



City of Glendale, Arizona
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2011



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City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

INTRODUCTORY SECTION

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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City of Glendale, Arizona

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2011

Mayor
Elaine M. Scruggs

Councilmembers

Steven E. Frate
Vice Mayor
Sahuaro District

Joyce V. Clark - Yucca District

Manuel D. Martinez - Cholla District

Norma Alvarez - Ocotillo District

Yvonne Knaack - Barrel District

H. Philip Lieberman - Cactus District

Management Staff

Ed Beasley - City Manager
Horatio Skeete - Assistant City Manager

Jim Colson
Deputy City Manager
Development Services

Sherry Schurhammer
Executive Director
Financial Services

Prepared by Finance
Diane Goke
Finance Director



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**City of Glendale, Arizona
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2011**

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December 12, 2011

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

The Finance Division of the Financial Services Department is pleased to submit the City of Glendale, Arizona's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2011. The City annually publishes the CAFR after the close of each fiscal year which includes a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) which are audited by a firm of licensed certified public accountants in accordance with generally accepted auditing standards (GAAS).

City 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 has established a comprehensive internal control framework that is designed to both 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. To the best of our knowledge and belief, this financial report is complete and reliable in all material respects and is designed to fairly represent the financial position of the operations of the various funds of the City.

This letter of transmittal is best reviewed in conjunction with the Management's Discussion and Analysis (MD&A) beginning on page 13. The MD&A provides a narrative introduction, overview, and analysis of the basic financial statements of the City.

Independent Audit

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 is to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2011, 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.

City of Glendale Profile

The City of Glendale, Arizona is the fifth largest city in the state with a population of 226,721 people. Located in the northwestern part of the metropolitan Phoenix area and occupying approximately 59 square miles of land, the City is home to the Arizona Cardinals, the Phoenix Coyotes, and owns Camelback Ranch, the spring training facility for the LA Dodgers and Chicago White Sox.

The City was incorporated in 1910 and has operated under the council-manager form of government since its incorporation. Policy-making and legislative authority are vested in the City Council which consists of the Mayor and six other members. The City Council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring the City Manager, Clerk, Attorney, and Municipal Judge. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, 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 City provides a full range of services including: police and fire protection; water, 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 City Manager on or before the last week in December each year. Management uses these requests to develop a budget to propose to City Council for review and adoption. The Council is required to hold public hearings on the proposed budget and adopt the final budget by the first Monday in August. Department heads may request transfers of appropriations within the same fund for his/her department. However, transfers of appropriations between funds require approval of the City Council. Budget-to-actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted.

Economic Conditions and Strategies

Before reviewing the presented financial statements, it is important to consider the local and global economic factors that have impacted the City's financial position.

Workforce and Unemployment

Currently Glendale, the state, and the nation continue to struggle with high unemployment which greatly impacts the operating budget for the City. For fiscal year 2011, Glendale's annual average unemployment rate remains high at 8.6%; however this is an improvement from last calendar year's average of 9.2%. The City relies on local and state shared sales tax as well as state shared income tax as primary revenue sources for the City's operating budget. Nationally, high unemployment has negatively impacted consumer spending and therefore sales tax revenues; this same trend has been observed in Glendale's city sales tax collections since fiscal year 2009. In addition, high unemployment has reduced the amount of income tax collected and shared by the state because fewer people are employed.

Glendale's workforce is concentrated in the following nonfarm sectors: education and health services (22.99%); trade, transportation, and utilities (21.92%); government (13.88%); and leisure and hospitality (8.09%). Each of Glendale's nonfarm employment categories, with the exception of mining, have experienced some growth since January 2011; with educational and health services, construction, and government jobs leading in growth. The Arizona Commerce Authority projects that in 2012, overall employment in Arizona will grow by 1.4%; nonfarm employment is forecasted to grow by 1.6% in Glendale in 2012. If this improvement in employment continues as forecasted, the revenues which fund the City's operating budget will slowly recover.

Economic Development

Job creation and retention is a significant focus of Glendale's economic development strategy. In fiscal year 2011, Glendale welcomed and retained several new or expanding companies to the City including: Waterous, Boart Longyear, and Total Transit; and the expansions of Banner Health System, Midwestern

University, and Schuck and Sons. These new or expanding companies contributed to the creation or retention of 1,710 jobs in Glendale in fiscal year 2011.

Financial Strategy

Before the economic downturn in 2008, the City built a healthy General Fund balance. The General Fund balance was systematically used in the City's operating budget in fiscal years 08-09, 09-10, and 10-11 in order to offset drastic reductions in revenues due to the economy. This decision was made in an effort to maintain the level and quality of services our citizens enjoy by minimizing reductions in services and City personnel. In order to reduce the operating budget, the City instituted and maintained a hiring freeze; required mandatory furloughs for City employees with the exception of sworn public safety personnel; eliminated vacant positions and made reductions to operating budgets. Today, the economy is showing modest signs of improvement. However this improvement has not been significant enough to prevent the need to further assess the City's finances by looking at new revenue streams and the possible adjustment of existing revenues and expenditures in all funds with an emphasis on the General Fund.

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, 2010. This was the twenty-third consecutive year the City has received this prestigious award, and the twenty-fifth 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 2010-11. This is the twenty-fourth 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 Division. I would like to express appreciation to all members of the division 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, 2010

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.

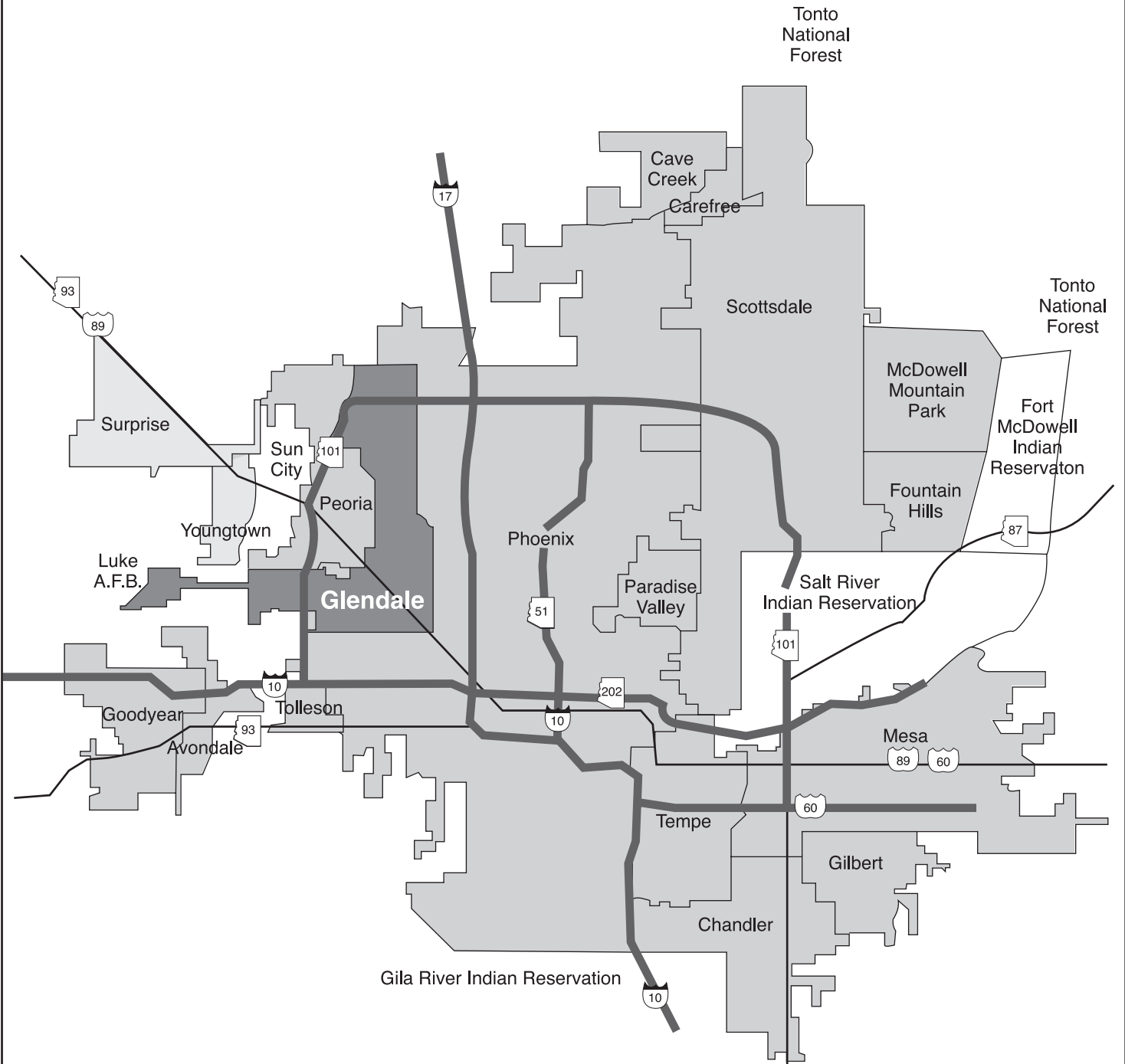


President

Executive Director



Glendale, Arizona and Neighboring Communities

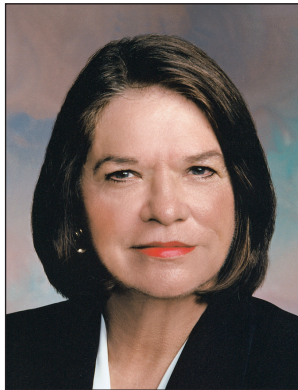




Glendale City Officials



ELAINE M. SCRUGGS
Mayor



JOYCE V. CLARK
*Councilmember
Yucca District*



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



NORMA ALVAREZ
*Councilmember
Ocotillo District*



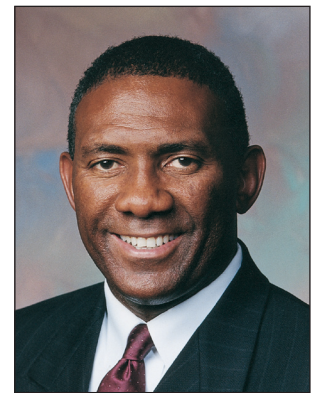
YVONNE KNAACK
*Councilmember
Barrel District*



