



City of Glendale, Arizona
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2009



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City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

INTRODUCTORY SECTION

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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City of Glendale, Arizona

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2009

Mayor
Elaine M. Scruggs

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

Deborah Mazoyer
Interim Deputy City Manager
Community Development

Prepared by the Finance Department
Diane Goke
Deputy Finance Director



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**City of Glendale, Arizona
Comprehensive Annual Financial Report
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December 1, 2009

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, 2009.

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, 2009, 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 58.7 square miles and serves a population of 249,811. 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 December 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 months of March and April. The council is required to hold public hearings on the proposed budget and adopt the FY 2009 final budget by the first Monday in August. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department heads may request transfers of appropriations within the same fund for his/her 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 145,828 and an average employment of 134,455. Average employment for the same period last year was 137,631, showing a decrease in total employment, and the city's unemployment rate has grown from 3.6% in fiscal year 2008 to 8.4% in fiscal year 2009.

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.

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 6.8 million in 2009, representing a 3.03% increase over the previous fiscal year. State unemployment rates have risen from 5.5% to 9.1% and a decline in sales tax revenues has been noted by most metropolitan cities.

The City's largest employers include Luke Air Force Base, Wal-Mart, AAA, Banner Health Systems, Younger Brothers Construction Company, City of Glendale, Glendale Union High School District, Glendale Elementary School District, Deer Valley Unified School District, and Glendale Community College.

The City of Glendale has continued to follow its strategy, developed by the Finance Department, to maintain fund balances. Even in a year of declining revenue and a slow economy the City maintained a planned fund balance in the general fund of \$52,630.

Long-term financial planning. Glendale's Sports and Entertainment district continued to expand with the addition of a spring training facility named Camelback Ranch-Glendale. It opened in February 2009 for spring training, and attendance was beyond expectations even with the weaker economy. The facility is located at the northwest corner of 107th Avenue, between Camelback Road and Glendale Avenue and consists of a 10,000-seat stadium, 3,000 lawn seats, and 12 practice fields. It is utilized by the Los Angeles Dodgers and Chicago White Sox.

In addition to Camelback Ranch-Glendale, the site will be developed with residential, restaurant, and retail properties. 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.

The City broke ground for the new Glendale City Courthouse located at 47th and Glendale Avenues in September 2008. This \$44.7 million construction project will be about 90,000 square feet and will alleviate the serious overcrowded conditions our City Court is experiencing in their current location. The project will be the beginning of an effort to revitalize the city's Glendale Avenue corridor.

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.

The City's excise taxes, primarily the City sales taxes, began declining in early 2008 and have continued to decline throughout fiscal year 2008-09. As a result, the City instituted 16% spending cuts in general fund departments, except for police and fire, and instituted a hiring freeze.

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, 2008. This was the twenty-first consecutive year the City has received this prestigious award, and the twenty-third 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 2008-09. This is the twentieth 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,



Diane Goke
Deputy Finance Director

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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, 2008

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.



A handwritten signature in black ink, appearing to read "M. L. R.", is written above the title.

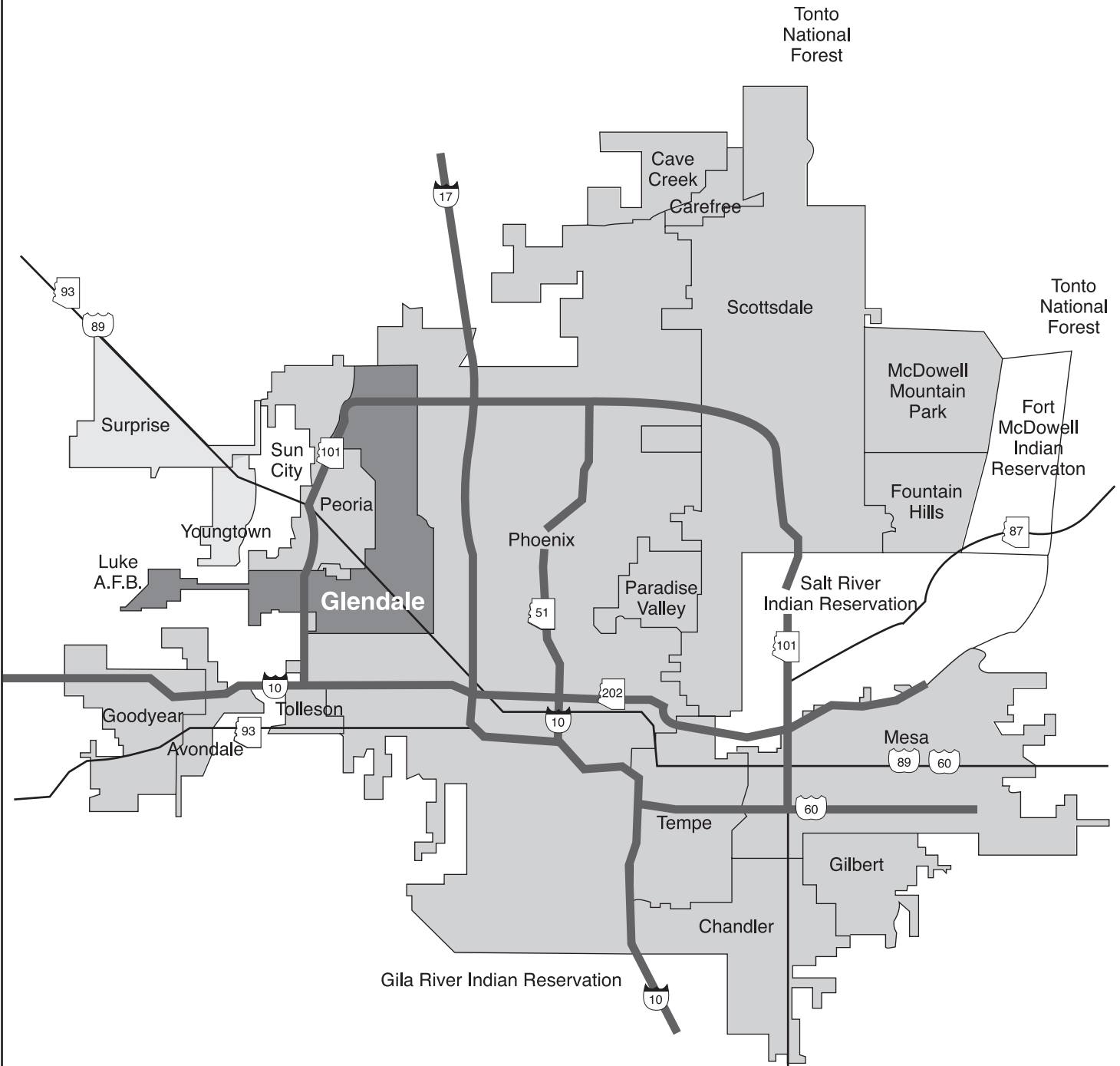
President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer", is written above the title.

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*



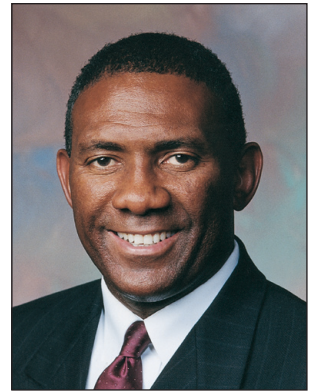
YVONNE KNAACK
*Councilmember
Barrel District*



H. PHILIP LIEBERMAN
*Councilmember
Cactus District*



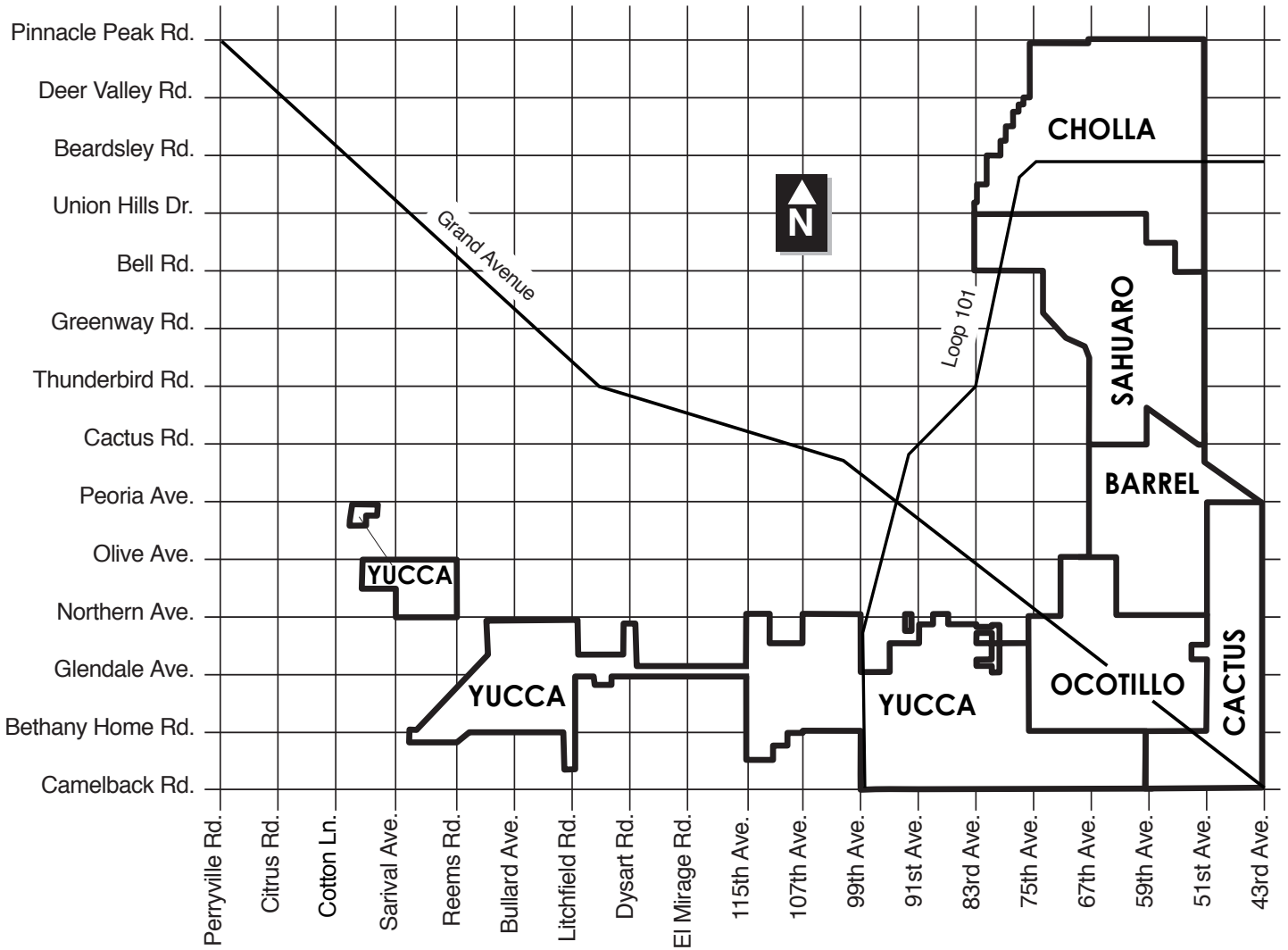
MANUEL D. MARTINEZ
*Vice Mayor/
Councilmember
Cholla District*



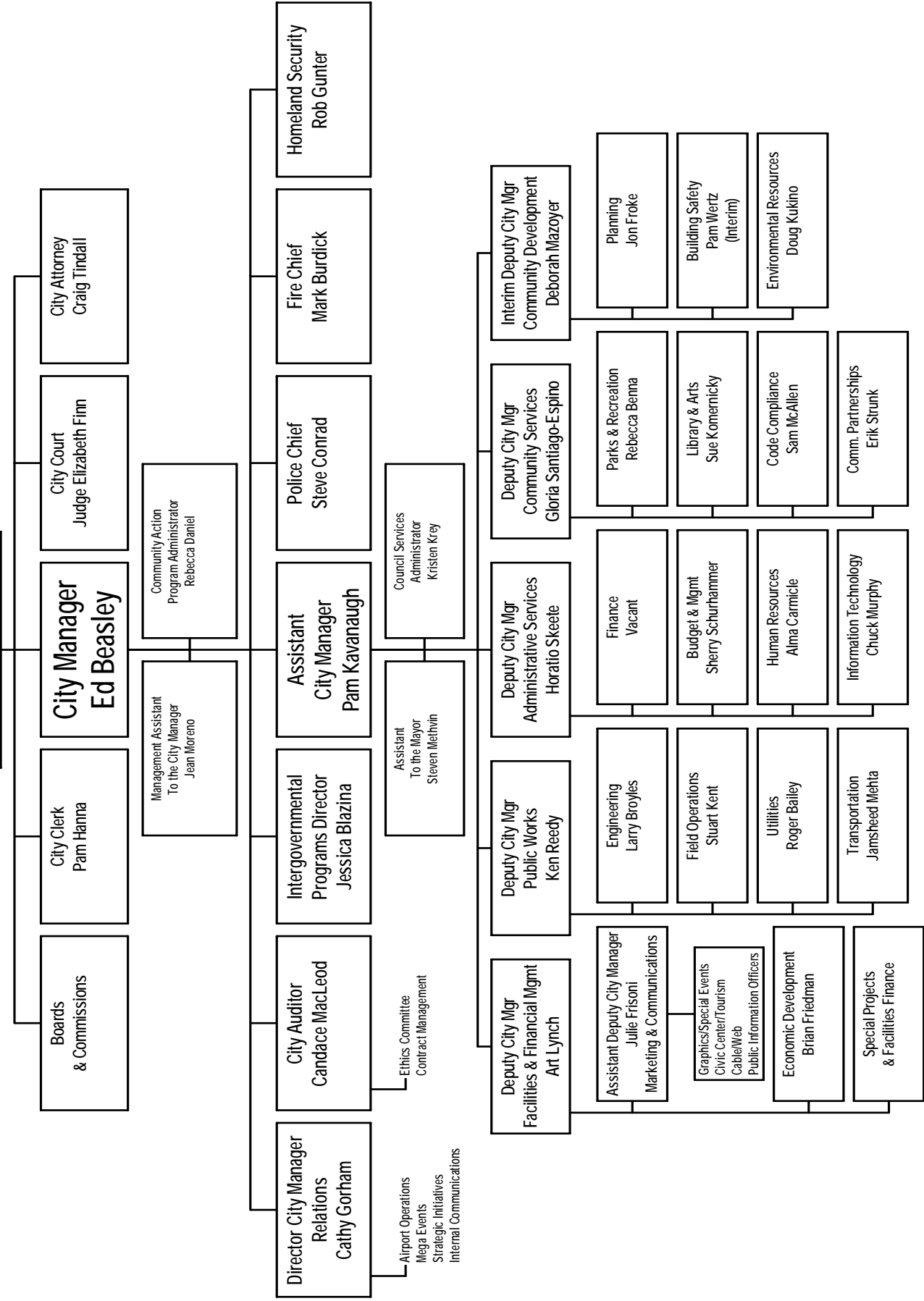
ED BEASLEY
City Manager



Glendale Council District Boundaries



Mayor & Council



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City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FINANCIAL SECTION

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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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, 2009, 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, 2009, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2009, 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 75 through 78 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 and statistical sections 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 1, 2009



City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

MANAGEMENT'S DISCUSSION & ANALYSIS

(Required Supplementary Information)

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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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, 2009. 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 2008-09 as follows:

- The City's total net assets decreased \$20,495 or 1.90%. The governmental net assets decreased by \$17,461 or 2.54%, and the business-type net assets decreased by \$3,034 or 0.73%.
- General revenues from governmental activities decreased \$7,172 or 3.48% and were 76.05% of all revenues from governmental activities. Program specific revenues in the form of charges for services and grants and contributions decreased \$26,335 or 29.60%.
- The business-type activities total revenues decreased by \$3,221 or 2.98%.
- The total cost of all City programs decreased by \$2,296 or .59%.
- A major governmental fund, the general fund, had \$147,224 in revenues, which is a decrease of \$19,739 or 11.82% 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 \$156,292, which is a decrease of \$925 or .58%. The fund balance decreased \$13,758 or 20.72%. This decrease was due to the slow economy, which affects not only our City sales tax, but state shared revenues.
- The Western Loop 101 Public Facilities Corporation issued \$199,750 in excise tax revenue bonds. These bonds were used to finance Camelback Ranch-Glendale, a spring training ballpark.

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 accrual basis of accounting is used for government-wide financial statements.

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.

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

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

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 use the modified accrual basis of accounting and 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 19 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 proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

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 \$1,081,921 as of June 30, 2009.

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 are 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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CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

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, 2009, and 2008
(in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 349,783	\$ 326,629	\$ 189,374	\$ 212,197	\$ 539,157	\$ 538,826
Capital assets, net	1,279,423	1,133,123	570,621	554,561	1,850,044	1,687,684
Total assets	<u>1,629,206</u>	<u>1,459,752</u>	<u>759,995</u>	<u>766,758</u>	<u>2,389,201</u>	<u>2,226,510</u>
Current liabilities	71,107	54,246	14,501	12,792	85,608	67,038
Noncurrent liabilities	890,693	720,639	330,979	336,417	1,221,672	1,057,056
Total liabilities	<u>961,800</u>	<u>774,885</u>	<u>345,480</u>	<u>349,209</u>	<u>1,307,280</u>	<u>1,124,094</u>
Net assets:						
Invested in capital assets, net of related debt	471,484	499,322	286,452	297,329	757,936	796,651
Restricted	144,422	133,695	13,249	12,836	157,671	146,531
Unrestricted	51,500	51,850	114,814	107,384	166,314	159,234
Total net assets	<u>\$ 667,406</u>	<u>\$ 684,867</u>	<u>\$ 414,515</u>	<u>\$ 417,549</u>	<u>\$ 1,081,921</u>	<u>\$ 1,102,416</u>

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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CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

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

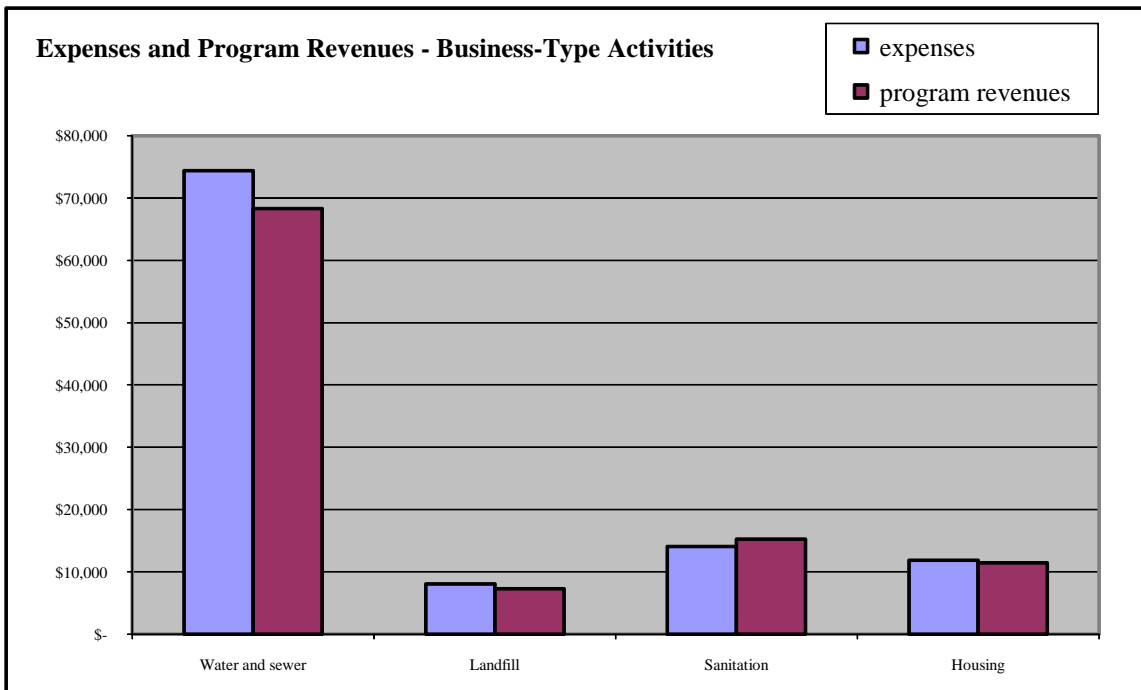
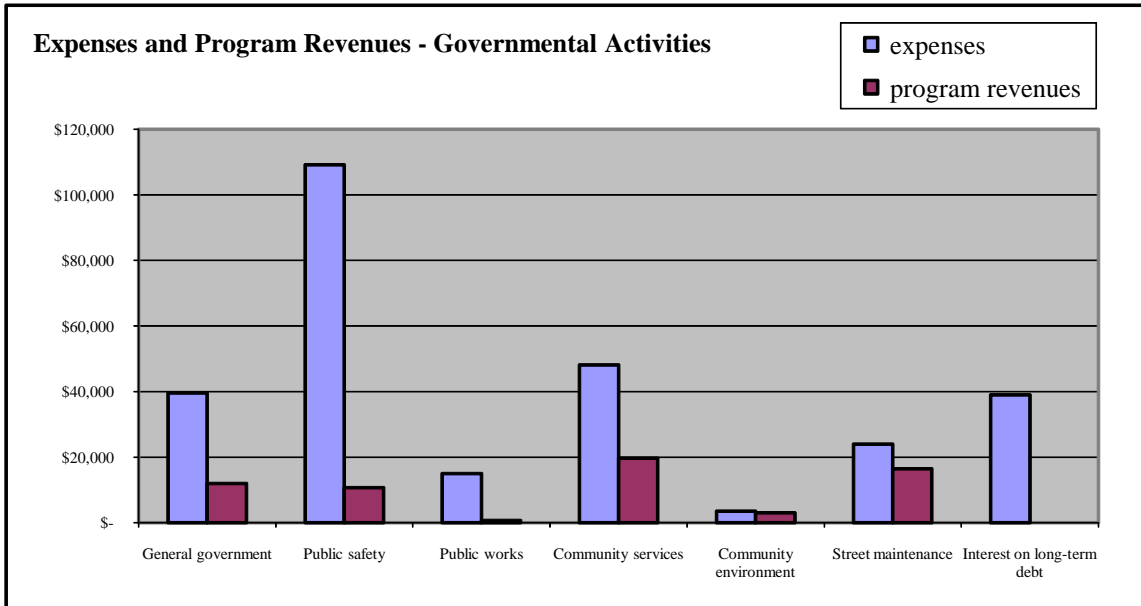
Changes in Net Assets
As of June 30, 2009, and 2008
(in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services	\$ 35,879	\$ 41,278	\$ 92,414	\$ 91,012	\$ 128,293	\$ 132,290
Operating grants and contributions	24,146	33,191	8,701	8,348	32,847	41,539
Capital grants and contributions	2,600	14,491	1,207	4,346	3,807	18,837
Total program revenues	62,625	88,960	102,322	103,706	164,947	192,666
General revenues:						
Property taxes	32,890	28,826	-	-	32,890	28,826
Sales taxes	97,054	105,175	-	-	97,054	105,175
State shared sales tax	19,321	22,237	-	-	19,321	22,237
Urban revenue sharing (state shared income tax)	36,267	34,109	-	-	36,267	34,109
Auto in-lieu taxes	8,808	9,730	-	-	8,808	9,730
Investment earnings, unrestricted	1,668	4,742	2,069	4,044	3,737	8,786
Gain/(loss) on disposal of capital assets	(52)	879	282	126	230	1,005
Miscellaneous	2,872	302	90	108	2,962	410
Total revenues	261,453	294,960	104,763	107,984	366,216	402,944
Expenses:						
General government	39,545	39,998	-	-	39,545	39,998
Public safety	109,136	113,285	-	-	109,136	113,285
Public works	15,040	16,006	-	-	15,040	16,006
Community services	48,143	52,185	-	-	48,143	52,185
Community environment	3,539	5,164	-	-	3,539	5,164
Street maintenance	23,978	26,175	-	-	23,978	26,175
Interest on long-term debt	38,982	28,475	-	-	38,982	28,475
Water and sewer	-	-	74,424	74,581	74,424	74,581
Landfill	-	-	8,045	8,067	8,045	8,067
Sanitation	-	-	14,039	15,209	14,039	15,209
Housing	-	-	11,840	9,862	11,840	9,862
Total expenses	278,363	281,288	108,348	107,719	386,711	389,007
Excess before transfers	(16,910)	13,672	(3,585)	265	(20,495)	13,937
Transfers in (out)	(551)	(509)	551	509	-	-
Increase (decrease) in net assets	(17,461)	13,163	(3,034)	774	(20,495)	13,937
Net assets, beginning	684,867	671,704	417,549	416,775	1,102,416	1,088,479
Net assets, ending	\$ 667,406	\$ 684,867	\$ 414,515	\$ 417,549	\$ 1,081,921	\$ 1,102,416

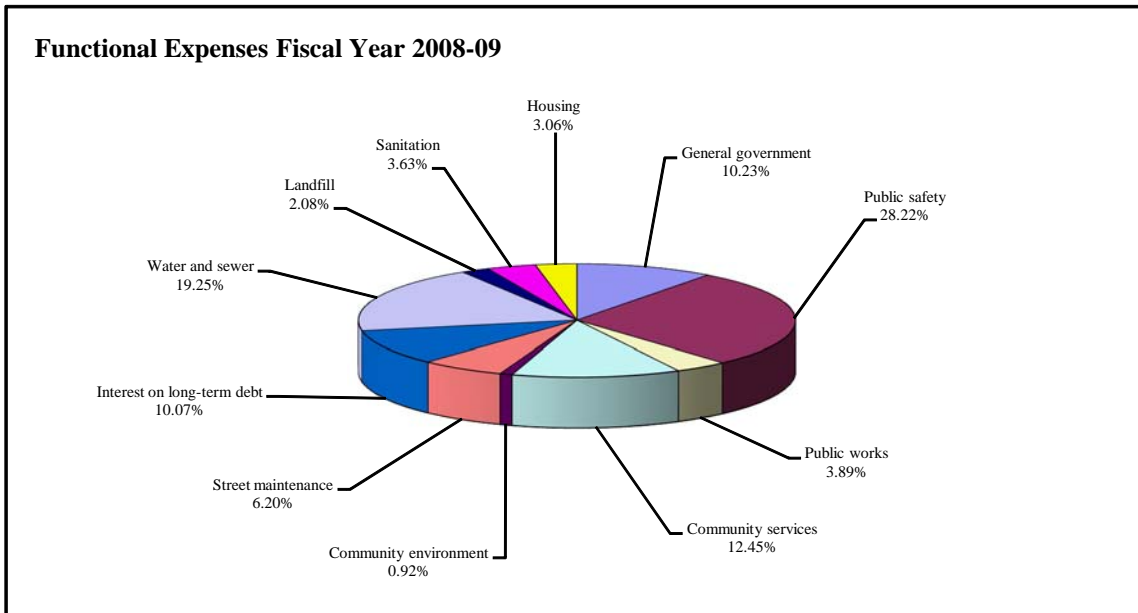
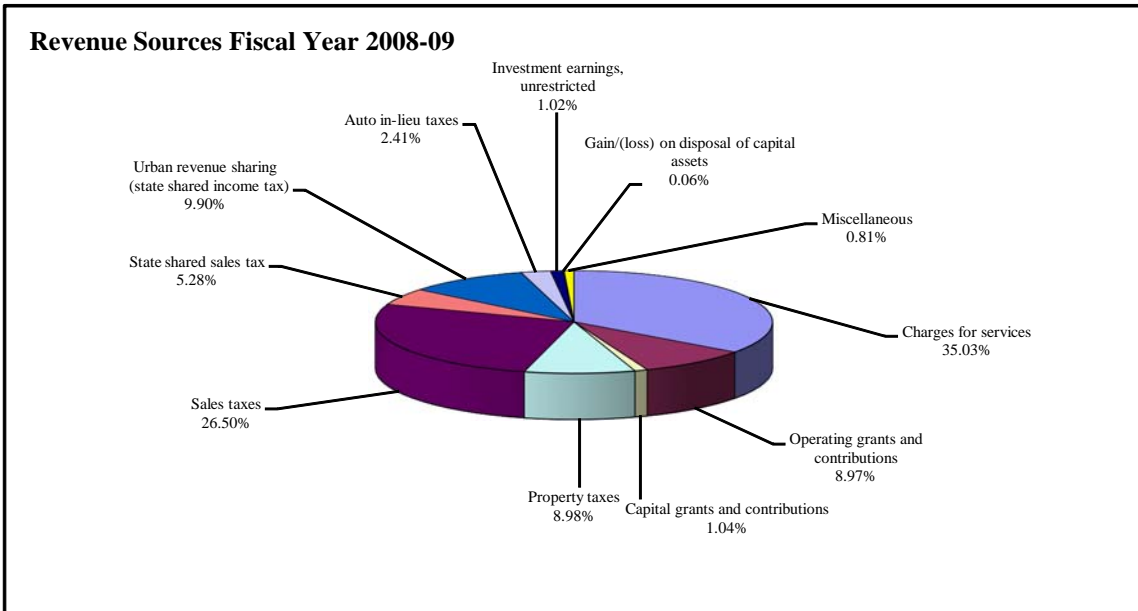
Changes in net assets. The decrease in net assets for the governmental activities was primarily due to the slow down in the economy, which affects not only our City sales tax, but state shared revenues. The City's revenue from governmental activities for the fiscal year ended June 30, 2009, was \$261,453. The cost of programs and services for governmental activities was \$278,363.

