moody's.

The Arizona Constitution provides that the general obligation bonded indebtedness for a city for general municipal purposes may not exceed 6% of the secondary assessed valuation of the taxable property in that city. In addition to the 6% limitation for general municipal purpose bonds, cities may issue general obligation bonds up to 20% of the secondary assessed valuation for supplying such city with water, sewer, artificial light, public safety, law enforcement, fire and emergency services, streets and transportation facilities, and for the acquisition and development of land for open space preserves, parks, playgrounds and recreational facilities. The City's current unused 6% and 20% debt limitation on June 30, 2008, was \$66,263 and \$215,247, respectively.

Additional information on long-term debt can be found in Note IX of the financial statements.

**Economic factors and next year's budgets and rates**

The adopted fiscal year 2008-09 budget is \$925,000 (down 1.80% from 2007-08), including a \$376,870 operating budget (an increase of 3.76% from 2008) and \$391,890 in capital outlay (down 6.43% from 2008). The fiscal year 2008-09 budget includes \$76,926 contingency appropriation to cover emergency expenses or revenue shortages.

- As noted in prior years, Arizona cities are dependent on sales taxes and other economically sensitive revenues and are susceptible to slowdowns in the economy. This is especially true in the current economic climate not only of Arizona, but of the entire nation. The City has implemented cost saving measures and will continue to seek ways to maintain quality services while not exceeding a smaller pool of revenues.
- The City's unemployment rate for June 2008 was 4.40%, which is an increase from a year ago. This compares favorably to the state's average unemployment rate of 5.00% and the national average rate of 5.50%.

**Request for information**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, 5850 West Glendale Avenue, Suite 302, Glendale, Arizona 85301.

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City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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# BASIC FINANCIAL STATEMENTS

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FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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City of Glendale, Arizona  
**Statement of Net Assets**  
June 30, 2008  
(amounts expressed in thousands)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Equity in pooled cash and investments	\$ 224,809	\$ 73,578	\$ 298,387
Receivables (net of allowance for uncollectibles)			
Property taxes	1,227	-	1,227
Accounts	13,425	10,350	23,775
Accrued interest	2,108	268	2,376
Intergovernmental receivable	9,109	483	9,592
Internal balances	1,085	(1,085)	-
Inventories and prepaid items	7,670	3,567	11,237
Restricted cash and investments	62,985	61,895	124,880
Capital assets:			
Non-depreciable	324,151	39,901	364,052
Depreciable (net)	808,972	514,660	1,323,632
Deferred receivable	4,211	-	4,211
Equity in joint venture	-	63,141	63,141
Total assets	<u>1,459,752</u>	<u>766,758</u>	<u>2,226,510</u>
<b>LIABILITIES</b>			
Vouchers payable	26,545	4,839	31,384
Accounts payable	953	90	1,043
Retainage payable	737	39	776
Accrued interest payable	13,342	6,595	19,937
Intergovernmental payable	413	214	627
Deposits	1,425	1,015	2,440
Unearned revenue	10,831	-	10,831
Noncurrent liabilities:			
Due within one year	47,069	11,071	58,140
Due in more than one year	673,570	325,346	998,916
Total liabilities	<u>774,885</u>	<u>349,209</u>	<u>1,124,094</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	499,322	297,329	796,651
Restricted for:			
Capital projects	37,846	-	37,846
Debt service	29,720	1,203	30,923
Transportation	26,543	-	26,543
Highway and streets	2,415	-	2,415
Vehicle replacement	7,132	-	7,132
Development impact fee	19,349	-	19,349
Revenue bond retirement, replacement, and extension	-	9,790	9,790
Perpetual care - nonexpendable	5,478	-	5,478
Other purposes	5,212	1,843	7,055
Unrestricted	51,850	107,384	159,234
Total net assets	<u>\$ 684,867</u>	<u>\$ 417,549</u>	<u>\$ 1,102,416</u>

The notes to the financial statements are an integral part of this statement.

City of Glendale, Arizona  
**Statement of Activities**  
For the Fiscal Year Ended June 30, 2008  
(amounts expressed in thousands)

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 39,998	\$ 12,132	\$ 871	\$ -
Public safety	113,285	5,744	4,856	1,890
Public works	16,006	543	232	-
Community services	52,185	22,859	4,203	3,578
Community environment	5,164	-	4,361	-
Street maintenance	26,175	-	18,668	9,023
Interest on long-term debt	28,475	-	-	-
Total governmental activities	<u>281,288</u>	<u>41,278</u>	<u>33,191</u>	<u>14,491</u>
Business-type activities:				
Water and sewer	74,581	66,316	-	4,022
Landfill	8,067	9,196	-	-
Sanitation	15,209	14,684	-	-
Housing	9,862	816	8,348	324
Total business-type activities	<u>107,719</u>	<u>91,012</u>	<u>8,348</u>	<u>4,346</u>
Total primary government	<u>\$ 389,007</u>	<u>\$ 132,290</u>	<u>\$ 41,539</u>	<u>\$ 18,837</u>

General revenues:

Taxes:

Property taxes levied for:

General purposes

Debt service

Sales taxes

Unrestricted state shared sales tax

Unrestricted urban revenue sharing (state shared income tax)

Auto in-lieu taxes

Investment earnings, unrestricted

Gain on disposal of capital assets

Miscellaneous

Transfers

Total general revenues and transfers

Change in net assets

Net assets - beginning

Net assets - ending

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (26,995)	\$ -	\$ (26,995)
(100,795)	-	(100,795)
(15,231)	-	(15,231)
(21,545)	-	(21,545)
(803)	-	(803)
1,516	-	1,516
(28,475)	-	(28,475)
<u>(192,328)</u>	<u>-</u>	<u>(192,328)</u>
-	(4,243)	(4,243)
-	1,129	1,129
-	(525)	(525)
-	(374)	(374)
<u>-</u>	<u>(4,013)</u>	<u>(4,013)</u>
<u>(192,328)</u>	<u>(4,013)</u>	<u>(196,341)</u>
3,877	-	3,877
24,949	-	24,949
105,175	-	105,175
22,237	-	22,237
34,109	-	34,109
9,730	-	9,730
4,742	4,044	8,786
879	126	1,005
302	108	410
(509)	509	-
<u>205,491</u>	<u>4,787</u>	<u>210,278</u>
13,163	774	13,937
671,704	416,775	1,088,479
<u>\$ 684,867</u>	<u>\$ 417,549</u>	<u>\$ 1,102,416</u>

City of Glendale, Arizona  
**Balance Sheet**  
**Governmental Funds**  
June 30, 2008  
(amounts expressed in thousands)

	Major Funds				Total Governmental Funds
	General	Transportation	Public Facilities Corporation Construction	Other Non-major Governmental Funds	
<b>ASSETS</b>					
Equity in pooled cash and investments	\$ 38,930	\$ 23,523	\$ -	\$ 144,563	\$ 207,016
Receivables, net of allowance for doubtful accounts:					
Property taxes	169	-	-	1,058	1,227
Accounts	8,671	1,852	-	2,902	13,425
Accrued interest	1,382	461	-	265	2,108
Due from other funds	28,647	-	-	-	28,647
Intergovernmental receivable	2,264	3,294	-	3,551	9,109
Inventories and prepaid items	278	-	-	140	418
Restricted cash and investments	248	45,955	-	16,632	62,835
Deferred receivables	-	-	-	4,211	4,211
Total assets	<u>\$ 80,589</u>	<u>\$ 75,085</u>	<u>\$ -</u>	<u>\$ 173,322</u>	<u>\$ 328,996</u>
<b>LIABILITIES AND FUND BALANCE</b>					
Liabilities:					
Vouchers payable	\$ 7,891	\$ 1,862	\$ 7,632	\$ 7,517	\$ 24,902
Accounts payable	946	-	-	7	953
Retainage payable	10	637	-	90	737
Compensated absences - current	911	25	-	177	1,113
Intergovernmental payable	410	-	-	3	413
Due to other funds	-	-	27,201	1,414	28,615
Deposits	1,387	-	-	38	1,425
Matured interest payable	-	-	-	13,342	13,342
Deferred revenue	2,646	63	-	9,128	11,837
Matured bonds payable	-	-	-	26,196	26,196
Total liabilities	<u>14,201</u>	<u>2,587</u>	<u>34,833</u>	<u>57,912</u>	<u>109,533</u>
Fund Balances:					
Reserved (Note XV)	9,271	-	-	58,146	67,417
Unreserved:					
Designated (Note XV):					
General fund	12,660	-	-	-	12,660
Special revenue funds	-	-	-	696	696
Capital project funds	-	-	-	17,999	17,999
Undesignated, reported in:					
General fund	44,457	-	-	-	44,457
Special revenue funds	-	72,498	-	3,299	75,797
Capital projects funds	-	-	(34,833)	35,270	437
Total fund balances	<u>66,388</u>	<u>72,498</u>	<u>(34,833)</u>	<u>115,410</u>	<u>219,463</u>
Total liabilities and fund balances	<u>\$ 80,589</u>	<u>\$ 75,085</u>	<u>\$ -</u>	<u>\$ 173,322</u>	<u>\$ 328,996</u>

The notes to the financial statements are an integral part of this statement.

City of Glendale, Arizona  
**Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Assets**  
June 30, 2008  
(amounts expressed in thousands)

Amounts reported for governmental activities in the statement of net assets are different because:

Fund balances - Total governmental funds balance sheet	\$	219,463
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	\$	1,470,234
Less accumulated depreciation		<u>(337,111)</u>
		1,133,123
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		
		8,258
Internal service funds are used by management to charge the costs of workers' compensation, risk management, and employee benefits to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		
		7,428
Long-term liabilities, including bonds payable are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds payable	(624,383)	
Notes payable	(9,045)	
Capital lease obligations	(10,838)	
Developer payable obligations	(1,679)	
Compensated absences	(13,580)	
OPEB obligations	(16,235)	
Unamortized premium on debt issuance	(8,035)	
Arbitrage rebate payable	<u>(616)</u>	
		(684,411)
Deferred revenue that is measurable but not yet available for governmental fund activities is recognized as revenue for governmental-wide activities.		
		<u>1,006</u>
Net assets of governmental activities	\$	<u><u>684,867</u></u>

The notes to the financial statements are an integral part of this statement.

City of Glendale, Arizona  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
For the Fiscal Year Ended June 30, 2008  
(amounts expressed in thousands)

	Major Funds				Total Governmental Funds
	General	Transportation	Public Facilities Corporation Construction	Other Non-Major Governmental Funds	
<b>REVENUES</b>					
Taxes and special assessments	\$ 68,014	\$ 23,672	\$ -	\$ 42,060	\$ 133,746
Licenses and permits	11,305	-	-	6,080	17,385
Intergovernmental	67,333	4,802	-	29,686	101,821
Charges for services	8,796	137	-	5,192	14,125
Fines and forfeitures	4,499	8	-	-	4,507
Investment income	4,286	1,963	-	3,737	9,986
Miscellaneous	2,730	64	-	2,121	4,915
Total revenues	<u>166,963</u>	<u>30,646</u>	<u>-</u>	<u>88,876</u>	<u>286,485</u>
<b>EXPENDITURES</b>					
Current:					
General government	22,402	-	-	2,962	25,364
Public safety	82,237	36	-	18,111	100,384
Public works	11,655	-	-	88	11,743
Community services	28,299	13,328	-	3,140	44,767
Community environment	561	-	-	4,411	4,972
Street maintenance	735	-	-	12,310	13,045
Miscellaneous	1,312	-	-	317	1,629
Debt service:					
Principal	1,903	-	-	30,248	32,151
Interest	873	-	-	31,421	32,294
Capital outlay	7,240	44,941	34,833	54,046	141,060
Total expenditures	<u>157,217</u>	<u>58,305</u>	<u>34,833</u>	<u>157,054</u>	<u>407,409</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,746</u>	<u>(27,659)</u>	<u>(34,833)</u>	<u>(68,178)</u>	<u>(120,924)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Refunded bonds redeemed	-	-	-	(83,521)	(83,521)
Long-term debt issued	456	109,110	-	420	109,986
Refunding bonds issued	-	-	-	93,815	93,815
Premium on long-term debt issued	-	1,953	-	239	2,192
Proceeds from equipment disposal	8,712	2	-	-	8,714
Other uses:					
Transfers in	499	900	-	50,227	51,626
Transfers out	(14,405)	(12,736)	-	(24,994)	(52,135)
Total other financing sources and uses	<u>(4,738)</u>	<u>99,229</u>	<u>-</u>	<u>36,186</u>	<u>130,677</u>
Net change in fund balances	<u>5,008</u>	<u>71,570</u>	<u>(34,833)</u>	<u>(31,992)</u>	<u>9,753</u>
Fund balances, July 1	61,380	928	-	147,402	209,710
Fund balances, June 30	<u>\$ 66,388</u>	<u>\$ 72,498</u>	<u>\$ (34,833)</u>	<u>\$ 115,410</u>	<u>\$ 219,463</u>

The notes to the financial statements are an integral part of this statement.

City of Glendale, Arizona  
**Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities**  
For the Fiscal Year Ended June 30, 2008  
(amounts expressed in thousands)

Amounts for governmental activities in the statement of net assets are different because:

Net change in fund balances - total governmental funds	\$	9,753	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation. This is the amount by which capital outlays of \$141,060 exceeded depreciation of \$35,643 for the current period.			105,417
The net effect of various transactions involving capital is to increase net assets.			
Capital contributions	\$	6,733	
Disposals		(8,714)	
Gain on sales		<u>879</u>	(1,102)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.			1,645
The net effect of long-term debt issuance and the related transactions is to increase net assets.			
Bond premium		(2,192)	
Bonds issuance costs		2,852	
Refunding bonds issued		(93,815)	
Payment to refunded bonds escrow agent		83,521	
Principal paid		32,151	
Long-term debt issued		(109,986)	
Arbitrage rebate		<u>(169)</u>	(87,638)
Compensated absences reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.			(1,293)
Other post employment benefits reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.			(16,235)
Internal service funds are used by management to charge the costs of workers' compensation, risk management, and employee benefits individual funds.			(127)
The net revenue of certain activities as unearned revenue is reported in governmental activities.			9
Expenses on the statement of activities differ from governmental funds because of the portion not accrued on the governmental funds.			<u>2,734</u>
Change in net assets of governmental activities	\$		<u><u>13,163</u></u>

The notes to the financial statements are an integral part of this statement.

City of Glendale, Arizona  
**Statement of Net Assets**  
**Proprietary Funds**  
June 30, 2008  
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Major Funds	Other Proprietary	Total	
	Water and Sewer	Funds		
<b>ASSETS</b>				
Current assets:				
Equity in pooled cash and investments	\$ 42,708	\$ 30,870	\$ 73,578	\$ 17,793
Receivables:				
Accounts	8,567	2,119	10,686	-
Allowance for uncollectibles	(308)	(28)	(336)	-
Accrued interest	268	-	268	-
Intergovernment receivable	2	481	483	-
Inventories and prepaid items	3,563	4	3,567	47
Total current assets	<u>54,800</u>	<u>33,446</u>	<u>88,246</u>	<u>17,840</u>
Noncurrent assets:				
Restricted cash and investments	61,849	46	61,895	150
Capital assets:				
Capital assets	686,044	44,056	730,100	-
Accumulated depreciation	(153,579)	(21,960)	(175,539)	-
Capital assets, net	<u>532,465</u>	<u>22,096</u>	<u>554,561</u>	<u>-</u>
Equity in joint venture	63,141	-	63,141	-
Total noncurrent assets	<u>657,455</u>	<u>22,142</u>	<u>679,597</u>	<u>150</u>
Total assets	<u>712,255</u>	<u>55,588</u>	<u>767,843</u>	<u>17,990</u>
<b>LIABILITIES</b>				
Current liabilities:				
Vouchers payable	3,994	845	4,839	1,643
Accounts payable	77	13	90	-
Retainage payable	39	-	39	-
Compensated absences	1,248	540	1,788	-
Due to other funds	-	32	32	-
Intergovernment payable	214	-	214	-
Deposits	717	291	1,008	-
Unearned rent	-	7	7	-
Estimated claims payable	-	-	-	5,436
Current portion of long-term debt:				
General obligation bonds	810	199	1,009	-
Unamortized premium on debt issuance	414	-	414	-
Revenue bonds/obligations payable	6,605	-	6,605	-
Capital lease obligations	-	608	608	-
Other long-term debt	647	-	647	-
Interest payable	6,572	23	6,595	-
Total current liabilities	<u>21,337</u>	<u>2,558</u>	<u>23,895</u>	<u>7,079</u>
Noncurrent liabilities:				
Compensated absences	287	311	598	-
General obligation bonds	9,995	132	10,127	-
Unamortized premium on debt issuance	6,653	-	6,653	-
Revenue bonds/obligations payable	282,345	-	282,345	-
OPEB long-term obligations	2,190	1,304	3,494	-
Other long-term debt	-	37	37	-
Notes payable	9,593	-	9,593	-
Capital lease obligations	-	1,080	1,080	-
Claims payable	-	-	-	3,483
Estimated closure and post-closure costs	-	11,419	11,419	-
Total noncurrent liabilities	<u>311,063</u>	<u>14,283</u>	<u>325,346</u>	<u>3,483</u>
Total liabilities	<u>332,400</u>	<u>16,841</u>	<u>349,241</u>	<u>10,562</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	277,251	20,078	297,329	-
Restricted for:				
Debt service	1,203	-	1,203	-
Revenue bond retirement, replacement and extension	9,790	-	9,790	-
Other purposes	433	1,410	1,843	-
Unrestricted	91,178	17,259	108,437	7,428
Total net assets	<u>\$ 379,855</u>	<u>\$ 38,747</u>	<u>418,602</u>	<u>\$ 7,428</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			(1,053)	
Net assets of business-type activities			<u>\$ 417,549</u>	

The notes to the financial statements are an integral part of this statement.

City of Glendale, Arizona  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Proprietary Funds**  
For the Fiscal Year Ended June 30, 2008  
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Major Funds	Other Proprietary	Total	
	Water and Sewer	Funds		
Operating revenues:				
Intergovernmental	\$ 7	\$ 8,348	\$ 8,355	\$ -
Metered water sales	35,539	-	35,539	-
Sewer service charges	25,152	-	25,152	-
Container service	-	4,972	4,972	-
Curb service	-	9,696	9,696	-
Landfill user fees	-	5,998	5,998	-
Self-insurance premium	-	-	-	24,767
Recycling sales	-	2,966	2,966	-
Other fees	1,859	943	2,802	46
Total operating revenues	<u>62,557</u>	<u>32,923</u>	<u>95,480</u>	<u>24,813</u>
Operating expenses:				
Water	19,149	-	19,149	-
Sewer	13,998	-	13,998	-
Landfill	-	6,169	6,169	-
Housing	-	9,316	9,316	-
Closure/post-closure care adjustment	-	442	442	-
Sanitation	-	13,448	13,448	-
Administrative and general	11,100	-	11,100	-
Insurance claims	-	-	-	24,966
Amortization and depreciation	14,568	2,360	16,928	-
Total operating expenses	<u>58,815</u>	<u>31,735</u>	<u>90,550</u>	<u>24,966</u>
Operating income (loss)	<u>3,742</u>	<u>1,188</u>	<u>4,930</u>	<u>(153)</u>
Nonoperating revenues (expenses):				
Impact fees	3,875	120	3,995	-
Investment income	3,058	1,194	4,252	680
Interest expense	(11,305)	(89)	(11,394)	-
Net loss from joint venture	(2,129)	-	(2,129)	-
Amortization of bond issuance cost	(123)	-	(123)	-
Gain on disposal of assets	35	91	126	-
OPEB expense	(2,190)	(1,304)	(3,494)	-
Intergovernmental - capital grants	-	324	324	-
Total nonoperating revenue (expenses)	<u>(8,779)</u>	<u>336</u>	<u>(8,443)</u>	<u>680</u>
Income before contributions and transfers	(5,037)	1,524	(3,513)	527
Capital contributions	3,805	-	3,805	-
Transfers in	-	561	561	-
Transfers out	(47)	(5)	(52)	-
Change in net assets	<u>(1,279)</u>	<u>2,080</u>	<u>801</u>	<u>527</u>
Total net assets - beginning	<u>381,134</u>	<u>36,667</u>		<u>6,901</u>
Total net assets - ending	<u>\$ 379,855</u>	<u>\$ 38,747</u>		<u>\$ 7,428</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			(27)	
Change in net assets of business-type activities			<u>\$ 774</u>	

The notes to the financial statements are an integral part of this statement.

City of Glendale, Arizona  
**Statement of Cash Flows**  
**Proprietary Funds**  
For the Fiscal Year Ended June 30, 2008  
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Major Funds	Other Proprietary Funds	Total	
	Water and Sewer			
<b>Cash flows from operating activities:</b>				
Cash received from customers	\$ 61,847	\$ 24,994	\$ 86,841	\$ 24,818
Cash received from federal government	-	8,091	8,091	-
Cash paid to suppliers:				
Internal city departments	(6,257)	(9,152)	(15,409)	-
External vendors	(29,721)	(11,015)	(40,736)	-
Cash paid for insurance and in settlement of claims	-	-	-	(23,548)
Cash paid to employees for services	(16,822)	(8,248)	(25,070)	-
Net cash provided (used) by operating activities	<u>9,047</u>	<u>4,670</u>	<u>13,717</u>	<u>1,270</u>
<b>Cash flows from noncapital financing activities:</b>				
Proceeds from sale of investments	-	8	8	-
Transfers in	-	561	561	-
Transfers out	(48)	(4)	(52)	-
Net cash provided (used) by noncapital financing activities	<u>(48)</u>	<u>565</u>	<u>517</u>	<u>-</u>
<b>Cash flows from capital and related financing activities:</b>				
Proceeds from sale of capital assets	(35)	-	(35)	-
Proceeds from bonds sold	65,861	-	65,861	-
Principal payments on obligations	(7,577)	(850)	(8,427)	-
Acquisition of capital assets and rights	(57,514)	(2,344)	(59,858)	-
Impact fees	3,874	120	3,994	-
Interest payments on obligations	(10,140)	(99)	(10,239)	-
Capital grant proceeds	-	324	324	-
Net cash (used) by capital and related financing activities	<u>(5,531)</u>	<u>(2,849)</u>	<u>(8,380)</u>	<u>-</u>
<b>Cash flows from investing activities:</b>				
Interest received from investments	2,924	1,193	4,117	680
Net cash provided by investing activities	<u>2,924</u>	<u>1,193</u>	<u>4,117</u>	<u>680</u>
Net increase (decrease) in cash and cash equivalents during fiscal year	6,392	3,579	9,971	1,950
Cash and cash equivalents, July 1	98,165	27,337	125,502	15,993
Cash and cash equivalents, June 30	<u>\$ 104,557</u>	<u>\$ 30,916</u>	<u>\$ 135,473</u>	<u>\$ 17,943</u>

The notes to the financial statements are an integral part of this statement

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Major Funds	Other Proprietary Funds	Total	
	Water and Sewer			
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>				
Operating income (loss)	\$ 3,742	\$ 1,188	\$ 4,930	\$ (153)
Adjustments to reconcile operating income to net cash provided by operations:				
Amortization and depreciation	14,568	2,360	16,928	-
Changes in assets and liabilities:				
Accounts receivable	(694)	395	(299)	-
Intergovernmental receivable	7	(245)	(238)	-
Inventories and prepaid items	(1,162)	2	(1,160)	33
Vouchers and accounts payable	(7,098)	439	(6,659)	371
Accrued expenses	(582)	(5)	(587)	-
Intergovernmental payable	-	(12)	(12)	-
Due to other funds	-	13	13	-
Deposits	51	19	70	-
Unearned rent	-	2	2	-
Compensated absences	215	72	287	-
Claims payable	-	-	-	1,020
Estimated closure and post-closure costs	-	442	442	-
Net cash provided by operating activities	<u>\$ 9,047</u>	<u>\$ 4,670</u>	<u>\$ 13,717</u>	<u>\$ 1,271</u>
<b>Reconciliation of statement of net assets cash and investments to the statement of cash flows:</b>				
Per combined statement of net assets:				
Equity in pooled cash and investments	\$ 42,708	\$ 30,870	\$ 73,578	\$ 17,793
Restricted cash and investments	61,849	46	61,895	150
Total cash and cash equivalents	<u>\$ 104,557</u>	<u>\$ 30,916</u>	<u>\$ 135,473</u>	<u>\$ 17,943</u>
<b>Noncash investing, capital, and financing activities:</b>				
Contributions of capital assets	\$ 3,805	\$ -	\$ 3,805	\$ -
Loss on joint venture	(2,129)	-	(2,129)	-
Estimated closure and post-closure costs	-	442	442	-

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2008

(amounts expressed in thousands)

**Notes to the Financial Statements**

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

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**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2008

(amounts expressed in thousands)

**I. Summary of significant accounting policies**

**A. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the primary City and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

There are several types of transactions that are reported in the financial statements as interfund items. Transactions that would be treated as revenue, expenditures or expenses if they involved organizations external to the governmental unit, like the sale of water from the water and sewer fund to various functions of the general fund, are accounted for as revenue and expenditures or expenses in the funds involved. Transactions that constitute reimbursement to a fund for expenditures or expenses initially made from that fund, which are properly applicable to another fund, are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditure or expense in the fund that is being reimbursed. Governmental Accounting Standards Board Statement (GASBS) 34 also requires that administrative service fees charged to other operating funds to support general services used by the other operating funds (like purchasing, accounting and administration) should be treated as reimbursement transactions and the revenue and expenditures/expenses reduced in the allocating fund. Transfers between funds are included in the results of both governmental and proprietary funds (as other sources/uses in governmental funds and as non-operating revenues/expenses in proprietary funds).

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are reported in the fund financial statements as “due to/from other funds.”

Certain transactions occurring between funds that are combined within the same fund type or displayed in the same financial statement column for presentation in these annual financial statements have been eliminated from the financial statements. These transactions include transfers between funds and interdepartmental service charges. In the government-wide financial statements, only the net interfund activity and balances between governmental activities and business-type activities are shown (reported as “internal balances”).

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

In the fiscal year 2008, the City adopted GASB Statement 45, “Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions.” For additional information, please see Note XVII.

## CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

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(amounts expressed in thousands)

### B. Reporting entity

The City of Glendale, Arizona (City) was incorporated June 18, 1910, under the provisions of Article 13, Sections 1 through 6 of the Constitution of Arizona and Title 9 of the Arizona Revised Statutes. It is governed by a Mayor elected at large, and six district council members. The City operates under a Council-Manager government. As required by GAAP, these financial statements present the government and its component unit, an entity for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of a government's operations, so data from these units are combined with data of the primary government. A discretely presented component unit, on the other hand, is reported in a separate column in combined financial statements to emphasize that it is legally separate from the government. The City has no discretely presented component units.

#### Blended component units

City of Glendale, Arizona, Municipal Property Corporation (MPC) is a non-profit corporation organized under the laws of the State of Arizona to assist the City in the acquisition and financing of municipal projects and facilities. MPC is governed by a board of directors who are responsible for approving the corporation's bond sales. Bond sales must also be approved by the City Council. Although it is legally separate from the City, MPC is reported as if it is part of the primary government because its sole purpose is to finance and construct public facilities for the City. MPC does not issue separate audited financial statements. However, it does file a tax return with the Internal Revenue Service. Copies of the tax return are available from the City's Finance Department.

City of Glendale, Arizona, Western Loop 101 Public Facilities Corporation (PFC) is a non-profit corporation organized under the laws of the State of Arizona to assist the City to finance, construct and equip a spring training baseball facility for two major league teams and all other related infrastructure. The Board of Directors of the PFC, appointed by the City Council, consists of four City employees and one private citizen. The Board of Directors is responsible for authorizing debt (obligations) of the PFC. The City Council also approves the debt of the PFC. Although the PFC is a legally separate entity from the City, the PFC is reported as if it is part of the primary government because its sole purpose is to finance and construct public facilities of the City. The PFC does not issue separate audited financial statements. The PFC does file a tax return with the Internal Revenue Service. Copies of the tax return are available from the City's Finance Department.

### C. Form of presentation – Government-wide financial statements

The City reports the following major governmental funds:

The *general fund* is the City's primary operating fund. It accounts for all financial resources of the general City, except those required to be accounted for in another fund.

The *transportation fund* accounts for the City's public transit program including activities funded by Federal grants and distributions received from the Arizona State Lottery. Additionally, on November 6, 2001, Glendale voters authorized a new half-cent sales tax to pay for transportation projects and programs for all modes of transportation.

The *public facilities corporation (PFC) construction fund* accounts for constructing and equipping a spring training baseball facility and related infrastructure. The facility and infrastructure are financed by PFC issued excise tax revenue bonds.

## CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

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The City reports the following major proprietary fund:

The *water and sewer fund* accounts for operations, maintenance and construction projects of the City-owned water and sewer systems.

Additionally, the City reports the following internal service funds:

*Internal service funds* account for risk management, workers' compensation and employee benefits provided to other departments.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the Citywide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Cities also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

### **D. Form of presentation – fund financial statements**

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures/expenses, as appropriate. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following funds are presented in the accompanying financial statements.

#### **Governmental funds**

Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use and balances of the City's expendable financial resources and related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is based upon determination of financial position and changes in financial position rather than upon the determination of net income. The following governmental funds are presented in the accompanying financial statements.

General fund: The general fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special revenue funds: Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Debt service funds: Debt service funds are used to account for the accumulation of financial resources for the payment of general long-term debt principal, interest, and related costs, except the debt service accounted for in the enterprise funds. Debt service funds also include the debt payable from highway users gas tax revenues and unrestricted excise tax revenues as well as debt funded by property taxes levied by the City on property located within the City.

Capital projects funds: Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Permanent fund: Permanent fund is used to account for financial resources to be used by the cemetery fund.

## CITY OF GLENDALE, ARIZONA

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(amounts expressed in thousands)

### **Proprietary funds**

Proprietary funds are used to account for the City's ongoing organizations and activities, which are similar to those found in the private sector. The measurement focus is based upon the determination of net income.

**Enterprise funds:** Enterprise funds are used to account for operations, including debt service, 1) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or 2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The enterprise funds, which the City currently maintains, are the water and sewer, landfill, sanitation, and housing funds.

**Internal service funds:** Internal service funds are used to account for the financing of self-insurance provided by one City department to other City departments on a cost-reimbursement basis.

### **E. Measurement focus and basis of accounting**

The citywide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available except as described below in relation to grants. Revenues are considered to be *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the related debt service fund for payments to be made shortly after fiscal year-end.

Revenues susceptible to accrual because of their availability include property tax, sales tax, highway users tax, state shared sales tax, vehicle license tax, and interest earned on investments. Licenses and permits, charges for services, fines and forfeitures, and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received.