H. PHILIP LIEBERMAN
*Councilmember
Cactus District*



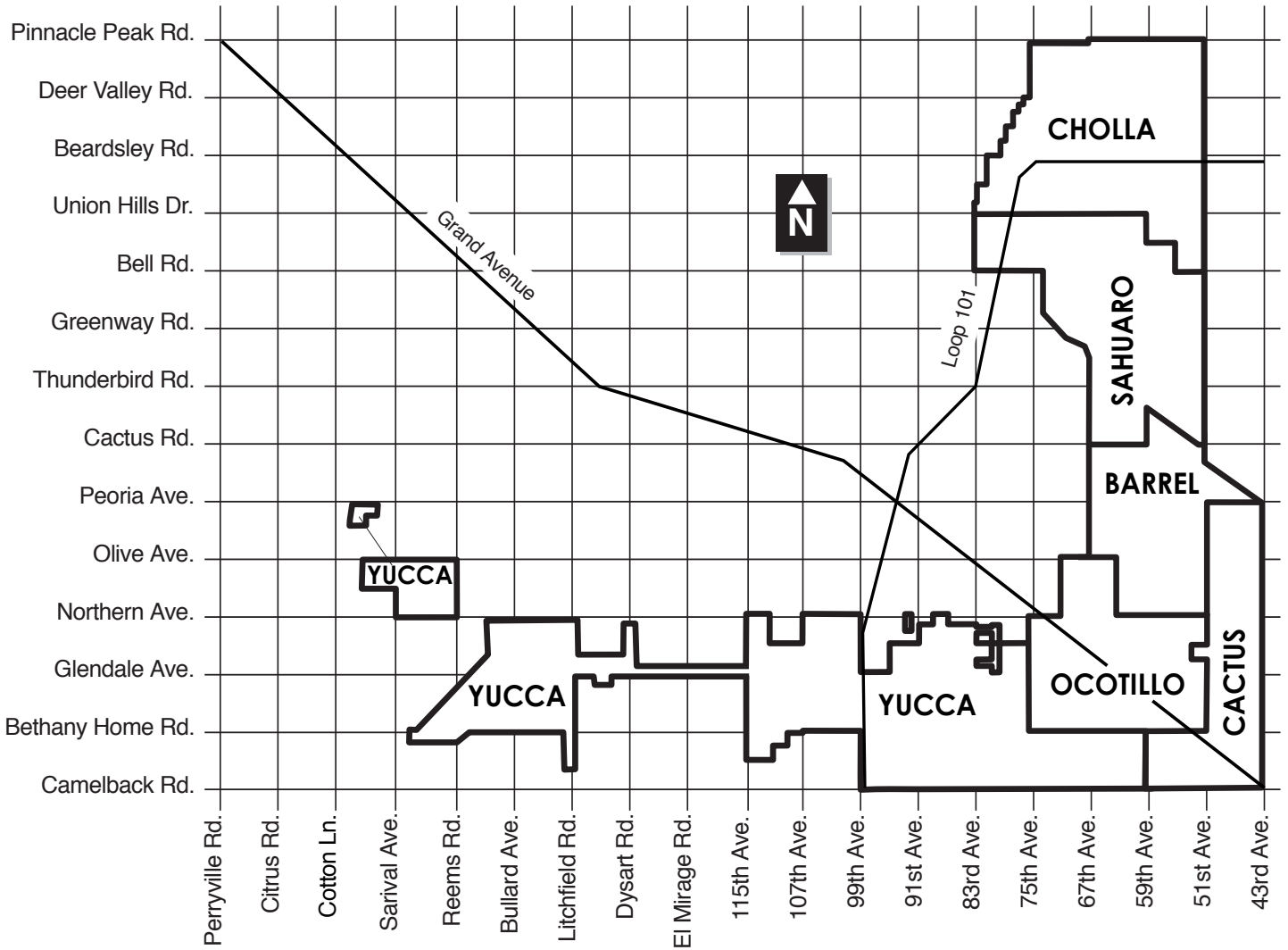
MANUEL D. MARTINEZ
*Councilmember
Cholla District*

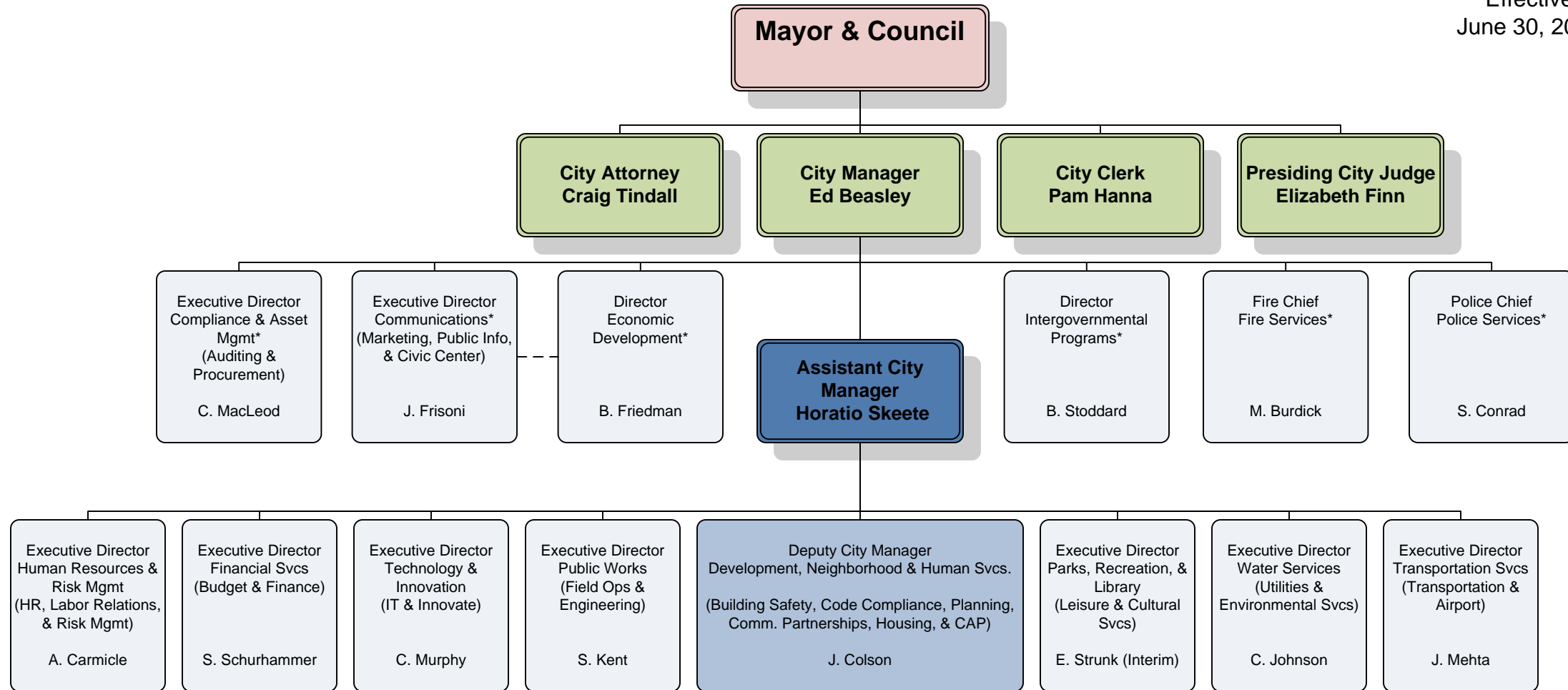


ED BEASLEY
City Manager



Glendale Council District Boundaries





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*Positions may report to the Assistant City Manager on a project basis

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City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FINANCIAL SECTION

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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HEINFELD, MEECH & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS



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, 2011, 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, 2011, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note I, the City implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, for the year ended June 30, 2011, which represents a change in accounting principle.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2011, 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 25 and budgetary comparison information on pages 81 through 84 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 12, 2011



City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

MANAGEMENT'S DISCUSSION & ANALYSIS

(Required Supplementary Information)

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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Management's Discussion and Analysis

The following discussion and analysis is provided to readers of the City's financial statements as a narrative overview of the financial activities of the City for the fiscal year ended June 30, 2011. This discussion and analysis is designed to assist the reader in focusing on significant financial highlights; provide an overview of the City's financial activity; identify changes in the City's financial position; identify material deviations from the financial plan (the approved annual budget); and identify individual fund issues or concerns.

The Management's Discussion and Analysis (MD&A) has a different focus and purpose than the letter of transmittal presented on pages 1-3. It is designed to be read in conjunction with the transmittal letter, the financial statements beginning on page 27, and the accompanying notes to the financial statements.