The decrease in net assets of \$3,034 for the business activities was primarily due to the slow down in the economy. The City's revenue from business-type activities for the fiscal year ended June 30, 2009, was \$104,763. The cost of programs and services was \$108,348.

CITY OF GLENDALE, ARIZONA
 Management's Discussion and Analysis (MD&A)
 For the Fiscal Year Ended June 30, 2009
 (amounts expressed in thousands)



CITY OF GLENDALE, ARIZONA
 Management's Discussion and Analysis (MD&A)
 For the Fiscal Year Ended June 30, 2009
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CITY OF GLENDALE, ARIZONA
 Management's Discussion and Analysis (MD&A)
 For the Fiscal Year Ended June 30, 2009
 (amounts expressed in thousands)

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 \$221,625, an increase of \$2,162 or .99% in comparison with the prior year.
- *Unreserved undesignated fund balance*, which is available for spending at the City's discretion within a fund, was \$107,500, a decrease of \$13,191 from the prior year.
- The City also had \$19,709 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 an increase in street construction projects activity in the fund balance designated for streets construction.
- 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	\$ 10,450
Special revenue	16,503
Debt service	61,478
Capital projects	466
Permanent	<u>5,519</u>
Total	<u>\$ 94,416</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 \$42,180, while total fund balance reached \$52,630. 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 26.99% of total general fund expenditures, while total fund balance represents 33.67% of that same amount.

The transportation fund accounts for the City's public transit program and transportation improvement projects. The fund saw a decrease in fund balance of \$21,847 for the fiscal year ended June 30, 2009. This decrease is due to the expenditure of transportation revenue bonds to fund continuing efforts to improve public transit, arterial streets, park and ride lots, and coordinated traffic signals.

The Western Loop 101 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 107th Avenue and Camelback Road. The fund had a fund balance of \$14,395 at June 30, 2009. Excise tax revenue bonds were issued by the Western Loop 101 Public Facilities Corporation in October 2008 for \$199,750.

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

The general obligation debt service fund accounts for the resources received from a secondary property tax levy used to repay general obligation debt. The fund had a balance of \$22,658 at June 30, 2009. This represents an increase of \$8,308 due to anticipated future debt service issuances.

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 decreased \$1,948 or 0.46%. The enterprise funds' total net assets were 3.19% restricted and 27.84% unrestricted. 68.97% is invested in capital assets. Internal service funds were 100.00% 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 \$4,738 for the fiscal year ended June 30, 2009. This decrease is primarily due to the decrease of restricted cash due to expenditures of bond funds and a decrease in water consumption due to foreclosures and the economy.

The internal service fund accounts for risk management, workers' compensation, and employee benefits provided to other departments. The fund saw an increase of \$1,303 for the fiscal year ended June 30, 2009. This increase was due to a decrease in claims payable.

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 were below the final budget by \$5,327 or 3.03%, primarily due to decrease in excise tax revenue.
- General fund expenditures were less than the final budget by \$44,965 or 20.15%. This positive variance resulted because of the major expenditure categories 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, 2009, for its governmental-type activities was \$1,279,423 and for the business-type activities was \$570,621. 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:

- City-wide pipeline replacements, \$7,279
- Completed construction of spring training baseball facility, which includes infrastructure, \$138,143
- Replacement of fire trucks, \$2,475

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

The following table is a summary of capital assets reflected in the June 30, 2009, financial statements as compared to last year's financial statements.

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

	Governmental		Business-Type		Total	
	Activities		Activities		Primary Government	
	2009	2008	2009	2008	2009	2008
Construction in progress	\$ 288,509	\$ 253,573	\$ 38,116	\$ 17,773	\$ 326,625	\$ 271,346
Land	73,697	69,130	26,297	22,128	99,994	91,258
Water storage rights	-	-	8,521	8,588	8,521	8,588
Artwork	1,436	1,448	-	-	1,436	1,448
Buildings	294,894	188,800	8,090	8,175	302,984	196,975
Improvements other than buildings	82,994	73,256	44,109	45,286	127,103	118,542
Infrastructure-streets	411,116	425,946	-	-	411,116	425,946
Infrastructure-parks	49,270	51,889	-	-	49,270	51,889
Infrastructure-airport	7,563	8,025	-	-	7,563	8,025
Infrastructure-flood/storm drains	27,395	27,805	-	-	27,395	27,805
Water lines	-	-	79,699	73,918	79,699	73,918
Sewer lines	-	-	76,490	79,057	76,490	79,057
Water treatment plant	-	-	148,154	154,655	148,154	154,655
Sewer treatment plant	-	-	112,007	115,875	112,007	115,875
Meters and services	-	-	17,734	18,461	17,734	18,461
Fire hydrants	-	-	3,274	3,376	3,274	3,376
Machinery and equipment	21,909	14,881	620	814	22,529	15,695
Computer equipment	1,510	1,729	212	216	1,722	1,945
Software	229	132	-	-	229	132
Automotive equipment	18,901	16,509	7,298	6,239	26,199	22,748
Total	\$ 1,279,423	\$ 1,133,123	\$ 570,621	\$ 554,561	\$ 1,850,044	\$ 1,687,684

The estimated cost to complete current construction projects is \$10,856.

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 \$1,146,823 compared to \$982,476 last year, a 16.73% net increase.

	Governmental		Business-Type		Total	
	Activities		Activities		Primary Government	
	2009	2008	2009	2008	2009	2008
General obligation	\$ 197,738	\$ 212,524	\$ 10,127	\$ 11,136	\$ 207,865	\$ 223,660
Transportation revenue bond	105,035	109,110	-	-	105,035	109,110
Highway users revenue bonds	27,480	30,895	-	-	27,480	30,895
Municipal Property Corporation revenue bonds	294,130	298,050	-	-	294,130	298,050
Western Loop 101 Public Facilities Corporation	199,750	-	-	-	199,750	-
Capital lease obligation	9,076	10,838	1,080	1,688	10,156	12,526
Water and sewer revenue bonds/obligations	-	-	282,345	288,950	282,345	288,950
Notes payable	7,637	9,045	12,425	10,240	20,062	19,285
Total	\$ 840,846	\$ 670,462	\$ 305,977	\$ 312,014	\$ 1,146,823	\$ 982,476

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

The City's total long-term debt increased by \$164,347 from the prior year. A key factor in this increase was the issuance of Western Loop 101 Public Facilities Corporation bonds for the financing of the spring training baseball facility.

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, 2009, was \$99,500 and \$300,409, 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 2009-10 budget is \$775,000 (down 16.22% from 2008-09), including a \$341,269 operating budget (a decrease of 9.45% from 2009) and \$291,583 in capital outlay (down 25.60% from 2009). The fiscal year 2009-10 budget includes \$61,584 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 2009 was 8.40%, which is an increase from a year ago. This compares favorably to the state's average unemployment rate of 9.10% and the national average rate of 9.50%.

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 Deputy Finance Director, 5850 West Glendale Avenue, Suite 302, Glendale, Arizona 85301.

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City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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City of Glendale, Arizona
Statement of Net Assets
June 30, 2009
(amounts expressed in thousands)

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Equity in pooled cash and investments	\$ 186,864	\$ 76,648	\$ 263,512
Receivables (net of allowance for uncollectibles)			
Property taxes	1,643	-	1,643
Accounts	15,968	11,412	27,380
Accrued interest	578	-	578
Intergovernmental receivable	7,570	377	7,947
Internal balances	913	(913)	-
Inventories and prepaid items	11,570	5,593	17,163
Restricted cash and investments	116,101	28,499	144,600
Capital assets:			
Non-depreciable	363,642	64,413	428,055
Depreciable (net)	915,781	506,208	1,421,989
Deferred receivable	8,576	-	8,576
Equity in joint venture	-	67,758	67,758
Total assets	<u>1,629,206</u>	<u>759,995</u>	<u>2,389,201</u>
LIABILITIES			
Vouchers payable	16,343	6,032	22,375
Accounts payable	5,841	114	5,955
Retainage payable	505	55	560
Accrued interest payable	23,573	6,997	30,570
Intergovernmental payable	923	223	1,146
Deposits	1,638	1,072	2,710
Unearned revenue	22,284	8	22,292
Noncurrent liabilities:			
Due within one year	47,460	14,426	61,886
Due in more than one year	843,233	316,553	1,159,786
Total liabilities	<u>961,800</u>	<u>345,480</u>	<u>1,307,280</u>
NET ASSETS			
Invested in capital assets, net of related debt	471,484	286,452	757,936
Restricted for:			
Capital projects	19,340	-	19,340
Debt service	61,810	1,190	63,000
Transportation	24,771	-	24,771
Highway and streets	2,680	-	2,680
Vehicle replacement	6,230	-	6,230
Development impact fee	13,540	-	13,540
Revenue bond retirement, replacement, and extension	-	10,649	10,649
Perpetual care - nonexpendable	5,597	-	5,597
Other purposes	10,454	1,410	11,864
Unrestricted	51,500	114,814	166,314
Total net assets	<u>\$ 667,406</u>	<u>\$ 414,515</u>	<u>\$ 1,081,921</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, 2009
(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>
Primary government:				
Governmental activities:				
General government	\$ 39,545	\$ 11,879	\$ 139	\$ -
Public safety	109,136	4,670	5,667	350
Public works	15,040	588	138	-
Community services	48,143	15,661	2,288	1,767
Community environment	3,539	3,045	-	-
Street maintenance	23,978	36	15,914	483
Interest on long-term debt	38,982	-	-	-
Total governmental activities	<u>278,363</u>	<u>35,879</u>	<u>24,146</u>	<u>2,600</u>
Business-type activities:				
Water and sewer	74,424	67,810	-	482
Landfill	8,045	7,304	-	-
Sanitation	14,039	15,258	-	-
Housing	11,840	2,042	8,701	725
Total business-type activities	<u>108,348</u>	<u>92,414</u>	<u>8,701</u>	<u>1,207</u>
Total primary government	<u>\$ 386,711</u>	<u>\$ 128,293</u>	<u>\$ 32,847</u>	<u>\$ 3,807</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 (loss) 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
\$ (27,527)	\$ -	\$ (27,527)
(98,449)	-	(98,449)
(14,314)	-	(14,314)
(28,427)	-	(28,427)
(494)	-	(494)
(7,545)	-	(7,545)
(38,982)	-	(38,982)
<u>(215,738)</u>	<u>-</u>	<u>(215,738)</u>
-	(6,132)	(6,132)
-	(741)	(741)
-	1,219	1,219
-	(372)	(372)
<u>-</u>	<u>(6,026)</u>	<u>(6,026)</u>
<u>(215,738)</u>	<u>(6,026)</u>	<u>(221,764)</u>
3,983	-	3,983
28,907	-	28,907
97,054	-	97,054
19,321	-	19,321
36,267	-	36,267
8,808	-	8,808
1,668	2,069	3,737
(52)	282	230
2,872	90	2,962
(551)	551	-
<u>198,277</u>	<u>2,992</u>	<u>201,269</u>
(17,461)	(3,034)	(20,495)
684,867	417,549	1,102,416
<u>\$ 667,406</u>	<u>\$ 414,515</u>	<u>\$ 1,081,921</u>

City of Glendale, Arizona
Balance Sheet
Governmental Funds
June 30, 2009
(amounts expressed in thousands)

	Major Funds					
	General	Transportation	Western Loop 101 Public Facilities Corporation Construction	General Obligation Debt Service	Other Non-Major Governmental Funds	Total Governmental Funds
ASSETS						
Equity in pooled cash and investments	\$ 52,065	\$ 25,893	\$ 44	\$ 40,558	\$ 53,503	\$ 172,063
Receivables, net of allowance for doubtful accounts:						
Property taxes	205	-	-	1,438	-	1,643
Accounts	7,925	1,627	3,399	-	2,998	15,949
Accrued interest	526	-	-	-	52	578
Due from other funds	3,967	-	-	-	-	3,967
Intergovernmental receivable	2,416	922	-	-	4,232	7,570
Inventories and prepaid items	277	-	-	-	135	412
Restricted cash and investments	86	25,880	17,891	-	70,639	114,496
Deferred receivables	-	-	-	-	8,576	8,576
Total assets	<u>\$ 67,467</u>	<u>\$ 54,322</u>	<u>\$ 21,334</u>	<u>\$ 41,996</u>	<u>\$ 140,135</u>	<u>\$ 325,254</u>
LIABILITIES AND FUND BALANCE						
Liabilities:						
Vouchers payable	\$ 7,798	\$ 1,347	\$ -	\$ -	\$ 5,434	\$ 14,579
Accounts payable	269	2,119	3,443	-	10	5,841
Retainage payable	-	100	-	-	405	505
Compensated absences - current	1,374	57	-	-	165	1,596
Intergovernmental payable	918	-	-	-	5	923
Due to other funds	-	-	97	-	3,793	3,890
Deposits	1,631	-	-	-	7	1,638
Matured interest payable	-	-	-	4,375	19,198	23,573
Deferred revenue	2,847	48	3,399	1,170	17,137	24,601
Matured bonds payable	-	-	-	13,793	12,690	26,483
Total liabilities	<u>14,837</u>	<u>3,671</u>	<u>6,939</u>	<u>19,338</u>	<u>58,844</u>	<u>103,629</u>
Fund Balances:						
Reserved (Note XV)	10,450	-	-	22,658	61,308	94,416
Unreserved:						
Designated (Note XV):						
General fund	12,770	-	-	-	-	12,770
Special revenue funds	-	-	-	-	528	528
Capital project funds	-	-	-	-	6,411	6,411
Undesignated, reported in:						
General fund	29,410	-	-	-	-	29,410
Special revenue funds	-	50,651	-	-	6,376	57,027
Capital projects funds	-	-	14,395	-	6,668	21,063
Total fund balances	<u>52,630</u>	<u>50,651</u>	<u>14,395</u>	<u>22,658</u>	<u>81,291</u>	<u>221,625</u>
Total liabilities and fund balances	<u>\$ 67,467</u>	<u>\$ 54,322</u>	<u>\$ 21,334</u>	<u>\$ 41,996</u>	<u>\$ 140,135</u>	<u>\$ 325,254</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, 2009
(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	\$	221,625
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	\$	1,653,516
Less accumulated depreciation		<u>(374,093)</u>
		1,279,423
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		11,932
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.		8,731
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	(797,650)	
Notes payable	(7,637)	
Capital lease obligations	(9,076)	
Developer payable obligations	(1,961)	
Compensated absences	(14,857)	
OPEB obligations	(15,785)	
Unamortized premium on debt issuance	(9,324)	
Arbitrage rebate payable	<u>(332)</u>	
		(856,622)
Deferred revenue that is measurable but not yet available for governmental fund activities is recognized as revenue for governmental-wide activities.		<u>2,317</u>
Net assets of governmental activities	<u>\$</u>	<u>667,406</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, 2009
(amounts expressed in thousands)

	Major Funds					
	General	Transportation	Western Loop 101 Public Facilities Corporation Construction	General Obligation Debt Service	Other Non-Major Governmental Funds	Total Governmental Funds
REVENUES						
Taxes and special assessments	\$ 58,761	\$ 20,875	\$ -	\$ 29,054	\$ 21,429	\$ 130,119
Licenses and permits	9,006	-	-	-	1,497	10,503
Intergovernmental	64,710	2,581	-	-	24,351	91,642
Charges for services	7,133	131	-	-	2,617	9,881
Fines and forfeitures	4,031	33	-	-	-	4,064
Investment income	1,430	1,283	10	-	1,082	3,805
Miscellaneous	2,153	1,000	2,537	-	3,656	9,346
Total revenues	<u>147,224</u>	<u>25,903</u>	<u>2,547</u>	<u>29,054</u>	<u>54,632</u>	<u>259,360</u>
EXPENDITURES						
Current:						
General government	23,867	-	1,265	-	916	26,048
Public safety	83,110	-	-	-	20,514	103,624
Public works	10,944	-	-	-	128	11,072
Community services	26,854	12,410	-	-	3,030	42,294
Community environment	365	-	-	-	3,113	3,478
Street maintenance	841	-	-	-	11,060	11,901
Miscellaneous	1,624	-	-	14	28	1,666
Debt service:						
Principal	2,400	-	-	12,153	15,117	29,670
Interest	505	-	-	8,579	30,487	39,571
Capital outlay	5,782	28,063	103,319	-	49,011	186,175
Total expenditures	<u>156,292</u>	<u>40,473</u>	<u>104,584</u>	<u>20,746</u>	<u>133,404</u>	<u>455,499</u>
(Deficiency) of revenues (under) expenditures	<u>(9,068)</u>	<u>(14,570)</u>	<u>(102,037)</u>	<u>8,308</u>	<u>(78,772)</u>	<u>(196,139)</u>
OTHER FINANCING SOURCES (USES)						
Discount on long-term debt	-	-	(3,136)	-	-	(3,136)
Long-term debt issued	-	-	152,507	-	47,243	199,750
Premium on long-term debt issued	-	-	1,894	-	-	1,894
Proceeds from equipment disposal	289	12	-	-	43	344
Other uses:						
Transfers in	617	1,147	-	-	20,150	21,914
Transfers out	(5,596)	(8,436)	-	-	(8,433)	(22,465)
Total other financing sources and uses	<u>(4,690)</u>	<u>(7,277)</u>	<u>151,265</u>	<u>-</u>	<u>59,003</u>	<u>198,301</u>
Net change in fund balances	<u>(13,758)</u>	<u>(21,847)</u>	<u>49,228</u>	<u>8,308</u>	<u>(19,769)</u>	<u>2,162</u>
Fund balances, July 1	<u>66,388</u>	<u>72,498</u>	<u>(34,833)</u>	<u>14,350</u>	<u>101,060</u>	<u>219,463</u>
Fund balances, June 30	<u>\$ 52,630</u>	<u>\$ 50,651</u>	<u>\$ 14,395</u>	<u>\$ 22,658</u>	<u>\$ 81,291</u>	<u>\$ 221,625</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, 2009
(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	\$	2,162
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 \$186,175 exceeded depreciation of \$39,963 for the current period.		
		146,212
The net effect of various transactions involving capital is to increase net assets.		
Capital contributions	\$	483
Disposals		(344)
Gain (loss) on sales		(52)
		87
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		
		2,287
The net effect of long-term debt issuance and the related transactions is to increase net assets.		
Bond premium		(1,894)
Bond discount		3,136
Bonds issuance costs		1,265
Principal paid		29,670
Long-term debt issued		(199,750)
Arbitrage rebate		284
		(167,289)
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.		
		(1,272)
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.		
		450
Internal service funds are used by management to charge the costs of workers' compensation, risk management, and employee benefits to individual funds.		
		713
Expenses on the statement of activities differ from governmental funds because of the portion not accrued on the governmental funds.		
		(811)
Change in net assets of governmental activities	\$	(17,461)