In applying the *susceptible to accrual* concept to intergovernmental revenues, the decision to accrue depends on the terms of the arrangement or agreement. Generally, these resources are reflected as revenue at the time of receipt or earlier if they meet the available criterion. Certain grant revenues are recognized based on expenditures recorded. Special assessment levies are reported as revenue when measurable and available.

Grant revenues are recognized when all eligibility requirements are met, not necessarily when received. Grant monies that have been received but are as yet unearned are carried forward as deferred revenue. However, earned but not yet received grant monies are recognized as revenue and carried forward as a receivables. This practice is defined and supported by GASB Statement 33, as it pertains to "government-mandated nonexchange transactions," paragraphs 19-25.

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

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**F. Statement of cash flows**

The City considers short-term investments (including restricted assets) in the State of Arizona Local Government Investment Pool (LGIP), mutual fund-money market, U.S. Treasury bills and notes with original maturities of three months or less at acquisition date to be cash equivalents.

**G. Inventories and prepaid items**

Inventories of the governmental and enterprise funds consist primarily of expendable supplies held for consumption. These inventories are maintained on a perpetual system verified through cyclical physical counts and are valued using a weighted average cost. Generally, expenditures are recorded at the time inventories are used (i.e., the Consumption Method) for both GAAP reporting and budgetary purposes. However, the City postage inventory is recorded as an expenditure at time of purchase (i.e., the Purchase Method) for budgetary purposes. At June 30, 2008, the postage portion of the general fund supplies inventory was \$53. Certain expenditures are recorded for financial reporting purposes as prepaid items.

Special reporting treatment is applied to governmental fund inventories to indicate that they do not represent *available expendable financial resources*, even though they are a component of current assets. Such amounts have been offset by a fund balance reserve account.

**H. Restricted assets**

Certain proceeds of the City's bonds, as well as certain resources set aside for their repayment, are classified as restricted on the balance sheet, or statement of net assets, because they are maintained in separate bank accounts and their use is limited by applicable debt covenants. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources, as they are needed.

**I. Capital assets**

The City has chosen not to apply the modified approach to any networks or subsystems of infrastructure assets. No long-term assets or depreciation are shown in the governmental fund financial statements.

Capital assets, including public domain infrastructure (e.g., roads, bridges, sidewalks and other assets that are immovable and of value only to the City) are defined as assets with an initial, individual cost of more than \$5 and an estimated useful life greater than three years. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred by the enterprise funds during the current fiscal year was \$11,394. In addition, \$681 was included as part of the cost of capital assets under construction in connection with water and sewer projects.

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2008

(amounts expressed in thousands)

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Useful Life (Years)</u>
Buildings	30
Improvements other than buildings	10-20
Infrastructure	10-100
Machinery and equipment	5-8
Automotive equipment	6-8
Software	3
Computer equipment	3-5

Capital assets transferred between funds are transferred at their carrying value (cost less accumulated depreciation) as of the date of the transfer.

**J. Water storage rights**

The City has entered into a lease agreement with Salt River Pima-Maricopa Indian Community (SRP-MIC) for the rights to 1814 acre-feet of water each year through 2099. These rights, costing \$2,692, are being amortized over 40 years on a straight-line basis starting January 1, 2000. Current year amortization was \$67. The net book value of water rights as of June 30, 2008, is \$2,120. In addition, the City will be responsible for paying for the cost of water delivered each year.

The City participates in the Plan Six cost sharing agreement to construct the Waddell Dam on the Agua Fria River and modify the Roosevelt and Stewart Mountain Dams on the Salt River. The parties to this agreement include the United States government, State of Arizona, Central Arizona Water Conservation District, Salt River Project, and the cities of Phoenix, Chandler, Glendale, Mesa, Scottsdale, Tempe and Tucson. The federal government has determined that this agreement does not constitute a joint venture. As of June 30, 2008, the City has capitalized payment of \$4,440 for these water rights. Upon completion, the City will amortize this asset over 40 years on a straight-line basis.

The City purchased Central Arizona Project water rights as part of the Salt River Pima-Maricopa Indian Community Water Rights Settlement in November 2007. These rights, as of June 30, 2008, costing \$2,027, are a permanent right and are considered to have an indefinite useful life.

**K. Fund balance/net assets reservations and designations**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation by legislative action by the City Council or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. Only restrictions imposed by external sources are shown as restricted net assets on the government-wide financial statements. Reservations or designations of net assets imposed by the reporting government, whether by administrative policy or legislative action of the reporting government, are shown in aggregate on the governmental fund financial statements.

**L. Property tax**

The City levies taxes on real and personal property located within its boundaries. Property values are assessed by the Maricopa County Tax Assessor. The tax levy is then approved by the State of Arizona Property Tax Oversight Commission. The County Treasurer bills and collects property taxes and remits them to the City monthly. City property tax revenues are recognized when levied to the extent that they are received within the current period, or soon enough thereafter (within 30 days of year-end), to pay

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

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(amounts expressed in thousands)

liabilities of the current period. Remaining collectible taxes are accrued and reflected as deferred revenue.

Property Tax Calendar

Lien date	January 1, 2007
Levy (assessment) date (third Monday in August)	August 20, 2007
Due dates:	
First half of assessment	October 1, 2007
Second half of assessment	March 1, 2008
Penalties and interest added (collection dates):	
First half of assessment	November 1, 2007
Second half of assessment	May 1, 2008

The City currently levies less than the maximum allowed by State Statutes for primary property taxes. The City is permitted to levy an increase of two percent over the previous year's maximum allowable primary levy plus an increased dollar amount due to a net gain in property not taxed the previous year. The secondary property tax levy is made for the purpose of retiring the principal, interest and servicing fees on bonded indebtedness. The City may levy the amount deemed necessary to meet its bonded debt service requirements. Assessed values are established by the Maricopa County Tax Assessor each year on a uniform basis ratio to full cash value of each property class as required by State Statutes.

The distribution of the City's levy (tax rate per \$100 assessed value) to its funds for the year ended June 30, 2008, is as follows:

<u>Fund</u>	<u>Rate</u>
General fund	\$ 0.27
General obligation debt service fund	1.35
Total	<u>\$ 1.62</u>

**M. Compensated absences**

Vacation time is accumulated up to a maximum of eight workweeks. Compensatory time is earned in lieu of cash payment for overtime and is accumulated up to a maximum of 80 hours. Both vacation and compensatory time can either be taken as time off from work, within certain limitations, or may be payable to employees upon termination or retirement. Sick leave is accumulated without limit and can be used in the event of an illness in the immediate family. Accumulated sick leave is convertible to a partial-cash benefit upon termination or retirement after five years of continuous service, or annually after one year of service, through an irrevocable declaration.

The current portion of the liability for compensated absences recorded in the governmental fund is equal to: 1) vacation and compensatory time taken and paid during the thirty days following the year ended June 30, 2008, and 2) sick leave, taken and paid for illness during that period, paid to terminating employees or paid under the optional annual declaration. Long-term liabilities of governmental funds are not shown on the fund financial statements. All of the outstanding vacation, compensatory time, and sick leave are recorded as a liability on the government-wide financial statements, and the proprietary fund financial statements.

**CITY OF GLENDALE, ARIZONA**

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**N. Deferred revenue**

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

Revenues related to time payment contracts are recorded as deferred revenue earned but not available in the permanent fund.

Revenues related to court fines are recorded as deferred revenue until adjudicated by the Court.

Revenues related to property tax levies are recorded as deferred revenue until available to fund current activities.

Special revenue funds' deferred revenue and receivables consist principally of low interest rate loans made with grants from the Community Development Block Grant program for rehabilitation of homes for low to moderate income Glendale residents. Revenue will be recognized in future periods as loans are repaid or forgiven based on the homeowner's loan contract. An expenditure was recorded when the loans were made.

**O. Long-term obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

**P. Operating revenues and expenses**

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and the City's internal service funds are charges to customers for sales and services, or housing operational grants from a federal agency. The water and sewer fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Q. Deferred compensation**

Voluntary Deferred Compensation Plan for Employees of the City of Glendale, State of Arizona; Restated Plan Document (the "Plan document") was adopted by the Mayor and City Council on November 10, 1998, and amended on January 8, 2002, to incorporate the Federal Economic Growth and Tax Relief Reconciliation Act of 2001. In addition, the Mayor and City Council adopted a defined

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

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(amounts expressed in thousands)

contribution deferred compensation plan document on April 9, 2002, under the Internal Revenue Code Section 401(a). Through the Plan document, the City offers its employees a deferred compensation plan that permits them to defer a portion of their current salary until future years. Any contributions made to the deferred compensation plan, in compliance with Section 457 and 401(a) of the Internal Revenue Code, are not available to employees until termination of employment, retirement, death or an unforeseen emergency. Contributions to the plan are administered by one of two third-party administrators, ICMA Retirement Corporation (ICMA-RC) and PEBSCO Securities Corporation (Nationwide Retirement Solutions). In compliance with the provisions of the U.S. Internal Revenue Code Sections 457(g) and 401(a), the plan assets are in custodial or trust accounts for the exclusive benefit of the plans' participants and beneficiaries.

The City provides neither administrative services nor investment advice to the plans; therefore, no fiduciary relationship exists between the City and the deferred compensation pension plan. Therefore, plan assets are not included as a fund of the City. To further clarify the legal trust status in Arizona of plan assets with ICMA-RC and Nationwide Retirement Solutions, a Trust Agreement was executed by the City management on May 19, 2001.

**R. Investments**

The City utilizes the following methods and assumptions to account for its investments:

1. Aside from investments clearly identified as belonging to a specific fund, any unrealized gain/loss resulting from the valuation is recognized within the general fund as investment revenue.
2. Investments are recorded at fair value, which is based on quoted market prices as of the valuation date.
3. Pooled investment income is allocated to various funds monthly based on the average equity balances maintained during the month.

Arizona Revised Statutes require the City to deposit certain crime-related forfeitures with the County Treasurer. The County Treasurer determines the fair value of those pooled investments. The structure of the pool does not provide for shares and the County has not provided or obtained any legally binding guarantees to support the value of the participants' investments.

The City's investment in LGIP represents shares of the pool's portfolio. The fair value of each share in the LGIP is one dollar. These shares are not identified with specific investments and are not subject to custodial credit risk. Neither the County nor LGIP are registered with the Securities and Exchange Commission as investment companies. The State Board of Deposits provides oversight, and the Local Government Investment Pool Advisory Committee provides consultation and advice to the LGIP. There is no regulatory oversight of the County Treasurer's operations. The net increase in the fair value of investments during fiscal year 2007-08 was \$72.

**II. Compliance - Excess of expenditures over appropriations/deficits in fund equity**

For the year ended June 30, 2008, expenditures exceeded appropriations in the Other Special Revenue fund, Parks Bond Construction fund, and Housing fund (the legal level of budgetary control) by \$1,772, \$147, and \$831, respectively. These over-expenditures were funded by beginning fund balance and operating transfers.

The City ended the fiscal year June 20, 2008, with a deficit fund balance in the following funds:

Public facilities corporation construction fund:

The deficit was funded by a fiscal year 2009 bond sale, see footnote XIX. \$ 34,833

Police and fire sales tax fund:

The deficit was funded by future sales tax collections. 247

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

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(amounts expressed in thousands)

**III. Deposits and investments**

The City maintains a cash management pool for its cash and cash equivalents in which each fund and/or account or sub-account of a fund participates on a dollar equivalent basis.

Deposits

At year-end, the carrying amount of the City's deposits was \$60,480 and the bank balances were \$62,126. The difference of \$1,646 represents deposits in transit, outstanding checks and other reconciling items. Of the bank balance, \$300 was insured by the Federal Depository Insurance Corporation (FDIC). The remaining bank balances were covered by \$103,434 of collateral held by the City's agent in the City's name.

Investments

State Statutes and the City's investment policy authorize the City to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, repurchase agreements, commercial paper (A-1/P-1 rated), interest-earning money market accounts, certificates of deposit, and the State of Arizona Local Government Investment Pool (LGIP). Investments may not exceed three years to maturity from the date of purchase.

The City's investment in the LGIP is stated at fair value, which also approximates the value of the investment upon withdrawal.

As of June 30, 2008, the City had the following investments:

<u>Investment Type</u>	<u>Investment Maturities (in years)</u>			<u>Fair Value</u>
	<u>0 - 1</u>	<u>1 - 2</u>	<u>2 - 3</u>	
Commercial paper	\$ 34,524	\$ -	\$ -	\$ 34,524
U.S. Agencies	225,131	15,097	5,033	245,261
Total investments	259,655	15,097	5,033	279,785
State LGIP total	57,514	-	-	57,514
Grand total investments	\$ 317,169	\$ 15,097	\$ 5,033	337,299
Cash deposits				60,480
Other restricted cash				25,488
Total deposits and investments				\$ 423,267

Interest rate risk: As a means of limiting its exposure to interest rate risk the City's investment policy requires all securities to mature in no more than three years. The City also purchases securities to be laddered with staggered maturity dates and limits at least half of the City's investment portfolio to maturities of 12 months or less.

Credit risk: As of June 30, 2008, the City's investments were rated by Moody's Investor Service and Standard & Poor's as follows:

<u>Investment Type</u>	<u>Moody's Rating</u>	<u>S&amp;P Rating</u>	<u>% of Investments</u>	<u>Weighted Average Maturity (Years)</u>
U.S. Agencies	Aaa	AAA	87.66%	0.11
Commercial paper	P1	A-1+	12.34%	0.08

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

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Concentration of credit risk: The investment policy of the City contains no limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of the total investments are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Amount</u>
FHLB Total	U.S. Agencies	\$ 96,759
FHLMC Total	U.S. Agencies	74,305
FNMA Total	U.S. Agencies	74,197

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

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**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2008

(amounts expressed in thousands)

**IV. Capital assets**

A summary of capital asset activity, for the government-wide financial statements, for the year ended June 30, 2008, is as follows:

	Balances June 30, 2007	Additions	Transfers	Disposals	Balances June 30, 2008
<b>Governmental activities</b>					
Non-depreciable assets:					
Construction in progress	\$ 251,824	\$ 129,443	\$ (127,694)	\$ -	\$ 253,573
Land	70,205	3,491	-	(4,566)	69,130
Artwork	1,448	-	-	-	1,448
Total non-depreciable assets	<u>323,477</u>	<u>132,934</u>	<u>(127,694)</u>	<u>(4,566)</u>	<u>324,151</u>
Depreciable assets:					
Buildings	184,416	-	53,039	-	237,455
Improvements other than buildings	131,029	404	8,108	(16)	139,525
Infrastructure - streets	513,433	4,904	60,480	-	578,817
Infrastructure - parks	63,908	159	4,178	-	68,245
Infrastructure - flood/storm drains	30,855	-	1,267	-	32,122
Infrastructure - airport	13,381	-	622	-	14,003
Machinery and equipment	31,520	3,009	-	(446)	34,083
Computer equipment	2,487	1,150	-	(102)	3,535
Software	735	29	-	(8)	756
Automotive equipment	34,728	5,110	-	(2,296)	37,542
Total depreciable assets at historical cost	<u>1,006,492</u>	<u>14,765</u>	<u>127,694</u>	<u>(2,868)</u>	<u>1,146,083</u>
Less accumulated depreciation for:					
Buildings	(43,348)	(5,307)	-	-	(48,655)
Improvements other than buildings	(60,458)	(5,822)	-	11	(66,269)
Infrastructure - streets	(139,568)	(13,303)	-	-	(152,871)
Infrastructure - parks	(13,879)	(2,477)	-	-	(16,356)
Infrastructure - flood/storm drains	(3,901)	(416)	-	-	(4,317)
Infrastructure - airport	(5,537)	(441)	-	-	(5,978)
Machinery and equipment	(16,005)	(3,609)	-	412	(19,202)
Computer equipment	(1,459)	(448)	-	101	(1,806)
Software	(544)	(88)	-	8	(624)
Automotive equipment	(19,462)	(3,732)	-	2,161	(21,033)
Total accumulated depreciation	<u>(304,161)</u>	<u>(35,643)</u>	<u>-</u>	<u>2,693</u>	<u>(337,111)</u>
Total depreciable assets, net	<u>702,331</u>	<u>(20,878)</u>	<u>127,694</u>	<u>(175)</u>	<u>808,972</u>
Governmental activities capital assets, net	<u>\$ 1,025,808</u>	<u>\$ 112,056</u>	<u>\$ -</u>	<u>\$ (4,741)</u>	<u>\$ 1,133,123</u>

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2008

(amounts expressed in thousands)

	Balances June 30, 2008, as Restated	Additions	Disposals	Balances June 30, 2008
<b>Business-type activities:</b>				
Non-depreciable assets:				
Construction in progress - water and sewer	\$ 88,557	\$ 34,159	\$ (106,104)	\$ 16,612
Construction in progress - landfill	26	276	-	302
Construction in progress - housing authority	537	514	(192)	859
Land	11,609	10,519	-	22,128
Total non-depreciable assets	<u>100,729</u>	<u>45,468</u>	<u>(106,296)</u>	<u>39,901</u>
Depreciable assets:				
Buildings	14,085	129	-	14,214
Water storage rights	7,132	2,027	-	9,159
Improvements other than buildings	27,040	25,444	-	52,484
Water lines	100,052	2,313	-	102,365
Sewer lines	117,616	1,780	-	119,396
Water treatment plant	121,872	80,093	-	201,965
Sewer treatment plant	134,693	-	-	134,693
Meters and services	27,609	-	-	27,609
Fire hydrants	5,187	-	-	5,187
Machinery and equipment	3,942	302	(393)	3,851
Computer equipment	1,227	8	(314)	921
Automotive equipment	17,130	2,118	(893)	18,355
Total depreciable assets at historical cost	<u>577,585</u>	<u>114,214</u>	<u>(1,600)</u>	<u>690,199</u>
Less accumulated depreciation for:				
Buildings	(5,600)	(439)	-	(6,039)
Water storage rights	(504)	(67)	-	(571)
Improvements other than buildings	(5,794)	(1,404)	-	(7,198)
Water lines	(26,439)	(2,008)	-	(28,447)
Sewer lines	(37,742)	(2,597)	-	(40,339)
Water treatment plant	(43,500)	(3,810)	-	(47,310)
Sewer treatment plant	(14,950)	(3,868)	-	(18,818)
Meters and services	(8,411)	(737)	-	(9,148)
Fire hydrants	(1,709)	(102)	-	(1,811)
Machinery and equipment	(3,143)	(247)	353	(3,037)
Computer equipment	(1,013)	(5)	313	(705)
Automotive equipment	(11,356)	(1,644)	884	(12,116)
Total accumulated depreciation	<u>(160,161)</u>	<u>(16,928)</u>	<u>1,550</u>	<u>(175,539)</u>
Total depreciable assets, net	<u>417,424</u>	<u>97,286</u>	<u>(50)</u>	<u>514,660</u>
Business-type activities capital assets, net	<u>\$ 518,153</u>	<u>\$ 142,754</u>	<u>\$ (106,346)</u>	<u>\$ 554,561</u>

Note: Business-type activities beginning balance was restated to include water storage rights as a noncurrent depreciable capital asset.

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2008

(amounts expressed in thousands)

Depreciation was charged to functions/programs as follows:

Governmental activities:	
General	\$ 11,410
Public safety	4,329
Public works	2,286
Street maintenance	12,245
Community services	5,337
Community environment	36
Total depreciation expense	<u>\$ 35,643</u>
Business-type activities:	
Water and sewer	\$ 14,568
Landfill	1,069
Sanitation	938
Housing	353
Total depreciation expense	<u>\$ 16,928</u>

Included in the water and sewer depreciation amount is \$67 amortization of water storage rights.

**V. Construction and other significant commitments**

The City has active construction projects as of June 30, 2008. The projects include street construction, park facilities, spring training facility, and the construction of additional water and sewer facilities. At year-end the government's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Construction Commitment</u>
General government	\$ 73,958	\$ 857
Community services	61,315	2,323
Public safety	24,588	3,760
Public works	81,172	17,985
Street maintenance	12,540	2,072
Water and sewer facilities	16,612	10,095
Landfill	302	138
Housing	859	-
Total primary government	<u>\$ 271,346</u>	<u>\$ 37,230</u>

The City, under the memorandum of agreement with the Arizona Sports and Tourism Authority (AZSTA) and B & B Holdings (DBA Arizona Cardinals), irrevocably assigns, transfers, and pledges unrestricted excise taxes collected at the Multipurpose Facility site (Stadium) to AZSTA. In consideration for the pledge of unrestricted excise tax revenues, the AZSTA issued bonds to improve the Stadium infrastructure. The City's obligation is to make monthly payments to the AZSTA for sales tax payments collected from the site only. The AZSTA bonds do not constitute a legal debt of the City.

**VI. Self-insurance funds**

The City is exposed to various risks of loss. Certain of these risks are accounted for within the internal service fund type.

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2008

(amounts expressed in thousands)

**A. Risk management**

On January 1, 1987, the City established a risk management fund for torts; loss and destruction of assets; errors and omissions; and natural disaster. The City's risk management fund purchases commercial insurance for liability, property, aviation, errors and omissions, boiler and machinery, and vehicle property damage. The risk management fund was fully self-insured through June 30, 1998, for tort liability loss. Effective July 1, 1998, the City purchased excess public entity liability insurance with \$1,000 of self-insurance retention for claims incurred on or after July 1, 1998.

Funds receiving insurance coverage pay monthly premiums to the risk management fund based upon a budget model taking into consideration prior loss experience, staffing, and operating budget.

Premium payments to insurance carriers are made directly from the risk management fund. There have been no settlements paid in excess of insurance in any of the past three years nor has insurance coverage been significantly reduced in recent years.

**B. Workers' compensation**

On July 1, 1994, the City established a workers' compensation fund for work-related injuries to employees. The workers' compensation fund provides coverage up to a maximum of \$500 for each workers' compensation claim and purchases commercial insurance for claims in excess of \$500.

Funds receiving insurance coverage pay monthly premiums to the workers' compensation fund based upon a budget model taking into consideration prior loss experience, staffing level, and the National Council on Compensation insurance workers' compensation manual rates.

Premium payments to insurance carriers are made directly from the workers' compensation fund. There have been no settlements paid in excess of insurance in any of the past three years.

**C. Employee benefits**

On July 1, 2000, the City established an employee benefits fund to meet future cost increases for health-related insurance.

Premiums are collected through contributions from employee paychecks and department budgets. Retirees and COBRA participants contribute 100% of premiums for their insurance benefit coverage. Premiums for the medical, vision, dental, and life insurance plans are determined prior to each renewal period by estimating the costs of claims and administration of the plan based on a variety of factors including: the demographics of the group, previous claims history, plan design changes and any new mandated benefits. These insurance benefits are provided through minimum premium and self-insured insurance plans. The City is responsible for the first \$150 in medical claims per individual plan year. Any claims exceeding \$150 are paid by the reinsurance plan.

Premiums for the minimum premium medical plan are set prior to the beginning of each plan year equal to 105% of the expected claims liability.

Premium payments to insurance carriers are made directly from the fund. There have been no settlements paid in excess of insurance in any of the past three years nor has insurance coverage been significantly reduced in recent years.

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2008

(amounts expressed in thousands)

**D. Estimated liability**

Based on information provided by the actuary, liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

Liabilities include an amount for claims that have been incurred but not reported, the effects of specific, incremental claim adjustment expenses, and other allocated claim adjustment expenses. The City's workers' compensation self-insurance program liability includes recoveries related to subrogation. Salvage and subrogation are immaterial to both risk management and employee benefits self-insurance programs and are not incorporated into the liability. The self-insurance programs do not include a provision for unallocated claim adjustment expenses except for the workers' compensation fund, which provides for unallocated claims adjustment expenses and Industrial Commission taxes and fees.

The City claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and societal factors.

The City reports the estimated liability in net present value dollars using a future investment yield assumption of 5%. These liabilities are reported in the internal service funds at their present value of \$8,919 as of June 30, 2008. Changes in the balances of claims liabilities during the past two years are as follows:

	Risk Management		Workers' Compensation		Employee Benefits	
	2008	2007	2008	2007	2008	2007
Unpaid claims, beginning of fiscal year	\$ 3,747	\$ 3,837	\$ 2,098	\$ 1,962	\$ 2,055	\$ 1,694
Current year claims and changes in estimate	2,031	1,153	681	1,126	20,253	18,300
Claims payments	(1,698)	(1,243)	(793)	(990)	(19,455)	(17,939)
Balance at fiscal year end	<u>\$ 4,080</u>	<u>\$ 3,747</u>	<u>\$ 1,986</u>	<u>\$ 2,098</u>	<u>\$ 2,853</u>	<u>\$ 2,055</u>

**VII. Leases****A. Capital leases**

The City's capital lease activity consists principally of leasing various types of heavy equipment for sanitation and fire. Additionally, the City has entered into capital leases involving real property for various funds. The City's lease obligations meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases," and have been recorded on the government-wide statements. Leases vary in terms from 5 years for sanitation vehicles, 7-9 years for fire trucks to 10 years for real property. Current year expenditures are \$738 for business-type activities and \$1,654 for governmental activities. The future minimum lease obligation and net present value of lease payments at June 30, 2008, are as follows:

Year Ending June 30	Governmental Activities	Business-type Activities
2009	\$ 2,398	\$ 663
2010	2,264	524
2011	2,898	459
2012	5,253	155
2013	94	-
2014-2018	229	-
Total minimum lease payments	13,136	1,801
Less: Amount representing interest	(2,298)	(113)
Present value of net minimum lease payments	<u>\$ 10,838</u>	<u>\$ 1,688</u>

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2008

(amounts expressed in thousands)

The assets acquired through capital leases are as follows:

Class of Property	Governmental Activities	Business-type Activities
Equipment	\$ 460	\$ 250
Automotive equipment	2,975	7,490
Building	197	150
Other	5,492	2,389
	9,124	10,279
Less: Accumulated depreciation	(4,749)	(5,756)
Total	\$ 4,375	\$ 4,523

**B. Operating lease expenditures**

The City leases office space and vehicles under various cancelable operating lease agreements expiring at various dates. Certain leases contain provisions for possible future increased rentals based upon changes in the Consumer Price Index. Combined annual rental payments in fiscal year 2007-08 were \$594.

**C. Operating lease revenue**

The City also leases various City-owned properties and buildings under cancelable and non-cancelable long-term lease agreements through fiscal year 2009 and beyond. The carrying value of leased assets is \$181,243 (cost of \$231,176 less accumulated depreciation of \$49,933). The leased properties and buildings are included as capital assets in the government-wide financial statements. Certain leases contain provisions for future increased revenues based upon changes in the Consumer Price Index.

Scheduled minimum revenues for non-cancelable leases for succeeding fiscal years ending June 30 are as follows:

Fiscal Year	Total Revenues
2009	\$ 1,383
2010	1,285
2011	1,044
2012	873
2013	715
2014 and beyond	17,571
Total	\$ 22,871

**VIII. Short-term debt**

The City did not issue short-term debt for the year ended June 30, 2008.

## **CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2008

(amounts expressed in thousands)

### **IX. Long-term debt**

#### **A. General obligation bonds**

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the City and are repaid through the City's levying of property taxes. Retirement of the general obligation bonds in the business-type activities are intended to be paid back by the revenues of the business-type activities.

#### **B. Revenue bonds**

Highway Users Revenue Bonds (HURF) are used to construct street and highway projects. The \$30,895 HURF bonds outstanding are special obligations of the City and are secured by taxes, fees, charges or other monies collected by the state and returned to the City pursuant to Title 28, Chapter 18, Article 2, A.R.S. as amended. A special revenue fund called highway users gas tax fund has been set up by the City to collect HURF revenues from the state and transferred to the debt service fund to pay for HURF principal and interest. The total principal and interest remaining on the bonds to be paid is \$32,090. The current year revenues of \$16,647 paid the current year principal and interest amounts of \$3,415 and \$1,290, respectively. The State Legislature has in the past and may in the future alter the type and/or rate of taxes, fees, and charges as well as allocation of such monies.

The transportation revenue bonds are special revenue obligations of the City and are used to construct various transportation projects such as roadway widening, intersection improvements, and right-of-way acquisitions. The City has pledged and the debt service payments are secured by a 0.50% transportation excise tax approved by voters on November 6, 2001. The total principal and interest to be paid to a trustee under a trust agreement is \$175,866. The current year revenues of \$23,672 collected in the transportation special revenue fund, paid the current year principal and interest amounts of \$4,075 and \$3,255, respectively.

The water and sewer revenue bonds/obligations have been issued for the construction, acquisition, and equipping of water and sewer facilities and related systems and infrastructure. The \$288,950 in outstanding obligations are special revenue obligations and are pledged and secured solely by the net revenues of the system. The net revenues of the system consist of revenues collected from customers including development impact fees less such necessary expenses of operation, maintenance, and repair of the system excluding depreciation and debt service. The current year principal and interest on the bonds and current year net revenues of the system were \$17,229 and \$22,185, respectively.

#### **C. Municipal property corporation (MPC) bonds**

In 1982, 2002, 2003, 2006, and 2008 the MPC, a non-profit corporation, issued bonds to finance the construction of a new municipal office complex, hockey arena, public safety training center, parking garage, media center, convention center and city infrastructure, respectively. On October 19, 1982, July 31, 2002, May 1, 2003, and June 1, 2006, the City entered into a lease purchase agreement with MPC, whereby, the City is purchasing the constructed municipal office complex, hockey arena, public safety training center, parking garage, media center, convention center and city infrastructure, respectively, from MPC. In addition, on April 1, 2004, the City entered into a lease agreement with the MPC to issue bonds to finance an escrow account to refund certain outstanding City improvement district bonds. In June 2008, the City entered into a lease agreement with the MPC to issue bonds to refund outstanding 2006B bonds. An amount equal to the MPC debt service and related miscellaneous fees, is payable to the MPC in monthly installments by the City.

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2008

(amounts expressed in thousands)

Under the provisions of the purchase agreement, the City has pledged for the payment of the purchase price: 1) all net revenues derived by it from the municipal office complex and arena, and 2) all excise, transaction, privilege and franchise taxes which it currently collects, which it may collect or which are allocated to it by any other governmental unit or municipal corporation, except its share of such amounts which by state law, rule or regulation must be expended for other purposes. However, under no circumstances shall such pledge constitute a general obligation of the City or will the purchase price be payable from the proceeds of ad valorem taxes.