Significant Financial Highlights

The financial statements illustrate the following significant financial highlights for FY 2010-11:

- The City's total net assets increased \$3,729 or 0.35%. The governmental net assets increased by \$217 or 0.03%, and the business-type net assets increased by \$3,512 or 0.85%.
- General revenues from governmental activities decreased \$14,561 or 7.68% and comprised 55.6% of all revenues from governmental activities. There were two primary reasons for this decrease:
 1. There was a decrease in state shared income tax which is attributed to the state's unemployment rate.
 2. There was a decrease in the secondary property tax due to declines in the assessed valuations for properties in the community.
- Program specific revenues in the form of charges for services, grants, and contributions increased \$67,059 or 92.15%; this increase was primarily due to the recognition of a receivable due from Arizona Sports and Tourism Authority for partial payment of the construction of Camelback Ranch, the spring training facility for the Los Angeles Dodgers and Chicago White Sox.
- The business-type activities total revenues increased by \$5,161 or 4.52%; this is a result of rate increases in the water and sewer fund.
- The total cost of all City programs increased by \$3,373 or .83% primarily due the increased burden of Other Post Employment Benefits (OPEB).
- A major governmental fund, the General Fund, collected \$146,705 in revenues which is an increase of \$8,916 or 6.47% from the prior year. This increase was primarily due to a one-time payment from a developer for a parking agreement. The primary sources of revenue in the General Fund are local taxes and intergovernmental taxes. The total expenditures of the General Fund were \$129,172, which is a decrease of \$11,670 or 8.30%. The economic climate has negatively impacted the City's revenue streams for the past several fiscal years. In light of this, the City has been reducing expenditures through mandatory furloughs, leaving vacant positions open and diligently reducing non personnel expenses.
- The General Fund fund balance decreased \$27,763 or 70.41%. This decrease was primarily due to the special item, a payment to the National Hockey League (NHL) for the Phoenix Coyotes losses during the 2010-11 season.
- The City issued \$38,300 in general obligation refunding bonds. These bonds were used to refund a portion of the 2002 and 2003 General Obligation Bonds of the City.

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2011
(amounts expressed in thousands)

- The City issued \$25,685 in subordinate lien water and sewer revenue obligation bonds to acquire and construct various water and sewer improvements and extensions in the City. The bonds were issued as Build America Bonds (BAB) and the City expects to receive a BAB credit equal to 35% of the interest payment on the bonds.

Overview of the Financial Statements

This report consists of a series of financial statements that are categorized as government-wide financial statements or fund financial statements. Government-Wide Financial Statements, which include the Statement of Net Assets and the Statement of Activities, are designed to provide the reader with information about the overall activities of the City and the long-term view of the City's finances. The Fund Financial Statements show how City services were financed in the short-term as well as more detailed information about the City's most significant funds. Also included in this report are the notes to the financial statements which are provided to help enhance understanding of the content within the financial statements.

Government-Wide Financial Statements

The Government-Wide Financial Statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The accrual basis of accounting is used for government-wide financial statements.

The Statement of Net Assets presented on page 27, provides 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 found on page 28, presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

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

Fund Financial Statements

The Fund Financial Statements provide more detailed information about the major funds within the City. 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

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2011
(amounts expressed in thousands)

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.

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

The Combining Statements and Individual Fund Statements and Schedules section presents combining statements for non-major governmental funds, non-major enterprise funds, and non-major internal service funds, along with budget to actual comparisons on individual funds.

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 \$1,060,093 as of June 30, 2011.

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

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2011
(amounts expressed in thousands)

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. 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. The chart below is a comparison of the City's net assets for fiscal years 2011 and 2010.

Condensed Statement of Net Assets
As of June 30, 2011, and 2010
(in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 310,855	\$ 318,362	\$ 191,987	\$ 174,978	\$ 502,842	\$ 493,340
Capital assets, net	1,264,076	1,299,538	573,917	575,369	1,837,993	1,874,907
Total assets	<u>1,574,931</u>	<u>1,617,900</u>	<u>765,904</u>	<u>750,347</u>	<u>2,340,835</u>	<u>2,368,247</u>
Current liabilities	53,061	60,034	13,495	14,517	66,556	74,551
Noncurrent liabilities	875,796	912,009	338,390	325,323	1,214,186	1,237,332
Total liabilities	<u>928,857</u>	<u>972,043</u>	<u>351,885</u>	<u>339,840</u>	<u>1,280,742</u>	<u>1,311,883</u>
Net assets:						
Invested in capital assets, net of related debt	463,961	457,773	271,708	271,969	735,669	729,742
Restricted	204,645	176,400	29,988	13,988	234,633	90,388
Unrestricted	(22,532)	11,684	112,323	124,550	89,791	136,234
Total net assets	<u>\$ 646,074</u>	<u>\$ 645,857</u>	<u>\$ 414,019</u>	<u>\$ 410,507</u>	<u>\$ 1,060,093</u>	<u>\$ 1,056,364</u>

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2011
(amounts expressed in thousands)

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

Changes in Net Assets
As of June 30, 2011, and 2010
(in thousands)

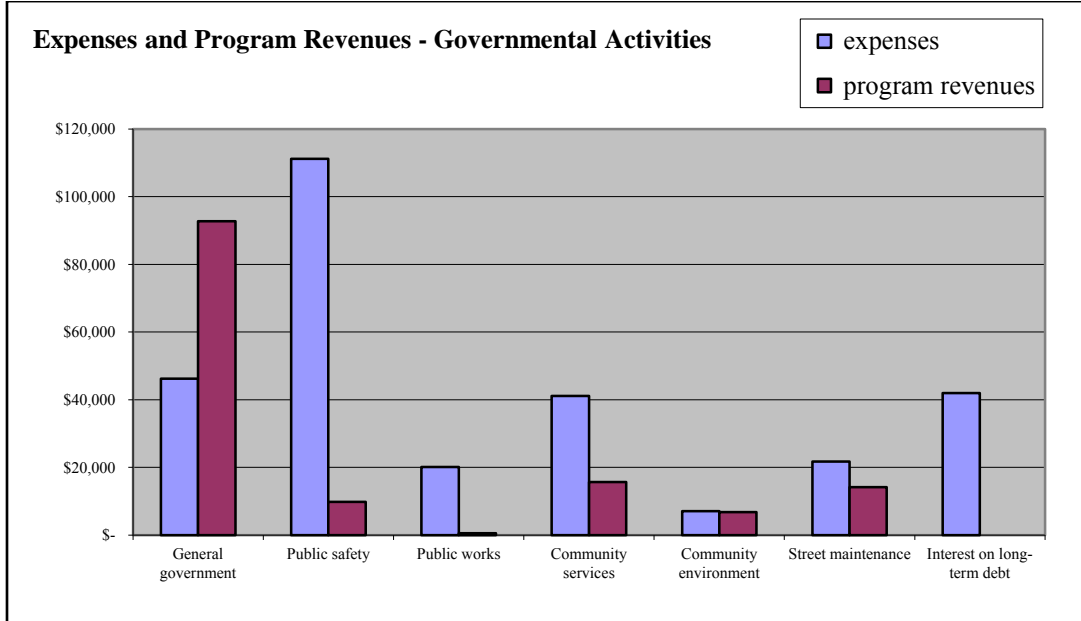
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	\$ 42,144	\$ 39,423	\$ 108,102	\$ 103,508	\$ 150,246	\$ 142,931
Operating grants and contributions	27,137	29,596	9,342	9,331	36,479	38,927
Capital grants and contributions	70,552	3,755	1,155	690	71,707	4,445
Total program revenues	139,833	72,774	118,599	113,529	258,432	186,303
General revenues:						
Property taxes	27,189	33,749	-	-	27,189	33,749
Sales taxes	93,260	92,717	-	-	93,260	92,717
State shared sales tax	18,438	17,786	-	-	18,438	17,786
Urban revenue sharing (state shared income tax)	23,590	31,292	-	-	23,590	31,292
Auto in-lieu taxes	7,917	8,130	-	-	7,917	8,130
Investment earnings, unrestricted	1,482	286	614	460	2,096	746
Gain/(loss) on disposal of capital assets	(677)	330	137	187	(540)	517
Miscellaneous	3,936	5,406	70	83	4,006	5,489
Total revenues	314,968	262,470	119,420	114,259	434,388	376,729
Expenses:						
General government	46,233	42,530	-	-	46,233	42,530
Public safety	111,217	108,308	-	-	111,217	108,308
Public works	20,099	16,627	-	-	20,099	16,627
Community services	41,136	44,524	-	-	41,136	44,524
Community environment	7,061	6,316	-	-	7,061	6,316
Street maintenance	21,721	23,058	-	-	21,721	23,058
Interest on long-term debt	41,967	42,286	-	-	41,967	42,286
Water and sewer	-	-	79,444	81,910	79,444	81,910
Landfill	-	-	7,280	8,454	7,280	8,454
Sanitation	-	-	14,814	14,093	14,814	14,093
Housing	-	-	14,687	14,180	14,687	14,180
Total expenses	289,434	283,649	116,225	118,637	405,659	402,286
Excess before transfers	25,534	(21,179)	3,195	(4,378)	28,729	(25,557)
Transfers in (out)	(317)	(370)	317	370	-	-
Special item	(25,000)	-	-	-	(25,000)	-
Increase (decrease) in net assets	217	(21,549)	3,512	(4,008)	3,729	(25,557)
Net assets, beginning	645,857	667,406	410,507	414,515	1,056,364	1,081,921
Net assets, ending	\$ 646,074	\$ 645,857	\$ 414,019	\$ 410,507	\$ 1,060,093	\$ 1,056,364

CITY OF GLENDALE, ARIZONA
 Management's Discussion and Analysis (MD&A)
 For the Fiscal Year Ended June 30, 2011
 (amounts expressed in thousands)

Changes in Net Assets

There was a slight increase of \$217 in net assets of the governmental activities; this is in contrast to the significant decreases that we have seen over the past two fiscal years, and is a reflection of the City's efforts to reduce expenditures to a level more reflective of the City's revenues. The City's revenue from governmental activities for the fiscal year ended June 30, 2011, was \$314,968. The cost of programs and services for governmental activities was \$289,434.