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, 2009
(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Major Funds	Other Proprietary Funds	Total	
	Water and Sewer			
ASSETS				
Current assets:				
Equity in pooled cash and investments	\$ 45,336	\$ 31,312	\$ 76,648	\$ 14,801
Receivables:				
Accounts	9,588	2,211	11,799	19
Allowance for uncollectibles	(359)	(28)	(387)	-
Due from other funds	-	1,189	1,189	-
Intergovernment receivable	-	377	377	-
Inventories and prepaid items	5,587	6	5,593	62
Total current assets	<u>60,152</u>	<u>35,067</u>	<u>95,219</u>	<u>14,882</u>
Noncurrent assets:				
Restricted cash and investments	28,457	42	28,499	1,605
Capital assets:				
Capital assets	718,831	46,584	765,415	-
Accumulated depreciation	(172,225)	(22,569)	(194,794)	-
Capital assets, net	<u>546,606</u>	<u>24,015</u>	<u>570,621</u>	<u>-</u>
Equity in joint venture	67,758	-	67,758	-
Total noncurrent assets	<u>642,821</u>	<u>24,057</u>	<u>666,878</u>	<u>1,605</u>
Total assets	<u>702,973</u>	<u>59,124</u>	<u>762,097</u>	<u>16,487</u>
LIABILITIES				
Current liabilities:				
Vouchers payable	4,513	1,519	6,032	1,764
Accounts payable	71	43	114	-
Retainage payable	55	-	55	-
Compensated absences	1,376	597	1,973	-
Due to other funds	-	1,266	1,266	-
Intergovernment payable	223	-	223	-
Deposits	770	302	1,072	-
Unearned rent	-	8	8	-
Estimated claims payable	-	-	-	4,280
Current portion of long-term debt:				
General obligation bonds	835	132	967	-
Unamortized premium on debt issuance	414	-	414	-
Revenue bonds/obligations payable	9,205	-	9,205	-
Capital lease obligations	-	488	488	-
Other long-term debt	1,379	-	1,379	-
Interest payable	6,984	13	6,997	-
Total current liabilities	<u>25,825</u>	<u>4,368</u>	<u>30,193</u>	<u>6,044</u>
Noncurrent liabilities:				
Compensated absences	320	337	657	-
General obligation bonds	9,160	-	9,160	-
Unamortized premium on debt issuance	6,235	-	6,235	-
Revenue bonds/obligations payable	273,140	-	273,140	-
OPEB long-term obligations	2,130	1,270	3,400	-
Other long-term debt	-	42	42	-
Notes payable	11,046	-	11,046	-
Capital lease obligations	-	592	592	-
Claims payable	-	-	-	1,712
Estimated closure and post-closure costs	-	12,281	12,281	-
Total noncurrent liabilities	<u>302,031</u>	<u>14,522</u>	<u>316,553</u>	<u>1,712</u>
Total liabilities	<u>327,856</u>	<u>18,890</u>	<u>346,746</u>	<u>7,756</u>
NET ASSETS				
Invested in capital assets, net of related debt	263,649	22,803	286,452	-
Restricted for:				
Debt service	1,190	-	1,190	-
Revenue bond retirement, replacement and extension	10,649	-	10,649	-
Other purposes	433	977	1,410	-
Unrestricted	99,196	16,454	115,650	8,731
Total net assets	<u>\$ 375,117</u>	<u>\$ 40,234</u>	<u>415,351</u>	<u>\$ 8,731</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			(836)	
Net assets of business-type activities			<u>\$ 414,515</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, 2009
(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	\$ 1	\$ 8,701	\$ 8,702	\$ -
Metered water sales	37,361	-	37,361	-
Sewer service charges	26,798	-	26,798	-
Container service	-	4,816	4,816	-
Curb service	-	10,437	10,437	-
Landfill user fees	-	5,621	5,621	-
Self-insurance premium	-	-	-	22,264
Recycling sales	-	1,594	1,594	-
Other fees	2,107	2,116	4,223	223
Total operating revenues	<u>66,267</u>	<u>33,285</u>	<u>99,552</u>	<u>23,487</u>
Operating expenses:				
Water	18,206	-	18,206	-
Sewer	12,684	-	12,684	-
Landfill	-	6,172	6,172	-
Housing	-	11,505	11,505	-
Closure/post-closure care adjustment	-	862	862	-
Sanitation	-	13,090	13,090	-
Administrative and general	9,285	-	9,285	-
Insurance claims	-	-	-	22,554
Amortization and depreciation	19,152	2,393	21,545	-
Total operating expenses	<u>59,327</u>	<u>34,022</u>	<u>93,349</u>	<u>22,554</u>
Operating income (loss)	<u>6,940</u>	<u>(737)</u>	<u>6,203</u>	<u>933</u>
Nonoperating revenues (expenses):				
Impact fees	1,632	21	1,653	-
Investment income	1,401	659	2,060	370
Interest expense	(13,068)	(56)	(13,124)	-
Net loss from joint venture	(2,013)	-	(2,013)	-
Amortization of bond issuance cost	(169)	-	(169)	-
Gain on disposal of assets	45	237	282	-
OPEB expense	59	34	93	-
Total nonoperating revenue (expenses)	<u>(12,113)</u>	<u>895</u>	<u>(11,218)</u>	<u>370</u>
Income (loss) before contributions and transfers	(5,173)	158	(5,015)	1,303
Capital contributions	488	725	1,213	-
Transfers in	-	604	604	-
Transfers out	(53)	-	(53)	-
Change in net assets	<u>(4,738)</u>	<u>1,487</u>	<u>(3,251)</u>	<u>1,303</u>
Total net assets - beginning	379,855	38,747		7,428
Total net assets - ending	<u>\$ 375,117</u>	<u>\$ 40,234</u>		<u>\$ 8,731</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			217	
Change in net assets of business-type activities			<u>\$ (3,034)</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, 2009
(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Major Funds	Other Proprietary Funds	Total	
	Water and Sewer			
Cash flows from operating activities:				
Cash received from customers	\$ 63,558	\$ 23,311	\$ 86,869	\$ 23,466
Cash received from federal government	-	8,805	8,805	-
Cash paid to suppliers:				
Internal city departments	(6,122)	(7,747)	(13,869)	-
External vendors	(16,506)	(12,921)	(29,427)	-
Cash paid for insurance and in settlement of claims	-	-	-	(25,373)
Cash paid to employees for services	(17,078)	(8,076)	(25,154)	-
Net cash provided (used) by operating activities	<u>23,852</u>	<u>3,372</u>	<u>27,224</u>	<u>(1,907)</u>
Cash flows from noncapital financing activities:				
Proceeds from sale of investments	-	5	5	-
Transfers in	-	604	604	-
Transfers out	(53)	-	(53)	-
Net cash provided (used) by noncapital financing activities	<u>(53)</u>	<u>609</u>	<u>556</u>	<u>-</u>
Cash flows from capital and related financing activities:				
Proceeds from sale of capital assets	45	-	45	-
Principal payments on obligations	(5,229)	(807)	(6,036)	-
Acquisition of capital assets and rights	(39,437)	(4,075)	(43,512)	-
Impact fees	1,632	21	1,653	-
Interest payments on obligations	(13,242)	(66)	(13,308)	-
Capital grant proceeds	-	725	725	-
Net cash (used) by capital and related financing activities	<u>(56,231)</u>	<u>(4,202)</u>	<u>(60,433)</u>	<u>-</u>
Cash flows from investing activities:				
Interest received from investments	<u>1,668</u>	<u>659</u>	<u>2,327</u>	<u>370</u>
Net cash provided by investing activities	<u>1,668</u>	<u>659</u>	<u>2,327</u>	<u>370</u>
Net increase (decrease) in cash and cash equivalents during fiscal year	(30,764)	438	(30,326)	(1,537)
Cash and cash equivalents, July 1	<u>104,557</u>	<u>30,916</u>	<u>135,473</u>	<u>17,943</u>
Cash and cash equivalents, June 30	<u>\$ 73,793</u>	<u>\$ 31,354</u>	<u>\$ 105,147</u>	<u>\$ 16,406</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			
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 6,940	\$ (737)	\$ 6,203	\$ 933
Adjustments to reconcile operating income (loss) to net cash provided (used) by operations:				
Amortization and depreciation	19,152	2,393	21,545	-
Changes in assets and liabilities:				
Accounts receivable	(970)	(93)	(1,063)	(19)
Intergovernmental receivable	2	(1,085)	(1,083)	-
Inventories and prepaid items	(2,024)	(3)	(2,027)	(15)
Vouchers and accounts payable	514	704	1,218	121
Accrued expenses	24	-	24	-
Due to other funds	-	1,234	1,234	-
Deposits	53	12	65	-
Unearned rent	-	1	1	-
Compensated absences	161	84	245	-
Claims payable	-	-	-	(2,927)
Estimated closure and post-closure costs	-	862	862	-
Net cash provided (used) by operating activities	<u>\$ 23,852</u>	<u>\$ 3,372</u>	<u>\$ 27,224</u>	<u>\$ (1,907)</u>
Reconciliation of statement of net assets cash and investments to the statement of cash flows:				
Per combined statement of net assets:				
Equity in pooled cash and investments	\$ 45,336	\$ 31,312	\$ 76,648	\$ 14,801
Restricted cash and investments	28,457	42	28,499	1,605
Total cash and cash equivalents	<u>\$ 73,793</u>	<u>\$ 31,354</u>	<u>\$ 105,147</u>	<u>\$ 16,406</u>
Noncash investing, capital, and financing activities:				
Contributions of capital assets	\$ 488	\$ -	\$ 488	\$ -
Loss on joint venture	(2,013)	-	(2,013)	-
Estimated closure and post-closure costs	-	862	862	-

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2009

(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, 2009

(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 (GASB) Statement 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.

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 units, entities for which the City is considered to be financially accountable. Blended

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2009

(amounts expressed in thousands)

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 *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.

The *Western Loop 101 Public Facilities Corporation (PFC) construction fund* accounts for the construction and equipping of a spring training baseball facility and related infrastructure. The facility and infrastructure are financed by PFC issued excise tax revenue bonds.

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.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2009

(amounts expressed in thousands)

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 City-wide 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.

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.

CITY OF GLENDALE, ARIZONA

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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 City-wide 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.

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.

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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, 2009, the postage portion of the general fund supplies inventory was \$11. 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 \$13,124. In addition, \$502 was included as part of the cost of capital assets under construction in connection with water and sewer projects.

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

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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 1,814 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, 2009, is \$2,053. 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, 2009, 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, 2009, 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 liabilities of the current period. Remaining collectible taxes are accrued and reflected as deferred revenue.

Property Tax Calendar

Lien date	January 1, 2008
Levy (assessment) date (third Monday in August)	August 20, 2008
Due dates:	
First half of assessment	October 1, 2008
Second half of assessment	March 1, 2009
Penalties and interest added (collection dates):	
First half of assessment	November 1, 2008
Second half of assessment	May 1, 2009

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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, 2009, is as follows:

<u>Fund</u>	<u>Rate</u>
General fund	\$ 0.24
General obligation debt service fund	1.35
Total	<u>\$ 1.59</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 120 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. Employees who have ten or more years of service will receive upon retirement 100% of up to 160 hours of vacation accrued. Any remaining vacation time above 160 hours will be 100% contributed to a mandatory Retiree Health Savings plan for the employee. Sick leave is accumulated without limit and can be used in the event of an illness in the immediate family. Accumulated sick leave can be converted to a cash benefit on a biannual basis for employees based on one third of the average hourly rate the last 36 months. Employees must maintain a minimum sick leave balance on the books. Employees who retire and have ten or more years of service will have 40% of their average hourly wage the last 36 months of their accrued sick time contributed to a mandatory Retiree Health Savings plan. Employees who have 5 or more years of service will receive one third of their average hourly wage last 36 months in cash payout.

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, 2009, 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, according to payment policy.

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.

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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 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

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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 2008-09 was \$184.

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

For the year ended June 30, 2009, expenditures exceeded appropriations in the housing fund by \$3,279. These over-expenditures were funded by beginning fund balance and operating transfers.

The City ended the fiscal year June 20, 2009, with a deficit fund balance in the following funds:

Fire and police construction fund
The deficit was funded by a fiscal year 2010 bond sale, see footnote XIX. \$ 3,226

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 \$77,806 and the bank balances were \$82,663. The difference of \$4,856 represents deposits in transit, outstanding checks and other reconciling items. Of the bank balance, \$500 was insured by the Federal Depository Insurance Corporation (FDIC). The remaining bank balances were covered by \$102,255 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),

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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, 2009, the City had the following investments:

Investment Type	Investment Maturities (in years)			Fair Value
	0 - 1	1 - 2	2 - 3	
U.S. Agencies	\$ 196,708	\$ -	\$ -	\$ 196,708
Total investments	196,708	-	-	196,708
State LGIP total	34,633	-	-	34,633
Grand total investments	<u>\$ 231,341</u>	<u>\$ -</u>	<u>\$ -</u>	<u>231,341</u>
Cash deposits				77,806
Other restricted cash				98,965
Total deposits and investments				<u>\$ 408,112</u>

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, 2009, the City's investments were rated by Moody's Investor Service and Standard & Poor's as follows:

Investment Type	Moody's Rating	S&P Rating	% of Investments	Weighted Average Maturity (Years)
U.S. Agencies	Aaa	AAA	100.00%	0.08

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:

Issuer	Investment Type	Amount
FHLB Total	U.S. Agencies	\$ 115,586
FHLMC Total	U.S. Agencies	36,628
FNMA Total	U.S. Agencies	34,134

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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IV. Capital assets

A summary of capital asset activity, for the government-wide financial statements, for the year ended June 30, 2009, is as follows:

	Balances June 30, 2008	Additions	Transfers	Disposals	Balances June 30, 2009
Governmental activities					
Non-depreciable assets:					
Construction in progress	\$ 253,573	\$ 69,769	\$ (34,833)	\$ -	\$ 288,509
Land	69,130	4,567	-	-	73,697
Artwork	1,448	-	-	(12)	1,436
Total non-depreciable assets	<u>324,151</u>	<u>74,336</u>	<u>(34,833)</u>	<u>(12)</u>	<u>363,642</u>
Depreciable assets:					
Buildings	237,455	84,440	28,291	-	350,186
Improvements other than buildings	139,525	11,718	3,951	(160)	155,034
Infrastructure - streets	578,817	650	-	(195)	579,272
Infrastructure - parks	68,245	-	-	-	68,245
Infrastructure - flood/storm drains	32,122	24	-	-	32,146
Infrastructure - airport	14,003	-	-	-	14,003
Machinery and equipment	34,083	8,408	2,553	(404)	44,640
Computer equipment	3,535	420	27	(20)	3,962
Software	756	175	-	-	931
Automotive equipment	37,542	6,674	11	(2,772)	41,455
Total depreciable assets at historical cost	<u>1,146,083</u>	<u>112,509</u>	<u>34,833</u>	<u>(3,551)</u>	<u>1,289,874</u>
Less accumulated depreciation for:					
Buildings	(48,655)	(6,637)	-	-	(55,292)
Improvements other than buildings	(66,269)	(5,924)	-	153	(72,040)
Infrastructure - streets	(152,871)	(15,285)	-	-	(168,156)
Infrastructure - parks	(16,356)	(2,619)	-	-	(18,975)
Infrastructure - flood/storm drains	(4,317)	(434)	-	-	(4,751)
Infrastructure - airport	(5,978)	(462)	-	-	(6,440)
Machinery and equipment	(19,202)	(3,933)	-	404	(22,731)
Computer equipment	(1,806)	(671)	-	25	(2,452)
Software	(624)	(78)	-	-	(702)
Automotive equipment	(21,033)	(3,920)	-	2,399	(22,554)
Total accumulated depreciation	<u>(337,111)</u>	<u>(39,963)</u>	<u>-</u>	<u>2,981</u>	<u>(374,093)</u>
Total depreciable assets, net	<u>808,972</u>	<u>72,546</u>	<u>34,833</u>	<u>(570)</u>	<u>915,781</u>
Governmental activities capital assets, net	<u>\$ 1,133,123</u>	<u>\$ 146,882</u>	<u>\$ -</u>	<u>\$ (582)</u>	<u>\$ 1,279,423</u>

CITY OF GLENDALE, ARIZONA

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	Balances June 30, 2008	Additions	Disposals	Balances June 30, 2009
Business-Type activities:				
Non-depreciable assets:				
Construction in progress - water and sewer	\$ 16,612	\$ 28,564	\$ (9,299)	\$ 35,877
Construction in progress - landfill	302	605	-	907
Construction in progress - housing authority	859	1,001	(528)	1,332
Land	22,128	4,169	-	26,297
Total non-depreciable assets	<u>39,901</u>	<u>34,339</u>	<u>(9,827)</u>	<u>64,413</u>
Depreciable assets:				
Buildings	14,214	360	-	14,574
Water storage rights	9,159	-	-	9,159
Improvements other than buildings	52,484	1,506	-	53,990
Water lines	102,365	7,870	-	110,235
Sewer lines	119,396	90	-	119,486
Water treatment plant	201,965	489	-	202,454
Sewer treatment plant	134,693	-	-	134,693
Meters and services	27,609	-	-	27,609
Fire hydrants	5,187	-	-	5,187
Machinery and equipment	3,851	21	(73)	3,799
Computer equipment	921	3	-	924
Automotive equipment	18,355	2,759	(2,225)	18,889
Total depreciable assets at historical cost	<u>690,199</u>	<u>13,098</u>	<u>(2,298)</u>	<u>700,999</u>
Less accumulated depreciation for:				
Buildings	(6,039)	(445)	-	(6,484)
Water storage rights	(571)	(67)	-	(638)
Improvements other than buildings	(7,198)	(2,683)	-	(9,881)
Water lines	(28,447)	(2,089)	-	(30,536)
Sewer lines	(40,339)	(2,657)	-	(42,996)
Water treatment plant	(47,310)	(6,990)	-	(54,300)
Sewer treatment plant	(18,818)	(3,868)	-	(22,686)
Meters and services	(9,148)	(727)	-	(9,875)
Fire hydrants	(1,811)	(102)	-	(1,913)
Machinery and equipment	(3,037)	(215)	73	(3,179)
Computer equipment	(705)	(7)	-	(712)
Automotive equipment	(12,116)	(1,695)	2,220	(11,591)
Total accumulated depreciation	<u>(175,539)</u>	<u>(21,545)</u>	<u>2,293</u>	<u>(194,791)</u>
Total depreciable assets, net	<u>514,660</u>	<u>(8,447)</u>	<u>(5)</u>	<u>506,208</u>
Business-Type activities capital assets, net	<u>\$ 554,561</u>	<u>\$ 25,892</u>	<u>\$ (9,832)</u>	<u>\$ 570,621</u>

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Depreciation was charged to functions/programs as follows:

Governmental activities:	
General	\$ 12,099
Public safety	6,099
Public works	3,703
Street maintenance	12,274
Community services	5,752
Community environment	36
Total depreciation expense	<u>\$ 39,963</u>
Business-Type activities:	
Water and sewer	\$ 19,152
Landfill	1,026
Sanitation	996
Housing	371
Total depreciation expense	<u>\$ 21,545</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, 2009. The projects include street construction, park facilities, 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	\$ 76,993	\$ 57
Community services	32,661	172
Public safety	39,339	-
Public works	117,567	2,739
Street maintenance	21,949	4,116
Water and sewer facilities	35,878	3,753
Landfill	906	19
Housing	1,332	-
Total primary government	<u>\$ 326,625</u>	<u>\$ 10,856</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.

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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.

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 \$600 for each workers' compensation claim and purchases commercial insurance for claims in excess of \$600.

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 per plan year. Claims exceeding \$150 for an individual 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, 2009

(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 \$5,992 as of June 30, 2009. Changes in the balances of claims liabilities during the past two years are as follows:

	Risk Management		Workers' Compensation		Employee Benefits	
	2009	2008	2009	2008	2009	2008
Unpaid claims, beginning of fiscal year	\$ 4,080	\$ 3,747	\$ 1,986	\$ 2,098	\$ 2,853	\$ 2,055
Current year claims and changes in estimate	(957)	2,031	558	681	19,670	20,253
Claims payments	186	(1,698)	(815)	(793)	(21,569)	(19,455)
Balance at fiscal year end	<u>\$ 3,309</u>	<u>\$ 4,080</u>	<u>\$ 1,729</u>	<u>\$ 1,986</u>	<u>\$ 954</u>	<u>\$ 2,853</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 \$608 for business-type activities and \$1,762 for governmental activities. The future minimum lease obligation and net present value of lease payments at June 30, 2009, are as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2010	\$ 2,247	\$ 523
2011	2,882	459
2012	5,237	155
2013	77	-
2014	80	-
2015-2018	103	-
Total minimum lease payments	10,626	1,137
Less: Amount representing interest	(1,550)	(57)
Present value of net minimum lease payments	<u>\$ 9,076</u>	<u>\$ 1,080</u>

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

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(amounts expressed in thousands)

The assets acquired through capital leases are as follows:

Class of Property	Governmental Activities	Business-Type Activities
Equipment	\$ 439	\$ 249
Automotive equipment	2,975	7,474
Building	197	150
Other	5,492	2,389
	9,103	10,262
Less: Accumulated depreciation	(5,029)	(6,597)
Total	\$ 4,074	\$ 3,665

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 2008-09 were \$670.

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 2010 and beyond. The carrying value of leased assets is \$172,747 (cost of \$231,176 less accumulated depreciation of \$58,429). 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
2010	\$ 1,116
2011	927
2012	871
2013	707
2014	634
2015 and beyond	16,669
Total	\$ 20,924

VIII. Short-term debt

The City did not issue short-term debt for the year ended June 30, 2009.

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

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2009

(amounts expressed in thousands)

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 \$27,480 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 \$27,394. The current year revenues of \$14,575 paid the current year principal and interest amounts of \$3,570 and \$1,126, 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 \$168,539. The current year revenues of \$20,875 collected in the transportation special revenue fund, paid the current year principal and interest amounts of \$2,545 and \$4,782, 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 \$282,345 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 \$22,525 and \$27,724, 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.

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.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

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(amounts expressed in thousands)

D. Western Loop 101 Public Facility Corporation (PFC) bonds

In 2008, the PFC, a non-profit corporation, issued bonds to finance the acquisition and construction of a new spring training baseball facility for Major League Baseball and infrastructure. The bonds are a special obligation of the City and are payable solely from and secured by a pledge of the City's unrestricted excise taxes. A portion of the bonds was reserved to pay capitalized interest on the bonds to October 30, 2011. Thereafter, an amount equal to the PFC debt service and related miscellaneous fees, is payable in installments by the City.

The pledge of unrestricted excise taxes under the lease agreement to secure the payment of principal and interest on the 2008 bonds is junior and subordinate to the City's pledge of unrestricted excise taxes under an existing lease agreement (the "MPC Lease Agreement") between the City and the MPC, which secures the payment of principal and interest on the outstanding bonds of the MPC.

The 2008 bonds and the obligation of the City to make rental payments under the lease agreement each constitute a limited obligation of the Corporation and the City, respectively, and neither constitutes a general obligation of the Corporation of the City.

E. 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, 2009:

	June 30, 2008	Additions	Reductions	June 30, 2009	Amounts Due Within One Year
General obligation (GO) bonds	\$ 212,524	\$ -	\$ (14,786)	\$ 197,738	\$ 13,793
Revenue bonds:					
Highway users revenue	30,895	-	(3,415)	27,480	3,570
Transportation bonds	109,110	-	(4,075)	105,035	2,545
Municipal Property Corporation	298,050	-	(3,920)	294,130	6,575
Public Facilities Corporation	-	199,750	-	199,750	-
Total bonds payable	<u>650,579</u>	<u>199,750</u>	<u>(26,196)</u>	<u>824,133</u>	<u>26,483</u>
Notes payable:					
Notes payable	9,045	-	(1,408)	7,637	1,349
Total notes payable	<u>9,045</u>	<u>-</u>	<u>(1,408)</u>	<u>7,637</u>	<u>1,349</u>
Other long-term obligations:					
Capital lease obligations	10,838	-	(1,762)	9,076	1,618
OPEB obligations	16,235	-	(450)	15,785	-
Compensated absences	14,693	12,127	(10,367)	16,453	13,104
Claims and judgments	8,919	19,271	(22,198)	5,992	4,280
Unamortized premium on debt issuance	8,035	1,894	(605)	9,324	626
Developer payable obligations	1,679	282	-	1,961	-
Arbitrage rebate payable	616	-	(284)	332	-
Total other long-term obligations	<u>61,015</u>	<u>33,574</u>	<u>(35,666)</u>	<u>58,923</u>	<u>19,628</u>
Total	<u>\$ 720,639</u>	<u>\$ 233,324</u>	<u>\$ (63,270)</u>	<u>\$ 890,693</u>	<u>\$ 47,460</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 \$890,693 in the total liabilities, \$44,192 represents debt related to unspent bond proceeds (\$25,880 restricted cash in transportation fund, \$17,891 restricted cash

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2009

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in Western Loop 101 Public Facilities Corporation construction fund and \$421 restricted cash in Municipal Property Corporation construction fund) and \$807,939 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.

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, 2009:

	June 30, 2008	Additions	Reductions	June 30, 2009	Amounts Due Within One Year
Water and sewer G.O. bonds	\$ 10,805	\$ -	\$ (810)	\$ 9,995	\$ 835
Landfill G.O. bonds	331	-	(199)	132	132
Water and sewer revenue/obligation bonds	288,950	-	(6,605)	282,345	9,205
Total bonds payable	<u>300,086</u>	<u>-</u>	<u>(7,614)</u>	<u>292,472</u>	<u>10,172</u>
Notes payable	10,240	3,540	(1,355)	12,425	1,379
Total notes payable	<u>10,240</u>	<u>3,540</u>	<u>(1,355)</u>	<u>12,425</u>	<u>1,379</u>
Capital lease obligations	1,688	-	(608)	1,080	488
Estimated closure and post-closure costs	11,419	862	-	12,281	-
Unamortized premium on debt issuance	7,067	-	(418)	6,649	414
OPEB obligations	3,494	-	(94)	3,400	-
Compensated absences	2,386	1,852	(1,608)	2,630	1,973
Housing noncurrent liabilities	37	5	-	42	-
Total other long-term obligations	<u>26,091</u>	<u>2,719</u>	<u>(2,728)</u>	<u>26,082</u>	<u>2,875</u>
Total	<u>\$ 336,417</u>	<u>\$ 6,259</u>	<u>\$ (11,697)</u>	<u>\$ 330,979</u>	<u>\$ 14,426</u>

Of the \$330,979 in total liabilities, \$28,457 represents debt related to unspent bond proceeds and \$284,169 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.