**D. Changes in long-term liabilities**

The following is a summary of changes in long-term liabilities reported in the governmental activities financial statements for the year ended June 30, 2008:

	June 30, 2007	Additions	Reductions	June 30, 2008	Amounts Due Within One Year
General obligation (G.O.) bonds	\$ 224,234	\$ -	\$ (11,710)	\$ 212,524	\$ 14,786
Revenue bonds:					
Highway users revenue	34,065	-	(3,170)	30,895	3,415
Transportation bonds	-	109,110	-	109,110	4,075
Municipal property corporation	293,530	94,235	(89,715)	298,050	3,920
Total bonds payable	<u>551,829</u>	<u>203,345</u>	<u>(104,595)</u>	<u>650,579</u>	<u>26,196</u>
Notes payable:					
Notes payable	6,279	3,587	(821)	9,045	1,403
Total notes payable	<u>6,279</u>	<u>3,587</u>	<u>(821)</u>	<u>9,045</u>	<u>1,403</u>
Other long-term obligations:					
Capital lease obligations	12,492	-	(1,654)	10,838	1,665
OPEB obligations	-	16,235	-	16,235	-
Compensated absences	13,393	2,363	(1,063)	14,693	11,806
Claims and judgments	7,899	22,965	(21,945)	8,919	5,436
Unamortized premium on debt issuance	6,363	2,192	(520)	8,035	563
Developer payable obligations	1,570	109	-	1,679	-
Arbitrage rebate payable	447	169	-	616	-
Total other long-term obligations	<u>42,164</u>	<u>44,033</u>	<u>(25,182)</u>	<u>61,015</u>	<u>19,470</u>
Total	<u>\$ 600,272</u>	<u>\$ 250,965</u>	<u>\$ (130,598)</u>	<u>\$ 720,639</u>	<u>\$ 47,069</u>

General fund typically has been used to liquidate compensated absences in prior years, since most employees engaged in governmental activities are paid from that fund. Paychecks include payment for leave taken during the current pay period. Of the \$720,639 in the total liabilities, \$46,375 represents debt related to unspent bond proceeds (\$45,955 restricted cash in transportation fund and \$420 restricted cash in municipal property corporation construction fund) and \$633,801 is related to net assets invested in capital assets. Other obligations not included in the calculation of net assets invested in capital assets are OPEB obligations, compensated absences, claims and judgments, and arbitrage rebate payable.

**CITY OF GLENDALE, ARIZONA**  
Notes to the Financial Statements  
June 30, 2008  
(amounts expressed in thousands)

The following is a summary of changes in long-term liabilities reported in the business-type activities financial statements for the year ended June 30, 2008:

	June 30, 2007	Additions	Reductions	June 30, 2008	Amounts Due Within One Year
Water and sewer G.O. bonds	\$ 11,595	\$ -	\$ (790)	\$ 10,805	\$ 810
Landfill G.O. bonds	520	-	(189)	331	199
Water and sewer revenue/obligation bonds	229,130	65,500	(5,680)	288,950	6,605
Total bonds payable	<u>241,245</u>	<u>65,500</u>	<u>(6,659)</u>	<u>300,086</u>	<u>7,614</u>
Notes payable	10,862	-	(622)	10,240	647
Total notes payable	<u>10,862</u>	<u>-</u>	<u>(622)</u>	<u>10,240</u>	<u>647</u>
Capital lease obligations	2,349	-	(661)	1,688	608
Estimated closure and post-closure costs	10,977	442	-	11,419	-
Unamortized premium on debt issuance	7,110	361	(404)	7,067	414
OPEB obligations	-	3,494	-	3,494	-
Compensated absences	2,098	334	(46)	2,386	1,788
Housing noncurrent liabilities	30	7	-	37	-
Arbitrage rebate payable	484	-	(484)	-	-
Total other long-term obligations	<u>23,048</u>	<u>4,638</u>	<u>(1,595)</u>	<u>26,091</u>	<u>2,810</u>
Total	<u>\$ 275,155</u>	<u>\$ 70,138</u>	<u>\$ (8,876)</u>	<u>\$ 336,417</u>	<u>\$ 11,071</u>

Of the \$336,417 in total liabilities, \$61,849 represents debt related to unspent bond proceeds and \$257,232 is related to net assets invested in capital assets. Other obligations not included in the calculation of net assets invested in capital assets are estimated closure and post-closure costs, OPEB obligations, compensated absences, and housing noncurrent liabilities.

**E. Advance refunded bonds**

The City issued refunding bonds to defease certain outstanding bonds, thus achieving debt service savings. The City has placed the proceeds from the refunding issue in an irrevocable escrow account with a trust agent, which will provide amounts sufficient for future payment of principal and interest of the issue refunded.

Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. Although defeased, the refunded debt from this issue will not be actually retired until the call dates have come due or until maturity if they are not callable issues.

Issue Refunded	Date Refunded	Remaining Balance
General Obligation Bonds Series 2000	April 11, 2006	\$9,255

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2008

(amounts expressed in thousands)

**F. Bonds payable**

Bonds payable at June 30, 2008, are comprised of the following:

Classified in governmental activities on the government-wide financial statements:

General Obligation Bonds:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Issued Fiscal Year Ending June 30</u>	<u>Year Series Matures</u>	<u>Amount of Original Issue</u>	<u>Bonds Outstanding June 30, 2008</u>
<u>G.O. bonds payable from secondary assessed property taxes</u>					
Various	4.15-4.60	1998	2008	12,000	1,465
Various	5.00-5.40	2000	2015	20,215	4,124
Various	2.50-5.00	2002	2022	40,235	29,170
Various	1.50-5.00	2003	2022	52,525	39,335
Various	3.00-5.00	2004	2019	36,645	30,410
Various	3.50-4.00	2005	2015	11,960	9,890
Refunding	5.00-5.00	2006	2015	9,065	9,065
Various	4.00-5.00	2006	2021	29,365	28,065
Various	4.00-5.00	2007	2022	61,000	61,000
Total					<u>212,524</u>
<u>Revenue bonds payable from highway user revenue funds</u>					
Streets	5.00-5.37	2000	2010	8,750	4,735
Streets	2.50-4.00	2004	2014	14,655	11,630
Streets	4.00-5.00	2006	2016	15,745	14,530
Total					<u>30,895</u>
<u>Revenue bonds payable from the 0.5% transportation sales tax</u>					
Transportation excise tax	4.00-5.00	2008	2032	109,110	<u>109,110</u>
<u>Municipal property corporation payable from general fund lease payments</u>					
Refunding	4.25-4.90	2000	2009	12,615	3,380
MPC excise tax	5.00-5.38	2003	2033	5,055	5,055
MPC excise tax 2003A	2.50-5.00	2003	2024	49,940	49,625
MPC excise tax 2003B	1.46-5.58	2003	2033	105,260	96,840
MPC refunding	4.70-4.70	2004	2033	7,250	7,250
MPC excise tax 2004A	2.00-5.00	2004	2014	10,880	8,415
MPC excise tax 2006A	4.00-5.00	2006	2026	33,250	33,250
MPC excise tax 2008A	3.00-5.00	2008	2032	32,315	32,315
MPC excise tax 2008B	5.45-6.16	2008	2033	52,780	52,780
MPC excise tax 2008C	4.00-5.02	2008	2015	9,140	9,140
Total					<u>298,050</u>
Total bonds payable recorded in governmental activities					650,579
Less current portion					(26,196)
Long-term portion of bonds payable recorded in governmental activities					<u>\$ 624,383</u>

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2008

(amounts expressed in thousands)

Classified in business-type activities on the government-wide financial statements:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Issued Fiscal Year Ending June 30</u>	<u>Year Series Matures</u>	<u>Amount of Original Issue</u>	<u>Bonds Outstanding June 30, 2008</u>
<u>G.O. bonds payable from landfill fund</u>					
Landfill	5.00-5.40	2000	2015	\$ 1,460	\$ 331
Total					<u>331</u>
<u>G.O. bonds payable from water and sewer fund</u>					
Water and sewer	1.50-5.00	2003	2022	13,875	<u>10,805</u>
Total					<u>10,805</u>
<u>Revenue bonds/obligations payable from water and sewer fund</u>					
Various	4.75-5.75	2000	2010	53,000	18,950
Various	4.00-5.00	2004	2023	80,000	80,000
Various	4.00-5.25	2006	2026	80,000	80,000
Various	4.25-5.00	2007	2028	44,500	44,500
Various	3.00-5.00	2008	2028	65,500	<u>65,500</u>
Total					<u>288,950</u>
Total bonds payable recorded in business-type activities					300,086
Less current portion					<u>(7,614)</u>
Long-term portion of bonds payable recorded in business-type activities					<u>\$ 292,472</u>

The Arizona Constitution provides that the general obligation bonded indebtedness for a city for general municipal purposes may not exceed 6% of the secondary assessed valuation of the taxable property in that city. In addition to the 6% limitation for general municipal purpose bonds, cities may issue general obligation bonds up to 20% of the secondary assessed valuation for supplying such city with water, sewer, artificial light, public safety, law enforcement, fire and emergency services, streets and transportation facilities, and for the acquisition and development of land for open space preserves, parks, playgrounds and recreational facilities.

The City's unused bonded debt borrowing capacity as of June 30, 2008, is as follows:

	<u>6%</u>	<u>20%</u>
Capacity to incur bonded debt	\$ 109,621	\$ 365,404
Less: Bonded debt applicable to limit	<u>(43,358)</u>	<u>(150,157)</u>
Unused bonded debt capacity	<u>\$ 66,263</u>	<u>\$ 215,247</u>

The various bond indentures contain significant limitations and restrictions on annual debt service requirements, maintenance and flow of monies through various restricted accounts, and minimum revenue and bond coverage. The City is in compliance with all such significant limitations and restrictions.

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2008

(amounts expressed in thousands)

**G. Bonds authorized, issued and unissued**

Bonds authorized but not fully issued as of July 1, 2008, are shown below:

G.O. Bonds	Authorized Amount	Issued through June 30, 2008	Authorized but Unissued
<u>Voter authorized October 20, 1981</u>			
Operations center	\$ 6,750	\$ 550	\$ 6,200
<u>Voter authorized March 10, 1987</u>			
Library	9,698	8,000	1,698
<u>Voter authorized November 2, 1999</u>			
Cultural facility <sup>(1)</sup>	18,215	4,494	13,721
Economic development	50,500	16,088	34,412
Flood control	38,860	35,307	3,553
Governmental facilities <sup>(1)</sup>	40,910	12,385	28,525
Landfill development <sup>(1)</sup>	17,000	1,460	15,540
Library	15,398	-	15,398
Open spaces	53,700	3,175	50,525
Parks and recreation	57,188	49,741	7,447
Public safety	64,801	50,666	14,135
Transit <sup>(1)</sup>	6,935	185	6,750
<u>Voter authorized May 15, 2007</u>			
Flood control	20,554	-	20,554
Parks and recreation	16,155	-	16,155
Public safety	102,638	-	102,638
Streets and parking	79,065	11,827	67,238
Total G.O. bonds	\$ 598,367	\$ 193,878	\$ 404,489
<u>Revenue bonds</u>			
<u>Voter authorized March 10, 1987</u>			
Water and sewer	\$ 56,000	\$ 49,657	\$ 6,343
<u>Voter authorized November 2, 1999</u>			
Water and sewer <sup>(1)</sup>	10,000	-	10,000
Total revenue bonds	66,000	49,657	16,343
Total bonds	\$ 664,367	\$ 243,535	\$ 420,832

(1) Certain general obligation bonds or revenue bonds can be issued as general obligation bonds, revenue bonds or a combination thereof.

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2008

(amounts expressed in thousands)

**H. Other debt (notes, long-term)**

Classified in the governmental activities in the government-wide financial statements:

Downtown Glendale Building Purchase - The \$1,779 note dated June 5, 2000, is an assumed loan payable in 98 installments at an interest rate of 9.00% with the final payment due on or before September 1, 2008.	\$ 100
Northern Crossing Land Purchase - The \$14,500 note dated November 15, 2002, is payable in nine annual installments at a variable interest rate based on LIBOR with the final payment due on or before September 15, 2012. The interest rate assumption stays level after the 2008 fiscal year.	4,278
Larry Miller Land & Building Purchase - The \$2,700 note dated December 30, 2004, is payable in five annual installments at an interest rate of 1.68% with the final payment due on or before December 30, 2009.	1,080
Repayment of State Aviation grant funds - The \$3,131 note dated October 9, 2007, is payable in ten bi-annual installments at an interest rate of 4.31% with the final payment due on or before December 31, 2012.	3,131
6822-6832 North 58th Avenue Land and Improvements Purchase - The \$431,500 note dated September 5, 2007, is payable in three annual payments at an interest rate of 2.5% with the final payment due on or before July 15, 2009.	306
6820 North 58th Avenue Land and Improvements Purchase - The \$187,500 note dated September 5, 2007, is payable in five annual payments at an interest rate of 2.5% with the final payment due on or before July 15, 2011.	<u>150</u>
Total notes payable recorded in governmental activities	9,045
Less current portion	<u>(1,403)</u>
Long-term portion of notes payable recorded in governmental activities	<u>\$ 7,642</u>

Classified in the business-type activities in the government-wide financial statements:

Cholla Water Treatment Plant Solids Handling Facilities - The maximum available under the loan is \$15,400 of which \$12,598 was drawn down and recorded as a liability as of June 30, 2004. The loan is scheduled to be paid in annual installments over 20 years with an interest rate of 4.40%. Principal and interest are payable from the water and sewer fund.	<u>\$ 10,240</u>
Total notes payable recorded in business-type activities	10,240
Less current portion	<u>(647)</u>
Long-term portion of notes payable recorded in business-type activities	<u>\$ 9,593</u>

**CITY OF GLENDALE, ARIZONA**

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June 30, 2008

(amounts expressed in thousands)

**I. Debt service requirements**

Fiscal Year Ending	Highway	Landfill	Transportation Bonds	Municipal	Various Purposes		Water and Sewer			Total
	Users Revenue Bonds	G.O. Bonds		Property Corporation Bonds	G.O. Bonds	Notes Payable	G.O. Bonds	Notes Payable	Revenue Bonds/ Obligations	
2009	\$ 4,696	\$ 139	\$ 7,328	\$ 21,940	\$ 22,543	\$ 1,924	\$ 1,263	\$ 1,034	\$ 22,525	\$ 83,392
2010	4,699	-	7,329	20,401	22,673	1,813	1,256	1,034	22,528	81,733
2011	4,690	-	7,328	21,186	22,630	2,117	1,251	1,034	22,532	82,768
2012	4,696	-	7,328	21,317	22,631	2,557	1,251	1,034	22,530	83,344
2013	4,699	-	7,326	21,357	22,642	2,382	1,259	1,034	22,526	83,225
2014	4,686	-	7,326	21,371	22,646	-	1,260	1,034	22,526	80,849
2015	1,953	-	7,326	19,552	22,595	-	1,249	1,034	22,528	76,237
2016	1,971	-	7,326	19,665	19,039	-	1,236	1,034	22,530	72,801
2017	-	-	7,327	22,031	18,951	-	1,226	1,034	22,524	73,093
2018	-	-	7,330	22,086	18,901	-	1,214	1,034	22,530	73,095
2019	-	-	7,328	22,142	14,475	-	-	1,034	22,524	67,503
2020	-	-	7,326	22,195	11,155	-	-	667	22,529	63,872
2021	-	-	7,329	22,258	11,197	-	-	6	22,527	63,317
2022	-	-	7,329	22,307	8,456	-	-	-	22,528	60,620
2023	-	-	7,328	22,363	-	-	-	-	23,661	53,352
2024	-	-	7,328	23,010	-	-	-	-	23,659	53,997
2025	-	-	7,328	23,064	-	-	-	-	23,652	54,044
2026	-	-	7,330	23,123	-	-	-	-	23,656	54,109
2027	-	-	7,329	20,525	-	-	-	-	16,491	44,345
2028	-	-	7,331	20,585	-	-	-	-	12,757	40,673
2029	-	-	7,328	19,778	-	-	-	-	-	27,106
2030	-	-	7,326	20,717	-	-	-	-	-	28,043
2031	-	-	7,327	20,778	-	-	-	-	-	28,105
2032	-	-	7,325	20,837	-	-	-	-	-	28,162
2033	-	-	-	13,634	-	-	-	-	-	13,634
2034	-	-	-	8,563	-	-	-	-	-	8,563
Total	32,090	139	175,866	536,785	260,534	10,793	12,465	12,047	439,263	1,479,982
Less interest	4,610	7	70,831	242,655	62,796	1,748	2,470	2,454	156,918	544,489
Principal	\$ 27,480	\$ 132	\$ 105,035	\$ 294,130	\$ 197,738	\$ 9,045	\$ 9,995	\$ 9,593	\$ 282,345	\$ 935,493

The following table discloses the debt service requirements as of June 30, 2008, segregating principal and interest, for the next five years and in five-year increments thereafter. Note: the principal column includes the future draws.

Fiscal Year	Principal	Interest	Total
2009	\$ 38,729	\$ 44,663	\$ 83,392
2010	39,014	42,719	81,733
2011	41,741	41,027	82,768
2012	44,081	39,263	83,344
2013	45,846	37,379	83,225
2014-2018	219,532	156,543	376,075
2019-2023	202,365	106,299	308,664
2024-2028	188,880	58,288	247,168
2029-2033	106,940	18,110	125,050
2034	8,365	198	8,563
Total	\$ 935,493	\$ 544,489	\$ 1,479,982

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2008

(amounts expressed in thousands)

**J. New bonds**

On November 6, 2007, the City issued \$109,110 in excise tax revenue obligation bonds to fund various transportation improvements which are contained in the City's Capital Improvement Plan. The bonds mature on various dates starting 2008 through 2028 with various interest rates of 4.00% to 5.00%. The bonds are not general obligations of the City, but are limited obligations of the City and are payable as to both principal and interest solely from and secured by a pledge of various revenues derived by the City from collection of a dedicated 0.5% excise tax for transportation infrastructure.

On March 19, 2008, the City issued \$65,500 in subordinate lien water and sewer revenue obligation bonds to fund the construction of various water and sewer improvements in the City, including an upgrade and expansion of the 91<sup>st</sup> Avenue Regional Wastewater Treatment Plant and upgrades at the Cholla Water Treatment Plant. The bonds mature on various dates starting 2009 through 2028 with various interest rates of 3.00% to 5.00%. The bonds are not general obligations of the City, but are limited obligations of the City and are payable as both principal and interest solely from and secured by a subordinate pledge of net revenues of the system.

On June 5, 2008, the City issued \$94,235 in Municipal Property Corporation taxable and tax-exempt excise tax revenue bonds to redeem outstanding subordinate excise tax revenue bonds, series 2006B. The bonds mature on various dates starting 2001 through 2033 with various interest rates of 3.00% to 6.157%. The bonds are not general obligations of the City, but are a limited obligation of the Corporation and City payable solely from and are secured by a pledge of the City's unrestricted excise taxes.

**X. Landfill obligations**

The City operates a municipal sanitary landfill under an Aquifer Protection Permit and Solid Waste Facility Plan approval issued by the Arizona Department of Environmental Quality requiring future closure work and post-closure monitoring. The permit meets federal and state regulations. These laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and post-closure care costs will not be paid until near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and post-closure costs as an operating expense in each period based on landfill capacity used.

The landfill closure and post-closure care liability at June 30, 2008, calculated below, represents the cumulative amount reported to date based on the use of estimated capacity of the landfill.

	<u>North Cell</u>	<u>South Cell</u>
Capacity (cubic yards)	32,100	22,594
Capacity used to date	-	17,776
Percentage of capacity used	0%	79%
Total closure and post-closure costs in present dollars:		
as of June 30, 2008	\$ 15,500	\$ 14,514
as of June 30, 2007	\$ 15,258	\$ 14,288
Closure and post-closure care costs:		
Amount remaining to be recognized		
as of June 30, 2008	\$ 15,500	\$ 3,095
Liability recognized as of June 30, 2008	\$ -	\$ 11,419

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

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(amounts expressed in thousands)

These amounts are based on what it would cost to perform all closure and post-closure care in fiscal year 2007-08. The estimated costs are subject to changes due to inflation, deflation, new technology, and applicable laws and regulations. Assets are not restricted to fund the obligations. The estimated remaining life of the landfill is approximately 36 years.

According to state and federal laws and regulations, the City must comply with the local government financial test requirements that assure the City can meet the cost of landfill closure, post-closure, and corrective action when needed. The City is in compliance with these requirements.

**XI. Interfund transactions**

**A. Interfund receivables**

Interfund balances at June 30, 2008, consisted of the following:

	<u>Due To</u>	<u>Due From</u>
<b>Major governmental funds:</b>		
General	\$ 28,647	\$ -
Public facilities corporation	-	27,201
<b>Non-major governmental funds:</b>		
Community development block grants fund	-	209
Police and fire sales tax fund	-	1,205
<b>Non-major enterprise funds:</b>		
Housing fund	-	32
Total	<u>\$ 28,647</u>	<u>\$ 28,647</u>

The interfund balances at June 30, 2008, are short-term loans to cover temporary cash deficits in various funds. This occasionally occurs prior to bond sales or grant reimbursements. All interfund balances outstanding at June 30, 2008, are expected to be repaid within one year.

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**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2008

(amounts expressed in thousands)

**B. Interfund transfers**

Interfund transfers for the year ended June 30, 2008, consisted of the following:

**Transfers to general fund from:**

Transportation fund	\$ 130
Non-major governmental funds	
Developmental impact fees fund	36
Streets construction fund	206
Fire and police construction fund	43
Parks bond construction fund	5
Other construction fund	27
Water and sewer enterprise fund	47
Non-major enterprise fund	
Landfill enterprise fund	5
Total transfers to general fund	<u>499</u>

**Transfer to transportation fund from:**

General fund	<u>900</u>
Total transfer to transportation fund	<u>900</u>

**Transfer to non-major special revenue fund from:**

General fund	<u>2,012</u>
Total transfer to non-major special revenue fund	<u>2,012</u>

**Transfers to non-major debt service funds from:**

General fund	10,932
Transportation fund	8,330
Non-major governmental funds	
Highway users gas tax fund	3,715
Other special revenue fund	4,841
Municipal property corporation construction fund	3,479
Fire and police capital projects fund	<u>12,642</u>
Total transfers to non-major debt service funds	<u>43,939</u>

**Transfer to non-major capital project fund from:**

Transportation fund	<u>4,276</u>
Total transfer to non-major capital project fund	<u>4,276</u>

**Transfer to non-major enterprise funds from:**

General fund	<u>561</u>
Total transfer to non-major enterprise funds	<u>561</u>

Grand total all transfers	<u><u>\$ 52,187</u></u>
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Transfers are used to: 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, 2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and 3)

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2008

(amounts expressed in thousands)

use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The interfund transfers are all classified as transfers and are included in the results of operations of both governmental and proprietary funds. There were no significant transfers during fiscal year 2008 that were either non-routine in nature or inconsistent with the activities of the fund making the transfer.

**XII. Encumbrances**

The Arizona Revised Statutes allow cities to encumber unused appropriations for up to sixty days after the end of the fiscal year. However, effective July 1, 1987, the City adopted a policy of not recognizing encumbrances at year-end. All appropriations lapse on the last day of the fiscal year. Any outstanding commitments that the City intends to honor are rebudgeted in the new fiscal year. At June 30, 2008, the City intended to honor \$39,271 of outstanding encumbrances in the new year.

**XIII. Equity in joint venture**

The City, along with the cities of Phoenix, Mesa, Scottsdale and Tempe participates in the Sub-Regional Operating Group (SROG), a joint venture. SROG constructs, operates and maintains jointly used facilities including the 91st Avenue Waste Water Treatment Plant (Plant) and certain sewage transportation facilities. The City of Phoenix acts as lead agency, and as such, is responsible for the planning, budgeting, construction, operation and maintenance of the Plant. In addition, the City of Phoenix provides all management personnel and financing arrangements and accepts federal grants on behalf of the participants.

Each participant pays for its costs of operation and maintenance based on relative sewage flows and strengths and for purchased capacity in plant and related transportation facilities based on ownership. The City accounts for its approximate 8.59% investment using the equity method in the water and sewer fund. For the year ended June 30, 2008, the City recognized a loss of \$2,129. The City has financed its share of construction costs through the issuance of revenue bonds, development fees and grants. The bonds are collateralized by a pledge of water revenues and are reflected in the financial statements of the water and sewer fund. The joint venture itself has not issued any debt.

Summary financial information on the joint venture as of and for the fiscal year ended June 30, 2008, (unaudited) is as follows:

<b>Assets</b>	
Current assets	\$ 70,447
Capital assets, net of accumulated depreciation	<u>796,149</u>
Total assets	<u>866,596</u>
<b>Liabilities</b>	
	<u>60,939</u>
<b>Net assets</b>	<u>\$ 805,657</u>
Total revenues	\$ 170,890
Total expenses	<u>(67,887)</u>
Increase in net assets	<u>\$ 103,003</u>

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2008

(amounts expressed in thousands)

**Calculation of the City's equity:**

City's share of SROG equity	\$ 58,745
(Total equity of \$805,657	
plus unrealized loss of \$2,320 less assets not	
owned by the City of \$124,107 multiplied by 8.59%)	
Net capitalized interest on the City's records	3,851
City contributions not yet received by SROG	545
Total City equity	<u>\$ 63,141</u>

**Change in the City's equity:**

Capital contributed to the joint venture	\$ 10,488
Net loss on joint venture	(2,129)
Net increase in equity	<u>\$ 8,359</u>

Copies of separate financial statements of the joint venture can be obtained from Arizona Municipal Water Users Association, 4041 North Central Avenue, Phoenix, Arizona 85012.

**XIV. Jointly governed organizations**

The Regional Public Transit Authority (RPTA) is a voluntary association of local governments, including Glendale, Phoenix, Mesa, Tempe, Scottsdale, and Maricopa County. Its purpose is to ensure that a viable public transportation system is provided as an alternative for regional mobility and to ease the traffic congestion and air pollution caused by over-reliance on the single occupant vehicle. The Board of Directors consists of the mayors of those cities and a member of the County Board of Supervisors.

Arizona Municipal Water Users Association (AMWUA) is a non-profit corporation established and funded by cities in Maricopa County for the development of an urban water policy and to represent the cities' interests before the Arizona legislature. In addition, AMWUA contracts with the cities jointly using the 91st Avenue Waste Water Treatment Plant to perform certain accounting, administrative and support services.

**XV. Fund balance/net assets reservation, designation, and restriction**

The following is a list of reserves, designations, and restrictions with an explanation for each by fund type.

**General Fund Type**

**Reserved for inventory**

Amount available only for expenditure (i.e., consumption of existing supplies inventories that have already been purchased). \$ 249

**Reserved for "From the Heart" program**

Certain donations made to the City are required by ordinance to benefit Glendale residents through providing grants to non-profit social service organizations. 63

**Reserved for court security**

Security surcharges collected by the City Court are required by ordinance to be spent solely on court security. 52

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2008

(amounts expressed in thousands)

**Reserved for court computer upgrade**

Surcharge that provides for monies to improve, maintain, and enhance the ability to collect and manage monies received by courts and to improve court automation and improve case processing (administration of justice). \$ 53

**Reserved for court time payment**

Court time payment fees are used by the City Court to improve, maintain, and enhance the ability to collect and manage monies assessed or received by the court, to improve court automation and to improve case processing or the administration of justice. 202

**Reserved for public safety training facility**

This is a training center that was built with partners to provide fire and police departments with the tools required to train fire and police personnel and conduct continuing education. 164

**Reserved for acquisition of artwork**

Acquisition of artwork by the City's Arts Commission is provided through a surcharge on eligible capital projects as directed by the City Council. 3,196

**Reserved for vehicle/equipment replacement**

For future scheduled replacement of existing equipment and vehicles. 5,292

**Total reserved for general fund type** \$ 9,271

**Designated for computer replacement**

For future schedule replacement of existing personal computers. \$ 3,650

**Designated for library activities**

A minor portion of future operating expenditures of the library has been authorized through the City budget to be paid from net revenues collected through library activities. 270

**Designated for cable television station**

Amount to be used only for expenditure by the City's cable television station from net revenues collected by Cable from special activities. 77

**Designated for local improvement districts administration**

Portion of City special assessment bond proceeds identified exclusively for future costs of administering and accounting for existing improvement districts. 88

**Designated for other public facilities projects**

To operate and improve equipment and personal property by public facilities corporation for spring training baseball facility. 8,372

**Designated for telephone**

For payment of future telephone charges and maintenance. 203

**Total designated for general fund type** \$ 12,660

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2008

(amounts expressed in thousands)

**Special Revenue Fund Type**

**NON-MAJOR GOVERNMENTAL FUNDS**

**Reserved for inventory**

Amount available only for expenditure (i.e., consumption of existing supplies inventories that have already been purchased). \$ 140

**Reserved for development impact fees**

The development impact fees are covered by Chapter 28, Article VI of the Municipal Code. Development impact fees are used exclusively to provide the necessary public facilities and services to development. Residential development impact fees may be spent only in the district (residential development district, not political district) in which they were collected. This reserve is categorized as follows:

Parks and recreation:

Citywide parks	\$ 89
Citywide recreation facilities	1,333
Citywide open space & trails	163
District No. 1	438
District No. 2	183
District No. 3	15

Library:

Buildings	2,568
Books	210
Library	3,202
Fire protection facilities	1,090
Police facilities	1,822
Transportation	6,851
General government	<u>1,385</u>
Total reserved for development impact fees	<u>19,349</u>

**Reserved for drug enforcement**

Reserved by agreement with state and federal authorities for use in furthering the drug enforcement effort. Revenues for this reserve are received through the public courts' prosecution of drug offenses.

State	2,064
Federal	<u>129</u>
Total reserved for drug enforcement	<u>2,193</u>

**Reserved for garden for visually impaired**

A donation was made to the City for the purpose of establishing a tactile garden for the visually impaired. 185

**Total reserved for special revenue fund type** \$ 21,867

**NON-MAJOR GOVERNMENTAL FUNDS**

**Designated for home program**

For community development block grant home program activities. \$ 124

**Designated for pool/park repair**

For repair of area schools and City recreational facilities. The City contributes to maintenance of area school's facilities in which the City has no equity interest. 572

**Total designated for special revenue fund type** \$ 696

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2008

(amounts expressed in thousands)

**Debt Service Fund Type**

**Reserved for debt service**

Certain assets have been reserved for future payment of debt service based upon the requirements of the various bond ordinances.

General obligation debt service	\$ 14,350
Municipal property corporation	15,865
Highway users	<u>121</u>

**Total reserved for debt service fund type** \$ 30,336

**Capital Projects Fund Type**

**NON-MAJOR GOVERNMENTAL FUNDS**

**Reserved for capital projects**

Certain assets have been reserved for repairs to historical Sahuaro Ranch and Manistee Ranch.

\$ 545

**Total reserved for capital projects fund type** \$ 545

**Designated for street G.O. bond projects**

Accounts for the construction of street lights, traffic signals, street landscaping, streets and parking funded by authorization approved by voters on March 10, 1987, and November 2, 1999.