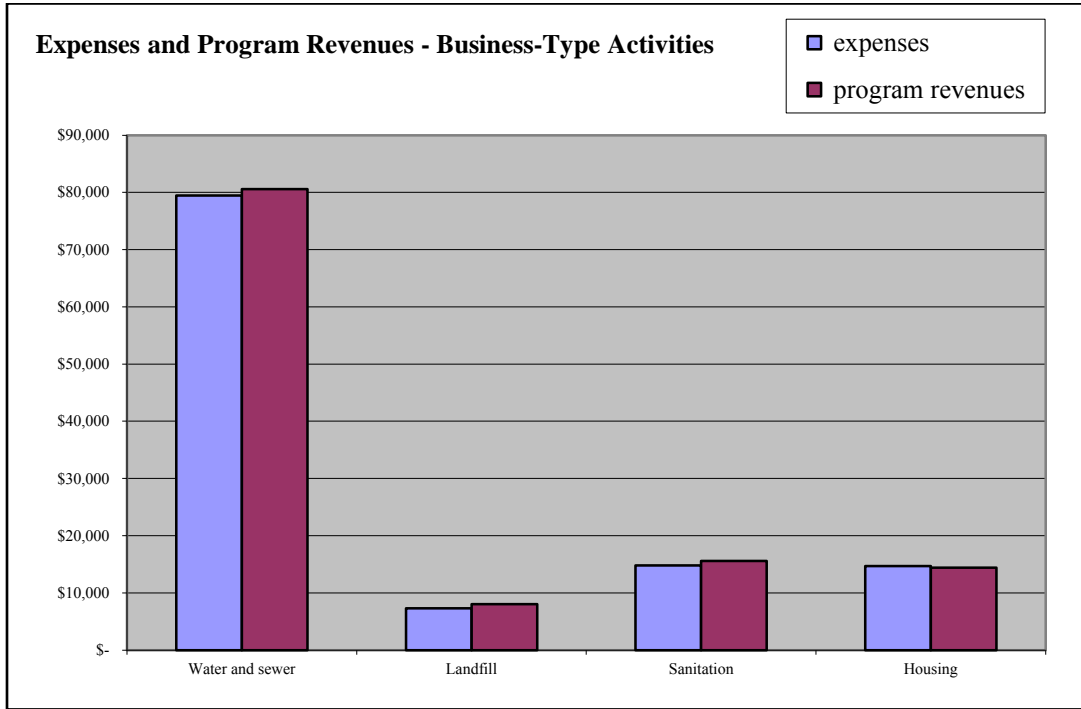
Below shows the performance of the revenues in the governmental activities versus expenses.



CITY OF GLENDALE, ARIZONA
 Management's Discussion and Analysis (MD&A)
 For the Fiscal Year Ended June 30, 2011
 (amounts expressed in thousands)

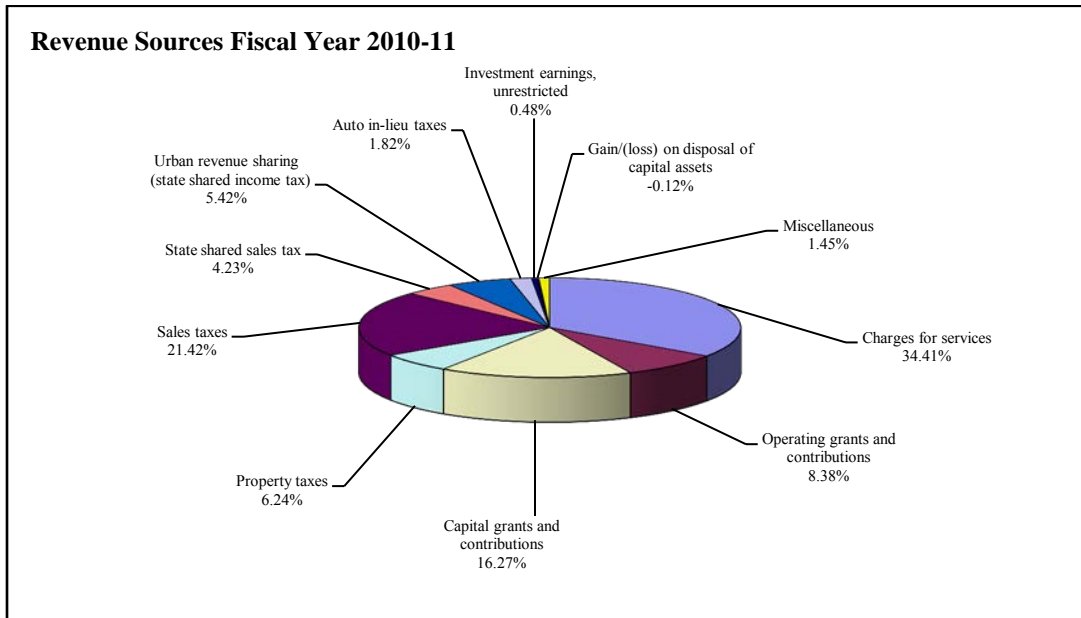
The increase in net asset of the business type-activities of \$3,512 was primarily due to rate increases during the year. The City's revenue from business-type activities for the fiscal year ended June 30, 2011, was \$119,420. The cost of programs and services was \$116,225.

Below shows the performance of the revenues in the business-type activities versus expenses.



CITY OF GLENDALE, ARIZONA
 Management's Discussion and Analysis (MD&A)
 For the Fiscal Year Ended June 30, 2011
 (amounts expressed in thousands)

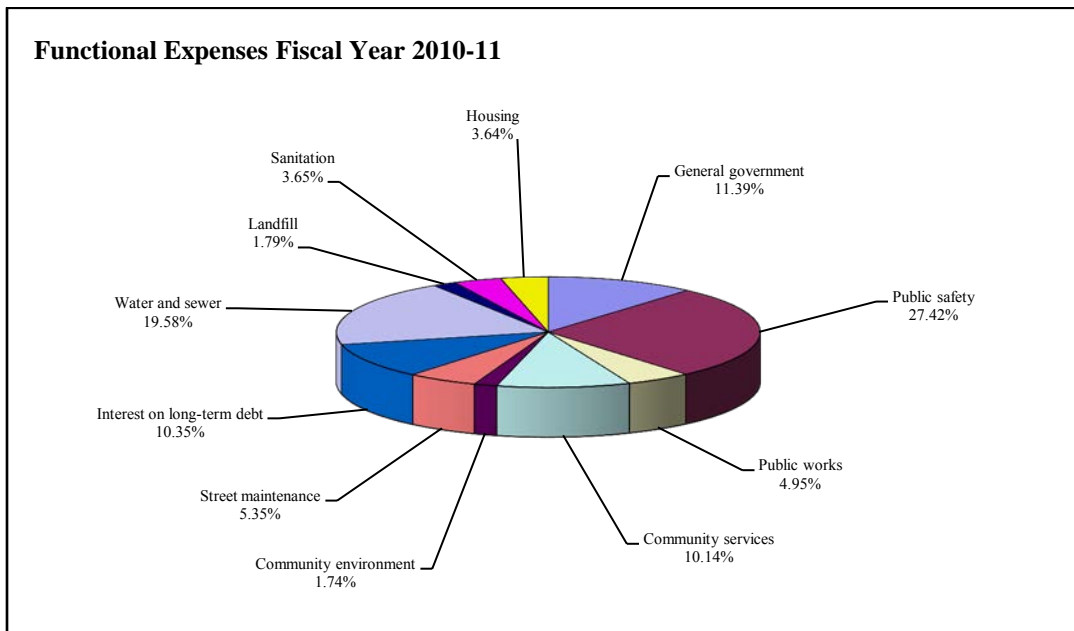
City Revenue Categories



As discussed, the majority (37.31%) of the revenue the City receives comes from sales tax, property tax, and urban revenue sharing (state shared revenue). The second most significant source of revenue comes from charges for some of the services the City provides. The pie chart above shows the different types of revenue the City receives and the proportion of each.

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2011
(amounts expressed in thousands)

City Expenditure Categories



The majority of the City's expenditures (47%) are incurred in the Public Safety and Water and Sewer categories. Public Safety expenses include those expenses related to police and fire protection services provided to the community. Water and Sewer expenses include expenses from Water and Environmental Resources services. Public Safety expenses are funded by the general fund; while Water and Sewer expenses are paid by the enterprise fund which is funded primarily through user paid fees for services.

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$158,790, a decrease of \$47,635 or 23.07% in comparison with the prior year.

The City implemented Governmental Accounting Standards Board Statement (GASB) 54 during the year which impacted the presentation of fund balance components more accurately into five classifications: nonspendable, restricted, committed, assigned and unassigned; Note I. K. in the summary of significant accounting policies addresses this change in greater detail. In fiscal year 2011, a negative \$5.1 million of the total fund balance constituted unassigned fund balance. The remaining fund balance is not available for new spending because it has already been committed, assigned, restricted or is nonspendable for specific purposes; examples are impact fees and replacement accounts. The financial performance of the City as a whole is reflected in its governmental funds.

Revenues for governmental functions overall totaled \$248,263 in fiscal year 2011, a decrease of 5.44% from the previous year total of \$262,538. This decrease reflects changes in the state shared income tax and secondary property tax. Expenditures, as well as the special item, for governmental functions totaled \$296,478 in fiscal year 2011, a decrease of 8.15% from the previous year total of \$322,800. This decrease is primarily the result of capital outlay expenditures.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the General Fund was (\$5,414), while total fund balance was \$11,670. The unreserved and total balances for the General Fund at the end of fiscal year 2010 were \$29,463 and \$38,846, respectively. The difference between the reporting for the two years is due to the City following GASB 54 as it relates to presentation of fund balance. There are now five categories for fund balance instead of the two as presented in the prior year. The City also has \$463 of its fund balance as nonspendable; \$5,403 as restricted; \$1,965 as committed; and \$9,253 as assigned.

The factors that represent the significant decline in the General Fund are:

- a planned approach to use the fund balance during these extreme economic times
- the payment to the National Hockey League (NHL) for the Phoenix Coyotes losses during the 2010-11 season

Overall, the General Fund's performance resulted in revenues over expenditures of \$17,533 in fiscal year 2011. In the prior year, expenditures exceeded revenues by \$3,053.

The transportation fund accounts for the City's public transit program and transportation improvement projects. The fund saw an increase in fund balance of \$6,326 for the fiscal year ended June 30, 2011. This increase is due to the expenditure of transportation revenue bonds to fund continuing efforts to improve public transit, arterial streets, park and ride lots, and coordinated traffic signals.

