



City of Glendale, Arizona

# Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2010

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City of Glendale, Arizona

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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# **INTRODUCTORY SECTION**

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FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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City of Glendale, Arizona

# Comprehensive Annual Financial Report

*For the Fiscal Year Ended June 30, 2010*

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

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## **Councilmembers**

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Steven E. Frate  
Vice Mayor  
Sahuaro District

Joyce V. Clark - Yucca District

Manuel D. Martinez - Cholla District

David M. Goulet - Ocotillo District

Yvonne Knaack - Barrel District

H. Philip Lieberman - Cactus District

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## **Management Staff**

---

Ed Beasley - City Manager  
Ken Reedy - Interim Assistant City Manager

Cathy Gorham  
Deputy City Manager  
Community Services

Horatio Skeete  
Deputy City Manager  
Administrative Services

Jim Colson  
Deputy City Manager  
Community Development

Prepared by the Finance Department  
Diane Goke  
Interim Finance Director



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**City of Glendale, Arizona  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2010**

**TABLE OF CONTENTS**

	<u>Page</u>
<b>I. INTRODUCTORY SECTION</b>	
Title Page .....	i
Table of Contents .....	iii
Letter of Transmittal .....	1
GFOA Certificate of Achievement.....	5
Glendale, Arizona and Neighboring Communities .....	6
Glendale City Officials .....	7
Glendale Council District Boundaries.....	8
Organization Chart.....	9
 <b>II. FINANCIAL SECTION</b>	
Independent Auditors' Report .....	11
<b>A. MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&amp;A)</b> .....	13
<b>B. BASIC FINANCIAL STATEMENTS</b>	
<b>Government-Wide Financial Statements:</b>	
Statement of Net Assets .....	25
Statement of Activities .....	26
 <b>Fund Financial Statements:</b>	
Balance Sheet – Governmental Funds.....	28
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets .....	29
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	30
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	31
Statement of Net Assets – Proprietary Funds.....	32
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds.....	33
Statement of Cash Flows – Proprietary Funds .....	34
 <b>Notes to the Financial Statements</b> .....	 36
 <b>C. REQUIRED SUPPLEMENTARY INFORMATION</b>	
Budgetary Comparison Schedule – General Fund .....	77
Budgetary Comparison Schedule – Transportation Fund.....	79
Notes to Required Supplementary Information.....	80

**City of Glendale, Arizona  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2010**

**TABLE OF CONTENTS**

	<u>Page</u>
<b>D. COMBINING STATEMENTS</b>	
<b>Other Major Governmental Funds</b>	
Budgetary Comparison Schedule – General Obligation Debt Service Fund .....	81
<b>Non-Major Governmental Funds</b>	
Combining Balance Sheet.....	86
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	88
Budgetary Comparison Schedules	
Community Development Block Grants Fund.....	90
Highway User Gas Tax Fund.....	91
Development Impact Fees Fund.....	92
Police and Fire Sales Tax Fund.....	93
Federal Stimulus Fund .....	94
Other Special Revenue Fund.....	95
Highway User Debt Service Fund.....	96
Municipal Property Corporation Debt Service Fund .....	97
Transportation Debt Service Fund .....	98
Streets Construction Fund.....	99
Fire and Police Construction Fund.....	100
Parks Bond Construction Fund .....	101
Other Construction Fund.....	102
Cemetery Perpetual Care Fund .....	103
<b>Non-Major Proprietary Funds – Business-Type Activities</b>	
Combining Statement of Net Assets.....	106
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets.....	107
Combining Statement of Cash Flows .....	108
Budgetary Comparison Schedules	
Water and Sewer Fund (a Major Fund).....	110
Landfill Fund .....	112
Sanitation Fund .....	113
Housing Fund.....	114
<b>Internal Service Funds</b>	
Combining Statement of Net Assets.....	115
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets.....	116
Combining Statement of Cash Flows .....	117
Budgetary Comparison Schedules	
Risk Management Fund .....	118
Workers’ Compensation Fund .....	119
Employee Benefits Fund.....	120
<b>E. OTHER SUPPLEMENTARY INFORMATION</b>	
Federal Financial Data Schedule.....	121

**City of Glendale, Arizona  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2010**

**TABLE OF CONTENTS**

**III. STATISTICAL SECTION**

	<u>Schedule</u>	<u>Page</u>
Net Assets by Component .....	1	128
Changes in Net Assets .....	2	130
Fund Balances – Governmental Funds .....	3	132
Changes in Fund Balances – Governmental Funds .....	4	134
Assessed and Estimated Actual Value of Taxable Property .....	5	136
Direct and Overlapping Governments Property Tax Rates .....	6	137
Principal Property Taxpayers .....	7	138
Property Tax Levies and Collections .....	8	139
City Transaction Privilege Taxes (Sales Tax) by Category .....	9	140
Ratio of Outstanding Debt by Type .....	10	142
Ratios of Net General Bonded Debt Outstanding .....	11	144
Net Direct and Overlapping Governmental Activities Debt .....	12	145
Legal Debt Margin Information .....	13	146
Pledged-Revenue Coverage .....	14	148
Demographic and Economical Statistics .....	15	150
Principal Employers .....	16	151
Full-Time Equivalent City Government Employees by Function/Program .....	17	152
Operating Indicators by Function/Program .....	18	153
Capital Asset Statistics by Function/Program .....	19	154
Miscellaneous Water and Sewer Rate Statistics .....	20	155
Miscellaneous Water and Sewer Statistics .....	21	156

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December 8, 2010

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, 2010.

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, 2010, 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 59.02 square miles and serves a population of 250,222. 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 2010 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 146,265 and an average employment of 133,654. Average employment for the same period last year was 134,455, showing a decrease in total employment, correspondingly the City's unemployment rate has grown from 8.4% in fiscal year 2009 to 9.1% in fiscal year 2010.

The City receives significant "State Shared Revenues" that are allocated to various funds. The allocation is based on population of jurisdictions. The changes in the state shared revenues are a result of the reduction of the pool based on changes in population. The City has taken this into account in the budgeting process. We expect to have results from the end of decade census sometime next year and don't anticipate much change in the allocation.

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 4.1 million. The state's population was projected to be 6.5 million in 2010. State unemployment rates have risen from 9.1% to 9.6% and no growth 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, City of Glendale, Glendale Union High School District, Glendale Elementary School District, Deer Valley Unified School District, and Glendale Community College. While the largest employers have seen

decreases in the number of employees over the past year, they continue to be strong employers in the City.

The City of Glendale has continued to follow its strategy, developed by the Finance Department, to manage fund balances. This year ended with a planned general fund balance of \$38,846, while this has decreased from the prior year it is still healthy in this economy. The City also continues to budget 10% of ongoing revenues as a reserve. 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.

**Long-term financial planning.** Glendale's Sports and Entertainment district continues to provide great benefits to the City. The most recent facility, Camelback Ranch, opened in February 2009 for spring training, and attendance continues to be beyond expectations even with the weaker economy. The facility is located at the northwest corner of 107<sup>th</sup> 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. Along with the University of Phoenix Stadium, home of the Arizona Cardinals; and Jobing.Com Arena, home of the Phoenix Coyotes; and related development around the district, it continues to be a vibrant area of the City.

During the fiscal year, economic development in the City resulted in the location or expansion of 22 companies resulting in 1,776 new jobs. Some of the companies now calling Glendale home include Humana, Linamar Solar Systems, Advanced Healthcare of Glendale, and DeVry University. The City's industrial occupancy rate is 95% and the City's retail occupancy rate is 92%, both performing higher than Metropolitan Phoenix.

The City's excise tax collections, primarily the City sales taxes, have remained level this fiscal year with no growth. As a result, the City instituted spending cuts in general fund departments, except for police and fire, continued a hiring freeze, and required mandatory furlough for city employees, except sworn police and fire personnel.

**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, 2009. This was the twenty-second consecutive year the City has received this prestigious award, and the twenty-fourth 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 2009-10. This is the twenty-third 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 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  
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, 2009

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 stylized, handwritten signature in black ink, appearing to be "J.R. Emer".

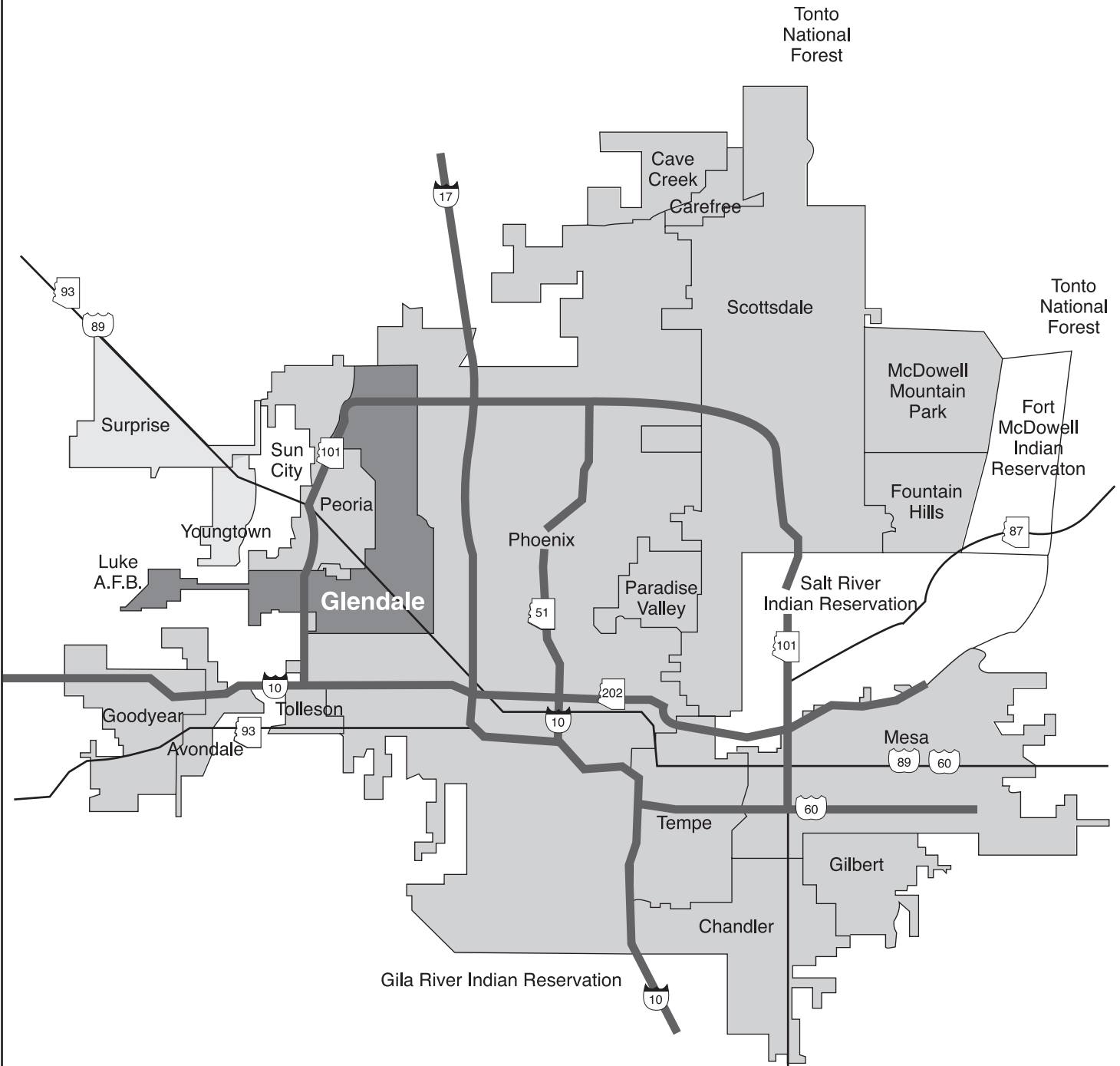
President

A handwritten signature in black ink that reads "Jeffrey R. Emer".

Executive Director



# Glendale, Arizona and Neighboring Communities





# Glendale City Officials



ELAINE M. SCRUGGS  
*Mayor*



JOYCE V. CLARK  
*Councilmember  
Yucca District*



STEVE E. FRATE  
*Vice Mayor/  
Councilmember  
Sahuaro District*



DAVID M. GOULET  
*Councilmember  
Ocotillo District*



YVONNE KNAACK  
*Councilmember  
Barrel District*



H. PHILIP LIEBERMAN  
*Councilmember  
Cactus District*



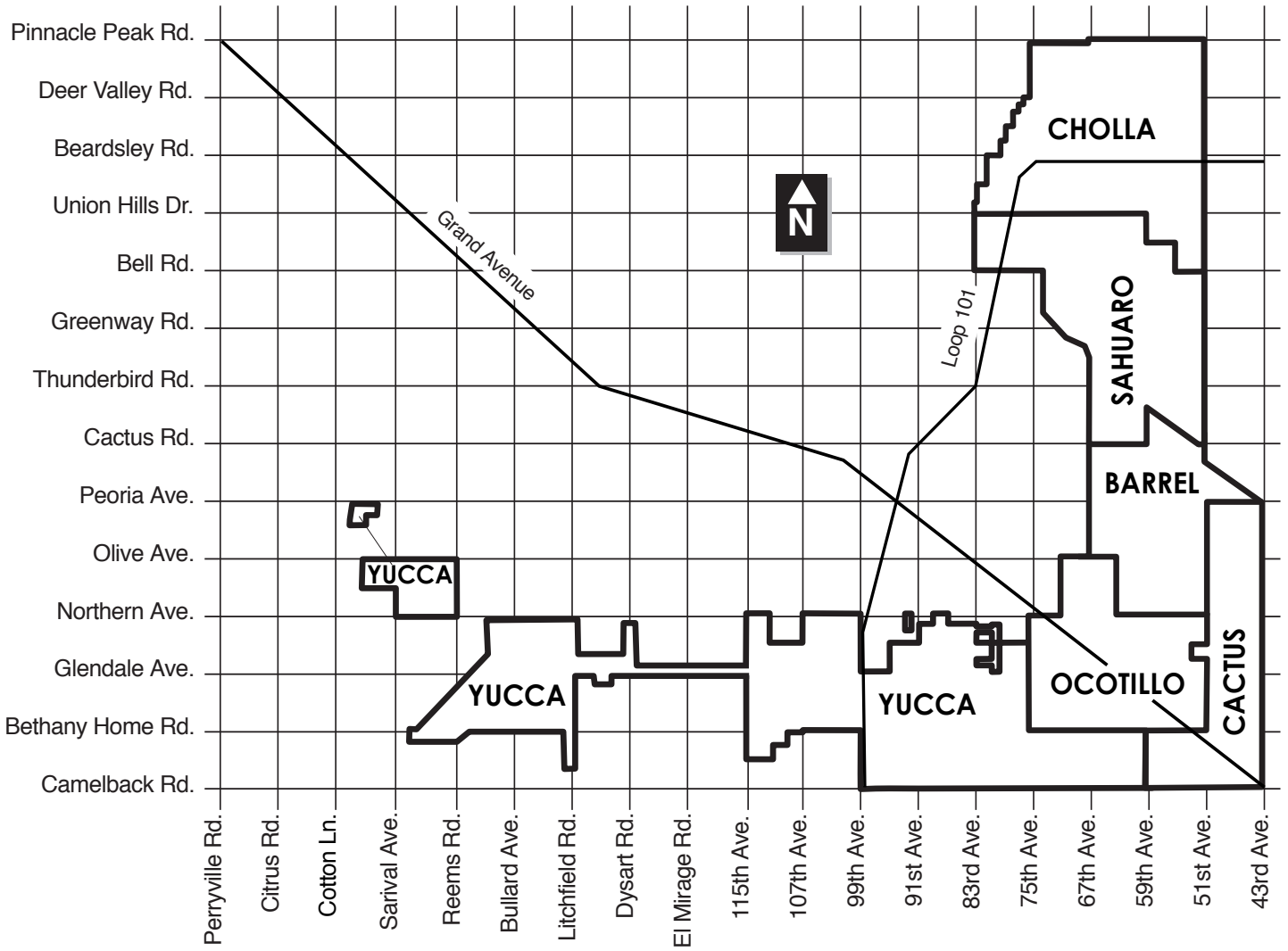
MANUEL D. MARTINEZ  
*Councilmember  
Cholla District*



ED BEASLEY  
*City Manager*

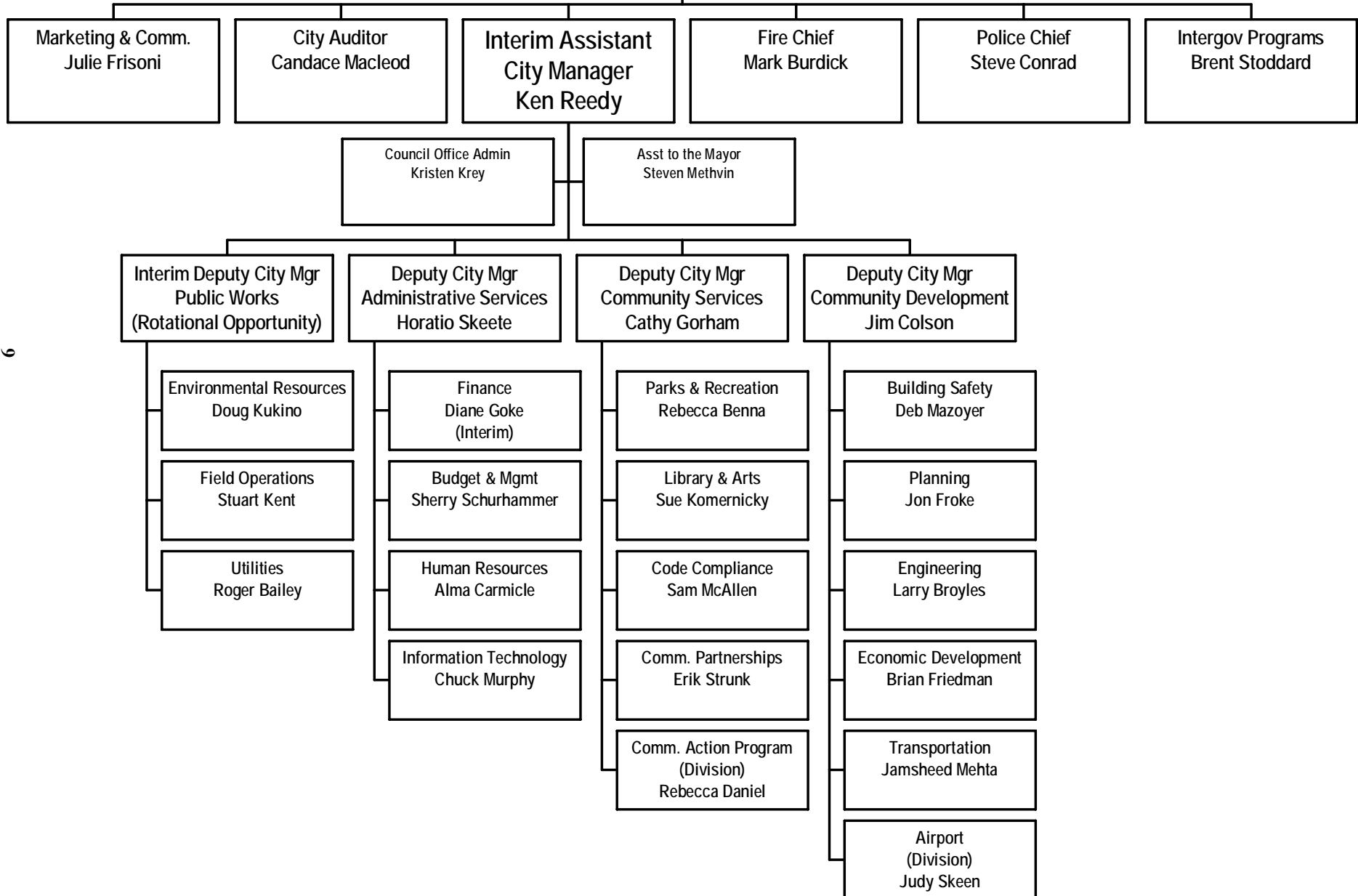


# Glendale Council District Boundaries



# Mayor & Council

**City Manager**  
Ed Beasley



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City of Glendale, Arizona

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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# **FINANCIAL SECTION**

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FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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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, 2010, 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 the 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, 2010, 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 8, 2010, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 13 through 23 and budgetary comparison information on pages 77 through 80 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The accompanying supplementary information such as the introductory section, combining and individual fund financial statements and schedules, other supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements and schedules and other supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

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

December 8, 2010



City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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# MANAGEMENT'S DISCUSSION & ANALYSIS

(Required Supplementary Information)

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FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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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, 2010. 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 2009-10 as follows:

- The City's total net assets decreased \$25,557 or 2.36%. The governmental net assets decreased by \$21,549 or 3.23%, and the business-type net assets decreased by \$4,008 or 0.97%.
- General revenues from governmental activities decreased \$9,132 or 4.59% and were 72.27% of all revenues from governmental activities. Program specific revenues in the form of charges for services and grants and contributions increased \$10,149 or 16.21%.
- The business-type activities total revenues increased by \$9,496 or 9.06%.
- The total cost of all City programs increased by \$15,575 or 4.03%.
- A major governmental fund, the general fund, had \$137,789 in revenues, which is a decrease of \$9,435 or 6.41% 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 \$140,842, which is a decrease of \$15,450 or 9.89%. The fund balance decreased \$13,784 or 26.19%. This decrease was due to the economy and a planned approach to draw on reserves which accumulated during growth periods.
- The City issued \$41,650 in general obligation bonds. The bonds were used to fund the acquisition, improvement and equipment of a variety of projects in the City.

### **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, 2010  
(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 16 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, 2010  
(amounts expressed in thousands)

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

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

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

**Government-wide financial analysis**

As noted earlier, net assets may serve over time as a useful indicator of a City's financial position. In the case of the City, assets exceeded liabilities by \$1,056,364 as of June 30, 2010.

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, 2010  
(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, 2010, and 2009  
(in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 318,362	\$ 349,783	\$ 174,978	\$ 189,374	\$ 493,340	\$ 539,157
Capital assets, net	1,299,538	1,279,423	575,369	570,621	1,874,907	1,850,044
<b>Total assets</b>	<u>1,617,900</u>	<u>1,629,206</u>	<u>750,347</u>	<u>759,995</u>	<u>2,368,247</u>	<u>2,389,201</u>
Current liabilities	60,034	71,107	14,517	14,501	74,551	85,608
Noncurrent liabilities	912,009	890,693	325,323	330,979	1,237,332	1,221,672
<b>Total liabilities</b>	<u>972,043</u>	<u>961,800</u>	<u>339,840</u>	<u>345,480</u>	<u>1,311,883</u>	<u>1,307,280</u>
Net assets:						
Invested in capital assets, net of related debt	457,773	471,484	271,969	286,452	729,742	757,936
Restricted	176,400	144,422	13,988	13,249	190,388	157,671
Unrestricted	11,684	51,500	124,550	114,814	136,234	166,314
<b>Total net assets</b>	<u>\$ 645,857</u>	<u>\$ 667,406</u>	<u>\$ 410,507</u>	<u>\$ 414,515</u>	<u>\$ 1,056,364</u>	<u>\$ 1,081,921</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, 2010  
(amounts expressed in thousands)

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

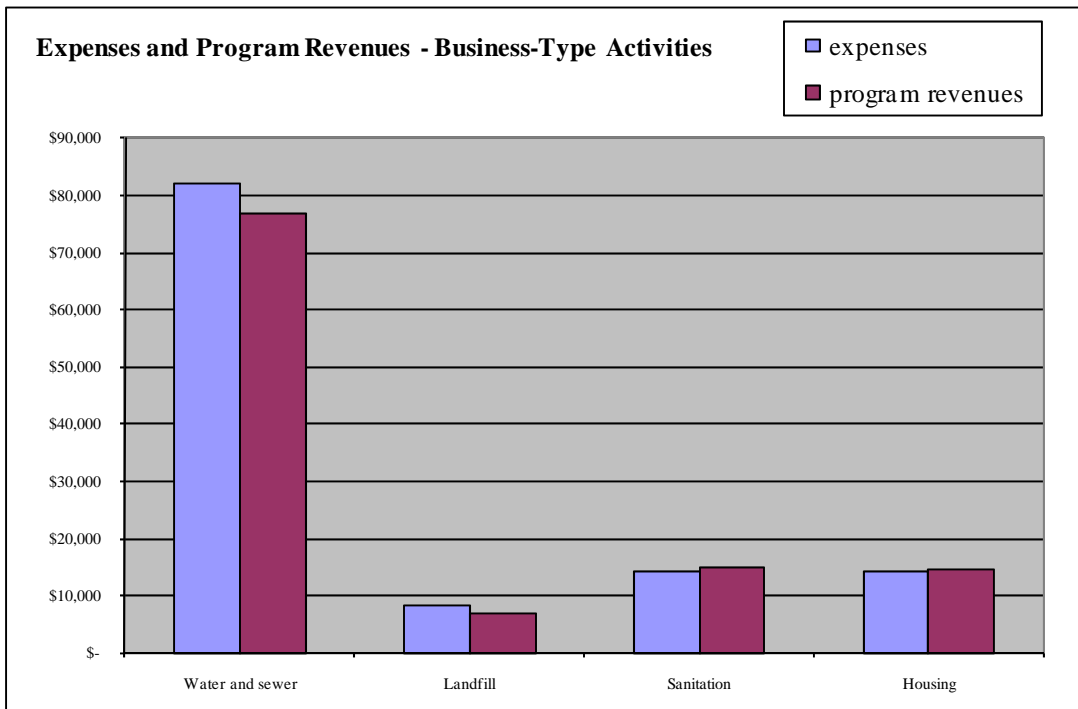
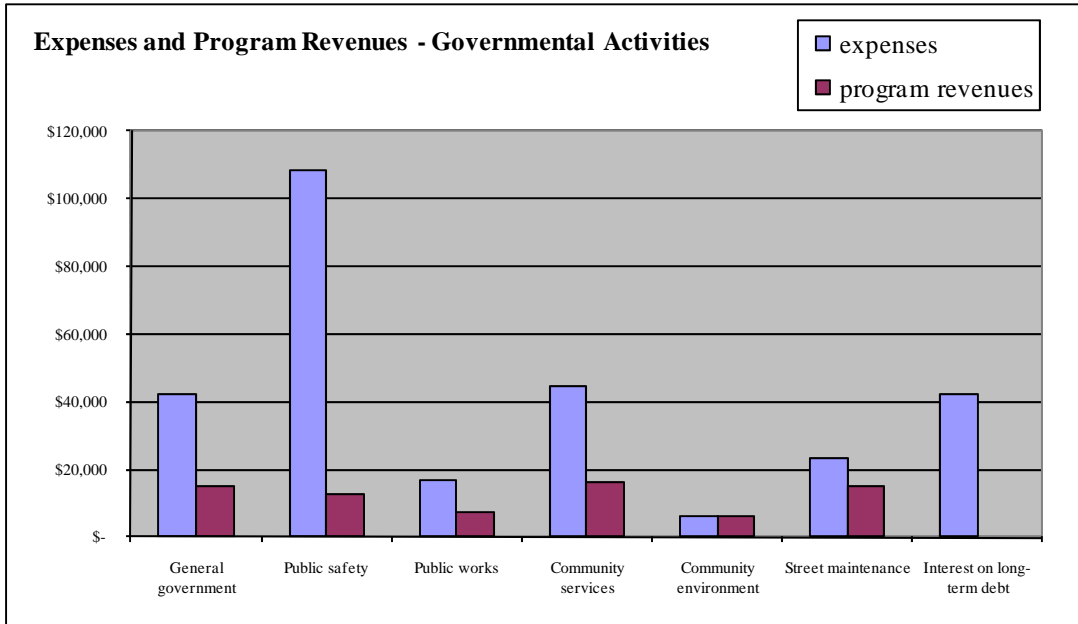
**Changes in Net Assets**  
As of June 30, 2010, and 2009  
(in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 39,423	\$ 35,879	\$ 103,508	\$ 92,414	\$ 142,931	\$ 128,293
Operating grants and contributions	29,596	24,146	9,331	8,701	38,927	32,847
Capital grants and contributions	3,755	2,600	690	1,207	4,445	3,807
<b>Total program revenues</b>	<b>72,774</b>	<b>62,625</b>	<b>113,529</b>	<b>102,322</b>	<b>186,303</b>	<b>164,947</b>
General revenues:						
Property taxes	33,749	32,890	-	-	33,749	32,890
Sales taxes	92,717	97,054	-	-	92,717	97,054
State shared sales tax	17,786	19,321	-	-	17,786	19,321
Urban revenue sharing (state shared income tax)	31,292	36,267	-	-	31,292	36,267
Auto in-lieu taxes	8,130	8,808	-	-	8,130	8,808
Investment earnings, unrestricted	286	1,668	460	2,069	746	3,737
Gain/(loss) on disposal of capital	330	(52)	187	282	517	230
Miscellaneous	5,406	2,872	83	90	5,489	2,962
<b>Total revenues</b>	<b>262,470</b>	<b>261,453</b>	<b>114,259</b>	<b>104,763</b>	<b>376,729</b>	<b>366,216</b>
<b>Expenses:</b>						
General government	42,530	39,545	-	-	42,530	39,545
Public safety	108,308	109,136	-	-	108,308	109,136
Public works	16,627	15,040	-	-	16,627	15,040
Community services	44,524	48,143	-	-	44,524	48,143
Community environment	6,316	3,539	-	-	6,316	3,539
Street maintenance	23,058	23,978	-	-	23,058	23,978
Interest on long-term debt	42,286	38,982	-	-	42,286	38,982
Water and sewer	-	-	81,910	74,424	81,910	74,424
Landfill	-	-	8,454	8,045	8,454	8,045
Sanitation	-	-	14,093	14,039	14,093	14,039
Housing	-	-	14,180	11,840	14,180	11,840
<b>Total expenses</b>	<b>283,649</b>	<b>278,363</b>	<b>118,637</b>	<b>108,348</b>	<b>402,286</b>	<b>386,711</b>
<b>Excess before transfers</b>	<b>(21,179)</b>	<b>(16,910)</b>	<b>(4,378)</b>	<b>(3,585)</b>	<b>(25,557)</b>	<b>(20,495)</b>
<b>Transfers in (out)</b>	<b>(370)</b>	<b>(551)</b>	<b>370</b>	<b>551</b>	<b>-</b>	<b>-</b>
<b>Increase (decrease) in net assets</b>	<b>(21,549)</b>	<b>(17,461)</b>	<b>(4,008)</b>	<b>(3,034)</b>	<b>(25,557)</b>	<b>(20,495)</b>
<b>Net assets, beginning</b>	<b>667,406</b>	<b>684,867</b>	<b>414,515</b>	<b>417,549</b>	<b>1,081,921</b>	<b>1,102,416</b>
<b>Net assets, ending</b>	<b>\$ 645,857</b>	<b>\$ 667,406</b>	<b>\$ 410,507</b>	<b>\$ 414,515</b>	<b>\$ 1,056,364</b>	<b>\$ 1,081,921</b>