F. 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.

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

CITY OF GLENDALE, ARIZONA

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(amounts expressed in thousands)

G. Bonds payable

Bonds payable at June 30, 2009, 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, 2009</u>
<u>G.O. bonds payable from secondary assessed property taxes</u>					
Various	5.00-5.40	2000	2015	\$ 20,215	\$ 2,918
Various	2.50-5.00	2002	2022	40,235	27,740
Various	1.50-5.00	2003	2022	52,525	36,380
Various	3.00-5.00	2004	2019	36,645	28,405
Various	3.50-4.00	2005	2015	11,960	8,795
Refunding	5.00-5.00	2006	2015	9,065	9,065
Various	4.00-5.00	2006	2021	29,365	26,525
Various	4.00-5.00	2007	2022	61,000	57,910
Total					<u>197,738</u>
<u>Revenue bonds payable from highway users revenue funds</u>					
Streets	5.00-5.37	2000	2010	8,750	3,240
Streets	2.50-4.00	2004	2014	14,655	11,080
Streets	4.00-5.00	2006	2016	15,745	13,160
Total					<u>27,480</u>
<u>Revenue bonds payable from the 0.5% transportation sales tax</u>					
Transportation excise tax	4.00-5.00	2008	2032	109,110	105,035
<u>Municipal Property Corporation payable from general fund lease payments</u>					
Refunding	4.25-4.90	2000	2009	12,615	1,735
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	48,705
MPC excise tax 2003B	1.46-5.58	2003	2033	105,260	96,735
MPC refunding	4.70-4.70	2004	2033	7,250	7,250
MPC excise tax 2004A	2.00-5.00	2004	2014	10,880	8,315
MPC excise tax 2006A	4.00-5.00	2006	2026	33,250	32,100
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>294,130</u>
<u>Public Facility Corporation payable from general fund lease payments</u>					
PFC excise tax 2008A	5.75-7.00	2008	2038	137,495	137,495
PFC excise tax 2008B	5.00-7.00	2008	2038	48,670	48,670
PFC excise tax 2008C	7.50	2008	2017	13,585	13,585
Total					<u>199,750</u>
Total bonds payable recorded in governmental activities					824,133
Less current portion					(26,483)
Long-term portion of bonds payable recorded in governmental activities					<u>\$ 797,650</u>

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2009

(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, 2009</u>
<u>G.O. bonds payable from landfill fund</u>					
Landfill	5.00-5.40	2000	2015	\$ 1,460	\$ 132
Total					<u>132</u>
<u>G.O. bonds payable from water and sewer fund</u>					
Water and sewer	1.50-5.00	2003	2022	13,875	9,995
Total					<u>9,995</u>
<u>Revenue bonds/obligations payable from water and sewer fund</u>					
Various	4.75-5.75	2000	2010	53,000	12,965
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	43,880
Various	3.00-5.00	2008	2028	65,500	65,500
Total					<u>282,345</u>
Total bonds payable recorded in business-type activities					292,472
Less current portion					<u>(10,172)</u>
Long-term portion of bonds payable recorded in business-type activities					<u>\$ 282,300</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, 2009, is as follows:

	<u>6%</u>	<u>20%</u>
Capacity to incur bonded debt	\$ 131,621	\$ 438,735
Less: Bonded debt applicable to limit	<u>(32,121)</u>	<u>(138,326)</u>
Unused bonded debt capacity	<u>\$ 99,500</u>	<u>\$ 300,409</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, 2009

(amounts expressed in thousands)

H. Bonds authorized, issued and unissued

Bonds authorized but not fully issued as of July 1, 2009, are shown below:

G.O. Bonds	Authorized Amount	Issued through June 30, 2009	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 ⁽¹⁾	18,215	4,494	13,721
Economic development	50,500	16,088	34,412
Flood control	38,860	35,307	3,553
Governmental facilities ⁽¹⁾	40,910	12,385	28,525
Landfill development ⁽¹⁾	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 ⁽¹⁾	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 ⁽¹⁾	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, 2009

(amounts expressed in thousands)

I. Other debt (notes, long-term)

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

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.	540
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.	2,557
6822-6832 North 58th Avenue Land and Improvements Purchase - The \$431 note dated September 5, 2007, is payable in three annual payments at an interest rate of 2.50% with the final payment due on or before July 15, 2009.	157
6820 North 58th Avenue Land and Improvements Purchase - The \$187 note dated September 5, 2007, is payable in five annual payments at an interest rate of 2.50% with the final payment due on or before July 15, 2011.	<u>105</u>
Total notes payable recorded in governmental activities	7,637
Less current portion	<u>(1,349)</u>
Long-term portion of notes payable recorded in governmental activities	<u>\$ 6,288</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.	\$ 9,593
Groundwater treatment plant's future site of 11.48 acres at 99th and Northern Avenues. The \$3,540 note is payable in five annual installments at an interest rate of 5.00% with the final payment due on or before April 1, 2013.	<u>2,832</u>
Total notes payable recorded in business-type activities	12,425
Less current portion	<u>(1,379)</u>
Long-term portion of notes payable recorded in business-type activities	<u>\$ 11,046</u>

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2009

(amounts expressed in thousands)

J. Debt service requirements

Fiscal Year Ending	HURF Bonds	Transportation Bonds	MPC Bonds	PFC Bonds	Various Purposes		Water and Sewer			Total
					GO Bonds	Notes Payable	GO Bonds	Notes Payable	Revenue Bonds/ Obligations	
2010	\$ 4,699	\$ 7,330	\$ 20,401	\$ 13,011	\$ 22,673	\$ 1,831	\$ 1,256	\$ 1,034	\$ 22,528	\$ 94,763
2011	4,690	7,328	21,186	13,011	22,630	2,131	1,251	1,848	22,532	96,607
2012	4,696	7,327	21,317	13,011	22,631	2,519	1,251	1,813	22,530	97,095
2013	4,699	7,326	21,357	13,011	22,642	2,382	1,259	1,778	22,526	96,980
2014	4,686	7,326	21,372	15,951	22,646	-	1,260	1,034	22,526	96,801
2015	1,953	7,326	19,552	17,765	22,596	-	1,249	1,034	22,528	94,003
2016	1,971	7,326	19,665	17,657	19,039	-	1,236	1,034	22,530	90,458
2017	-	7,327	22,031	15,294	18,951	-	1,226	1,034	22,524	88,387
2018	-	7,330	22,086	15,234	18,901	-	1,214	1,034	22,530	88,329
2019	-	7,328	22,142	15,180	14,475	-	-	1,034	22,524	82,683
2020	-	7,326	22,195	15,127	11,155	-	-	667	22,529	78,999
2021	-	7,329	22,258	15,066	11,197	-	-	-	22,527	78,377
2022	-	7,329	22,307	15,017	8,457	-	-	-	22,528	75,638
2023	-	7,328	22,363	14,958	-	-	-	-	23,661	68,310
2024	-	7,328	23,010	14,310	-	-	-	-	23,659	68,307
2025	-	7,328	23,064	14,256	-	-	-	-	23,652	68,300
2026	-	7,330	23,122	14,202	-	-	-	-	23,656	68,310
2027	-	7,329	20,525	16,798	-	-	-	-	16,491	61,143
2028	-	7,331	20,585	16,738	-	-	-	-	12,758	57,412
2029	-	7,328	19,778	17,542	-	-	-	-	-	44,648
2030	-	7,326	20,717	16,604	-	-	-	-	-	44,647
2031	-	7,327	20,778	16,544	-	-	-	-	-	44,649
2032	-	7,325	20,837	16,486	-	-	-	-	-	44,648
2033	-	-	13,633	16,313	-	-	-	-	-	29,946
2034	-	-	8,563	18,340	-	-	-	-	-	26,903
2035	-	-	-	21,767	-	-	-	-	-	21,767
2036	-	-	-	21,764	-	-	-	-	-	21,764
2037	-	-	-	21,765	-	-	-	-	-	21,765
2038	-	-	-	21,760	-	-	-	-	-	21,760
Total	27,394	168,538	514,844	474,482	237,993	8,863	11,202	13,344	416,739	1,873,399
Less interest	3,484	66,048	227,289	274,732	54,048	1,226	2,042	2,298	143,599	774,766
Principal	\$ 23,910	\$ 102,490	\$ 287,555	\$ 199,750	\$ 183,945	\$ 7,637	\$ 9,160	\$ 11,046	\$ 273,140	\$ 1,098,633

The following table discloses the debt service requirements as of June 30, 2009, 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
2010	\$ 39,030	\$ 55,731	\$ 94,761
2011	42,463	54,144	96,607
2012	44,751	52,344	97,095
2013	46,554	50,426	96,980
2014	48,423	48,378	96,801
2015-2019	236,801	207,059	443,860
2020-2024	218,051	151,580	369,631
2025-2029	203,243	96,570	299,813
2030-2034	144,331	46,463	190,794
2035-2038	74,986	12,071	87,057
Total	\$ 1,098,633	\$ 774,766	\$ 1,873,399

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

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(amounts expressed in thousands)

K. New bonds

On October 1, 2008, the City issued \$199,750 in Western Loop 101 Public Facilities Corporation taxable and tax-exempt third lien subordinate excise tax revenue bonds to fund the acquisition and construction of a new spring training baseball facility for Major League Baseball and infrastructure. The bonds mature on various dates starting 2017 through 2038 with various interest rates of 5.00% to 7.50%. The bonds are not general obligations of the city, but are a limited obligation of the Corporation and the City, and are payable solely from and 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, 2009, calculated below, represents the cumulative amount reported to date based on the use of estimated capacity of the landfill. Due to change in master plan, the south cell capacity decreased from 22,594 to 21,666 in fiscal year 2009.

	<u>North Cell</u>	<u>South Cell</u>
Capacity (cubic yards)	32,100	21,666
Capacity used to date	-	18,126
Percentage of capacity used	-	84%
Total closure and post-closure costs in present dollars:		
as of June 30, 2009	\$ 15,676	\$ 14,679
as of June 30, 2008	\$ 15,500	\$ 14,514
Closure and post-closure care costs:		
Amount remaining to be recognized		
as of June 30, 2009	\$ 15,676	\$ 2,398
Liability recognized as of June 30, 2009	\$ -	\$ 12,281

These amounts are based on what it would cost to perform all closure and post-closure care in fiscal year 2008-09. 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 41 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.

CITY OF GLENDALE, ARIZONA

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June 30, 2009

(amounts expressed in thousands)

XI. Interfund transactions

A. Interfund receivables

Interfund balances at June 30, 2009, consisted of the following:

	<u>Due To</u>	<u>Due From</u>
Major governmental funds:		
General	\$ 3,967	\$ -
Western Loop 101 Public Facilities Corporation construction fund	-	97
Non-major governmental funds:		
Community development block grants fund	-	337
Police and fire construction	-	1,294
Municipal Property Corporation debt service	-	2,162
Non-major enterprise funds:		
Landfill fund	1,189	-
Sanitation fund	-	1,189
Housing fund	-	77
Total	<u>\$ 5,156</u>	<u>\$ 5,156</u>

The interfund balances at June 30, 2009, 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, 2009, are expected to be repaid within one year, except sanitation and landfill funds which are to be repaid over five years.

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CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2009

(amounts expressed in thousands)

B. Interfund transfers

Interfund transfers for the year ended June 30, 2009, consisted of the following:

Transfers to general fund from:	
Transportation fund	\$ 107
Non-major governmental funds	
Fire and police construction fund	316
Parks bond construction fund	1
Other construction fund	140
Water and sewer enterprise fund	53
Total transfers to general fund	<u>617</u>
Transfer to transportation fund from:	
General fund	900
Non-major governmental funds	
Other construction fund	247
Total transfer to transportation fund	<u>1,147</u>
Transfer to non-major special revenue fund from:	
General fund	1,591
Total transfer to non-major special revenue fund	<u>1,591</u>
Transfers to non-major debt service funds from:	
General fund	2,501
Transportation fund	8,329
Non-major governmental funds	
Highway users gas tax fund	3,707
Other special revenue fund	4,022
Total transfers to non-major debt service funds	<u>18,559</u>
Transfer to non-major enterprise funds from:	
General fund	604
Total transfer to non-major enterprise funds	<u>604</u>
Grand total all transfers	<u>\$ 22,518</u>

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) 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 2009 that were either non-routine in nature or inconsistent with the activities of the fund making the transfer.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2009

(amounts expressed in thousands)

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. There are no outstanding encumbrances as of June 30, 2009.

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, 2009, the City recognized a loss of \$2,013. 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, 2009, (unaudited) is as follows:

Assets	
Current assets	\$ 63,642
Capital assets, net of accumulated depreciation	900,813
Total assets	<u>964,455</u>
Liabilities	
	<u>53,259</u>
Net assets	<u>\$ 911,196</u>
Total revenues	\$ 173,417
Total expenses	(67,878)
Increase in net assets	<u>\$ 105,539</u>

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2009

(amounts expressed in thousands)

Calculation of the City's equity:

City's share of SROG equity	\$ 64,618
(Total equity of \$911,196	
plus unrealized loss of \$2,153 less assets not	
owned by the City of \$161,103 multiplied by 8.59%)	
Net capitalized interest on the City's records	2,729
City contributions not yet received by SROG	411
Total City equity	<u>\$ 67,758</u>

Change in the City's equity:

Capital contributed to the joint venture	\$ 6,630
Net loss on joint venture	(2,013)
Net increase in equity	<u>\$ 4,617</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). \$ 200

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. 53

Reserved for court security

Security surcharges collected by the City Court are required by ordinance to be spent solely on court security. 29

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

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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).

\$ 41

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.

276

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.

69

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.

3,552

Reserved for vehicle/equipment replacement

For future scheduled replacement of existing equipment and vehicles.

6,230

Total reserved for general fund type

\$ 10,450

Designated for computer replacement

For future schedule replacement of existing personal computers.

\$ 3,662

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.

254

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.

79

Designated for other public facilities projects

To operate and improve equipment and personal property by Western Loop 101 Public Facilities Corporation for spring training baseball facility.

8,372

Designated for telephone

For payment of future telephone charges and maintenance.

403

Total designated for general fund type

\$ 12,770

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2009

(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). \$ 97

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:

City-wide parks	132
City-wide recreation facilities	1,405
City-wide open space & trails	268
District No. 1	79
District No. 2	152
District No. 3	46

Library:

Buildings	1,716
Books	44
Library	3,290
Fire protection facilities	620
Police facilities	1,561
Transportation	4,257
General government	(30)
Total reserved for development impact fees	<u>13,540</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	2,478
Federal	221
Total reserved for drug enforcement	<u>2,699</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. 167

Total reserved for special revenue fund type \$ 16,503

NON-MAJOR GOVERNMENTAL FUNDS

Designated for home program

For community development block grant home program activities. \$ 82

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. 446

Total designated for special revenue fund type \$ 528

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2009

(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.

Western Loop 101 Public Facilities Corporation debt services	\$ 38,533
General obligation debt service (major fund)	22,658
Municipal Property Corporation	157
Highway users	<u>130</u>

Total reserved for debt service fund type \$ 61,478

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.

\$ 466

Total reserved for capital projects fund type \$ 466

Designated for street GO 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.

\$ 4,895

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.

255

Designated for economic development

Accounts for GO 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.

305

Designated for open space/trails

Accounts for GO 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.

956

Total designated for capital projects fund type \$ 6,411

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.

\$ 169

CITY OF GLENDALE, ARIZONA

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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. \$ 1,021

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. 10,649

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 12,272

NON-MAJOR PROPRIETARY FUNDS

Net assets held by the housing fund may only be used for that purpose. 977

Total restricted for enterprise fund type \$ 13,249

Permanent Fund Type

NON-MAJOR GOVERNMENTAL FUNDS

Reserved for cemetery perpetual care

Funds are reserved by ordinance for future cemetery maintenance and operational expenses. \$ 5,519

Total reserved for permanent fund type \$ 5,519

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

CITY OF GLENDALE, ARIZONA

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(amounts expressed in thousands)

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.

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, 2009, active ASRS members and the City were each required by statute to contribute at the actuarially determined rate of 9.45% (7.90% 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, 2009, 2008, and 2007 were \$14,595, \$14,420, and \$12,697, respectively, which were equal to the required contributions for the year.

Agent Plans. For the year ended June 30, 2009, 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 19.75% and 21.15% 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 28.00% 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, 2009, 2008, and 2007 were \$88, \$69, and \$59, 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.

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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 actuarial accrued liabilities and the actuarial value of assets. The City's pension cost for Fire and Police for the year ended June 30, 2009, the date of the most recent available actuarial valuation, and related information follow.

	<u>Fire</u>	<u>Police</u>
Contribution rates:		
City	18.28%	20.68%
Plan members	7.65%	7.65%
Annual pension cost	\$3,096	\$6,268
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*	5.50%	5.50%
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	27 years for unfunded actuarial accrued liability, 20 years for excess	27 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7 year smoothed market value	7 year 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, 2009, follows.

Contributions required and contributions made

Year Ended <u>June 30</u>	<u>APC</u>	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
Police			
2009	\$ 6,303	100.0 %	\$ -
2008	\$ 4,132	100.0 %	\$ -
2007	\$ 3,270	100.0 %	\$ -
Fire			
2009	\$ 3,921	100.0 %	\$ -
2008	\$ 2,897	100.0 %	\$ -
2007	\$ 1,812	100.0 %	\$ -

Includes insurance premium tax, where applicable.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2009

(amounts expressed in thousands)

E. Required supplementary information

Funded status. The funded status of the PSPRS plans as of the most recent valuation date, June 30, 2009, 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.

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, 2009:

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
Police						
2009	\$ 85,636	\$ 133,674	\$ 48,038	64.1%	\$ 29,546	162.6%
2008	\$ 79,540	\$ 129,649	\$ 50,109	64.1%	\$ 27,904	179.6%
2007	\$ 75,860	\$ 128,670	\$ 52,810	59.0%	\$ 25,375	208.1%

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
Fire						
2009	\$ 69,763	\$ 86,316	\$ 16,553	80.8%	\$ 17,179	96.4%
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%

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, 2009, and June 30, 2008, a total amount of \$2,930 and \$2,812 was contributed to the plan by active retirees, respectively, in the form of current premiums of which \$4,509 and \$4,135 was paid out for

CITY OF GLENDALE, ARIZONA

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(amounts expressed in thousands)

retirees, respectively, in the form of current premiums of which \$4,509 and \$4,135 was paid out for retiree costs, respectively. The required contributions were 2.68% and 2.57% of covered payroll respectively.

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 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 as of June 30, 2009.

Normal cost	\$ 6,987
Minimum amortization of unfunded actuarial liability (UAL)	3,617
Interest adjustment to year end	424
Annual required contribution	<u>11,028</u>
ARC adjustment	(346)
Interest adjustment to net obligation	<u>388</u>
OPEB cost	<u>11,070</u>
Contributions made	(1,579)
Net OPEB obligation beginning of year	<u>9,694</u>
Net OPEB obligation end of year	<u>\$ 19,185</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, and 2009 are as follows:

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>
2008	\$11,017	10.07%
2009	11,070	10.11

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	\$ 101,281
UAL	\$ 101,281
Funded ratio	- %
Annual covered payroll	\$ 109,391
Ratio of UAL to annual covered payroll	92.6%

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

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2009

(amounts expressed in thousands)

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 4.00% pay as you go discount rate and a 3.50% 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 2008-09 fiscal year.

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

The Phoenix Coyotes of the National Hockey League (NHL) are the anchor tenant in the City owned Jobing.com arena. The owner of the Coyotes, Jerry Moyes, filed for bankruptcy on May 5, 2009. After a lengthy battle in court, and the failed bid of a buyer who wanted to move the team to Canada, the NHL bought the Coyotes on November 3, 2009. The NHL is currently looking to sell the team to a candidate that is dedicated to keeping the team in Glendale and making the franchise a profitable venture. Since the team moved to its home in Glendale, attendance has been solid. The NHL and the City of Glendale are both committed to keeping the team here and working with the new owners. Since the opening of the arena in December 2003, it has hosted some of the biggest names in entertainment including Bon Jovi, Bruce Springsteen, Christina Aguilera, The Eagles, Elton John, Faith Hill & Tim McGraw, Hannah Montana, Madonna, Mannheim Steamroller, Paul McCartney, The Rolling Stones, Stevie Wonder, Tom Petty & the Heartbreakers, U2 and Van Halen. Westgate City Center, the development of restaurants and retail shopping next to the arena, has flourished since its opening. Westgate City Center is home to AMC theaters, The Yard House and Margaritaville.

In December 2009, the City will issue \$43 million in general obligation bonds. The proceeds will be used to fund several projects in parks, public safety, flood control and government facilities. The bonds will be repaid by the City's secondary property tax. The bonds will be sold as "Build America Bonds," under The Recovery and Reinvestment Act of 2009, in which the federal government reimburses 35% of the interest cost of the bonds.



City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

REQUIRED SUPPLEMENTARY INFORMATION

(other than MD&A)

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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City of Glendale, Arizona
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2009
(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, 2008	\$ 54,797	\$ 54,797	\$ 69,135	\$ 14,338
RESOURCES (INFLOWS):				
Taxes	71,905	60,316	58,761	(1,555)
Licenses and permits	11,577	8,652	9,006	354
Intergovernmental	69,407	70,046	64,710	(5,336)
Charges for services	30,470	29,432	29,777	345
Fines and forfeitures	4,008	4,188	4,031	(157)
Investment income (loss)	1,208	587	1,679	1,092
Proceeds from disposal of assets	268	303	290	(13)
Miscellaneous	3,913	2,210	2,153	(57)
Total revenues	192,756	175,734	170,407	(5,327)
Add: Transfers in	3,174	3,174	4,151	977
Less: Transfers out	(19,917)	(19,917)	(9,130)	10,787
Amounts available for appropriation	230,810	213,788	234,563	20,775
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General government	38,689	39,264	32,445	6,819
Public safety	88,205	87,406	82,778	4,628
Public works	27,868	27,179	24,479	2,700
Community services	35,301	34,255	26,989	7,266
Community environment	658	362	365	(3)
Street maintenance	791	868	841	27
Contingencies	14,057	17,952	-	17,952
Miscellaneous	2,383	2,481	1,624	857
Debt service:				
Principal	1,729	1,729	2,400	(671)
Interest	1,096	535	505	30
Capital outlay	11,656	11,117	5,757	5,360
Total charges to appropriations	222,433	223,148	178,183	44,965
Budgetary fund balance, June 30, 2009	\$ 8,377	\$ (9,360)	\$ 56,380	\$ 65,740

(Continued)

City of Glendale, Arizona
Budgetary Comparison Schedule (continued)
General Fund
For the Fiscal Year Ended June 30, 2009
(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.	\$ 234,563
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.	(69,135)
Market adjustment on restricted investments not available for appropriation.	(249)
Internal charges for services provided.	(22,644)
Proceeds from disposal of assets.	(290)
Less: Transfers in.	(4,151)
Add: Transfers out.	9,130
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 147,224</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 178,183
Differences - budget to GAAP:	
Capital outlay funded by long-term debt.	25
Internal charges for services provided.	(21,916)
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 156,292</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, 2009
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2008	\$ 73,960	\$ 73,960	\$ 71,962	\$ (1,998)
RESOURCES (INFLOWS):				
Taxes	24,852	20,000	20,875	875
Intergovernmental	1,809	1,040	2,581	1,541
Charges for services	107	155	131	(24)
Investments	1,167	2,260	1,939	(321)
Proceeds from disposal of assets	-	-	12	12
Long-term debt issued	11,000	-	-	-
Fines and forfeitures	-	-	33	33
Miscellaneous revenues	38,584	1,316	1,000	2,316
Total revenues	<u>77,519</u>	<u>24,771</u>	<u>26,571</u>	<u>1,800</u>
Add: Transfers in	11,446	11,446	2,188	(9,258)
Less: Transfers out	(19,561)	(19,561)	(9,477)	10,084
Amounts available for appropriation	<u>143,364</u>	<u>90,616</u>	<u>91,244</u>	<u>628</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Community services	20,588	20,103	12,352	7,751
Capital outlay	119,385	119,183	28,063	91,120
Total charges to appropriations	<u>139,973</u>	<u>139,286</u>	<u>40,415</u>	<u>98,871</u>
Budgetary fund balance, June 30, 2009	<u>\$ 3,391</u>	<u>\$ (48,670)</u>	<u>\$ 50,829</u>	<u>\$ 99,499</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.	\$ 91,244
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.	(71,962)
Proceeds from disposal of assets.	(12)
Unrealized investment income.	(656)
Less: Transfers in.	(2,188)
Add: Transfers out.	9,477
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 25,903</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 40,415
Differences - budget to GAAP:	
Salaries payable.	58
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 40,473</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, 2009

(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. 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 30th ending actual budget basis fund balances rather than the June 30th 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 Western Loop 101 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

COMBINING STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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City of Glendale, Arizona
Budgetary Comparison Schedule
General Obligation Debt Service Fund
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2008	\$ 14,111	\$ 14,111	\$ 14,056	\$ (55)
RESOURCES (INFLOWS):				
Taxes	29,814	29,814	29,054	(760)
Miscellaneous	-	-	195	195
Total inflows	29,814	29,814	29,249	(565)
Amounts available for appropriation	43,925	43,925	43,305	(620)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Miscellaneous	340	340	14	326
Debt service:				
Principal	12,153	12,153	12,153	-
Interest	8,579	8,579	8,579	-
Total charges to appropriations	21,072	21,072	20,746	326
Budgetary fund balance, June 30, 2009	\$ 22,853	\$ 22,853	\$ 22,559	\$ (294)

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.	\$ 43,305
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.	(14,056)
Miscellaneous revenues	(195)
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 29,054

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 20,746
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 20,746

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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.

Western Loop 101 Public Facilities Debt Service Fund

This fund accumulates monies for payment of debt service to the Western Loop 101 Public Facilities Corporation's bond holders.