The Western Loop 101 Public Facilities Corporation debt service fund accounts for the debt service payments on the bonds issued to finance the Spring Training Baseball Facility. This fund used capitalized interest funds to make the debt service payments for the period ending June 30, 2011.

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 \$21,250 at June 30, 2011. This represents a decrease of \$5,354 due to the decrease in secondary property tax received as result of declining home values.

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2011
(amounts expressed in thousands)

Proprietary Funds

Net assets of the enterprise funds increased \$3,512 or 0.85%. The enterprise funds' total net assets were 7.20% restricted, 27.57% unrestricted, and 65.63% is invested in capital assets.

The water and sewer fund accounts for operations, maintenance and construction projects of City-owned water and sewer systems. The fund saw an increase in net assets of \$2,432 for the fiscal year ended June 30, 2011. This increase is primarily due to the 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 \$6,102 for the fiscal year ended June 30, 2011. The decrease was due to an increase in the amount of premiums in the self-funded workers' compensation and risk management funds and a \$2,300 settlement of a lawsuit related to the airport. Internal service funds were 100% unrestricted.

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 above the final budget by \$16,105 or 9.89%, primarily due to one time revenue from a parking agreement and proceeds from refinancing leases.
- General Fund expenditures were less than the final budget by \$14,874 or 7.40%. This positive variance resulted because of the continued steps taken during the fiscal year to decrease expenses. Such steps included mandatory furlough for employees, leaving positions vacant, and expenditure reductions.

Capital Asset and Debt Administration

Capital Assets

The City's investment in capital assets (net of accumulated depreciation) as of June 30, 2011, for its governmental-type activities was \$1,264,076 and for the business-type activities was \$573,917. 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, \$16,362
- Special improvements parks infrastructure, \$2,465
- Arrowhead Ranch Wastewater Reclamation Facility improvements, \$2,417
- Northern Avenue storm drain, \$2,233
- Utility billing system replacement, \$1,653

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2011
(amounts expressed in thousands)

The following table is a summary of capital assets reflected in the June 30, 2011, 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	
	2011	2010	2011	2010	2011	2010
Construction in progress	\$ 165,044	\$ 254,072	\$ 63,082	\$ 57,115	\$ 228,126	\$ 311,187
Land	85,029	85,000	26,297	26,297	111,326	111,297
Water storage rights	-	-	8,325	8,504	8,325	8,504
Artwork	1,636	1,436	-	-	1,636	1,436
Buildings	303,360	289,838	8,779	8,633	312,139	298,471
Improvements other than buildings	143,333	89,878	47,835	44,229	191,168	134,107
Infrastructure-streets	438,801	444,636	-	-	438,801	444,636
Infrastructure-parks	53,917	54,475	-	-	53,917	54,475
Infrastructure-airport	6,638	7,100	-	-	6,638	7,100
Infrastructure-flood/storm drains	35,904	36,368	-	-	35,904	36,368
Water lines	-	-	78,040	78,005	78,040	78,005
Sewer lines	-	-	74,685	73,906	74,685	73,906
Water treatment plant	-	-	134,596	141,146	134,596	141,146
Sewer treatment plant	-	-	103,817	108,140	103,817	108,140
Meters and services	-	-	16,297	17,014	16,297	17,014
Fire hydrants	-	-	3,072	3,172	3,072	3,172
Machinery and equipment	13,580	17,446	461	552	14,041	17,998
Computer equipment	754	1,093	201	205	955	1,298
Software	103	175	-	-	103	175
Automotive equipment	15,977	18,021	8,458	8,451	24,435	26,472
Total	\$ 1,264,076	\$ 1,299,538	\$ 573,945	\$ 575,369	\$ 1,838,021	\$ 1,874,907

The construction commitments at June 30 were \$14,544. 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 \$1,112,550 compared to \$1,150,251 last year, a 3.28% net decrease.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
General obligation	\$ 194,270	\$ 225,595	\$ 7,410	\$ 9,160	\$ 201,680	\$ 234,755
Transportation revenue bond	99,815	102,490	-	-	99,815	102,490
Highway users revenue bonds	16,290	23,910	-	-	16,290	23,910
Municipal Property Corporation revenue bonds	281,955	287,555	-	-	281,955	287,555
Western Loop 101 Public Facilities Corporation	199,750	199,750	-	-	199,750	199,750
Capital lease obligation	11,833	7,493	151	592	11,984	8,085
Water and sewer revenue bonds/obligations	-	-	289,175	273,140	289,175	273,140
Notes payable	-	6,288	11,901	14,278	11,901	20,566
Total	\$ 803,913	\$ 853,081	\$ 308,637	\$ 297,170	\$ 1,112,550	\$ 1,150,251

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2011
(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 excise tax bonds are rated "AA+" by Standard and Poor's and an "Aa3" by Moody's. The subordinate lien water and sewer revenue bonds are rated "Aa3" 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. Street and highway user revenue bonds are rated "AA" by Standard & Poor's and "Aa3" 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, 2011, was \$90,815 and \$184,683, 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 2011-12 budget is \$638,000 (down 5.62% from 2010-11), including a \$362,100 operating budget (an increase of 6.66% from 2011) and \$144,221 in capital outlay (down 25.82% from 2011). The fiscal year 2011-12 budget includes \$46,569 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 which 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.

For fiscal year 2011, the City's annual average unemployment rate is 8.6%; this represents an improvement from last calendar year's average of 9.2%. The City's unemployment rate is lower than the state's unemployment rate which is 9.4%.

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

BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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City of Glendale, Arizona
Statement of Net Assets
June 30, 2011
(amounts expressed in thousands)

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Equity in pooled cash and investments	\$ 163,812	\$ 46,262	\$ 210,074
Receivables (net of allowance for uncollectibles)			
Property taxes	1,436	-	1,436
Accounts	14,860	12,651	27,511
Note	67,401	-	67,401
Accrued interest	271	-	271
Intergovernmental receivable	7,323	235	7,558
Internal balances	(22,513)	22,513	-
Inventories and prepaid items	11,487	4,297	15,784
Restricted cash and investments	61,419	39,503	100,922
Capital assets:			
Non-depreciable	251,709	89,379	341,088
Depreciable (net)	1,012,367	484,538	1,496,905
Deferred receivable	5,359	-	5,359
Equity in joint venture	-	66,526	66,526
Total assets	<u>1,574,931</u>	<u>765,904</u>	<u>2,340,835</u>
LIABILITIES			
Vouchers payable	13,255	4,296	17,551
Accounts payable	2,364	90	2,454
Retainage payable	230	6	236
Accrued interest payable	16,116	7,160	23,276
Intergovernmental payable	461	309	770
Deposits	2,931	1,601	4,532
Unearned revenue	17,704	33	17,737
Noncurrent liabilities:			
Due within one year	31,297	13,620	44,917
Due in more than one year	844,499	324,770	1,169,269
Total liabilities	<u>928,857</u>	<u>351,885</u>	<u>1,280,742</u>
NET ASSETS			
Invested in capital assets, net of related debt	463,961	271,708	735,669
Restricted for:			
Capital projects	46,776	-	46,776
Debt service	101,358	1,702	103,060
Transportation	24,226	-	24,226
Highway and streets	12,893	-	12,893
Revenue bond retirement, replacement, and extension	-	11,004	11,004
Perpetual care - nonexpendable	5,583	-	5,583
Other purposes	13,809	17,282	31,091
Unrestricted	(22,532)	112,323	89,791
Total net assets	<u>\$ 646,074</u>	<u>\$ 414,019</u>	<u>\$ 1,060,093</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, 2011
(amounts expressed in thousands)

<u>Functions/Programs</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
General government	\$ 46,233	\$ 24,822	\$ 375	\$ 67,598
Public safety	111,217	5,094	4,164	559
Public works	20,099	495	28	-
Community services	41,136	11,733	1,942	2,021
Community environment	7,061	-	6,801	-
Street maintenance	21,721	-	13,827	374
Interest on long-term debt	41,967	-	-	-
Total governmental activities	<u>289,434</u>	<u>42,144</u>	<u>27,137</u>	<u>70,552</u>
Business-type activities:				
Water and sewer	79,444	80,513	-	45
Landfill	7,280	8,027	-	-
Sanitation	14,814	14,733	-	861
Housing	14,687	4,829	9,342	249
Total business-type activities	<u>116,225</u>	<u>108,102</u>	<u>9,342</u>	<u>1,155</u>
Total primary government	<u>\$ 405,659</u>	<u>\$ 150,246</u>	<u>\$ 36,479</u>	<u>\$ 71,707</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

Special item

National Hockey League Owners Fee

Transfers

Total general revenues, special items, 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
\$ 46,562	\$ -	\$ 46,562
(101,400)	-	(101,400)
(19,576)	-	(19,576)
(25,440)	-	(25,440)
(260)	-	(260)
(7,520)	-	(7,520)
(41,967)	-	(41,967)
<u>(149,601)</u>	<u>-</u>	<u>(149,601)</u>
-	1,114	1,114
-	747	747
-	780	780
-	(267)	(267)
-	<u>2,374</u>	<u>2,374</u>
<u>(149,601)</u>	<u>2,374</u>	<u>(147,227)</u>
3,682	-	3,682
23,507	-	23,507
93,260	-	93,260
18,438	-	18,438
23,590	-	23,590
7,917	-	7,917
1,482	614	2,096
(677)	137	(540)
3,936	70	4,006
(25,000)	-	(25,000)
(317)	317	-
<u>149,818</u>	<u>1,138</u>	<u>150,956</u>
217	3,512	3,729
<u>645,857</u>	<u>410,507</u>	<u>1,056,364</u>
<u>\$ 646,074</u>	<u>\$ 414,019</u>	<u>\$ 1,060,093</u>