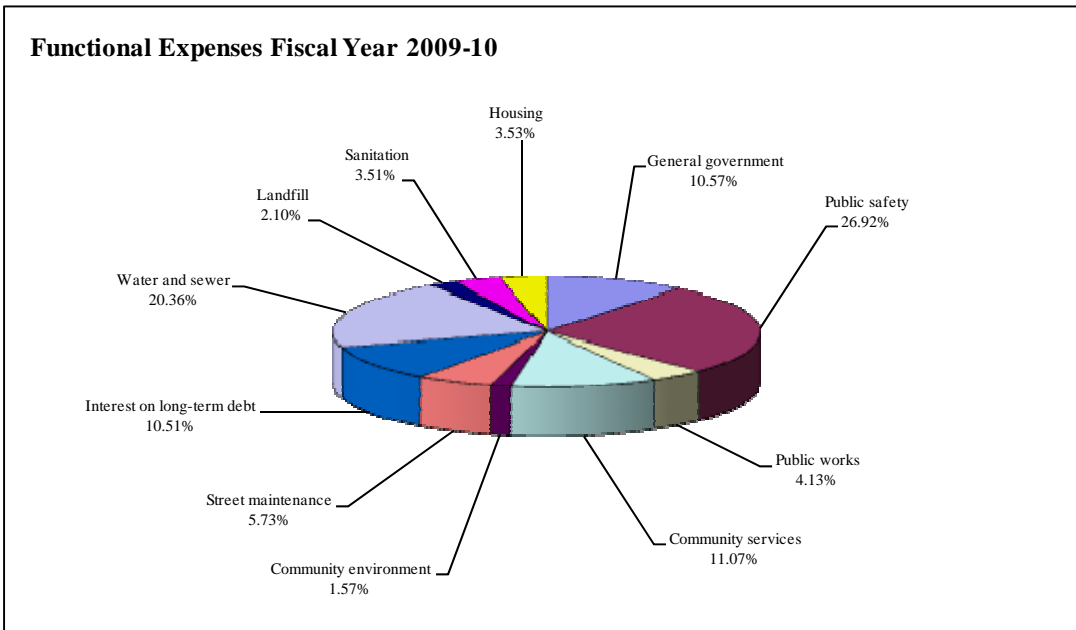
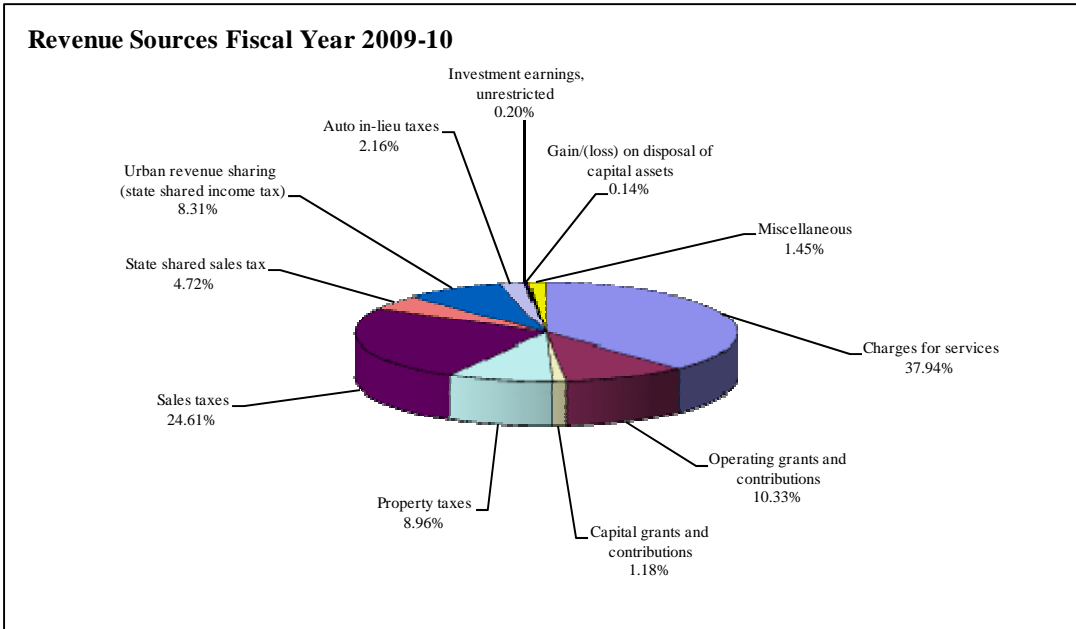
**Changes in net assets.** The decrease in net assets for the governmental activities was primarily due to the slow down in the economy, which affects not only our City sales tax, but state shared revenues. The City's revenue from governmental activities for the fiscal year ended June 30, 2010, was \$262,470. The cost of programs and services for governmental activities was \$283,649.

The decrease in net assets of \$4,008 for the business activities was primarily due to the slowdown in the economy. The City's revenue from business-type activities for the fiscal year ended June 30, 2010, was \$114,259. The cost of programs and services was \$118,637.

**CITY OF GLENDALE, ARIZONA**  
 Management's Discussion and Analysis (MD&A)  
 For the Fiscal Year Ended June 30, 2010  
 (amounts expressed in thousands)



**CITY OF GLENDALE, ARIZONA**  
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 (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 \$206,425, a decrease of \$15,200 or 6.86% in comparison with the prior year.
- *Unreserved undesignated fund balance*, which is available for spending at the City's discretion within a fund, was \$106,153, a decrease of \$1,347 from the prior year.
- The City also had \$14,834 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	\$ 9,383
Special revenue	17,789
Debt service	52,355
Capital projects	356
Permanent	<u>5,555</u>
Total	<u>\$ 85,438</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 \$29,463, while total fund balance was \$38,846. 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 20.92% of total general fund expenditures, while total fund balance represents 27.58% 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 \$15,425 for the fiscal year ended June 30, 2010. 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 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 \$26,604 at June 30, 2010. This represents an increase of \$3,946 due to anticipated future debt service issuances.

**CITY OF GLENDALE, ARIZONA**  
Management's Discussion and Analysis (MD&A)  
For the Fiscal Year Ended June 30, 2010  
(amounts expressed in thousands)

**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 \$9,131 or 2.15%. The enterprise funds' total net assets were 3.40% restricted and 30.55% unrestricted. 66.05% 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 \$4,495 for the fiscal year ended June 30, 2010. This decrease is primarily due to the decrease of restricted cash due to expenditures of bond funds, and while we saw a decrease in water consumption due to foreclosures and the economy, we did have rate increases.

The internal service fund accounts for risk management, workers' compensation, and employee benefits provided to other departments. The fund saw a decrease of \$5,541 for the fiscal year ended June 30, 2010. The decrease was due to a reduction in the amount of premiums in the self-funded workers' compensation and risk management funds.

**General fund budgetary highlights**

Consistent with national economic conditions, the City's revenues were negatively impacted by the economic downturn.

- The City's overall 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 \$12,164 or 7.04%, primarily due to decrease in excise tax revenue.
- General fund expenditures were less than the final budget by \$30,870 or 15.97%. This positive variance resulted because of the steps taken during the fiscal year to decrease expenses. Such steps included mandatory furlough for employees and not filling vacant positions.

**Capital asset and debt administration**

**Capital assets.** The City's investment in capital assets (net of accumulated depreciation) as of June 30, 2010, for its governmental-type activities was \$1,299,538 and for the business-type activities was \$575,369. 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 projects during the current fiscal year included the following:

- Pavement infrastructure, \$28,826
- Relocation of Fire Station 151, \$4,364
- Flood Control drains, \$9,408
- Replacement of sanitation vehicles, \$3,087
- Sidewalks and curbs, \$16,775

**CITY OF GLENDALE, ARIZONA**  
Management's Discussion and Analysis (MD&A)  
For the Fiscal Year Ended June 30, 2010  
(amounts expressed in thousands)

The following table is a summary of capital assets reflected in the June 30, 2010, financial statements as compared to last year's financial statements.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Construction in progress	\$ 254,072	\$ 288,509	\$ 57,115	\$ 38,116	\$ 311,187	\$ 326,625
Land	85,000	73,697	26,297	26,297	111,297	99,994
Water storage rights	-	-	8,504	8,521	8,504	8,521
Artwork	1,436	1,436	-	-	1,436	1,436
Buildings	289,838	294,894	8,633	8,090	298,471	302,984
Improvements other than buildings	89,878	82,994	44,229	44,109	134,107	127,103
Infrastructure-streets	444,636	411,116	-	-	444,636	411,116
Infrastructure-parks	54,475	49,270	-	-	54,475	49,270
Infrastructure-airport	7,100	7,563	-	-	7,100	7,563
Infrastructure-flood/storm drains	36,368	27,395	-	-	36,368	27,395
Water lines	-	-	78,005	79,699	78,005	79,699
Sewer lines	-	-	73,906	76,490	73,906	76,490
Water treatment plant	-	-	141,146	148,154	141,146	148,154
Sewer treatment plant	-	-	108,140	112,007	108,140	112,007
Meters and services	-	-	17,014	17,734	17,014	17,734
Fire hydrants	-	-	3,172	3,274	3,172	3,274
Machinery and equipment	17,446	21,909	552	620	17,998	22,529
Computer equipment	1,093	1,510	205	212	1,298	1,722
Software	175	229	-	-	175	229
Automotive equipment	18,021	18,901	8,451	7,298	26,472	26,199
<b>Total</b>	<b>\$ 1,299,538</b>	<b>\$ 1,279,423</b>	<b>\$ 575,369</b>	<b>\$ 570,621</b>	<b>\$ 1,874,907</b>	<b>\$ 1,850,044</b>

The construction commitments at June 30 were \$24,030.

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 \$1,150,251 compared to \$1,146,823 last year, a 0.30% net increase.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
General obligation	\$ 225,595	\$ 197,738	\$ 9,160	\$ 10,127	\$ 234,755	\$ 207,865
Transportation revenue bond	102,490	105,035	-	-	102,490	105,035
Highway users revenue bonds	23,910	27,480	-	-	23,910	27,480
Municipal Property Corporation revenue bonds	287,555	294,130	-	-	287,555	294,130
Western Loop 101 Public Facilities Corporation	199,750	199,750	-	-	199,750	199,750
Capital lease obligation	7,493	9,076	592	1,080	8,085	10,156
Water and sewer revenue bonds/obligations	-	-	273,140	282,345	273,140	282,345
Notes payable	6,288	7,637	14,278	12,425	20,566	20,062
<b>Total</b>	<b>\$ 853,081</b>	<b>\$ 840,846</b>	<b>\$ 297,170</b>	<b>\$ 305,977</b>	<b>\$ 1,150,251</b>	<b>\$ 1,146,823</b>

**CITY OF GLENDALE, ARIZONA**  
Management's Discussion and Analysis (MD&A)  
For the Fiscal Year Ended June 30, 2010  
(amounts expressed in thousands)

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, 2010, was \$98,884 and \$262,370, 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 2010-11 budget is \$676,000 (down 12.77% from 2009-10), including a \$339,479 operating budget (a decrease of .52% from 2010) and \$194,431 in capital outlay (down 33.32% from 2010). The fiscal year 2010-11 budget includes \$57,285 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 2010 was 9.10%, which is an increase from a year ago. This compares favorably to the state's average unemployment rate of 9.60% 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 Finance Director, 5850 West Glendale Avenue, Suite 302, Glendale, Arizona 85301.

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City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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# BASIC FINANCIAL STATEMENTS

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FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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City of Glendale, Arizona  
**Statement of Net Assets**  
June 30, 2010  
(amounts expressed in thousands)

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Equity in pooled cash and investments	\$ 190,980	\$ 56,572	\$ 247,552
Receivables (net of allowance for uncollectibles)			
Property taxes	1,895	-	1,895
Accounts	14,252	14,083	28,335
Accrued interest	100	-	100
Intergovernmental receivable	7,955	208	8,163
Internal balances	1,261	(1,261)	-
Inventories and prepaid items	11,807	3,932	15,739
Restricted cash and investments	83,143	34,175	117,318
Capital assets:			
Non-depreciable	340,508	83,412	423,920
Depreciable (net)	959,030	491,957	1,450,987
Deferred receivable	6,969	-	6,969
Equity in joint venture	-	67,269	67,269
Total assets	<u>1,617,900</u>	<u>750,347</u>	<u>2,368,247</u>
<b>LIABILITIES</b>			
Vouchers payable	16,308	6,155	22,463
Accounts payable	55	142	197
Retainage payable	104	40	144
Accrued interest payable	21,832	6,745	28,577
Intergovernmental payable	148	265	413
Deposits	1,482	1,170	2,652
Unearned revenue	20,105	-	20,105
Noncurrent liabilities:			
Due within one year	49,444	14,902	64,346
Due in more than one year	862,565	310,421	1,172,986
Total liabilities	<u>972,043</u>	<u>339,840</u>	<u>1,311,883</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	457,773	271,969	729,742
Restricted for:			
Capital projects	42,971	-	42,971
Debt service	52,583	1,176	53,759
Transportation	35,226	-	35,226
Highway and streets	7,373	-	7,373
Vehicle replacement	7,024	-	7,024
Development impact fee	12,047	-	12,047
Revenue bond retirement, replacement, and extension	-	10,932	10,932
Perpetual care - nonexpendable	5,555	-	5,555
Other purposes	13,621	1,880	15,501
Unrestricted	11,684	124,550	136,234
Total net assets	<u>\$ 645,857</u>	<u>\$ 410,507</u>	<u>\$ 1,056,364</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, 2010  
(amounts expressed in thousands)

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 42,530	\$ 14,232	\$ 579	\$ 11
Public safety	108,308	5,824	5,866	1,133
Public works	16,627	7,447	39	-
Community services	44,524	11,918	2,378	2,043
Community environment	6,316	-	6,009	-
Street maintenance	23,058	2	14,725	568
Interest on long-term debt	42,286	-	-	-
Total governmental activities	<u>283,649</u>	<u>39,423</u>	<u>29,596</u>	<u>3,755</u>
Business-type activities:				
Water and sewer	81,910	76,603	-	343
Landfill	8,454	6,987	-	-
Sanitation	14,093	15,048	-	-
Housing	14,180	4,870	9,331	347
Total business-type activities	<u>118,637</u>	<u>103,508</u>	<u>9,331</u>	<u>690</u>
Total primary government	<u>\$ 402,286</u>	<u>\$ 142,931</u>	<u>\$ 38,927</u>	<u>\$ 4,445</u>

General revenues:

Taxes:

Property taxes levied for:

General purposes

Debt service

Sales taxes

State shared sales tax

Urban revenue sharing (state shared income tax)

Auto in-lieu taxes

Investment earnings, unrestricted

Gain on disposal of capital assets

Miscellaneous

Transfers

Total general revenues and transfers

Change in net assets

Net assets - beginning

Net assets - ending

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

Net (Expense) Revenue and Changes in Net Assets		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (27,708)	\$ -	\$ (27,708)
(95,485)	-	(95,485)
(9,141)	-	(9,141)
(28,185)	-	(28,185)
(307)	-	(307)
(7,763)	-	(7,763)
(42,286)	-	(42,286)
<u>(210,875)</u>	<u>-</u>	<u>(210,875)</u>
-	(4,964)	(4,964)
-	(1,467)	(1,467)
-	955	955
-	368	368
<u>-</u>	<u>(5,108)</u>	<u>(5,108)</u>
<u>(210,875)</u>	<u>(5,108)</u>	<u>(215,983)</u>
4,170	-	4,170
29,579	-	29,579
92,717	-	92,717
17,786	-	17,786
31,292	-	31,292
8,130	-	8,130
286	460	746
330	187	517
5,406	83	5,489
(370)	370	-
<u>189,326</u>	<u>1,100</u>	<u>190,426</u>
(21,549)	(4,008)	(25,557)
667,406	414,515	1,081,921
<u>\$ 645,857</u>	<u>\$ 410,507</u>	<u>\$ 1,056,364</u>

City of Glendale, Arizona  
**Balance Sheet**  
**Governmental Funds**  
June 30, 2010  
(amounts expressed in thousands)

	Major Funds			Other Non-Major Governmental Funds	Total Governmental Funds
	General	Transportation	General Obligation Debt Service		
<b>ASSETS</b>					
Equity in pooled cash and investments	\$ 34,760	\$ 20,651	\$ 45,716	\$ 79,221	\$ 180,348
Receivables, net of allowance for doubtful accounts:					
Property taxes	232	-	1,663	-	1,895
Accounts	7,487	1,566	-	5,198	14,251
Accrued interest	99	1	-	-	100
Due from other funds	2,810	-	-	-	2,810
Intergovernmental receivable	2,287	724	-	4,944	7,955
Inventories and prepaid items	228	75	-	178	481
Restricted cash and investments	3,086	13,741	-	64,711	81,538
Deferred receivables	-	-	-	6,969	6,969
Total assets	<u>\$ 50,989</u>	<u>\$ 36,758</u>	<u>\$ 47,379</u>	<u>\$ 161,221</u>	<u>\$ 296,347</u>
<b>LIABILITIES AND FUND BALANCE</b>					
Liabilities:					
Vouchers payable	\$ 7,143	\$ 1,424	\$ -	\$ 5,787	\$ 14,354
Accounts payable	15	-	-	40	55
Retainage payable	5	10	-	89	104
Compensated absences - current	978	23	-	122	1,123
Intergovernmental payable	74	60	-	14	148
Due to other funds	-	-	-	2,803	2,803
Deposits	1,476	-	-	6	1,482
Matured interest payable	-	-	5,114	16,718	21,832
Deferred revenue	2,452	15	1,191	17,888	21,546
Matured bonds payable	-	-	14,470	12,005	26,475
Total liabilities	<u>12,143</u>	<u>1,532</u>	<u>20,775</u>	<u>55,472</u>	<u>89,922</u>
Fund Balances:					
Reserved (Note XV)	9,383	75	26,604	49,376	85,438
Unreserved:					
Designated (Note XV):					
General fund	6,837	-	-	-	6,837
Special revenue funds	-	-	-	449	449
Capital project funds	-	-	-	7,548	7,548
Undesignated, reported in:					
General fund	22,626	-	-	-	22,626
Special revenue funds	-	35,151	-	14,878	50,029
Capital projects funds	-	-	-	33,498	33,498
Total fund balances	<u>38,846</u>	<u>35,226</u>	<u>26,604</u>	<u>105,749</u>	<u>206,425</u>
Total liabilities and fund balances	<u>\$ 50,989</u>	<u>\$ 36,758</u>	<u>\$ 47,379</u>	<u>\$ 161,221</u>	<u>\$ 296,347</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, 2010  
(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	\$	206,425
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	\$	1,713,616
Less accumulated depreciation		<u>(414,078)</u>
		1,299,538
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		12,511
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.		3,190
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	(812,825)	
Notes payable	(6,288)	
Capital lease obligations	(7,493)	
Developer payable obligations	(2,179)	
Compensated absences	(15,886)	
OPEB obligations	(23,643)	
Unamortized premium on debt issuance	(8,706)	
Arbitrage rebate payable	<u>(228)</u>	
		(877,248)
Deferred revenue that is measurable but not yet available for governmental fund activities is recognized as revenue for governmental-wide activities.		<u>1,441</u>
Net assets of governmental activities	<u>\$</u>	<u>645,857</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, 2010  
(amounts expressed in thousands)

	Major Funds			Other Non-Major Governmental Funds	Total Governmental Funds
	General	Transportation	General Obligation Debt Service		
<b>REVENUES</b>					
Taxes and special assessments	\$ 57,537	\$ 19,488	\$ 29,312	\$ 19,954	\$ 126,291
Licenses and permits	8,641	-	-	1,093	9,734
Intergovernmental	58,490	2,509	-	29,048	90,047
Charges for services	5,658	130	-	7,852	13,640
Fines and forfeitures	4,050	2	-	-	4,052
Investment income	(111)	204	354	327	774
Miscellaneous	3,524	471	-	14,005	18,000
Total revenues	<u>137,789</u>	<u>22,804</u>	<u>29,666</u>	<u>72,279</u>	<u>262,538</u>
<b>EXPENDITURES</b>					
Current:					
General government	21,457	-	-	1,628	23,085
Public safety	77,667	-	-	18,494	96,161
Public works	11,472	-	-	97	11,569
Community services	22,600	11,126	-	3,792	37,518
Community environment	78	-	-	6,082	6,160
Street maintenance	791	-	-	9,597	10,388
Miscellaneous	1,627	-	18	381	2,026
Debt service:					
Principal	2,189	-	13,818	13,444	29,451
Interest	244	-	9,175	33,494	42,913
Capital outlay	2,717	19,897	-	40,915	63,529
Total expenditures	<u>140,842</u>	<u>31,023</u>	<u>23,011</u>	<u>127,924</u>	<u>322,800</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,053)</u>	<u>(8,219)</u>	<u>6,655</u>	<u>(55,645)</u>	<u>(60,262)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Long-term debt issued	-	-	-	41,650	41,650
Premium on long-term debt issued	-	-	-	10	10
Proceeds from equipment disposal	469	13	-	-	482
Capital lease proceeds	44	-	-	-	44
Other uses:					
Transfers in	2,714	1,115	-	32,477	36,306
Transfers out	(13,958)	(8,334)	(2,709)	(8,429)	(33,430)
Total other financing sources and uses	<u>(10,731)</u>	<u>(7,206)</u>	<u>(2,709)</u>	<u>65,708</u>	<u>45,062</u>
Net change in fund balances	<u>(13,784)</u>	<u>(15,425)</u>	<u>3,946</u>	<u>10,063</u>	<u>(15,200)</u>
Fund balances, July 1	<u>52,630</u>	<u>50,651</u>	<u>22,658</u>	<u>95,686</u>	<u>221,625</u>
Fund balances, June 30	<u>\$ 38,846</u>	<u>\$ 35,226</u>	<u>\$ 26,604</u>	<u>\$ 105,749</u>	<u>\$ 206,425</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, 2010

(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		\$	(15,200)
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 \$63,529 exceeded depreciation of \$43,722 for the current period.			19,807
The net effect of various transactions involving capital is to increase net assets.			
Capital contributions	\$	460	
Disposals		(482)	
Gain (loss) on sales		<u>330</u>	
			308
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.			(146)
The net effect of long-term debt issuance and the related transactions is to increase net assets.			
Bond premium		(10)	
Bonds issuance costs		748	
Principal paid		29,451	
Long-term debt issued		(41,650)	
Capital lease proceeds		(44)	
Arbitrage rebate		<u>104</u>	
			(11,401)
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.			(1,029)
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.			(7,858)
Internal service funds are used by management to charge the costs of workers' compensation, risk management, and employee benefits to individual funds.			(5,225)
Expenses on the statement of activities differ from governmental funds because of the portion not accrued on the governmental funds.			<u>(805)</u>
Change in net assets of governmental activities		\$	<u><u>(21,549)</u></u>