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 GO 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 GO 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 GO 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, 2009
(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	Western Loop 101 Public Facilities Corporation	Highway Users
ASSETS							
Equity in pooled cash and investments	\$ 41	\$ 1,656	\$ 13,617	\$ 2,099	\$ 3,205	\$ -	\$ 4,263
Receivables, net of allowance for doubtful accounts:							
Property taxes	-	-	-	-	-	-	-
Accounts	2	-	-	1,486	1,432	-	-
Accrued interest	-	-	-	-	-	-	-
Intergovernmental receivable	802	1,314	-	-	1,969	-	-
Inventories and prepaid items	2	98	-	32	1	-	-
Restricted cash and investments	-	-	-	-	6,765	47,243	-
Deferred receivables	3,590	-	-	-	4,986	-	-
Total assets	\$ 4,437	\$ 3,068	\$ 13,617	\$ 3,617	\$ 18,358	\$ 47,243	\$ 4,263
LIABILITIES AND FUND BALANCES:							
Liabilities:							
Vouchers payable	\$ 387	\$ 320	\$ 77	\$ 449	\$ 922	\$ -	\$ -
Accounts payable	-	-	-	-	10	-	-
Retainage payable	34	-	-	-	-	-	-
Compensated absences - current	5	68	-	84	8	-	-
Intergovernmental payable	-	-	-	-	5	-	-
Due to other funds	337	-	-	-	-	-	-
Deposits	-	-	-	-	7	-	-
Matured interest payable	-	-	-	-	-	8,710	563
Deferred revenue	3,590	-	-	-	13,387	-	-
Matured bonds payable	-	-	-	-	-	-	3,570
Total liabilities	4,353	388	77	533	14,339	8,710	4,133
Fund balances:							
Reserved for (Note XV):							
Inventory	-	97	-	-	-	-	-
Development impact fees	-	-	13,540	-	-	-	-
Drug enforcement	-	-	-	-	2,699	-	-
Garden for visually impaired	-	-	-	-	167	-	-
Cultural facility projects	-	-	-	-	-	-	-
Cemetery	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	38,533	130
Unreserved:							
Designated for (Note XV):							
Home program	82	-	-	-	-	-	-
Pool/park repair	-	-	-	-	446	-	-
Street capital projects	-	-	-	-	-	-	-
Other capital projects	-	-	-	-	-	-	-
Undesignated	2	2,583	-	3,084	707	-	-
Total fund balances	84	2,680	13,540	3,084	4,019	38,533	130
Total liabilities and fund balances	\$ 4,437	\$ 3,068	\$ 13,617	\$ 3,617	\$ 18,358	\$ 47,243	\$ 4,263

Debt Service Funds (cont.)		Capital Project Funds					Permanent Fund	Total
Municipal Property Corporation	Transportation	Municipal Property Corp Construction	Streets Construction	Fire and Police Construction	Parks Bond Construction	Other Construction	Cemetery Perpetual Care	Non-Major Governmental Funds
\$ 292	\$ 4,936	\$ 534	\$ 5,253	\$ 350	\$ 4,249	\$ 7,489	\$ 5,519	\$ 53,503
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	78	2,998
-	-	-	22	-	-	30	-	52
-	-	-	-	-	-	147	-	4,232
-	-	-	-	-	-	2	-	135
16,210	-	421	-	-	-	-	-	70,639
-	-	-	-	-	-	-	-	8,576
<u>\$ 16,502</u>	<u>\$ 4,936</u>	<u>\$ 955</u>	<u>\$ 5,275</u>	<u>\$ 350</u>	<u>\$ 4,249</u>	<u>\$ 7,668</u>	<u>\$ 5,597</u>	<u>\$ 140,135</u>
\$ 74	\$ -	\$ 14	\$ 65	\$ 2,062	\$ 815	\$ 249	\$ -	\$ 5,434
-	-	-	-	-	-	-	-	10
-	-	-	-	220	138	13	-	405
-	-	-	-	-	-	-	-	165
-	-	-	-	-	-	-	-	5
2,162	-	-	-	1,294	-	-	-	3,793
-	-	-	-	-	-	-	-	7
7,534	2,391	-	-	-	-	-	-	19,198
-	-	-	60	-	-	22	78	17,137
6,575	2,545	-	-	-	-	-	-	12,690
<u>16,345</u>	<u>4,936</u>	<u>14</u>	<u>125</u>	<u>3,576</u>	<u>953</u>	<u>284</u>	<u>78</u>	<u>58,844</u>
-	-	-	-	-	-	-	-	97
-	-	-	-	-	-	-	-	13,540
-	-	-	-	-	-	-	-	2,699
-	-	-	-	-	-	-	-	167
-	-	-	-	-	-	466	-	466
-	-	-	-	-	-	-	5,519	5,519
157	-	-	-	-	-	-	-	38,820
-	-	-	-	-	-	-	-	82
-	-	-	-	-	-	-	-	446
-	-	-	5,150	-	-	-	-	5,150
-	-	-	-	-	-	1,261	-	1,261
-	-	941	-	(3,226)	3,296	5,657	-	13,044
157	-	941	5,150	(3,226)	3,296	7,384	5,519	81,291
<u>\$ 16,502</u>	<u>\$ 4,936</u>	<u>\$ 955</u>	<u>\$ 5,275</u>	<u>\$ 350</u>	<u>\$ 4,249</u>	<u>\$ 7,668</u>	<u>\$ 5,597</u>	<u>\$ 140,135</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, 2009
(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	Western Loop 101 Public Facilities Corporation	Highway Users
REVENUES							
Taxes and special assessments	\$ -	\$ -	\$ -	\$ 18,801	\$ 2,628	\$ -	\$ -
Licenses and permits	-	-	1,497	-	-	-	-
Intergovernmental	2,616	14,539	-	-	6,398	-	-
Charges for services	-	-	-	-	2,617	-	-
Investments	-	-	388	-	87	-	-
Miscellaneous	107	36	-	-	1,121	-	-
Total revenues	<u>2,723</u>	<u>14,575</u>	<u>1,885</u>	<u>18,801</u>	<u>12,851</u>	<u>-</u>	<u>-</u>
EXPENDITURES							
Current:							
General government	-	-	61	-	853	-	-
Public safety	-	-	-	15,056	3,711	-	-
Public works	-	-	-	-	99	-	-
Community services	-	-	-	-	3,018	-	-
Community environment	2,622	-	-	-	491	-	-
Street maintenance	-	11,058	-	-	-	-	-
Miscellaneous	-	-	-	-	6	-	2
Debt service:							
Principal	-	35	2,181	-	-	-	3,570
Interest	-	3	189	-	-	8,710	1,126
Capital outlay	144	15	5,263	414	1,976	-	-
Total expenditures	<u>2,766</u>	<u>11,111</u>	<u>7,694</u>	<u>15,470</u>	<u>10,154</u>	<u>8,710</u>	<u>4,698</u>
Excess (deficiency) of revenues over expenditures	<u>(43)</u>	<u>3,464</u>	<u>(5,809)</u>	<u>3,331</u>	<u>2,697</u>	<u>(8,710)</u>	<u>(4,698)</u>
OTHER FINANCING SOURCES (USES)							
Long-term debt issued	-	-	-	-	-	47,243	-
Proceeds from equipment disposal	-	43	-	-	-	-	-
Transfers in	-	-	-	-	1,591	-	4,707
Transfers out	-	(3,707)	-	-	(4,022)	-	-
Total other financing sources and uses	<u>-</u>	<u>(3,664)</u>	<u>-</u>	<u>-</u>	<u>(2,431)</u>	<u>47,243</u>	<u>4,707</u>
Excess (deficiency) of revenues and other sources over							
Net change in fund balances	(43)	(200)	(5,809)	3,331	266	38,533	9
Fund balances, July 1	127	2,880	19,349	(247)	3,753	-	121
Fund balances, June 30	<u>\$ 84</u>	<u>\$ 2,680</u>	<u>\$ 13,540</u>	<u>\$ 3,084</u>	<u>\$ 4,019</u>	<u>\$ 38,533</u>	<u>\$ 130</u>

Debt Service Funds (cont.)		Capital Projects Funds					Permanent Fund	Total
Municipal Property Corporation	Transportation	Municipal Property Corp Construction	Streets Construction	Fire and Police Construction	Parks Bond Construction	Other Construction	Cemetery Perpetual Care	Total Non-Major Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,429
-	-	-	-	-	-	-	-	1,497
-	-	-	-	350	-	448	-	24,351
-	-	-	-	-	-	-	-	2,617
27	-	25	199	38	11	186	121	1,082
-	-	-	-	-	-	2,392	-	3,656
<u>27</u>	<u>-</u>	<u>25</u>	<u>199</u>	<u>388</u>	<u>11</u>	<u>3,026</u>	<u>121</u>	<u>54,632</u>
-	-	-	-	-	2	-	-	916
-	-	-	-	1,747	-	-	-	20,514
-	-	-	-	-	25	4	-	128
-	-	-	3	-	-	9	-	3,030
-	-	-	-	-	-	-	-	3,113
-	-	-	2	-	-	-	-	11,060
18	2	-	-	-	-	-	-	28
6,575	2,545	-	-	-	-	211	-	15,117
15,665	4,782	-	-	-	-	12	-	30,487
-	-	930	11,476	16,303	4,823	7,667	-	49,011
<u>22,258</u>	<u>7,329</u>	<u>930</u>	<u>11,481</u>	<u>18,050</u>	<u>4,850</u>	<u>7,903</u>	<u>-</u>	<u>133,404</u>
<u>(22,231)</u>	<u>(7,329)</u>	<u>(905)</u>	<u>(11,282)</u>	<u>(17,662)</u>	<u>(4,839)</u>	<u>(4,877)</u>	<u>121</u>	<u>(78,772)</u>
-	-	-	-	-	-	-	-	47,243
-	-	-	-	-	-	-	-	43
6,523	7,329	-	-	-	-	-	-	20,150
-	-	-	-	(316)	(1)	(387)	-	(8,433)
<u>6,523</u>	<u>7,329</u>	<u>-</u>	<u>-</u>	<u>(316)</u>	<u>(1)</u>	<u>(387)</u>	<u>-</u>	<u>59,003</u>
(15,708)	-	(905)	(11,282)	(17,978)	(4,840)	(5,264)	121	(19,769)
15,865	-	1,846	16,432	14,752	8,136	12,648	5,398	101,060
<u>\$ 157</u>	<u>\$ -</u>	<u>\$ 941</u>	<u>\$ 5,150</u>	<u>\$ (3,226)</u>	<u>\$ 3,296</u>	<u>\$ 7,384</u>	<u>\$ 5,519</u>	<u>\$ 81,291</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Community Development Block Grants Fund
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2008	\$ 69	\$ 69	\$ 131	\$ 62
RESOURCES (INFLOWS):				
Intergovernmental	4,590	2,703	2,616	(87)
Miscellaneous	-	-	107	107
Total revenues	<u>4,590</u>	<u>2,703</u>	<u>2,723</u>	<u>20</u>
Amounts available for appropriation	<u>4,659</u>	<u>2,772</u>	<u>2,854</u>	<u>82</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Community environment	4,512	3,739	2,621	1,118
Capital Outlay	-	-	144	(144)
Total charges to appropriations	<u>4,512</u>	<u>3,739</u>	<u>2,765</u>	<u>974</u>
Budgetary fund balance, June 30, 2009	<u>\$ 147</u>	<u>\$ (967)</u>	<u>\$ 89</u>	<u>\$ 1,056</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.	\$ 2,854
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.	(131)
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balance - governmental funds.	<u>\$ 2,723</u>

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 2,765
Differences - budget to GAAP:	
Salaries payable.	1
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 2,766</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Highway Users Gas Tax Fund
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2008	\$ 3,474	\$ 3,474	\$ 3,266	\$ (208)
RESOURCES (INFLOWS):				
Intergovernmental	17,616	14,100	14,539	439
Proceeds from asset disposal	-	-	43	43
Miscellaneous	-	-	36	36
Total revenues	17,616	14,100	14,618	518
Less: Transfers out	(3,707)	(3,707)	(3,707)	-
Amounts available for appropriation	17,383	13,867	14,177	310
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Street maintenance	17,298	16,395	11,093	5,302
Capital outlay	47	45	15	30
Debt service:				
Principal	35	35	35	-
Interest	3	3	3	-
Total charges to appropriations	17,383	16,478	11,146	5,332
Budgetary fund balance, June 30, 2009	\$ -	\$ (2,611)	\$ 3,031	\$ 5,642

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.	\$ 14,177
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.	(3,266)
Proceeds from disposal of assets.	(43)
Add: Transfers out.	3,707
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 14,575</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 11,146
Differences - budget to GAAP:	
Salaries payable.	(35)
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 11,111</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Development Impact Fees Fund
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2008	\$ 20,073	\$ 20,073	\$ 19,350	\$ (723)
RESOURCES (INFLOWS):				
Licenses and permits	5,687	1,914	1,497	(417)
Investments	176	357	388	31
Total revenues	5,863	2,271	1,885	(386)
Less: Transfers out	(49)	(49)	-	49
Amounts available for appropriation	25,887	22,295	21,235	(1,060)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
General administration	1,045	1,118	61	1,057
Public safety	2,600	2,600	-	2,600
Community services	6,071	6,985	-	6,985
Capital outlay	13,800	13,485	5,263	8,222
Principal retirement	2,181	2,181	2,181	-
Interest expense	189	189	189	-
Total charges to appropriations	25,886	26,558	7,694	18,864
Budgetary fund balance, June 30, 2009	\$ 1	\$ (4,263)	\$ 13,541	\$ 17,804

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.	\$ 21,235
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.	(19,350)
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 1,885

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 7,694
Differences - budget to GAAP:	
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 7,694

City of Glendale, Arizona
Budgetary Comparison Schedule
Police and Fire Sales Tax Fund
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2008	\$ 1,187	\$ 1,187	\$ 42	\$ (1,145)
RESOURCES (INFLOWS):				
Taxes	23,782	18,961	18,801	(160)
Capital lease proceeds	500	500	-	(500)
Total revenues	<u>24,282</u>	<u>19,461</u>	<u>18,801</u>	<u>(660)</u>
Amounts available for appropriation	<u>25,469</u>	<u>20,648</u>	<u>18,843</u>	<u>(1,805)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Public safety	23,378	19,517	14,940	4,577
Capital outlay	1,624	603	414	189
Total charges to appropriations	<u>25,002</u>	<u>20,120</u>	<u>15,354</u>	<u>4,766</u>
Budgetary fund balance, June 30, 2009	<u>\$ 467</u>	<u>\$ 528</u>	<u>\$ 3,489</u>	<u>\$ 2,961</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.	\$ 18,843
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.	(42)
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 18,801</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 15,354
Differences - budget to GAAP:	
Salaries payable.	116
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 15,470</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Other Special Revenue Fund
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2008	\$ 3,314	\$ 3,314	\$ 3,819	\$ 505
RESOURCES (INFLOWS):				
Taxes	1,795	1,795	2,628	833
Intergovernmental	934	510	6,399	5,889
Charges for services	5,375	5,755	2,617	(3,138)
Investments	10	46	92	46
Lease proceeds	-	12	-	(12)
Miscellaneous	15,223	10,770	1,121	(9,649)
Total revenues	<u>23,337</u>	<u>18,888</u>	<u>12,857</u>	<u>(6,031)</u>
Add: Transfers in	1,872	1,872	1,590	(282)
Less: Transfers out	<u>(5,307)</u>	<u>(5,307)</u>	<u>(4,022)</u>	<u>1,285</u>
Amounts available for appropriation	<u>23,216</u>	<u>18,767</u>	<u>14,244</u>	<u>(4,523)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General government	941	885	858	27
Public safety	9,034	9,804	3,718	6,086
Public works	177	158	99	59
Community services	4,010	4,250	3,013	1,237
Community environment	525	525	490	35
Miscellaneous	277	277	6	271
Capital outlay	<u>5,785</u>	<u>4,307</u>	<u>1,976</u>	<u>2,331</u>
Total charges to appropriations	<u>20,749</u>	<u>20,206</u>	<u>10,160</u>	<u>10,046</u>
Budgetary fund balance, June 30, 2009	<u>\$ 2,467</u>	<u>\$ (1,439)</u>	<u>\$ 4,084</u>	<u>\$ 5,523</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.	\$ 14,244
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.	(3,819)
Accrued interest.	(6)
Less: Transfers in.	(1,590)
Add: Transfers out.	<u>4,022</u>
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 12,851</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 10,160
Differences - budget to GAAP:	
Salaries payable.	<u>(6)</u>
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 10,154</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Highway Users Debt Service Fund
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2008	\$ -	\$ -	\$ (6)	\$ (6)
RESOURCES (INFLOWS):				
Miscellaneous revenue	-	-	51	51
Total revenues	-	-	51	51
Add: Transfers in	4,707	4,707	4,707	-
Amounts available for appropriation	4,707	4,707	4,752	45
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Miscellaneous	11	11	2	9
Debt service:				
Principal	3,570	3,570	3,570	-
Interest	1,126	1,126	1,126	-
Total charges to appropriations	4,707	4,707	4,698	9
Budgetary fund balance, June 30, 2009	\$ -	\$ -	\$ 54	\$ 54

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.	\$ 4,752
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
Miscellaneous revenues	(51)
Less: Transfers in.	(4,707)
Total revenues as reported in the combining 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.	\$ 4,698
Differences - budget to GAAP:	
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 4,698

City of Glendale, Arizona
Budgetary Comparison Schedule
Municipal Property Corporation Debt Service Fund
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2008	\$ 12,643	\$ 12,643	\$ 12,643	\$ -
RESOURCES (INFLOWS):				
Investments	25	22	17	(5)
Miscellaneous revenues	1,312	1,312	19	(1,293)
Total revenues	1,337	1,334	36	(1,298)
Add: Transfers in	18,667	18,667	6,523	(12,144)
Amounts available for appropriation	32,647	32,644	19,202	(13,442)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Miscellaneous	20	20	-	20
Debt service:				
Principal	6,370	6,370	6,575	(205)
Interest	12,879	12,879	12,637	242
Total charges to appropriations	19,269	19,269	19,212	57
Budgetary fund balance, June 30, 2009	\$ 13,378	\$ 13,375	\$ (10)	\$ (13,385)

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.	\$ 19,202
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.	(12,643)
Market adjustment on restricted investments not available for appropriation.	(9)
Less: Transfers in.	(6,523)
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 27

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 19,212
Differences - budget to GAAP:	
Other financing uses on bond refunding.	
Interest.	3,028
Arbitrage rebate.	18
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 22,258

City of Glendale, Arizona
Budgetary Comparison Schedule
Transportation Debt Service Fund
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2008	\$ -	\$ -	\$ -	\$ -
RESOURCES (INFLOWS):				
Add: Transfers in	7,327	7,327	7,329	2
Amounts available for appropriation	<u>7,327</u>	<u>7,327</u>	<u>7,329</u>	<u>2</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Miscellaneous	-	-	2	(2)
Debt service:				
Principal	2,545	2,547	2,545	2
Interest	4,782	4,782	4,782	-
Total charges to appropriations	<u>7,327</u>	<u>7,329</u>	<u>7,329</u>	<u>-</u>
Budgetary fund balance, June 30, 2009	<u>\$ -</u>	<u>\$ (2)</u>	<u>\$ -</u>	<u>\$ 2</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.	\$ 7,329
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.	<u>(7,329)</u>
Total revenues as reported in the combining 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.	\$ 7,329
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 7,329</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Municipal Property Corporation Construction Fund
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary fund balance, July 1, 2008	\$ 1,018	\$ 1,018	\$ 1,846	\$ 828
RESOURCES (INFLOWS):				
Investment income	-	24	25	1
Total revenues	-	2,009	25	1
Operating transfer out	(17)	(17)	-	17
Amounts available for appropriation	1,035	3,044	1,871	812
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General administrative	437	437	-	437
Capital outlay	564	1,147	930	217
Total charges to appropriations	1,001	1,584	930	654
Budgetary fund balance, June 30, 2009	\$ 34	\$ 1,460	\$ 941	\$ 1,466

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.	\$ 1,871
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.	(1,846)
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 25

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 930
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 930

City of Glendale, Arizona
Budgetary Comparison Schedule
Streets Construction Fund
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2008	\$ 17,118	\$ 17,118	\$ 16,386	\$ (732)
RESOURCES (INFLOWS):				
Investments	70	118	222	104
Long-term debt issued	9,401	-	-	-
Total revenues	9,471	118	222	104
Less: Transfers out	(70)	(70)	-	(4,251)
Amounts available for appropriation	26,519	17,166	16,608	(558)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Community services	1,256	2,217	3	2,493
Street maintenance	2,800	9,894	2	9,892
Capital outlay	22,463	14,324	11,476	2,848
Total charges to appropriations	26,519	26,435	11,481	14,954
Budgetary fund balance, June 30, 2009	\$ -	\$ (9,269)	\$ 5,127	\$ 14,396

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.	\$ 16,608
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.	(16,386)
Market adjustment on restricted investments not available for appropriation.	(23)
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 199

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 11,481
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 11,481

City of Glendale, Arizona
Budgetary Comparison Schedule
Fire and Police Construction Fund
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2008	\$ 14,735	\$ 14,735	\$ 14,681	\$ (54)
RESOURCES (INFLOWS):				
Intergovernmental revenue	-	-	350	350
Investments	-	114	109	(5)
Long-term debt issued	46,606	-	-	-
Total revenues	46,606	114	459	345
Less: Transfers out	(254)	(254)	(316)	(62)
Amounts available for appropriation	61,087	14,595	14,824	229
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Public safety	4,775	5,011	1,747	3,264
Capital outlay	56,312	60,604	16,303	44,301
Total charges to appropriations	61,087	65,615	18,050	47,565
Budgetary fund balance, June 30, 2009	\$ -	\$ (51,020)	\$ (3,226)	\$ (47,794)

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.	\$ 14,824
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.	(14,681)
Market adjustment on restricted investments not available for appropriation.	(71)
Add: Transfers out.	316
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 388

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 18,050
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 18,050

City of Glendale, Arizona
Budgetary Comparison Schedule
Parks Bond Construction Fund
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2008	\$ 8,239	\$ 8,239	\$ 8,116	\$ (123)
RESOURCES (INFLOWS):				
Investments	-	47	32	(15)
Long-term debt issued	4,434	-	-	-
Total revenues	4,434	47	32	(15)
Less: Transfers out	(72)	(72)	(1)	71
Amounts available for appropriation	12,601	8,214	8,147	(67)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General administration	3,522	3,522	2	3,520
Public works	-	-	25	(25)
Capital outlay	9,079	10,219	4,823	5,396
Total charges to appropriations	12,601	13,741	4,850	8,891
Budgetary fund balance, June 30, 2009	\$ -	\$ (5,527)	\$ 3,297	\$ 8,824

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.	\$ 8,147
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.	(8,116)
Market adjustment on restricted investments not available for appropriation.	(21)
Add: Transfers out.	1
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 11

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 4,850
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 4,850

City of Glendale, Arizona
Budgetary Comparison Schedule
Other Construction Fund
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2008	\$ 12,649	\$ 12,649	\$ 12,594	\$ (55)
RESOURCES (INFLOWS):				
Intergovernmental	786	1,033	448	(585)
Investments	16	111	206	95
Long-term debt issued	36,065	-	-	-
Miscellaneous	-	9,808	2,392	(7,416)
Total revenues	36,867	10,952	3,046	(7,906)
Less: Transfers out	(213)	(213)	(387)	(174)
Amounts available for appropriation	49,303	23,388	15,253	(8,135)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Community services	3,120	24,213	13	24,200
Capital outlay	46,183	26,083	7,667	18,416
Principal	-	-	211	(211)
Interest	-	-	12	(12)
Total charges to appropriations	49,303	50,296	7,903	42,393
Budgetary fund balance, June 30, 2009	\$ -	\$ (26,908)	\$ 7,350	\$ 34,258

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.	\$ 15,253
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.	(12,594)
Market adjustment on restricted investments not available for appropriation.	(20)
Add: Transfers out.	387
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 3,026

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 7,903
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 7,903

City of Glendale, Arizona
Budgetary Comparison Schedule
Cemetery Perpetual Care Fund
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2008	\$ 5,276	\$ 5,276	\$ 5,398	\$ 122
RESOURCES (INFLOWS):				
Investments	106	142	121	(21)
Total revenues	106	142	121	(21)
Amounts available for appropriation	5,382	5,418	5,519	101
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Public works	5,382	5,382	-	5,382
Total charges to appropriations	5,382	5,382	-	5,382
Budgetary fund balance, June 30, 2009	\$ -	\$ 36	\$ 5,519	\$ 5,483

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.	\$ 5,519
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.	(5,398)
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 121

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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, 2009
(amounts expressed in thousands)

	<u>Landfill</u>	<u>Sanitation</u>	<u>Housing</u>	<u>Total</u>
ASSETS				
Current assets:				
Equity in pooled cash and investments	\$ 24,876	\$ 5,443	\$ 993	\$ 31,312
Receivables:				
Accounts	322	1,716	173	2,211
Allowance for uncollectibles	(2)	(26)	-	(28)
Due from other funds	1,189	-	-	1,189
Intergovernmental receivable	-	-	377	377
Inventories and prepaid items	-	2	4	6
Total current assets	<u>26,385</u>	<u>7,135</u>	<u>1,547</u>	<u>35,067</u>
Noncurrent assets:				
Restricted cash and investments	-	-	42	42
Capital assets:				
Capital assets	22,615	10,992	12,977	46,584
Accumulated depreciation	(9,413)	(6,411)	(6,745)	(22,569)
Capital assets, net	<u>13,202</u>	<u>4,581</u>	<u>6,232</u>	<u>24,015</u>
Total noncurrent assets	<u>13,202</u>	<u>4,581</u>	<u>6,274</u>	<u>24,057</u>
Total assets	<u>39,587</u>	<u>11,716</u>	<u>7,821</u>	<u>59,124</u>
LIABILITIES				
Current liabilities:				
Vouchers payable	1,073	446	-	1,519
Accounts payable	-	-	43	43
Compensated absences	268	307	22	597
Due to other funds	-	1,189	77	1,266
Deposits	152	112	38	302
Unearned rent	-	-	8	8
Current portion of long-term debt:				
General obligation bonds	132	-	-	132
Capital lease payable	-	488	-	488
Interest payable	3	10	-	13
Total current liabilities	<u>1,628</u>	<u>2,552</u>	<u>188</u>	<u>4,368</u>
Noncurrent liabilities:				
Compensated absences	61	82	194	337
OPEB long-term obligations	356	726	188	1,270
Other long-term debt	-	-	42	42
Capital lease obligations	-	592	-	592
Estimated closure and post-closure costs	12,281	-	-	12,281
Total noncurrent liabilities	<u>12,698</u>	<u>1,400</u>	<u>424</u>	<u>14,522</u>
Total liabilities	<u>14,326</u>	<u>3,952</u>	<u>612</u>	<u>18,890</u>
NET ASSETS				
Invested in capital assets, net of related debt	13,069	3,502	6,232	22,803
Restricted for:				
Other purposes	-	-	977	977
Unrestricted	12,192	4,262	-	16,454
Total net assets	<u>\$ 25,261</u>	<u>\$ 7,764</u>	<u>\$ 7,209</u>	<u>\$ 40,234</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, 2009

(amounts expressed in thousands)