\$ 8,880

**Designated for HURF bond projects**

Accounts for the construction of streets and sidewalks. Funding is provided through bonds issued under an authorization approved by voters on March 10, 1987.

7,552

**Designated for economic development**

Accounts for G.O. bond funds used to promote new private sector job creation through development and redevelopment in the City. Funding is provided under an authorization approved by voters on November 2, 1999.

529

**Designated for open space/trails**

Accounts for G.O. bond funds used to plan and acquire land and interests for the preservation of open space; and planning, acquiring and constructing multi-use trails and linear parks. Funding is provided under an authorization approved by voters on November 2, 1999.

1,038

**Total designated for capital projects fund type** \$ 17,999

**Enterprise Fund Type**

**WATER AND SEWER FUND**

**Restricted for debt service**

The City is also required by ordinance to have accumulated sufficient funds to pay all principal and interest due on the following July 1 and January 1 payment dates. Since the July 1 payment is already accrued as a current liability at year-end, only the January 1 payment is included in the reserve.

\$ 181

The City's bond ordinances require an additional reserve for any water and sewer bond debt that is not insured by a surety bond. This reserve must be maintained at a balance equal to the highest principal and interest coming due in any twelve-month period. As of June 30, 2006, only the loans with the State Revolving Fund (authorized by revenue bond election in 1961) were not covered by a surety bond.

1,022

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2008

(amounts expressed in thousands)

**Restricted for revenue bond retirement/replacement and extension**

Two percent of net water revenues must, by bond ordinance, be reserved for the replacement and extension of the City's water distribution system, or for the retirement of water revenue bonds. The reservation is only required to the extent that the reserve equals two percent of the value of net fixed assets of the water and sewer fund. \$ 9,790

**Restricted for other purposes**

Deposits related to a multi-jurisdictional water project are held in an escrow account maintained by the State Treasurer, and are restricted as to use. 433

Total water and sewer 11,426

**NON-MAJOR PROPRIETARY FUNDS**

Net assets held by the housing fund may only be used for that purpose. 1,410

**Total restricted for enterprise fund type** \$ 12,836

**Permanent Fund Type**

**NON-MAJOR GOVERNMENTAL FUNDS**

**Reserved for cemetery perpetual care**

Funds are reserved by ordinance for future cemetery maintenance and operational expenses. \$ 5,398

**Total reserved for permanent fund type** \$ 5,398

**XVI. Employee retirement systems and pension plans**

**A. Plan descriptions**

The City contributes to the three retirement plans described below. Benefits are established by state statute and generally provide retirement, death, long-term disability, survivor, and health insurance premium benefits. The retirement benefits are generally paid at a percentage, based on years of service, of the retiree's average compensation. Long-term disability benefits vary by circumstance, but generally pay a percentage of the employee's monthly compensation. Health insurance premium benefits are generally paid as a flat dollar amount per month towards the retiree's health care insurance premiums, in amounts based on whether the benefit is for the retiree or for the retiree and his or her dependents.

The *Arizona State Retirement System (ASRS)* administers a cost-sharing multiple-employer defined benefit pension plan; a cost-sharing multiple-employer defined benefit health insurance premium plan; and a cost-sharing multiple-employer defined benefit long-term disability plan that covers employees of the State of Arizona and employees of participating political subdivisions and school districts. The ASRS is governed by the Arizona State Retirement System Board according to the provisions of ARS Title 38, Chapter 5, Article 2.

The *Public Safety Personnel Retirement System (PSPRS)* is an agent multiple-employer defined benefit pension plan that covers public safety personnel who are regularly assigned hazardous duty as employees of the State of Arizona or one of its political subdivisions. The PSPRS, acting as a common investment and administrative agent, is governed by a five member board, known as The Fund Manager, and 162 local boards according to the provisions of ARS Title 38, Chapter 5, Article 4. PSPRS is agent for the eligible Glendale Fire and Glendale Police personnel.

**CITY OF GLENDALE, ARIZONA**

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June 30, 2008

(amounts expressed in thousands)

The *Elected Officials Retirement Plan* (EORP) is a cost-sharing multiple-employer defined benefit pension plan and a cost-sharing multiple-employer defined benefit health insurance premium plan that covers State of Arizona and City elected officials and judges, and elected officials of participating cities. The EORP is administered by The Fund Manager of PSPRS according to the provisions of ARS Title 38, Chapter 5, Article 3. Because the health insurance premium plan benefit of the EORP is not established as a formal trust, it is reported in accordance with GASB Statement No. 45 as an agent multiple-employer plan. Accordingly, the disclosures that follow reflect the EORP as if it were an agent multiple-employer plan.

**B. Financial reports**

Each plan issues a publicly available financial report that includes its financial statements and required supplementary information. A report may be obtained by writing or calling the applicable plan.

ASRS

3300 North Central Avenue  
Phoenix, Arizona 85012-0250

(602) 240-2000 or (800) 621-3778

PSPRS or EORP

3010 East Camelback Road #200  
Phoenix, Arizona 85016

(602) 255-5575

**C. Funding policy**

The Arizona State Legislature establishes and may amend contribution rates for active plan members and the City.

*Cost Sharing Plans.* For the year ended June 30, 2008, active ASRS members and the City were each required by statute to contribute at the actuarially determined rate of 9.60% (8.05% for retirement, 1.05% for health insurance premiums, and 0.50% long-term disability) of the members' annual covered payroll. The City's contributions from employer and employees to ASRS for the years ended June 30, 2008, 2007, and 2006 were \$14,420, \$12,697 and \$9,310, respectively, which were equal to the required contributions for the year.

*Agent Plans.* For the year ended June 30, 2008, PSPRS members were required by statute to contribute 7.65% of the members' annual covered payroll, and the City was required to contribute at the actuarially determined rate of 15.76% and 15.27% for Fire and Police, respectively. The health insurance premium portion of the contribution rate for fire members was actuarially set at 3.85 percent of covered payroll.

In addition, active EORP members were required by statute to contribute 7.00% of the members' annual covered payroll. The City was required to remit contributions of 20.21% of the members' annual covered payroll, as determined by actuarial valuation. The City's contributions from employer and employees to EORP for the years ended June 30, 2008, 2007, and 2006 were \$69, \$59, and \$39, respectively, which were equal to the required contributions for the year.

*Annual Pension Cost (APC).* Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plans and the annual required contributions are subject to continual revision as actual results are compared to past expectations and new estimates are made. The required schedule of funding progress presented as required supplementary information provides multi-year trend information that shows whether the actuarial value of the plans' assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Projections of benefits are based on 1) the plans as understood by the City and plans' members and include the types of benefits in force at the valuation date, and 2) the pattern of sharing benefit costs between the City and plans' members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2008

(amounts expressed in thousands)

actuarial accrued liabilities and the actuarial value of assets. The City's pension cost for Fire and Police for the year ended June 30, 2008, the date of the most recent available actuarial valuation, and related information follow.

	<u>Fire</u>	<u>Police</u>
Contribution rates:		
City	15.76%	15.27%
Plan members	7.65%	7.65%
Annual pension cost	\$2,518	\$4,155
Actuarial cost method	Projected unit credit	Projected unit credit
Actuarial assumptions:		
Investment rate of return	8.50%	8.50%
Projected salary increases*	5.50% - 8.50%	5.50% - 8.50%
Includes inflation at*	5.00%	5.00%
Amortization method	Level % closed for unfunded actuarial accrued liability, open for excess	Level % closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	28 years for unfunded actuarial accrued liability, 20 years for excess	28 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	Smoothed market value	Smoothed market value

\* Does not include payroll of members participating in the deferred retirement option plan (if any).

**D. Three year trend information for PSPRS**

Information for the agent plan for PSPRS for Glendale Fire and Police as of the most recent available actuarial valuations for June 30, 2008, follows.

**Contributions required and contributions made**

Year Ended June 30	APC	Percentage of APC Contributed	Net Pension Obligation
<b>Police</b>			
2008	\$ 4,132	100.0 %	\$ -
2007	\$ 3,270	100.0 %	\$ -
2006	\$ 2,991	100.0 %	\$ -
<b>Fire</b>			
2008	\$ 2,897	100.0 %	\$ -
2007	\$ 1,812	100.0 %	\$ -
2006	\$ 842	100.0 %	\$ -

Includes insurance premium tax, where applicable.

**E. Required supplementary information**

*Funded status.* The funded status of the PSPRS plans as of the most recent valuation date, June 30, 2008, along with the actuarial assumptions and methods used in those valuations follow. For this valuation, which was prior to the implementation of GASB Statement Nos. 43 and 45, the pension and health insurance benefit amounts were aggregated. In future years when GASB Statement Nos. 43 and 45 measurements are made and reported, these benefits will be disaggregated and reported separately.

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2008

(amounts expressed in thousands)

The EORP, by statute, is a cost-sharing plan. However, because of its statutory construction, in accordance with GASB Statement No. 43, paragraphs 5 and 41, the EORP is reported for such purposes as an agent multiple-employer plan. The Fund Manager obtains an actuarial valuation for the EORP on its statutory basis as a cost-sharing plan and, therefore, actuarial information for the City as a participating government, is not available.

Analysis of funding progress excluding health insurance subsidy beginning June 30, 2008:

Valuation Date June 30	Actuarial Value of Plan Assets	Actuarial Accrued Liability	Funding Liability (Excess)	Funded Ratio	Annual Covered Payroll	Unfunded Liability as Percentage of Covered Payroll
<b>Police</b>						
2008	\$ 79,540	\$ 129,649	\$ 50,109	61.4%	\$ 27,904	179.6%
2007	\$ 75,860	\$ 128,670	\$ 52,810	59.0%	\$ 25,375	208.1%
2006	\$ 77,968	\$ 110,181	\$ 32,213	70.8%	\$ 22,052	146.1%

Valuation Date June 30	Actuarial Value of Plan Assets	Actuarial Accrued Liability	Funding Liability (Excess)	Funded Ratio	Annual Covered Payroll	Unfunded Liability as Percentage of Covered Payroll
<b>Fire</b>						
2008	\$ 63,615	\$ 85,494	\$ 21,879	74.4%	\$ 18,592	117.7%
2007	\$ 58,882	\$ 83,023	\$ 24,141	70.9%	\$ 16,029	150.6%
2006	\$ 60,772	\$ 74,401	\$ 13,629	81.7%	\$ 13,518	100.8%

**XVII. Other Post-Employment Benefits (OPEB)**

**A. Plan description**

The City of Glendale post-employment healthcare plan is a single-employer defined benefit plan administered by the City of Glendale. The plan provides medical, dental, and vision coverage for eligible retirees and their dependents. Retirees can also continue their basic life insurance benefit. The Mayor and Council have authority each budget year to establish, eliminate, or amend benefit provisions through the annual budget process. A separate report is not provided as the plan financial information is included in the governmental-wide basis and proprietary funds as part of the City of Glendale reporting entity.

**B. Funding policy**

The City pays for and reports retiree benefits on a pay as you go basis, which is the practice of paying for these benefits as they become due each year. Contributions to the plan by retirees are established at the beginning of each fiscal year through the annual budget process. For the fiscal year ending June 30, 2008, a total amount of \$2,822 was contributed to the plan by active retirees in the form of current premiums of which \$4,135 was paid out for retiree costs. The required contributions were 2.6% of covered payroll.

**C. Annual OPEB cost and net OPEB obligation**

The City of Glendale's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), and amount actuarially determined in accordance with the parameters of GASB Statement 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 (or funding excess) over a period not to exceed thirty years. The

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2008

(amounts expressed in thousands)

following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and any changes in the net OPEB obligation. Note, the City is a Phase I government and as such June 30, 2008, is the first year reporting under GASB Statement 45.

Normal cost	\$ 13,258
Minimum amortization of unfunded actuarial liability (UAL)	6,975
Interest adjustment to year end	809
Annual required contribution	<u>21,042</u>
ARC adjustment	-
Interest adjustment to net obligation	-
OPEB cost	<u>21,042</u>
Contributions made	(1,313)
Net OPEB obligation beginning of year	-
Net OPEB obligation end of year	<u>\$ 19,729</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008, the transition year was as follows:

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>
2008	\$21,042	6.3%

**D. Funding status**

The City's funding status for OPEB is as follows:

Actuarial valuation date	July 1, 2007
Actuarial value of assets	\$ -
Actuarial accrued liability	\$ 195,300
UAL	\$ 195,300
Funded ratio	- %
Annual covered payroll	\$ 109,391
Ratio of UAL to annual covered payroll	178.5%

**E. Actuarial methods and assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and actuarial value of assets, consistent with the long-term perspective of the calculations.

For the July 1, 2007, actuarial valuation the actuarial cost method used is the entry age normal method. A 4.0% pay as you go discount rate and a 3.5% rate increase for annual payroll was used. No actuarial valuation of assets was done as there were no assets at the valuation date. The amortization method is level percent of payroll amortized over 30 years and the period is open. The healthcare cost trend rate used in the actuarial assumptions averaged 7.25% for the medical and dental plans for the 2007-08 fiscal year.

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2008

(amounts expressed in thousands)

**XVIII. Contingent liabilities and commitments**

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the city expects such amounts, if any, to be immaterial.

The City is subject to claims and litigation, which arise in the ordinary course of its operations. The resolution of such claims and litigation will have no material adverse effect on the financial position or the future operations of the City.

**XIX. Subsequent events**

On October 22, 2008, the City of Glendale Western Loop 101 Public Facilities Corporation (PFC) issued third lien excise tax revenue bonds: \$137,495 in tax exempt series 2008A, \$48,670 in tax exempt series 2008B, and \$13,585 in taxable series 2008C. Proceeds will be used to repay funds advanced by the City of Glendale general fund as well as finance future costs related to a Major League Baseball spring training stadium and related infrastructure. Revenue for repayment of the bonds will come from rental payments by the City under the lease agreement. The obligation of the City to make rental payments under the lease agreement is a limited obligation and not a general obligation of the City and is payable solely from and secured by a pledge of the City's unrestricted excise tax revenues.

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City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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# **REQUIRED SUPPLEMENTARY INFORMATION**

(other than MD&A)

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FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**General Fund**  
For the Fiscal Year Ended June 30, 2008  
(amounts expressed in thousands)

1 of 2

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary fund balance, July 1, 2007	\$ 60,442	\$ 60,442	\$ 62,682	\$ 2,240
<b>RESOURCES (INFLOWS):</b>				
Taxes	74,228	68,778	68,014	(764)
Licenses and permits	13,164	11,275	11,305	30
Intergovernmental	69,586	68,376	67,333	(1,043)
Charges for services	29,557	30,201	32,364	2,163
Fines and forfeitures	3,707	3,974	4,499	525
Investment income (loss)	521	1,846	4,621	2,775
Proceeds from disposal of assets	-	269	327	58
Miscellaneous	2,872	2,744	11,151	8,407
Total revenues	193,635	187,463	199,614	12,151
Add: Transfers in	635	635	3,697	3,062
Less: Transfers out	(20,936)	(20,937)	(17,603)	3,334
Amounts available for appropriation	233,776	227,603	248,390	20,787
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
General government	37,224	37,737	30,500	7,237
Public safety	89,653	86,586	81,770	4,816
Public works	26,228	26,809	26,050	759
Community services	36,597	36,109	28,780	7,329
Community environment	647	633	561	72
Street maintenance	24	971	735	1,004
Contingencies	18,613	18,780	-	18,780
Miscellaneous	2,391	2,268	1,312	956
Debt service:				
Principal	1,903	1,903	1,903	-
Interest	1,184	1,184	873	311
Capital outlay	12,869	12,802	6,771	6,031
Total charges to appropriations	227,333	225,782	179,255	47,295
Budgetary fund balance, June 30, 2008	\$ 6,443	\$ 1,821	\$ 69,135	\$ 67,314

(Continued)

City of Glendale, Arizona  
**Budgetary Comparison Schedule** (continued)  
**General Fund**  
For the Fiscal Year Ended June 30, 2008  
(amounts expressed in thousands)

**Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures**

**Sources/inflows of resources:**

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 248,390
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(62,682)
Market adjustment on restricted investments not available for appropriation.	(335)
Internal charges for services provided.	(23,567)
Proceeds from disposal of assets.	(8,699)
Miscellaneous revenue not reported GAAP basis.	(50)
Less: Transfers in.	(3,697)
Add: Transfers out.	17,603
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 166,963</u>

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 179,255
Capital outlay funded by long-term debt.	456
Salaries payable.	(6,921)
Trade in value of vehicle.	13
Change in prepaid assets or inventory.	(7)
Internal charges for services provided.	(15,579)
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 157,217</u>

The notes to the financial statements are an integral part of this statement.

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Transportation Fund**  
For the Fiscal Year Ended June 30, 2008  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2007	\$ 8,877	\$ 8,877	\$ 1,092	\$ (7,785)
<b>RESOURCES (INFLOWS):</b>				
Taxes	27,613	21,852	23,672	1,820
Intergovernmental	16,142	6,038	4,802	(1,236)
Charges for services	200	111	137	26
Investments	1,000	236	1,287	1,051
Proceeds from disposal of assets	-	2	2	-
Long term debt issued	90,000	109,110	109,110	-
Premium on long-term debt	-	1,953	1,953	-
Fines and forfeitures	-	2	8	6
Miscellaneous Revenues	327	-	63	63
Total revenues	<u>135,282</u>	<u>139,304</u>	<u>141,034</u>	<u>1,730</u>
Add: Transfers in	108,059	108,059	2,018	(106,041)
Less: Transfers out	(108,770)	(108,842)	(13,854)	94,988
Amounts available for appropriation	<u>143,448</u>	<u>147,398</u>	<u>130,290</u>	<u>(17,108)</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
Community services	19,346	19,219	13,351	5,868
Public safety	-	-	36	(36)
Capital outlay	124,102	117,450	44,941	72,509
Total charges to appropriations	<u>143,448</u>	<u>136,669</u>	<u>58,328</u>	<u>78,341</u>
Budgetary fund balance, June 30, 2008	<u>\$ -</u>	<u>\$ 10,729</u>	<u>\$ 71,962</u>	<u>\$ 61,233</u>

**Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures**

**Sources/inflows of resources:**

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 130,290
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(1,092)
Proceeds from disposal of assets.	(2)
Long-term debt issued.	(109,110)
Premium on long-term debt issued.	(1,953)
Unrealized investment income.	677
Less: Transfers in.	(2,018)
Add: Transfers out.	13,854
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 30,646</u>

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 58,328
Change in compensated absences liability.	(51)
Salaries payable.	28
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 58,305</u>

The notes to the financial statements are an integral part of this statement.

## **CITY OF GLENDALE, ARIZONA**

Notes to Required Supplementary Information

June 30, 2008

(amounts expressed in thousands)

### **I. Budgetary basis of accounting**

The City prepares its annual budget on a basis, which differs from the GAAP basis. Budgetary comparison schedules for the general and transportation funds are included as required supplementary information to provide a meaningful comparison of actual results to budget on the budget basis. A budgetary comparison schedule for the public facilities corporation is not included in the required supplementary information because it was not budgeted for in fiscal year 2008. Budgetary comparison schedules for all other funds are presented as other supplemental information after the combining statements. In all cases, the budgetary schedules include a reconciliation of the adjustments required to convert the budgetary revenues and expenditures or change in net assets on a budgetary basis, to revenues and expenditures/expenses or change in net assets on a GAAP basis.

### **II. Budgetary information**

The City utilizes the following procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to the first of June of each year, the City Manager submits to the Mayor and Council a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed operating and capital expenditures and the means of financing them.
2. The projected beginning budgeted fund balances for each fund are based on preliminary estimates of the June 30<sup>th</sup> ending actual budget basis fund balances rather than the June 30<sup>th</sup> ending budgeted fund balances. These two amounts will differ because of differences in actual results for the year versus planned results and by unused contingency appropriations.
3. Prior to July 1, after receiving comments in a public hearing, a tentative budget is adopted by the City Council, which fixes an upper-dollar limit for all funds combined, beyond which the City may not increase appropriations. After two weeks of legal advertising, the City Council legally adopts a final budget ordinance, which fixes appropriations for each fund, except for the nonexpendable trust fund.
4. Budget basis expenditures may not exceed appropriations for each fund, except in conjunction with the transfer of contingency funds. Contingency funds are appropriated for several funds as identified in the budget basis schedules and may only be transferred with City Council approval. The City Council may reallocate appropriations through amendment, but may not increase total appropriations above the total budget, which was legally adopted for the fiscal year.
5. The Director of Budget and Management is generally authorized to transfer budgeted amounts within departments' approved capital or operating budgets, and the City Manager is authorized to transfer appropriations between departments. Any new capital improvement projects or any nonbudgeted projects require City Council approval.
6. Formal budgetary integration is employed as a management control device during the year for all funds except the Public Facilities Corporation.

### **III. Contingency appropriation**

The principal purpose of a contingency appropriation is to cover any unforeseen expenditure, which may arise after the budget is adopted. It is impossible to estimate revenues exactly or to determine in a prior year the exact expenditures of each program or activity for the ensuing year. Thus, a contingency is essential for budgetary purposes.

Contingency appropriation is re-established each fiscal year based on available fund balance and balancing needs of the budget year. The unused balances of contingency appropriations are reflected in the budget basis financial statements.



City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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# COMBINING STATEMENTS

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FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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## NON-MAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

Special revenue funds are used to account for revenues from specific taxes or other earmarked revenue sources, which by law are designated to finance particular functions or activities of government and which, therefore, cannot be diverted to other uses.

#### **Community Development Block Grants Fund**

This fund accounts for a series of ongoing entitlements received directly from the U. S. Department of Housing and Urban Development (HUD). This fund also includes the HUD Rental Rehabilitation and HOME programs.

#### **Highway Users Gas Tax Fund**

This fund accounts for capital outlay and maintenance of municipal streets and highways, as mandated by the Arizona Revised Statutes. Financing for this fund is provided by state-shared fuel taxes.

#### **Development Impact Fees Fund**

This fund accounts for fees covered by Chapter 28, Article VI of the Municipal Code. The fees are used exclusively to provide the necessary public facilities and services for development. Residential development impact fees may be spent only in the district (residential development district, not political district) in which they are collected.

#### **Police and Fire Sales Tax Fund**

This fund accounts for police and fire activities funded by a .5 percent sales tax levied directly by voter initiative.

#### **Other Special Revenue Fund**

This fund accounts for various activities, including both the airport and civic center. Neither is considered to be an enterprise fund for financial reporting purposes and the City Council's present intent is not to have user fees cover the total costs of providing services.

- Municipal airport and civic center operations
- Miscellaneous grants received from Federal, State or local governments
- Recreation programs and site maintenance

### Debt Service Funds

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

#### **General Obligation Debt Service Fund**

The *general obligation debt service fund* accounts for the resources accumulated through a secondary property tax levy and payments made for principal and interest on long-term general obligation debt of governmental funds.

#### **Highway Users Debt Service Fund**

This fund accumulates monies for payment of all street and highway revenue bonds of the City. Highway user fuel taxes are transferred from a special revenue fund to fund this debt.

### **Municipal Property Corporation Debt Service**

The *municipal property corporation debt service fund* accounts for building lease payments received from the general fund and subsequently paid as debt service to Municipal Property Corporation bondholders.

### **Transportation Debt Service**

This fund accumulates monies for payment of the transportation revenue bonds. Transportation excise taxes are transferred from a revenue fund to fund this debt.

### **Capital Projects Funds**

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

### **Municipal Property Corporation Construction Fund**

This fund accounts for construction of municipal projects such as a public training facility, parking garage, media center, convention center, and infrastructure financed by MPC issued excise tax revenue bonds.

### **Streets Construction Fund**

This fund accounts for the construction of streets, sidewalks, streetlights, traffic signals, and street landscaping funded through G.O. and revenue bonds issued under authorizations approved by voters on March 10, 1987, and November 2, 1999.

### **Fire and Police Construction Fund**

This fund accounts for the construction of fire and police department facilities. Funding is provided through G.O. bonds issued under authorizations approved by voters on March 10, 1987, and November 2, 1999.

### **Parks Bond Construction Fund**

This fund accounts for the construction of parks and recreation improvements.

### **Other Construction Fund**

This fund accounts for the construction of various City projects. Funding is provided through G.O. bonds issued under authorizations approved by voters on March 10, 1987, and November 2, 1999, and the Federal Aviation Administration.

- Flood control facilities
- Library
- Airport
- Transit projects
- Economic development
- Open space/trails
- Government facilities
- Cultural facilities

### **Permanent Fund**

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting City's programs.

### **Cemetery Perpetual Care Fund**

This fund is used to account for the revenues received by the City from the sale of cemetery lots and other related services.

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City of Glendale, Arizona  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
June 30, 2008  
(amounts expressed in thousands)

	Special Revenue Funds					Debt Service Funds	
	Community Development Block Grants	Highway Users Gas Tax	Development Impact Fees	Police and Fire Sales Tax	Other Special Revenue Fund	General Obligation Debt Service	Highway Users
<b>ASSETS</b>							
Equity in pooled cash and investments	\$ 88	\$ 2,044	\$ 19,595	\$ -	\$ 291	\$ 33,531	\$ 4,181
Receivables, net of allowance for doubtful accounts:							
Property taxes	-	-	-	-	-	1,058	-
Accounts	2	-	-	1,650	1,170	-	-
Accrued interest	-	-	-	-	5	-	-
Intergovernmental receivable	713	1,375	-	-	1,418	-	-
Inventories and prepaid items	-	140	-	-	-	-	-
Restricted cash and investments	-	-	-	-	5,447	-	-
Deferred receivables	3,494	-	-	-	717	-	-
<b>Total assets</b>	<b>\$ 4,297</b>	<b>\$ 3,559</b>	<b>\$ 19,595</b>	<b>\$ 1,650</b>	<b>\$ 9,048</b>	<b>\$ 34,589</b>	<b>\$ 4,181</b>
<b>LIABILITIES AND FUND BALANCES:</b>							
Liabilities:							
Vouchers payable	\$ 456	\$ 532	\$ 246	\$ 651	\$ 580	\$ -	\$ -
Accounts payable	-	-	-	-	7	-	-
Retainage payable	7	-	-	-	-	-	-
Compensated absences - current	4	111	-	41	21	-	-
Intergovernmental payable	-	-	-	-	3	-	-
Due to other funds	209	-	-	1,205	-	-	-
Deposits	-	36	-	-	2	-	-
Matured interest payable	-	-	-	-	-	4,655	645
Deferred revenue	3,494	-	-	-	4,682	798	-
Matured bonds payable	-	-	-	-	-	14,786	3,415
<b>Total liabilities</b>	<b>4,170</b>	<b>679</b>	<b>246</b>	<b>1,897</b>	<b>5,295</b>	<b>20,239</b>	<b>4,060</b>
Fund balances:							
Reserved for (Note XV):							
Inventory	-	140	-	-	-	-	-
Development impact fees	-	-	19,349	-	-	-	-
Drug enforcement	-	-	-	-	2,193	-	-
Garden for visually impaired	-	-	-	-	185	-	-
Cultural facility projects	-	-	-	-	-	-	-
Cemetery	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	14,350	121
Unreserved:							
Designated for (Note XV):							
Home program	124	-	-	-	-	-	-
Pool/park repair	-	-	-	-	572	-	-
Street capital projects	-	-	-	-	-	-	-
Other capital projects	-	-	-	-	-	-	-
Undesignated	3	2,740	-	(247)	803	-	-
<b>Total fund balances</b>	<b>127</b>	<b>2,880</b>	<b>19,349</b>	<b>(247)</b>	<b>3,753</b>	<b>14,350</b>	<b>121</b>
<b>Total liabilities and fund balances</b>	<b>\$ 4,297</b>	<b>\$ 3,559</b>	<b>\$ 19,595</b>	<b>\$ 1,650</b>	<b>\$ 9,048</b>	<b>\$ 34,589</b>	<b>\$ 4,181</b>

Debt Service Funds (cont.)		Capital Project Funds					Permanent Fund	Total Non-major Governmental Funds
Municipal Property Corporation	Transportation Debt Service	Municipal Property Corp Construction	Streets Construction	Fire and Police Construction	Parks Bond Construction	Other Construction	Cemetery Perpetual Care	
\$ 13,916	\$ 7,330	\$ 1,427	\$ 19,585	\$ 15,426	\$ 8,196	\$ 13,555	\$ 5,398	\$ 144,563
-	-	-	-	-	-	-	-	1,058
-	-	-	-	-	-	-	80	2,902
-	-	-	40	97	40	83	-	265
-	-	-	-	-	-	45	-	3,551
-	-	-	-	-	-	-	-	140
10,765	-	420	-	-	-	-	-	16,632
-	-	-	-	-	-	-	-	4,211
<u>\$ 24,681</u>	<u>\$ 7,330</u>	<u>1,847</u>	<u>\$ 19,625</u>	<u>\$ 15,523</u>	<u>\$ 8,236</u>	<u>\$ 13,683</u>	<u>\$ 5,478</u>	<u>\$ 173,322</u>
\$ 109	\$ -	\$ 1	\$ 3,133	\$ 735	\$ 88	\$ 986	\$ -	\$ 7,517
-	-	-	-	-	-	-	-	7
-	-	-	-	36	12	35	-	90
-	-	-	-	-	-	-	-	177
-	-	-	-	-	-	-	-	3
-	-	-	-	-	-	-	-	1,414
-	-	-	-	-	-	-	-	38
4,787	3,255	-	-	-	-	-	-	13,342
-	-	-	60	-	-	14	80	9,128
3,920	4,075	-	-	-	-	-	-	26,196
<u>8,816</u>	<u>7,330</u>	<u>1</u>	<u>3,193</u>	<u>771</u>	<u>100</u>	<u>1,035</u>	<u>80</u>	<u>57,912</u>
-	-	-	-	-	-	-	-	140
-	-	-	-	-	-	-	-	19,349
-	-	-	-	-	-	-	-	2,193
-	-	-	-	-	-	-	-	185
-	-	-	-	-	-	545	-	545
-	-	-	-	-	-	-	5,398	5,398
15,865	-	-	-	-	-	-	-	30,336
-	-	-	-	-	-	-	-	124
-	-	-	-	-	-	-	-	572
-	-	-	16,432	-	-	-	-	16,432
-	-	-	-	-	-	1,567	-	1,567
-	-	1,846	-	14,752	8,136	10,536	-	38,569
15,865	-	1,846	16,432	14,752	8,136	12,648	5,398	115,410
<u>\$ 24,681</u>	<u>\$ 7,330</u>	<u>\$ 1,847</u>	<u>\$ 19,625</u>	<u>\$ 15,523</u>	<u>\$ 8,236</u>	<u>\$ 13,683</u>	<u>\$ 5,478</u>	<u>\$ 173,322</u>