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

City of Glendale, Arizona  
**Statement of Net Assets**  
**Proprietary Funds**  
June 30, 2010  
(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Major Funds	Other Proprietary	Total	
	Water and Sewer	Funds		
<b>ASSETS</b>				
Current assets:				
Equity in pooled cash and investments	\$ 46,609	\$ 9,963	\$ 56,572	\$ 10,632
Receivables:				
Accounts	12,818	2,349	15,167	1
Allowance for uncollectibles	(885)	(199)	(1,084)	-
Due from other funds	-	959	959	-
Intergovernment receivable	-	208	208	-
Inventories and prepaid items	3,922	10	3,932	69
Total current assets	<u>62,464</u>	<u>13,290</u>	<u>75,754</u>	<u>10,702</u>
Noncurrent assets:				
Restricted cash and investments	12,132	22,043	34,175	1,605
Capital assets:				
Capital assets	741,441	48,096	789,537	-
Accumulated depreciation	(191,205)	(22,963)	(214,168)	-
Capital assets, net	<u>550,236</u>	<u>25,133</u>	<u>575,369</u>	<u>-</u>
Equity in joint venture	67,269	-	67,269	-
Total noncurrent assets	<u>629,637</u>	<u>47,176</u>	<u>676,813</u>	<u>1,605</u>
Total assets	<u>692,101</u>	<u>60,466</u>	<u>752,567</u>	<u>12,307</u>
<b>LIABILITIES</b>				
Current liabilities:				
Vouchers payable	5,663	492	6,155	1,954
Accounts payable	66	76	142	-
Retainage payable	40	-	40	-
Compensated absences	1,518	661	2,179	-
Due to other funds	-	966	966	-
Intergovernmental payable	265	-	265	-
Deposits	787	361	1,148	-
Unearned rent	-	22	22	-
Estimated claims payable	-	-	-	5,195
Current portion of long-term debt:				
General obligation bonds	860	-	860	-
Unamortized premium on debt issuance	367	-	367	-
Revenue bonds/obligations payable	9,650	-	9,650	-
Capital lease obligations	-	441	441	-
Other long-term debt	1,405	-	1,405	-
Interest payable	6,739	6	6,745	-
Total current liabilities	<u>27,360</u>	<u>3,025</u>	<u>30,385</u>	<u>7,149</u>
Noncurrent liabilities:				
Compensated absences	418	390	808	-
General obligation bonds	8,300	-	8,300	-
Unamortized premium on debt issuance	5,863	-	5,863	-
Revenue bonds/obligations payable	263,490	-	263,490	-
OPEB long-term obligations	3,175	1,905	5,080	-
Other long-term debt	-	43	43	-
Notes payable	12,873	-	12,873	-
Capital lease obligations	-	151	151	-
Claims payable	-	-	-	1,968
Estimated closure and post-closure costs	-	13,813	13,813	-
Total noncurrent liabilities	<u>294,119</u>	<u>16,302</u>	<u>310,421</u>	<u>1,968</u>
Total liabilities	<u>321,479</u>	<u>19,327</u>	<u>340,806</u>	<u>9,117</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	247,428	24,541	271,969	-
Restricted for:				
Debt service	1,176	-	1,176	-
Revenue bond retirement, replacement and extension	10,932	-	10,932	-
Other purposes	-	1,880	1,880	-
Unrestricted	111,086	14,718	125,804	3,190
Total net assets	<u>\$ 370,622</u>	<u>\$ 41,139</u>	<u>411,761</u>	<u>\$ 3,190</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			(1,254)	
Net assets of business-type activities			<u>\$ 410,507</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, 2010  
(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	\$ -	\$ 9,332	\$ 9,332	\$ -
Metered water sales	41,788	-	41,788	-
Sewer service charges	29,092	-	29,092	-
Container service	-	4,510	4,510	-
Curb service	-	10,534	10,534	-
Landfill user fees	-	4,950	4,950	-
Self-insurance premium	-	-	-	25,246
Recycling sales	-	1,915	1,915	-
Other fees	4,866	4,973	9,839	302
Total operating revenues	<u>75,746</u>	<u>36,214</u>	<u>111,960</u>	<u>25,548</u>
Operating expenses:				
Water	19,014	-	19,014	-
Sewer	12,118	-	12,118	-
Landfill	-	5,871	5,871	-
Housing	-	13,655	13,655	-
Closure/post-closure care adjustment	-	1,532	1,532	-
Sanitation	-	12,323	12,323	-
Administrative and general	12,496	-	12,496	-
Insurance claims	-	-	-	27,937
Amortization and depreciation	19,406	2,501	21,907	-
Total operating expenses	<u>63,034</u>	<u>35,882</u>	<u>98,916</u>	<u>27,937</u>
Operating income (loss)	<u>12,712</u>	<u>332</u>	<u>13,044</u>	<u>(2,389)</u>
Nonoperating revenues (expenses):				
Impact fees	940	23	963	-
Investment income	301	189	490	94
Interest expense	(12,920)	(50)	(12,970)	-
Net loss from joint venture	(4,485)	-	(4,485)	-
Amortization of bond issuance cost	(169)	-	(169)	-
Gain on disposal of assets	41	146	187	-
OPEB expense	(1,044)	(636)	(1,680)	-
Total nonoperating revenues (expenses)	<u>(17,336)</u>	<u>(328)</u>	<u>(17,664)</u>	<u>94</u>
Income (loss) before contributions and transfers	(4,624)	4	(4,620)	(2,295)
Capital contributions	313	347	660	-
Transfers in	-	561	561	-
Transfers out	(184)	(7)	(191)	(3,246)
Change in net assets	<u>(4,495)</u>	<u>905</u>	<u>(3,590)</u>	<u>(5,541)</u>
Total net assets - beginning	375,117	40,234		8,731
Total net assets - ending	<u>\$ 370,622</u>	<u>\$ 41,139</u>		<u>\$ 3,190</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			(418)	
Change in net assets of business-type activities			<u>\$ (4,008)</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, 2010  
(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Major Funds	Other Proprietary	Total	
	Water and Sewer	Funds		
<b>Cash flows from operating activities:</b>				
Cash received from customers	\$ 74,505	\$ 27,210	\$ 101,715	\$ 25,565
Cash received from federal government	-	9,501	9,501	-
Cash paid to suppliers:				
Internal city departments	(7,391)	(8,380)	(15,771)	-
External vendors	(19,631)	(16,708)	(36,339)	-
Cash paid for insurance and in settlement of claims	-	-	-	(26,582)
Cash paid to employees for services	(14,974)	(7,937)	(22,911)	-
Net cash provided (used) by operating activities	<u>32,509</u>	<u>3,686</u>	<u>36,195</u>	<u>(1,017)</u>
<b>Cash flows from noncapital financing activities:</b>				
Transfers in	-	561	561	-
Transfers out	(184)	(7)	(191)	(3,246)
Net cash provided (used) by noncapital financing activities	<u>(184)</u>	<u>554</u>	<u>370</u>	<u>(3,246)</u>
<b>Cash flows from capital and related financing activities:</b>				
Proceeds from sale of capital assets	41	-	41	-
Principal payments on obligations	(8,187)	(620)	(8,807)	-
Acquisition of capital assets and rights	(26,719)	(3,471)	(30,190)	-
Impact fees	940	23	963	-
Interest payments on obligations	(13,753)	(57)	(13,810)	-
Capital grant proceeds	-	347	347	-
Net cash (used) by capital and related financing activities	<u>(47,678)</u>	<u>(3,778)</u>	<u>(51,456)</u>	<u>-</u>
<b>Cash flows from investing activities:</b>				
Proceeds from sale of investments	-	1	1	-
Interest received from investments	301	189	490	94
Net cash provided by investing activities	<u>301</u>	<u>190</u>	<u>491</u>	<u>94</u>
Net increase (decrease) in cash and cash equivalents during fiscal year	(15,052)	652	(14,400)	(4,169)
Cash and cash equivalents, July 1	73,793	31,354	105,147	16,406
Cash and cash equivalents, June 30	<u>\$ 58,741</u>	<u>\$ 32,006</u>	<u>\$ 90,747</u>	<u>\$ 12,237</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	Total	
	<u>Water and Sewer</u>	<u>Funds</u>		
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ 12,712	\$ 332	\$ 13,044	\$ (2,389)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operations:				
Amortization and depreciation	19,406	2,501	21,907	-
Changes in assets and liabilities:				
Accounts receivable	(2,704)	31	(2,673)	17
Intergovernmental receivable	-	400	400	-
Inventories and prepaid items	1,665	(3)	1,662	(7)
Vouchers and accounts payable	1,145	(995)	150	190
Accrued expenses	28	-	28	-
Due to other funds	-	(301)	(301)	-
Deposits	17	58	75	-
Unearned rent	-	14	14	-
Compensated absences	240	117	357	-
Claims payable	-	-	-	1,172
Estimated closure and post-closure costs	-	1,532	1,532	-
Net cash provided (used) by operating activities	<u>\$ 32,509</u>	<u>\$ 3,686</u>	<u>\$ 36,195</u>	<u>\$ (1,017)</u>
<b>Reconciliation of statement of net assets cash and investments to the statement of cash flows:</b>				
Per combined statement of net assets:				
Equity in pooled cash and investments	\$ 46,609	\$ 9,963	\$ 56,572	\$ 10,632
Restricted cash and investments	12,132	22,043	34,175	1,605
Total cash and cash equivalents	<u>\$ 58,741</u>	<u>\$ 32,006</u>	<u>\$ 90,747</u>	<u>\$ 12,237</u>
<b>Noncash investing, capital, and financing activities:</b>				
Contributions of capital assets	\$ 313	\$ -	\$ 313	\$ -
Loss on joint venture	(4,485)	-	(4,485)	-
Estimated closure and post-closure costs	-	1,532	1,532	-

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2010

(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.

**Index**

	<u>Note</u>	<u>Page</u>
Summary of Significant Accounting Policies.....	I.....	37
Compliance – Excess of Expenditures Over Appropriations/Deficits in Fund Equity .....	II.....	45
Deposits and Investments .....	III.....	45
Capital Assets .....	IV.....	47
Construction and Other Significant Commitments.....	V.....	49
Self-Insurance Funds .....	VI.....	50
Leases .....	VII.....	51
Short-Term Debt.....	VIII.....	52
Long-Term Debt.....	IX.....	52
Landfill Obligations.....	X.....	61
Interfund Transactions .....	XI.....	62
Encumbrances.....	XII.....	64
Equity in Joint Venture.....	XIII.....	64
Jointly Governed Organizations .....	XIV.....	65
Fund Balance/Net Assets Reservation, Designation, and Restriction.....	XV.....	65
Employee Retirement Systems and Pension Plans .....	XVI.....	69
Other Post-Employment Benefits .....	XVII.....	73
Contingent Liabilities and Commitments .....	XVIII.....	74
Subsequent Events.....	XIX.....	74
Implementation of GASB No. 54.....	XX.....	75

## CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2010

(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).

Activities 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.

The *internal service funds* are eliminated on an entity-wide basis as per GASB Statement 34.

#### 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

## CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2010

(amounts expressed in thousands)

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 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 for 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 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, 2010

(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 user's 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

Notes to the Financial Statements

June 30, 2010

(amounts expressed in thousands)

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 user's 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 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.

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2010

(amounts expressed in thousands)

**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, 2010, the postage portion of the general fund supplies inventory was \$27. 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 \$12,970. In addition, \$301 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

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2010

(amounts expressed in thousands)

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 \$2,693, are being amortized over 40 years on a straight-line basis starting January 1, 2000. Current year amortization was \$69. The net book value of water rights as of June 30, 2010, is \$1,986. 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, 2010, the City has capitalized payment of \$4,491 for these water rights. The City will amortize this asset over 40 years on a straight-line basis starting July 1, 2010.

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, 2010, 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, 2009
Levy (assessment) date (third Monday in August)	August 17, 2009
Due dates:	
First half of assessment	October 1, 2009
Second half of assessment	March 1, 2010
Penalties and interest added (collection dates):	
First half of assessment	November 3, 2009
Second half of assessment	May 4, 2010

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2010

(amounts expressed in thousands)

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, 2010, is as follows:

<u>Fund</u>	<u>Rate</u>
General fund	\$ 0.22
General obligation debt service fund	1.37
Total	<u>\$ 1.59</u>

**M. Compensated absences**

Vacation time is accumulated up to a maximum of nine workweeks and compensatory time is earned in lieu of cash payment for overtime. 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 accrued sick time contributed to a mandatory Retiree Health Savings plan based on their average hourly wage over the last 36 months. Employees who have five to ten years of service will receive one-third of their sick leave balance based on their average hourly wage over the 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, 2010, 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.

## CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2010

(amounts expressed in thousands)

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

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2010

(amounts expressed in thousands)

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 decrease in the fair value of investments during the fiscal year ended June 30, 2010, was \$936.

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

For the year ended June 30, 2010, expenditures exceeded appropriations in the housing fund by \$6,169. These over-expenditures were funded by beginning fund balance and operating transfers.

The City ended the fiscal year June 30, 2010, with a deficit fund balance in the following funds:

Federal stimulus fund	
Deficit will be funded as Grant reimbursement requests are paid.	\$ 1
Workers' compensation internal service fund	
Deficit will be funded by premiums in next fiscal year.	152

**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 \$80,518 and the bank balances were \$81,961. The difference of \$1,443 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 \$102,876 of collateral held by the City's agent in the City's name.

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2010

(amounts expressed in thousands)

Investments

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

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

As of June 30, 2010, the City had the following investments:

Investment Type	Investment Maturities (in years)			Fair Value
	0 - 1	1 - 2	2 - 3	
U.S. Agencies	\$ 122,938	\$ -	\$ 5,005	\$ 127,943
U.S. Treasuries	35,135	-	-	35,135
Total investments	158,073	-	5,005	163,078
State LGIP total	25,857	-	-	25,857
Grand total investments	<u>\$ 183,930</u>	<u>\$ -</u>	<u>\$ 5,005</u>	<u>188,935</u>
Cash deposits				80,518
Other restricted cash				95,417
Total deposits and investments				<u>\$ 364,870</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, 2010, 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	78.46%	0.06
U.S. Treasuries	Aaa	AAA	21.54%	0.13

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	\$ 50,364
FHLMC Total	U.S. Agencies	40,491
FNMA Total	U.S. Agencies	37,088
T-Note	U.S. Treasuries	35,135

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2010

(amounts expressed in thousands)

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.

**IV. Capital assets**

A summary of capital asset activity, for the government-wide financial statements, for the year ended June 30, 2010, is as follows:

	Balances				Balances
	June 30, 2009	Additions	Transfers	Disposals	June 30, 2010
<b>Governmental activities</b>					
Non-depreciable assets:					
Construction in progress	\$ 288,509	\$ 36,657	\$ (71,094)	\$ -	\$ 254,072
Land	73,697	11,303	-	-	85,000
Artwork	1,436	-	-	-	1,436
Total non-depreciable assets	<u>363,642</u>	<u>47,960</u>	<u>(71,094)</u>	<u>-</u>	<u>340,508</u>
Depreciable assets:					
Buildings	350,186	-	4,364	-	354,550
Improvements other than buildings	155,034	12,098	1,158	-	168,290
Infrastructure - streets	579,272	448	48,356	(16)	628,060
Infrastructure - parks	68,245	12	7,808	-	76,065
Infrastructure - flood/storm drains	32,146	-	9,408	-	41,554
Infrastructure - airport	14,003	-	-	-	14,003
Machinery and equipment	44,640	201	-	(168)	44,673
Computer equipment	3,962	175	-	(7)	4,130
Software	931	5	-	-	936
Automotive equipment	41,455	3,089	-	(3,697)	40,847
Total depreciable assets at historical cost	<u>1,289,874</u>	<u>16,028</u>	<u>71,094</u>	<u>(3,888)</u>	<u>1,373,108</u>
Less accumulated depreciation for:					
Buildings	(55,292)	(9,420)	-	-	(64,712)
Improvements other than buildings	(72,040)	(6,372)	-	-	(78,412)
Infrastructure - streets	(168,156)	(15,278)	-	10	(183,424)
Infrastructure - parks	(18,975)	(2,615)	-	-	(21,590)
Infrastructure - flood/storm drains	(4,751)	(435)	-	-	(5,186)
Infrastructure - airport	(6,440)	(463)	-	-	(6,903)
Machinery and equipment	(22,731)	(4,663)	-	167	(27,227)
Computer equipment	(2,452)	(592)	-	7	(3,037)
Software	(702)	(59)	-	-	(761)
Automotive equipment	(22,554)	(3,825)	-	3,553	(22,826)
Total accumulated depreciation	<u>(374,093)</u>	<u>(43,722)</u>	<u>-</u>	<u>3,737</u>	<u>(414,078)</u>
Total depreciable assets, net	<u>915,781</u>	<u>(27,694)</u>	<u>71,094</u>	<u>(151)</u>	<u>959,030</u>
Governmental activities capital assets, net	<u>\$ 1,279,423</u>	<u>\$ 20,266</u>	<u>\$ -</u>	<u>\$ (151)</u>	<u>\$ 1,299,538</u>

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2010

(amounts expressed in thousands)

	Balances June 30, 2009	Additions	Disposals	Balances June 30, 2010
<b>Business-Type activities:</b>				
Non-depreciable assets:				
Construction in progress - water and sewer	\$ 35,877	\$ 22,598	\$ (2,560)	\$ 55,915
Construction in progress - landfill	907	38	(578)	367
Construction in progress - housing authority	1,332	399	(898)	833
Land	26,297	-	-	26,297
Total non-depreciable assets	<u>64,413</u>	<u>23,035</u>	<u>(4,036)</u>	<u>83,412</u>
Depreciable assets:				
Buildings	14,574	1,021	-	15,595
Water storage rights	9,159	52	-	9,211
Improvements other than buildings	53,990	2,601	-	56,591
Water lines	110,235	634	-	110,869
Sewer lines	119,486	76	-	119,562
Water treatment plant	202,454	-	-	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	3,799	137	(204)	3,732
Computer equipment	924	-	-	924
Automotive equipment	18,889	3,209	(2,400)	19,698
Total depreciable assets at historical cost	<u>700,999</u>	<u>7,730</u>	<u>(2,604)</u>	<u>706,125</u>
Less accumulated depreciation for:				
Buildings	(6,484)	(478)	-	(6,962)
Water storage rights	(638)	(69)	-	(707)
Improvements other than buildings	(9,881)	(2,481)	-	(12,362)
Water lines	(30,536)	(2,328)	-	(32,864)
Sewer lines	(42,996)	(2,660)	-	(45,656)
Water treatment plant	(54,300)	(7,008)	-	(61,308)
Sewer treatment plant	(22,686)	(3,867)	-	(26,553)
Meters and services	(9,875)	(720)	-	(10,595)
Fire hydrants	(1,913)	(102)	-	(2,015)
Machinery and equipment	(3,179)	(192)	191	(3,180)
Computer equipment	(712)	(7)	-	(719)
Automotive equipment	(11,591)	(1,995)	2,339	(11,247)
Total accumulated depreciation	<u>(194,791)</u>	<u>(21,907)</u>	<u>2,530</u>	<u>(214,168)</u>
Total depreciable assets, net	<u>506,208</u>	<u>(14,177)</u>	<u>(74)</u>	<u>491,957</u>
Business-Type activities capital assets, net	<u>\$ 570,621</u>	<u>\$ 8,858</u>	<u>\$ (4,110)</u>	<u>\$ 575,369</u>

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2010

(amounts expressed in thousands)

Depreciation was charged to functions/programs as follows:

## Governmental activities:

General	\$ 16,334
Public safety	6,070
Public works	3,727
Street maintenance	12,153
Community services	5,402
Community environment	36
Total depreciation expense	<u>\$ 43,722</u>

## Business-Type activities:

Water and sewer	\$ 19,406
Landfill	828
Sanitation	1,260
Housing	413
Total depreciation expense	<u>\$ 21,907</u>

Included in the water and sewer depreciation amount is \$69 amortization of water storage rights.

**V. Construction and other significant commitments**

The City has active construction projects as of June 30, 2010. 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	\$ 79,478	\$ 118
Community services	29,366	4,970
Public safety	34,951	64
Public works	96,478	4,162
Street maintenance	13,799	692
Water and sewer facilities	55,915	14,005
Landfill	367	19
Housing	833	-
Total primary government	<u>\$ 311,187</u>	<u>\$ 24,030</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.

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2010

(amounts expressed in thousands)

**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 \$175 in medical claims per individual per plan year. Claims exceeding \$175 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, 2010

(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 \$7,163 as of June 30, 2010. Changes in the balances of claims liabilities during the past two years are as follows:

	Risk Management		Workers' Compensation		Employee Benefits	
	2010	2009	2010	2009	2010	2009
Unpaid claims, beginning of fiscal year	\$ 3,309	\$ 4,080	\$ 1,729	\$ 1,986	\$ 954	\$ 2,853
Current year claims and changes in estimate	61	(957)	1,200	558	23,813	19,670
Claims payments	(861)	186	(1,072)	(815)	(21,970)	(21,569)
Balance at fiscal year end	<u>\$ 2,509</u>	<u>\$ 3,309</u>	<u>\$ 1,857</u>	<u>\$ 1,729</u>	<u>\$ 2,797</u>	<u>\$ 954</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 the Financial Accounting Standards Board in its Accounting Standards Codification "leases" (FASB ASC 840) 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 \$488 for business-type activities and \$1,627 for governmental activities. The future minimum lease obligation and net present value of lease payments at June 30, 2010, are as follows:

Year Ending June 30	Governmental Activities	Business-Type Activities
2011	\$ 2,895	\$ 459
2012	5,251	155
2013	91	-
2014	82	-
2015	52	-
2016-2020	51	-
Total minimum lease payments	<u>8,422</u>	<u>614</u>
Less: Amount representing interest	(929)	(22)
Present value of net minimum lease payments	<u>\$ 7,493</u>	<u>\$ 592</u>

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2010

(amounts expressed in thousands)

The assets acquired through capital leases are as follows:

Class of Property	Governmental Activities	Business-Type Activities
Equipment	\$ 462	\$ 95
Automotive equipment	2,764	6,276
Building	197	5,141
Other	8,211	4,434
	11,634	15,946
Less: Accumulated depreciation	(5,512)	(9,342)
Total	\$ 6,122	\$ 6,604

**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 2009-10 were \$307.

**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 2011 and beyond. The carrying value of leased assets is \$180,530 (cost of \$248,408 less accumulated depreciation of \$67,878). 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
2011	\$ 1,313
2012	849
2013	721
2014	650
2015	610
2016 and beyond	15,254
Total	\$ 19,397

**VIII. Short-term debt**

The City did not issue short-term debt for the year ended June 30, 2010.

**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, 2010

(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 User Revenue Fund (HURF) bonds are used to construct street and highway projects. The \$23,910 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 user 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 \$22,695. The current year revenues of \$13,776 paid the current year principal and interest amounts of \$3,730 and \$969, 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 \$102,490 in bonds outstanding is secured by the City's pledge of a 0.50% transportation excise tax approved by voters on November 6, 2001. The debt service payments are also secured by the same excise tax. The total remaining principal and interest to be paid to a trustee under a trust agreement is \$161,208. The current year revenues of \$19,488 collected in the transportation special revenue fund paid the current year principal and interest amounts of \$2,675 and \$4,655, respectively.

The \$273,140 in water and sewer revenue bonds/obligations outstanding has been issued for the construction, acquisition, and equipping of water and sewer facilities and related systems and infrastructure. These 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 and interest income less such necessary expenses of operation, maintenance, and repair of the system excluding depreciation, amortization and debt service. The total principal and interest remaining to be paid is \$394,210. The current year principal and interest on the bonds were \$22,528 and net revenues of the system were \$33,359.

### **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

June 30, 2010

(amounts expressed in thousands)

**D. Western Loop 101 Public Facilities 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 or 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, 2010:

	June 30, 2009	Additions	Reductions	June 30, 2010	Amounts Due Within One Year
General obligation (GO) bonds	\$ 197,738	\$ 41,650	\$ (13,793)	\$ 225,595	\$ 14,470
Revenue bonds:					
Highway user revenue	27,480	-	(3,570)	23,910	3,730
Transportation bonds	105,035	-	(2,545)	102,490	2,675
Municipal Property Corporation	294,130	-	(6,575)	287,555	5,600
Public Facilities Corporation	199,750	-	-	199,750	-
Total bonds payable	824,133	41,650	(26,483)	839,300	26,475
Notes payable	7,637	-	(1,349)	6,288	1,733
Total notes payable	7,637	-	(1,349)	6,288	1,733
Other long-term obligations:					
Capital lease obligations	9,076	44	(1,627)	7,493	2,363
OPEB obligations	15,785	7,858	-	23,643	-
Compensated absences	16,453	13,660	(13,104)	17,009	13,051
Claims and judgments	5,992	23,903	(22,732)	7,163	5,195
Unamortized premium on debt issuance	9,324	10	(628)	8,706	627
Developer payable obligations	1,961	218	-	2,179	-
Arbitrage rebate payable	332	-	(104)	228	-
Total other long-term obligations	58,923	45,693	(38,195)	66,421	21,236
Total	\$ 890,693	\$ 87,343	\$ (66,027)	\$ 912,009	\$ 49,444

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 \$912,009 in the total liabilities, \$22,201 represents debt related to unspent bond proceeds (\$13,741 restricted cash in transportation fund and \$8,460 restricted

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2010

(amounts expressed in thousands)

cash in Western Loop 101 Public Facilities Corporation construction fund) and \$841,765 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, 2010:

	June 30, 2009	Additions	Reductions	June 30, 2010	Amounts Due Within One Year
Water and sewer GO bonds	\$ 9,995	\$ -	\$ (835)	\$ 9,160	\$ 860
Landfill GO bonds	132	-	(132)	-	-
Water and sewer revenue/obligation bonds	282,345	-	(9,205)	273,140	9,650
Total bonds payable	<u>292,472</u>	<u>-</u>	<u>(10,172)</u>	<u>282,300</u>	<u>10,510</u>
Notes payable	12,425	3,233	(1,380)	14,278	1,405
Total notes payable	<u>12,425</u>	<u>3,233</u>	<u>(1,380)</u>	<u>14,278</u>	<u>1,405</u>
Other long-term obligations:					
Capital lease obligations	1,080	-	(488)	592	441
Estimated closure and post-closure costs	12,281	1,532	-	13,813	-
Unamortized premium on debt issuance	6,649	-	(419)	6,230	367
OPEB obligations	3,400	1,680	-	5,080	-
Compensated absences	2,630	2,330	(1,973)	2,987	2,179
Housing noncurrent liabilities	42	1	-	43	-
Total other long-term obligations	<u>26,082</u>	<u>5,543</u>	<u>(2,880)</u>	<u>28,745</u>	<u>2,987</u>
Total	<u>\$ 330,979</u>	<u>\$ 8,776</u>	<u>\$ (14,432)</u>	<u>\$ 325,323</u>	<u>\$ 14,902</u>

Of the \$325,323 in total liabilities, \$303,400 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. The enterprise funds did not have unspent bond proceeds at year end.