	Business-Type Activities Enterprise Funds			
	<u>Landfill</u>	<u>Sanitation</u>	<u>Housing</u>	<u>Total</u>
Operating revenues:				
Intergovernmental	\$ -	\$ -	\$ 8,701	\$ 8,701
Container service	-	4,816	-	4,816
Curb service	-	10,437	-	10,437
Landfill user fees	5,621	-	-	5,621
Recycling sales	1,591	3	-	1,594
Other fees	74	-	2,042	2,116
Total operating revenues	<u>7,286</u>	<u>15,256</u>	<u>10,743</u>	<u>33,285</u>
Operating expenses:				
Landfill	6,172	-	-	6,172
Housing	-	-	11,505	11,505
Closure/post-closure care adjustment	862	-	-	862
Sanitation	-	13,090	-	13,090
Depreciation	1,026	996	371	2,393
Total operating expenses	<u>8,060</u>	<u>14,086</u>	<u>11,876</u>	<u>34,022</u>
Operating income (loss)	<u>(774)</u>	<u>1,170</u>	<u>(1,133)</u>	<u>(737)</u>
Nonoperating revenues (expenses):				
Impact fees	18	3	-	21
Investment income	565	94	-	659
Interest expense	(6)	(50)	-	(56)
Gain on disposal of assets	91	146	-	237
OPEB expense	9	19	6	34
Total nonoperating revenue (expenses)	<u>677</u>	<u>212</u>	<u>6</u>	<u>895</u>
Income (loss) before contributions and transfers	(97)	1,382	(1,127)	158
Capital contributions	-	-	725	725
Transfers in	-	-	604	604
Change in net assets	<u>(97)</u>	<u>1,382</u>	<u>202</u>	<u>1,487</u>
Total net assets - beginning	<u>25,358</u>	<u>6,382</u>	<u>7,007</u>	<u>38,747</u>
Total net assets - ending	<u>\$ 25,261</u>	<u>\$ 7,764</u>	<u>\$ 7,209</u>	<u>\$ 40,234</u>

City of Glendale, Arizona
Combining Statement of Cash Flows
Non-Major Proprietary Funds - Business-Type Activities
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	<u>Landfill</u>	<u>Sanitation</u>	<u>Housing</u>	<u>Total</u>
Cash flows from operating activities:				
Cash received from customers	\$ 6,189	\$ 15,252	\$ 1,870	\$ 23,311
Cash received from federal government	-	-	8,805	8,805
Cash paid to suppliers:				
Internal city departments	(1,365)	(6,382)	-	(7,747)
External vendors	(1,888)	(886)	(10,147)	(12,921)
Cash paid to employees for services	(2,395)	(4,417)	(1,264)	(8,076)
Net cash provided (used) by operating activities	<u>541</u>	<u>3,567</u>	<u>(736)</u>	<u>3,372</u>
Cash flows from noncapital financing activities:				
Proceeds from sale of investments	-	-	5	5
Transfers in	-	-	604	604
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>609</u>	<u>609</u>
Cash flows from capital and related financing activities:				
Principal payments on obligations	(199)	(608)	-	(807)
Acquisition of capital assets and rights	(1,391)	(1,678)	(1,006)	(4,075)
Impact fees	18	3	-	21
Interest payments on obligations	(11)	(55)	-	(66)
Capital grant proceeds	-	-	725	725
Net cash (used for) capital and related financing activities	<u>(1,583)</u>	<u>(2,338)</u>	<u>(281)</u>	<u>(4,202)</u>
Cash flows from investing activities:				
Interest received from investments	565	94	-	659
Net cash provided by investing activities	<u>565</u>	<u>94</u>	<u>-</u>	<u>659</u>
Net increase (decrease) in cash and cash equivalents during fiscal year	(477)	1,323	(408)	438
Cash and cash equivalents, July 1	<u>25,353</u>	<u>4,120</u>	<u>1,443</u>	<u>30,916</u>
Cash and cash equivalents, June 30	<u>\$ 24,876</u>	<u>\$ 5,443</u>	<u>\$ 1,035</u>	<u>\$ 31,354</u>

	<u>Landfill</u>	<u>Sanitation</u>	<u>Housing</u>	<u>Total</u>
Reconciliation of operating income (loss)				
to net cash provided (used) by				
operating activities:				
Operating income (loss)	\$ (774)	\$ 1,170	\$ (1,133)	\$ (737)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operations:				
Depreciation	1,026	996	371	2,393
Changes in assets and liabilities:				
Accounts receivable	89	(10)	(172)	(93)
Intergovernmental receivable	(1,189)	-	104	(1,085)
Inventories and prepaid items	-	(2)	(1)	(3)
Vouchers payable	486	188	30	704
Due to other funds	-	1,189	45	1,234
Deposits	2	8	2	12
Unearned rent	-	-	1	1
Compensated absences	39	28	17	84
Estimated closure and post-closure costs	862	-	-	862
Net cash provided by (used) operating activities	<u>\$ 541</u>	<u>\$ 3,567</u>	<u>\$ (736)</u>	<u>\$ 3,372</u>
Reconciliation of statement of net assets				
cash and investments to the				
statement of cash flows:				
Per combined statement of net assets:				
Equity in pooled cash and investments	\$ 24,876	\$ 5,443	\$ 993	\$ 31,312
Restricted cash and investments	-	-	42	42
Total cash and cash equivalents	<u>\$ 24,876</u>	<u>\$ 5,443</u>	<u>\$ 1,035</u>	<u>\$ 31,354</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Water and Sewer Fund
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2008	\$ 105,328	\$ 105,328	\$ 93,180	\$ (12,148)
RESOURCES (INFLOWS):				
Intergovernmental	-	-	1	1
Charges for services:				
Metered water sales	42,095	43,120	36,724	(6,396)
Sewer service charges	24,430	24,050	26,798	2,748
Impact fees	4,500	4,500	1,632	(2,868)
Other fees	1,624	1,094	1,763	669
Investments	1,530	1,530	1,874	344
Miscellaneous	396	296	520	224
Proceeds from bonds sold	71,500	71,500	-	(71,500)
Proceeds from equipment disposal	15	-	22	22
Total revenues	<u>146,090</u>	<u>146,090</u>	<u>69,334</u>	<u>(76,756)</u>
Less: Transfers out	<u>(1,367)</u>	<u>(1,367)</u>	<u>(53)</u>	<u>1,314</u>
Amounts available for appropriation	<u>250,051</u>	<u>250,051</u>	<u>162,461</u>	<u>(87,590)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General administration	11,900	11,290	9,288	2,002
Water	23,004	30,698	17,446	13,252
Sewer	15,629	20,249	12,686	7,563
Contingencies	10,000	8,652	-	8,652
Capital outlay	96,065	82,016	36,103	45,913
Debt service:				
Principal	10,712	10,712	10,711	1
Interest	<u>14,206</u>	<u>14,206</u>	<u>13,968</u>	<u>238</u>
Total charges to appropriations	<u>181,516</u>	<u>177,823</u>	<u>100,202</u>	<u>77,621</u>
Budgetary fund balance, June 30, 2009	<u>\$ 68,535</u>	<u>\$ 72,228</u>	<u>\$ 62,259</u>	<u>\$ (9,969)</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.	\$ 162,461
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.	(93,180)
Market adjustment on restricted investments not available for appropriation.	(473)
Revenues offset directly by bad debt expense on budgetary basis.	637
Proceeds from equipment disposals.	(22)
Gain on disposal of assets.	45
Internal staff and administrative charges reported as revenue only on budgetary basis.	(176)
Add: Transfers out.	53
Total revenues as reported on the statement of revenues, expenses, and changes in fund net assets excluding capital contributions.	<u>\$ 69,345</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 100,202
Differences - budget to GAAP:	
Bad debt expense.	637
Amortization of capitalized bond issuance expense.	165
Capital outlay expenditure.	(36,103)
Change in compensated absences liability.	45
Change in prepaid assets or inventory.	129
Amortization and depreciation expense.	19,152
Bond issuance costs.	4
Principal payments on long-term obligations.	(10,711)
OPEB expense.	(59)
Interest expense.	(900)
Internal staff and administrative charges reported as revenue only on budgetary basis.	(176)
Change in accrued payroll.	120
Total expenditures as reported in the statement of revenues, expenses, and changes in fund net assets, excluding loss from joint venture.	<u>\$ 72,505</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Landfill Fund
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2008	\$ 23,330	\$ 23,330	\$ 24,972	\$ 1,642
RESOURCES (INFLOWS):				
Charges for services:				
Landfill user fees	5,955	6,250	5,621	(629)
Recycling fees	2,000	1,417	1,591	174
Other fees	102	135	74	(61)
Proceeds from equipment disposal	1	-	93	93
Investments	900	658	566	(92)
Impact fees	377	48	335	287
Total revenues	<u>9,335</u>	<u>8,508</u>	<u>8,280</u>	<u>(228)</u>
Less: Transfers out	(13)	(13)	-	13
Amounts available for appropriation	<u>32,652</u>	<u>31,825</u>	<u>33,252</u>	<u>1,427</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Contingencies	2,000	1,850	-	1,850
Landfill	7,346	7,496	6,438	1,058
Capital outlay	8,552	8,427	1,484	6,943
Debt service:				
Principal	132	132	132	-
Interest	7	143	7	136
Total charges to appropriations	<u>18,037</u>	<u>18,048</u>	<u>8,061</u>	<u>9,987</u>
Budgetary fund balance, June 30, 2009	<u>\$ 14,615</u>	<u>\$ 13,777</u>	<u>\$ 25,191</u>	<u>\$ 11,414</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.	\$ 33,252
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.	(24,972)
Internal staff and administrative charges reported as revenue only on budgetary basis.	(318)
Proceeds from disposal of capital assets.	(93)
Gain on disposal of assets.	91
Total revenues as reported in the combining statement of revenues, expenses, and changes in fund net assets.	<u>\$ 7,960</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 8,061
Differences - budget to GAAP:	
Capital outlay expenditures.	(1,484)
Change in compensated absences liability.	38
Change in estimated landfill post-closure liability.	862
Depreciation expense.	1,026
Principal payments on long-term obligations.	(132)
OPEB expense.	(9)
Accrued payroll.	12
Internal staff and administrative charges reported as revenue only on budgetary basis.	(317)
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net assets.	<u>\$ 8,057</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Sanitation Fund
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2008	\$ 5,641	\$ 5,641	\$ 5,864	\$ 223
RESOURCES (INFLOWS):				
Charges for services:				
Container service	4,927	4,839	4,816	(23)
Curb service	9,653	10,350	10,347	(3)
Impact fees	64	7	3	(4)
Recycle sales	5	1	2	1
Investments	200	109	94	(15)
Capital lease proceeds	813	1,189	-	(1,189)
Proceeds from equipment disposal	5	-	147	147
Total revenues	<u>15,667</u>	<u>16,495</u>	<u>15,409</u>	<u>(1,086)</u>
Amounts available for appropriation	<u>21,308</u>	<u>22,136</u>	<u>21,273</u>	<u>(863)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Sanitation	14,659	14,659	12,998	1,661
Capital outlay	2,759	2,730	1,825	905
Debt service:				
Principal	608	608	608	-
Interest	<u>55</u>	<u>55</u>	<u>55</u>	<u>-</u>
Total charges to appropriations	<u>18,081</u>	<u>18,052</u>	<u>15,486</u>	<u>2,566</u>
Budgetary fund balance, June 30, 2009	<u>\$ 3,227</u>	<u>\$ 4,084</u>	<u>\$ 5,787</u>	<u>\$ 1,703</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.	\$ 21,273
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.	(5,864)
Internal staff and administrative charges reported as revenue only on budgetary basis.	(47)
Revenues offset directly by bad debt expense on budgetary basis.	138
Proceeds from disposal of capital assets.	(147)
Gain on disposal of assets.	146
Total revenues as reported in the combining statement of revenues, expenses, and changes in fund net assets.	<u>\$ 15,499</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 15,486
Differences - budget to GAAP:	
Bad debt expense.	138
Capital outlay.	(1,825)
Change in compensated absences liability.	27
Depreciation expense.	996
Interest expense.	(5)
OPEB expense.	(19)
Principal payments on long-term obligations.	(608)
Accrued payroll.	(26)
Internal staff and administrative charges reported as revenue only on budgetary basis.	(47)
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net assets.	<u>\$ 14,117</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Housing Fund
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2008	\$ 432	\$ 432	\$ 2,234	\$ 1,802
RESOURCES (INFLOWS):				
Intergovernmental	8,268	6,523	9,426	2,903
Miscellaneous	-	-	2,042	2,042
Total revenues	8,268	6,523	11,468	4,945
Add: Transfers in	607	607	604	(3)
Amounts available for appropriation	9,307	7,562	14,306	6,744
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Housing	8,521	8,519	11,504	(2,985)
Capital outlay	240	240	534	(294)
Total charges to appropriations	8,761	8,759	12,038	(3,279)
Budgetary fund balance, June 30, 2009	\$ 546	\$ (1,197)	\$ 2,268	\$ 3,465

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.	\$ 14,306
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.	(2,234)
Less: Transfers in.	(604)
Total revenues as reported in the combining statement of revenues, expenses, and changes in fund net assets.	\$ 11,468

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 12,038
Differences - budget to GAAP:	
Depreciation expense.	371
Capital outlay.	(533)
OPEB expense.	(6)
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net assets.	\$ 11,870



City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

INTERNAL SERVICE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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City of Glendale, Arizona
Combining Statement of Net Assets
Internal Service Funds
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	<u>Risk Management</u>	<u>Workers' Compensation</u>	<u>Employee Benefits</u>	<u>Total</u>
ASSETS				
Current assets:				
Equity in pooled				
cash and investments	\$ 8,038	\$ 2,807	\$ 3,956	\$ 14,801
Accounts receivable, net	-	-	19	19
Inventories and prepaid items	62	-	-	62
Total current assets	<u>8,100</u>	<u>2,807</u>	<u>3,975</u>	<u>14,882</u>
Noncurrent assets:				
Restricted cash and investments	-	180	1,425	1,605
Total assets	<u>8,100</u>	<u>2,987</u>	<u>5,400</u>	<u>16,487</u>
LIABILITIES				
Current liabilities:				
Vouchers payable	7	76	1,681	1,764
Estimated claims payable	2,611	715	954	4,280
Total current liabilities	<u>2,618</u>	<u>791</u>	<u>2,635</u>	<u>6,044</u>
Noncurrent liabilities:				
Estimated claims payable	698	1,014	-	1,712
Total noncurrent liabilities	<u>698</u>	<u>1,014</u>	<u>-</u>	<u>1,712</u>
Total liabilities	<u>3,316</u>	<u>1,805</u>	<u>2,635</u>	<u>7,756</u>
NET ASSETS				
Unrestricted	<u>4,784</u>	<u>1,182</u>	<u>2,765</u>	<u>8,731</u>
Total net assets	<u>\$ 4,784</u>	<u>\$ 1,182</u>	<u>\$ 2,765</u>	<u>\$ 8,731</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, 2009

(amounts expressed in thousands)

	<u>Risk Management</u>	<u>Workers' Compensation</u>	<u>Employee Benefits</u>	<u>Total</u>
Operating revenues:				
Self-insurance premiums	\$ 2,828	\$ 993	\$ 19,443	\$ 23,264
Other	18	18	187	223
Total operating revenues	<u>2,846</u>	<u>1,011</u>	<u>19,630</u>	<u>23,487</u>
Operating expenses:				
Insurance claims and premiums	<u>730</u>	<u>1,168</u>	<u>20,656</u>	<u>22,554</u>
Operating income (loss)	2,116	(157)	(1,026)	933
Nonoperating revenues:				
Investment income	<u>152</u>	<u>65</u>	<u>153</u>	<u>370</u>
Income (loss) before transfers	<u>2,268</u>	<u>(92)</u>	<u>(873)</u>	<u>1,303</u>
Change in net assets	2,268	(92)	(873)	1,303
Net assets - beginning	<u>2,516</u>	<u>1,274</u>	<u>3,638</u>	<u>7,428</u>
Net assets - ending	<u>\$ 4,784</u>	<u>\$ 1,182</u>	<u>\$ 2,765</u>	<u>\$ 8,731</u>

City of Glendale, Arizona
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	Risk Management	Workers' Compensation	Employee Benefits	Total
Cash flows from operating activities:				
Cash received from customers	\$ 2,846	\$ 1,010	\$ 19,610	\$ 23,466
Cash paid for insurance and in settlement of claims	(1,527)	(1,350)	(22,496)	(25,373)
Net cash provided by (used for) operating activities	1,319	(340)	(2,886)	(1,907)
Cash flows from investing activities:				
Interest received	152	65	153	370
Net increase (decrease) in cash during fiscal year	1,471	(275)	(2,733)	(1,537)
Cash and cash equivalents, July 1	6,567	3,262	8,114	17,943
Cash and cash equivalents, June 30	\$ 8,038	\$ 2,987	\$ 5,381	\$ 16,406
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ 2,116	\$ (157)	\$ (1,026)	\$ 933
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operations:				
Change in accounts receivable	-	-	(19)	(19)
Change in inventories and prepaid items	(15)	-	-	(15)
Change in vouchers payable	(11)	74	58	121
Change in claims payable	(771)	(257)	(1,899)	(2,927)
Net cash provided by (used for) operating activities	\$ 1,319	\$ (340)	\$ (2,886)	\$ (1,907)
Reconciliation of statement of net assets cash and investments to the statement of cash flows:				
Per combined statement of net assets:				
Equity in pooled cash and investments	\$ 8,038	\$ 2,807	\$ 3,956	\$ 14,801
Restricted cash and investments	-	180	1,425	1,605
Total cash and cash equivalents	\$ 8,038	\$ 2,987	\$ 5,381	\$ 16,406

City of Glendale, Arizona
Budgetary Comparison Schedule
Risk Management Fund
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2008	\$ 6,867	\$ 6,867	\$ 6,550	\$ (317)
RESOURCES (INFLOWS):				
Self-insurance premiums	2,828	2,828	2,828	-
Investments	1,000	173	153	(20)
Other	-	-	17	17
Total revenues	<u>3,828</u>	<u>3,001</u>	<u>2,998</u>	<u>(3)</u>
Amounts available for appropriation	<u>10,695</u>	<u>9,868</u>	<u>9,548</u>	<u>(320)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Insurance and claims	<u>5,760</u>	<u>5,742</u>	<u>1,516</u>	<u>4,226</u>
Total charges to appropriations	<u>5,760</u>	<u>5,742</u>	<u>1,516</u>	<u>4,226</u>
Budgetary fund balance, June 30, 2009	<u>\$ 4,935</u>	<u>\$ 4,126</u>	<u>\$ 8,032</u>	<u>\$ 3,906</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.	\$ 9,548
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.	(6,550)
Total revenues as reported on the combining statement of revenues, expenses, and changes in fund net assets.	<u>\$ 2,998</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 1,516
Differences - budget to GAAP:	
Change in estimated claims payable and prepaids.	(786)
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net assets.	<u>\$ 730</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Workers' Compensation Fund
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2008	\$ 2,900	\$ 2,900	\$ 3,229	\$ 329
RESOURCES (INFLOWS):				
Self-insurance premiums	993	993	993	-
Investments	125	76	65	(11)
Other	-	-	18	18
Total revenues	<u>1,118</u>	<u>1,069</u>	<u>1,076</u>	<u>7</u>
Amounts available for appropriation	<u>4,018</u>	<u>3,969</u>	<u>4,305</u>	<u>336</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Insurance and claims	<u>1,407</u>	<u>1,424</u>	<u>1,424</u>	<u>-</u>
Total charges to appropriations	<u>1,407</u>	<u>1,424</u>	<u>1,424</u>	<u>-</u>
Budgetary fund balance, June 30, 2009	<u>\$ 2,611</u>	<u>\$ 2,545</u>	<u>\$ 2,881</u>	<u>\$ 336</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.	\$ 4,305
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.	(3,229)
Total revenues as reported in the combining statement of revenues, expenses, and changes in fund net assets.	<u>\$ 1,076</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 1,424
Differences - budget to GAAP:	
Change in estimated claims payable.	(256)
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net assets.	<u>\$ 1,168</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Employee Benefits Fund
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2008	\$ 4,700	\$ 4,700	\$ 6,490	\$ 1,790
RESOURCES (INFLOWS):				
Self-insurance premiums	23,369	19,592	19,443	(149)
Investments	113	191	153	(38)
Other	-	4	187	183
Total revenues	<u>23,482</u>	<u>19,787</u>	<u>19,783</u>	<u>(187)</u>
Amounts available for appropriation	<u>28,182</u>	<u>24,487</u>	<u>26,273</u>	<u>1,786</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Insurance and claims	<u>24,482</u>	<u>24,482</u>	<u>22,555</u>	<u>1,927</u>
Total charges to appropriations	<u>24,482</u>	<u>24,482</u>	<u>22,555</u>	<u>1,927</u>
Budgetary fund balance, June 30, 2009	<u>\$ 3,700</u>	<u>\$ 5</u>	<u>\$ 3,718</u>	<u>\$ 3,713</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.	\$ 26,273
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.	<u>(6,490)</u>
Total revenues as reported in the combining statement of revenues, expenses, and changes in fund net assets.	<u>\$ 19,783</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 22,555
Differences - budget to GAAP:	
Change in estimated claims payable liability.	<u>(1,899)</u>
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net assets.	<u>\$ 20,656</u>



City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OTHER SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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Federal Financial Data Schedule (PHA: AZ003)

For the Fiscal Year Ended June 30, 2009

(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	DYP	DHAP	Formula Capital Fund Stimulus Grant	Eliminations	Total
ASSETS:									
Current assets:									
111	Cash - unrestricted	\$ 180,676	\$ 526,821	\$ -	\$ 24,636	\$ 18,175	\$ -	\$ -	\$ 730,308
112	Cash - restricted - modernization and development	-	-	-	-	-	-	-	-
113	Cash - other restricted	-	204,028	-	-	-	-	-	204,028
114	Cash - tenant security deposits	38,390	-	-	-	-	-	-	38,390
115	Cash - restricted for payment of current liability	-	-	-	-	-	-	-	-
100	Total cash	219,066	730,849	-	24,636	18,175	-	-	992,726
Accounts receivables:									
121	Accounts receivable - PHA projects	-	99,507	-	-	-	-	-	99,507
122	Accounts receivable - HUD other projects	250,774	2,269	-	24,245	-	-	-	277,288
124	Accounts receivable - other government	-	-	-	-	-	-	-	-
125	Accounts receivable - miscellaneous	171,684	-	-	-	-	-	-	171,684
126	Accounts receivable - tenants	1,941	-	-	-	-	-	-	1,941
126.1	Allowance for doubtful accounts - tenants	(534)	-	-	-	-	-	-	(534)
120	Total receivables, net of allowances for doubtful accounts	423,865	101,776	-	24,245	-	-	-	549,886
Current investments:									
131	Investments - unrestricted	-	-	-	-	-	-	-	-
132	Investments - restricted	-	41,958	-	-	-	-	-	41,958
135	Investments - restricted for payment of current liability	-	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	-	-	-	-	-	-	-	-
143	Inventories	4,852	-	-	-	-	-	-	4,852
143.1	Allowance for obsolete inventories	(243)	-	-	-	-	-	(36,567)	(243)
144	Interprogram - due from	-	36,567	-	-	-	-	-	-
145	Assets held for sale	-	-	-	-	-	-	-	-
150	Total current assets	647,540	911,150	-	48,881	18,175	-	(36,567)	1,589,179
Non-current assets:									
Capital assets:									
161	Land	135,533	-	-	-	-	-	-	135,533
162	Buildings	8,409,211	149,998	-	-	-	-	-	8,559,209
163	Furniture, equipment & machinery - dwellings	461,973	-	-	-	-	-	-	461,973
164	Furniture, equipment & machinery - administration	162,318	102,908	-	-	-	-	-	265,226
165	Leasehold improvements	2,222,771	-	-	-	-	-	-	2,222,771
166	Accumulated depreciation	(6,601,800)	(143,209)	-	-	-	-	-	(6,745,009)
167	Construction in progress	1,331,861	-	-	-	-	-	-	1,331,861
168	Infrastructure	-	-	-	-	-	-	-	-
160	Total capital assets, net of accumulated depreciation	6,121,867	109,697	-	-	-	-	-	6,231,564
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	6,121,867	109,697	-	-	-	-	-	6,231,564
190	Total assets	6,769,407	1,020,847	-	48,881	18,175	-	(36,567)	7,830,743

(continued)

City of Glendale, Arizona
Federal Financial Data Schedule (PHA: AZ003)
 For the Fiscal Year Ended June 30, 2009
 (rounded to nearest dollar)

(continued)