City of Glendale, Arizona

Balance Sheet

Governmental Funds

June 30, 2011

(amounts expressed in thousands)

	Major Funds					Total Governmental Funds
	General	Transportation	Western Loop 101 Public Facilities Corporation Debt Service	General Obligation Debt Service	Other Non-Major Governmental Funds	
ASSETS						
Equity in pooled cash and investments	\$ 27,691	\$ 22,121	\$ 6,545	\$ 23,245	\$ 74,642	\$ 154,244
Receivables, net of allowance for doubtful accounts:						
Property taxes	198	-	-	1,238	-	1,436
Accounts	10,084	2,389	-	-	2,387	14,860
Note	-	-	67,401	-	-	67,401
Accrued interest	271	-	-	-	-	271
Due from other funds	5,564	-	-	-	-	5,564
Intergovernmental receivable	2,228	1,533	-	-	3,562	7,323
Inventories and prepaid items	463	74	-	-	166	703
Restricted cash and investments	5,082	-	12,512	-	42,220	59,814
Deferred receivables	1,604	-	-	-	3,755	5,359
Total assets	<u>\$ 53,185</u>	<u>\$ 26,117</u>	<u>\$ 86,458</u>	<u>\$ 24,483</u>	<u>\$ 126,732</u>	<u>\$ 316,975</u>
LIABILITIES AND FUND BALANCE						
Liabilities:						
Vouchers payable	\$ 6,588	\$ 735	\$ -	\$ -	\$ 3,826	\$ 11,149
Accounts payable	1	-	-	-	21	22
Retainage payable	-	-	-	-	230	230
Compensated absences - current	936	22	-	-	144	1,102
Intergovernmental payable	400	-	-	-	61	461
Due to other funds	25,000	442	-	1,978	3,159	30,579
Deposits	2,924	-	-	-	7	2,931
Matured interest payable	-	-	6,505	337	9,274	16,116
Deferred revenue	5,666	692	67,401	918	11,553	86,230
Matured bonds payable	-	-	-	-	9,365	9,365
Total liabilities	<u>41,515</u>	<u>1,891</u>	<u>73,906</u>	<u>3,233</u>	<u>37,640</u>	<u>158,185</u>
Fund Balances:						
Nonspendable	463	74	-	-	5,748	6,285
Restricted	5,403	24,152	12,552	21,250	71,681	135,038
Committed	1,965	-	-	-	11,464	13,429
Assigned	9,253	-	-	-	199	9,452
Unassigned	(5,414)	-	-	-	-	(5,414)
Total fund balances	<u>11,670</u>	<u>24,226</u>	<u>12,552</u>	<u>21,250</u>	<u>89,092</u>	<u>158,790</u>
Total liabilities and fund balances	<u>\$ 53,185</u>	<u>\$ 26,117</u>	<u>\$ 86,458</u>	<u>\$ 24,483</u>	<u>\$ 126,732</u>	<u>\$ 316,975</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, 2011
(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	\$	158,790
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	\$	1,725,952
Less accumulated depreciation		<u>(461,876)</u>
		1,264,076
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		13,235
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.		(2,912)
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		(782,715)
Capital lease obligations		(11,833)
Developer payable obligations		(2,423)
Compensated absences		(17,781)
OPEB obligations		(32,016)
Unamortized premium on debt issuance		(8,724)
Arbitrage rebate payable		<u>(148)</u>
		(855,640)
Deferred revenue that is measurable but not yet available for governmental fund activities is recognized as revenue for governmental-wide activities.		<u>68,525</u>
Net assets of governmental activities	<u>\$</u>	<u>646,074</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, 2011

(amounts expressed in thousands)

	Major Funds					Total Governmental Funds
	General	Transportation	Western Loop 101		Other Non-Major Governmental Funds	
			Public Facilities Corporation Debt Service	General Obligation Debt Service		
REVENUES						
Taxes and special assessments	\$ 59,435	\$ 19,486	\$ -	\$ 23,981	\$ 18,072	\$ 120,974
Licenses and permits	8,547	-	-	-	820	9,367
Intergovernmental	50,644	2,510	-	-	26,606	79,760
Charges for services	8,264	127	-	-	2,070	10,461
Fines and forfeitures	3,806	-	-	-	-	3,806
Investment income	787	131	-	675	248	1,841
Miscellaneous	15,222	2,145	41	-	4,646	22,054
Total revenues	<u>146,705</u>	<u>24,399</u>	<u>41</u>	<u>24,656</u>	<u>52,462</u>	<u>248,263</u>
EXPENDITURES						
Current:						
General government	19,467	-	-	-	201	19,668
Public safety	73,716	-	-	-	21,554	95,270
Public works	8,708	-	-	-	151	8,859
Community services	20,217	9,985	-	-	3,685	33,887
Community environment	64	-	-	-	6,789	6,853
Street maintenance	707	-	-	-	8,331	9,038
Miscellaneous	1,043	-	-	424	110	1,577
Debt service:						
Principal	2,024	-	-	15,929	13,687	31,640
Interest	221	-	13,011	9,397	19,964	42,593
Capital outlay	3,005	684	-	-	18,404	22,093
Total expenditures	<u>129,172</u>	<u>10,669</u>	<u>13,011</u>	<u>25,750</u>	<u>92,876</u>	<u>271,478</u>
Excess (deficiency) of revenues over (under) expenditures	<u>17,533</u>	<u>13,730</u>	<u>(12,970)</u>	<u>(1,094)</u>	<u>(40,414)</u>	<u>(23,215)</u>
OTHER FINANCING SOURCES (USES)						
Refunding bonds issued	-	-	-	38,300	-	38,300
Refunding lease issued	11,503	-	-	-	-	11,503
Payment to redeem lease	(11,355)	-	-	-	-	(11,355)
Premium on long-term debt issued	-	-	-	3,369	-	3,369
Proceeds from equipment disposal	302	27	-	-	2	331
Payment to refunded bonds escrow agent	-	-	-	(41,251)	-	(41,251)
Transfers in	231	900	-	-	34,339	35,470
Transfers out	(20,977)	(8,331)	-	(4,678)	(1,801)	(35,787)
Total other financing sources and uses	<u>(20,296)</u>	<u>(7,404)</u>	<u>-</u>	<u>(4,260)</u>	<u>32,540</u>	<u>580</u>
Special item						
National Hockey League Owners Fee	(25,000)	-	-	-	-	(25,000)
Net change in fund balances	<u>(27,763)</u>	<u>6,326</u>	<u>(12,970)</u>	<u>(5,354)</u>	<u>(7,874)</u>	<u>(47,635)</u>
Fund balances, July 1	<u>39,433</u>	<u>17,900</u>	<u>25,522</u>	<u>26,604</u>	<u>96,966</u>	<u>206,425</u>
Fund balances, June 30	<u>\$ 11,670</u>	<u>\$ 24,226</u>	<u>\$ 12,552</u>	<u>\$ 21,250</u>	<u>\$ 89,092</u>	<u>\$ 158,790</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, 2011
(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	\$	(47,635)
<p>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 \$22,093 did not exceeded depreciation of \$51,304 for the current period.</p>		
		(29,211)
<p>The net effect of various transactions involving capital is to increase net assets.</p>		
Capital contributions	\$	374
Disposals		(331)
Gain (loss) on sales		(677)
		<u>(634)</u>
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.</p>		
		67,456
<p>The net effect of long-term debt issuance and the related transactions is to increase net assets.</p>		
Refunding lease issued		(11,503)
Payment to redeem lease		11,355
Bond premium		(3,369)
Bond premium amortized		627
Payment to refunded bonds escrow agent		41,251
Principal paid		31,640
Refunding bonds issued		(38,300)
Bond costs amortized		(604)
Arbitrage rebate		81
		<u>31,178</u>
<p>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.</p>		
		(1,895)
<p>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.</p>		
		(8,372)
<p>Internal service funds are used by management to charge the costs of workers' compensation, risk management, and employee benefits to individual funds.</p>		
		(5,227)
<p>Expenses on the statement of activities differ from governmental funds because of the portion not accrued on the governmental funds.</p>		
		<u>(5,443)</u>
Change in net assets of governmental activities	<u>\$</u>	<u>217</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, 2011
(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Major Funds	Other Proprietary	Total	
	Water and Sewer	Funds		
ASSETS				
Current assets:				
Equity in pooled cash and investments	\$ 37,392	\$ 8,870	\$ 46,262	\$ 9,568
Receivables:				
Accounts	12,246	2,525	14,771	-
Allowance for uncollectibles	(1,729)	(391)	(2,120)	-
Due from other funds	-	25,740	25,740	-
Intergovernment receivable	-	235	235	-
Inventories and prepaid items	4,288	9	4,297	52
Total current assets	<u>52,197</u>	<u>36,988</u>	<u>89,185</u>	<u>9,620</u>
Noncurrent assets:				
Restricted cash and investments	39,448	55	39,503	1,605
Capital assets:				
Capital assets	758,740	50,562	809,302	-
Accumulated depreciation	(210,614)	(24,771)	(235,385)	-
Capital assets, net	<u>548,126</u>	<u>25,791</u>	<u>573,917</u>	<u>-</u>
Equity in joint venture	66,526	-	66,526	-
Total noncurrent assets	<u>654,100</u>	<u>25,846</u>	<u>679,946</u>	<u>1,605</u>
Total assets	<u>706,297</u>	<u>62,834</u>	<u>769,131</u>	<u>11,225</u>
LIABILITIES				
Current liabilities:				
Vouchers payable	3,700	596	4,296	2,106
Accounts payable	-	90	90	2,342
Retainage payable	6	-	6	-
Compensated absences	1,599	660	2,259	-
Due to other funds	-	725	725	-
Intergovernmental payable	303	6	309	-
Deposits	1,312	289	1,601	-
Unearned rent	-	33	33	-
Estimated claims payable	-	-	-	7,527
Current portion of long-term debt:				
Unamortized premium on debt issuance	367	-	367	-
Revenue bonds/obligations payable	10,135	-	10,135	-
Capital lease obligations	-	151	151	-
Other long-term debt	708	-	708	-
Interest payable	7,159	1	7,160	-
Total current liabilities	<u>25,289</u>	<u>2,551</u>	<u>27,840</u>	<u>11,975</u>
Noncurrent liabilities:				
Compensated absences	509	374	883	17
General obligation bonds	7,410	-	7,410	-
Unamortized premium on debt issuance	5,497	-	5,497	-
Revenue bonds/obligations payable	279,040	-	279,040	-
OPEB long-term obligations	4,305	2,576	6,881	-
Other long-term debt	-	55	55	-
Notes payable	11,193	-	11,193	-
Claims payable	-	-	-	2,145
Estimated closure and post-closure costs	-	13,811	13,811	-
Total noncurrent liabilities	<u>307,954</u>	<u>16,816</u>	<u>324,770</u>	<u>2,162</u>
Total liabilities	<u>333,243</u>	<u>19,367</u>	<u>352,610</u>	<u>14,137</u>
NET ASSETS				
Invested in capital assets, net of related debt	246,068	25,640	271,708	-
Restricted for:				
Debt service	1,702	-	1,702	-
Revenue bond retirement, replacement and extension	11,004	-	11,004	-
Other purposes	15,000	2,282	17,282	-
Unrestricted	99,280	15,545	114,825	(2,912)
Total net assets	<u>\$ 373,054</u>	<u>\$ 43,467</u>	<u>416,521</u>	<u>\$ (2,912)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			(2,502)	
Net assets of business-type activities			<u>\$ 414,019</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, 2011
(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	\$ -	\$ 9,342	\$ 9,342	\$ -
Metered water sales	44,674	-	44,674	-
Sewer service charges	32,602	-	32,602	-
Container service	-	4,300	4,300	-
Curb service	-	10,425	10,425	-
Landfill user fees	-	5,604	5,604	-
Self-insurance premium	-	-	-	24,468
Recycling sales	-	2,294	2,294	-
Other fees	1,936	4,936	6,872	323
Total operating revenues	<u>79,212</u>	<u>36,901</u>	<u>116,113</u>	<u>24,791</u>
Operating expenses:				
Water	18,516	-	18,516	-
Sewer	12,386	-	12,386	-
Landfill	-	6,201	6,201	-
Housing	-	14,039	14,039	-
Closure/post-closure care adjustment	-	(2)	(2)	-
Sanitation	-	12,552	12,552	-
Administrative and general	10,648	-	10,648	263
Insurance claims	-	-	-	30,681
Amortization and depreciation	19,561	2,772	22,333	-
Total operating expenses	<u>61,111</u>	<u>35,562</u>	<u>96,673</u>	<u>30,944</u>
Operating income (loss)	<u>18,101</u>	<u>1,339</u>	<u>19,440</u>	<u>(6,153)</u>
Nonoperating revenues (expenses):				
Impact fees	1,369	32	1,401	-
Investment income	546	80	626	51
Interest expense	(13,370)	(30)	(13,400)	-
Net loss from joint venture	(2,912)	-	(2,912)	-
Amortization of bond issuance cost	(192)	-	(192)	-
Gain on disposal of assets	27	110	137	-
OPEB expense	(1,130)	(670)	(1,800)	-
Total nonoperating revenues (expenses)	<u>(15,662)</u>	<u>(478)</u>	<u>(16,140)</u>	<u>51</u>
Income (loss) before contributions and transfers	2,439	861	3,300	(6,102)
Capital contributions	33	1,110	1,143	-
Transfers in	-	379	379	1,450
Transfers out	(40)	(22)	(62)	(1,450)
Change in net assets	<u>2,432</u>	<u>2,328</u>	<u>4,760</u>	<u>(6,102)</u>
Total net assets - beginning	370,622	41,139		3,190
Total net assets - ending	<u>\$ 373,054</u>	<u>\$ 43,467</u>		<u>\$ (2,912)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			(1,248)	
Change in net assets of business-type activities			<u>\$ 3,512</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, 2011