**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**

Notes to the Financial Statements

June 30, 2010

(amounts expressed in thousands)

**G. Bonds payable**

Bonds payable at June 30, 2010, are comprised of the following:

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

Purpose	Interest Rate	Issued Fiscal Year Ending June 30	Year Series Matures	Amount of Original Issue	Bonds Outstanding June 30, 2010
<u>GO bonds payable from secondary assessed property taxes</u>					
Various	5.00-5.40	2000	2015	\$ 20,215	\$ 1,565
Various	2.50-5.00	2002	2022	40,235	26,260
Various	1.50-5.00	2003	2022	52,525	33,345
Various	3.00-5.00	2004	2019	36,645	26,340
Various	3.50-4.00	2005	2015	11,960	7,665
Refunding	5.00-5.00	2006	2015	9,065	9,065
Various	4.00-5.00	2006	2021	29,365	24,925
Various	4.00-5.00	2007	2022	61,000	54,780
Various	1.50-5.63	2010	2030	41,650	41,650
Total					<u>225,595</u>
<u>Revenue bonds payable from highway user revenue funds</u>					
Streets	5.00-5.37	2000	2010	8,750	1,665
Streets	2.50-4.00	2004	2014	14,655	10,510
Streets	4.00-5.00	2006	2016	15,745	11,735
Total					<u>23,910</u>
<u>Revenue bonds payable from the 0.5% transportation sales tax</u>					
Transportation excise tax	4.00-5.00	2008	2032	109,110	102,490
<u>Municipal Property Corporation payable from general fund lease payments</u>					
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	47,245
MPC excise tax 2003B	1.46-5.58	2003	2033	105,260	96,590
MPC refunding	4.70-4.70	2004	2033	7,250	7,250
MPC excise tax 2004A	2.00-5.00	2004	2014	10,880	7,710
MPC excise tax 2006A	4.00-5.00	2006	2026	33,250	30,900
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	51,350
MPC excise tax 2008C	4.00-5.02	2008	2015	9,140	9,140
Total					<u>287,555</u>
<u>Public Facilities 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					839,300
Less current portion					(26,475)
Long-term portion of bonds payable recorded in governmental activities					<u>\$ 812,825</u>

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2010

(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, 2010</u>
<u>GO bonds payable from water and sewer fund</u>					
Water and sewer	1.50-5.00	2003	2022	13,875	\$ 9,160
Total					<u>9,160</u>
<u>Revenue bonds/obligations payable from water and sewer fund</u>					
Various	4.75-5.75	2000	2010	53,000	6,655
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	43,230
Various	3.00-5.00	2008	2028	65,500	63,255
Total					<u>273,140</u>
Total bonds payable recorded in business-type activities					282,300
Less current portion					<u>(10,510)</u>
Long-term portion of bonds payable recorded in business-type activities					<u>\$ 271,790</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, 2010, is as follows:

	<u>6%</u>	<u>20%</u>
Capacity to incur bonded debt	\$ 127,854	\$ 426,181
Less: Bonded debt applicable to limit	<u>(29,010)</u>	<u>(163,811)</u>
Unused bonded debt capacity	<u>\$ 98,844</u>	<u>\$ 262,370</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, 2010

(amounts expressed in thousands)

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

Bonds authorized but not fully issued as of June 30, 2010, are shown below:

GO bonds	Authorized Amount	Issued through June 30, 2010	Authorized but Unissued
<u>Voter authorized October 20, 1981</u>			
Operations center	\$ 6,750	\$ 550	\$ 6,200
<u>Voter authorized March 10, 1987</u>			
Library	9,698	8,000	1,698
<u>Voter authorized November 2, 1999</u>			
Cultural facility <sup>(1)</sup>	18,215	4,494	13,721
Economic development	50,500	17,873	32,627
Governmental facilities <sup>(1)</sup>	40,910	16,910	24,000
Landfill development <sup>(1)</sup>	17,000	1,460	15,540
Library	15,398	-	15,398
Open spaces	53,700	3,175	50,525
Public safety	64,801	62,966	1,835
Transit <sup>(1)</sup>	6,935	185	6,750
<u>Voter authorized May 15, 2007</u>			
Flood control	20,554	10,522	10,032
Parks and recreation	16,155	1,518	14,637
Public safety	102,638	-	102,638
Streets and parking	79,065	11,827	67,238
Total GO bonds	\$ 502,319	\$ 139,480	\$ 362,839
<u>Revenue bonds</u>			
<u>Voter authorized November 2, 1999</u>			
Water and sewer <sup>(1)</sup>	\$ 10,000	\$ -	\$ 10,000
Total revenue bonds	10,000	-	10,000
Total bonds	\$ 512,319	\$ 139,480	\$ 372,839

(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, 2010

(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
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.	1,958
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>52</u>
Total notes payable recorded in governmental activities	6,288
Less current portion	<u>(1,733)</u>
Long-term portion of notes payable recorded in governmental activities	<u>\$ 4,555</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.	\$ 8,922
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.	2,124
Oasis Groundwater Treatment Plant's cost for the engineering design, inspection, and administrative services to utilize the Plant for nitrate removal from the groundwater - The maximum available under the loan is \$6,340 of which \$3,232 was drawn down and recorded as a liability as of June 30, 2010. The loan is scheduled to be paid in annual installments over 20 years with a combined interest and fee rate of 3.145%. Principal and interest are payable from the water and sewer fund.	<u>3,232</u>
Total notes payable recorded in business-type activities	14,278
Less current portion	<u>(1,405)</u>
Long-term portion of notes payable recorded in business-type activities	<u>\$ 12,873</u>

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2010

(amounts expressed in thousands)

**J. Debt service requirements**

Fiscal Year Ending	HURF Bonds	Transportation Bonds	MPC Bonds	PFC Bonds	Various Purposes		Water and Sewer		Revenue Bonds/Obligations	Total
					GO Bonds	Notes Payable	GO Bonds	Notes Payable		
2011	\$ 4,690	\$ 7,328	\$ 21,186	\$ 13,011	\$ 25,154	\$ 2,131	\$ 1,251	\$ 2,353	\$ 22,532	\$ 99,636
2012	4,696	7,327	21,317	13,011	25,153	2,519	1,251	2,261	22,530	100,065
2013	4,699	7,326	21,357	13,011	25,160	2,382	1,258	2,226	22,526	99,945
2014	4,686	7,326	21,372	15,951	25,163	-	1,260	1,482	22,526	99,766
2015	1,953	7,326	19,552	17,765	25,107	-	1,249	1,483	22,528	96,963
2016	1,971	7,326	19,665	17,657	22,067	-	1,236	1,483	22,530	93,935
2017	-	7,327	22,031	15,294	21,973	-	1,226	1,482	22,524	91,857
2018	-	7,330	22,086	15,234	21,922	-	1,214	1,482	22,530	91,798
2019	-	7,328	22,142	15,180	17,497	-	-	1,483	22,524	86,154
2020	-	7,326	22,195	15,127	14,183	-	-	1,115	22,529	82,475
2021	-	7,329	22,258	15,066	14,229	-	-	448	22,527	81,857
2022	-	7,329	22,307	15,017	11,494	-	-	449	22,528	79,124
2023	-	7,328	22,363	14,958	3,043	-	-	448	23,661	71,801
2024	-	7,328	23,010	14,310	3,046	-	-	448	23,659	71,801
2025	-	7,328	23,064	14,256	3,052	-	-	449	23,652	71,801
2026	-	7,330	23,122	14,202	3,056	-	-	448	23,655	71,813
2027	-	7,329	20,525	16,798	3,059	-	-	448	16,491	64,650
2028	-	7,331	20,585	16,738	3,063	-	-	449	12,758	60,924
2029	-	7,328	19,778	17,542	3,067	-	-	448	-	48,163
2030	-	7,326	20,717	16,604	3,076	-	-	-	-	47,723
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	22,695	161,208	494,443	461,471	273,564	7,032	9,945	20,885	394,210	1,845,453
Less										
Interest	2,515	61,393	212,488	261,721	62,439	744	1,645	8,012	130,720	741,677
Principal	\$ 20,180	\$ 99,815	\$281,955	\$199,750	\$211,125	\$ 6,288	\$ 8,300	\$ 12,873	\$263,490	\$1,103,776

The following table discloses the debt service requirements as of June 30, 2010, 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
2011	\$ 43,275	\$ 56,361	\$ 99,636
2012	46,288	53,777	100,065
2013	48,113	51,832	99,945
2014	50,011	49,755	99,766
2015	49,540	47,423	96,963
2016-2020	244,704	201,515	446,219
2021-2025	229,860	146,524	376,384
2026-2030	204,325	88,948	293,273
2031-2035	129,755	38,158	167,913
2036-2038	57,905	7,384	65,289
Total	\$ 1,103,776	\$ 741,677	\$ 1,845,453

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2010

(amounts expressed in thousands)

**K. New bonds**

On December 22, 2009, the City issued \$41,650 in general obligation bonds to finance the costs of acquisition, improvement, and equipment of a variety of projects relating to economic development, government facilities, public safety, flood control, and parks and recreation. The bonds mature on various dates starting 2011 to 2030 with various interest rates of 1.500% to 5.625%. The bonds are direct and general obligations of the City and are payable as to both principal and interest from ad valorem taxes levied against all of the taxable property within the City subject to taxation.

The bonds are designated as Build America Bonds (BABs) for purposes of the American Recovery and Reinvestment Act of 2009. The City expects to receive a cash subsidy payment on or about each interest payment date equal to 35% of the interest payable on the bonds (the BAB Credit). The City has covenanted to deposit all BAB Credits received into the interest account for the bonds. The BAB Credit does not constitute a full faith and credit guarantee of the United States, but is required to be paid by the Treasury under the Recovery Act. The City is obligated to make payments of principal and interest on the bonds whether or not it receives the BAB Credit pursuant to the Recovery Act.

**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, 2010, calculated below, represents the cumulative amount reported to date based on the use of estimated capacity of the landfill.

	<u>North Cell</u>	<u>South Cell</u>
Capacity (cubic yards)	32,100	21,666
Capacity used to date	-	18,529
Percentage of capacity used	-	85%
Total closure and post-closure costs in present dollars:		
as of June 30, 2010	\$ 17,198	\$ 16,151
as of June 30, 2009	\$ 15,676	\$ 14,679
Closure and post-closure care costs:		
Amount remaining to be recognized		
as of June 30, 2010	\$ 17,198	\$ 2,338
Liability recognized as of June 30, 2010	\$ -	\$ 13,813

These amounts are based on what it would cost to perform all closure and post-closure care in fiscal year 2009-10. 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 51 years.

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2010

(amounts expressed in thousands)

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

**XI. Interfund transactions**

**A. Interfund receivables**

Interfund balances at June 30, 2010, consisted of the following:

	<u>Due To</u>	<u>Due From</u>
<b>Major governmental funds:</b>		
General	\$ 2,810	\$ -
<b>Non-major governmental funds:</b>		
Community development block grants fund	-	786
Municipal Property Corporation debt service	-	859
Western Loop 101 Public Facilities Corporation construction fund	-	1,158
<b>Non-major enterprise funds:</b>		
Landfill fund	959	-
Sanitation fund	-	959
Housing fund	-	7
Total	<u>\$ 3,769</u>	<u>\$ 3,769</u>

The interfund balances at June 30, 2010, 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, 2010, are expected to be repaid within one year, except sanitation and landfill funds which are to be repaid over 4 years.

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**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2010

(amounts expressed in thousands)

**B. Interfund transfers**

Interfund transfers for the year ended June 30, 2010, consisted of the following:

**Transfers to general fund from:**

Non-major governmental funds	
Streets construction fund	\$ 1
Parks bond construction fund	35
Other construction fund	8
Water and sewer enterprise fund	184
Non-major proprietary funds	
Landfill fund	7
Internal service funds	2,478
Total transfers to general fund	<u>2,713</u>

**Transfer to transportation fund from:**

General fund	900
Non-major proprietary funds	
Internal service funds	215
Total transfer to transportation fund	<u>1,115</u>

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

General fund	1,201
Non-major proprietary funds	
Internal service funds	553
Total transfer to non-major special revenue fund	<u>1,754</u>

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

General fund	11,296
Transportation fund	8,334
General obligation debt service fund	2,709
Non-major governmental funds	
Development impact fees	944
Other special revenue fund	6,500
Other construction fund	941
Total transfers to non-major debt service funds	<u>30,724</u>

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

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

Grand total all transfers	<u>\$ 36,867</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.

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2010

(amounts expressed in thousands)

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 2010 that were either non-routine in nature or inconsistent with the activities of the fund making the transfer.

**XII. Encumbrances**

The Arizona Revised Statutes allow cities to encumber unused appropriations for up to sixty days after the end of the fiscal year. However, effective July 1, 1987, the City adopted a policy of not recognizing encumbrances at year-end. All appropriations lapse on the last day of the fiscal year. Any outstanding commitments that the City intends to honor are rebudgeted in the new fiscal year. At June 30, 2010, the City intended to honor \$26,167 of outstanding encumbrances in the new year.

**XIII. Equity in joint venture**

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

Each participant pays for its costs of operation and maintenance based on relative sewage flows and strengths and for purchased capacity in plant and related transportation facilities based on ownership. The City accounts for its approximate 8.59% investment using the equity method in the water and sewer fund. For the year ended June 30, 2010, the City recognized a loss of \$4,485. 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, 2010, (unaudited) is as follows:

**Assets**

Current assets	\$ 52,376
Capital assets, net of accumulated depreciation	923,885
Total assets	<u>976,261</u>

**Liabilities**

43,434

**Net assets**\$ 932,827

Total revenues	\$ 109,725
Total expenses	<u>(88,094)</u>
Increase in net assets	<u>\$ 21,631</u>

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2010

(amounts expressed in thousands)

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

City's share of SROG equity	\$ 64,739
(Total equity of \$932,827	
plus unrealized loss of \$2,176 less assets not	
owned by the City of \$181,347 multiplied by 8.59%)	
Net capitalized interest on the City's records	2,253
City contributions not yet received by SROG	277
Total City equity	<u>\$ 67,269</u>

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

Capital contributed to the joint venture	\$ 3,996
Net loss on joint venture	(4,485)
Net decrease in equity	<u>\$ (489)</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). \$ 214

**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. 65

**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

June 30, 2010

(amounts expressed in thousands)

<b>Reserved for court computer upgrade</b> 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).	\$ 20
<b>Reserved for court time payment</b> 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.	317
<b>Reserved for Glendale Health Center</b> Glendale Health Center located at the Glendale Regional Public Safety Training Center was opened with partners and is staffed by contractual medical professionals and is fully equipped with the testing equipment, exam rooms, x-ray machines, and other medical equipment required to perform public safety personnel physical examinations on a fee-for-service basis.	22
<b>Reserved for public safety training facility</b> 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.	123
<b>Reserved for acquisition of artwork</b> Acquisition of artwork by the City's Arts Commission is provided through a surcharge on eligible capital projects as directed by the City Council.	1,569
<b>Reserved for vehicle/equipment replacement</b> For future scheduled replacement of existing equipment and vehicles.	<u>7,024</u>
<b>Total reserved for general fund type</b>	<u>\$ 9,383</u>
<b>Designated for computer replacement</b> For future schedule replacement of existing personal computers.	\$ 4,347
<b>Designated for library activities</b> 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.	322
<b>Designated for local improvement districts administration</b> Portion of City special assessment bond proceeds identified exclusively for future costs of administering and accounting for existing improvement districts.	79
<b>Designated for other public facilities projects</b> To operate and improve equipment and personal property by Western Loop 101 Public Facilities Corporation for spring training baseball facility.	1,958
<b>Designated for telephone</b> For payment of future telephone charges and maintenance.	<u>131</u>
<b>Total designated for general fund type</b>	<u>\$ 6,837</u>

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2010

(amounts expressed in thousands)

**Transportation Fund**

**Reserved for inventory**

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

\$ 75

**Total reserved for transportation fund**

\$ 75

**General Obligation Debt Service Fund**

**Reserved for debt service**

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

\$ 26,604

**Total reserved for general obligation debt service fund**

\$ 26,604

**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).

\$ 178

**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	158
City-wide recreation facilities	1,442
City-wide open space & trails	333
District No. 1	88
District No. 2	163
District No. 3	51

Library:

Buildings	1,724
Library	3,352

Fire protection facilities 92

Police facilities 1,269

Transportation 3,375

Total reserved for development impact fees 12,047

**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 5,090

Federal 251

Total reserved for drug enforcement 5,341

**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.

148

**Total reserved for special revenue fund type**

\$ 17,714

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2010

(amounts expressed in thousands)

**NON-MAJOR GOVERNMENTAL FUNDS**

**Designated for home program**

For community development block grant home program activities. \$ 78

**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. 371

**Total designated for special revenue fund type** \$ 449

**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 \$ 25,522

Municipal Property Corporation 148

Highway user 81

**Total reserved for debt service fund type** \$ 25,751

**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. \$ 356

**Total reserved for capital projects fund type** \$ 356

**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. \$ 4,443

**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. 324

**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. 1,862

**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. 919

**Total designated for capital projects fund type** \$ 7,548

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2010

(amounts expressed in thousands)

**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.

\$ 156

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.

1,020

**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.

10,932

Total restricted for water and sewer

12,108

**NON-MAJOR PROPRIETARY FUNDS**

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

1,880

**Total restricted for enterprise fund type**

\$ 13,988

**Permanent Fund Type**

**NON-MAJOR GOVERNMENTAL FUNDS**

**Reserved for cemetery perpetual care**

Funds are reserved by ordinance for future cemetery maintenance and operational expenses.

\$ 5,555

**Total reserved for permanent fund type**

\$ 5,555

**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

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2010

(amounts expressed in thousands)

ASRS is governed by the Arizona State Retirement System Board according to the provisions of ARS Title 38, Chapter 5, Article 2.

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

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, 2010, active ASRS members and the City were each required by statute to contribute at the actuarially determined rate of 9.40% (8.34% for retirement, 0.66% for health insurance premiums, and 0.40% 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, 2010, 2009, and 2008 were \$12,810, \$14,595, and \$14,420, respectively, which were equal to the required contributions for the year.

*Agent Plans.* For the year ended June 30, 2010, 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 18.28% and 20.68% for Fire and Police, respectively. The health insurance premium portion of the contribution for fire members was computed as \$439,830 for the year.

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 26.25% 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, 2010, 2009, and 2008 were \$84, \$88, and \$69, 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

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2010

(amounts expressed in thousands)

funded status of the plans and the annual required contributions are subject to continual revision as actual results are compared to past expectations and new estimates are made. The required schedule of funding progress presented as required supplementary information provides multi-year trend information that shows whether the actuarial value of the plans' assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Projections of benefits are based on 1) the plans as understood by the City and plans' members and include the types of benefits in force at the valuation date, and 2) the pattern of sharing benefit costs between the City and plans' members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The City's pension cost for Fire and Police for the year ended June 30, 2010, the date of the most recent available actuarial valuation, and related information follow.

	Fire	Police
Contribution rates:		
City	18.28%	20.68%
Plan members	7.65%	7.65%
Annual pension cost	\$2,688	\$5,845
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	26 years for unfunded actuarial accrued liability, 20 years for excess	26 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).

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2010

(amounts expressed in thousands)

**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, 2010, follows.

**Contributions required and contributions made**

Year Ended June 30	APC	Percentage of APC Contributed	Net Pension Obligation
<b>Police</b>			
2010	\$ 5,869	100.0 %	\$ -
2009	\$ 6,268	100.0 %	\$ -
2008	\$ 4,132	100.0 %	\$ -
<b>Fire</b>			
2010	\$ 3,123	100.0 %	\$ -
2009	\$ 3,931	100.0 %	\$ -
2008	\$ 2,897	100.0 %	\$ -

Includes insurance premium tax, where applicable.

**E. Required supplementary information**

*Funded status.* The funded status of the PSPRS plans as of the most recent valuation date, June 30, 2010, 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, 2010:

Valuation Date June 30	Actuarial Value of Plan Assets	Actuarial Accrued Liability	Funding Liability (Excess)	Funded Ratio	Annual Covered Payroll	Unfunded Liability as Percentage of Covered Payroll
<b>Police</b>						
2010	\$ 91,492	\$ 141,093	\$ 49,601	64.8%	\$ 28,329	175.1%
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%
<b>Fire</b>						
2010	\$ 72,387	\$ 90,570	\$ 18,183	79.9%	\$ 16,908	107.5%
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%

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2010

(amounts expressed in thousands)

**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, 2010, and June 30, 2009, a total amount of \$3,273 and \$2,930 was contributed to the plan by active retirees, respectively, in the form of current premiums of which \$4,980 and \$4,509 was paid out for retiree costs, respectively. The required contributions were 3.25% and 2.68% 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, 2010.

Normal cost	\$ 6,640
Minimum amortization of unfunded actuarial liability (UAL)	3,806
Interest adjustment to year end	418
Annual required contribution	<u>10,864</u>
ARC adjustment	(685)
Interest adjustment to net obligation	<u>767</u>
OPEB cost	<u>10,946</u>
Contributions made	(1,408)
Net OPEB obligation beginning of year	<u>19,185</u>
Net OPEB obligation end of year	<u>\$ 28,723</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 and 2010 are as follows:

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>
2008	\$11,017	10.1%
2009	11,070	14.3
2010	10,946	12.9

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2010

(amounts expressed in thousands)

**D. Funding status**

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

Actuarial valuation date	July 1, 2009
Actuarial value of assets	\$ -
Actuarial accrued liability	\$ 106,578
Unfunded Actuarial Liability (UAL)	\$ 106,578
Funded ratio	- %
Annual covered payroll	\$ 109,704
Ratio of UAL to annual covered payroll	97.2%

**E. Actuarial methods and assumptions**

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

For the July 1, 2010, actuarial valuation the actuarial cost method used is the entry age normal method. A 4.00% pay as you go discount rate was used. No actuarial valuation of assets was done as there were no assets at the valuation date. The amortization method is dollar amortized over 29 years and the period is open. The healthcare cost trend rate used in the actuarial assumptions averaged 8.6% for the medical and dental plans for the 2009-10 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**

In November 2010, the City issued \$26 million in water and sewer revenue bonds. The proceeds will be used to fund several projects in the water and sewer enterprise fund. The bonds will be repaid by the City utility system user charges. The bonds will be sold as "Build America Bonds" under The American Recovery and Reinvestment Act of 2009, in which the federal government reimburses 35% of the interest cost of the bonds.

Also in November 2010, the City issued \$38 million in general obligation refunding bonds. The bonds will refund general obligation issues from 2002 and 2003. The refunding bonds will be repaid by the City's secondary property tax.

The Phoenix Coyotes of the National Hockey League (NHL) are the anchor tenant in the City owned Jobing.com arena. The former owner of the Coyotes, Jerry Moyes, filed for bankruptcy on May 5, 2009.

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2010

(amounts expressed in thousands)

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, the current owner of the Phoenix Coyotes professional hockey franchise (the Coyotes), is considering the sale of the Coyotes to an investor group led by PEAK6 Investments (PEAK6). Such sale is expected to occur by December 31, 2010. In conjunction with the purchase of the Coyotes by PEAK6, the City expects to purchase from PEAK6 certain parking rights and associated revenues. The purchase price for the parking rights to be paid by the City is expected to be approximately \$100,000. The City anticipates issuing bonds, secured principally by parking revenues and possibly excise taxes, to fund such purchase price.

**XX. Implementation of GASB Statement No. 54**

In February 2009, GASB issued Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definitions. This new standard will not change the amount of fund balance, but will alter the categories and terminology used to describe the fund balance components. This statement is effective for fiscal periods ending June 30, 2011. The City is reviewing the requirements and plans to implement this new statement with the fiscal year ending June 30, 2011.

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City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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# **REQUIRED SUPPLEMENTARY INFORMATION**

(other than MD&A)

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FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**General Fund**  
For the Fiscal Year Ended June 30, 2010  
(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, 2009	\$ 40,600	\$ 40,600	\$ 56,380	\$ 15,780
<b>RESOURCES (INFLOWS):</b>				
Taxes	60,955	60,955	57,537	(3,418)
Licenses and permits	9,111	9,111	8,641	(470)
Intergovernmental	62,547	62,547	58,490	(4,057)
Charges for services	29,074	29,074	26,545	(2,529)
Fines and forfeitures	4,305	4,305	4,050	(255)
Investment income (loss)	2,080	2,080	1,310	(770)
Proceeds from disposal of assets	150	150	404	254
Miscellaneous	4,443	4,443	3,524	(919)
Total revenues	<u>172,665</u>	<u>172,665</u>	<u>160,501</u>	<u>(12,164)</u>
Add: Transfers in	5,119	5,119	7,219	2,100
Less: Transfers out	<u>(20,965)</u>	<u>(20,965)</u>	<u>(18,479)</u>	<u>2,486</u>
Amounts available for appropriation	<u>197,419</u>	<u>197,419</u>	<u>205,621</u>	<u>8,202</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
General government	32,628	35,426	30,457	4,969
Public safety	83,043	83,148	77,765	5,383
Public works	25,412	26,572	23,462	3,110
Community services	26,952	27,368	23,238	4,130
Community environment	194	84	78	6
Street maintenance	791	840	791	49
Contingencies	9,447	9,458	-	9,458
Miscellaneous	2,482	2,482	1,627	855
Debt service:				
Principal	581	1,401	2,189	(788)
Interest	991	1,095	244	851
Capital outlay	<u>8,115</u>	<u>5,452</u>	<u>2,605</u>	<u>2,847</u>
Total charges to appropriations	<u>190,636</u>	<u>193,326</u>	<u>162,456</u>	<u>30,870</u>
Budgetary fund balance, June 30, 2010	<u>\$ 6,783</u>	<u>\$ 4,093</u>	<u>\$ 43,165</u>	<u>\$ 39,072</u>

(Continued)

City of Glendale, Arizona  
**Budgetary Comparison Schedule** (continued)  
**General Fund**  
For the Fiscal Year Ended June 30, 2010  
(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.	\$ 205,621
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.	(56,380)
Indirect cost allocation	(7,862)
Market adjustment on restricted investments not available for appropriation.	(1,421)
Internal charges for services provided.	(13,025)
Proceeds from disposal of assets.	(404)
Less: Transfers in.	(7,219)
Add: Transfers out.	18,479
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 137,789</u>

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 162,456
Differences - budget to GAAP:	
Capital outlay funded by long-term debt.	112
Internal charges for services provided.	(21,726)
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 140,842</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, 2010  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2009	\$ 50,041	\$ 50,041	\$ 50,829	\$ 788
<b>RESOURCES (INFLOWS):</b>				
Taxes	20,000	20,000	19,488	(512)
Intergovernmental	2,417	2,417	2,509	92
Charges for services	131	131	130	(1)
Investments	521	521	213	(308)
Proceeds from disposal of assets	-	-	13	13
Fines and forfeitures	4	4	2	(2)
Miscellaneous revenues	21,552	21,552	471	(21,081)
Total revenues	<u>44,625</u>	<u>44,625</u>	<u>22,826</u>	<u>(21,799)</u>
Add: Transfers in	2,169	2,169	1,904	(265)
Less: Transfers out	(9,680)	(9,680)	(9,122)	558
Amounts available for appropriation	<u>87,155</u>	<u>87,155</u>	<u>66,437</u>	<u>(20,718)</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
Community services	16,372	17,873	11,191	6,682
Capital outlay	70,783	68,959	19,897	49,062
Total charges to appropriations	<u>87,155</u>	<u>86,832</u>	<u>31,088</u>	<u>55,744</u>
Budgetary fund balance, June 30, 2010	<u>\$ -</u>	<u>\$ 323</u>	<u>\$ 35,349</u>	<u>\$ 35,026</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.	\$ 66,437
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.	(50,829)
Proceeds from disposal of assets.	(13)
Unrealized investment income.	(9)
Less: Transfers in.	(1,904)
Add: Transfers out.	9,122
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 22,804</u>

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 31,088
Differences - budget to GAAP:	
Salaries payable.	(65)
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 31,023</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, 2010

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

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# COMBINING STATEMENTS

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FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**General Obligation Debt Service Fund**  
For the Fiscal Year Ended June 30, 2010  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2009	\$ 22,799	\$ 22,799	\$ 22,559	\$ (240)
<b>RESOURCES (INFLOWS):</b>				
Investments	-	-	354	354
Taxes	29,349	29,349	29,312	(37)
Miscellaneous	-	-	81	81
Total inflows	29,349	29,349	29,747	398
Less: Transfers out	(2,709)	(2,709)	(2,709)	-
Amounts available for appropriation	49,439	49,439	49,597	158
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
Miscellaneous	340	340	-	340
Debt service:				
Principal	13,819	14,511	13,818	693
Interest	8,162	8,162	9,175	(1,013)
Total charges to appropriations	22,321	23,013	22,993	20
Budgetary fund balance, June 30, 2010	\$ 27,118	\$ 26,426	\$ 26,604	\$ 178

**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.	\$ 49,597
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.	(22,559)
Miscellaneous revenues	(81)
Add transfers out	2,709
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 29,666

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 22,993
Differences - budget to GAAP:	
Arbitrage rebate.	18
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 23,011

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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 User 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.