City of Glendale, Arizona  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
For the Fiscal Year Ended June 30, 2008  
(amounts expressed in thousands)

	Special Revenue Funds				Debt Service Funds		
	Community Development Block Grants	Highway Users Gas Tax	Development Impact Fees	Police and Fire Sales Tax	Other Special Revenue Fund	General Obligation Debt Service	Highway Users
<b>REVENUES</b>							
Taxes and special assessments	\$ -	\$ -	\$ -	\$ 15,937	\$ 1,459	\$ 24,664	\$ -
Licenses and permits	-	-	6,080	-	-	-	-
Intergovernmental	3,769	16,647	-	-	5,004	-	-
Charges for services	-	-	-	-	5,192	-	-
Investments	-	-	1,039	-	112	-	-
Miscellaneous	200	-	-	-	1,380	-	-
Total revenues	<u>3,969</u>	<u>16,647</u>	<u>7,119</u>	<u>15,937</u>	<u>13,147</u>	<u>24,664</u>	<u>-</u>
<b>EXPENDITURES</b>							
Current:							
General government	-	-	12	-	1,034	-	-
Public safety	-	-	-	14,957	2,887	-	-
Public works	-	-	-	-	83	-	-
Community services	-	-	-	-	3,111	-	-
Community environment	3,942	-	-	-	469	-	-
Street maintenance	-	12,308	-	-	-	-	-
Miscellaneous	-	-	-	-	276	27	4
Debt service:							
Principal	-	33	2,137	-	-	13,189	3,415
Interest	-	5	246	-	-	9,008	1,290
Capital outlay	-	491	9,127	1,855	1,727	-	-
Total expenditures	<u>3,942</u>	<u>12,837</u>	<u>11,522</u>	<u>16,812</u>	<u>9,587</u>	<u>22,224</u>	<u>4,709</u>
Excess (deficiency) of revenues over expenditures	<u>27</u>	<u>3,810</u>	<u>(4,403)</u>	<u>(875)</u>	<u>3,560</u>	<u>2,440</u>	<u>(4,709)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Refunded bonds redeemed	-	-	-	-	-	-	-
Long-term debt issued	-	-	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-	-	-
Premium on long-term debt issued	-	-	-	-	-	-	-
Transfers in	-	-	-	-	2,012	-	4,715
Transfers out	-	(3,715)	(36)	-	(4,841)	-	-
Total other financing sources and uses	<u>-</u>	<u>(3,715)</u>	<u>(36)</u>	<u>-</u>	<u>(2,829)</u>	<u>-</u>	<u>4,715</u>
Excess (deficiency) of revenues and other sources over							
Net change in fund balances	27	95	(4,439)	(875)	731	2,440	6
Fund balances, July 1	100	2,785	23,788	628	3,022	11,910	115
Fund balances, June 30	<u>\$ 127</u>	<u>\$ 2,880</u>	<u>\$ 19,349</u>	<u>\$ (247)</u>	<u>\$ 3,753</u>	<u>\$ 14,350</u>	<u>\$ 121</u>

Debt Service Funds (cont.)		Capital Projects Funds					Permanent Fund	Total
Municipal Property Corporation	Transportation Debt Service	Municipal Property Corp Construction	Streets Construction	Fire and Police Construction	Parks Bond Construction	Other Construction	Cemetery Perpetual Care	Non-major Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,060
-	-	-	-	-	-	-	-	6,080
-	-	-	2,290	1,890	-	86	-	29,686
-	-	-	-	-	-	-	-	5,192
92	-	225	809	541	240	450	229	3,737
-	-	-	-	-	1	540	-	2,121
<u>92</u>	<u>-</u>	<u>225</u>	<u>3,099</u>	<u>2,431</u>	<u>241</u>	<u>1,076</u>	<u>229</u>	<u>88,876</u>
1,794	-	57	-	63	2	-	-	2,962
-	-	-	-	267	-	-	-	18,111
-	-	-	-	-	-	5	-	88
-	-	-	5	-	-	24	-	3,140
-	-	-	-	-	-	-	-	4,411
-	-	-	2	-	-	-	-	12,310
10	-	-	-	-	-	-	-	317
-	-	-	-	-	-	-	-	-
7,399	4,075	-	-	-	-	-	-	30,248
17,617	3,255	-	-	-	-	-	-	31,421
-	-	13,097	18,525	2,028	1,652	5,544	-	54,046
<u>26,820</u>	<u>7,330</u>	<u>13,154</u>	<u>18,532</u>	<u>2,358</u>	<u>1,654</u>	<u>5,573</u>	<u>-</u>	<u>157,054</u>
<u>(26,728)</u>	<u>(7,330)</u>	<u>(12,929)</u>	<u>(15,433)</u>	<u>73</u>	<u>(1,413)</u>	<u>(4,497)</u>	<u>229</u>	<u>(68,178)</u>
(83,521)	-	-	-	-	-	-	-	(83,521)
-	-	420	-	-	-	-	-	420
93,815	-	-	-	-	-	-	-	93,815
239	-	-	-	-	-	-	-	239
31,894	7,330	-	4,276	-	-	-	-	50,227
-	-	(3,479)	(206)	(12,685)	(5)	(27)	-	(24,994)
<u>42,427</u>	<u>7,330</u>	<u>(3,059)</u>	<u>4,070</u>	<u>(12,685)</u>	<u>(5)</u>	<u>(27)</u>	<u>-</u>	<u>36,186</u>
15,699	-	(15,988)	(11,363)	(12,612)	(1,418)	(4,524)	229	(31,992)
166	-	17,834	27,795	27,364	9,554	17,172	5,169	147,402
<u>\$ 15,865</u>	<u>\$ -</u>	<u>\$ 1,846</u>	<u>\$ 16,432</u>	<u>\$ 14,752</u>	<u>\$ 8,136</u>	<u>\$ 12,648</u>	<u>\$ 5,398</u>	<u>\$ 115,410</u>

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Community Development Block Grants Fund**  
For the Fiscal Year Ended June 30, 2008  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2007	\$ -	\$ -	\$ 106	\$ 106
<b>RESOURCES (INFLOWS):</b>				
Intergovernmental	5,713	4,972	3,769	(1,203)
Miscellaneous	-	-	200	200
Total revenues	<u>5,713</u>	<u>4,972</u>	<u>3,969</u>	<u>(1,003)</u>
Amounts available for appropriation	<u>5,713</u>	<u>4,972</u>	<u>4,075</u>	<u>(897)</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
Community environment	<u>5,713</u>	<u>4,904</u>	<u>3,944</u>	<u>960</u>
Total charges to appropriations	<u>5,713</u>	<u>4,904</u>	<u>3,944</u>	<u>960</u>
Budgetary fund balance, June 30, 2008	<u>\$ -</u>	<u>\$ 68</u>	<u>\$ 131</u>	<u>\$ 63</u>

**Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures**

**Sources/inflows of resources:**

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule.	\$ 4,075
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	<u>(106)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 3,969</u>

**Uses/outflows of resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 3,944
Salaries payable.	<u>(2)</u>
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 3,942</u>

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Highway Users Gas Tax Fund**  
For the Fiscal Year Ended June 30, 2008  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2007	\$ 1,256	\$ 1,256	\$ 2,970	\$ 1,714
<b>RESOURCES (INFLOWS):</b>				
Intergovernmental	16,986	17,442	16,647	(795)
Miscellaneous revenue not reported GAAP basis	-	-	47	47
Total revenues	16,986	17,442	16,694	(748)
Less: Transfers out	(3,715)	(3,715)	(3,715)	-
Amounts available for appropriation	14,527	14,983	15,949	966
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
Street maintenance	13,928	12,494	12,154	340
Capital outlay	502	502	491	11
Debt service:				
Principal	33	33	33	-
Interest	5	5	5	-
Total charges to appropriations	14,468	13,034	12,683	351
Budgetary fund balance, June 30, 2008	\$ 59	\$ 1,949	\$ 3,266	\$ 1,317

**Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures**

**Sources/inflows of resources:**

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule.	\$ 15,949
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(2,970)
Miscellaneous revenue not reported GAAP basis.	(47)
Add: Transfers out.	3,715
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 16,647

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 12,683
Salaries payable.	154
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 12,837

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Development Impact Fees Fund**  
For the Fiscal Year Ended June 30, 2008  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2007	\$ 24,035	\$ 24,127	\$ 23,789	\$ (338)
<b>RESOURCES (INFLOWS):</b>				
Licenses and permits	7,024	6,385	6,080	(305)
Investments	502	1,133	1,039	(94)
Total revenues	7,526	7,518	7,119	(399)
Less: Transfers out	(86)	(51)	(36)	30
Amounts available for appropriation	31,475	31,594	30,872	(722)
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
General administration	2,209	12	12	-
Public safety	2,113	-	-	-
Community services	631	204	-	204
Capital outlay	24,704	9,490	9,127	363
Principal retirement	1,597	1,597	2,137	(540)
Interest expense	219	219	246	(27)
Total charges to appropriations	31,473	11,522	11,522	-
Budgetary fund balance, June 30, 2008	\$ 2	\$ 20,072	\$ 19,350	\$ (722)

**Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures**

**Sources/inflows of resources:**

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule.	\$ 30,872
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(23,789)
Add: Transfers out.	36
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 7,119

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 11,522
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 11,522

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Police and Fire Sales Tax Fund**  
For the Fiscal Year Ended June 30, 2008  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2007	\$ 795	\$ 725	\$ 737	\$ 12
<b>RESOURCES (INFLOWS):</b>				
Taxes	5,600	17,093	15,937	(1,156)
Total revenues	5,600	17,093	15,937	(1,156)
Amounts available for appropriation	6,395	17,818	16,674	(1,144)
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
Public safety	5,993	14,030	14,777	(747)
Capital outlay	80	2,602	1,855	747
Total charges to appropriations	6,073	16,632	16,632	-
Budgetary fund balance, June 30, 2008	\$ 322	\$ 1,186	\$ 42	\$ (1,144)

**Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures**

**Sources/inflows of resources:**

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule.	\$ 16,674
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(737)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 15,937

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 16,632
Differences - budget to GAAP:	
Salaries payable.	180
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 16,812

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Other Special Revenue Fund**  
For the Fiscal Year Ended June 30, 2008  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2007	\$ 2,289	\$ 3,759	\$ 3,048	\$ (711)
<b>RESOURCES (INFLOWS):</b>				
Taxes	4,795	-	1,459	1,459
Intergovernmental	13,446	2,237	5,004	2,767
Charges for services	4,841	1,209	5,192	3,983
Investments	10	200	124	(76)
Miscellaneous	1,215	886	1,379	493
Total revenues	24,307	4,532	13,158	8,626
Add: Transfers in	2,066	2,066	2,012	(54)
Less: Transfers out	(8,361)	-	(4,841)	(4,841)
Amounts available for appropriation	20,301	10,357	13,377	3,020
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
General government	1,020	1,049	1,024	25
Public safety	8,302	1,795	2,881	(1,086)
Public works	122	178	83	95
Community services	4,098	3,312	3,094	218
Community environment	566	559	472	87
Miscellaneous	272	-	277	(277)
Capital outlay	4,291	893	1,727	(834)
Total charges to appropriations	18,671	7,786	9,558	(1,772)
Budgetary fund balance, June 30, 2008	\$ 1,630	\$ 2,571	\$ 3,819	\$ 1,248

**Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures**

**Sources/inflows of resources:**

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule.	\$ 13,377
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(3,048)
Accrued interest.	(11)
Less: Transfers in.	(2,012)
Add: Transfers out.	4,841
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 13,147

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 9,558
Salaries payable.	29
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 9,587

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**General Obligation Debt Service Fund**  
For the Fiscal Year Ended June 30, 2008  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2007	\$ 11,995	\$ 11,995	\$ 11,739	\$ (256)
<b>RESOURCES (INFLOWS):</b>				
Taxes	24,699	24,857	24,664	(193)
Total inflows	24,699	24,857	24,664	(193)
Amounts available for appropriation	36,694	36,852	36,403	(449)
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
Miscellaneous	345	345	150	195
Debt service:				
Principal	13,094	13,094	13,189	(95)
Interest	9,046	9,046	9,008	38
Total charges to appropriations	22,485	22,485	22,347	138
Budgetary fund balance, June 30, 2008	\$ 14,209	\$ 14,367	\$ 14,056	\$ (311)

**Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures**

**Sources/inflows of resources:**

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule.	\$ 36,403
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(11,739)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 24,664

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 22,347
Differences - budget to GAAP:	
Arbitrage rebate.	(123)
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 22,224

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Highway Users Debt Service Fund**  
For the Fiscal Year Ended June 30, 2008  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2007	\$ 75	\$ 75	\$ -	\$ (75)
<b>RESOURCES (INFLOWS):</b>				
Add: Transfers in	4,715	4,715	4,715	-
Amounts available for appropriation	<u>4,790</u>	<u>4,790</u>	<u>4,715</u>	<u>(75)</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
Miscellaneous	11	17	16	1
Debt service:				
Principal	3,415	3,415	3,415	-
Interest	1,290	1,290	1,290	-
Total charges to appropriations	<u>4,716</u>	<u>4,722</u>	<u>4,721</u>	<u>1</u>
Budgetary fund balance, June 30, 2008	<u>\$ 74</u>	<u>\$ 68</u>	<u>\$ (6)</u>	<u>\$ (74)</u>

**Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures**

**Sources/inflows of resources:**

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 4,715
Less: Transfers in.	<u>(4,715)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ -</u>

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 4,721
Differences - budget to GAAP:	
Arbitrage rebate.	<u>(12)</u>
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 4,709</u>

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Municipal Property Corporation Debt Service Fund**  
For the Fiscal Year Ended June 30, 2008  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2007	\$ -	\$ -	\$ -	\$ -
<b>RESOURCES (INFLOWS):</b>				
Investments	25	85	96	11
Long-term debt issued	-	-	3,687	3,687
Total revenues	25	85	3,783	3,698
Add: Transfers in	25,182	25,182	31,895	6,713
Amounts available for appropriation	25,207	25,267	35,678	10,411
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
Miscellaneous	20	20	44	(24)
Debt service:				
Principal	5,055	5,055	7,399	(2,344)
Interest	20,132	20,126	15,592	4,534
Total charges to appropriations	25,207	25,201	23,035	2,166
Budgetary fund balance, June 30, 2008	\$ -	\$ 66	\$ 12,643	\$ 12,577

**Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures**

**Sources/inflows of resources:**

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule.	\$ 35,678
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	-
Market adjustment on restricted investments not available for appropriation.	(4)
Less: Transfers in.	(31,895)
Long-term debt issued.	(3,687)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 92

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 23,035
Differences - budget to GAAP:	
Other financing uses on bond refunding.	
Interest.	2,025
Cost of issuance on long-term debt issued.	1,794
Arbitrage rebate.	(34)
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 26,820

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Transportation Debt Service Fund**  
For the Fiscal Year Ended June 30, 2008  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2007	\$ -	\$ -	\$ -	\$ -
<b>RESOURCES (INFLOWS):</b>				
Add: Transfers in	-	7,331	7,330	(1)
Amounts available for appropriation	-	7,331	7,330	(1)
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Debt service:				
Principal	-	4,076	4,075	1
Interest	-	3,255	3,255	-
Total charges to appropriations	-	7,331	7,330	1
Budgetary fund balance, June 30, 2008	\$ -	\$ -	\$ -	\$ -

**Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures**

**Sources/inflows of resources:**

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 7,330
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	-
Less: Transfers in.	7,330
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ -

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 7,330
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 7,330

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Municipal Property Corporation Construction Fund**  
For the Fiscal Year Ended June 30, 2008  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary fund balance, July 1, 2007	\$ 21,986	\$ 17,834	\$ 17,834	\$ -
<b>RESOURCES (INFLOWS):</b>				
Long-term debt issued	5,075	-	420	420
Investment income	108	-	225	225
Total revenues	5,183	-	645	645
Operating transfer out	407	368	3,479	3,111
Amounts available for appropriation	26,762	17,466	15,000	(2,466)
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
General administrative	10,166	-	57	(57)
Capital outlay	16,596	16,448	13,097	3,351
Total charges to appropriations	26,762	16,448	13,154	3,294
Budgetary fund balance, June 30, 2008	\$ -	\$ 1,018	\$ 1,846	\$ 828

**Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures**

**Sources/inflows of resources:**

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule.	\$ 15,000
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(17,834)
Long-term debt issued.	(420)
Add: Transfers out.	3,479
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 225

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 13,154
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 13,154

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Streets Construction Fund**  
For the Fiscal Year Ended June 30, 2008  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2007	\$ 34,736	\$ 34,736	\$ 27,709	\$ (7,027)
<b>RESOURCES (INFLOWS):</b>				
Investments	-	881	849	(32)
Intergovernmental	-	-	2,290	2,290
Long-term debt issued	8,038	-	-	-
Total revenues	8,038	881	3,139	2,258
Add: Transfers in	-	-	4,276	4,276
Less: Transfers out	(305)	(201)	(206)	(4,251)
Amounts available for appropriation	42,469	35,416	34,918	(498)
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
Community services	3,221	3,108	5	2,493
Street maintenance	1,054	1,849	2	1,847
Capital outlay	38,194	25,974	18,525	7,449
Total charges to appropriations	42,469	30,931	18,532	12,399
Budgetary fund balance, June 30, 2008	\$ -	\$ 4,485	\$ 16,386	\$ 11,901

**Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures**

**Sources/inflows of resources:**

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule.	\$ 34,918
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(27,709)
Market adjustment on restricted investments not available for appropriation.	(40)
Add: Transfers out.	206
Less: Transfers In.	(4,276)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 3,099

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 18,532
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 18,532

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Fire and Police Construction Fund**  
For the Fiscal Year Ended June 30, 2008  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2007	\$ 22,940	\$ 18,782	\$ 27,365	\$ 8,583
<b>RESOURCES (INFLOWS):</b>				
Intergovernmental revenue	-	483	1,890	1,407
Investments	-	-	469	469
Long-term debt issued	12,200	-	-	-
Total revenues	12,200	483	2,359	1,876
Less: Transfers out	(29)	-	(12,685)	(12,685)
Amounts available for appropriation	35,111	19,265	17,039	(2,226)
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
General administration	-	-	63	(63)
Public safety	16,470	8	267	(259)
Capital outlay	18,641	4,522	2,028	2,494
Total charges to appropriations	35,111	4,530	2,358	2,172
Budgetary fund balance, June 30, 2008	\$ -	\$ 14,735	\$ 14,681	\$ 54

**Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures**

**Sources/inflows of resources:**

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule.	\$ 17,039
Differences - budget to GAAP:	
Market adjustment on restricted investments not available for appropriation.	72
Add: Transfers out.	12,685
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(27,365)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 2,431

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 2,358
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 2,358

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Parks Bond Construction Fund**  
For the Fiscal Year Ended June 30, 2008  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2007	\$ 8,602	\$ 9,499	\$ 9,500	\$ 1
<b>RESOURCES (INFLOWS):</b>				
Investments	58	290	274	(16)
Miscellaneous	-	-	1	1
Total revenues	58	290	275	(15)
Less: Transfers out	(44)	(42)	(5)	37
Amounts available for appropriation	8,616	9,747	9,770	23
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
General administration	3,421	7	2	5
Capital outlay	5,195	1,500	1,652	(152)
Total charges to appropriations	8,616	1,507	1,654	(147)
Budgetary fund balance, June 30, 2008	\$ -	\$ 8,240	\$ 8,116	\$ (124)

**Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures**

**Sources/inflows of resources:**

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 9,770
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(9,500)
Market adjustment on restricted investments not available for appropriation.	(34)
Add: Transfers out.	5
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 241

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 1,654
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 1,654

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Other Construction Fund**  
For the Fiscal Year Ended June 30, 2008  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2007	\$ 17,895	\$ 17,895	\$ 17,144	\$ (751)
<b>RESOURCES (INFLOWS):</b>				
Intergovernmental	11,866	33	86	53
Investments	55	20	426	406
Miscellaneous	-	950	539	(411)
Total revenues	11,921	1,003	1,051	48
Less: Transfers out	(132)	(108)	(28)	80
Amounts available for appropriation	29,684	18,790	18,167	(623)
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
Community services	2,370	1,067	29	1,038
Capital outlay	27,314	5,072	5,544	(472)
Total charges to appropriations	29,684	6,139	5,573	566
Budgetary fund balance, June 30, 2008	\$ -	\$ 12,651	\$ 12,594	\$ (57)

**Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures**

**Sources/inflows of resources:**

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 18,167
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(17,144)
Market adjustment on restricted investments not available for appropriation.	25
Add: Transfers out.	28
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 1,076

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 5,573
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 5,573

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Cemetery Perpetual Care Fund**  
For the Fiscal Year Ended June 30, 2008  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2007	\$ 5,102	\$ 5,169	\$ 5,169	\$ -
<b>RESOURCES (INFLOWS):</b>				
Investments	126	106	229	123
Total revenues	126	106	229	123
Amounts available for appropriation	5,228	5,275	5,398	123
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
Public works	5,228	-	-	-
Total charges to appropriations	5,228	-	-	-
Budgetary fund balance, June 30, 2008	\$ -	\$ 5,275	\$ 5,398	\$ 123

**Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures**

**Sources/inflows of resources:**

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule.	\$ 5,398
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(5,169)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 229

## **NON-MAJOR PROPRIETARY FUNDS – BUSINESS-TYPE ACTIVITIES**

Proprietary funds are used to account for City operations that are run like a business. These funds are responsible for providing enough operational revenue to cover all expenses.

### **Landfill**

This fund accounts for the operation of the City owned landfill and recycling operations. Fees charged for the use of the landfill are used to maintain and improve the landfill operations as well as fund future closure costs.

### **Sanitation**

This fund accounts for the City's trash collection services including curb, roll-off, bulk, and front-load services to individuals and businesses. Revenues collected are used to keep the City free of garbage.

### **Housing**

This fund accounts for operations to provide affordable housing to those who cannot afford it in the private market. This is done through administration of Federal Section 8 Housing Choice and Conventional Public Housing programs.

City of Glendale, Arizona  
**Combining Statement of Net Assets**  
**Non-Major Proprietary Funds - Business-type Activities**  
For the Fiscal Year Ended June 30, 2008  
(amounts expressed in thousands)

	<u>Landfill</u>	<u>Sanitation</u>	<u>Housing</u>	<u>Total</u>
<b>ASSETS</b>				
Current assets:				
Equity in pooled cash and investments	\$ 25,353	\$ 4,111	\$ 1,406	\$ 30,870
Receivables:				
Accounts	413	1,706	-	2,119
Allowance for uncollectibles	(2)	(26)	-	(28)
Intergovernmental receivable	-	-	481	481
Inventories and prepaid items	-	-	4	4
Total current assets	<u>25,764</u>	<u>5,791</u>	<u>1,891</u>	<u>33,446</u>
Noncurrent assets:				
Restricted cash and investments	-	9	37	46
Capital assets:				
Capital assets	21,531	10,554	11,971	44,056
Accumulated depreciation	<u>(8,786)</u>	<u>(6,800)</u>	<u>(6,374)</u>	<u>(21,960)</u>
Capital assets, net	<u>12,745</u>	<u>3,754</u>	<u>5,597</u>	<u>22,096</u>
Total noncurrent assets	<u>12,745</u>	<u>3,763</u>	<u>5,634</u>	<u>22,142</u>
Total assets	<u>38,509</u>	<u>9,554</u>	<u>7,525</u>	<u>55,588</u>
<b>LIABILITIES</b>				
Current liabilities:				
Vouchers payable	587	258	-	845
Accounts payable	-	-	13	13
Compensated absences	234	286	20	540
Due to other funds	-	-	32	32
Deposits	150	104	37	291
Unearned rent	-	-	7	7
Current portion of long-term debt:				
General obligation bonds	199	-	-	199
Capital lease payable	-	608	-	608
Interest payable	8	15	-	23
Total current liabilities	<u>1,178</u>	<u>1,271</u>	<u>109</u>	<u>2,558</u>
Noncurrent liabilities:				
Compensated absences	57	75	179	311
General obligation bonds	132	-	-	132
OPEB long-term obligations	365	746	193	1,304
Other long-term debt	-	-	37	37
Capital lease obligations	-	1,080	-	1,080
Estimated closure and post-closure costs	<u>11,419</u>	<u>-</u>	<u>-</u>	<u>11,419</u>
Total noncurrent liabilities	<u>11,973</u>	<u>1,901</u>	<u>409</u>	<u>14,283</u>
Total liabilities	<u>13,151</u>	<u>3,172</u>	<u>518</u>	<u>16,841</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	12,415	2,066	5,597	20,078
Restricted for:				
Other purposes	-	-	1,410	1,410
Unrestricted	<u>12,943</u>	<u>4,316</u>	<u>-</u>	<u>17,259</u>
Total net assets	<u>\$ 25,358</u>	<u>\$ 6,382</u>	<u>\$ 7,007</u>	<u>\$ 38,747</u>

City of Glendale, Arizona

**Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets**

**Non-Major Proprietary Funds - Business-type Activities**

For the Fiscal Year Ended June 30, 2008

(amounts expressed in thousands)

	Business-type Activities			Total
	Enterprise Funds			
	Landfill	Sanitation	Housing	
Operating revenues:				
Intergovernmental	\$ -	\$ -	\$ 8,348	\$ 8,348
Container service	-	4,972	-	4,972
Curb service	-	9,696	-	9,696
Landfill user fees	5,998	-	-	5,998
Recycling sales	2,959	7	-	2,966
Other fees	128	-	815	943
Total operating revenues	<u>9,085</u>	<u>14,675</u>	<u>9,163</u>	<u>32,923</u>
Operating expenses:				
Landfill	6,169	-	-	6,169
Housing	-	-	9,316	9,316
Closure/post-closure care adjustment	442	-	-	442
Sanitation	-	13,448	-	13,448
Depreciation	1,069	938	353	2,360
Total operating expenses	<u>7,680</u>	<u>14,386</u>	<u>9,669</u>	<u>31,735</u>
Operating income (loss)	<u>1,405</u>	<u>289</u>	<u>(506)</u>	<u>1,188</u>
Nonoperating revenues (expenses):				
Impact fees	111	9	-	120
Investment income	994	200	-	1,194
Interest expense	(17)	(72)	-	(89)
Gain on disposal of assets	74	17	-	91
OPEB expense	(365)	(746)	(193)	(1,304)
Intergovernmental - capital grants	-	-	324	324
Total nonoperating revenue (expenses)	<u>797</u>	<u>(592)</u>	<u>131</u>	<u>336</u>
Income before contributions and transfers	2,202	(303)	(375)	1,524
Transfers in	-	-	561	561
Transfers out	(5)	-	-	(5)
Change in net assets	<u>2,197</u>	<u>(303)</u>	<u>186</u>	<u>2,080</u>
Total net assets - beginning	23,161	6,685	6,821	36,667
Total net assets - ending	<u>\$ 25,358</u>	<u>\$ 6,382</u>	<u>\$ 7,007</u>	<u>\$ 38,747</u>

City of Glendale, Arizona  
**Combining Statement of Cash Flows**  
**Non-Major Proprietary Funds - Business-type Activities**  
For the Fiscal Year Ended June 30, 2008  
(amounts expressed in thousands)

	<u>Landfill</u>	<u>Sanitation</u>	<u>Housing</u>	<u>Total</u>
<b>Cash flows from operating activities:</b>				
Cash received from customers	\$ 9,438	\$ 14,713	\$ 843	\$ 24,994
Cash received from federal government	-	-	8,091	8,091
Cash paid to suppliers:				
Internal city departments	(1,338)	(7,814)	-	(9,152)
External vendors	(2,009)	(1,027)	(7,979)	(11,015)
Cash paid to employees for services	(2,435)	(4,468)	(1,345)	(8,248)
Net cash provided (used) by operating activities	<u>3,656</u>	<u>1,404</u>	<u>(390)</u>	<u>4,670</u>
<b>Cash flows from noncapital financing activities:</b>				
Proceeds from sale of investments	-	-	8	8
Transfers in	-	-	561	561
Transfers out	(4)	-	-	(4)
Net cash (used for) provided by noncapital financing activities	<u>(4)</u>	<u>-</u>	<u>569</u>	<u>565</u>
<b>Cash flows from capital and related financing activities:</b>				
Principal payments on obligations	(189)	(661)	-	(850)
Acquisition of capital assets and rights	(511)	(1,270)	(563)	(2,344)
Impact fees	111	9	-	120
Interest payments on obligations	(22)	(77)	-	(99)
Capital grant proceeds	-	-	324	324
Net cash (used for) capital and related financing activities	<u>(611)</u>	<u>(1,999)</u>	<u>(239)</u>	<u>(2,849)</u>
<b>Cash flows from investing activities:</b>				
Interest received from investments	993	200	-	1,193
Net cash provided by investing activities	<u>993</u>	<u>200</u>	<u>-</u>	<u>1,193</u>
Net increase (decrease) in cash and cash equivalents during fiscal year	4,034	(395)	(60)	3,579
Cash and cash equivalents, July 1	21,319	4,515	1,503	27,337
Cash and cash equivalents, June 30	<u>\$ 25,353</u>	<u>\$ 4,120</u>	<u>\$ 1,443</u>	<u>\$ 30,916</u>

	<u>Landfill</u>	<u>Sanitation</u>	<u>Housing</u>	<u>Total</u>
<b>Reconciliation of operating income (loss)</b>				
<b>to net cash provided by</b>				
<b>operating activities:</b>				
Operating income (loss)	\$ 1,405	\$ 289	\$ (506)	\$ 1,188
Adjustments to reconcile operating income to net cash provided by operations:				
Depreciation	1,069	938	353	2,360
Changes in assets and liabilities:				
Accounts receivable	355	18	22	395
Intergovernmental receivable	-	-	(245)	(245)
Inventories and prepaid items	-	-	2	2
Vouchers payable	348	126	(35)	439
Accrued expenses	-	(5)	-	(5)
Intergovernmental payable	-	-	(12)	(12)
Deposits	(3)	20	2	19
Unearned rent	-	-	2	2
Due to other funds	-	-	13	13
Compensated absences	40	18	14	72
Estimated closure and post-closure costs	442	-	-	442
Net cash provided by (used for) operating activities	<u>\$ 3,656</u>	<u>\$ 1,404</u>	<u>\$ (390)</u>	<u>\$ 4,670</u>
<b>Reconciliation of statement of net assets</b>				
<b>cash and investments to the</b>				
<b>statement of cash flows:</b>				
Per combined statement of net assets:				
Equity in pooled cash and investments	\$ 25,353	\$ 4,111	\$ 1,406	\$ 30,870
Restricted cash and investments	-	9	37	46
Total cash and cash equivalents	<u>\$ 25,353</u>	<u>\$ 4,120</u>	<u>\$ 1,443</u>	<u>\$ 30,916</u>