(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Major Funds	Other Proprietary	Total	
	Water and Sewer	Funds		
Cash flows from operating activities:				
Cash received from customers	\$ 81,098	\$ 27,764	\$ 108,862	\$ 24,792
Cash received from federal government	-	9,317	9,317	-
Cash paid to suppliers:				
Internal city departments	(6,142)	(8,678)	(14,820)	-
External vendors	(22,716)	(16,378)	(39,094)	-
Cash paid for insurance and in settlement of claims	-	-	-	(25,646)
Cash paid to employees for services	(14,856)	(7,884)	(22,740)	(261)
Net cash provided (used) by operating activities	<u>37,384</u>	<u>4,141</u>	<u>41,525</u>	<u>(1,115)</u>
Cash flows from noncapital financing activities:				
Paid to other programs	-	(25,000)	(25,000)	-
Transfers in	-	379	379	-
Transfers out	(40)	(22)	(62)	-
Net cash provided (used) by noncapital financing activities	<u>(40)</u>	<u>(24,643)</u>	<u>(24,683)</u>	<u>-</u>
Cash flows from capital and related financing activities:				
Proceeds from sale of capital assets	27	-	27	-
Proceeds from bonds sold	25,685	-	25,685	-
Principal payments on obligations	(13,776)	(429)	(14,205)	-
Acquisition of capital assets and rights	(19,588)	(2,476)	(22,064)	-
Impact fees	1,369	32	1,401	-
Interest payments on obligations	(13,509)	(35)	(13,544)	-
Capital grant proceeds	-	249	249	-
Net cash (used) by capital and related financing activities	<u>(19,792)</u>	<u>(2,659)</u>	<u>(22,451)</u>	<u>-</u>
Cash flows from investing activities:				
Interest received from investments	546	80	626	51
Net cash provided by investing activities	<u>546</u>	<u>80</u>	<u>626</u>	<u>51</u>
Net increase (decrease) in cash and cash equivalents during fiscal year	18,098	(23,081)	(4,983)	(1,064)
Cash and cash equivalents, July 1	58,742	32,006	90,748	12,237
Cash and cash equivalents, June 30	<u>\$ 76,840</u>	<u>\$ 8,925</u>	<u>\$ 85,765</u>	<u>\$ 11,173</u>

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

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>
	<u>Major Funds</u>	<u>Other Proprietary Funds</u>	<u>Total</u>	
	<u>Water and Sewer</u>			
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 18,101	\$ 1,339	\$ 19,440	\$ (6,153)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operations:				
Amortization and depreciation	19,561	2,772	22,333	-
Changes in assets and liabilities:				
Accounts receivable	1,416	17	1,433	2
Due from other funds	-	(14)	(14)	-
Intergovernmental receivable	-	206	206	-
Inventories and prepaid items	(366)	1	(365)	17
Vouchers and accounts payable	(2,029)	119	(1,910)	2,492
Accrued expenses	4	-	4	-
Due to other funds	-	(240)	(240)	-
Deposits	525	(68)	457	-
Unearned rent	-	11	11	-
Compensated absences	172	(18)	154	18
Claims payable	-	-	-	2,509
Proceeds from disposal of assets	-	18	18	-
Estimated closure and post-closure costs	-	(2)	(2)	-
Net cash provided (used) by operating activities	<u>\$ 37,384</u>	<u>\$ 4,141</u>	<u>\$ 41,525</u>	<u>\$ (1,115)</u>
Reconciliation of statement of net assets cash and investments to the statement of cash flows:				
Per combined statement of net assets:				
Equity in pooled cash and investments	\$ 37,392	\$ 8,870	\$ 46,262	\$ 9,568
Restricted cash and investments	39,448	55	39,503	1,605
Total cash and cash equivalents	<u>\$ 76,840</u>	<u>\$ 8,925</u>	<u>\$ 85,765</u>	<u>\$ 11,173</u>
Noncash investing, capital, and financing activities:				
Contributions of capital assets	\$ 33	\$ 1,110	\$ 1,143	\$ -
Loss on joint venture	(2,912)	-	(2,912)	-
Estimated closure and post-closure costs	-	(2)	(2)	-

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2011

(amounts expressed in thousands)

Notes to the Financial Statements

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

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CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2011

(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, 2011

(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 Division.

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 Division.

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 *western loop 101 public facilities debt service fund* accumulates monies for payment of debt service to the Western Loop 101 Public Facilities Corporation's bond holders.

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.

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(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.

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Proprietary funds

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

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

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

E. Measurement focus and basis of accounting

The 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.

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.

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F. Statement of cash flows

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

G. Inventories and prepaid items

Inventories of the governmental and enterprise funds consist primarily of expendable supplies held for consumption. These inventories are maintained on a perpetual system verified through cyclical physical counts and are valued using a weighted average cost. Generally, expenditures are recorded at the time inventories are used (i.e., the consumption method) for both GAAP reporting and budgetary purposes. However, the City postage inventory is recorded as an expenditure at time of purchase (i.e., the purchase method) for budgetary purposes. At June 30, 2011, the postage portion of the general fund supplies inventory was \$30. Certain expenditures are recorded for financial reporting purposes as prepaid items.

Special reporting treatment is applied to governmental fund inventories and prepaid items to indicate that they represent amounts that are not in spendable form, even though they are a component of current assets. Such amounts are presented as a component of nonspendable fund balance.

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 and the escrow agreement. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources, as they are needed.

I. Capital assets

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

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred by the enterprise funds during the current fiscal year was \$13,400. In addition, \$328 was included as part of the cost of capital assets under construction in connection with water and sewer projects.

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

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

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

J. Water storage rights

The City has entered into a lease agreement with Salt River Pima-Maricopa Indian Community (SRP-MIC) for the rights to 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, 2011, is \$1,918. 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, 2011, the City has capitalized payment of \$4,491 for these water rights. Current year amortization was \$112. The net book value of these water rights as of June 30, 2011, is \$4,379.