#### **Federal Stimulus Fund**

This fund accounts for the three-year federal stimulus grants that were started in FY 2010 and were allocated to the City of Glendale as part of the American Reinvestment and Recovery Act (ARRA), the federal stimulus package.

#### **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 User 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).

### **Western Loop 101 Public Facilities Corporation Construction Fund**

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.

### **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, 2010  
(amounts expressed in thousands)

	Special Revenue Funds						Debt Service Funds	
	Community	Highway	Development	Police and	Federal	Other	Western	Highway
	Development	User	Impact	Fire			Public Facilities	Loop 101
	Block Grants	Gas Tax	Fees	Sales Tax	Stimulus	Corporation	User	
<b>ASSETS</b>								
Equity in pooled cash and investments	\$ -	\$ 6,297	\$ 12,130	\$ 6,188	\$ 370	\$ 1,902	\$ -	\$ 4,295
Receivables, net of allowance for doubtful accounts:								
Accounts	3	-	-	1,438	-	280	-	-
Intergovernmental receivable	1,345	1,269	-	-	552	1,776	-	-
Inventories and prepaid items	-	178	-	-	-	-	-	-
Restricted cash and investments	-	-	-	-	-	10,180	32,027	-
Deferred receivables	3,892	-	-	-	-	3,077	-	-
Total assets	<u>\$ 5,240</u>	<u>\$ 7,744</u>	<u>\$ 12,130</u>	<u>\$ 7,626</u>	<u>\$ 922</u>	<u>\$ 17,215</u>	<u>\$ 32,027</u>	<u>\$ 4,295</u>
<b>LIABILITIES AND FUND BALANCES:</b>								
Liabilities:								
Vouchers payable	\$ 434	\$ 338	\$ 83	\$ 906	\$ 157	\$ 617	\$ -	\$ -
Accounts payable	-	-	-	-	-	-	-	-
Retainage payable	43	-	-	-	13	-	-	-
Compensated absences - current	3	33	-	71	-	15	-	-
Intergovernmental payable	-	-	-	-	-	2	-	-
Due to other funds	786	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	6	-	-
Matured interest payable	-	-	-	-	-	-	6,505	484
Deferred revenue	3,892	-	-	-	753	9,684	-	-
Matured bonds payable	-	-	-	-	-	-	-	3,730
Total liabilities	<u>5,158</u>	<u>371</u>	<u>83</u>	<u>977</u>	<u>923</u>	<u>10,324</u>	<u>6,505</u>	<u>4,214</u>
Fund balances:								
Reserved for (Note XV):								
Inventory	-	178	-	-	-	-	-	-
Development impact fees	-	-	12,047	-	-	-	-	-
Drug enforcement	-	-	-	-	-	5,341	-	-
Garden for visually impaired	-	-	-	-	-	148	-	-
Cultural facility projects	-	-	-	-	-	-	-	-
Cemetery	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	25,522	81
Unreserved:								
Designated for (Note XV):								
Home program	78	-	-	-	-	-	-	-
Pool/park repair	-	-	-	-	-	371	-	-
Street capital projects	-	-	-	-	-	-	-	-
Other capital projects	-	-	-	-	-	-	-	-
Undesignated	4	7,195	-	6,649	(1)	1,031	-	-
Total fund balances	<u>82</u>	<u>7,373</u>	<u>12,047</u>	<u>6,649</u>	<u>(1)</u>	<u>6,891</u>	<u>25,522</u>	<u>81</u>
Total liabilities and fund balances	<u>\$ 5,240</u>	<u>\$ 7,744</u>	<u>\$ 12,130</u>	<u>\$ 7,626</u>	<u>\$ 922</u>	<u>\$ 17,215</u>	<u>\$ 32,027</u>	<u>\$ 4,295</u>

Debt Service Funds (cont.)		Capital Project Funds						Permanent Fund	Total Non-Major Governmental Funds
Municipal Property Corporation		Western Loop 101 Public Facilities Corporation	Streets	Fire and Police	Parks Bond	Other	Cemetery Perpetual Care		
Transportation	Construction	Construction	Construction	Construction	Construction	Construction	Care	Funds	
\$ -	\$ 5,003	\$ 40	\$ 4,836	\$ 6,431	\$ 3,765	\$ 22,409	\$ 5,555	\$ 79,221	
-	-	3,399	-	-	-	-	78	5,198	
-	-	-	-	-	-	2	-	4,944	
-	-	-	-	-	-	-	-	178	
14,044	-	8,460	-	-	-	-	-	64,711	
-	-	-	-	-	-	-	-	6,969	
<u>\$ 14,044</u>	<u>\$ 5,003</u>	<u>\$ 11,899</u>	<u>\$ 4,836</u>	<u>\$ 6,431</u>	<u>\$ 3,765</u>	<u>\$ 22,411</u>	<u>\$ 5,633</u>	<u>\$ 161,221</u>	
\$ 24	\$ -	\$ -	\$ 9	\$ 238	\$ 184	\$ 2,797	\$ -	\$ 5,787	
-	-	40	-	-	-	-	-	40	
-	-	-	-	-	33	-	-	89	
-	-	-	-	-	-	-	-	122	
12	-	-	-	-	-	-	-	14	
859	-	1,158	-	-	-	-	-	2,803	
-	-	-	-	-	-	-	-	6	
7,401	2,328	-	-	-	-	-	-	16,718	
-	-	3,399	60	-	-	22	78	17,888	
5,600	2,675	-	-	-	-	-	-	12,005	
<u>13,896</u>	<u>5,003</u>	<u>4,597</u>	<u>69</u>	<u>238</u>	<u>217</u>	<u>2,819</u>	<u>78</u>	<u>55,472</u>	
-	-	-	-	-	-	-	-	178	
-	-	-	-	-	-	-	-	12,047	
-	-	-	-	-	-	-	-	5,341	
-	-	-	-	-	-	-	-	148	
-	-	-	-	-	-	356	-	356	
-	-	-	-	-	-	-	5,555	5,555	
148	-	-	-	-	-	-	-	25,751	
-	-	-	-	-	-	-	-	78	
-	-	-	-	-	-	-	-	371	
-	-	-	4,767	-	-	-	-	4,767	
-	-	-	-	-	-	2,781	-	2,781	
-	-	7,302	-	6,193	3,548	16,455	-	48,376	
148	-	7,302	4,767	6,193	3,548	19,592	5,555	105,749	
<u>\$ 14,044</u>	<u>\$ 5,003</u>	<u>\$ 11,899</u>	<u>\$ 4,836</u>	<u>\$ 6,431</u>	<u>\$ 3,765</u>	<u>\$ 22,411</u>	<u>\$ 5,633</u>	<u>\$ 161,221</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, 2010  
(amounts expressed in thousands)

	Special Revenue Funds						Debt Service Funds	
	Community Development Block Grants	Highway User Gas Tax	Development Impact Fees	Police and Fire Sales Tax	Federal Stimulus	Other	Western Loop 101 Public Facilities Corporation	Highway User
<b>REVENUES</b>								
Taxes and special assessments	\$ -	\$ -	\$ -	\$ 17,900	\$ -	\$ 2,054	\$ -	\$ -
Licenses and permits	-	-	1,093	-	-	-	-	-
Intergovernmental	5,519	13,774	-	-	1,271	7,866	-	-
Charges for services	-	-	-	-	-	6,242	-	-
Investments	-	-	88	-	-	127	-	-
Miscellaneous	85	2	-	-	-	1,094	-	-
Total revenues	<u>5,604</u>	<u>13,776</u>	<u>1,181</u>	<u>17,900</u>	<u>1,271</u>	<u>17,383</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>								
Current:								
General government	-	-	-	-	-	878	-	-
Public safety	-	-	-	14,335	-	3,983	-	-
Public works	-	-	-	-	-	71	-	-
Community services	-	-	44	-	863	2,848	-	-
Community environment	5,573	-	-	-	-	509	-	-
Street maintenance	-	9,597	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	338	-	3
Debt service:								
Principal	-	37	844	-	-	-	-	3,730
Interest	-	2	43	-	-	-	13,011	969
Capital outlay	33	-	799	-	409	585	-	-
Total expenditures	<u>5,606</u>	<u>9,636</u>	<u>1,730</u>	<u>14,335</u>	<u>1,272</u>	<u>9,212</u>	<u>13,011</u>	<u>4,702</u>
Excess (deficiency) of revenues over expenditures	<u>(2)</u>	<u>4,140</u>	<u>(549)</u>	<u>3,565</u>	<u>(1)</u>	<u>8,171</u>	<u>(13,011)</u>	<u>(4,702)</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Long-term debt issued	-	-	-	-	-	-	-	-
Premium on long-term debt issued	-	-	-	-	-	-	-	-
Transfers in	-	553	-	-	-	1,201	-	4,653
Transfers out	-	-	(944)	-	-	(6,500)	-	-
Total other financing sources and uses	<u>-</u>	<u>553</u>	<u>(944)</u>	<u>-</u>	<u>-</u>	<u>(5,299)</u>	<u>-</u>	<u>4,653</u>
Excess (deficiency) of revenues and other sources over Net change in fund balances	<u>(2)</u>	<u>4,693</u>	<u>(1,493)</u>	<u>3,565</u>	<u>(1)</u>	<u>2,872</u>	<u>(13,011)</u>	<u>(49)</u>
Fund balances, July 1	84	2,680	13,540	3,084	-	4,019	38,533	130
Fund balances, June 30	<u>\$ 82</u>	<u>\$ 7,373</u>	<u>\$ 12,047</u>	<u>\$ 6,649</u>	<u>\$ (1)</u>	<u>\$ 6,891</u>	<u>\$ 25,522</u>	<u>\$ 81</u>

Debt Service Funds (cont.)		Capital Projects Funds					Permanent Fund	Total
		Western Loop 101	Fire	Parks			Cemetery	Non-Major
Municipal		Public Facilities	and	Bond		Other	Perpetual	Governmental
Property		Corporation	Streets	Police				
Corporation	Transportation	Construction	Construction	Construction	Construction	Construction	Care	Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,954
-	-	-	-	-	-	-	-	1,093
-	-	-	-	262	-	356	-	29,048
1,610	-	-	-	-	-	-	-	7,852
-	-	-	14	18	2	42	36	327
79	-	5,011	183	9	3	7,539	-	14,005
<u>1,689</u>	<u>-</u>	<u>5,011</u>	<u>197</u>	<u>289</u>	<u>5</u>	<u>7,937</u>	<u>36</u>	<u>72,279</u>
-	-	-	-	221	162	367	-	1,628
-	-	-	-	176	-	-	-	18,494
-	-	-	-	-	13	13	-	97
-	-	-	1	-	-	36	-	3,792
-	-	-	-	-	-	-	-	6,082
-	-	-	-	-	-	-	-	9,597
34	3	3	-	-	-	-	-	381
5,600	2,675	-	-	348	-	210	-	13,444
14,801	4,655	-	-	6	-	7	-	33,494
-	-	12,101	578	2,422	8,510	15,478	-	40,915
<u>20,435</u>	<u>7,333</u>	<u>12,104</u>	<u>579</u>	<u>3,173</u>	<u>8,685</u>	<u>16,111</u>	<u>-</u>	<u>127,924</u>
<u>(18,746)</u>	<u>(7,333)</u>	<u>(7,093)</u>	<u>(382)</u>	<u>(2,884)</u>	<u>(8,680)</u>	<u>(8,174)</u>	<u>36</u>	<u>(55,645)</u>
-	-	-	-	12,300	8,965	20,385	-	41,650
-	-	-	-	3	2	5	-	10
18,737	7,333	-	-	-	-	-	-	32,477
-	-	-	(1)	-	(35)	(949)	-	(8,429)
<u>18,737</u>	<u>7,333</u>	<u>-</u>	<u>(1)</u>	<u>12,303</u>	<u>8,932</u>	<u>19,441</u>	<u>-</u>	<u>65,708</u>
(9)	-	(7,093)	(383)	9,419	252	11,267	36	10,063
157	-	14,395	5,150	(3,226)	3,296	8,325	5,519	95,686
<u>\$ 148</u>	<u>\$ -</u>	<u>\$ 7,302</u>	<u>\$ 4,767</u>	<u>\$ 6,193</u>	<u>\$ 3,548</u>	<u>\$ 19,592</u>	<u>\$ 5,555</u>	<u>\$ 105,749</u>

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Community Development Block Grants Fund**  
For the Fiscal Year Ended June 30, 2010  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2009	\$ 987	\$ 987	\$ 89	\$ (898)
<b>RESOURCES (INFLOWS):</b>				
Intergovernmental	3,000	3,000	5,519	2,519
Miscellaneous	-	-	85	85
Total revenues	<u>3,000</u>	<u>3,000</u>	<u>5,604</u>	<u>2,604</u>
Amounts available for appropriation	<u>3,987</u>	<u>3,987</u>	<u>5,693</u>	<u>1,706</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
Community environment	3,709	6,409	5,575	834
Capital Outlay	-	-	33	(33)
Total charges to appropriations	<u>3,709</u>	<u>6,409</u>	<u>5,608</u>	<u>801</u>
Budgetary fund balance, June 30, 2010	<u>\$ 278</u>	<u>\$ (2,422)</u>	<u>\$ 85</u>	<u>\$ 2,507</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.	\$ 5,693
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.	(89)
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balance - governmental funds.	<u>\$ 5,604</u>

**Uses/outflows of resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 5,608
Differences - budget to GAAP:	
Salaries payable.	(2)
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 5,606</u>

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Highway Users Gas Tax Fund**  
For the Fiscal Year Ended June 30, 2010  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2009	\$ 1,842	\$ 1,842	\$ 3,031	\$ 1,189
<b>RESOURCES (INFLOWS):</b>				
Intergovernmental	14,100	14,100	13,774	(326)
Miscellaneous	-	-	2	2
Total revenues	14,100	14,100	13,776	(324)
Add: Transfers in	-	-	553	553
Amounts available for appropriation	15,942	15,942	17,360	1,418
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
Street maintenance	15,903	16,547	9,718	6,829
Debt service:				
Principal	37	37	37	-
Interest	2	2	2	-
Total charges to appropriations	15,942	16,586	9,757	6,829
Budgetary fund balance, June 30, 2010	\$ -	\$ (644)	\$ 7,603	\$ 8,247

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

**Sources/inflows of resources:**

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule.	\$ 17,360
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.	(3,031)
Less: Transfers in.	(553)
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 13,776

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 9,757
Differences - budget to GAAP:	
Salaries payable.	(121)
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 9,636

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Development Impact Fees Fund**  
For the Fiscal Year Ended June 30, 2010  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2009	\$ 14,287	\$ 14,287	\$ 13,541	\$ (746)
<b>RESOURCES (INFLOWS):</b>				
Licenses and permits	1,778	1,778	1,093	(685)
Investments	285	285	88	(197)
Total revenues	2,063	2,063	1,181	(882)
Less: Transfers out	(3)	(3)	(944)	(941)
Amounts available for appropriation	16,347	16,347	13,778	(2,569)
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
General administration	11	12	-	12
Public safety	1,380	1,380	-	1,380
Street maintenance	625	325	-	325
Community services	9,354	10,025	44	9,981
Capital outlay	2,735	1,089	799	290
Principal retirement	1,986	1,192	844	348
Interest expense	256	155	43	112
Total charges to appropriations	16,347	14,178	1,730	12,448
Budgetary fund balance, June 30, 2010	\$ -	\$ 2,169	\$ 12,048	\$ 9,879

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

**Sources/inflows of resources:**

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule.	\$ 13,778
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.	(13,541)
Add: Transfers out.	944
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 1,181

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 1,730
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 1,730

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Police and Fire Sales Tax Fund**  
For the Fiscal Year Ended June 30, 2010  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2009	\$ -	\$ -	\$ 3,489	\$ 3,489
<b>RESOURCES (INFLOWS):</b>				
Taxes	18,961	18,961	17,900	(1,061)
Total revenues	18,961	18,961	17,900	(1,061)
Amounts available for appropriation	18,961	18,961	21,389	2,428
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
Public safety	17,550	17,550	14,283	3,267
Capital outlay	127	127	-	127
Total charges to appropriations	17,677	17,677	14,283	3,394
Budgetary fund balance, June 30, 2010	\$ 1,284	\$ 1,284	\$ 7,106	\$ 5,822

**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.	\$ 21,389
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.	(3,489)
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 17,900

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 14,283
Differences - budget to GAAP:	
Salaries payable.	52
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 14,335

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Federal Stimulus Fund**  
For the Fiscal Year Ended June 30, 2010  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2009	\$ -	\$ -	\$ -	\$ -
<b>RESOURCES (INFLOWS):</b>				
Intergovernmental	-	-	1,271	1,271
Total revenues	-	-	1,271	1,271
Amounts available for appropriation	-	-	1,271	1,271
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
Community services	-	4,725	863	3,862
Capital outlay	-	717	409	308
Total charges to appropriations	-	5,442	1,272	4,170
Budgetary fund balance, June 30, 2010	\$ -	\$ (5,442)	\$ (1)	\$ 5,441

**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.	\$ 1,271
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 1,271

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 1,272
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 1,272

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Other Special Revenue Fund**  
For the Fiscal Year Ended June 30, 2010  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2009	\$ 2,439	\$ 2,439	\$ 4,084	\$ 1,645
<b>RESOURCES (INFLOWS):</b>				
Taxes	1,901	1,901	2,054	153
Intergovernmental	32,514	32,514	7,866	(24,648)
Charges for services	6,318	6,318	6,242	(76)
Investments	-	-	127	127
Miscellaneous	16,277	16,277	1,094	(15,183)
Total revenues	57,010	57,010	17,383	(39,627)
Add: Transfers in	1,437	1,437	1,201	(236)
Less: Transfers out	(6,382)	(6,382)	(6,500)	(118)
Amounts available for appropriation	54,504	54,504	16,168	(38,336)
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
General government	853	853	876	(23)
Public safety	12,715	12,513	3,980	8,533
Public works	177	177	72	105
Community services	3,445	3,679	2,842	837
Community environment	488	580	507	73
Miscellaneous	332	332	338	(6)
Capital outlay	34,830	24,052	585	23,467
Total charges to appropriations	52,840	42,186	9,200	32,986
Budgetary fund balance, June 30, 2010	\$ 1,664	\$ 12,318	\$ 6,968	\$ (5,350)

**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.	\$ 16,168
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.	(4,084)
Less: Transfers in.	(1,201)
Add: Transfers out.	6,500
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 17,383

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 9,200
Differences - budget to GAAP:	
Salaries payable.	12
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 9,212

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Highway User Debt Service Fund**  
For the Fiscal Year Ended June 30, 2010  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2009	\$ -	\$ -	\$ 54	\$ 54
<b>RESOURCES (INFLOWS):</b>				
Add: Transfers in	3,709	3,709	4,653	944
Amounts available for appropriation	<u>3,709</u>	<u>3,709</u>	<u>4,707</u>	<u>998</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
Miscellaneous	10	10	8	2
Debt service:				
Principal	2,936	3,730	3,730	-
Interest	763	969	969	-
Total charges to appropriations	<u>3,709</u>	<u>4,709</u>	<u>4,707</u>	<u>2</u>
Budgetary fund balance, June 30, 2010	<u>\$ -</u>	<u>\$ (1,000)</u>	<u>\$ -</u>	<u>\$ 1,000</u>

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

**Sources/inflows of resources:**

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 4,707
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.	(54)
Less: Transfers in.	<u>(4,653)</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.	\$ 4,707
Differences - budget to GAAP:	
Arbitrage rebate.	<u>(5)</u>
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 4,702</u>

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Municipal Property Corporation Debt Service Fund**  
For the Fiscal Year Ended June 30, 2010  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2009	\$ 2,307	\$ 2,307	\$ (10)	\$ (2,317)
<b>RESOURCES (INFLOWS):</b>				
Charges for services	-	-	1,610	1,610
Miscellaneous revenues	1,200	1,200	79	(1,121)
Total revenues	1,200	1,200	1,689	489
Add: Transfers in	19,329	19,329	18,737	(592)
Amounts available for appropriation	22,836	22,836	20,416	(2,420)
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
Miscellaneous	30	30	25	5
Debt service:				
Principal	5,550	5,550	5,600	(50)
Interest	14,947	14,947	14,801	146
Total charges to appropriations	20,527	20,527	20,426	101
Budgetary fund balance, June 30, 2010	\$ 2,309	\$ 2,309	\$ (10)	\$ (2,319)

**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.	\$ 20,416
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.	10
Less: Transfers in.	(18,737)
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 1,689

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 20,426
Differences - budget to GAAP:	
Arbitrage rebate.	9
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 20,435

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Transportation Debt Service Fund**  
For the Fiscal Year Ended June 30, 2010  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2009	\$ -	\$ -	\$ -	\$ -
<b>RESOURCES (INFLOWS):</b>				
Add: Transfers in	7,330	7,330	7,333	3
Amounts available for appropriation	<u>7,330</u>	<u>7,330</u>	<u>7,333</u>	<u>3</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Miscellaneous	-	-	3	(3)
Debt service:				
Principal	2,675	2,678	2,675	3
Interest	4,655	4,655	4,655	-
Total charges to appropriations	<u>7,330</u>	<u>7,333</u>	<u>7,333</u>	<u>-</u>
Budgetary fund balance, June 30, 2010	<u>\$ -</u>	<u>\$ (3)</u>	<u>\$ -</u>	<u>\$ 3</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.	\$ 7,333
Differences - budget to GAAP:	
Less: Transfers in.	<u>(7,333)</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.	\$ 7,333
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 7,333</u>

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Streets Construction Fund**  
For the Fiscal Year Ended June 30, 2010  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2009	\$ 5,573	\$ 5,573	\$ 5,127	\$ (446)
<b>RESOURCES (INFLOWS):</b>				
Investments	43	43	34	(9)
Miscellaneous	-	-	183	183
Total revenues	<u>43</u>	<u>43</u>	<u>217</u>	<u>174</u>
Less: Transfers out	<u>(14)</u>	<u>(14)</u>	<u>-</u>	<u>(4,251)</u>
Amounts available for appropriation	<u>5,602</u>	<u>5,602</u>	<u>5,344</u>	<u>(258)</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
Community services	736	1,153	1	2,493
Street maintenance	20	85	-	85
Capital outlay	<u>4,846</u>	<u>4,286</u>	<u>578</u>	<u>3,708</u>
Total charges to appropriations	<u>5,602</u>	<u>5,524</u>	<u>579</u>	<u>4,945</u>
Budgetary fund balance, June 30, 2010	<u>\$ -</u>	<u>\$ 78</u>	<u>\$ 4,765</u>	<u>\$ 4,687</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.	\$ 5,344
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.	(5,127)
Market adjustment on restricted investments not available for appropriation.	(20)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 197</u>

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 579
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 579</u>

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Fire and Police Construction Fund**  
For the Fiscal Year Ended June 30, 2010  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2009	\$ (985)	\$ (985)	\$ (3,226)	\$ (2,241)
<b>RESOURCES (INFLOWS):</b>				
Intergovernmental revenue	-	-	262	262
Investments	41	41	(15)	(56)
Long-term debt issued	12,300	12,300	12,300	-
Premium on long-term debt issued	-	-	3	3
Miscellaneous	935	935	9	(926)
Total revenues	13,276	13,276	12,559	(717)
Amounts available for appropriation	12,291	12,291	9,333	(2,958)
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
General administration	-	-	221	(221)
Public safety	1,665	1,667	176	1,491
Capital outlay	10,626	10,894	2,422	8,472
Principal	-	-	348	(348)
Interest	-	-	6	(6)
Total charges to appropriations	12,291	12,561	3,173	9,388
Budgetary fund balance, June 30, 2010	\$ -	\$ (270)	\$ 6,160	\$ (6,430)

**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.	\$ 9,333
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.	3,226
Long-term debt issued.	(12,300)
Premium on long-term debt issued.	(3)
Market adjustment on restricted investments not available for appropriation.	33
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 289

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 3,173
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 3,173

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Parks Bond Construction Fund**  
For the Fiscal Year Ended June 30, 2010  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2009	\$ 4,623	\$ 4,623	\$ 3,297	\$ (1,326)
<b>RESOURCES (INFLOWS):</b>				
Investments	34	34	(5)	(39)
Miscellaneous	45	45	3	(42)
Long-term debt issued	2,810	2,810	8,965	6,155
Premium on long-term debt issued	-	-	2	2
Total revenues	2,889	2,889	8,965	6,076
Less: Transfers out	-	-	(35)	(35)
Amounts available for appropriation	7,512	7,512	12,227	4,715
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
General administration	776	776	162	614
Public works	-	-	13	(13)
Capital outlay	6,736	12,016	8,510	3,506
Total charges to appropriations	7,512	12,792	8,685	4,107
Budgetary fund balance, June 30, 2010	\$ -	\$ (5,280)	\$ 3,542	\$ 8,822

**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.	\$ 12,227
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.	(3,297)
Long-term debt issued.	(8,965)
Premium on long-term debt issued.	(2)
Market adjustment on restricted investments not available for appropriation.	7
Add: Transfers out.	35
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 5

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 8,685
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 8,685

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Other Construction Fund**  
For the Fiscal Year Ended June 30, 2010  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2009	\$ 16,491	\$ 16,491	\$ 8,291	\$ (8,200)
<b>RESOURCES (INFLOWS):</b>				
Intergovernmental	127	127	356	229
Investments	136	136	(3)	(139)
Long-term debt issued	20,800	20,800	20,385	(415)
Miscellaneous	-	-	7,539	7,539
Premium on long-term debt issued	-	-	5	5
Total revenues	21,063	21,063	28,282	7,219
Less: Transfers out	(120)	(120)	(949)	(829)
Amounts available for appropriation	37,434	37,434	35,624	(1,810)
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
General administration	-	38	367	(329)
Community services	3,614	3,937	36	3,901
Public Works	3	27	13	14
Capital outlay	33,817	34,463	15,478	18,985
Principal	-	-	210	(210)
Interest	-	-	7	(7)
Total charges to appropriations	37,434	38,465	16,111	22,354
Budgetary fund balance, June 30, 2010	\$ -	\$ (1,031)	\$ 19,513	\$ 20,544

**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.	\$ 35,624
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.	(8,291)
Market adjustment on restricted investments not available for appropriation.	45
Long-term debt issued.	(20,385)
Premium on long-term debt issued.	(5)
Add: Transfers out.	949
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 7,937

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 16,111
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 16,111

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Cemetery Perpetual Care Fund**  
For the Fiscal Year Ended June 30, 2010  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2009	\$ 5,540	\$ 5,540	\$ 5,519	\$ (21)
<b>RESOURCES (INFLOWS):</b>				
Investments	110	110	36	(74)
Total revenues	110	110	36	(74)
Amounts available for appropriation	5,650	5,650	5,555	(95)
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
Public works	5,650	5,650	-	5,650
Total charges to appropriations	5,650	5,650	-	5,650
Budgetary fund balance, June 30, 2010	\$ -	\$ -	\$ 5,555	\$ 5,555

**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.	\$ 5,555
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.	(5,519)
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 36