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Water and Sewer Fund**  
For the Fiscal Year Ended June 30, 2008  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2007	\$ 129,762	\$ 129,762	\$ 80,626	\$ (49,136)
<b>RESOURCES (INFLOWS):</b>				
Intergovernmental	-	174	7	(167)
Charges for services:				
Metered water sales	34,772	33,550	35,189	1,639
Sewer service charges	23,721	23,430	25,152	1,722
Impact fees	5,000	5,000	3,875	(1,125)
Other fees	-	1,604	1,727	123
Investments	1,500	1,700	2,709	1,009
Miscellaneous	500	204	488	284
Proceeds from bonds sold	53,100	65,500	65,064	(436)
Proceeds from equipment disposal	-	15	39	24
Total revenues	<u>118,593</u>	<u>131,177</u>	<u>134,250</u>	<u>3,073</u>
Less: Transfers out	<u>(1,368)</u>	<u>(1,183)</u>	<u>(48)</u>	<u>1,135</u>
Amounts available for appropriation	<u>246,987</u>	<u>259,756</u>	<u>214,828</u>	<u>(44,928)</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
General administration	11,998	11,998	11,185	813
Water	23,382	48,337	18,323	30,014
Sewer	15,830	36,943	13,975	22,968
Bond issuance cost	-	-	1,233	(1,233)
Contingencies	5,000	5,000	-	5,000
Capital outlay	147,105	98,096	57,296	40,800
Debt service:				
Principal	8,052	8,052	8,062	(10)
Interest	<u>11,876</u>	<u>11,876</u>	<u>11,574</u>	<u>302</u>
Total charges to appropriations	<u>223,243</u>	<u>220,302</u>	<u>121,648</u>	<u>98,654</u>
Budgetary fund balance, June 30, 2008	<u>\$ 23,744</u>	<u>\$ 39,454</u>	<u>\$ 93,180</u>	<u>\$ 53,726</u>

**Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures****Sources/inflows of resources:**

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 214,828
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(80,626)
Interest earned on restricted assets not available for appropriation.	154
Market adjustment on restricted investments not available for appropriation.	195
Revenues offset directly by bad debt expense on budgetary basis.	526
Capital outlay contributed.	(359)
Bond proceeds.	(65,064)
Proceeds from equipment disposals.	(39)
Gain on disposal of assets.	35
Internal staff and administrative charges reported as revenue only on budgetary basis.	(173)
Less: Transfers in.	48
Total revenues as reported on the statement of revenues, expenses, and changes in fund net assets excluding capital contributions.	<u>\$ 69,525</u>

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 121,648
Differences - budget to GAAP:	
Bad debt expense.	526
Amortization of capitalized bond issuance expense.	119
Capital outlay expenditure.	(57,296)
Change in compensated absences liability.	215
Change in prepaid assets or inventory.	(53)
Amortization and depreciation expense.	14,568
Bond issuance costs.	(1,229)
Principal payments on long-term obligations.	(8,062)
OPEB expense.	2,190
Interest expense.	(268)
Internal staff and administrative charges reported as revenue only on budgetary basis.	(173)
Change in accrued payroll.	248
Total expenses as reported in the statement of revenues, expenses, and changes in fund net assets, excluding loss from joint venture and disposal of assets.	<u>\$ 72,433</u>

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Landfill Fund**  
For the Fiscal Year Ended June 30, 2008  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2007	\$ 18,418	\$ 18,418	\$ 21,620	\$ 3,202
<b>RESOURCES (INFLOWS):</b>				
Charges for services:				
Landfill user fees	6,468	5,825	6,385	560
Recycling fees	2,800	2,300	2,959	659
Other fees	98	152	128	(24)
Proceeds from equipment disposal	-	1	68	67
Investments	850	950	994	44
Impact fees	40	510	111	(399)
Total revenues	<u>10,256</u>	<u>9,738</u>	<u>10,645</u>	<u>907</u>
Less: Transfers out	<u>(15)</u>	<u>(15)</u>	<u>(5)</u>	<u>10</u>
Amounts available for appropriation	<u>28,659</u>	<u>28,141</u>	<u>32,260</u>	<u>4,119</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Contingencies	2,000	2,000	-	2,000
Landfill	7,545	7,413	6,483	930
Capital outlay	2,585	2,429	589	1,840
Debt service:				
Principal	199	199	199	-
Interest	17	173	17	156
Total charges to appropriations	<u>12,346</u>	<u>12,214</u>	<u>7,288</u>	<u>4,926</u>
Budgetary fund balance, June 30, 2008	<u>\$ 16,313</u>	<u>\$ 15,927</u>	<u>\$ 24,972</u>	<u>\$ 9,045</u>

**Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenses**

**Sources/inflows of resources:**

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 32,260
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(21,620)
Internal staff and administrative charges reported as revenue only on budgetary basis.	(385)
Revenues offset directly by bad debt expense on budgetary basis.	(2)
Proceeds from disposal of capital assets.	(68)
Gain on disposal of assets.	74
Add: Transfers out.	<u>5</u>
Total revenues as reported on the statement of revenues, expenses, and changes in fund net assets.	<u>\$ 10,264</u>

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 7,288
Bad debt expense.	(1)
Capital outlay expenditures.	(589)
Change in compensated absences liability.	40
Change in estimated landfill post-closure liability.	442
Depreciation expense.	1,069
Principal payments on long-term obligations.	(199)
OPEB expense.	365
Accrued payroll.	32
Internal staff and administrative charges reported as revenue only on budgetary basis.	<u>(385)</u>
Total expenses as reported in the statement of revenues, expenses, and changes in fund net assets.	<u>\$ 8,062</u>

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Sanitation Fund**  
For the Fiscal Year Ended June 30, 2008  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2007	\$ 5,356	\$ 5,356	\$ 6,343	\$ 987
<b>RESOURCES (INFLOWS):</b>				
Charges for services:				
Container service	4,960	4,721	4,972	251
Curb service	10,490	9,626	9,632	6
Impact fees	17	61	9	(52)
Recycle sales	-	10	7	(3)
Investments	150	150	200	50
Capital lease proceeds	-	841	-	(841)
Proceeds from equipment disposal	-	10	31	21
Total revenues	<u>15,617</u>	<u>15,419</u>	<u>14,851</u>	<u>(568)</u>
Amounts available for appropriation	<u>20,973</u>	<u>20,775</u>	<u>21,194</u>	<u>419</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
Sanitation	14,504	14,637	13,300	1,337
Capital outlay	2,765	2,765	1,292	1,473
Debt service:				
Principal	661	661	661	-
Interest	77	77	77	-
Total charges to appropriations	<u>18,007</u>	<u>18,140</u>	<u>15,330</u>	<u>2,810</u>
Budgetary fund balance, June 30, 2008	<u>\$ 2,966</u>	<u>\$ 2,635</u>	<u>\$ 5,864</u>	<u>\$ 3,229</u>

**Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenses**

**Sources/inflows of resources:**

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 21,194
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(6,343)
Internal staff and administrative charges reported as revenue only on budgetary basis.	(42)
Revenues offset directly by bad debt expense on budgetary basis.	106
Proceeds from disposal of capital assets.	(31)
Gain on disposal of assets.	17
Total revenues as reported on the combining statement of revenues, expenses, and changes in fund net assets - non-major proprietary funds - business-type activities.	<u>\$ 14,901</u>

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 15,330
Bad debt expense.	107
Capital outlay.	(1,292)
Change in compensated absences liability.	18
Depreciation expense.	938
Interest expense.	(5)
OPEB expense.	746
Principal payments on long-term obligations.	(661)
Accrued payroll.	65
Internal staff and administrative charges reported as revenue only on budgetary basis.	(42)
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net assets - non-major proprietary funds.	<u>\$ 15,204</u>

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Housing Fund**  
For the Fiscal Year Ended June 30, 2008  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2007	\$ 647	\$ 647	\$ 1,724	\$ 1,077
<b>RESOURCES (INFLOWS):</b>				
Intergovernmental	8,117	8,117	8,672	555
Miscellaneous	-	-	815	815
Total revenues	8,117	8,117	9,487	1,370
Add: Transfers in	505	505	561	56
Amounts available for appropriation	9,269	9,269	11,772	2,503
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
Housing	8,432	8,432	9,298	(866)
Capital outlay	275	275	240	35
Total charges to appropriations	8,707	8,707	9,538	(831)
Budgetary fund balance, June 30, 2008	\$ 562	\$ 562	\$ 2,234	\$ 1,672

**Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenses**

**Sources/inflows of resources:**

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 11,772
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(1,724)
Less: Transfers in.	(561)
Total revenues as reported on the statement of revenues, expenses, and changes in fund net assets - non-major proprietary funds.	\$ 9,487

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 9,538
Change in compensated absences liability.	18
Accrued payroll.	
Depreciation expense.	353
Capital outlay.	(240)
OPEB expense.	193
Total expenses as reported in the statement of revenues, expenses, and changes in fund net assets - non-major proprietary funds.	\$ 9,862

City of Glendale, Arizona  
**Combining Statement of Net Assets**  
**Internal Service Funds**  
For the Fiscal Year Ended June 30, 2008  
(amounts expressed in thousands)

	<u>Risk Management</u>	<u>Workers' Compensation</u>	<u>Employee Benefits</u>	<u>Total</u>
<b>ASSETS</b>				
Current assets:				
Equity in pooled cash and investments	\$ 6,567	\$ 3,112	\$ 8,114	\$ 17,793
Inventories and prepaid items	47	-	-	47
Total current assets	<u>6,614</u>	<u>3,112</u>	<u>8,114</u>	<u>17,840</u>
Noncurrent assets:				
Restricted cash and investments	-	150	-	150
Total assets	<u>6,614</u>	<u>3,262</u>	<u>8,114</u>	<u>17,990</u>
<b>LIABILITIES</b>				
Current liabilities:				
Vouchers payable	18	2	1,623	1,643
Estimated claims payable	1,849	734	2,853	5,436
Total current liabilities	<u>1,867</u>	<u>736</u>	<u>4,476</u>	<u>7,079</u>
Noncurrent liabilities:				
Estimated claims payable	2,231	1,252	-	3,483
Total noncurrent liabilities	<u>2,231</u>	<u>1,252</u>	<u>-</u>	<u>3,483</u>
Total liabilities	<u>4,098</u>	<u>1,988</u>	<u>4,476</u>	<u>10,562</u>
<b>NET ASSETS</b>				
Unrestricted	<u>2,516</u>	<u>1,274</u>	<u>3,638</u>	<u>7,428</u>
Total net assets	<u>\$ 2,516</u>	<u>\$ 1,274</u>	<u>\$ 3,638</u>	<u>\$ 7,428</u>

City of Glendale, Arizona

**Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets**

**Internal Service Funds**

For the Fiscal Year Ended June 30, 2008

(amounts expressed in thousands)

	<u>Risk Management</u>	<u>Workers' Compensation</u>	<u>Employee Benefits</u>	<u>Total</u>
Operating revenues:				
Self-insurance premiums	\$ 2,813	\$ 992	\$ 20,962	\$ 24,767
Other	23	23	-	46
Total operating revenues	<u>2,836</u>	<u>1,015</u>	<u>20,962</u>	<u>24,813</u>
Operating expenses:				
Insurance claims and premiums	<u>2,650</u>	<u>1,050</u>	<u>21,266</u>	<u>24,966</u>
Operating income (loss)	186	(35)	(304)	(153)
Nonoperating revenues:				
Investments	<u>188</u>	<u>194</u>	<u>298</u>	<u>680</u>
Income (loss) before transfers	374	159	(6)	527
Operating transfers in	2,000	-	-	2,000
Operating transfers out	<u>-</u>	<u>(2,000)</u>	<u>-</u>	<u>(2,000)</u>
Change in net assets	2,374	(1,841)	(6)	527
Net assets - beginning	<u>142</u>	<u>3,115</u>	<u>3,644</u>	<u>6,901</u>
Net assets - ending	<u>\$ 2,516</u>	<u>\$ 1,274</u>	<u>\$ 3,638</u>	<u>\$ 7,428</u>

City of Glendale, Arizona  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
For the Fiscal Year Ended June 30, 2008  
(amounts expressed in thousands)

	Risk Management	Workers' Compensation	Employee Benefits	Total
<b>Cash flows from operating activities:</b>				
Cash received from customers	\$ 2,836	\$ 1,015	\$ 20,968	\$ 24,819
Cash paid for insurance and in settlement of claims	<u>(2,342)</u>	<u>(1,216)</u>	<u>(19,991)</u>	<u>(23,549)</u>
Net cash provided by (used for) operating activities	494	(201)	977	1,270
<b>Cash flows from noncapital financing activities:</b>				
Operating transfers in (out)	2,000	(2,000)	-	-
<b>Cash flows from investing activities:</b>				
Interest received	<u>188</u>	<u>194</u>	<u>298</u>	<u>680</u>
Net increase (decrease) in cash during fiscal year	2,682	(2,007)	1,275	1,950
Cash and cash equivalents, July 1	3,885	5,269	6,839	15,993
Cash and cash equivalents, June 30	<u>\$ 6,567</u>	<u>\$ 3,262</u>	<u>\$ 8,114</u>	<u>\$ 17,943</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>				
Operating income (loss)	\$ 186	\$ (35)	\$ (304)	\$ (153)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operations:				
Change in inventories and prepaid items	28	-	5	33
Change in vouchers payable	(53)	(54)	478	371
Change in claims payable	<u>333</u>	<u>(112)</u>	<u>798</u>	<u>1,019</u>
Net cash provided by (used for) operating activities	<u>\$ 494</u>	<u>\$ (201)</u>	<u>\$ 977</u>	<u>\$ 1,270</u>
<b>Reconciliation of statement of net assets cash and investments to the statement of cash flows:</b>				
Per combined statement of net assets:				
Equity in pooled cash and investments	\$ 6,567	\$ 3,112	\$ 8,114	\$ 17,793
Restricted cash and investments	<u>-</u>	<u>150</u>	<u>-</u>	<u>150</u>
Total cash and cash equivalents	<u>\$ 6,567</u>	<u>\$ 3,262</u>	<u>\$ 8,114</u>	<u>\$ 17,943</u>

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Risk Management Fund**  
For the Fiscal Year Ended June 30, 2008  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2007	\$ 3,530	\$ 3,530	\$ 3,814	\$ 284
<b>RESOURCES (INFLOWS):</b>				
Self-insurance premiums	2,813	2,813	2,813	-
Investments	100	1,000	188	(812)
Other	-	-	23	23
Total revenues	<u>2,913</u>	<u>3,813</u>	<u>3,024</u>	<u>(789)</u>
Add: Transfers in	-	-	2,000	2,000
Amounts available for appropriation	<u>6,443</u>	<u>7,343</u>	<u>8,838</u>	<u>1,495</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
Insurance and claims	<u>4,760</u>	<u>4,760</u>	<u>2,288</u>	<u>2,472</u>
Total charges to appropriations	<u>4,760</u>	<u>4,760</u>	<u>2,288</u>	<u>2,472</u>
Budgetary fund balance, June 30, 2008	<u>\$ 1,683</u>	<u>\$ 2,583</u>	<u>\$ 6,550</u>	<u>\$ 3,967</u>

**Explanation of differences between budgetary inflows and outflows and GAAP revenues and expense**

**Sources/inflows of resources:**

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 8,838
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(3,814)
Less: Transfers in.	<u>(2,000)</u>
Total revenues as reported on the combining statement of revenues, expenses, and changes in fund net assets.	<u>\$ 3,024</u>

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 2,288
Change in estimated claims payable and prepaids.	<u>362</u>
Total expenses as reported in the statement of revenues, expenses, and changes in fund net assets.	<u>\$ 2,650</u>

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Workers' Compensation Fund**  
For the Fiscal Year Ended June 30, 2008  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2007	\$ 4,632	\$ 4,632	\$ 5,182	\$ 550
<b>RESOURCES (INFLOWS):</b>				
Self-insurance premiums	992	992	992	-
Investments	125	125	194	69
Other	-	-	23	23
Total revenues	<u>1,117</u>	<u>1,117</u>	<u>1,209</u>	<u>92</u>
Less: Transfers out	<u>-</u>	<u>-</u>	<u>(2,000)</u>	<u>(2,000)</u>
Amounts available for appropriation	<u>5,749</u>	<u>5,749</u>	<u>4,391</u>	<u>(1,358)</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
Insurance and claims	<u>1,407</u>	<u>1,407</u>	<u>1,162</u>	<u>245</u>
Total charges to appropriations	<u>1,407</u>	<u>1,407</u>	<u>1,162</u>	<u>245</u>
Budgetary fund balance, June 30, 2008	<u>\$ 4,342</u>	<u>\$ 4,342</u>	<u>\$ 3,229</u>	<u>\$ (1,113)</u>

**Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenses**

**Sources/inflows of resources:**

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 4,391
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(5,182)
Add: Transfers out.	<u>2,000</u>
Total revenues as reported on the statement of revenues, expenses, and changes in fund net assets.	<u>\$ 1,209</u>

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 1,162
Change in estimated claims payable.	<u>(112)</u>
Total expenses as reported in the statement of revenues, expenses, and changes in fund net assets.	<u>\$ 1,050</u>

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Employee Benefits Fund**  
For the Fiscal Year Ended June 30, 2008  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2007	\$ 4,695	\$ 4,695	\$ 5,698	\$ 1,003
<b>RESOURCES (INFLOWS):</b>				
Self-insurance premiums	21,811	18,962	20,962	2,000
Investments	255	75	298	223
Total revenues	22,066	19,037	21,260	2,223
Amounts available for appropriation	26,761	23,732	26,958	3,226
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
Insurance and claims	23,066	23,066	20,468	2,598
Total charges to appropriations	23,066	23,066	20,468	2,598
Budgetary fund balance, June 30, 2008	\$ 3,695	\$ 666	\$ 6,490	\$ 5,824

**Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures**

**Sources/inflows of resources:**

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule.	\$ 26,958
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(5,698)
Total revenues as reported on the statement of revenues, expenses, and changes in fund net assets.	\$ 21,260

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 20,468
Change in estimated claims payable liability.	798
Total expenses as reported in the statement of revenues, expenses, and changes in fund net assets.	\$ 21,266



City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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# OTHER SUPPLEMENTARY INFORMATION

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FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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City of Glendale, Arizona  
**Federal Financial Data Schedule (PHA: AZ003)**  
For the Fiscal Year Ended June 30, 2008  
(rounded to nearest dollar)

The following is the schedule of Federal Financial Data as required by the United States Department of Housing and Urban Development under the Uniform Financial Reporting Standards Rule implementing requirements of 24 CFR, Part 5, Subpart H.

Line Item No.	Balance Sheet Account Description	AMPS	HCV	ROSS	DVP	DHAP	Eliminations	Total
ASSETS:								
Current assets:								
Cash:								
111	Cash - unrestricted	\$ 474,373	\$ 25,133	\$ -	\$ -	\$ -	\$ -	\$ 499,506
112	Cash - restricted - modernization and development	-	-	-	-	-	-	-
113	Cash - other restricted	-	869,841	-	-	-	-	869,841
114	Cash - tenant security deposits	36,796	-	-	-	-	-	36,796
115	Cash - restricted for payment of current liability	-	-	-	-	-	-	-
100	Total cash	511,169	894,974	-	-	-	-	1,406,143
Accounts receivables:								
121	Accounts receivable - PHA projects	-	303,240	-	-	-	-	303,240
122	Accounts receivable - HUD other projects	68,929	63,395	-	45,541	-	-	177,865
124	Accounts receivable - other government	-	-	-	-	-	-	-
125	Accounts receivable - miscellaneous	-	-	-	-	-	-	-
126	Accounts receivable - tenants	237	-	-	-	-	-	237
126.1	Allowance for doubtful accounts - tenants	-	-	-	-	-	-	-
120	Total receivables, net of allowances for doubtful accounts	69,166	366,635	-	45,541	-	-	481,342
Current investments:								
131	Investments - unrestricted	-	-	-	-	-	-	-
132	Investments - restricted	-	37,468	-	-	-	-	37,468
135	Investments - restricted for payment of current liability	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	-	-	-	-	-	-	-
143	Inventories	3,500	-	-	-	-	-	3,500
143.1	Allowance for obsolete inventories	-	-	-	-	-	-	-
144	Interprogram - due from	-	77,863	-	870	8,986	(87,719)	-
145	Assets held for sale	-	-	-	-	-	-	-
150	Total current assets	583,835	1,376,940	-	46,411	8,986	(87,719)	1,928,453
Non-current assets:								
Capital assets:								
161	Land	135,533	-	-	-	-	-	135,533
162	Buildings	8,049,602	149,998	-	-	-	-	8,199,600
163	Furniture, equipment & machinery - dwellings	461,051	-	-	-	-	-	461,051
164	Furniture, equipment & machinery - administration	160,192	101,313	-	-	-	-	261,505
165	Leasehold improvements	2,053,414	-	-	-	-	-	2,053,414
166	Accumulated depreciation	(6,236,065)	(137,584)	-	-	-	-	(6,373,649)
167	Construction in progress	859,852	-	-	-	-	-	859,852
168	Infrastructure	-	-	-	-	-	-	-
160	Total capital assets, net of accumulated depreciation	5,483,579	113,727	-	-	-	-	5,597,306
171	Notes, loans, & mortgages receivable - non-current	-	-	-	-	-	-	-
172	Notes, loans, & mortgages receivable - non-current - past due	-	-	-	-	-	-	-
173	Grants receivable - non-current	-	-	-	-	-	-	-
174	Other assets	-	-	-	-	-	-	-
176	Investment in joint venture	-	-	-	-	-	-	-
180	Total non-current assets	5,483,579	113,727	-	-	-	-	5,597,306
190	Total assets	\$ 6,067,414	\$ 1,490,667	\$ -	\$ 46,411	\$ 8,986	\$ (87,719)	\$ 7,525,759

(continued)

City of Glendale, Arizona  
**Federal Financial Data Schedule (PHA: AZ003)**  
For the Fiscal Year Ended June 30, 2008  
(rounded to nearest dollar)

(continued)

Line Item No.	Balance Sheet Account Description	AMPS	HCV	ROSS	DVP	DHAP	Eliminations	Total
LIABILITIES AND EQUITY/NET ASSETS								
LIABILITIES:								
Current liabilities:								
311	Bank Overdraft	\$ 565	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 565
312	Accounts payable <= 90 days	33,071	11,086	-	150	225	-	44,532
313	Accounts payable > 90 days past due	-	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	-	-	-	-	-	-	-
322	Accrued compensated absences - current portion	12,724	7,133	-	-	-	-	19,857
324	Accrued contingency liability	-	-	-	-	-	-	-
325	Accrued interest payable	-	-	-	-	-	-	-
331-010	Accounts payable - HUD PHA programs - operating subsidy	-	-	-	-	-	-	-
331-020	Accounts payable - HUD PHA programs - capital fund	-	-	-	-	-	-	-
331-030	Accounts payable - HUD PHA programs - other	-	-	-	-	-	-	-
331	Total accounts payable - HUD PHA Programs	-	-	-	-	-	-	-
332	Accounts payable - PHA projects	-	-	-	-	-	-	-
333	Accounts payable - other government	-	-	-	-	-	-	-
341	Tenant security deposits	36,796	-	-	-	-	-	36,796
342-010	Deferred revenue - operating subsidy	-	-	-	-	-	-	-
342-020	Deferred revenue - capital fund	-	-	-	-	-	-	-
342-030	Deferred revenue - other	3,663	-	-	-	3,605	-	7,268
342	Total deferred revenues	3,663	-	-	-	3,605	-	7,268
343-010	Current portion of L/T debt - CFFP	-	-	-	-	-	-	-
343-020	Current portion of L/T debt - capital projects/mortgage revenue	-	-	-	-	-	-	-
343	Total Current portion of L/T debt - capital pjts/mortgage rev bonds	-	-	-	-	-	-	-
344	Current portion of L/T debt - operating borrowings	-	-	-	-	-	-	-
345	Other current liabilities	-	-	-	-	-	-	-
346	Accrued liabilities - other	-	-	-	-	-	-	-
347	Interprogram - due to	51,960	-	-	34,660	1,099	(87,719)	-
348	Loan liability - current	-	-	-	-	-	-	-
310	Total current liabilities	138,779	18,219	-	34,810	4,929	(87,719)	109,018
Noncurrent liabilities:								
351-010	Long-term debt, net of current - CFFP	-	-	-	-	-	-	-
351-020	Long-term debt, net of current - capital projects/mortgage revenue	-	-	-	-	-	-	-
351	Total L/T debt, net of current- capital pjts/mortgage rev bonds	-	-	-	-	-	-	-
352	Long-term debt, net of current- operating borrowings	-	-	-	-	-	-	-
353	Noncurrent liabilities- other	-	37,468	-	-	-	-	37,468
354	Accrued compensated absences - noncurrent	114,519	64,198	-	-	-	-	178,717
355	Loan Liability - noncurrent	-	-	-	-	-	-	-
356	FASB 5 liabilities	-	-	-	-	-	-	-
357	Accrued pension and OPEB liability	116,008	77,338	-	-	-	-	193,346
350	Total noncurrent liabilities	230,527	179,004	-	-	-	-	409,531
300	Total liabilities	369,306	197,223	-	34,810	4,929	(87,719)	518,549
EQUITY/NET ASSETS:								
508.1	Invested in capital assets, net of related debt	5,483,579	113,727	-	-	-	-	5,597,306
511.1	Restricted net assets	-	869,841	-	-	-	-	869,841
512.1	Unrestricted net assets	214,529	309,876	-	11,601	4,057	-	540,063
513	Total equity/net assets	5,698,108	1,293,444	-	11,601	4,057	-	7,007,210
600	Total liabilities and equity/net assets	\$ 6,067,414	\$ 1,490,667	\$ -	\$ 46,411	\$ 8,986	\$ (87,719)	\$ 7,525,759

(continued)

**Federal Financial Data Schedule (PHA: AZ003)**

For the Fiscal Year Ended June 30, 2008

(rounded to nearest dollar)

(continued)

Line Item No.	Income Statement Account Description	AMPS	HCV	ROSS	DVP	DHAP	Eliminations	Total
REVENUE:								
70300	Net tenant rental revenue	\$ 360,140	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 360,140
70400	Tenant revenue - other	9,339	-	-	-	-	-	9,339
70500	Total tenant revenue	369,479	-	-	-	-	-	369,479
70600-010	Housing assistance payments	-	7,080,601	-	27,381	4,292	-	7,112,274
70600-020	Ongoing administrative fees earned	-	641,466	-	5,329	4,932	-	651,727
70600-030	Hard to house fee revenue	-	-	-	-	-	-	-
70600-040	Actual independent public accountant audit costs	-	-	-	-	-	-	-
70600-050	Total preliminary fees earned	-	-	-	-	-	-	-
70600-060	Interest earned on advances	-	-	-	-	-	-	-
70600-070	Admin fee calculation description	-	-	-	-	-	-	-
70600	HUD PHA operating grants - other	506,123	-	77,773	-	-	-	583,896
70600	Total HUD PHA operating grants	506,123	7,722,067	77,773	32,710	9,224	-	8,347,897
70610	Capital grants	323,782	-	-	-	-	-	323,782
70710	Management fee	-	-	-	-	-	-	-
70720	Asset management fee	-	-	-	-	-	-	-
70730	Bookkeeping fee	-	-	-	-	-	-	-
70740	Front line service fee	-	-	-	-	-	-	-
70750	Other fees	-	-	-	-	-	-	-
70700	Total fee revenue	-	-	-	-	-	-	-
70800	Other government grants	-	-	-	-	-	-	-
71100-010	Investment income - unrestricted - housing assistance payment	-	-	-	-	-	-	-
71100-020	Investment income - unrestricted - administrative fee	-	246	-	-	-	-	246
71100	Investment income - unrestricted - other	946	-	-	-	-	-	946
71100	Total investment income - unrestricted	946	246	-	-	-	-	1,192
71200	Mortgage interest income	-	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-
71310	Cost of sale of assets	-	-	-	-	-	-	-
71400-010	Fraud recovery - housing assistance payment	-	2,943	-	-	-	-	2,943
71400-020	Fraud recovery - administrative fee	-	2,943	-	-	-	-	2,943
71400	Fraud recovery - other	-	-	-	-	-	-	-
71400	Total fraud recovery	-	5,886	-	-	-	-	5,886
71500	Other revenue	232,933	205,354	-	-	-	-	438,287
71600	Gain or loss on the sale of capital assets	-	-	-	-	-	-	-
72000-010	Investment income - restricted - housing assistance payment	-	1,329	-	-	-	-	1,329
72000-020	Investment income - restricted - administrative fee	-	-	-	-	-	-	-
72000	Investment income - restricted - other	-	-	-	-	-	-	-
72000	Total investment income - restricted	-	1,329	-	-	-	-	1,329
70000	Total revenue	\$ 1,433,263	\$ 7,934,882	\$ 77,773	\$ 32,710	\$ 9,224	\$ -	\$ 9,487,852

(continued)

City of Glendale, Arizona  
**Federal Financial Data Schedule (PHA: AZ003)**  
For the Fiscal Year Ended June 30, 2008  
(rounded to nearest dollar)

(continued)