Line Item No.	Account Description	Balance Sheet	AMPS	HCV	ROSS	DYP	DHAP	Formula Capital Fund Stimulus Grant	Eliminations	Total
LIABILITIES AND EQUITY/NET ASSETS:										
LIABILITIES:										
Current liabilities:										
311	Bank Overdraft									
312	Accounts payable <= 90 days	\$ 25,441	\$ 8,630			\$ 150	\$ 225			\$ 34,446
313	Accounts payable > 90 days past due	-	-	-	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	-	-	-	-	-	-	-	-	-
322	Accrued compensated absences - current portion	14,134	7,455	-	-	-	-	-	-	21,589
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	-	-	-	-	-	8,220	-	-	8,220
331-030	Accounts payable - HUD PHA programs - other	-	-	-	-	-	8,220	-	-	8,220
331	Total accounts payable - HUD PHA Programs	-	-	-	-	-	16,440	-	-	16,440
332	Accounts payable - PHA projects	-	-	-	-	-	-	-	-	-
333	Accounts payable - other government	-	-	-	-	-	-	-	-	-
341	Tenant security deposits	38,390	-	-	-	-	-	-	-	38,390
342-010	Deferred revenue - operating subsidy	-	-	-	-	-	-	-	-	-
342-020	Deferred revenue - capital fund	-	-	-	-	-	-	-	-	-
342-030	Deferred revenue - other	8,000	-	-	-	-	-	-	-	8,000
342	Total deferred revenues	8,000	-	-	-	-	-	-	-	8,000
343-010	Current portion of LT debt - CFFP	-	-	-	-	-	-	-	-	-
343-020	Current portion of LT debt - capital projects/mortgage revenue	-	-	-	-	-	-	-	-	-
343	Total Current portion of LT debt - capital pjt/mortgage rev bonds	-	-	-	-	-	-	-	-	-
344	Current portion of LT debt - operating borrowings	-	-	-	-	-	-	-	-	-
345	Other current liabilities	-	-	-	-	-	-	-	-	-
346	Accrued liabilities - other	-	-	-	-	-	-	-	-	-
347	Interprogram - due to	-	-	-	-	35,243	1,324	-	(36,567)	-
348	Loan liability - current	-	-	-	-	-	-	-	-	-
310	Total current liabilities	85,965	16,085	-	-	35,393	9,769	-	(36,567)	110,645
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 LT debt, net of current - capital pjt/mortgage rev bonds	-	-	-	-	-	-	-	-	-
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-	-	-
353	Noncurrent liabilities - other	-	-	41,958	-	-	-	-	-	41,958
354	Accrued compensated absences - noncurrent	127,205	67,098	-	-	-	-	-	-	194,303
355	Loan Liability - noncurrent	-	-	-	-	-	-	-	-	-
356	FASB 5 liabilities	-	-	-	-	-	-	-	-	-
357	Accrued pension and OPEB liability	116,008	77,338	-	-	-	-	-	-	193,346
350	Total noncurrent liabilities	243,213	186,394	-	-	-	-	-	-	429,607
300	Total liabilities	329,178	202,479	-	-	35,393	9,769	-	(36,567)	540,252
EQUITY/NET ASSETS:										
508.1	Invested in capital assets, net of related debt	6,121,867	109,697	-	-	-	-	-	-	6,231,564
511.1	Restricted net assets	-	204,028	-	-	-	-	-	-	204,028
512.1	Unrestricted net assets	318,362	504,643	-	-	13,488	8,406	-	-	844,899
513	Total equity/net assets	6,440,229	818,368	-	-	13,488	8,406	-	-	7,280,491
600	Total liabilities and equity/net assets	\$ 6,769,407	\$ 1,020,847	-	-	\$ 48,881	\$ 18,175	\$	\$ (36,567)	\$ 7,820,743

(continued)

Federal Financial Data Schedule (PHA: AZ003)

For the Fiscal Year Ended June 30, 2009

(rounded to nearest dollar)

(continued)

Line Item No.	Income Statement Account Description	AMPS	HCV	ROSS	DYP	DHAP	Formula Capital Fund Stimulus Grant	Eliminations	Total
REVENUE:									
70300	Net tenant rental revenue	\$ 351,729	-	-	-	-	-	-	\$ 351,729
70400	Tenant revenue - other	8,014	-	-	-	-	-	-	8,014
70500	Total tenant revenue	359,743	-	-	-	-	-	-	359,743
70600-010	Housing assistance payments	-	7,207,985	-	-	-	-	-	7,207,985
70600-020	Ongoing administrative fees earned	-	689,471	-	-	-	-	-	689,471
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	-	-	-	-	-	-	-	-
70600-070	HUD PHA operating grants - other	549,948	-	4,962	4,406	-	-	-	559,316
70600	Total HUD PHA operating grants	549,948	7,897,456	4,962	4,406	-	-	-	8,456,772
70610	Capital grants	-	-	-	-	-	319,325	-	319,325
70710	Management fee	405,525	-	-	-	-	-	-	405,525
70720	Asset management fee	-	-	-	-	-	-	-	-
70730	Bookkeeping fee	-	-	-	-	-	-	-	-
70740	Front line service fee	-	-	-	-	-	-	-	-
70750	Other fees	-	-	-	-	-	-	-	-
70700	Total fee revenue	-	-	-	-	-	-	-	-
70800	Other government grants	238,745	-	-	-	5,099	-	-	243,844
71100-010	Investment income - unrestricted - housing assistance payment	-	-	-	-	-	-	-	-
71100-020	Investment income - unrestricted - administrative fee	-	763	-	-	-	-	-	763
71100	Total investment income - unrestricted - other	1,480	763	-	-	-	-	-	1,480
71200	Mortgage interest income	1,480	763	-	-	-	-	-	2,243
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-
71310	Cost of sale of assets	-	-	-	-	-	-	-	-
71400-010	Fraud recovery - housing assistance payment	-	1,304	-	-	-	-	-	1,304
71400-020	Fraud recovery - administrative fee	-	1,304	-	-	-	-	-	1,304
71400	Total fraud recovery - other	-	2,608	-	-	-	-	-	2,608
71500	Other revenue	80,341	1,596,928	-	-	-	-	-	1,677,269
71600	Gain or loss on the sale of capital assets	-	-	-	-	-	-	-	-
72000-010	Investment income - restricted - housing assistance payment	-	489	-	-	-	-	-	489
72000-020	Investment income - restricted - administrative fee	-	-	-	-	-	-	-	-
72000	Total investment income - restricted - other	-	489	-	-	-	-	-	489
70000	Total revenue	\$ 1,635,782	\$ 9,498,244	\$ 4,962	\$ 4,406	\$ 5,099	\$ 319,325	\$ -	\$ 11,467,818

(continued)

City of Glendale, Arizona
Federal Financial Data Schedule (PHA: AZ003)
 For the Fiscal Year Ended June 30, 2009
 (rounded to nearest dollar)

(continued)

Line Item No.	Income Statement Account Description	AMPS	HCV	ROSS	DVP	DHAP	Formula Capital Fund Stimulus Grant	Eliminations	Total
EXPENSES:									
91100	Administrative salaries	\$ 481,466	\$ 511,443	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 992,909
91200	Auditing fees	-	-	-	-	-	-	-	-
91300	Management fee	-	-	-	-	-	-	-	-
91310	Bookkeeping fee	-	-	-	-	-	-	-	-
91400	Advertising and marketing	214	548	-	-	-	-	-	762
91500	Employee benefit contributions - administrative	92,333	108,874	-	-	-	-	-	201,207
91600	Office expenses	41,126	37,388	-	-	-	-	-	78,514
91700	Legal expense	464	600	-	-	-	-	-	600
91800	Travel	-	-	-	-	-	-	-	464
91810	Allocated overhead	-	-	-	-	-	-	-	-
91900	Other	44,209	61,120	521	450	750	-	-	1,07,050
91900	Total operating - administrative	659,812	719,973	521	450	750	-	-	1,381,506
92000	Asset management fee	-	-	-	-	-	-	-	-
92100	Tenant services - salaries	-	-	-	-	-	-	-	-
92200	Relocation costs	-	-	-	-	-	-	-	-
92300	Employee benefit contributions - tenant services	-	-	-	-	-	-	-	-
92400	Tenant services - other	16,200	-	4,441	-	-	-	-	20,641
92500	Total Tenant services	16,200	-	4,441	-	-	-	-	20,641
93100	Water	65,100	-	-	-	-	-	-	65,100
93200	Electricity	22,044	-	-	-	-	-	-	22,044
93300	Gas	2,686	-	-	-	-	-	-	2,686
93400	Fuel	-	-	-	-	-	-	-	-
93500	Labor	-	-	-	-	-	-	-	-
93600	Sewer	31,315	-	-	-	-	-	-	31,315
93700	Employee benefit contributions- utilities	-	-	-	-	-	-	-	-
93750	HAP portability - in	-	-	-	-	-	-	-	-
93800	Other utilities expense	-	-	-	-	-	-	-	-
93900	Total utilities	121,145	-	-	-	-	-	-	121,145
94100	Ordinary maintenance and operations - labor	261,790	-	-	-	-	-	-	261,790
94200	Ordinary maintenance and operations - materials & other	117,964	20,943	-	-	-	-	-	138,907
94300-010	Ordinary maint & ops contracts - garbage & trash removal	26,132	-	-	-	-	-	-	26,132
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	10,247	-	-	-	-	-	-	10,247
94300-060	Ordinary maint & ops contracts - unit turnaround	5,205	-	-	-	-	-	-	5,205
94300-070	Ordinary maint & ops contracts - electrical	4,623	-	-	-	-	-	-	4,623
94300-080	Ordinary maint & ops contracts - plumbing	10,847	-	-	-	-	-	-	10,847
94300-090	Ordinary maint & ops contracts - extermination	15,666	-	-	-	-	-	-	15,666
94300-100	Ordinary maint & ops contracts - janitorial	-	-	-	-	-	-	-	-
94300-110	Ordinary maint & ops contracts - routine maintenance	127,530	-	-	-	-	-	-	127,530
94300-120	Ordinary maint & ops contracts - miscellaneous	-	-	-	-	-	-	-	-
94300	Total ordinary maintenance and operations - contract costs	200,250	-	-	-	-	-	-	200,250
94500	Employee benefit contributions - ordinary maintenance	53,205	-	-	-	-	-	-	53,205
94000	Total maintenance	633,209	20,943	-	-	-	-	-	654,152

(continued)

Federal Financial Data Schedule (PHA: AZ003)

For the Fiscal Year Ended June 30, 2009

(rounded to nearest dollar)

(continued)

Line Item No.	Income Statement Account Description	AMPS	HCV	ROSS	DVP	DHAP	Formula Capital Fund Stimulus Grant	Eliminations	Total
95100	Protective services - labor	-	-	-	-	-	-	-	-
95200	Protective services - other contract costs	-	-	-	-	-	-	-	-
95300	Protective services - other	1,056	-	-	-	-	-	-	1,056
95500	Employee benefit contributions - protective services	-	-	-	-	-	-	-	-
95000	Total protective services	1,056	-	-	-	-	-	-	1,056
96110	Property insurance	39,961	17,377	-	-	-	-	-	57,338
96120	Liability insurance	-	-	-	-	-	-	-	-
96130	Workman's compensation	2,148	944	-	-	-	-	-	3,092
96140	All other insurance	-	-	-	-	-	-	-	-
96100	Total insurance premiums	42,109	18,321	-	-	-	-	-	60,430
96200	Other general expenses	-	25,169	-	-	-	-	-	25,169
96210	Compensated absences	14,096	3,222	-	-	-	-	-	17,318
96300	Payments in lieu of taxes	-	-	-	-	-	-	-	-
96400	Bad debt - tenant rents	534	-	-	-	-	-	-	534
96500	Bad debt - mortgages	-	-	-	-	-	-	-	-
96600	Bad debt - other	-	-	-	-	-	-	-	-
96800	Severance expense	-	-	-	-	-	-	-	-
96000	Total other general expenses	14,630	28,391	-	-	-	-	-	43,021
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	1,488,161	787,628	4,962	450	750	-	-	2,281,951
97000	Excess revenue over operating expenses	147,621	8,710,616	-	3,956	4,349	319,325	-	9,185,867
97100	Extraordinary maintenance	-	-	-	-	-	-	-	-
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 - hope	-	-	-	-	-	-	-	-
97300-040	HAP - moving to work	-	-	-	-	-	-	-	-
97300-040	HAP - tenant protection	-	-	-	-	-	-	-	-
97300-050	HAP - all other	-	-	-	-	-	-	-	-
97300	Total Housing assistance payments	-	7,875,591	-	2,069	-	-	-	7,877,660
97350	HAP Portability-in	-	7,875,591	-	2,069	-	-	-	7,877,660
97400	Depreciation expense	365,735	1,344,702	-	-	-	-	-	1,344,702
97500	Fraud losses	-	5,626	-	-	-	-	-	5,626
97800	Dwelling units rent expense	-	-	-	-	-	-	-	-
90000	Total expenses	1,853,896	10,013,547	4,962	2,519	750	-	-	11,875,674

(continued)

Federal Financial Data Schedule (PHA: AZ003)

For the Fiscal Year Ended June 30, 2009

(rounded to nearest dollar)

(continued)

Line Item No.	Income Statement Account Description	AMPS	HCV	ROSS	DVP	DHAP	Formula Capital Fund Stimulus Grant	Eliminations	Total
	OTHER FINANCING SOURCES (USES)								
10010	Operating transfers in	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10020	Operating transfers out	-	-	-	-	-	-	-	-
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	604,000	-	-	-	-	-	-	604,000
	Operating transfers from/to primary government - other - comment								
10030	Total operating transfers from/to primary government	604,000	-	-	-	-	-	-	604,000
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)	604,000	-	-	-	-	-	-	604,000
10000	Excess (deficiency) of total revenues over (under) total expenses	\$ 385,886	\$ (515,303)	\$ -	\$ 1,887	\$ 4,349	\$ 319,325	\$ -	\$ 196,144

(continued)

City of Glendale, Arizona
Federal Financial Data Schedule (PHA: AZ003)
 For the Fiscal Year Ended June 30, 2009
 (rounded to nearest dollar)

(continued)

Line Item No.	Income Statement Account Description	AMPS	HCV	ROSS	DVP	DHAP	Formula Capital Fund Stimulus Grant	Eliminations	Total
MEMO ACCOUNT INFORMATION									
11020	Required annual debt principal payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11030	Beginning equity	5,698,108	1,293,444	-	11,601	4,057	-	-	7,007,210
11040-010	Prior period adjustments and correction of errors - Editable	-	-	-	-	-	-	-	-
11040-020	Prior period adjustments and correction of errors - Editable	-	-	-	-	-	-	-	-
11040-030	Prior period adjustments and correction of errors - Editable	-	-	-	-	-	-	-	-
11040-040	Prior period adjustments and correction of errors - Editable	-	-	-	-	-	-	-	-
11040-050	Prior period adjustments and correction of errors - Editable	-	-	-	-	-	-	-	-
11040-060	Prior period adjustments and correction of errors - Editable	-	-	-	-	-	-	-	-
11040-070	Equity transfers	-	-	-	-	-	-	-	-
11040-080	Equity transfers	-	-	-	-	-	-	-	-
11040-090	Equity transfers	319,325	-	-	-	-	(319,325)	-	-
11040-100	Equity transfers	-	-	-	-	-	-	-	-
11040-110	Equity transfers	-	-	-	-	-	-	-	-
11040	Total prior period adjustments, equity transfers & correction of errors	319,325	-	-	-	-	(319,325)	-	-
Administrative fee equity:									
11170-001	Administrative fee equity - beginning balance	-	423,603	-	-	-	-	-	423,603
11170-010	Administrative fee revenue	-	689,471	-	-	-	-	-	689,471
11170-020	Hard to house fee revenue	-	-	-	-	-	-	-	-
11170-030	Audit costs	-	-	-	-	-	-	-	-
11170-040	Investment income	-	763	-	-	-	-	-	763
11170-045	Fraud recovery revenue	-	1,304	-	-	-	-	-	1,304
11170-050	Other revenue	-	1,596,928	-	-	-	-	-	1,596,928
11170-051	Comment for other revenue	-	\$1,344,702	-	-	-	-	-	-
		-	HAP Port-in:	-	-	-	-	-	-
		-	\$252,226 Admin	-	-	-	-	-	-
		-	Port-in	-	-	-	-	-	-
11170-060	Total administrative fee revenues	-	2,288,466	-	-	-	-	-	2,288,466
11170-080	Total operating expenses	-	787,628	-	-	-	-	-	787,628
11170-090	Depreciation	-	5,626	-	-	-	-	-	5,626
11170-095	Housing assistance portability-in	-	1,344,702	-	-	-	-	-	1,344,702
11170-100	Other expenses	-	-	-	-	-	-	-	-
11170-101	Comment for other expense	-	-	-	-	-	-	-	-
11170-110	Total expenses	-	2,137,956	-	-	-	-	-	2,137,956
11170-002	Net administrative fee	-	150,510	-	-	-	-	-	150,510
11170-003	Administrative fee equity - ending balance	-	574,113	-	-	-	-	-	574,113
11170	Administrative fee equity	-	574,113	-	-	-	-	-	574,113
Housing assistance payments equity:									
11180-001	Housing assistance payments equity - beginning balance	-	869,841	-	-	-	-	-	869,841
11180-010	Housing assistance payments revenues	-	7,207,985	-	-	-	-	-	7,207,985
11180-015	Fraud recovery revenue	-	1,304	-	-	-	-	-	1,304
11180-020	Other revenue	-	-	-	-	-	-	-	-
11180-021	Comment for other revenue	-	-	-	-	-	-	-	-
11180-025	Investment income	-	489	-	-	-	-	-	489
11180-030	Total housing assistance payments revenues	-	7,209,778	-	-	-	-	-	7,209,778
11180-080	Housing assistance payments	-	7,875,591	-	-	-	-	-	7,875,591
11180-090	Other expenses	-	-	-	-	-	-	-	-
11180-091	Comment for other expenses	-	-	-	-	-	-	-	-
11180-100	Total housing assistance payments expenses	-	7,875,591	-	-	-	-	-	7,875,591
11180-002	Net housing assistance payments	-	(665,813)	-	-	-	-	-	(665,813)
11180-003	Housing assistance payments equity - ending balance	-	204,028	-	-	-	-	-	204,028
11180	Housing assistance payments	-	204,028	-	-	-	-	-	204,028
11190	Unit months available	1,788	12,648	-	3	-	-	-	14,439
11210	Unit months leased	1,781	12,567	-	3	-	-	-	14,351

Federal Financial Data Schedule (PHA: AZ003)

For the Fiscal Year Ended June 30, 2009

(rounded to nearest dollar)

(continued)

Line Item No.	Income Statement Account Description	AMPS	HCV	ROSS	DYP	DHAP	Formula Capital Fund Stimulus Grant	Eliminations	Total
11610	Land purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11620	Building purchases	724,850	-	-	-	-	-	-	724,850
11630	Furniture & equipment - dwelling purchases	-	-	-	-	-	-	-	-
11640	Furniture & equipment - administrative purchases	-	-	-	-	-	-	-	-
11650	Leasehold improvements purchases	-	-	-	-	-	-	-	-
11660	Infrastructure purchases	-	-	-	-	-	-	-	-
13510	CHFP debt service payments	-	-	-	-	-	-	-	-
13901	Replacement housing factor funds	-	-	-	-	-	-	-	-
	Total assets	6,769,407	1,020,847	-	48,881	18,175	-	(36,567)	7,820,743
	Total liabilities and equity	6,769,407	1,020,847	-	48,881	18,175	-	(36,567)	7,820,743
	Check sum: should be zero -0-	-	-	-	-	-	-	-	-
	Beginning equity	5,698,108	1,293,444	-	11,601	4,057	(319,325)	-	7,007,210
	Equity transfers and/or prior period adjustments	319,325	-	-	-	-	-	-	-
	Results of operations	385,886	(515,303)	-	1,887	4,349	319,325	-	196,144
	Ending equity	6,403,319	778,141	-	13,488	8,406	-	-	7,203,354
	Ending equity per balance sheet	6,440,229	818,368	-	13,488	8,406	-	-	7,280,491
	Check sum: should be zero -0-	\$ (36,910)	\$ (40,227)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (77,137)
	Admin equity	-	574,113	-	-	-	-	-	-
	HAP equity	-	204,028	-	-	-	-	-	-
	Total equity	-	778,141	-	-	-	-	-	-
	Check sum: should be zero -0-	-	-	-	-	-	-	-	-



City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

STATISTICAL SECTION

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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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>
Financial Trends 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
Revenue Capacity These schedules contain information to help the reader assess the city's local revenue source, the property tax and sales tax.	136-140
Debt Capacity 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
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.	150-151
Operating Information 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 Ten Fiscal Years⁽¹⁾
 (amounts expressed in thousands)

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Government activities				
Invested in capital assets, net of related debt	\$ 471,484	\$ 499,322	\$ 446,828	\$ 398,517
Restricted	144,422	133,695	180,303	155,163
Unrestricted	<u>51,500</u>	<u>51,850</u>	<u>44,573</u>	<u>75,417</u>
Total governmental activities net assets	<u>667,406</u>	<u>684,867</u>	<u>671,704</u>	<u>629,097</u>
Business-type activities				
Invested in capital assets, net of related debt	286,452	297,329	249,569	233,387
Restricted	13,249	12,836	11,881	12,437
Unrestricted	<u>114,814</u>	<u>107,384</u>	<u>155,325</u>	<u>158,753</u>
Total business-type activities net assets	<u>414,515</u>	<u>417,549</u>	<u>416,775</u>	<u>404,577</u>
Primary government				
Invested in capital assets, net of related debt	757,936	796,651	696,397	631,904
Restricted	157,671	146,531	192,184	167,600
Unrestricted	<u>166,314</u>	<u>159,234</u>	<u>199,898</u>	<u>234,170</u>
Total primary government net assets	<u>\$ 1,081,921</u>	<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

2005	2004	2003	2002 ⁽¹⁾
\$ 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 Ten Fiscal Years⁽¹⁾
 (amounts expressed in thousands)

	2009	2008	2007	2006	2005	2004	2003	2002 ⁽¹⁾
Expenses								
Governmental activities:								
General government	\$ 39,545	\$ 39,998	\$ 37,992	\$ 33,329	\$ 31,603	\$ 24,003	\$ 20,209	\$ 22,490
Public safety	109,136	113,285	92,405	75,277	64,277	56,176	52,625	53,779
Public works	15,040	16,006	14,816	13,995	14,309	13,883	11,411	12,766
Community services	48,143	52,185	45,481	40,275	37,394	33,914	32,210	30,919
Community environment	3,539	5,164	4,698	4,125	3,236	3,446	3,433	3,414
Street maintenance	23,978	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	38,982	28,475	23,551	16,883	16,986	15,838	7,223	5,864
Total governmental activities expenses	<u>278,363</u>	<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	74,424	74,581	63,289	55,607	50,190	45,628	43,442	39,909
Landfill	8,045	8,067	8,264	7,950	7,431	7,164	7,784	1,189
Sanitation	14,039	15,209	13,847	13,257	12,287	12,294	12,353	10,180
Housing	11,840	9,862	8,951	9,466	9,278	8,858	8,033	7,513
Total business-type activities expenses	<u>108,348</u>	<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>\$ 386,711</u>	<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>
Program revenues								
Governmental activities:								
Charges for services:								
General government	\$ 11,879	\$ 12,132	\$ 11,610	\$ 10,726	\$ 9,075	\$ 9,092	\$ 10,029	\$ 4,464
Public safety	4,670	5,744	1,964	1,375	1,200	1,043	1,897	325
Public works	588	543	531	516	506	148	526	479
Community services	15,661	22,859	22,285	20,121	16,871	16,942	13,439	4,409
Community environment	3,045	-	-	31	-	3	-	-
Street maintenance	36	-	48	-	-	-	7	25
Operating grants and contributions	24,146	33,191	36,566	31,973	26,535	24,503	22,522	22,640
Capital grants and contributions	2,600	14,491	26,247	6,406	1,407	3,429	4,294	2,589
Total governmental activities program revenues	<u>62,625</u>	<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>

	2009	2008	2007	2006	2005	2004	2003	2002 ⁽¹⁾
Business-type activities:								
Charges for services:								
Water and sewer	67,810	66,316	62,125	56,153	54,295	52,456	52,088	46,068
Landfill	7,304	9,196	9,742	8,362	8,961	9,593	8,644	9,610
Sanitation	15,258	14,684	14,653	14,167	13,624	12,817	11,918	11,808
Housing	2,042	816	662	569	542	512	494	422
Operating grants and contributions	8,701	8,348	8,254	8,020	8,027	7,643	7,091	6,592
Capital grants and contributions	1,207	4,346	5,125	5,403	242	168	520	673
Total business-type activities program revenues	102,322	103,706	100,561	92,674	85,691	83,189	80,755	75,173
Total primary government program revenues	164,947	192,666	199,812	163,822	141,285	138,349	133,469	110,104
Net (expense)/revenue								
Governmental activities	(215,738)	(192,328)	(144,598)	(138,476)	(133,804)	(112,667)	(94,853)	(106,854)
Business-type activities	(6,026)	(4,013)	6,210	6,394	6,505	9,245	9,143	16,382
Total primary government net expense	\$ (221,764)	\$ (196,341)	\$ (138,388)	\$ (132,082)	\$ (127,299)	\$ (103,422)	\$ (85,710)	\$ (90,472)
General revenues and other changes in net assets								
Governmental activities:								
Taxes:								
Property taxes	\$ 32,890	\$ 28,826	\$ 23,085	\$ 21,386	\$ 19,422	\$ 18,321	\$ 16,739	\$ 16,459
Sales taxes	97,054	105,175	97,825	90,968	77,166	74,763	63,832	52,580
Unrestricted state shared sales tax	19,321	22,237	23,037	23,298	20,271	18,409	17,113	16,862
Unrestricted urban revenue sharing								
(state shared income tax)	36,267	34,109	27,518	22,909	20,115	19,731	23,288	22,822
Auto in-lieu taxes	8,808	9,730	10,044	10,444	9,414	8,978	8,619	7,219
Investment earnings, unrestricted	1,668	4,742	5,557	4,395	2,654	315	(1,602)	1,397
Gain (loss) on disposal of capital assets	(52)	879	202	348	225	9	445	(345)
Miscellaneous	2,872	302	301	272	275	349	299	289
Capital contributions	-	-	-	-	4,794	24,614	27,042	6,205
Transfers	(551)	(509)	(364)	700	(164)	(333)	(67)	(228)
Total governmental activities	198,277	205,491	187,205	174,720	154,172	165,156	155,708	132,149
Business-type activities:								
Investment earnings, unrestricted	2,069	4,044	5,381	3,466	2,065	1,115	(123)	1,215
Gain (loss) on disposal of capital assets	282	126	103	844	-	-	(725)	(168)
Loss on joint venture	-	-	-	-	-	(1,285)	(1,011)	(1,054)
Miscellaneous	90	108	140	100	202	2,414	7,241	4,591
Capital contributions	-	-	-	-	5,712	333	67	228
Transfers	551	509	364	(700)	164	2,577	5,449	8,563
Total business-type activities	2,992	4,787	5,988	3,710	8,143	2,577	5,449	8,563
Total primary government	\$ 201,269	\$ 210,278	\$ 193,193	\$ 178,430	\$ 162,315	\$ 167,733	\$ 161,157	\$ 140,712
Changes in net assets								
Governmental activities	\$ (17,461)	\$ 13,163	\$ 42,607	\$ 36,244	\$ 20,368	\$ 52,489	\$ 60,855	\$ 25,295
Business-type activities	(3,034)	774	12,198	10,104	14,648	11,822	14,592	24,945
Total primary government	\$ (20,495)	\$ 13,937	\$ 54,805	\$ 46,348	\$ 35,016	\$ 64,311	\$ 75,447	\$ 50,240