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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**  
June 30, 2010  
(amounts expressed in thousands)

	<u>Landfill</u>	<u>Sanitation</u>	<u>Housing</u>	<u>Total</u>
<b>ASSETS</b>				
Current assets:				
Equity in pooled cash and investments	\$ 4,413	\$ 3,249	\$ 2,301	\$ 9,963
Receivables:				
Accounts	403	1,939	7	2,349
Allowance for uncollectibles	(2)	(197)	-	(199)
Due from other funds	959	-	-	959
Intergovernmental receivable	-	-	208	208
Inventories and prepaid items	-	-	10	10
Total current assets	<u>5,773</u>	<u>4,991</u>	<u>2,526</u>	<u>13,290</u>
Noncurrent assets:				
Restricted cash and investments	21,000	1,000	43	22,043
Capital assets:				
Capital assets	22,475	12,194	13,427	48,096
Accumulated depreciation	(10,020)	(5,785)	(7,158)	(22,963)
Capital assets, net	<u>12,455</u>	<u>6,409</u>	<u>6,269</u>	<u>25,133</u>
Total noncurrent assets	<u>33,455</u>	<u>7,409</u>	<u>6,312</u>	<u>47,176</u>
Total assets	<u>39,228</u>	<u>12,400</u>	<u>8,838</u>	<u>60,466</u>
<b>LIABILITIES</b>				
Current liabilities:				
Vouchers payable	298	194	-	492
Accounts payable	28	-	48	76
Compensated absences	290	347	24	661
Due to other funds	-	959	7	966
Deposits	212	112	37	361
Unearned rent	-	-	22	22
Current portion of long-term debt:				
Capital lease payable	-	441	-	441
Interest payable	-	6	-	6
Total current liabilities	<u>828</u>	<u>2,059</u>	<u>138</u>	<u>3,025</u>
Noncurrent liabilities:				
Compensated absences	71	101	218	390
OPEB long-term obligations	529	1,086	290	1,905
Other long-term debt	-	-	43	43
Capital lease obligations	-	151	-	151
Estimated closure and post-closure costs	13,813	-	-	13,813
Total noncurrent liabilities	<u>14,413</u>	<u>1,338</u>	<u>551</u>	<u>16,302</u>
Total liabilities	<u>15,241</u>	<u>3,397</u>	<u>689</u>	<u>19,327</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	12,455	5,817	6,269	24,541
Restricted for:				
Other purposes	-	-	1,880	1,880
Unrestricted	11,532	3,186	-	14,718
Total net assets	<u>\$ 23,987</u>	<u>\$ 9,003</u>	<u>\$ 8,149</u>	<u>\$ 41,139</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, 2010

(amounts expressed in thousands)

	Business-Type Activities Enterprise Funds			
	Landfill	Sanitation	Housing	Total
Operating revenues:				
Intergovernmental	\$ -	\$ -	\$ 9,332	\$ 9,332
Container service	-	4,510	-	4,510
Curb service	-	10,534	-	10,534
Landfill user fees	4,950	-	-	4,950
Recycling sales	1,915	-	-	1,915
Other fees	103	-	4,870	4,973
Total operating revenues	<u>6,968</u>	<u>15,044</u>	<u>14,202</u>	<u>36,214</u>
Operating expenses:				
Landfill	5,871	-	-	5,871
Housing	-	-	13,655	13,655
Closure/post-closure care adjustment	1,532	-	-	1,532
Sanitation	-	12,323	-	12,323
Depreciation	828	1,260	413	2,501
Total operating expenses	<u>8,231</u>	<u>13,583</u>	<u>14,068</u>	<u>35,882</u>
Operating income (loss)	<u>(1,263)</u>	<u>1,461</u>	<u>134</u>	<u>332</u>
Nonoperating revenues (expenses):				
Impact fees	19	4	-	23
Investment income	176	13	-	189
Interest expense	-	(50)	-	(50)
Gain (loss) on disposal of assets	(25)	171	-	146
OPEB expense	(174)	(360)	(102)	(636)
Total nonoperating revenue (expenses)	<u>(4)</u>	<u>(222)</u>	<u>(102)</u>	<u>(328)</u>
Income (loss) before contributions and transfers	(1,267)	1,239	32	4
Capital contributions	-	-	347	347
Transfers in	-	-	561	561
Transfers out	(7)	-	-	(7)
Change in net assets	<u>(1,274)</u>	<u>1,239</u>	<u>940</u>	<u>905</u>
Total net assets - beginning	<u>25,261</u>	<u>7,764</u>	<u>7,209</u>	<u>40,234</u>
Total net assets - ending	<u><u>\$ 23,987</u></u>	<u><u>\$ 9,003</u></u>	<u><u>\$ 8,149</u></u>	<u><u>\$ 41,139</u></u>

City of Glendale, Arizona  
**Combining Statement of Cash Flows**  
**Non-Major Proprietary Funds - Business-Type Activities**  
For the Fiscal Year Ended June 30, 2010  
(amounts expressed in thousands)

	<u>Landfill</u>	<u>Sanitation</u>	<u>Housing</u>	<u>Total</u>
<b>Cash flows from operating activities:</b>				
Cash received from customers	\$ 7,176	\$ 14,991	\$ 5,043	\$ 27,210
Cash received from federal government	-	-	9,501	9,501
Cash paid to suppliers:				
Internal city departments	(1,199)	(7,181)	-	(8,380)
External vendors	(2,972)	(1,328)	(12,408)	(16,708)
Cash paid to employees for services	(2,415)	(4,236)	(1,286)	(7,937)
Net cash provided (used) by operating activities	<u>590</u>	<u>2,246</u>	<u>850</u>	<u>3,686</u>
<b>Cash flows from noncapital financing activities:</b>				
Transfers in	-	-	561	561
Transfers out	(7)	-	-	(7)
Net cash provided by (used) noncapital financing activities	<u>(7)</u>	<u>-</u>	<u>561</u>	<u>554</u>
<b>Cash flows from capital and related financing activities:</b>				
Principal payments on obligations	(132)	(488)	-	(620)
Acquisition of capital assets and rights	(106)	(2,915)	(450)	(3,471)
Impact fees	19	4	-	23
Interest payments on obligations	(3)	(54)	-	(57)
Capital grant proceeds	-	-	347	347
Net cash (used) capital and related financing activities	<u>(222)</u>	<u>(3,453)</u>	<u>(103)</u>	<u>(3,778)</u>
<b>Cash flows from investing activities:</b>				
Proceeds from sale of investments	-	-	1	1
Interest received from investments	176	13	-	189
Net cash provided by investing activities	<u>176</u>	<u>13</u>	<u>1</u>	<u>190</u>
Net increase (decrease) in cash and cash equivalents during fiscal year	537	(1,194)	1,309	652
Cash and cash equivalents, July 1	24,876	5,443	1,035	31,354
Cash and cash equivalents, June 30	<u>\$ 25,413</u>	<u>\$ 4,249</u>	<u>\$ 2,344</u>	<u>\$ 32,006</u>

	<u>Landfill</u>	<u>Sanitation</u>	<u>Housing</u>	<u>Total</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ (1,263)	\$ 1,461	\$ 134	\$ 332
Adjustments to reconcile operating income (loss) to net cash provided (used) by operations:				
Depreciation	828	1,260	413	2,501
Changes in assets and liabilities:				
Accounts receivable	(82)	(53)	166	31
Intergovernmental receivable	231	-	169	400
Inventories and prepaid items	-	2	(5)	(3)
Vouchers payable	(747)	(252)	4	(995)
Due to other funds	-	(231)	(70)	(301)
Deposits	59	-	(1)	58
Unearned rent	-	-	14	14
Compensated absences	32	59	26	117
Estimated closure and post-closure costs	1,532	-	-	1,532
Net cash provided by (used) operating activities	<u>\$ 590</u>	<u>\$ 2,246</u>	<u>\$ 850</u>	<u>\$ 3,686</u>
<b>Reconciliation of statement of net assets cash and investments to the statement of cash flows:</b>				
Per combined statement of net assets:				
Equity in pooled cash and investments	\$ 4,413	\$ 3,249	\$ 2,301	\$ 9,963
Restricted cash and investments	21,000	1,000	43	22,043
Total cash and cash equivalents	<u>\$ 25,413</u>	<u>\$ 4,249</u>	<u>\$ 2,344</u>	<u>\$ 32,006</u>
<b>Noncash investing, capital, and financing activities:</b>				
Estimated closure and post-closure costs	\$ 1,532	\$ -	\$ -	\$ 1,532

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Water and Sewer Fund**  
For the Fiscal Year Ended June 30, 2010  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary fund balance, July 1, 2009	\$ 131,191	\$ 131,191	\$ 62,259	\$ (68,932)
<b>RESOURCES (INFLOWS):</b>				
Charges for services:				
Metered water sales	42,413	42,413	41,241	(1,172)
Sewer service charges	29,484	29,484	29,092	(392)
Impact fees	3,283	3,283	940	(2,343)
Other fees	1,155	1,155	1,763	608
Investments	507	507	410	(97)
Miscellaneous	339	339	3,272	2,933
Proceeds from bonds sold	40,500	40,500	-	(40,500)
Proceeds from loan	-	-	3,232	3,232
Proceeds from equipment disposal	39	39	53	14
Total revenues	<u>117,720</u>	<u>117,720</u>	<u>80,003</u>	<u>(37,717)</u>
Less: Transfers out	<u>(397)</u>	<u>(166)</u>	<u>(168)</u>	<u>(2)</u>
Amounts available for appropriation	<u>248,514</u>	<u>248,745</u>	<u>142,094</u>	<u>(106,651)</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
General administration	11,186	13,168	12,670	498
Public works:				
Water	21,854	61,237	18,316	42,921
Sewer	15,194	17,636	12,111	5,525
Contingencies	10,000	10,000	-	10,000
Capital outlay	109,308	58,387	26,396	31,991
Debt service:				
Principal	11,206	11,206	11,206	-
Interest	<u>13,706</u>	<u>13,706</u>	<u>13,619</u>	<u>87</u>
Total charges to appropriations	<u>192,454</u>	<u>185,340</u>	<u>94,318</u>	<u>91,022</u>
Budgetary fund balance, June 30, 2010	<u>\$ 56,060</u>	<u>\$ 63,405</u>	<u>\$ 47,776</u>	<u>\$ (15,629)</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.	\$ 142,094
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.	(62,259)
Capital outlay contributed by developers	
Interest earned on restricted assets not available for appropriation.	(7)
Market adjustment on restricted investments not available for appropriation.	(103)
Revenues offset directly by bad debt expense on budgetary basis.	547
Loan proceeds.	(3,232)
Proceeds from equipment disposals.	(53)
Gain on disposal of assets.	41
Internal staff and administrative charges reported as revenue only on budgetary basis.	(168)
Capital asset transfer to general fund	(16)
Add: Transfers out.	184
Total revenues as reported on the statement of revenues, expenses, and changes in fund net assets excluding capital contributions.	<u>\$ 77,028</u>

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 94,318
Differences - budget to GAAP:	
Bad debt expense.	547
Amortization of capitalized bond issuance expense.	164
Capital outlay expenditure.	(26,396)
Change in compensated absences liability.	240
Change in prepaid assets or inventory.	2
Amortization and depreciation expense.	19,406
Bond issuance costs.	4
Principal payments on long-term obligations.	(11,206)
OPEB expense.	1,044
Interest expense.	(699)
Internal staff and administrative charges reported as revenue only on budgetary basis.	(168)
Change in accrued payroll.	(89)
Total expenditures as reported in the statement of revenues, expenses, and changes in fund net assets, excluding loss from joint venture.	<u>\$ 77,167</u>

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Landfill Fund**  
For the Fiscal Year Ended June 30, 2010  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2009	\$ 25,310	\$ 25,310	\$ 25,191	\$ (119)
<b>RESOURCES (INFLOWS):</b>				
Charges for services:				
Landfill user fees	6,166	6,166	5,277	(889)
Recycling fees	1,300	1,300	1,915	615
Other fees	95	95	103	8
Proceeds from equipment disposal	1	1	20	19
Proceeds from loan	-	-	231	231
Investments	511	511	176	(335)
Impact fees	55	55	19	(36)
Total revenues	<u>8,128</u>	<u>8,128</u>	<u>7,741</u>	<u>(387)</u>
Less: Transfers out	-	-	(7)	(7)
Amounts available for appropriation	<u>33,438</u>	<u>33,438</u>	<u>32,925</u>	<u>(513)</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
Contingencies	2,000	2,000	-	2,000
Landfill	6,883	8,182	6,180	2,002
Capital outlay	7,461	6,908	126	6,782
Total charges to appropriations	<u>16,344</u>	<u>17,090</u>	<u>6,306</u>	<u>10,784</u>
Budgetary fund balance, June 30, 2010	<u>\$ 17,094</u>	<u>\$ 16,348</u>	<u>\$ 26,619</u>	<u>\$ 10,271</u>

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

**Sources/inflows of resources:**

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 32,925
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.	(25,191)
Internal staff and administrative charges reported as revenue only on budgetary basis.	(327)
Proceeds from disposal of capital assets.	(20)
Proceeds from loan	(231)
Add: Transfers out.	7
Total revenues as reported in the combining statement of revenues, expenses, and changes in fund net assets.	<u>\$ 7,163</u>

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 6,306
Differences - budget to GAAP:	
Capital outlay expenditures.	(126)
Change in compensated absences liability.	32
Change in estimated landfill post-closure liability.	1,532
Depreciation expense.	828
OPEB expense.	174
Accrued payroll.	(14)
Internal staff and administrative charges reported as revenue only on budgetary basis.	(327)
Loss on disposal of assets.	25
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net assets.	<u>\$ 8,430</u>

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Sanitation Fund**  
For the Fiscal Year Ended June 30, 2010  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2009	\$ 6,026	\$ 6,026	\$ 5,787	\$ (239)
<b>RESOURCES (INFLOWS):</b>				
Charges for services:				
Container service	4,773	4,773	4,557	(216)
Curb service	10,372	10,372	10,343	(29)
Impact fees	7	7	4	(3)
Recycle sales	1	1	-	(1)
Investments	71	71	13	(58)
Capital lease proceeds	1,084	1,084	1,189	105
Proceeds from equipment disposal	15	15	173	158
Total revenues	<u>16,323</u>	<u>16,323</u>	<u>16,279</u>	<u>(44)</u>
Amounts available for appropriation	<u>22,349</u>	<u>22,349</u>	<u>22,066</u>	<u>(283)</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
Sanitation	14,189	14,189	12,101	2,088
Capital outlay	3,925	3,925	3,087	838
Debt service:				
Principal	719	719	719	-
Interest	54	54	54	-
Total charges to appropriations	<u>18,887</u>	<u>18,887</u>	<u>15,961</u>	<u>2,926</u>
Budgetary fund balance, June 30, 2010	<u>\$ 3,462</u>	<u>\$ 3,462</u>	<u>\$ 6,105</u>	<u>\$ 2,643</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.	\$ 22,066
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.	(5,787)
Internal staff and administrative charges reported as revenue only on budgetary basis.	(47)
Revenues offset directly by bad debt expense on budgetary basis.	191
Proceeds from disposal of capital assets.	(173)
Gain on disposal of assets.	171
Capital lease proceeds.	(1,189)
Total revenues as reported in the combining statement of revenues, expenses, and changes in fund net assets.	<u>\$ 15,232</u>

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 15,961
Differences - budget to GAAP:	
Bad debt expense.	191
Capital outlay.	(3,087)
Change in compensated absences liability.	59
Depreciation expense.	1,260
Interest expense.	(4)
OPEB expense.	360
Principal payments on long-term obligations.	(719)
Accrued payroll.	19
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>\$ 13,993</u>

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Housing Fund**  
For the Fiscal Year Ended June 30, 2010  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2009	\$ 606	\$ 606	\$ 2,268	\$ 1,662
<b>RESOURCES (INFLOWS):</b>				
Intergovernmental	8,936	8,936	9,679	743
Miscellaneous	-	-	4,870	4,870
Total revenues	8,936	8,936	14,549	5,613
Add: Transfers in	561	561	561	-
Amounts available for appropriation	10,103	10,103	17,378	7,275
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
Housing	8,113	8,184	13,655	(5,471)
Capital outlay	253	252	950	(698)
Total charges to appropriations	8,366	8,436	14,605	(6,169)
Budgetary fund balance, June 30, 2010	\$ 1,737	\$ 1,667	\$ 2,773	\$ 1,106

**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.	\$ 17,378
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.	(2,268)
Less: Transfers in.	(561)
Total revenues as reported in the combining statement of revenues, expenses, and changes in fund net assets.	\$ 14,549

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 14,605
Differences - budget to GAAP:	
Depreciation expense.	413
Capital outlay.	(950)
OPEB expense.	102
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net assets.	\$ 14,170



City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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# INTERNAL SERVICE FUNDS

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FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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City of Glendale, Arizona  
**Combining Statement of Net Assets**  
**Internal Service Funds**  
June 30, 2010  
(amounts expressed in thousands)

	<u>Risk Management</u>	<u>Workers' Compensation</u>	<u>Employee Benefits</u>	<u>Total</u>
<b>ASSETS</b>				
Current assets:				
Equity in pooled				
cash and investments	\$ 4,857	\$ 1,669	\$ 4,106	\$ 10,632
Accounts receivable, net	-	-	1	1
Inventories and prepaid items	69	-	-	69
Total current assets	<u>4,926</u>	<u>1,669</u>	<u>4,107</u>	<u>10,702</u>
Noncurrent assets:				
Restricted cash and investments	-	180	1,425	1,605
Total assets	<u>4,926</u>	<u>1,849</u>	<u>5,532</u>	<u>12,307</u>
<b>LIABILITIES</b>				
Current liabilities:				
Vouchers payable	76	144	1,734	1,954
Estimated claims payable	1,668	730	2,797	5,195
Total current liabilities	<u>1,744</u>	<u>874</u>	<u>4,531</u>	<u>7,149</u>
Noncurrent liabilities:				
Estimated claims payable	841	1,127	-	1,968
Total noncurrent liabilities	<u>841</u>	<u>1,127</u>	<u>-</u>	<u>1,968</u>
Total liabilities	<u>2,585</u>	<u>2,001</u>	<u>4,531</u>	<u>9,117</u>
<b>NET ASSETS</b>				
Unrestricted	<u>2,341</u>	<u>(152)</u>	<u>1,001</u>	<u>3,190</u>
Total net assets	<u>\$ 2,341</u>	<u>\$ (152)</u>	<u>\$ 1,001</u>	<u>\$ 3,190</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, 2010

(amounts expressed in thousands)

	<u>Risk Management</u>	<u>Workers' Compensation</u>	<u>Employee Benefits</u>	<u>Total</u>
Operating revenues:				
Self-insurance premiums	\$ 2,489	\$ -	\$ 22,757	\$ 25,246
Other	28	28	246	302
Total operating revenues	<u>2,517</u>	<u>28</u>	<u>23,003</u>	<u>25,548</u>
Operating expenses:				
Insurance claims and premiums	<u>1,761</u>	<u>1,377</u>	<u>24,799</u>	<u>27,937</u>
Operating income (loss)	756	(1,349)	(1,796)	(2,389)
Nonoperating revenues:				
Investment income	<u>47</u>	<u>15</u>	<u>32</u>	<u>94</u>
Income (loss) before transfers	<u>803</u>	<u>(1,334)</u>	<u>(1,764)</u>	<u>(2,295)</u>
Operating transfers out	<u>3,246</u>	<u>-</u>	<u>-</u>	<u>3,246</u>
Change in net assets	(2,443)	(1,334)	(1,764)	(5,541)
Net assets - beginning	<u>4,784</u>	<u>1,182</u>	<u>2,765</u>	<u>8,731</u>
Net assets - ending	<u>\$ 2,341</u>	<u>\$ (152)</u>	<u>\$ 1,001</u>	<u>\$ 3,190</u>

City of Glendale, Arizona  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
For the Fiscal Year Ended June 30, 2010  
(amounts expressed in thousands)

	Risk Management	Workers' Compensation	Employee Benefits	Total
<b>Cash flows from operating activities:</b>				
Cash received from customers	\$ 2,517	\$ 28	\$ 23,020	\$ 25,565
Cash paid for insurance and in settlement of claims	(2,499)	(1,181)	(22,902)	(26,582)
Net cash provided by (used for) operating activities	18	(1,153)	118	(1,017)
<b>Cash flows from noncapital financing activities:</b>				
Operating transfers in (out)	(3,246)	-	-	(3,246)
<b>Cash flows from investing activities:</b>				
Interest received	47	15	32	94
Net increase (decrease) in cash during fiscal year	(3,181)	(1,138)	150	(4,169)
Cash and cash equivalents, July 1	8,038	2,987	5,381	16,406
Cash and cash equivalents, June 30	<u>\$ 4,857</u>	<u>\$ 1,849</u>	<u>\$ 5,531</u>	<u>\$ 12,237</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>				
Operating income (loss)	\$ 756	\$ (1,349)	\$ (1,796)	\$ (2,389)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operations:				
Change in accounts receivable	-	-	17	17
Change in inventories and prepaid items	(7)	-	-	(7)
Change in vouchers payable	69	68	53	190
Change in claims payable	(800)	128	1,844	1,172
Net cash provided by (used for) operating activities	<u>\$ 18</u>	<u>\$ (1,153)</u>	<u>\$ 118</u>	<u>\$ (1,017)</u>
<b>Reconciliation of statement of net assets cash and investments to the statement of cash flows:</b>				
Per combined statement of net assets:				
Equity in pooled cash and investments	\$ 4,857	\$ 1,669	\$ 4,106	\$ 10,632
Restricted cash and investments	-	180	1,425	1,605
Total cash and cash equivalents	<u>\$ 4,857</u>	<u>\$ 1,849</u>	<u>\$ 5,531</u>	<u>\$ 12,237</u>

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Risk Management Fund**  
For the Fiscal Year Ended June 30, 2010  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2009	\$ 6,791	\$ 6,791	\$ 8,032	\$ 1,241
<b>RESOURCES (INFLOWS):</b>				
Self-insurance premiums	2,489	2,489	2,489	-
Investments	150	150	47	(103)
Other	-	-	28	28
Total revenues	2,639	2,639	2,564	(75)
Less: Transfers out	-	-	(3,246)	(3,246)
Amounts available for appropriation	9,430	9,430	7,350	(2,080)
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
Insurance and claims	5,760	5,760	2,569	3,191
Total charges to appropriations	5,760	5,760	2,569	3,191
Budgetary fund balance, June 30, 2010	\$ 3,670	\$ 3,670	\$ 4,781	\$ 1,111

**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.	\$ 7,350
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.	(8,032)
Add: Transfers out.	3,246
Total revenues as reported on the combining statement of revenues, expenses, and changes in fund net assets.	\$ 2,564

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 2,569
Differences - budget to GAAP:	
Change in estimated claims payable and prepaids.	(808)
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net assets.	\$ 1,761

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Workers' Compensation Fund**  
For the Fiscal Year Ended June 30, 2010  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2009	\$ 2,892	\$ 2,892	\$ 2,881	\$ (11)
<b>RESOURCES (INFLOWS):</b>				
Self-insurance premiums	986	986	-	(986)
Investments	57	57	15	(42)
Other	-	-	28	28
Total revenues	<u>1,043</u>	<u>1,043</u>	<u>43</u>	<u>(1,000)</u>
Amounts available for appropriation	<u>3,935</u>	<u>3,935</u>	<u>2,924</u>	<u>(1,011)</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
Insurance and claims	<u>1,407</u>	<u>1,407</u>	<u>1,249</u>	<u>158</u>
Total charges to appropriations	<u>1,407</u>	<u>1,407</u>	<u>1,249</u>	<u>158</u>
Budgetary fund balance, June 30, 2010	<u>\$ 2,528</u>	<u>\$ 2,528</u>	<u>\$ 1,675</u>	<u>\$ (853)</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.	\$ 2,924
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.	(2,881)
Total revenues as reported in the combining statement of revenues, expenses, and changes in fund net assets.	<u>\$ 43</u>

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 1,249
Differences - budget to GAAP:	
Change in estimated claims payable.	128
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net assets.	<u>\$ 1,377</u>

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Employee Benefits Fund**  
For the Fiscal Year Ended June 30, 2010  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2009	\$ 5,003	\$ 5,003	\$ 3,718	\$ (1,285)
<b>RESOURCES (INFLOWS):</b>				
Self-insurance premiums	23,283	23,283	22,757	(526)
Investments	110	110	32	(78)
Other	-	-	246	246
Total revenues	<u>23,393</u>	<u>23,393</u>	<u>23,035</u>	<u>(604)</u>
Amounts available for appropriation	<u>28,396</u>	<u>28,396</u>	<u>26,753</u>	<u>(1,643)</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
Insurance and claims	<u>24,481</u>	<u>24,481</u>	<u>22,955</u>	<u>1,526</u>
Total charges to appropriations	<u>24,481</u>	<u>24,481</u>	<u>22,955</u>	<u>1,526</u>
Budgetary fund balance, June 30, 2010	<u>\$ 3,915</u>	<u>\$ 3,915</u>	<u>\$ 3,798</u>	<u>\$ (117)</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.	\$ 26,753
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>(3,718)</u>
Total revenues as reported in the combining statement of revenues, expenses, and changes in fund net assets.	<u>\$ 23,035</u>

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 22,955
Differences - budget to GAAP:	
Change in estimated claims payable liability.	<u>1,844</u>
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net assets.	<u>\$ 24,799</u>



City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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# OTHER SUPPLEMENTARY INFORMATION

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FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

For the Fiscal Year Ended June 30, 2010

(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.