Line Item No.	Income Statement Account Description	AMPS	HCV	ROSS	DVP	DHAP	Eliminations	Total
EXPENSES:								
91100	Administrative salaries	\$ 482,839	\$ 464,391	\$ -	\$ -	\$ -	\$ -	\$ 947,230
91200	Auditing fees	-	-	-	-	-	-	-
91300	Management fee	-	-	-	-	-	-	-
91310	Bookkeeping fee	-	-	-	-	-	-	-
91400	Advertising and marketing	-	94	-	-	-	-	94
91500	Employee benefit contributions - administrative	132,573	141,290	-	-	-	-	273,863
91600	Office expenses	44,530	45,207	-	-	-	-	89,737
91700	Legal expense	-	450	-	-	-	-	450
91800	Travel	2,288	-	-	-	-	-	2,288
91810	Allocated overhead	-	-	-	-	-	-	-
91900	Other	76,536	49,461	4,167	650	675	-	131,489
91000	Total operating - administrative	738,766	700,893	4,167	650	675	-	1,445,151
92000	Asset management fee	-	-	-	-	-	-	-
92100	Tenant services - salaries	-	-	-	-	-	-	-
92200	Relocation costs	-	-	-	-	-	-	-
92300	Employee benefit contributions - tenant services	-	-	-	-	-	-	-
92400	Tenant services - other	19,887	-	73,606	-	200	-	93,693
92500	Total Tenant services	19,887	-	73,606	-	200	-	93,693
93100	Water	53,546	-	-	-	-	-	53,546
93200	Electricity	22,477	-	-	-	-	-	22,477
93300	Gas	2,761	-	-	-	-	-	2,761
93400	Fuel	-	-	-	-	-	-	-
93500	Labor	-	-	-	-	-	-	-
93600	Sewer	26,196	-	-	-	-	-	26,196
93700	Employee benefit contributions- utilities	-	-	-	-	-	-	-
93750	HAP portability - in	-	-	-	-	-	-	-
93800	Other utilities expense	-	-	-	-	-	-	-
93000	Total utilities	104,980	-	-	-	-	-	104,980
94100	Ordinary maintenance and operations - labor	226,880	-	-	-	-	-	226,880
94200	Ordinary maintenance and operations - materials & other	102,999	7,632	-	-	-	-	110,631
94300-010	Ordinary maint & ops contracts - garbage & trash removal	28,538	-	-	-	-	-	28,538
94300-020	Ordinary maint & ops contracts - heating & cooling	-	-	-	-	-	-	-
94300-030	Ordinary maint & ops contracts - snow removal	-	-	-	-	-	-	-
94300-040	Ordinary maint & ops contracts - elevator maintenance	-	-	-	-	-	-	-
94300-050	Ordinary maint & ops contracts - landscape & grounds	3,473	-	-	-	-	-	3,473
94300-060	Ordinary maint & ops contracts - unit turnaround	11,822	-	-	-	-	-	11,822
94300-070	Ordinary maint & ops contracts - electrical	1,583	-	-	-	-	-	1,583
94300-080	Ordinary maint & ops contracts - plumbing	1,299	-	-	-	-	-	1,299
94300-090	Ordinary maint & ops contracts - extermination	18,006	-	-	-	-	-	18,006
94300-100	Ordinary maint & ops contracts - janitorial	-	-	-	-	-	-	-
94300-110	Ordinary maint & ops contracts - routine maintenance	109,768	-	-	-	-	-	109,768
94300-120	Ordinary maint & ops contracts - miscellaneous	14,467	-	-	-	-	-	14,467
94300	Total ordinary maintenance and operations - contract costs	188,956	-	-	-	-	-	188,956
94500	Employee benefit contributions - ordinary maintenance	62,104	-	-	-	-	-	62,104
94000	Total maintenance	\$ 580,939	\$ 7,632	\$ -	\$ -	\$ -	\$ -	\$ 588,571

(continued)

City of Glendale, Arizona  
**Federal Financial Data Schedule (PHA: AZ003)**  
For the Fiscal Year Ended June 30, 2008  
(rounded to nearest dollar)

(continued)

Line Item No.	Income Statement Account Description	AMPS	HCV	ROSS	DVP	DHAP	Eliminations	Total
95100	Protective services - labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
95200	Protective services - other contract costs	-	-	-	-	-	-	-
95300	Protective services - other	-	-	-	-	-	-	-
95500	Employee benefit contributions - protective services	-	-	-	-	-	-	-
95000	Total protective services	-	-	-	-	-	-	-
96110	Property insurance	41,613	11,994	-	-	-	-	53,607
96120	Liability insurance	-	-	-	-	-	-	-
96130	Workman's compensation	1,874	1,258	-	-	-	-	3,132
96140	All other insurance	-	-	-	-	-	-	-
96100	Total insurance premiums	43,487	13,252	-	-	-	-	56,739
96200	Other general expenses	116,008	94,603	-	-	-	-	210,611
96210	Compensated absences	18,263	-	-	-	-	-	18,263
96300	Payments in lieu of taxes	-	-	-	-	-	-	-
96400	Bad debt - tenant rents	-	-	-	-	-	-	-
96500	Bad debt- mortgages	-	-	-	-	-	-	-
96600	Bad debt - other	-	-	-	-	-	-	-
96800	Severance expense	-	-	-	-	-	-	-
96000	Total other general expenses	134,271	94,603	-	-	-	-	228,874
96710	Interest of mortgage (or bonds) payable	-	-	-	-	-	-	-
96720	Interest on notes payable (short and long term)	-	-	-	-	-	-	-
96730	Amortization of bond issue costs	-	-	-	-	-	-	-
96700	Total Interest expense and amortization cost	-	-	-	-	-	-	-
96900	Total operating expenses	1,622,330	816,380	77,773	650	875	-	2,518,008
97000	Excess operating revenue over expenses	(189,067)	7,118,502	-	32,060	8,349	-	6,969,844
97100	Extraordinary maintenance	25,973	-	-	-	-	-	25,973
97200	Casualty losses - non-capitalized	-	-	-	-	-	-	-
97300-010	HAP - mainstream 1 & 5 year	-	-	-	-	-	-	-
97300-020	HAP - home-ownership	-	-	-	-	-	-	-
97300-025	HAP - litigation	-	-	-	-	-	-	-
97300-030	HAP - hope IV	-	-	-	-	-	-	-
97300-035	HAP - moving to work	-	-	-	-	-	-	-
97300-040	HAP - tenant protection	-	-	-	-	-	-	-
97300-050	HAP - portability in	-	-	-	-	-	-	-
97300-060	HAP - enhanced	-	-	-	-	-	-	-
97300-070	HAP - all other	-	6,934,094	-	27,381	4,292	-	6,965,767
97300	Total Housing assistance payments	-	6,934,094	-	27,381	4,292	-	6,965,767
97400	Depreciation expense	347,774	5,103	-	-	-	-	352,877
97500	Fraud losses	-	-	-	-	-	-	-
97800	Dwelling units rent expense	-	-	-	-	-	-	-
90000	Total expenses	\$ 1,996,077	\$ 7,755,577	\$ 77,773	\$ 28,031	\$ 5,167	\$ -	\$ 9,862,625

(continued)

**Federal Financial Data Schedule (PHA: AZ003)**

For the Fiscal Year Ended June 30, 2008

(rounded to nearest dollar)

(continued)

Line Item No.	Income Statement Account Description	AMPS	HCV	ROSS	DVP	DHAP	Eliminations	Total
OTHER FINANCING SOURCES (USES)								
10010	Operating transfers in	\$ 15,644	\$ -	\$ -	\$ -	\$ -	\$ (15,644)	\$ -
10020	Operating transfers out	(15,644)	-	-	-	-	15,644	-
10030-010	Operating transfers from/to primary government - not for profit	-	-	-	-	-	-	-
10030-020	Operating transfers from/to primary government - partnership	-	-	-	-	-	-	-
10030-030	Operating transfers from/to primary government - joint venture	-	-	-	-	-	-	-
10030-040	Operating transfers from/to primary government - tax credit	-	-	-	-	-	-	-
10030-050	Operating transfers from/to primary government - other	561,000	-	-	-	-	-	561,000
	Operating transfers from/to primary government - other - comment	-	-	-	-	-	-	-
10030	Total operating transfers from/to primary government	561,000	-	-	-	-	-	561,000
10040	Operating transfers from/to component unit	-	-	-	-	-	-	-
10070	Extraordinary items, net gain/loss	-	-	-	-	-	-	-
10080	Special items, net gain/loss	-	-	-	-	-	-	-
10091	Inter AMP excess cash transfer in	-	-	-	-	-	-	-
10092	Inter AMP excess cash transfer out	-	-	-	-	-	-	-
10093	Transfers from program to AMP	-	-	-	-	-	-	-
10094	Transfers from AMP to program	-	-	-	-	-	-	-
10100	Total other financing sources (uses)	561,000	-	-	-	-	-	561,000
10000	Excess (deficiency) of total revenues over (under) total expenses	\$ (1,814)	\$ 179,305	\$ -	\$ 4,679	\$ 4,057	\$ -	\$ 186,227

(continued)

City of Glendale, Arizona  
**Federal Financial Data Schedule (PHA: AZ003)**  
For the Fiscal Year Ended June 30, 2008  
(rounded to nearest dollar)

(continued)

Line Item No.	Income Statement Account Description	AMPS	HCV	ROSS	DVP	DHAP	Eliminations	Total
MEMO ACCOUNT INFORMATION								
11020	Required annual debt principal payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11030	Beginning equity	5,699,922	1,114,139	-	6,922	-	-	6,820,983
11040	Total prior period adjustments, equity transfers & correction of errors	-	-	-	-	-	-	-
Administrative fee equity:								
11170-001	Administrative fee equity - beginning balance	-	395,077	-	-	-	-	395,077
11170-010	Administrative fee revenue	-	641,466	-	-	-	-	641,466
11170-020	Hard to house fee revenue	-	-	-	-	-	-	-
11170-030	Audit costs	-	-	-	-	-	-	-
11170-040	Investment income	-	246	-	-	-	-	246
11170-045	Fraud recovery revenue	-	2,943	-	-	-	-	2,943
11170-050	Other revenue	-	205,354	-	-	-	-	205,354
11170-051	Comment for other revenue	-	-	-	-	-	-	-
11170-060	Total administrative fee revenues	-	850,009	-	-	-	-	850,009
11170-080	Total operating expenses	-	816,380	-	-	-	-	816,380
11170-090	Depreciation	-	5,103	-	-	-	-	5,103
11170-100	Other expenses	-	-	-	-	-	-	-
11170-101	Comment for other expense	-	-	-	-	-	-	-
11170-110	Total expenses	-	821,483	-	-	-	-	821,483
11170-002	Net administrative fee	-	28,526	-	-	-	-	28,526
11170-003	Administrative fee equity - ending balance	-	423,603	-	-	-	-	423,603
11170	Administrative fee equity	-	423,603	-	-	-	-	423,603
Housing assistance payments equity:								
11180-010	Housing assistance payments equity - beginning balance	-	719,062	-	-	-	-	719,062
11180-020	Net housing assistance payments	-	150,779	-	-	-	-	150,779
11180-030	Housing assistance payments equity - ending balance	-	869,841	-	-	-	-	869,841
11180-040	Housing assistance payment revenues	-	7,080,601	-	-	-	-	7,080,601
11180-050	Fraud recovery revenue	-	2,943	-	-	-	-	2,943
11180-060	Other revenue	-	-	-	-	-	-	-
11180-070	Other comments	-	-	-	-	-	-	-
11180-080	Investment income	-	1,329	-	-	-	-	1,329
11180-090	Total housing assistance payments revenues	-	7,084,873	-	-	-	-	7,084,873
11180-100	Housing assistance payments	-	6,934,094	-	-	-	-	6,934,094
11180-110	Other expenses	-	-	-	-	-	-	-
11180-120	Other comments	-	-	-	-	-	-	-
11180-130	Total housing assistance payments expenses	-	6,934,094	-	-	-	-	6,934,094
11180	Housing assistance payments	\$ -	\$ 869,841	\$ -	\$ -	\$ -	\$ -	\$ 869,841
11190	Unit months available	1,859	12,648	-	40	5	-	14,552
11210	Unit months leased	1,832	12,210	-	40	5	-	14,087

(continued)

**Federal Financial Data Schedule (PHA: AZ003)**

For the Fiscal Year Ended June 30, 2008

(rounded to nearest dollar)

(continued)

Line Item No.	Income Statement Account Description	Income Statement						Total
		AMPS	HCV	ROSS	DVP	DHAP	Eliminations	
11610	Land purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11620	Building purchases	467,317	-	-	-	-	-	467,317
11630	Furniture & equipment - dwelling purchases	25,396	-	-	-	-	-	25,396
11640	Furniture & equipment - administrative purchases	4,304	-	-	-	-	-	4,304
11650	Leasehold improvements purchases	66,392	-	-	-	-	-	66,392
11660	Infrastructure purchases	-	-	-	-	-	-	-
13510	CFFP debt service payments	-	-	-	-	-	-	-
13901	Replacement housing factor funds	-	-	-	-	-	-	-
	Total assets	6,067,414	1,490,667	-	46,411	8,986	(87,719)	7,525,759
	Total liabilities and equity	6,067,414	1,490,667	-	46,411	8,986	(87,719)	7,525,759
	Check sum: should be zero -0-	-	-	-	-	-	-	-
	Beginning equity	5,699,922	1,114,139	-	6,922	-	-	6,820,983
	Equity transfers and/or prior period adjustments	-	-	-	-	-	-	-
	Results of operations	(1,814)	179,305	-	4,679	4,057	-	186,227
	Ending equity	5,698,108	1,293,444	-	11,601	4,057	-	7,007,210
	Ending equity per balance sheet	5,698,108	1,293,444	-	11,601	4,057	-	7,007,210
	Check sum: should be zero -0-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Admin equity		423,603					
	HAP equity		869,841					
	Total equity		1,293,444					
	Check sum: should be zero -0-		\$ -					



City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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# STATISTICAL SECTION

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FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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## STATISTICAL SECTION

This part of the City of Glendale's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health.

### Contents

	<u>Pages</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	128-135
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the city's local revenue source, the property tax and sales tax.	136-140
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.	142-149
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.	150-151
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.	152-156

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The city implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

City of Glendale, Arizona  
**Net Assets by Component**  
 Last Five Fiscal Years  
 (amounts expressed in thousands)

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Government activities			
Invested in capital assets, net of related debt	\$ 499,322	\$ 446,828	\$ 398,517
Restricted	133,695	180,303	155,163
Unrestricted	<u>51,850</u>	<u>44,573</u>	<u>75,417</u>
Total governmental activities net assets	<u>684,867</u>	<u>671,704</u>	<u>629,097</u>
Business-type activities			
Invested in capital assets, net of related debt	297,329	249,569	233,387
Restricted	12,836	11,881	12,437
Unrestricted	<u>107,384</u>	<u>155,325</u>	<u>158,753</u>
Total business-type activities net assets	<u>417,549</u>	<u>416,775</u>	<u>404,577</u>
Primary government			
Invested in capital assets, net of related debt	796,651	696,397	631,904
Restricted	146,531	192,184	167,600
Unrestricted	<u>159,234</u>	<u>199,898</u>	<u>234,170</u>
Total primary government net assets	<u>\$ 1,102,416</u>	<u>\$ 1,088,479</u>	<u>\$ 1,033,674</u>

(1) 2002 was the first year data was available.

**Schedule 1**

<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002<sup>(1)</sup></u>
\$ 372,778	\$ 353,135	\$ 259,802	\$ 31,260
179,434	169,434	127,393	91,203
40,641	49,916	132,801	9,232
592,853	572,485	\$ 519,996	\$ 131,695
274,620	228,252	275,204	269,007
11,249	10,479	10,235	20,092
108,604	141,094	82,564	64,312
394,473	379,825	\$ 368,003	\$ 353,411
647,398	581,387	535,006	300,267
190,683	179,913	137,628	111,295
149,245	191,010	215,365	73,544
\$ 987,326	\$ 952,310	\$ 887,999	\$ 485,106

City of Glendale, Arizona  
**Changes in Net Assets**  
 Last Five Fiscal Years  
 (amounts expressed in thousands)

**Schedule 2**

	2008	2007	2006	2005	2004	2003	2002 <sup>(1)</sup>
<b>Expenses</b>							
Governmental activities:							
General government	\$ 39,998	\$ 37,992	\$ 33,329	\$ 31,603	\$ 24,003	\$ 20,209	\$ 22,490
Public safety	113,285	92,405	75,277	64,277	56,176	52,625	53,779
Public works	16,006	14,816	13,995	14,309	13,883	11,411	12,766
Community services	52,185	45,481	40,275	37,394	33,914	32,210	30,919
Community environment	5,164	4,698	4,125	3,236	3,446	3,433	3,414
Street maintenance	26,175	24,906	22,720	21,355	20,425	20,308	12,534
Other	-	-	3,020	238	142	148	19
Interest on long-term debt	28,475	23,551	16,883	16,986	15,838	7,223	5,864
Total governmental activities expenses	<u>281,288</u>	<u>243,849</u>	<u>209,624</u>	<u>189,398</u>	<u>167,827</u>	<u>147,567</u>	<u>141,785</u>
Business-type activities:							
Water and sewer	74,581	63,289	55,607	50,190	45,628	43,442	39,909
Landfill	8,067	8,264	7,950	7,431	7,164	7,784	1,189
Sanitation	15,209	13,847	13,257	12,287	12,294	12,353	10,180
Housing	9,862	8,951	9,466	9,278	8,858	8,033	7,513
Total business-type activities expenses	<u>107,719</u>	<u>94,351</u>	<u>86,280</u>	<u>79,186</u>	<u>73,944</u>	<u>71,612</u>	<u>58,791</u>
Total primary government expenses	<u>\$ 389,007</u>	<u>\$ 338,200</u>	<u>\$ 295,904</u>	<u>\$ 268,584</u>	<u>\$ 241,771</u>	<u>\$ 219,179</u>	<u>\$ 200,576</u>
<b>Program revenues</b>							
Governmental activities:							
Charges for services:							
General government	\$ 12,132	\$ 11,610	\$ 10,726	\$ 9,075	\$ 9,092	\$ 10,029	\$ 4,464
Public safety	5,744	1,964	1,375	1,200	1,043	1,897	325
Public works	543	531	516	506	148	526	479
Community services	22,859	22,285	20,121	16,871	16,942	13,439	4,409
Community environment	-	-	31	-	3	-	-
Street maintenance	-	48	-	-	-	7	25
Operating grants and contributions	33,191	36,566	31,973	26,535	24,503	22,522	22,640
Capital grants and contributions	14,491	26,247	6,406	1,407	3,429	4,294	2,589
Total governmental activities program revenues	<u>88,960</u>	<u>99,251</u>	<u>71,148</u>	<u>55,594</u>	<u>55,160</u>	<u>52,714</u>	<u>34,931</u>

	2008	2007	2006	2005	2004	2003	2002 <sup>(1)</sup>
<b>Business-type activities:</b>							
Charges for services:							
Water and sewer	66,316	62,125	56,153	54,295	52,456	52,088	46,068
Landfill	9,196	9,742	8,362	8,961	9,593	8,644	9,610
Sanitation	14,684	14,653	14,167	13,624	12,817	11,918	11,808
Housing	816	662	569	542	512	494	422
Operating grants and contributions	8,348	8,254	8,020	8,027	7,643	7,091	6,592
Capital grants and contributions	4,346	5,125	5,403	242	168	520	673
Total business-type activities program revenues	103,706	100,561	92,674	85,691	83,189	80,755	75,173
Total primary government program revenues	192,666	199,812	163,822	141,285	138,349	133,469	110,104
<b>Net (expense)/revenue</b>							
Governmental activities	(192,328)	(144,598)	(138,476)	(133,804)	(112,667)	(94,853)	(106,854)
Business-type activities	(4,013)	6,210	6,394	6,505	9,245	9,143	16,382
Total primary government net expense	\$ (196,341)	\$ (138,388)	\$ (132,082)	\$ (127,299)	\$ (103,422)	\$ (85,710)	\$ (90,472)
<b>General revenues and other changes in net assets</b>							
Governmental activities:							
Taxes:							
Property taxes	\$ 28,826	\$ 23,085	\$ 21,386	\$ 19,422	\$ 18,321	\$ 16,739	\$ 16,459
Sales taxes	105,175	97,825	90,968	77,166	74,763	63,832	52,580
Unrestricted state shared sales tax	22,237	23,037	23,298	20,271	18,409	17,113	16,862
Unrestricted urban revenue sharing (state shared income tax)	34,109	27,518	22,909	20,115	19,731	23,288	22,822
Auto in-lieu taxes	9,730	10,044	10,444	9,414	8,978	8,619	7,219
Investment earnings, unrestricted	4,742	5,557	4,395	2,654	315	(1,602)	1,397
Gain (loss) on disposal of capital assets	879	202	348	225	9	445	(345)
Miscellaneous	302	301	272	275	349	299	289
Capital contributions	-	-	-	4,794	24,614	27,042	6,205
Transfers	(509)	(364)	700	(164)	(333)	(67)	(228)
Total governmental activities	205,491	187,205	174,720	154,172	165,156	155,708	132,149
Business-type activities:							
Investment earnings, unrestricted	4,044	5,381	3,466	2,065	1,115	(123)	1,215
Gain (loss) on disposal of capital assets	126	103	844	-	-	(725)	(168)
Loss on joint venture	-	-	-	-	(1,285)	(1,011)	(1,054)
Miscellaneous	108	140	100	202	-	-	-
Capital contributions	-	-	-	5,712	2,414	7,241	4,591
Transfers	509	364	(700)	164	333	67	228
Total business-type activities	4,787	5,988	3,710	8,143	2,577	5,449	8,563
Total primary government	\$ 210,278	\$ 193,193	\$ 178,430	\$ 162,315	\$ 167,733	\$ 161,157	\$ 140,712
<b>Changes in net assets</b>							
Governmental activities	\$ 13,163	\$ 42,607	\$ 36,244	\$ 20,368	\$ 52,489	60,855	\$ 25,295
Business-type activities	774	12,198	10,104	14,648	11,822	14,592	24,945
Total primary government	\$ 13,937	\$ 54,805	\$ 46,348	\$ 35,016	\$ 64,311	\$ 75,447	\$ 50,240

(1) 2002 was the first year data was available.

City of Glendale, Arizona  
**Fund Balances - Governmental Funds**  
 Last Ten Fiscal Years  
 (amounts expressed in thousands)

**Schedule 3**

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
General fund										
Reserved	\$ 9,271	\$ 10,500	\$ 10,287	\$ 9,377	\$ 9,582	\$ 17,315	\$ 17,998	\$ 13,232	\$ 13,147	\$ 5,373
Unreserved	<u>57,117</u>	<u>50,880</u>	<u>62,166</u>	<u>56,661</u>	<u>51,080</u>	<u>31,727</u>	<u>7,119</u>	<u>24,716</u>	<u>35,460</u>	<u>33,043</u>
Total general fund	<u>\$ 66,388</u>	<u>\$ 61,380</u>	<u>\$ 72,453</u>	<u>\$ 66,038</u>	<u>\$ 60,662</u>	<u>\$ 49,042</u>	<u>\$ 25,117</u>	<u>\$ 37,948</u>	<u>\$ 48,607</u>	<u>\$ 38,416</u>
All other governmental funds										
Reserved	\$ 58,146	\$ 45,029	\$ 42,910	\$ 39,014	\$ 41,188	\$ 33,527	\$ 28,460	\$ 19,473	\$ 16,147	\$ 13,812
Unreserved, report in:										
Special revenue funds	76,493	34,369	30,584	34,867	29,807	23,553	8,596	2,585	2,410	2,375
Capital projects funds	<u>18,436</u>	<u>68,932</u>	<u>64,106</u>	<u>61,765</u>	<u>71,569</u>	<u>126,252</u>	<u>37,932</u>	<u>28,369</u>	<u>33,717</u>	<u>11,782</u>
Total all other governmental funds	<u>\$ 153,075</u>	<u>\$ 148,330</u>	<u>\$ 137,600</u>	<u>\$ 135,646</u>	<u>\$ 142,564</u>	<u>\$ 183,332</u>	<u>\$ 74,988</u>	<u>\$ 50,427</u>	<u>\$ 52,274</u>	<u>\$ 27,969</u>

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City of Glendale, Arizona  
**Changes in Fund Balances - Governmental Funds**  
 Last Ten Fiscal Years  
 (amounts expressed in thousands)

**Schedule 4**

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
<b>Revenues</b>										
Taxes and special assessments	\$ 133,746	\$ 121,122	\$ 112,576	\$ 96,812	\$ 93,655	\$ 82,458	\$ 70,526	\$ 60,911	\$ 57,681	\$ 54,355
Licenses and permits	17,385	17,839	16,039	15,497	16,667	16,771	10,663	9,897	8,280	7,902
Intergovernmental	101,821	107,699	86,994	75,691	73,166	73,836	68,479	72,216	70,269	66,609
Local revenues	-	-	-	-	-	-	-	6,417	11,020	10,904
Charges for services	14,125	10,086	8,838	5,681	4,824	3,313	2,516	5,347	4,862	4,737
Fines and forfeitures	4,507	3,932	3,564	3,247	3,169	3,246	2,859	2,381	2,413	2,951
Investment income (loss)	9,986	10,905	7,825	4,762	1,511	(805)	2,572	8,303	4,533	5,017
Miscellaneous	4,915	4,212	4,136	3,335	2,774	2,834	2,729	3,687	1,905	1,770
<b>Total revenues</b>	<b>286,485</b>	<b>275,795</b>	<b>239,972</b>	<b>205,025</b>	<b>195,766</b>	<b>181,653</b>	<b>160,344</b>	<b>169,159</b>	<b>160,963</b>	<b>154,245</b>
<b>Expenditures</b>										
General government	25,364	24,524	21,868	20,892	17,274	20,321	20,064	21,583	17,122	15,340
Public safety	100,384	86,753	72,745	61,366	53,805	49,571	49,126	43,741	41,155	37,912
Public works	11,743	12,155	12,252	12,081	12,816	10,118	11,364	12,688	11,884	10,457
Community services	44,767	39,150	35,604	32,627	30,006	28,391	27,502	22,832	21,332	18,514
Community environment	4,972	4,657	3,978	3,082	3,311	3,282	3,223	2,379	2,052	2,508
Street maintenance	13,045	13,372	11,609	10,534	9,811	9,994	11,493	10,320	9,541	9,516
Community housing	-	-	-	-	-	-	-	6,201	5,645	5,312
Miscellaneous	1,629	3,059	2,918	55	555	80	71	475	458	21
Capital outlay	141,060	179,421	131,243	47,283	120,833	142,213	38,636	37,029	42,178	42,363
Debt service:										
Principal	32,151	28,096	20,328	18,899	18,090	21,680	20,574	16,501	27,574	14,359
Interest	32,294	20,630	17,222	17,231	15,998	8,155	5,925	6,605	5,422	6,180
<b>Total expenditures</b>	<b>407,409</b>	<b>411,817</b>	<b>329,767</b>	<b>224,050</b>	<b>282,499</b>	<b>293,805</b>	<b>187,978</b>	<b>180,354</b>	<b>184,363</b>	<b>162,482</b>
Excess of revenues over (under) expenditures	(120,924)	(136,022)	(89,795)	(19,025)	(86,733)	(112,152)	(27,634)	(11,195)	(23,400)	(8,237)

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
<b>Other financing sources (uses)</b>										
Discount on long-term debt	-	-	-	-	(82)	-	-	-	-	-
Proceeds from loans	-	-	-	-	-	-	200	-	5,279	-
Long-term debt issued	109,986	133,327	93,033	16,075	69,522	215,920	40,563	-	41,997	-
Refunding bonds issued	93,815	-	9,065	-	-	-	-	-	-	-
Premium on long-term debt issued	2,192	1,198	1,782	230	1,114	14,500	-	-	-	-
Proceeds from equipment disposal	8,714	850	3,166	1,342	8,198	2,802	82	-	-	-
Capital lease proceeds	-	668	-	-	428	11,266	-	-	9,139	-
Payment to redeem/refunded bonds escrow agent	(83,521)	-	(9,582)	-	(21,262)	-	(4,533)	-	-	-
Transfers in	51,626	24,945	20,014	15,800	32,943	12,851	15,936	15,015	15,814	18,218
Transfers out	(52,135)	(25,309)	(19,314)	(15,964)	(33,276)	(12,918)	(16,165)	(16,325)	(14,333)	(16,559)
<b>Total other financing sources (uses)</b>	<u>130,677</u>	<u>135,679</u>	<u>98,164</u>	<u>17,483</u>	<u>57,585</u>	<u>244,421</u>	<u>36,083</u>	<u>(1,310)</u>	<u>57,896</u>	<u>1,659</u>
Net change in fund balances	<u>\$ 9,753</u>	<u>\$ (343)</u>	<u>\$ 8,369</u>	<u>\$ (1,542)</u>	<u>\$ (29,148)</u>	<u>\$ 132,269</u>	<u>\$ 8,449</u>	<u>\$ (12,505)</u>	<u>\$ 34,496</u>	<u>\$ (6,578)</u>
Debt service as a percentage of noncapital expenditures	24.20%	20.97%	18.91%	20.44%	21.09%	19.68%	17.74%	16.12%	23.21%	17.10%

City of Glendale, Arizona  
**Assessed and Estimated Actual Value of Taxable Property**  
 Last Ten Fiscal Years  
 (amounts expressed in thousands)

Fiscal Year	Major Components					Less: Tax Exempt Property	Net Assessed Value <sup>(1)</sup>	Total Direct Tax Rate	Estimated Actual Value <sup>(1)</sup>	Assessed Value as a Percentage of Actual Value <sup>(2)</sup>
	Real Estate	Improvements	Secured Personal	Unsecured Personal	Utilities Rails and Wires					
1998-99	\$ 215,309	\$ 485,708	\$ 2,974	\$ 29,627	\$ 44,837	\$ 61,065	\$ 717,390	1.78	\$ 5,931,081	13.125
1999-00	223,785	548,672	2,748	30,259	45,209	62,981	787,692	1.73	6,526,885	13.033
2000-01	233,712	619,842	2,609	39,388	46,580	65,228	876,903	1.72	7,288,261	12.927
2001-02	253,580	686,608	2,609	43,470	51,547	83,695	954,119	1.72	8,010,100	12.956
2002-03	258,224	733,234	2,383	39,629	54,189	98,565	989,094	1.72	8,331,442	13.055
2003-04	298,152	820,414	2,113	35,832	58,517	135,011	1,080,017	1.72	9,391,120	12.938
2004-05	342,689	893,850	1,661	43,584	56,582	193,816	1,144,550	1.72	10,065,003	13.297
2005-06	368,181	989,418	1,450	45,025	58,101	192,607	1,269,568	1.72	11,296,734	12.943
2006-07	463,560	1,033,129	1,373	45,756	58,111	230,940	1,370,989	1.72	12,107,926	13.230
2007-08	593,311	1,406,513	1,759	50,130	60,680	285,374	1,827,019	1.62	16,733,846	12.624

Source: Maricopa County Assessor's Office

- Notes: (1) Assessed values are established each year by the County. The tax rate is \$100 per assessed value (reference note I. L., page 42).  
 (2) The assessed value as a percentage of actual value does not include tax exempt property.

City of Glendale, Arizona  
**Direct and Overlapping Governments Property Tax Rates**  
 Last Ten Fiscal Years  
 Per \$100 Assessed Valuation

**Schedule 6**

Fiscal Year	Basic Rate	General Obligation Debt Service	City of Glendale	Overlapping Rates*		
				Glendale Elementary and High School Districts	Peoria Unified School Districts	Deer Valley Unified School Districts
1998-99	\$ 0.44	\$ 1.34	\$ <b>1.78</b>	\$ 17.15	\$ 15.20	\$ 15.03
1999-00	0.39	1.34	<b>1.73</b>	16.72	14.86	14.33
2000-01	0.38	1.34	<b>1.72</b>	15.81	14.55	13.12
2001-02	0.36	1.36	<b>1.72</b>	15.36	13.73	13.12
2002-03	0.35	1.37	<b>1.72</b>	15.51	13.69	12.59
2003-04	0.34	1.38	<b>1.72</b>	14.79	13.59	12.06
2004-05	0.33	1.39	<b>1.72</b>	14.88	13.22	11.78
2005-06	0.31	1.41	<b>1.72</b>	20.96	18.45	16.98
2006-07	0.29	1.43	<b>1.72</b>	19.84	17.26	15.34
2007-08	0.27	1.35	<b>1.62</b>	17.74	15.33	13.97

Source: Maricopa County 2007 Tax Rates

Note: The City rounds the rates to two digits from the four presented by the county.