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

Schedule 3

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

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
General fund										
Reserved	\$ 10,450	\$ 9,271	\$ 10,500	\$ 10,287	\$ 9,377	\$ 9,582	\$ 17,315	\$ 17,998	\$ 13,232	\$ 13,147
Unreserved	42,180	57,117	50,880	62,166	56,661	51,080	31,727	7,119	24,716	35,460
Total general fund	<u>\$ 52,630</u>	<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>
All other governmental funds										
Reserved	\$ 83,966	\$ 58,146	\$ 45,029	\$ 42,910	\$ 39,014	\$ 41,188	\$ 33,527	\$ 28,460	\$ 19,473	\$ 16,147
Unreserved, report in:										
Special revenue funds	57,555	76,493	34,369	30,584	34,867	29,807	23,553	8,596	2,585	2,410
Capital projects funds	27,474	18,436	68,932	64,106	61,765	71,569	126,252	37,932	28,369	33,717
Total all other governmental funds	<u>\$ 168,995</u>	<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>

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City of Glendale, Arizona
Changes in Fund Balances - Governmental Funds
 Last Ten Fiscal Years

(amounts expressed in thousands)

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Revenues										
Taxes and special assessments	\$ 130,119	\$ 133,746	\$ 121,122	\$ 112,576	\$ 96,812	\$ 93,655	\$ 82,458	\$ 70,526	\$ 60,911	\$ 57,681
Licenses and permits	10,503	17,385	17,839	16,039	15,497	16,667	16,771	10,663	9,897	8,280
Intergovernmental	91,642	101,821	107,699	86,994	75,691	73,166	73,836	68,479	72,216	70,269
Local revenues	-	-	-	-	-	-	-	-	6,417	11,020
Charges for services	9,881	14,125	10,086	8,838	5,681	4,824	3,313	2,516	5,347	4,862
Fines and forfeitures	4,064	4,507	3,932	3,564	3,247	3,169	3,246	2,859	2,381	2,413
Investment income (loss)	3,805	9,986	10,905	7,825	4,762	1,511	(805)	2,572	8,303	4,533
Miscellaneous	9,346	4,915	4,212	4,136	3,335	2,774	2,834	2,729	3,687	1,905
Total revenues	259,360	286,485	275,795	239,972	205,025	193,766	181,653	160,344	169,159	160,963
Expenditures										
General government	26,048	25,364	24,524	21,868	20,892	17,274	20,321	20,064	21,583	17,122
Public safety	103,624	100,384	86,753	72,745	61,366	53,805	49,571	49,126	43,741	41,155
Public works	11,072	11,743	12,155	12,252	12,081	12,816	10,118	11,364	12,688	11,884
Community services	42,294	44,767	39,150	35,604	32,627	30,006	28,391	27,502	22,832	21,332
Community environment	3,478	4,972	4,657	3,978	3,082	3,311	3,282	3,223	2,379	2,052
Street maintenance	11,901	13,045	13,372	11,609	10,534	9,811	9,994	11,493	10,320	9,541
Community housing	-	-	-	-	-	-	-	-	6,201	5,645
Miscellaneous	1,666	1,629	3,059	2,918	55	555	80	71	475	458
Capital outlay	186,175	141,060	179,421	131,243	47,283	120,833	142,213	38,636	37,029	42,178
Debt service:										
Principal	29,670	32,151	28,096	20,328	18,899	18,090	21,680	20,574	16,501	27,574
Interest	39,571	32,294	20,630	17,222	17,231	15,998	8,155	5,925	6,605	5,422
Total expenditures	455,499	407,409	411,817	329,767	224,050	282,499	293,805	187,978	180,354	184,363
Excess of revenues over (under) expenditures	(196,139)	(120,924)	(136,022)	(89,795)	(19,025)	(86,733)	(112,152)	(27,634)	(11,195)	(23,400)

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Other financing sources (uses)										
Discount on long-term debt	(3,136)	-	-	-	-	(82)	-	-	-	-
Proceeds from loans	-	-	-	-	-	-	-	200	-	5,279
Long-term debt issued	199,750	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	1,894	2,192	1,198	1,782	230	1,114	14,500	-	-	-
Proceeds from equipment disposal	344	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	21,914	51,626	24,945	20,014	15,800	32,943	12,851	15,936	15,015	15,814
Transfers out	(22,465)	(52,135)	(25,309)	(19,314)	(15,964)	(33,276)	(12,918)	(16,165)	(16,325)	(14,333)
Total other financing sources (uses)	<u>198,301</u>	<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>
Net change in fund balances	\$ 2,162	\$ 9,753	\$ (343)	\$ 8,369	\$ (1,542)	\$ (29,148)	\$ 132,269	\$ 8,449	\$ (12,505)	\$ 34,496
Debt service as a percentage of noncapital expenditures	25.71%	24.20%	20.97%	18.91%	20.44%	21.09%	19.68%	17.74%	16.12%	23.21%

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

Fiscal Year	Major Components										Total Direct Tax Rate	Estimated Actual Value ⁽¹⁾	Assessed Value as a Percentage of Actual Value ⁽²⁾
	Real Estate	Improvements	Secured Personal	Unsecured Personal	Utilities Rails and Wires	Less: Tax Exempt Property	Net Assessed Value ⁽¹⁾						
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			
2008-09	739,936	1,821,057	1,865	54,663	61,347	485,193	2,193,675	1.59	21,034,639	12.736			

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.).

(2) The assessed value as a percentage of actual value does not include tax exempt property.

Schedule 6

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

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
1999-00	\$ 0.39	\$ 1.34	\$ 1.73	\$ 16.72	\$ 14.86	\$ 14.33
2000-01	0.38	1.34	1.72	15.81	14.55	13.12
2001-02	0.36	1.36	1.72	15.36	13.73	13.12
2002-03	0.35	1.37	1.72	15.51	13.69	12.59
2003-04	0.34	1.38	1.72	14.79	13.59	12.06
2004-05	0.33	1.39	1.72	14.88	13.22	11.78
2005-06	0.31	1.41	1.72	20.96	18.45	16.98
2006-07	0.29	1.43	1.72	19.84	17.26	15.34
2007-08	0.27	1.35	1.62	17.74	15.33	13.97
2008-09	0.24	1.35	1.59	15.85	14.09	13.03

Source: Maricopa County 2008 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 Ten Years Ago
 June 30, 2009
 (amounts expressed in thousands)

Schedule 7

	Tax Year 2009			Tax Year 1999		
	Rank	Assessed Valuation	Percentage of Total City Taxable Assessed Value	Rank	Assessed Valuation	Percentage of Total City Taxable Assessed Value
VHS of Arrowhead, Inc.	1	\$ 21,213,395	0.97 %	1	\$ 12,134,420	1.54 %
Arizona Public Service Company	2	18,475,282	0.84			
New River Associates	3	14,841,707	0.68	3	10,036,241	1.27
Entertainment Center Development LLC	4	14,522,082	0.66			
Wal-Mart Stores, Inc.	5	14,198,154	0.65			
JQH-Glendale Az Development LLC	6	12,500,544	0.57			
Qwest Corporation (US West)	7	11,146,716	0.51	2	11,206,284	1.42
IED Glendale LLC	8	9,561,362	0.44			
Opus West Corporation	9	7,886,081	0.36			
Coyote Center Development LLC	10	6,699,663	0.31			
Southwest Gas Corporation						
Price Reit				4	4,200,727	0.53
Sanderson Ford				5	3,474,917	0.44
Burlington Northern Sante Fe				6	3,337,387	0.42
Safeway Inc				7	2,814,655	0.36
Meridan Trust Co				8	2,362,574	0.30
SP Commercial Flight				9	2,333,750	0.30
				10	2,314,634	0.29
Total principal taxpayers		\$ 131,044,986	5.99 %		\$ 54,215,589	6.87 %

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 ⁽¹⁾	Collected within the Fiscal Year of Levy		Collections in Subsequent Years ⁽²⁾	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
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	588	16,117	99.88
2002-03	16,743	16,289	97.29	440	16,729	99.92
2003-04	18,468	17,899	96.92	561	18,460	99.96
2004-05	19,534	19,011	97.32	427	19,438	99.51
2005-06	21,566	20,980	97.28	493	21,473	99.57
2006-07	23,423	22,721	97.00	444	23,165	98.90
2007-08	28,728	27,823	96.85	579	28,402	98.87
2008-09	33,927	32,411	95.53	-	32,411	95.53

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)

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Retail sales	\$ 48,353	\$ 54,416	\$ 50,733	\$ 48,743	\$ 41,883	\$ 41,262	\$ 36,639	\$ 30,858	\$ 24,449	\$ 24,305
Contracting	6,378	9,540	10,483	9,729	7,716	7,709	5,638	3,659	4,269	4,656
Rentals	11,511	12,082	9,895	8,897	8,228	7,752	7,164	5,740	4,990	4,660
Utilities	6,449	5,359	4,724	4,168	1,967	2,606	1,765	1,482	1,297	1,260
Telecom/cable TV	6,722	6,174	5,914	5,300	5,179	4,290	2,437	1,490	1,259	1,017
Restaurant/bar	10,863	10,995	9,335	8,163	7,031	6,676	6,132	5,477	4,935	4,729
Amusement	3,659	3,034	3,288	1,934	1,043	1,058	601	539	424	493
Other	4,002	3,575	3,453	4,034	4,119	3,410	3,456	3,335	2,768	2,467
Total	\$ 97,937	\$ 105,175	\$ 97,825	\$ 90,968	\$ 77,166	\$ 74,763	\$ 63,832	\$ 52,580	\$ 44,391	\$ 43,587
% Growth by year										
Retail sales	(11.1) %	7.3 %	4.1 %	16.4 %	1.5 %	12.6 %	18.7 %	26.2 %	0.6 %	43.1 %
Contracting	(33.1)	(9.0)	7.8	26.1	0.1	36.7	54.1	(14.3)	(8.3)	(5.0)
Rentals	(4.7)	22.1	11.2	8.1	6.1	8.2	24.8	15.0	7.1	27.7
Utilities	20.3	13.4	13.3	111.9	(24.5)	47.6	19.1	14.3	2.9	2.9
Telecom/cable TV	8.9	4.4	11.6	2.3	20.7	76.0	63.6	18.3	23.8	11.1
Restaurant/bar	(1.2)	17.8	14.4	16.1	5.3	8.9	12.0	11.0	4.4	8.3
Amusement	20.6	(7.7)	70.0	85.4	(1.4)	76.0	11.5	27.1	(14.0)	100.0
Other	11.9	3.5	(14.5)	(2.1)	20.8	(1.3)	3.6	20.5	12.2	(68.2)
Total	(6.9) %	7.5 %	7.5 %	17.9 %	3.2 %	17.1 %	21.4 %	18.4 %	1.8 %	8.9 %

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⁽¹⁾

Last Ten Fiscal Years

(amounts expressed in thousands)

Fiscal Year	Government Activities									
	General Obligation Bonds	Special Assessment Bonds	Street and Highway Revenue Bonds	Excise Tax Revenue Bonds	Transportation Bonds	Capital Leases	Notes Payable			
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			
2008-09	197,738	-	27,480	493,880	105,035	9,076	7,637			

Fiscal Year	Business Activities							Total Primary Government	Percentage of Personal Income ⁽²⁾
	Water			Water		Capital Leases	Notes Payable		
	Water Sewer G.O. Bonds	Landfill G.O. Bonds	Sewer Revenue Bonds	Notes Payable					
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		
2008-09	9,995	132	282,345	12,425	1,080	1,146,823	13.11		

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 from Schedule 15). Then divide total primary government amount by Glendale personal income to arrive at percentage of personal income.

Ratios of Net General Bonded Debt Outstanding

Last Ten Fiscal Years

(amounts expressed in thousands)

<u>Fiscal Year</u>	<u>General Obligation Bonds⁽¹⁾</u>	<u>Less: Amounts Available in Debt Service Funds⁽²⁾</u>	<u>Total</u>	<u>Percentage of Net Assessed Value of Property</u>	<u>Per Capita⁽³⁾</u>
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
2008-09	207,865	37,418	170,447	7.77	682.30

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, 2009

(amounts expressed in thousands)

Jurisdiction	Net Debt Outstanding	Percentage Applicable to Glendale	Amount Applicable to Glendale
Peoria Unified School District No. 11	\$ 221,275	22.3000 %	\$ 49,344
Glendale Elementary School District No. 40	19,020	98.9844	18,827
Deer Valley Unified School District No. 97	177,125	20.0732	35,555
Alhambra Elementary School District No. 68	24,395	18.3476	4,476
Glendale Union High School District No. 205	97,635	23.5470	22,990
Maricopa County	-	3.7625	-
Maricopa County Community College District	727,390	3.7625	27,368
Phoenix Union High School District No. 210	286,790	1.3692	3,927
Pendergast Elementary School District No. 92	17,930	15.4854	2,777
Tolleson Union High School District No. 214	82,015	5.1412	4,217
Washington Elementary School District No. 6	89,490	3.0113	2,695
Dysart Unified School District No. 89	186,345	0.0107	20
Agua Fria Union High School District No. 216	51,475	0.4221	217
Litchfield Elementary School District No. 79	35,705	0.6223	222
Total Overlapping Debt	2,016,590		172,635
City of Glendale Debt ⁽¹⁾	175,080		175,080
Total	\$ 2,191,670		\$ 347,715

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.

Legal Debt Margin Calculation for Fiscal Year 2009

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
6% Type Bonds										
Assessed value										\$ 2,193,675
Debt limit (6% of assessed value)										131,621
Debt applicable to limit: General obligation bonds										39,230
Less: Amount set aside for repayment of general obligation debt										(7,109)
Total net debt applicable to limit										32,121
Legal debt margin										\$ 99,500
Debt limit	\$ 47,262	\$ 52,614	\$ 57,247	\$ 59,346	\$ 64,801	\$ 68,673	\$ 76,174	\$ 82,259	\$ 109,621	\$ 131,621
Total net debt applicable to limit	26,107	21,602	30,167	47,813	49,399	51,682	52,539	38,998	43,358	32,121
Legal debt margin	\$ 21,155	\$ 31,012	\$ 27,080	\$ 11,533	\$ 15,402	\$ 16,991	\$ 23,635	\$ 43,261	\$ 66,263	\$ 99,500
Total net debt applicable to the limit as a percentage of debt limit	55.24%	41.06%	52.70%	80.57%	76.23%	75.26%	68.97%	47.41%	39.55%	24.40%

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
20% Type Bonds										
Assessed value										\$ 2,193,675
Debt limit (20% of assessed value)										438,735
Debt applicable to limit: General obligation bonds										168,635
Less: Amount set aside for repayment of general obligation debt										(30,309)
Total net debt applicable to limit										138,326
Legal debt margin										\$ 300,409
Debt limit	\$ 157,538	\$ 175,381	\$ 190,824	\$ 197,818	\$ 216,003	\$ 228,910	\$ 253,914	\$ 274,198	\$ 365,404	\$ 438,735
Total net debt applicable to limit	36,307	29,847	43,972	80,844	101,153	99,340	113,184	172,751	150,157	138,326
Legal debt margin	\$ 121,231	\$ 145,534	\$ 146,852	\$ 116,974	\$ 114,850	\$ 129,570	\$ 140,730	\$ 101,447	\$ 215,247	\$ 300,409
Total net debt applicable to the limit as a percentage of debt limit	23.05%	17.02%	23.04%	40.87%	46.83%	43.40%	44.58%	63.00%	41.09%	31.53%

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

Fiscal Year	Water and Sewer Revenue Bonds					
	Utility Service Charges ⁽¹⁾	Less: Operating Expenses ⁽²⁾	Net Available Revenue	Debt Service Principal ⁽³⁾	Debt Service Interest ⁽³⁾	Coverage
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
2008-09	69,300	40,175	29,125	9,876	13,539	1.24

Fiscal Year	Transportation Bonds ⁽⁴⁾				Excise Tax Revenue Bonds ⁽⁵⁾			
	Transportation Sales Tax	Debt Service		Excise Tax Revenue	Debt Service		Coverage	
		Principal	Interest		Principal	Interest		
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	127,373	7,399	17,617	5.09	
2008-09	20,875	2,545	4,782	118,277	6,575	24,074	3.86	

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.
- (5) Excise tax revenue bonds include the Municipal Property Corporation and the Western Loop 101 Public Facilities Corporation.

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

Schedule 15

Fiscal Year	City of Glendale Population ⁽²⁾	Maricopa County Population	Personal Income ⁽¹⁾	Per Capita Personal Income ⁽¹⁾	Unemployment Rate
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 ⁽³⁾	34,016 ⁽⁴⁾	3.1
2007-08	249	3,990 ⁽⁵⁾	139,044,312 ⁽³⁾	34,848 ⁽⁴⁾	3.6
2008-09	250	3,988 ⁽⁶⁾	139,665,253 ⁽⁷⁾	35,021 ⁽⁴⁾	8.4

Maricopa County Annual Budget Report for prior fiscal year

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) Estimate provided by City of Glendale Planning Department

(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 and for 2008 of \$132,423,154.

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

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

(6) Maricopa County population for 2008, provided by Arizona Department of Economic Security.

(7) Estimate based on Maricopa County personal income for 2007 with no increases for 2008 and 2009.

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

Schedule 16

Employer	2009			1999		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Luke Air Force Base	8,037	1	5.50 %	6,980	1	5.93 %
Banner Thunderbird Health System	2,500	2	1.71	1,125	7	0.96
Wal-Mart	2,020	3	1.38			
City of Glendale	1,960	4	1.34	1,500	3	1.28
Glendale Union High School District	1,862	5	1.27	1,380	4	1.17
Glendale Elementary School District	1,684	6	1.15	1,300	5	1.11
Deer Valley Unified School District	1,432	7	0.98			
AAA	1,323	8	0.91			
Glendale Community College	1,220	9	0.84			
Younger Brothers Construction Co Inc	850	10	0.58			
U.S. Postal Service				780	8	0.66
Arrowhead Towne Center				2,160	2	1.84
Arizona Public Service				1,276	6	1.08
Arrowhead Community Hospital				500	9	0.43
Sanderson Ford				400	10	0.34
Total	22,888		15.67 %	17,401		14.79 %

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

City of Glendale, Arizona
Full-Time Equivalent City Government Employees by Function/Program
 Last Ten Fiscal Years

Function/Program	Full-Time Equivalent Employees as of June 30									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
General government										
Management services	38.00	35.00	35.00	34.00	32.00	34.00	32.50	33.50	31.50	30.50
Finance	69.00	86.75	86.75	86.75	85.75	84.75	84.75	82.75	83.50	82.00
Planning	33.00	28.50	28.50	26.50	26.15	26.15	27.15	27.15	23.65	21.65
Building	43.00	53.75	51.75	55.75	57.75	44.75	40.75	32.50	29.50	28.50
Legal	70.00	78.00	78.00	67.00	67.00	61.00	58.00	50.00	47.00	47.00
Other	104.00	108.50	105.50	101.00	94.50	93.50	93.50	93.50	97.50	89.00
Police	567.00	557.50	543.50	506.50	507.50	473.50	455.50	455.50	421.50	397.00
Fire	278.00	263.50	251.50	237.50	216.00	196.00	195.00	190.00	167.50	167.50
Homeland security	6.00	7.00	7.00	-	-	-	-	-	-	-
Community service	69.00	93.75	87.25	84.25	82.75	75.25	75.25	73.75	67.00	61.00
Parks and recreation	85.00	99.25	98.75	89.75	86.75	80.40	79.40	78.40	73.40	63.90
Library	65.00	87.76	88.76	87.76	87.76	87.75	87.75	87.75	86.75	84.50
Public works	256.00	281.00	271.00	266.00	266.00	267.00	270.00	272.00	268.00	228.00
Engineering	39.00	45.00	45.00	46.00	45.00	44.00	44.00	43.00	42.00	41.00
Transportation	67.00	89.25	88.25	81.25	80.25	80.25	78.25	65.25	65.25	60.25
Utilities	171.00	186.00	165.00	146.00	140.00	132.00	132.00	132.00	125.00	124.00
Total	1,960.00	2,100.51	2,031.51	1,916.01	1,875.16	1,780.30	1,753.80	1,717.05	1,629.05	1,525.80

Sources: City Budget Office
 City of Glendale Human Resources Department for 2009

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

Schedule 18

Function/Program	Fiscal Year									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Police										
Calls for service	137,586	146,489	154,176	148,633	158,507	161,722	154,374	153,691	144,183	137,809
Bookings	11,990	12,902	12,119	8,640	8,138	8,057	7,980	8,781	7,744	773
Criminal offense reports	32,599	32,918	35,169	34,271	33,578	34,847	33,956	34,224	33,102	30,984
Fire										
EMS calls	24,419	25,851	25,819	22,284 ⁽¹⁾	18,977 ⁽³⁾	24,025	23,126	21,372	20,722	19,272
Fire calls	3,900	4,216	4,322	5,886 ⁽¹⁾	2,642 ⁽³⁾	3,335	3,379	3,379	3,110	2,958
Refuse collection										
Residential curb service (tons per year)	53,493	58,865	60,914	63,521	57,942	56,902	55,718	49,747	-	-
Commercial container service (tons per year)	44,600	48,267	51,425	49,517	44,441	44,681	48,583	45,798	-	-
Airport										
Departures/arrivals ⁽²⁾	91,998	137,762	152,194	143,798	108,887	118,140	88,449	118,703	110,631	112,570
General government										
Building permits	5,289	6,931	6,310	7,888	7,079	6,330	6,299	5,428	7,090	7,925
Library										
Volumes in collection ⁽⁴⁾	540,352	546,136	557,342	596,266	620,130	601,440	600,477	606,676	544,467	562,532
Transit										
Dial-A-Ride passengers	91,841	88,638	84,132	89,055	87,831	86,132	81,768	76,622	66,527	69,081

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, 2009, through November 3, 2006.
- (2) Departures/arrivals are based on calendar year prior to 2005-2006. 2005 figures are through October 2005. 2009 figures are through October 30, 2009.
- (3) Amounts based on calendar year: January 1, 2005, through September 30, 2005.
- (4) Includes all formats: books, magazines, CD's, DVD's and electronic/downloadable collection.

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

Schedule 19

Function/Program	Fiscal Year									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Police										
Stations	3	3	3	3	3	3	3	3	3	3
Patrol vehicles	159	158	157	156	156	151	156	150	92	101
Fire stations	9	9	9	9	9	8	8	7	7	7
General government										
City square miles	59	58	57	57	57	57	57	56	55	55
Landfill										
Landfill capacity - south cell	21,666	22,594	22,594	22,594	22,594	22,594	22,594	22,594	16,351	16,351
Landfill capacity used - south cell	18,126	17,776	17,358	16,790	16,328	15,910	15,408	14,669	14,060	13,450
Other public works										
Streets (miles)	736	736	736	733	709	702	702	692	660	650
Parks and recreation										
Number of parks/retention basins	99	99	95	92	92	93	89	89	89	87
Acres of parks	2,199	2,125	2,125	2,058	2,052	1,998	1,984	1,984	1,984	1,844
Transit										
Dial-A-Ride minibuses	23	22	22	25	25	22	19	17	21	17

Source: Various city departments

WATER RATES PER METER SIZE

Meter Size (inch)	Commercial and Residential Monthly Base Charge	
	Inside City	Outside City
5/8	\$ 9.10	\$ 11.83
3/4	11.50	14.95
1	16.40	21.32
1 1/2	33.20	43.16
2	58.70	76.31
3	99.50	129.35
4	178.00	231.40
6	355.00	461.50
8	525.00	682.50
12	1,250.00	1,625.00

Gallons per Month	Residential Meter Size		Commercial 3/4 inch Meter Size and Greater ⁽¹⁾			
	All Year		All Year		Summer Excess Rate	
	Inside City	Outside City	Inside City	Outside City	Inside City	Outside City
0 - 6,000	\$ 1.84	\$ 2.39	\$ 2.01	\$ 2.61	\$ 3.52	\$ 4.58
7,000 - 15,000	2.30	2.99	2.01	2.61	3.52	4.58
16,000 - 30,000	3.22	4.19	2.01	2.61	3.52	4.58
over 31,000	4.51	5.86	2.01	2.61	3.52	4.58

SEWER SERVICE RATES

Type of Service	Inside City	Outside City
Single Family Dwelling Unit	\$ 31.29	\$ 35.81
Office Building	43.31	N/A
Apartment - Average 5 units	77.90	86.95
Apartment - Average 35 units	501.19	166.16
Retail/Wholesale	64.50	N/A

(1) Per 1,000 gallons

SOURCE: City of Glendale Finance Department as of October 1, 2009

HISTORICAL AVERAGE NUMBER OF WATER ACCOUNTS ⁽¹⁾

Fiscal Year Ending June 30	Residential	Commercial ⁽²⁾	Total
2000 ⁽³⁾	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
2009 ⁽⁴⁾	53,523	5,556	59,079

(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.

(4) As of October 2009.

SOURCE: City of Glendale Finance Department.

WATER DELIVERIES

Acre Feet

Calendar Year	Residential ⁽¹⁾	Commercial	Other	Total
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
2008	32,278	9,456	1,308	43,042

(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 ⁽²⁾ (MGD) Actual	Arrowhead (MGD)	West ⁽¹⁾ (MGD)	Oasis ⁽³⁾ (MGD)	Pyramid Peak (MGD)
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
2008	54,936	6.8	2.8	8.6	5.5	27.8

(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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