121

Line Item No.	Balance Sheet Account Description	AMPS	HCV	DVP	DHAP	Eliminations	Total
ASSETS:							
Current assets:							
Cash:							
111	Cash - unrestricted	\$ 722,970	\$ 777,452	\$ 24,536	\$ 18,025	\$ -	\$ 1,542,983
112	Cash - restricted - modernization and development	-	-	-	-	-	-
113	Cash - other restricted	-	720,938	-	-	-	720,938
114	Cash - tenant security deposits	37,366	-	-	-	-	37,366
115	Cash - restricted for payment of current liability	-	-	-	-	-	-
100	Total cash	<u>760,336</u>	<u>1,498,390</u>	<u>24,536</u>	<u>18,025</u>	<u>-</u>	<u>2,301,287</u>
Accounts receivables:							
121	Accounts receivable - PHA projects	-	64,611	-	-	-	64,611
122	Accounts receivable - HUD other projects	118,844	-	24,245	-	-	143,089
124	Accounts receivable - other government	-	-	-	-	-	-
125	Accounts receivable - miscellaneous	6,500	-	-	-	-	6,500
126	Accounts receivable - tenants	466	-	-	-	-	466
126.1	Allowance for doubtful accounts - tenants	(202)	-	-	-	-	(202)
126.2	Allowance for doubtful accounts - other	-	-	-	-	-	-
127	Notes, loans, & mortgages receivable - current	-	-	-	-	-	-
128	Fraud recovery	-	-	-	-	-	-
128.1	Allowance for doubtful accounts - fraud	-	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-	-
120	Total receivables, net of allowances for doubtful accounts	<u>125,608</u>	<u>64,611</u>	<u>24,245</u>	<u>-</u>	<u>-</u>	<u>214,464</u>
Current investments:							
131	Investments - unrestricted	-	-	-	-	-	-
132	Investments - restricted	-	43,305	-	-	-	43,305
135	Investments - restricted for payment of current liability	-	-	-	-	-	-
142	Prepaid expenses and other assets	-	-	-	-	-	-
143	Inventories	10,453	-	-	-	-	10,453
143.1	Allowance for obsolete inventories	(523)	-	-	-	-	(523)
144	Inter program - due from	3,825	42,026	-	-	(45,851)	-
145	Assets held for sale	-	-	-	-	-	-
150	Total current assets	<u>899,699</u>	<u>1,648,332</u>	<u>48,781</u>	<u>18,025</u>	<u>(45,851)</u>	<u>2,568,986</u>
Non-current assets:							
Capital assets:							
161	Land	135,533	-	-	-	-	135,533
162	Buildings	9,314,186	149,998	-	-	-	9,464,184
163	Furniture, equipment & machinery - dwellings	479,375	-	-	-	-	479,375
164	Furniture, equipment & machinery - administration	178,682	102,908	-	-	-	281,590
165	Leasehold improvements	2,233,891	-	-	-	-	2,233,891
166	Accumulated depreciation	(7,009,194)	(148,844)	-	-	-	(7,158,038)
167	Construction in progress	832,680	-	-	-	-	832,680
168	Infrastructure	-	-	-	-	-	-
160	Total capital assets, net of accumulated depreciation	<u>6,165,153</u>	<u>104,062</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,269,215</u>
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	<u>6,165,153</u>	<u>104,062</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,269,215</u>
190	Total assets	<u>\$ 7,064,852</u>	<u>\$ 1,752,394</u>	<u>\$ 48,781</u>	<u>\$ 18,025</u>	<u>\$ (45,851)</u>	<u>\$ 8,838,201</u>

(continued)

City of Glendale, Arizona  
**Federal Financial Data Schedule (PHA: AZ003)**  
For the Fiscal Year Ended June 30, 2010  
(rounded to nearest dollar)

(continued)

Line Item No.	Balance Sheet Account Description	AMPS	HCV	DVP	DHAP	Eliminations	Total
<b>LIABILITIES AND EQUITY/NET ASSETS:</b>							
<b>LIABILITIES:</b>							
Current liabilities:							
311	Bank Overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
312	Accounts payable <= 90 days	34,017	20,252	-	-	-	54,269
313	Accounts payable > 90 days past due	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	-	-	-	-	-	-
322	Accrued compensated absences - current portion	14,694	9,571	-	-	-	24,265
324	Accrued contingency liability	-	-	-	-	-	-
325	Accrued interest payable	-	-	-	-	-	-
331	Accounts payable - HUD PHA Programs	-	-	-	-	-	-
332	Accounts payable - PHA projects	-	-	-	-	-	-
333	Accounts payable - other government	-	-	-	-	-	-
341	Tenant security deposits	37,366	-	-	-	-	37,366
342	Deferred revenues	4,347	15,157	-	2,761	-	22,265
343	Total Current portion of L/T debt - capital pjts/mortgage rev bonds	-	-	-	-	-	-
344	Current portion of L/T debt - operating borrowings	-	-	-	-	-	-
345	Other current liabilities	-	-	-	-	-	-
346	Accrued liabilities - other	-	-	-	-	-	-
347	Inter program - due to	-	3,825	35,243	6,783	(45,851)	-
348	Loan liability - current	-	-	-	-	-	-
310	Total current liabilities	<u>90,424</u>	<u>48,805</u>	<u>35,243</u>	<u>9,544</u>	<u>(45,851)</u>	<u>138,165</u>
Noncurrent liabilities:							
351	Total L/T debt, net of current- capital pjts/mortgage rev bonds	-	-	-	-	-	-
352	Long-term debt, net of current- operating borrowings	-	-	-	-	-	-
353	Noncurrent liabilities- other	-	43,305	-	-	-	43,305
354	Accrued compensated absences - noncurrent	132,248	86,141	-	-	-	218,389
355	Loan Liability - noncurrent	-	-	-	-	-	-
356	FASB 5 liabilities	-	-	-	-	-	-
357	Accrued pension and OPEB liability	173,817	115,878	-	-	-	289,695
350	Total noncurrent liabilities	<u>306,065</u>	<u>245,324</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>551,389</u>
300	Total liabilities	<u>396,489</u>	<u>294,129</u>	<u>35,243</u>	<u>9,544</u>	<u>(45,851)</u>	<u>689,554</u>
<b>EQUITY/NET ASSETS:</b>							
508.1	Invested in capital assets, net of related debt	6,165,153	104,062	-	-	-	6,269,215
509.2	Fund balance reserved	-	-	-	-	-	-
511.1	Restricted net assets	-	720,938	-	-	-	720,938
511.2	Unreserved designated fund balance	-	-	-	-	-	-
512.1	Unrestricted net assets	503,210	633,265	13,538	8,481	-	1,158,494
512.2	Unreserved undesignated fund balance	-	-	-	-	-	-
513	Total equity/net assets	<u>6,668,363</u>	<u>1,458,265</u>	<u>13,538</u>	<u>8,481</u>	<u>-</u>	<u>8,148,647</u>
600	Total liabilities and equity/net assets	<u>\$ 7,064,852</u>	<u>\$ 1,752,394</u>	<u>\$ 48,781</u>	<u>\$ 18,025</u>	<u>\$ (45,851)</u>	<u>\$ 8,838,201</u>

(continued)

City of Glendale, Arizona  
**Federal Financial Data Schedule (PHA: AZ003)**  
For the Fiscal Year Ended June 30, 2010  
(rounded to nearest dollar)

(continued)

Line Item No.	Income Statement Account Description	AMPS	HCV	DVP	DHAP	Eliminations	Total
	REVENUE:						
70300	Net tenant rental revenue	\$ 343,811	\$ -	\$ -	\$ -	\$ -	\$ 343,811
70400	Tenant revenue - other	6,470	-	-	-	-	6,470
70500	Total tenant revenue	<u>350,281</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>350,281</u>
70600	HUD PHA operating grants - other	582,383	8,749,205	-	-	-	9,331,588
70610	Capital grants	347,449	-	-	-	-	347,449
70710	Management fee	-	-	-	-	-	-
70720	Asset management fee	-	-	-	-	-	-
70730	Bookkeeping fee	-	-	-	-	-	-
70740	Front line service fee	-	-	-	-	-	-
70750	Other fees	-	-	-	-	-	-
70700	Total fee revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
70800	Other government grants	-	-	-	-	-	-
71100	Investment income - unrestricted	1,931	652	-	-	-	2,583
71200	Mortgage interest income	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-
71310	Cost of sale of assets	-	-	-	-	-	-
71400	Fraud recovery - other	-	5,970	-	-	-	5,970
71500	Other revenue	183,801	4,326,115	50	75	-	4,510,041
71600	Gain or loss on the sale of capital assets	-	-	-	-	-	-
72000	Investment income - restricted	-	273	-	-	-	273
70000	Total revenue	<u>1,465,845</u>	<u>13,082,215</u>	<u>50</u>	<u>75</u>	<u>-</u>	<u>14,548,185</u>

(continued)

City of Glendale, Arizona  
**Federal Financial Data Schedule (PHA: AZ003)**  
For the Fiscal Year Ended June 30, 2010  
(rounded to nearest dollar)

(continued)

Line Item No.	Income Statement Account Description	AMPS	HCV	DVP	DHAP	Eliminations	Total
EXPENSES:							
91100	Administrative salaries	\$ 467,034	\$ 470,662	\$ -	\$ -	\$ -	\$ 937,696
91200	Auditing fees	2,000	3,000	-	-	-	5,000
91300	Management fee	-	-	-	-	-	-
91310	Bookkeeping fee	-	-	-	-	-	-
91400	Advertising and marketing	136	383	-	-	-	519
91500	Employee benefit contributions - administrative	117,017	127,938	-	-	-	244,955
91600	Office expenses	35,191	32,473	-	-	-	67,664
91700	Legal expense	-	400	-	-	-	400
91800	Travel	3,051	-	-	-	-	3,051
91810	Allocated overhead	-	-	-	-	-	-
91900	Other	40,177	60,885	-	-	-	101,062
91000	Total operating - administrative	<u>664,606</u>	<u>695,741</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,360,347</u>
92000	Asset management fee	-	-	-	-	-	-
92100	Tenant services - salaries	-	-	-	-	-	-
92200	Relocation costs	-	-	-	-	-	-
92300	Employee benefit contributions - tenant services	-	-	-	-	-	-
92400	Tenant services - other	16,350	-	-	-	-	16,350
92500	Total Tenant services	<u>16,350</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,350</u>
93100	Water	70,134	-	-	-	-	70,134
93200	Electricity	24,416	-	-	-	-	24,416
93300	Gas	3,055	-	-	-	-	3,055
93400	Fuel	-	-	-	-	-	-
93500	Labor	-	-	-	-	-	-
93600	Sewer	35,240	-	-	-	-	35,240
93700	Employee benefit contributions- utilities	-	-	-	-	-	-
93800	Other utilities expense	-	-	-	-	-	-
93000	Total utilities	<u>132,845</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>132,845</u>
94100	Ordinary maintenance and operations - labor	229,224	-	-	-	-	229,224
94200	Ordinary maintenance and operations - materials & other	51,281	28,735	-	-	-	80,016
94300	Ordinary maintenance and operations - contract costs	133,918	-	-	-	-	133,918
94500	Employee benefit contributions - ordinary maintenance	65,661	-	-	-	-	65,661
94000	Total maintenance	<u>480,084</u>	<u>28,735</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>508,819</u>

(continued)

City of Glendale, Arizona  
**Federal Financial Data Schedule (PHA: AZ003)**  
For the Fiscal Year Ended June 30, 2010  
(rounded to nearest dollar)

(continued)

Line Item No.	Income Statement Account Description	AMPS	HCV	DVP	DHAP	Eliminations	Total
95100	Protective services - labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
95200	Protective services - other contract costs	-	-	-	-	-	-
95300	Protective services - other	-	-	-	-	-	-
95500	Employee benefit contributions - protective services	-	-	-	-	-	-
95000	Total protective services	-	-	-	-	-	-
96110	Property insurance	36,787	14,890	-	-	-	51,677
96120	Liability insurance	1,503	-	-	-	-	1,503
96130	Workman's compensation	2,218	3,328	-	-	-	5,546
96140	All other insurance	-	-	-	-	-	-
96100	Total insurance premiums	40,508	18,218	-	-	-	58,726
96200	Other general expenses	-	34,761	-	-	-	34,761
96210	Compensated absences	-	-	-	-	-	-
96300	Payments in lieu of taxes	-	-	-	-	-	-
96400	Bad debt - tenant rents	-	-	-	-	-	-
96500	Bad debt - mortgages	-	-	-	-	-	-
96600	Bad debt - other	-	-	-	-	-	-
96800	Severance expense	-	-	-	-	-	-
96000	Total other general expenses	-	34,761	-	-	-	34,761
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	1,334,393	777,455	-	-	-	2,111,848
97000	Excess revenue over operating expenses	131,452	12,304,760	50	75	-	12,436,337
97100	Extraordinary maintenance	-	-	-	-	-	-
97200	Casualty losses - non-capitalized	-	-	-	-	-	-
97300	Housing assistance payments	-	7,566,110	-	-	-	7,566,110
97350	HAP Portability-in	-	4,054,578	-	-	-	4,054,578
97400	Depreciation expense	407,394	5,635	-	-	-	413,029
97500	Fraud losses	-	-	-	-	-	-
97600	Capital outlays - governmental fund	-	-	-	-	-	-
97700	Debt principal payment 0 governmental fund	-	-	-	-	-	-
97800	Dwelling units rent expense	-	-	-	-	-	-
90000	Total expenses	1,741,787	12,403,778	-	-	-	14,145,565

(continued)

City of Glendale, Arizona  
**Federal Financial Data Schedule (PHA: AZ003)**  
For the Fiscal Year Ended June 30, 2010  
(rounded to nearest dollar)

(continued)

Line Item No.	Income Statement Account Description	AMPS	HCV	DVP	DHAP	Eliminations	Total
	OTHER FINANCING SOURCES (USES)						
10010	Operating transfers in	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10020	Operating transfers out	-	-	-	-	-	-
10030	Operating transfers from/to primary government	-	-	-	-	-	-
10040	Operating transfers from/to component unit	561,000	-	-	-	-	561,000
10050	Proceeds from notes, loans and bonds	-	-	-	-	-	-
10060	Proceeds from property sales	-	-	-	-	-	-
10070	Extraordinary items, net gain/loss	-	-	-	-	-	-
10080	Special items, net gain/loss	-	-	-	-	-	-
10091	Inter project excess cash transfer in	-	-	-	-	-	-
10092	Inter project excess cash transfer out	-	-	-	-	-	-
10093	Transfers between program and project - in	-	-	-	-	-	-
10094	Transfers between program and project - out	-	-	-	-	-	-
10100	Total other financing sources (uses)	561,000	-	-	-	-	561,000
10000	Excess (deficiency) of total revenues over (under) total expenses	\$ 285,058	\$ 678,437	\$ 50	\$ 75	\$ -	\$ 963,620
	MEMO ACCOUNT INFORMATION						
11020	Required annual debt principal payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11030	Beginning equity	6,440,229	818,368	13,488	-	-	7,272,085
11040	Prior period adjustments, equity transfers & correction of errors	885	-	-	8,406	-	9,291
11050	Changes in compensated absence balance	-	-	-	-	-	-
11060	Changes in contingent liability balance	-	-	-	-	-	-
11070	Changes in unrecognized pension transition liability	-	-	-	-	-	-
11080	Changes in special term/severance benefits liability	-	-	-	-	-	-
11090	Changes in allowance for doubtful accounts - dwelling rent	-	-	-	-	-	-
11100	Changes in allowance for doubtful accounts - other	-	-	-	-	-	-
11170	Administrative fee equity	-	781,087	-	-	-	781,087
11180	Housing assistance payments equity	-	720,938	-	-	-	720,938
11270	Excess cash	689,987	-	-	-	-	689,987
11190	Unit months available	1,779	12,648	-	-	-	14,427
11210	Unit months leased	1,761	11,952	-	-	-	13,713
11610	Land purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11620	Building purchases	314,568	-	-	-	-	314,568
11630	Furniture & equipment - dwelling purchases	17,402	-	-	-	-	17,402
11640	Furniture & equipment - administrative purchases	15,479	-	-	-	-	15,479
11650	Leasehold improvements purchases	-	-	-	-	-	-
11660	Infrastructure purchases	-	-	-	-	-	-
13510	CFFP debt service payments	-	-	-	-	-	-
13901	Replacement housing factor funds	-	-	-	-	-	-



City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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# STATISTICAL SECTION

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FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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## STATISTICAL SECTION

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

### Contents

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

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

City of Glendale, Arizona  
**Net Assets by Component**  
 Last Ten Fiscal Years<sup>(1)</sup>  
 (amounts expressed in thousands)

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Government activities				
Invested in capital assets, net of related debt	\$ 457,773	\$ 471,484	\$ 499,322	\$ 446,828
Restricted	176,400	144,422	133,695	180,303
Unrestricted	<u>11,684</u>	<u>51,500</u>	<u>51,850</u>	<u>44,573</u>
Total governmental activities net assets	<u>645,857</u>	<u>667,406</u>	<u>684,867</u>	<u>671,704</u>
Business-type activities				
Invested in capital assets, net of related debt	271,969	286,452	297,329	249,569
Restricted	13,988	13,249	12,836	11,881
Unrestricted	<u>124,550</u>	<u>114,814</u>	<u>107,384</u>	<u>155,325</u>
Total business-type activities net assets	<u>410,507</u>	<u>414,515</u>	<u>417,549</u>	<u>416,775</u>
Primary government				
Invested in capital assets, net of related debt	729,742	757,936	796,651	696,397
Restricted	190,388	157,671	146,531	192,184
Unrestricted	<u>136,234</u>	<u>166,314</u>	<u>159,234</u>	<u>199,898</u>
Total primary government net assets	<u>\$ 1,056,364</u>	<u>\$ 1,081,921</u>	<u>\$ 1,102,416</u>	<u>\$ 1,088,479</u>

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

**Schedule 1**

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002<sup>(1)</sup></u>
\$ 398,517	\$ 372,778	\$ 353,135	\$ 259,802	\$ 31,260
155,163	179,434	169,434	127,393	91,203
<u>75,417</u>	<u>40,641</u>	<u>49,916</u>	<u>132,801</u>	<u>9,232</u>
<u>629,097</u>	<u>592,853</u>	<u>572,485</u>	<u>519,996</u>	<u>131,695</u>
233,387	274,620	228,252	275,204	269,007
12,437	11,249	10,479	10,235	20,092
<u>158,753</u>	<u>108,604</u>	<u>141,094</u>	<u>82,564</u>	<u>64,312</u>
<u>404,577</u>	<u>394,473</u>	<u>379,825</u>	<u>368,003</u>	<u>353,411</u>
631,904	647,398	581,387	535,006	300,267
167,600	190,683	179,913	137,628	111,295
<u>234,170</u>	<u>149,245</u>	<u>191,010</u>	<u>215,365</u>	<u>73,544</u>
<u>\$ 1,033,674</u>	<u>\$ 987,326</u>	<u>\$ 952,310</u>	<u>\$ 887,999</u>	<u>\$ 485,106</u>

**Changes in Net Assets**

Last Ten Fiscal Years<sup>(1)</sup>

(amounts expressed in thousands)

	2010	2009	2008	2007	2006	2005	2004	2003	2002 <sup>(1)</sup>
<b>Expenses</b>									
Governmental activities:									
General government	\$ 42,530	\$ 39,545	\$ 39,998	\$ 37,992	\$ 33,329	\$ 31,603	\$ 24,003	\$ 20,209	\$ 22,490
Public safety	108,308	109,136	113,285	92,405	75,277	64,277	56,176	52,625	53,779
Public works	16,627	15,040	16,006	14,816	13,995	14,309	13,883	11,411	12,766
Community services	44,524	48,143	52,185	45,481	40,275	37,394	33,914	32,210	30,919
Community environment	6,316	3,539	5,164	4,698	4,125	3,236	3,446	3,433	3,414
Street maintenance	23,058	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	42,286	38,982	28,475	23,551	16,883	16,986	15,838	7,223	5,864
Total governmental activities expenses	<u>283,649</u>	<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	81,910	74,424	74,581	63,289	55,607	50,190	45,628	43,442	39,909
Landfill	8,454	8,045	8,067	8,264	7,950	7,431	7,164	7,784	1,189
Sanitation	14,093	14,039	15,209	13,847	13,257	12,287	12,294	12,353	10,180
Housing	14,180	11,840	9,862	8,951	9,466	9,278	8,858	8,033	7,513
Total business-type activities expenses	<u>118,637</u>	<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>\$ 402,286</u>	<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>
<b>Program revenues</b>									
Governmental activities:									
Charges for services:									
General government	\$ 14,232	\$ 11,879	\$ 12,132	\$ 11,610	\$ 10,726	\$ 9,075	\$ 9,092	\$ 10,029	\$ 4,464
Public safety	5,824	4,670	5,744	1,964	1,375	1,200	1,043	1,897	325
Public works	7,447	588	543	531	516	506	148	526	479
Community services	11,918	15,661	22,859	22,285	20,121	16,871	16,942	13,439	4,409
Community environment	-	3,045	-	-	31	-	3	-	-
Street maintenance	2	36	-	48	-	-	-	7	25
Operating grants and contributions	29,596	24,146	33,191	36,566	31,973	26,535	24,503	22,522	22,640
Capital grants and contributions	3,755	2,600	14,491	26,247	6,406	1,407	3,429	4,294	2,589
Total governmental activities program revenues	<u>72,774</u>	<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>

	2010	2009	2008	2007	2006	2005	2004	2003	2002 <sup>(1)</sup>
<b>Business-type activities:</b>									
Charges for services:									
Water and sewer	76,603	67,810	66,316	62,125	56,153	54,295	52,456	52,088	46,068
Landfill	6,987	7,304	9,196	9,742	8,362	8,961	9,593	8,644	9,610
Sanitation	15,048	15,258	14,684	14,653	14,167	13,624	12,817	11,918	11,808
Housing	4,870	2,042	816	662	569	542	512	494	422
Operating grants and contributions	9,331	8,701	8,348	8,254	8,020	8,027	7,643	7,091	6,592
Capital grants and contributions	690	1,207	4,346	5,125	5,403	242	168	520	673
Total business-type activities program revenues	<u>113,529</u>	<u>102,322</u>	<u>103,706</u>	<u>100,561</u>	<u>92,674</u>	<u>85,691</u>	<u>83,189</u>	<u>80,755</u>	<u>75,173</u>
Total primary government program revenues	<u>186,303</u>	<u>164,947</u>	<u>192,666</u>	<u>199,812</u>	<u>163,822</u>	<u>141,285</u>	<u>138,349</u>	<u>133,469</u>	<u>110,104</u>
<b>Net (expense)/revenue</b>									
Governmental activities	(210,875)	(215,738)	(192,328)	(144,598)	(138,476)	(133,804)	(112,667)	(94,853)	(106,854)
Business-type activities	<u>(5,108)</u>	<u>(6,026)</u>	<u>(4,013)</u>	<u>6,210</u>	<u>6,394</u>	<u>6,505</u>	<u>9,245</u>	<u>9,143</u>	<u>16,382</u>
Total primary government net expense	<u>\$ (215,983)</u>	<u>\$ (221,764)</u>	<u>\$ (196,341)</u>	<u>\$ (138,388)</u>	<u>\$ (132,082)</u>	<u>\$ (127,299)</u>	<u>\$ (103,422)</u>	<u>\$ (85,710)</u>	<u>\$ (90,472)</u>
<b>General revenues and other changes in net assets</b>									
Governmental activities:									
Taxes:									
Property taxes	\$ 33,749	\$ 32,890	\$ 28,826	\$ 23,085	\$ 21,386	\$ 19,422	\$ 18,321	\$ 16,739	\$ 16,459
Sales taxes	92,717	97,054	105,175	97,825	90,968	77,166	74,763	63,832	52,580
Unrestricted state shared sales tax	17,786	19,321	22,237	23,037	23,298	20,271	18,409	17,113	16,862
Unrestricted urban revenue sharing (state shared income tax)	31,292	36,267	34,109	27,518	22,909	20,115	19,731	23,288	22,822
Auto in-lieu taxes	8,130	8,808	9,730	10,044	10,444	9,414	8,978	8,619	7,219
Investment earnings, unrestricted	286	1,668	4,742	5,557	4,395	2,654	315	(1,602)	1,397
Gain (loss) on disposal of capital assets	330	(52)	879	202	348	225	9	445	(345)
Miscellaneous	5,406	2,872	302	301	272	275	349	299	289
Capital contributions	-	-	-	-	-	4,794	24,614	27,042	6,205
Transfers	<u>(370)</u>	<u>(551)</u>	<u>(509)</u>	<u>(364)</u>	<u>700</u>	<u>(164)</u>	<u>(333)</u>	<u>(67)</u>	<u>(228)</u>
Total governmental activities	<u>189,326</u>	<u>198,277</u>	<u>205,491</u>	<u>187,205</u>	<u>174,720</u>	<u>154,172</u>	<u>165,156</u>	<u>155,708</u>	<u>132,149</u>
Business-type activities:									
Investment earnings, unrestricted	460	2,069	4,044	5,381	3,466	2,065	1,115	(123)	1,215
Gain (loss) on disposal of capital assets	187	282	126	103	844	-	-	(725)	(168)
Loss on joint venture	-	-	-	-	-	-	(1,285)	(1,011)	(1,054)
Miscellaneous	83	90	108	140	100	202	-	-	-
Capital contributions	-	-	-	-	-	5,712	2,414	7,241	4,591
Transfers	<u>370</u>	<u>551</u>	<u>509</u>	<u>364</u>	<u>(700)</u>	<u>164</u>	<u>333</u>	<u>67</u>	<u>228</u>
Total business-type activities	<u>1,100</u>	<u>2,992</u>	<u>4,787</u>	<u>5,988</u>	<u>3,710</u>	<u>8,143</u>	<u>2,577</u>	<u>5,449</u>	<u>8,563</u>
Total primary government	<u>\$ 190,426</u>	<u>\$ 201,269</u>	<u>\$ 210,278</u>	<u>\$ 193,193</u>	<u>\$ 178,430</u>	<u>\$ 162,315</u>	<u>\$ 167,733</u>	<u>\$ 161,157</u>	<u>\$ 140,712</u>
<b>Changes in net assets</b>									
Governmental activities	\$ (21,549)	\$ (17,461)	\$ 13,163	\$ 42,607	\$ 36,244	\$ 20,368	\$ 52,489	60,855	\$ 25,295
Business-type activities	<u>(4,008)</u>	<u>(3,034)</u>	<u>774</u>	<u>12,198</u>	<u>10,104</u>	<u>14,648</u>	<u>11,822</u>	<u>14,592</u>	<u>24,945</u>
Total primary government	<u>\$ (25,557)</u>	<u>\$ (20,495)</u>	<u>\$ 13,937</u>	<u>\$ 54,805</u>	<u>\$ 46,348</u>	<u>\$ 35,016</u>	<u>\$ 64,311</u>	<u>\$ 75,447</u>	<u>\$ 50,240</u>

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

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

**Schedule 3**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
General fund										
Reserved	\$ 9,383	\$ 10,450	\$ 9,271	\$ 10,500	\$ 10,287	\$ 9,377	\$ 9,582	\$ 17,315	\$ 17,998	\$ 13,232
Unreserved	<u>29,463</u>	<u>42,180</u>	<u>57,117</u>	<u>50,880</u>	<u>62,166</u>	<u>56,661</u>	<u>51,080</u>	<u>31,727</u>	<u>7,119</u>	<u>24,716</u>
Total general fund	<u>\$ 38,846</u>	<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>
All other governmental funds										
Reserved	\$ 76,055	\$ 83,966	\$ 58,146	\$ 45,029	\$ 42,910	\$ 39,014	\$ 41,188	\$ 33,527	\$ 28,460	\$ 19,473
Unreserved, report in:										
Special revenue funds	50,478	57,555	76,493	34,369	30,584	34,867	29,807	23,553	8,596	2,585
Capital projects funds	<u>41,046</u>	<u>27,474</u>	<u>18,436</u>	<u>68,932</u>	<u>64,106</u>	<u>61,765</u>	<u>71,569</u>	<u>126,252</u>	<u>37,932</u>	<u>28,369</u>
Total all other governmental funds	<u>\$ 167,579</u>	<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>