\* Overlapping rates are those of local and county governments that apply to property owners within the City of Glendale. Not all overlapping rates apply to all City of Glendale property owners (e.g., the rates for special districts apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district).

City of Glendale, Arizona  
**Principal Property Taxpayers**  
 Current Year and Nine Years Ago  
 June 30, 2008  
 (amounts expressed in thousands)

**Schedule 7**

Taxpayer	Tax Year 2008			Tax Year 1999		
	Rank	Assessed Valuation	Percentage of Total City Taxable Assessed Value	Rank	Assessed Valuation	Percentage of Total City Taxable Assessed Value
Arizona Public Service Company	1	\$ 17,308,746	0.95 %	1	\$ 12,134,420	1.54 %
Qwest Corporation (US West)	2	13,830,663	0.76	2	11,206,284	1.42
Wal-Mart Stores, Inc.	3	11,336,693	0.62			
New River Associates	4	10,176,348	0.56	3	10,036,241	1.27
VHS of Arrowhead, Inc.	5	7,296,932	0.40			
Lexington Glendale	6	6,236,400	0.34			
Southwest Gas Corporation	7	6,048,153	0.33	4	4,200,727	0.53
Hbg Arizona LLC	8	5,933,454	0.32			
51 Bells Limited Partnership	9	5,206,951	0.29			
Burlington Northern Sante Fe	10	4,899,762	0.27	7	2,814,655	0.36
Price Reit				5	3,474,917	0.44
Sanderson Ford				6	3,337,387	0.42
Safeway Inc				8	2,362,574	0.30
Meridan Trust Co				9	2,333,750	0.30
SP Commercial Flight				10	2,314,634	0.29
<b>Total principal taxpayers</b>		<b>\$ 88,274,102</b>	<b>4.84 %</b>		<b>\$ 47,204,631</b>	<b>5.98 %</b>

Source: Maricopa County Treasurer's Office

Note: The Salt River Project Agriculture Improvement and Power District assessed valuation is not reflected in the total assessed valuation of the City of Glendale. The Project is subject to "voluntary contribution" in lieu of ad valorem taxation.

City of Glendale, Arizona  
**Property Tax Levies and Collections**  
 Last Ten Fiscal Years  
 (amounts expressed in thousands)

**Schedule 8**

Fiscal Year	Total Tax Levy <sup>(1)</sup>	Collected within the Fiscal Year of Levy		Collections in Subsequent Years <sup>(2)</sup>	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
1998-99	\$ 12,131	\$ 11,764	96.98 %	\$ 367	\$ 12,131	100.00 %
1999-00	12,978	12,507	96.37	471	12,978	100.00
2000-01	14,227	13,833	97.23	394	14,227	100.00
2001-02	16,136	15,529	96.24	587	16,116	99.88
2002-03	16,743	16,289	97.29	442	16,731	99.93
2003-04	18,468	17,899	96.92	556	18,455	99.93
2004-05	19,534	19,011	97.32	393	19,404	99.33
2005-06	21,566	20,980	97.28	505	21,485	99.62
2006-07	23,423	22,721	97.00	535	23,256	99.29
2007-08	28,728	27,823	96.85	-	27,823	96.85

Source: Maricopa County Treasurer's Office

(1) Total levy includes only secured property.

(2) Includes collections and resolutions.

City of Glendale, Arizona  
**City Transaction Privilege Taxes (Sales Tax) by Category**  
 Last Ten Fiscal Years  
 (amounts expressed in thousands)

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Retail sales	\$ 54,416	\$ 50,733	\$ 48,743	\$ 41,883	\$ 41,262	\$ 36,639	\$ 30,858	\$ 24,449	\$ 24,305	\$ 16,986
Contracting	9,540	10,483	9,729	7,716	7,709	5,638	3,659	4,269	4,656	4,899
Rentals	12,082	9,895	8,897	8,228	7,752	7,164	5,740	4,990	4,660	3,650
Utilities	5,359	4,724	4,168	1,967	2,606	1,765	1,482	1,297	1,260	1,224
Telecom/cable TV	6,174	5,914	5,300	5,179	4,290	2,437	1,490	1,259	1,017	915
Restaurant/bar	10,995	9,335	8,163	7,031	6,676	6,132	5,477	4,935	4,729	4,366
Amusement	3,034	3,288	1,934	1,043	1,058	601	539	424	493	204
Other	3,575	3,453	4,034	4,119	3,410	3,456	3,335	2,768	2,467	7,763
<b>Total</b>	<b>\$ 105,175</b>	<b>\$ 97,825</b>	<b>\$ 90,968</b>	<b>\$ 77,166</b>	<b>\$ 74,763</b>	<b>\$ 63,832</b>	<b>\$ 52,580</b>	<b>\$ 44,391</b>	<b>\$ 43,587</b>	<b>\$ 40,007</b>
<b>% Growth by year</b>										
Retail sales	7.3 %	4.1 %	16.4 %	1.5 %	12.6 %	18.7 %	26.2 %	0.6 %	43.1 %	27.5 %
Contracting	(9.0)	7.8	26.1	0.1	36.7	54.1	(14.3)	(8.3)	(5.0)	13.8
Rentals	22.1	11.2	8.1	6.1	8.2	24.8	15.0	7.1	27.7	16.0
Utilities	13.4	13.3	111.9	(24.5)	47.6	19.1	14.3	2.9	2.9	1.0
Telecom/cable TV	4.4	11.6	2.3	20.7	76.0	63.6	18.3	23.8	11.1	17.3
Restaurant/bar	17.8	14.4	16.1	5.3	8.9	12.0	11.0	4.4	8.3	11.3
Amusement	(7.7)	70.0	85.4	(1.4)	76.0	11.5	27.1	(14.0)	100.0	100.0
Other	3.5	(14.5)	(2.1)	20.8	(1.3)	3.6	20.5	12.2	(68.2)	(23.5)
<b>Total</b>	<b>7.5 %</b>	<b>7.5 %</b>	<b>17.9 %</b>	<b>3.2 %</b>	<b>17.1 %</b>	<b>21.4 %</b>	<b>18.4 %</b>	<b>1.8 %</b>	<b>8.9 %</b>	<b>9.8 %</b>

Source: City of Glendale Tax and License Division

Note: The tax rate for City activities is 2.2% except for telecommunications which is 5.4%, restaurant bars 3.2%, hotel/motel 5.6%, and retail sales food for home consumption 1.8%.

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**Ratio of Outstanding Debt by Type<sup>(1)</sup>**

Last Ten Fiscal Years

(amounts expressed in thousands)

## Government Activities

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Fiscal Year	Government Activities						
	General Obligation Bonds	Special Assessment Bonds	Street and Highway Revenue Bonds	Municipal Property Corporation Bonds	Transportation Bonds	Capital Leases	Notes Payable
1998-99	\$ 43,025	\$ 20,733	\$ 23,230	\$ 12,265	\$ -	\$ 1,573	\$ 1,852
1999-00	55,055	19,278	28,380	12,000	-	10,198	6,693
2000-01	46,917	17,621	24,310	11,215	-	8,865	5,754
2001-02	82,637	16,247	24,310	11,215	-	4,498	4,340
2002-03	127,104	12,036	20,030	170,590	-	14,971	20,193
2003-04	153,688	109	22,730	180,230	-	14,704	17,098
2004-05	157,065	75	22,455	177,950	-	13,704	18,876
2005-06	175,155	39	35,940	223,988	-	12,875	15,689
2006-07	224,234	-	34,065	293,530	-	12,492	6,279
2007-08	212,524	-	30,895	298,050	109,110	10,838	9,045

Fiscal Year	Business Activities						Total Primary Government	Percentage of Personal Income <sup>(2)</sup>
	Water Sewer G.O. Bonds	Landfill G.O. Bonds	Water Sewer Revenue Bonds	Notes Payable	Capital Leases			
1998-99	\$ 10,000	\$ -	\$ 13,305	\$ 4,569	\$ 2,779	\$ 133,331	2.02	
1999-00	8,175	1,460	63,560	3,866	15,952	224,617	3.32	
2000-01	6,165	1,333	56,705	3,357	13,783	196,025	2.74	
2001-02	6,165	1,333	56,705	6,358	15,291	229,099	3.22	
2002-03	17,845	1,186	49,280	14,831	12,838	460,904	6.71	
2003-04	15,825	1,032	121,470	14,433	11,007	552,326	8.25	
2004-05	13,135	870	115,140	13,660	2,676	535,606	7.67	
2005-06	12,375	700	190,020	12,285	2,613	681,679	9.08	
2006-07	11,595	520	229,130	10,862	2,349	825,056	9.86	
2007-08	10,805	331	288,950	10,240	1,688	982,476	11.32	

Note: Details of the outstanding debt can be found in the notes to the financial statements.

(1) Does not include other long-term obligations such as compensated absences, unamortized premiums, claims/judgments, arbitrage, post-closure costs, etc.

(2) Calculate by dividing Glendale population with Maricopa County population and multiplying by total personal income to arrive at Glendale personal income (data taken from Schedule 15). Then divide total primary government by Glendale personal income to arrive at percentage of total income.

**Ratios of Net General Bonded Debt Outstanding**

Last Ten Fiscal Years

(amounts expressed in thousands)

<u>Fiscal Year</u>	<u>General Obligation Bonds<sup>(1)</sup></u>	<u>Less: Amounts Available in Debt Service Funds<sup>(2)</sup></u>	<u>Total</u>	<u>Percentage of Net Assessed Value of Property</u>	<u>Per Capita<sup>(3)</sup></u>
1998-99	\$ 53,025	\$ 11,611	\$ 41,414	5.77 %	\$ 200.07
1999-00	64,690	12,416	52,274	6.63	245.42
2000-01	54,415	13,241	41,174	4.69	183.81
2001-02	90,135	16,281	73,854	7.74	323.92
2002-03	146,135	17,768	128,367	12.98	555.70
2003-04	170,545	18,526	152,019	14.08	652.44
2004-05	171,070	19,472	151,598	13.25	642.36
2005-06	188,230	22,507	165,723	13.05	679.19
2006-07	236,349	24,600	211,749	15.45	859.44
2007-08	223,660	30,145	193,515	10.59	778.01

Note: Principal and interest expenditures for 1999-00 include a current refunding transaction.

- (1) These figures include general obligation water and sewer and general obligation landfill bonds.
- (2) These figures include the current general obligation bond liability plus the general obligation debt service fund balance at June 30.
- (3) Per capita is in actual dollars.

**Net Direct and Overlapping Governmental Activities Debt**

June 30, 2008

(amounts expressed in thousands)

Jurisdiction	Net Debt Outstanding	Percentage Applicable to Glendale	Amount Applicable to Glendale
Peoria Unified School District No. 11	\$ 241,348	23.1015 %	\$ 55,755
Glendale Elementary School District No. 40	23,865	98.8324	23,586
Deer Valley Unified School District No. 97	187,630	20.1474	37,803
Alhambra Elementary School District No. 68	27,340	17.7438	4,851
Glendale Union High School District No. 205	107,340	22.5571	24,213
Maricopa County	-	3.6884	-
Maricopa County Community College District	507,390	3.6884	18,715
Phoenix Union High School District No. 210	304,795	1.3566	4,135
Pendergast Elementary School District No. 92	18,225	13.0448	2,377
Tolleson Union High School District No. 214	71,570	4.3750	3,131
Washington Elementary School District No. 6	107,335	2.8594	3,069
Dysart Unified School District No. 89	150,360	0.0365	55
Agua Fria Union High School District No. 216	56,120	0.2939	165
Litchfield Elementary School District No. 79	28,565	0.4342	124
Total Overlapping Debt	1,831,883		177,979
City of Glendale Debt <sup>(1)</sup>	198,174		198,174
Total	\$ 2,030,057		\$ 376,153

Source: Maricopa County - Abstract by tax authority and class,  
Abstract by tax area code and Annual Report of Bonded Indebtedness.

(1) Does not include landfill nor water and sewer general obligation debt.

City of Glendale, Arizona  
**Legal Debt Margin Information**  
 Last Ten Fiscal Years  
 (amounts expressed in thousands)

**Schedule 13**

**Legal Debt Margin Calculation for Fiscal Year 2008**

**6% Type Bonds**

Assessed value	\$ 1,827,019
Debt limit (6% of assessed value)	109,621
Debt applicable to limit: General obligation bonds	49,990
Less: Amount set aside for repayment of general obligation debt	<u>(6,632)</u>
Total net debt applicable to limit	<u>43,358</u>
Legal debt margin	<u>\$ 66,263</u>

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt limit	\$ 47,262	\$ 47,262	\$ 52,614	\$ 57,247	\$ 59,346	\$ 64,801	\$ 68,673	\$ 76,174	\$ 82,259	\$ 109,621
Total net debt applicable to limit	<u>19,190</u>	<u>26,107</u>	<u>21,602</u>	<u>30,167</u>	<u>47,813</u>	<u>49,399</u>	<u>51,682</u>	<u>52,539</u>	<u>38,998</u>	<u>43,358</u>
Legal debt margin	<u>\$ 28,072</u>	<u>\$ 21,155</u>	<u>\$ 31,012</u>	<u>\$ 27,080</u>	<u>\$ 11,533</u>	<u>\$ 15,402</u>	<u>\$ 16,991</u>	<u>\$ 23,635</u>	<u>\$ 43,261</u>	<u>\$ 66,263</u>
Total net debt applicable to the limit as a percentage of debt limit	40.60%	55.24%	41.06%	52.70%	80.57%	76.23%	75.26%	68.97%	47.41%	39.55%

**20% Type Bonds**

Assessed value	\$ 1,827,019
Debt limit (20% of assessed value)	365,404
Debt applicable to limit: General obligation bonds	173,670
Less: Amount set aside for repayment of general obligation debt	<u>(23,513)</u>
Total net debt applicable to limit	<u>150,157</u>
Legal debt margin	<u>\$ 215,247</u>

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt limit	\$ 157,538	\$ 157,538	\$ 175,381	\$ 190,824	\$ 197,818	\$ 216,003	\$ 228,910	\$ 253,914	\$ 274,198	\$ 365,404
Total net debt applicable to limit	<u>31,774</u>	<u>36,307</u>	<u>29,847</u>	<u>43,972</u>	<u>80,844</u>	<u>101,153</u>	<u>99,340</u>	<u>113,184</u>	<u>172,751</u>	<u>150,157</u>
Legal debt margin	<u>\$ 125,764</u>	<u>\$ 121,231</u>	<u>\$ 145,534</u>	<u>\$ 146,852</u>	<u>\$ 116,974</u>	<u>\$ 114,850</u>	<u>\$ 129,570</u>	<u>\$ 140,730</u>	<u>\$ 101,447</u>	<u>\$ 215,247</u>
Total net debt applicable to the limit as a percentage of debt limit	20.17%	23.05%	17.02%	23.04%	40.87%	46.83%	43.40%	44.58%	63.00%	41.09%

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City of Glendale, Arizona  
**Pledged-Revenue Coverage**  
 Last Ten Fiscal Years  
 (amounts expressed in thousands)

**Schedule 14**

Fiscal Year	Water and Sewer Revenue Bonds					
	Utility Service Charges <sup>(1)</sup>	Less: Operating Expenses <sup>(2)</sup>	Net Available Revenue	Debt Service		Coverage
				Principal <sup>(3)</sup>	Interest <sup>(3)</sup>	
1998-99	\$ 49,843	\$ 22,429	\$ 27,414	\$ 4,521	\$ 923	5.04
1999-00	49,243	24,071	25,172	3,426	753	6.02
2000-01	52,482	28,334	24,148	7,558	3,387	2.21
2001-02	50,549	27,620	22,929	8,463	3,022	2.00
2002-03	51,922	30,537	21,385	9,116	2,745	1.80
2003-04	53,209	31,445	21,764	7,102	4,760	1.83
2004-05	56,144	32,100	24,044	6,495	6,168	1.90
2005-06	59,426	35,916	23,510	6,813	7,143	1.68
2006-07	66,646	40,825	25,821	6,303	9,280	1.66
2007-08	69,490	44,247	25,243	7,252	11,918	1.32

Fiscal Year	Transportation Bonds <sup>(4)</sup>				Municipal Property Corporation Bonds			
	Transportation Sales Tax	Debt Service		Coverage	Excise Tax Revenue	Debt Service		Coverage
		Principal	Interest			Principal	Interest	
1998-99	\$ -	\$ -	\$ -	-	\$ 73,572	\$ 775	\$ 907	43.74
1999-00	-	-	-	-	79,850	615	431	76.34
2000-01	-	-	-	-	83,739	785	548	62.82
2001-02	-	-	-	-	85,322	880	515	61.16
2002-03	-	-	-	-	88,071	1,240	1,510	32.03
2003-04	-	-	-	-	94,277	2,280	8,530	8.72
2004-05	-	-	-	-	98,143	1,885	9,017	9.00
2005-06	-	-	-	-	114,066	2,785	8,871	9.79
2006-07	-	-	-	-	123,602	2,715	10,343	9.47
2007-08	23,672	4,075	3,255	3.23	127,373	7,399	17,617	5.09

Source: City of Glendale Finance Department

Notes:

(1) Operating revenues and nonoperating revenues excluding non-cash contributions, gains and losses.

(2) Excluding depreciation.

(3) Principal and interest amounts include debt service on the note payable to the Waste Infrastructure Financing Authority of Arizona for the 00-01 loan.

(4) FY 2008 is the first year the City of Glendale has issued Transportation Bonds.

City of Glendale, Arizona  
**Demographic and Economical Statistics**  
 Last Ten Fiscal Years  
 (amounts expressed in thousands)

**Schedule 15**

Fiscal Year	City of Glendale Population <sup>(2)</sup>	Maricopa County Population	Personal Income ( <i>thousands of dollars</i> ) <sup>(1)</sup>	Per Capita Personal Income <sup>(1)</sup>	Unemployment Rate
1998-99	207	3,005	\$ 80,924,901	\$ 26,930	2.9 %
1999-00	213	3,096	89,771,608	28,993	2.3
2000-01	224	3,196	92,913,124	29,068	3.7
2001-02	228	3,295	95,618,598	29,020	5.0
2002-03	231	3,397	98,401,099	28,968	5.3
2003-04	233	3,524	101,264,571	28,734	4.4
2004-05	236	3,524	104,211,370	29,570	3.9
2005-06	244	3,764	115,863,448	30,782	3.9
2006-07	246	3,879	131,949,430 <sup>(3)</sup>	34,016 <sup>(4)</sup>	3.1
2007-08	249	3,990 <sup>(5)</sup>	139,044,312 <sup>(3)</sup>	34,848 <sup>(4)</sup>	3.6

Source: Maricopa County Finance Department

Arizona Department of Economic Security, Research Administration, Population Statistics Unit  
 Maricopa County FY 2006-07 Annual Budget Report

Standard & Poor's Ratings Direct Analysis of Maricopa County, Arizona, publication date Aug 21, 2007  
 City of Glendale Planning Department

Note: (1) Personal Income and Per Capita Income figures are for Maricopa County. City of Glendale is one of several Valley cities that comprise Maricopa County, including Phoenix, Mesa and Scottsdale.

(2) Estimates.

(3) Estimate based on forecasted increases for Maricopa County of 5%, 5% and 4.1% for 2008, 2007, and 2006, respectively and Maricopa County personal income for 2005 of \$120,716,738,000 and for 2008 of \$132,423,154,000.

(4) Calculation based on personal income divided by population.

(5) Draft figure for Maricopa County population provided by City of Glendale Planning Department.

City of Glendale, Arizona  
**Principal Employers**  
 Current Year and Ten Years Ago

**Schedule 16**

Employer	2008			1998		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Luke Air Force Base	8,037	1	5.58 %	8,346	1	7.86 %
Banner Thunderbird Health System	2,500	2	1.74	1,100	6	1.04
City of Glendale	2,100	3	1.46	1,337	4	1.26
Walmart	2,020	4	1.40			
Glendale Union High School District	1,862	5	1.29	1,380	3	1.30
Glendale Elementary School District	1,684	6	1.17	1,300	5	1.22
Deer Valley Unified School District	1,432	7	0.99			
AAA	1,323	8	0.92			
Honeywell, Inc.	1,250	9	0.87	2,600	2	2.45
Glendale Community College	1,220	10	0.85	820	8	0.77
U.S. Postal Service				780	9	0.73
Peoria Unified School District				575	10	0.54
<b>Total</b>	<b>23,428</b>		<b>12.55 %</b>	<b>18,238</b>		<b>17.19 %</b>

Source: City of Glendale Economic Development Department  
 Department of Economic Security, Research Administration, LAUS Report

**Full-time Equivalent City Government Employees by Function/Program**

Last Ten Fiscal Years

Function/Program	Full-time Equivalent Employees as of June 30									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
General government										
Management services	35.00	35.00	34.00	32.00	34.00	32.50	33.50	31.50	30.50	41.00
Finance	86.75	86.75	86.75	85.75	84.75	84.75	82.75	83.50	82.00	65.00
Planning	28.50	28.50	26.50	26.15	26.15	27.15	27.15	23.65	21.65	33.15
Building	53.75	51.75	55.75	57.75	44.75	40.75	32.50	29.50	28.50	27.50
Legal	78.00	78.00	67.00	67.00	61.00	58.00	50.00	47.00	47.00	39.00
Other	108.50	105.50	101.00	94.50	93.50	93.50	93.50	97.50	89.00	69.50
Police	557.50	543.50	506.50	507.50	473.50	455.50	455.50	421.50	397.00	380.00
Fire	263.50	251.50	237.50	216.00	196.00	195.00	190.00	167.50	167.50	163.50
Homeland security	7.00	7.00	-	-	-	-	-	-	-	-
Community service	93.75	87.25	84.25	82.75	75.25	75.25	73.75	67.00	61.00	50.00
Parks and recreation	99.25	98.75	89.75	86.75	80.40	79.40	78.40	73.40	63.90	60.65
Library	87.76	88.76	87.76	87.76	87.75	87.75	87.75	86.75	84.50	84.25
Public works	281.00	271.00	266.00	266.00	267.00	270.00	272.00	268.00	228.00	228.00
Engineering	45.00	45.00	46.00	45.00	44.00	44.00	43.00	42.00	41.00	41.00
Transportation	89.25	88.25	81.25	80.25	80.25	78.25	65.25	65.25	60.25	54.25
Utilities	186.00	165.00	146.00	140.00	132.00	132.00	132.00	125.00	124.00	127.00
<b>Total</b>	<b>2,100.51</b>	<b>2,031.51</b>	<b>1,916.01</b>	<b>1,875.16</b>	<b>1,780.30</b>	<b>1,753.80</b>	<b>1,717.05</b>	<b>1,629.05</b>	<b>1,525.80</b>	<b>1,463.80</b>

Source: City Budget Office

City of Glendale, Arizona  
**Operating Indicators by Function/Program**  
 Last Ten Fiscal Years

**Schedule 18**

Function/Program	Fiscal Year									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
<b>Police</b>										
Calls for service	146,489	154,176	148,633	158,507	161,722	154,374	153,691	144,183	137,809	133,124
Bookings	12,902	12,119	8,640	8,138	8,057	7,980	8,781	7,744	773	10,062
Criminal offense reports	32,918	35,169	34,271	33,578	34,847	33,956	34,224	33,102	30,984	27,415
<b>Fire</b>										
EMS calls	25,851	25,819	22,284 <sup>(1)</sup>	18,977 <sup>(4)</sup>	24,025	23,126	21,372	20,722	19,272	18,208
Fire calls	4,216	4,322	5,886 <sup>(1)</sup>	2,642 <sup>(4)</sup>	3,335	3,379	3,379	3,110	2,958	2,755
<b>Refuse collection <sup>(3)</sup></b>										
Residential curb service (tons per year)	58,865	60,914	63,521	57,942	56,902	55,718	49,747	-	-	-
Commercial container service (tons per year)	48,267	51,425	49,517	44,441	44,681	48,583	45,798	-	-	-
<b>Airport</b>										
Departures/arrivals <sup>(2)</sup>	137,762	152,194	143,798	108,887	118,140	88,449	118,703	110,631	112,570	133,220
<b>General government</b>										
Building permits	6,931	6,310	7,888	7,079	6,330	6,299	5,428	7,090	7,925	8,561
<b>Library</b>										
Volumes in collection	546,136	557,342	596,266	620,130	601,440	600,477	606,676	544,467	562,532	342,042
<b>Transit</b>										
Dial-A-Ride passengers	88,638	84,132	89,055	87,831	86,132	81,768	76,622	66,527	69,081	70,032

Source: Various city departments

Note: Water and sewer statistics are contained in Schedule 20 and 21.

- (1) Fire department figures are on a calendar year, January 1, 2006, through November 3, 2006.
- (2) Departures/arrivals are based on calendar year prior to 2005-2006. 2005 figures are through October 2005.
- (3) Sanitation figures were only available from 2000-2001 through present.
- (4) Amounts based on calendar year: January 1, 2005, through September 30, 2005.

City of Glendale, Arizona  
**Capital Asset Statistics by Function/Program**  
 Last Ten Fiscal Years

**Schedule 19**

Function/Program	Fiscal Year									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
<b>Police</b>										
Stations	3	3	3	3	3	3	3	3	3	3
Patrol vehicles	158	157	156	156	151	156	150	92	101	103
<b>Fire stations</b>	9	9	9	9	8	8	7	7	7	7
<b>General government</b>										
City square miles	58	57	57	57	57	57	56	55	55	55
<b>Landfill</b>										
Landfill capacity - south cell	22,594	22,594	22,594	22,594	22,594	22,594	22,594	16,351	16,351	16,351
Landfill capacity used - south cell	17,776	17,358	16,790	16,328	15,910	15,408	14,669	14,060	13,450	12,865
<b>Other public works</b>										
Streets (miles)	736	736	733	709	702	702	692	660	650	630
<b>Parks and recreation</b>										
Number of parks/retention basins	99	95	92	92	93	89	89	89	87	88
Acres of parks	2,125	2,125	2,058	2,052	1,998	1,984	1,984	1,984	1,844	1,845
<b>Transit</b>										
Dial-A-Ride minibuses	22	22	25	25	22	19	17	21	17	16

Source: Various city departments

**WATER RATES PER METER SIZE**

Meter Size (inch)	Commercial and Residential Monthly Base Charge	
	Inside City	Outside City
5/8	\$ 8.47	\$ 11.01
3/4	10.67	13.87
1	14.99	19.49
1 1/2	30.58	39.75
2	54.90	71.37
3	91.51	118.96
4	163.09	212.02
6	323.19	420.15
8	480.06	624.08
12	1,142.89	N/A

Gallons per Month	Residential Meter Size		Commercial 3/4 inch Meter Size and Greater <sup>(1)</sup>			
	All Year		All Year		Summer Excess Rate	
	Inside City	Outside City	Inside City	Outside City	Inside City	Outside City
0 - 6,000	\$ 1.61	\$ 2.10	\$ 1.83	\$ 2.38	\$ 3.21	\$ 4.17
7,000 - 15,000	2.02	2.63	1.83	2.38	3.21	4.17
16,000 - 30,000	2.83	3.69	1.83	2.38	3.21	4.17
over 31,000	3.97	5.17	1.83	2.38	3.21	4.17

**SEWER SERVICE RATES**

Type of Service	Inside City	Outside City
Single Family Dwelling Unit	\$ 28.35	\$ 33.02
Office Building	48.49	N/A
Apartment - Average 5 units	70.01	79.56
Apartment - Average 35 units	450.00	97.05
Retail/Wholesale	62.60	N/A

(1) Per 1,000 gallons

SOURCE: City of Glendale Finance Department

**HISTORICAL AVERAGE NUMBER OF WATER ACCOUNTS <sup>(1)</sup>**

Fiscal Year Ending June 30	Residential	Commercial <sup>(2)</sup>	Total
1999	49,556	4,544	54,100
2000 <sup>(3)</sup>	50,324	4,590	54,914
2001	51,169	4,649	55,818
2002	52,736	5,197	57,933
2003	53,654	5,431	59,085
2004	54,349	4,361	58,710
2005	55,139	4,491	59,630
2006	55,354	4,650	60,004
2007	55,395	5,305	60,700
2008	54,396	5,411	59,807

(1) Total meters in the system being read monthly. Slightly lower figure for active accounts due to vacant properties.

(2) Includes multi-family housing facilities.

(3) As of April 3, 2000.

SOURCE: City of Glendale Finance Department.

**WATER DELIVERIES**

Acre Feet

Calendar Year	Residential <sup>(1)</sup>	Commercial	Other	Total
1998	30,477	4,491	6,344	41,312
1999	32,779	4,739	8,942	46,460
2000	35,135	9,413	893	45,441
2001	34,667	8,865	722	44,254
2002	36,044	8,865	1,031	45,940
2003	34,348	5,342	1,042	40,732
2004	34,427	8,382	1,211	44,020
2005	33,567	8,282	1,298	43,147
2006	34,660	10,951	3,730	49,341
2007	34,594	9,962	1,319	45,875

(1) Residential includes both single and multi-family housing.

SOURCE: Annual Report of Arizona Department of Water Resources.

**SEWERAGE ACCOUNTS BILLED AND SEWAGE TREATED**

Fiscal Year Ending June 30	No. of Sewer Accounts Billed	Multi-City Plant <sup>(2)</sup> (MGD) Actual	Arrowhead (MGD)	West <sup>(1)</sup> (MGD)	Oasis <sup>(3)</sup> (MGD)	Pyramid Peak (MGD)
1998	47,064	10.4	2.2			15.6
1999	49,021	10.9	2.7			16.4
2000	50,564	11.7	2.8	4.3		17.6
2001	52,688	11.4	2.8	4.3		17.1
2002	55,506	11.9	2.8	4.3		17.9
2003	55,239	10.8	3.0	7.0		16.2
2004	55,670	7.9	3.0	7.0		16.2
2005	55,995	8.2	3.0	8.5		28.6
2006	56,737	8.2	2.9	9.2		32.4
2007	64,662	7.8	2.9	9.1	3.3	25.8

(1) Began operations in 2000.

(2) SROG - Sub Regional Operating Group

(3) Began operations in 2008.

SOURCE: City of Glendale Finance and Utilities Departments.

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City of Glendale  
Finance Department  
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