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

**Schedule 4**

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>Revenues</b>										
Taxes and special assessments	\$ 126,291	\$ 130,119	\$ 133,746	\$ 121,122	\$ 112,576	\$ 96,812	\$ 93,655	\$ 82,458	\$ 70,526	\$ 60,911
Licenses and permits	9,734	10,503	17,385	17,839	16,039	15,497	16,667	16,771	10,663	9,897
Intergovernmental	90,047	91,642	101,821	107,699	86,994	75,691	73,166	73,836	68,479	72,216
Local revenues	-	-	-	-	-	-	-	-	-	6,417
Charges for services	13,640	9,881	14,125	10,086	8,838	5,681	4,824	3,313	2,516	5,347
Fines and forfeitures	4,052	4,064	4,507	3,932	3,564	3,247	3,169	3,246	2,859	2,381
Investment income (loss)	774	3,805	9,986	10,905	7,825	4,762	1,511	(805)	2,572	8,303
Miscellaneous	18,000	9,346	4,915	4,212	4,136	3,335	2,774	2,834	2,729	3,687
<b>Total revenues</b>	<b>262,538</b>	<b>259,360</b>	<b>286,485</b>	<b>275,795</b>	<b>239,972</b>	<b>205,025</b>	<b>195,766</b>	<b>181,653</b>	<b>160,344</b>	<b>169,159</b>
<b>Expenditures</b>										
General government	23,085	26,048	25,364	24,524	21,868	20,892	17,274	20,321	20,064	21,583
Public safety	96,161	103,624	100,384	86,753	72,745	61,366	53,805	49,571	49,126	43,741
Public works	11,569	11,072	11,743	12,155	12,252	12,081	12,816	10,118	11,364	12,688
Community services	37,518	42,294	44,767	39,150	35,604	32,627	30,006	28,391	27,502	22,832
Community environment	6,160	3,478	4,972	4,657	3,978	3,082	3,311	3,282	3,223	2,379
Street maintenance	10,388	11,901	13,045	13,372	11,609	10,534	9,811	9,994	11,493	10,320
Community housing	-	-	-	-	-	-	-	-	-	6,201
Miscellaneous	2,026	1,666	1,629	3,059	2,918	55	555	80	71	475
Capital outlay	63,529	186,175	141,060	179,421	131,243	47,283	120,833	142,213	38,636	37,029
Debt service:										
Principal	29,451	29,670	32,151	28,096	20,328	18,899	18,090	21,680	20,574	16,501
Interest	42,913	39,571	32,294	20,630	17,222	17,231	15,998	8,155	5,925	6,605
<b>Total expenditures</b>	<b>322,800</b>	<b>455,499</b>	<b>407,409</b>	<b>411,817</b>	<b>329,767</b>	<b>224,050</b>	<b>282,499</b>	<b>293,805</b>	<b>187,978</b>	<b>180,354</b>
Excess of revenues over (under) expenditures	(60,262)	(196,139)	(120,924)	(136,022)	(89,795)	(19,025)	(86,733)	(112,152)	(27,634)	(11,195)

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>Other financing sources (uses)</b>										
Discount on long-term debt	-	(3,136)	-	-	-	-	(82)	-	-	-
Proceeds from loans	-	-	-	-	-	-	-	-	200	-
Long-term debt issued	41,650	199,750	109,986	133,327	93,033	16,075	69,522	215,920	40,563	-
Refunding bonds issued	-	-	93,815	-	9,065	-	-	-	-	-
Premium on long-term debt issued	10	1,894	2,192	1,198	1,782	230	1,114	14,500	-	-
Proceeds from equipment disposal	482	344	8,714	850	3,166	1,342	8,198	2,802	82	-
Capital lease proceeds	44	-	-	668	-	-	428	11,266	-	-
Payment to redeem/refunded bonds escrow agent	-	-	(83,521)	-	(9,582)	-	(21,262)	-	(4,533)	-
Transfers in	36,306	21,914	51,626	24,945	20,014	15,800	32,943	12,851	15,936	15,015
Transfers out	(33,430)	(22,465)	(52,135)	(25,309)	(19,314)	(15,964)	(33,276)	(12,918)	(16,165)	(16,325)
<b>Total other financing sources (uses)</b>	<u>45,062</u>	<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>
Net change in fund balances	<u>\$ (15,200)</u>	<u>\$ 2,162</u>	<u>\$ 9,753</u>	<u>\$ (343)</u>	<u>\$ 8,369</u>	<u>\$ (1,542)</u>	<u>\$ (29,148)</u>	<u>\$ 132,269</u>	<u>\$ 8,449</u>	<u>\$ (12,505)</u>
Debt service as a percentage of noncapital expenditures	27.91%	25.71%	24.20%	20.97%	18.91%	20.44%	21.09%	19.68%	17.74%	16.12%

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

Fiscal Year	Major Components					Less: Tax Exempt Property	Net Assessed Value <sup>(1)</sup>	Total Direct Tax Rate	Estimated Actual Value <sup>(1)</sup>	Assessed Value as a Percentage of Actual Value <sup>(2)</sup>
	Real Estate	Improvements	Secured Personal	Unsecured Personal	Utilities Rails and Wires					
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
2009-10	739,388	1,844,506	1,698	59,190	62,176	576,051	2,130,907	1.60	20,635,557	13.118

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.

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

**Schedule 6**

Fiscal Year	Basic Rate	General Obligation Debt Service	City of Glendale	Overlapping Rates*		
				Glendale Elementary and High School Districts	Peoria Unified School Districts	Deer Valley Unified School Districts
2000-01	0.38	1.34	<b>1.72</b>	15.81	14.55	13.12
2001-02	0.36	1.36	<b>1.72</b>	15.36	13.73	13.12
2002-03	0.35	1.37	<b>1.72</b>	15.51	13.69	12.59
2003-04	0.34	1.38	<b>1.72</b>	14.79	13.59	12.06
2004-05	0.33	1.39	<b>1.72</b>	14.88	13.22	11.78
2005-06	0.31	1.41	<b>1.72</b>	20.96	18.45	16.98
2006-07	0.29	1.43	<b>1.72</b>	19.84	17.26	15.34
2007-08	0.27	1.35	<b>1.62</b>	17.74	15.33	13.97
2008-09	0.24	1.35	<b>1.59</b>	15.85	14.09	13.03
2009-10	0.22	1.37	<b>1.59</b>	15.18	13.81	12.74

Source: Maricopa County 2009 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, 2010  
 (amounts expressed in thousands)

**Schedule 7**

Taxpayer	Tax Year 2010			Tax Year 2000		
	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	\$ 19,552,801	0.91 %			
Arizona Public Service Company	2	18,151,158	0.85	1	\$ 12,506,364	1.59 %
New River Associates	3	14,339,096	0.67	3	10,196,322	1.29
Entertainment Center Development LLC	4	13,860,000	0.65			
Wal-Mart Stores, Inc.	5	13,642,191	0.64			
JQH-Glendale Az Development LLC	6	10,080,000	0.47			
RCFC Zanjero Falls LLC	7	9,241,123	0.43			
Lexington Glendale LLC	8	8,553,643	0.40			
Qwest Corporation (US West)	9	8,238,343	0.39	2	12,296,249	1.56
Conair Corporation	10	8,195,815	0.38			
KIR Glendale				4	5,778,482	0.73
Southwest Gas Corporation				5	4,132,747	0.52
Sanderson Ford				6	3,500,125	0.44
Union Hills Lepercq Partners				7	3,368,780	0.43
SP Commercial Flight				8	3,296,380	0.42
Burlington Northern Sante Fe				9	2,677,011	0.34
Meridan Trust Co				10	2,567,125	0.33
<b>Total principal taxpayers</b>		<b>\$ 123,854,170</b>	<b>5.79 %</b>		<b>\$ 60,319,585</b>	<b>7.65 %</b>

Source: Maricopa County Treasurer's Office

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

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

**Schedule 8**

Fiscal Year	Total Tax Levy <sup>(1)</sup>	Collected within the Fiscal Year of Levy		Collections in Subsequent Years <sup>(2)</sup>	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2000-01	\$ 14,227	\$ 13,833	97.23 %	\$ 392	\$ 14,225	99.99 %
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	494	21,474	99.57
2006-07	23,423	22,721	97.00	415	23,136	98.77
2007-08	28,728	27,823	96.85	558	28,381	98.79
2008-09	33,927	32,411	95.53	1,006	33,417	98.50
2009-10	33,617	32,260	95.96	-	32,260	95.96

Source: Maricopa County Treasurer's Office

(1) Total levy includes only secured property.

(2) Includes collections and resolutions.

**City Transaction Privilege Taxes (Sales Tax) by Category**

Last Ten Fiscal Years

(amounts expressed in thousands)

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Retail sales	\$ 49,127	\$ 48,353	\$ 54,416	\$ 50,733	\$ 48,743	\$ 41,883	\$ 41,262	\$ 36,639	\$ 30,858	\$ 24,449
Contracting	4,458	6,378	9,540	10,483	9,729	7,716	7,709	5,638	3,659	4,269
Rentals	12,729	11,511	12,082	9,895	8,897	8,228	7,752	7,164	5,740	4,990
Utilities	6,829	6,449	5,359	4,724	4,168	1,967	2,606	1,765	1,482	1,297
Telecom/cable TV	6,156	6,722	6,174	5,914	5,300	5,179	4,290	2,437	1,490	1,259
Restaurant/bar	10,791	10,863	10,995	9,335	8,163	7,031	6,676	6,132	5,477	4,935
Amusement	3,697	3,659	3,034	3,288	1,934	1,043	1,058	601	539	424
Other	4,018	4,002	3,575	3,453	4,034	4,119	3,410	3,456	3,335	2,768
<b>Total</b>	<b>\$ 97,805</b>	<b>\$ 97,937</b>	<b>\$ 105,175</b>	<b>\$ 97,825</b>	<b>\$ 90,968</b>	<b>\$ 77,166</b>	<b>\$ 74,763</b>	<b>\$ 63,832</b>	<b>\$ 52,580</b>	<b>\$ 44,391</b>
<b>% Growth by year</b>										
Retail sales	1.6 %	(11.1) %	7.3 %	4.1 %	16.4 %	1.5 %	12.6 %	18.7 %	26.2 %	0.6 %
Contracting	(30.1)	(33.1)	(9.0)	7.8	26.1	0.1	36.7	54.1	(14.3)	(8.3)
Rentals	10.6	(4.7)	22.1	11.2	8.1	6.1	8.2	24.8	15.0	7.1
Utilities	5.9	20.3	13.4	13.3	111.9	(24.5)	47.6	19.1	14.3	2.9
Telecom/cable TV	(8.4)	8.9	4.4	11.6	2.3	20.7	76.0	63.6	18.3	23.8
Restaurant/bar	(0.7)	(1.2)	17.8	14.4	16.1	5.3	8.9	12.0	11.0	4.4
Amusement	1.0	20.6	(7.7)	70.0	85.4	(1.4)	76.0	11.5	27.1	(14.0)
Other	0.4	11.9	3.5	(14.5)	(2.1)	20.8	(1.3)	3.6	20.5	12.2
<b>Total</b>	<b>(0.1) %</b>	<b>(6.9) %</b>	<b>7.5 %</b>	<b>7.5 %</b>	<b>17.9 %</b>	<b>3.2 %</b>	<b>17.1 %</b>	<b>21.4 %</b>	<b>18.4 %</b>	<b>1.8 %</b>

Source: City of Glendale Tax and License Division

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

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

Last Ten Fiscal Years

(amounts expressed in thousands)

Government Activities

142

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
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
2009-10	225,595	-	23,910	487,305	102,490	7,493	6,288

Fiscal Year	Business Activities						Total Primary Government	Percentage of Personal Income <sup>(2)</sup>
	Water Sewer G.O. Bonds	Landfill G.O. Bonds	Water Sewer Revenue Bonds	Notes Payable	Capital Leases			
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	
2009-10	9,160	-	273,140	14,278	592	1,150,251	13.56	

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<sup>(1)</sup></u>	<u>Less: Amounts Available in Debt Service Funds<sup>(2)</sup></u>	<u>Total</u>	<u>Percentage of Net Assessed Value of Property</u>	<u>Per Capita<sup>(3)</sup></u>
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
2009-10	234,755	41,934	192,821	9.05	770.75

- Note:
- (1) These figures include general obligation water and sewer 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, 2010

(amounts expressed in thousands)

Jurisdiction	Net Debt Outstanding	Percentage Applicable to Glendale	Amount Applicable to Glendale
Peoria Unified School District No. 11	\$ 192,000	22.5545 %	\$ 43,305
Glendale Elementary School District No. 40	14,030	99.0034	13,890
Deer Valley Unified School District No. 97	181,315	19.5213	35,395
Alhambra Elementary School District No. 68	20,885	18.1843	3,798
Glendale Union High School District No. 205	87,505	23.2295	20,327
Maricopa County			
Maricopa County Community College District	653,040	3.6750	23,999
Phoenix Union High School District No. 210	266,380	1.3608	3,625
Pendergast Elementary School District No. 92	27,265	22.0486	6,012
Tolleson Union High School District No. 214	79,520	7.0845	5,634
Washington Elementary School District No. 6	76,855	2.9150	2,240
Dysart Unified School District No. 89	185,215	0.0932	173
Agua Fria Union High School District No. 216	48,410	0.0747	36
Litchfield Elementary School District No. 79	31,950	0.1164	37
Total Overlapping Debt	1,864,370		158,471
City of Glendale Debt <sup>(1)</sup>	198,991		198,991
Total	\$ 2,063,361		\$ 357,462

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

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

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

**Schedule 13**

**Legal Debt Margin Calculation for Fiscal Year 2010**

**6% Type Bonds**

Assessed value	\$ 2,130,907
Debt limit (6% of assessed value)	127,854
Debt applicable to limit: General obligation bonds	35,300
Less: Amount set aside for repayment of general obligation debt	<u>(6,290)</u>
Total net debt applicable to limit	<u>29,010</u>
Legal debt margin	<u>\$ 98,844</u>

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt limit	\$ 52,614	\$ 57,247	\$ 59,346	\$ 64,801	\$ 68,673	\$ 76,174	\$ 82,259	\$ 109,621	\$ 131,621	\$ 127,854
Total net debt applicable to limit	<u>21,602</u>	<u>30,167</u>	<u>47,813</u>	<u>49,399</u>	<u>51,682</u>	<u>52,539</u>	<u>38,998</u>	<u>43,358</u>	<u>32,121</u>	<u>29,010</u>
Legal debt margin	<u>\$ 31,012</u>	<u>\$ 27,080</u>	<u>\$ 11,533</u>	<u>\$ 15,402</u>	<u>\$ 16,991</u>	<u>\$ 23,635</u>	<u>\$ 43,261</u>	<u>\$ 66,263</u>	<u>\$ 99,500</u>	<u>\$ 98,844</u>
Total net debt applicable to the limit as a percentage of debt limit	41.06%	52.70%	80.57%	76.23%	75.26%	68.97%	47.41%	39.55%	24.40%	22.69%

**20% Type Bonds**

Assessed value	\$ 2,130,907
Debt limit (20% of assessed value)	426,181
Debt applicable to limit: General obligation bonds	199,455
Less: Amount set aside for repayment of general obligation debt	<u>(35,644)</u>
Total net debt applicable to limit	<u>163,811</u>
Legal debt margin	<u>\$ 262,370</u>

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt limit	\$ 175,381	\$ 190,824	\$ 197,818	\$ 216,003	\$ 228,910	\$ 253,914	\$ 274,198	\$ 365,404	\$ 438,735	\$ 426,181
Total net debt applicable to limit	<u>29,847</u>	<u>43,972</u>	<u>80,844</u>	<u>101,153</u>	<u>99,340</u>	<u>113,184</u>	<u>172,751</u>	<u>150,157</u>	<u>138,326</u>	<u>163,811</u>
Legal debt margin	<u>\$ 145,534</u>	<u>\$ 146,852</u>	<u>\$ 116,974</u>	<u>\$ 114,850</u>	<u>\$ 129,570</u>	<u>\$ 140,730</u>	<u>\$ 101,447</u>	<u>\$ 215,247</u>	<u>\$ 300,409</u>	<u>\$ 262,370</u>
Total net debt applicable to the limit as a percentage of debt limit	17.02%	23.04%	40.87%	46.83%	43.40%	44.58%	63.00%	41.09%	31.53%	38.44%

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

**Schedule 14**

Fiscal Year	Water and Sewer Revenue Bonds						Coverage
	Utility Service Charges <sup>(1)</sup>	Less: Operating Expenses <sup>(2)</sup>	Net Available Revenue	Debt Service			
				Principal <sup>(3)</sup>	Interest <sup>(3)</sup>		
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	
2009-10	76,987	43,628	33,359	10,347	13,082	1.42	

Fiscal Year	Transportation Bonds <sup>(4)</sup>				Excise Tax Revenue Bonds <sup>(5)</sup>			
	Transportation Sales Tax	Debt Service		Coverage	Excise Tax Revenue	Debt Service		Coverage
		Principal	Interest			Principal	Interest	
2000-01	\$ -	\$ -	\$ -	\$ -	\$ 83,739	\$ 785	\$ 548	62.82
2001-02	-	-	-	-	85,322	880	515	61.16
2002-03	-	-	-	-	88,071	1,240	1,510	32.03
2003-04	-	-	-	-	94,277	2,280	8,530	8.72
2004-05	-	-	-	-	98,143	1,885	9,017	9.00
2005-06	-	-	-	-	114,066	2,785	8,871	9.79
2006-07	-	-	-	-	123,602	2,715	10,343	9.47
2007-08	23,672	4,075	3,255	3.23	127,373	7,399	17,617	5.09
2008-09	20,875	2,545	4,782	2.85	118,277	6,575	24,074	3.86
2009-10	19,488	2,675	4,655	2.66	109,536	5,600	27,812	3.28

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**

<u>Fiscal Year</u>	<u>City of Glendale Population<sup>(2)</sup></u>	<u>Maricopa County Population</u>	<u>Personal Income<sup>(1)</sup></u>	<u>Per Capita Personal Income<sup>(1)</sup></u>	<u>Unemployment Rate</u>
2000-01	224	3,196	\$ 92,913,124	\$ 29,068	3.7 %
2001-02	228	3,295	95,618,598	29,020	5.0
2002-03	231	3,397	98,401,099	28,968	5.3
2003-04	233	3,524	101,264,571	28,734	4.4
2004-05	236	3,524	104,211,370	29,570	3.9
2005-06	244	3,764	115,863,448	30,782	3.9
2006-07	246	3,879	131,949,430 <sup>(3)</sup>	34,016 <sup>(4)</sup>	3.1
2007-08	249	3,990 <sup>(5)</sup>	139,044,312 <sup>(3)</sup>	34,848 <sup>(4)</sup>	3.6
2008-09	250	3,988 <sup>(6)</sup>	139,665,253	35,021 <sup>(4)</sup>	8.4
2009-10	250	4,116 <sup>(6)</sup>	139,665,253 <sup>(7)</sup>	33,932 <sup>(4)</sup>	9.1

- 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 provided by Maricopa County CAFR statistical section.  
 (7) The FY 2008-09 Maricopa County CAFR provides the most current number.

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

**Schedule 16**

Employer	2010			2000		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Luke Air Force Base	6,000	1	4.12 %	6,980	1	6.02 %
Banner Thunderbird Health System	2,866	2	1.97	1,125	7	0.97
Wal-Mart	2,025	3	1.39			
Glendale Union High School District	2,008	4	1.38	1,500	3	1.29
City of Glendale	1,887	5	1.29	1,380	4	1.19
Glendale Elementary School District	1,684	6	1.16	1,300	5	1.12
Deer Valley Unified School District	1,432	7	0.98			
Glendale Community College	1,220	8	0.84			
AAA	1,175	9	0.81			
Arrowhead Community Hospital	959	10	0.66	500	9	
Arrowhead Towne Center				2,160	2	1.86
Arizona Public Service				1,276	6	1.10
U.S. Postal Service				780	8	0.67
Sanderson Ford				400	10	0.34
<b>Total</b>	<b>21,256</b>		<b>14.58 %</b>	<b>17,401</b>		<b>15.00 %</b>

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

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

Last Ten Fiscal Years

Function/Program	Full-Time Equivalent Employees as of June 30									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General government										
Management services	43.00	38.00	35.00	35.00	34.00	32.00	34.00	32.50	33.50	31.50
Finance	61.00	69.00	86.75	86.75	86.75	85.75	84.75	84.75	82.75	83.50
Planning	24.00	33.00	28.50	28.50	26.50	26.15	26.15	27.15	27.15	23.65
Building	32.00	43.00	53.75	51.75	55.75	57.75	44.75	40.75	32.50	29.50
Legal	73.00	70.00	78.00	78.00	67.00	67.00	61.00	58.00	50.00	47.00
Other	96.00	104.00	108.50	105.50	101.00	94.50	93.50	93.50	93.50	97.50
Police	554.00	567.00	557.50	543.50	506.50	507.50	473.50	455.50	455.50	421.50
Fire	276.00	278.00	263.50	251.50	237.50	216.00	196.00	195.00	190.00	167.50
Homeland security	-	6.00	7.00	7.00	-	-	-	-	-	-
Community service	72.00	69.00	93.75	87.25	84.25	82.75	75.25	75.25	73.75	67.00
Parks and recreation	122.00	85.00	99.25	98.75	89.75	86.75	80.40	79.40	78.40	73.40
Library	57.00	65.00	87.76	88.76	87.76	87.76	87.75	87.75	87.75	86.75
Public works	225.00	256.00	281.00	271.00	266.00	266.00	267.00	270.00	272.00	268.00
Engineering	27.00	39.00	45.00	45.00	46.00	45.00	44.00	44.00	43.00	42.00
Transportation	63.00	67.00	89.25	88.25	81.25	80.25	80.25	78.25	65.25	65.25
Utilities	170.00	171.00	186.00	165.00	146.00	140.00	132.00	132.00	132.00	125.00
<b>Total</b>	<b>1,895.00</b>	<b>1,960.00</b>	<b>2,100.51</b>	<b>2,031.51</b>	<b>1,916.01</b>	<b>1,875.16</b>	<b>1,780.30</b>	<b>1,753.80</b>	<b>1,717.05</b>	<b>1,629.05</b>

152

Sources:

City Budget Office

City of Glendale Human Resources Department for 2010

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

**Schedule 18**

Function/Program	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>Police</b>										
Calls for service	129,868	137,586	146,489	154,176	148,633	158,507	161,722	154,374	153,691	144,183
Bookings	11,015	11,990	12,902	12,119	8,640	8,138	8,057	7,980	8,781	7,744
Criminal offense reports	29,765	32,599	32,918	35,169	34,271	33,578	34,847	33,956	34,224	33,102
<b>Fire</b>										
EMS calls	26,591	24,419	25,851	25,819	22,284 <sup>(1)</sup>	18,977 <sup>(3)</sup>	24,025	23,126	21,372	20,722
Fire calls	3,847	3,900	4,216	4,322	5,886 <sup>(1)</sup>	2,642 <sup>(3)</sup>	3,335	3,379	3,379	3,110
<b>Refuse collection</b>										
Residential curb service (tons per year)	52,634	53,493	58,865	60,914	63,521	57,942	56,902	55,718	49,747	-
Commercial container service (tons per year)	41,797	44,600	48,267	51,425	49,517	44,441	44,681	48,583	45,798	-
<b>Airport</b>										
Departures/arrivals <sup>(2)</sup>	69,834	91,998	137,762	152,194	143,798	108,887	118,140	88,449	118,703	110,631
<b>General government</b>										
Building permits	5,194	5,289	6,931	6,310	7,888	7,079	6,330	6,299	5,428	7,090
<b>Library</b>										
Volumes in collection <sup>(4)</sup>	523,512	540,352	546,136	557,342	596,266	620,130	601,440	600,477	606,676	544,467
<b>Transit</b>										
Dial-A-Ride passengers	89,808	91,841	88,638	84,132	89,055	87,831	86,132	81,768	76,622	66,527

Source: Various city departments

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

(1) Fire department figures are on a calendar year, January 1, 2006, through November 3, 2006.

(2) Departures/arrivals are based on calendar year prior to 2005-2006. 2005 figures are through October 2005. 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									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>Police</b>										
Stations	3	3	3	3	3	3	3	3	3	3
Patrol vehicles	157	159	158	157	156	156	151	156	150	92
<b>Fire stations</b>	9	9	9	9	9	9	8	8	7	7
<b>General government</b>										
City square miles	59	59	58	57	57	57	57	57	56	55
<b>Landfill</b>										
Landfill capacity - south cell	21,666	21,666	22,594	22,594	22,594	22,594	22,594	22,594	22,594	16,351
Landfill capacity used - south cell	18,529	18,126	17,776	17,358	16,790	16,328	15,910	15,408	14,669	14,060
<b>Other public works</b>										
Streets (miles)	736	736	736	736	733	709	702	702	692	660
<b>Parks and recreation</b>										
Number of parks/retention basins	100	99	99	95	92	92	93	89	89	89
Acres of parks	2,189	2,199	2,125	2,125	2,058	2,052	1,998	1,984	1,984	1,984
<b>Transit</b>										
Dial-A-Ride minibuses	22	23	22	22	25	25	22	19	17	21

Source: Various city departments

**WATER RATES PER METER SIZE**

Meter Size (inch)	Commercial and Residential Monthly Base Charge	
	Inside City	Outside City
5/8	\$ 9.70	\$ 12.61
3/4	12.30	15.99
1	17.40	22.62
1 1/2	35.30	45.89
2	62.90	81.77
3	106.00	137.80
4	189.00	245.70
6	376.00	488.80
8	557.00	724.10
10	896.00	1,164.80
12	1,326.00	1,723.80

Gallons per Month	Residential Meter Size		Commercial 3/4 inch Meter Size and Greater <sup>(1)</sup>			
	All Year		All Year		Summer Excess Rate	
	Inside City	Outside City	Inside City	Outside City	Inside City	Outside City
0 - 6,000	\$ 2.14	\$ 2.79	\$ 2.28	\$ 2.97	\$ 2.85	\$ 3.72
7,000 - 15,000	2.68	3.49	2.28	2.97	2.85	3.72
16,000 - 30,000	3.76	4.89	2.28	2.97	2.85	3.72
over 31,000	5.27	6.85	2.28	2.97	2.85	3.72

**SEWER SERVICE RATES**

Type of Service	Inside City	Outside City
Single Family Dwelling Unit	\$ 34.83	\$ 36.96
Office Building	47.40	N/A
Apartment - Average 5 units	85.62	80.58
Apartment - Average 35 units	530.15	85.27
Retail/Wholesale	75.83	N/A

(1) Per 1,000 gallons

SOURCE: City of Glendale Finance Department as of October 2010

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

Fiscal Year Ending June 30	Residential	Commercial <sup>(2)</sup>	Total
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 <sup>(3)</sup>	53,523	5,556	59,079
2010 <sup>(4)</sup>	55,169	5,919	61,088

(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 October 2009.

(4) As of October 2010.

SOURCE: City of Glendale Finance Department.

**WATER DELIVERIES**

Acre Feet

Calendar Year	Residential <sup>(1)</sup>	Commercial	Other <sup>(2)</sup>	Total
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	9,580	5,636	48,783
2006	34,660	10,951	3,730	49,341
2007	34,594	11,281	3,937	49,812
2008	32,278	10,764	2,818	45,860
2009	31,457	10,122	5,606	47,185

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

(2) Starting in 2005, *Other* represents unbilled water and system losses.

SOURCE: Annual Report of Arizona Department of Water Resources.

**SEWERAGE ACCOUNTS BILLED AND SEWAGE TREATED**

Fiscal Year Ending June 30	No. of Sewer Accounts Billed	Multi-City Plant <sup>(1)</sup> (MGD) Actual	Arrowhead (MGD)	West (MGD)
2000	50,564	11.7	2.8	4.3
2001	52,688	11.4	2.8	4.3
2002	55,506	11.9	2.8	4.3
2003	55,239	10.8	3.0	7.0
2004	55,670	7.9	3.0	7.0
2005	55,995	8.2	3.0	8.5
2006	56,737	8.2	2.9	9.2
2007	54,662	7.8	2.9	9.1
2008	54,936	6.8	2.8	8.6
2009	56,709	6.8	2.8	8.4

(1) SROG - Sub Regional Operating Group

SOURCE: City of Glendale Finance and Utilities Departments.

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