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, 2011, costing \$2,027, are a permanent right and are considered to have an indefinite useful life. As such, they are not amortized, therefore, cost and net book value are equal to \$2,027.

K. Governmental fund balance components/net assets

The City has implemented GASB No. 54 fund balance reporting and governmental fund type definitions. The components of governmental fund balance consist of the following:

Nonspendable are amounts that cannot be spent due to form or principal cannot be spent such as inventory, prepaid items, and permanent cemetery fund. The permanent cemetery fund is legally or contractually required to be maintained intact.

Restricted are amounts constrained for a specific purpose by external parties or laws. Examples of restricted are amounts held to pay for bonded construction projects, debt service, and excise tax revenues collected for voter approved transportation expenditures.

Committed are amounts constrained by Mayor and Council authorization and can only be changed by their action through an ordinance or resolution. Examples are amounts committed for artwork and development impact.

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Assigned are amounts intended for other purposes by City management. Assigned funds are not constrained by the other above components. Examples include amounts intended for computer replacement or telephone or equipment management services.

Unassigned are amounts for any other purpose. The general fund is the only fund that can report a positive unassigned balance.

When both restricted and unrestricted resources are available for specific expenditures, unrestricted resources are considered spent before restricted resources. Within unrestricted resources, committed and assigned are considered spent (if available) before unassigned amounts. On the government-wide financial statements, only restrictions imposed by external sources are shown as restricted net assets.

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, 2010
Levy (assessment) date (third Monday in August)	August 15, 2010
Due dates:	
First half of assessment	October 1, 2010
Second half of assessment	March 1, 2011
Penalties and interest added (collection dates):	
First half of assessment	November 1, 2010
Second half of assessment	May 2, 2011

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, 2011, 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>

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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, 2011, 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.

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. In addition, deferred revenue is made up of RICO funds that have been seized by the Police Department and are held until the court case is adjudicated by a judge.

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.

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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). Also, during the fiscal year 2011, the employees had available to them the option of deferring compensation in Roth IRA. 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 PEBSO Securities Corporation (Nationwide Retirement Solutions). In compliance with the provisions of the U.S. Internal Revenue Code Sections 457(g) and 401(a), the plan assets are in custodial or trust accounts for the exclusive benefit of the plans' participants and beneficiaries.

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

R. Investments

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

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

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

The City's investment in LGIP represents shares of the pool's portfolio. The fair value of each share in the LGIP is one dollar. These shares are not identified with specific investments and are not subject to custodial credit risk. Neither the County nor LGIP are registered with the Securities and Exchange Commission as investment companies. The State Board of Deposits provides oversight, and the Local Government Investment Pool Advisory Committee provides consultation and advice to the LGIP. There is no regulatory oversight of the County Treasurer's operations. The net increase in the fair value of investments during the fiscal year ended June 30, 2011, was \$262.

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

For the year ended June 30, 2011, expenditures exceeded appropriations in the housing fund by \$6,220 and transportation debt service fund by \$2. These over-expenditures were funded by beginning fund balance and operating transfers.

The City ended the fiscal year June 30, 2011, with a deficit fund balance in the following funds:

Risk Management internal service fund	
Deficit will be funded by premiums in next fiscal year.	\$ 1,487
Employee benefits internal service fund	
Deficit will be funded by premiums in next fiscal year.	2,159

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 \$174,074 and the bank balances were \$175,197. The difference of \$1,123 represents deposits in transit, outstanding checks, and other reconciling items. At year-end, all of the City's deposits were covered by Federal depository insurance or by collateral held by the trustee.

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.

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As of June 30, 2011, the City had the following investments:

Investment Type	Investment Maturities (in years)			Fair Value
	0 - 1	1 - 2	2 - 3	
Commercial paper	\$ 2,585	\$ 5,978	\$ -	\$ 8,563
U.S. Agencies	80,898	10,246	11,027	102,171
U.S. Treasuries	5,012	-	-	5,012
Total investments	88,495	16,224	11,027	115,746
State LGIP total	21,176	-	-	21,176
Grand total investments	\$ 109,671	\$ 16,224	\$ 11,027	136,922
Cash deposits				174,074
Total deposits and investments				\$ 310,996

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, 2011, 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)
Commercial Paper	Aa2	AA+	7.40%	0.96
U.S. Agencies	Aaa	AAA	88.27%	0.40
U.S. Treasuries	Aaa	AAA	4.33%	0.25

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
FHLMC Total	U.S. Agencies	\$ 33,953
FHLB Total	U.S. Agencies	30,300
FNMA Total	U.S. Agencies	29,883
FFCB Total	U.S. Agencies	8,035

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. Note receivable

On October 22, 2008, the Western Public Facility Corporation, a blended component of the City, issued \$199,750 in third lien excise tax revenue bonds to construct a baseball spring training facility. On October 1, 2009, the City finalized an Intergovernmental Agreement with the Arizona Sports and Tourism Authority (AZSTA) for the Glendale Spring Training Facility Project. The AZSTA agreed to contribute to the City \$60,000 for the construction costs plus interest at 5.0% per annum payable semi-annually. A note receivable

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for the agreed upon contribution amount plus accrued interest on the note in the amount of \$7,401 has been recorded at June 30, 2011. No payments have been received by the City on the note as of June 30, 2011. At the time of the intergovernmental agreement between the City and AZSTA, the projections for the AZSTA making payments to the City were in the year 2017.

V. Capital assets

A summary of capital asset activity, for the government-wide financial statements, for the year ended June 30, 2011, is as follows:

	Balances				Balances
	June 30, 2010	Additions	Transfers	Disposals	June 30, 2011
Governmental activities					
Non-depreciable assets:					
Construction in progress	\$ 254,072	\$ 17,596	\$ (101,008)	\$ (5,616)	\$ 165,044
Land	85,000	29	-	-	85,029
Artwork	1,436	200	-	-	1,636
Total non-depreciable assets	<u>340,508</u>	<u>17,825</u>	<u>(101,008)</u>	<u>(5,616)</u>	<u>251,709</u>
Depreciable assets:					
Buildings	354,550	-	23,687	-	378,237
Improvements other than buildings	168,290	559	62,682	-	231,531
Infrastructure - streets	628,060	371	10,744	-	639,175
Infrastructure - parks	76,065	-	2,465	-	78,530
Infrastructure - flood/storm drains	41,554	3	93	-	41,650
Infrastructure - airport	14,003	-	-	-	14,003
Machinery and equipment	44,673	433	40	(621)	44,525
Computer equipment	4,130	217	190	(143)	4,394
Software	936	-	-	-	936
Automotive equipment	40,847	3,045	1,107	(3,737)	41,262
Total depreciable assets at historical cost	<u>1,373,108</u>	<u>4,628</u>	<u>101,008</u>	<u>(4,501)</u>	<u>1,474,243</u>
Less accumulated depreciation for:					
Buildings	(64,712)	(10,165)	-	-	(74,877)
Improvements other than buildings	(78,412)	(9,786)	-	-	(88,198)
Infrastructure - streets	(183,424)	(16,950)	-	-	(200,374)
Infrastructure - parks	(21,590)	(3,023)	-	-	(24,613)
Infrastructure - flood/storm drains	(5,186)	(560)	-	-	(5,746)
Infrastructure - airport	(6,903)	(462)	-	-	(7,365)
Machinery and equipment	(27,227)	(4,322)	-	604	(30,945)
Computer equipment	(3,037)	(745)	-	142	(3,640)
Software	(761)	(72)	-	-	(833)
Automotive equipment	(22,826)	(5,219)	-	2,760	(25,285)
Total accumulated depreciation	<u>(414,078)</u>	<u>(51,304)</u>	<u>-</u>	<u>3,506</u>	<u>(461,876)</u>
Total depreciable assets, net	<u>959,030</u>	<u>(46,676)</u>	<u>101,008</u>	<u>(995)</u>	<u>1,012,367</u>
Governmental activities capital assets, net	<u>\$ 1,299,538</u>	<u>\$ (28,851)</u>	<u>\$ -</u>	<u>\$ (6,611)</u>	<u>\$ 1,264,076</u>

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	Balances June 30, 2010	Additions	Transfers	Disposals	Balances June 30, 2011
Business-Type activities:					
Non-depreciable assets:					
Construction in progress - water and sewer	\$ 55,915	\$ 17,367	\$ -	\$ (11,048)	\$ 62,234
Construction in progress - landfill	367	817	-	(915)	269
Construction in progress - sanitation	-	165	-	-	165
Construction in progress - housing authority	833	244	-	(663)	414
Land	<u>26,297</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,297</u>
Total non-depreciable assets	<u>83,412</u>	<u>18,593</u>	<u>-</u>	<u>(12,626)</u>	<u>89,379</u>
Depreciable assets:					
Buildings	15,595	663	-	-	16,258
Water storage rights	9,211	-	-	-	9,211
Improvements other than buildings	56,591	6,171	-	-	62,762
Water lines	110,869	2,387	-	-	113,256
Sewer lines	119,562	3,441	-	-	123,003
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	3,732	105	-	(67)	3,770
Computer equipment	924	-	-	-	924
Automotive equipment	<u>19,698</u>	<u>2,217</u>	<u>-</u>	<u>(1,119)</u>	<u>20,796</u>
Total depreciable assets at historical cost	<u>706,125</u>	<u>14,984</u>	<u>-</u>	<u>(1,186)</u>	<u>719,923</u>
Less accumulated depreciation for:					
Buildings	(6,962)	(517)	-	-	(7,479)
Water storage rights	(707)	(179)	-	-	(886)
Improvements other than buildings	(12,362)	(2,565)	-	-	(14,927)
Water lines	(32,864)	(2,352)	-	-	(35,216)
Sewer lines	(45,656)	(2,662)	-	-	(48,318)
Water treatment plant	(61,308)	(6,550)	-	-	(67,858)
Sewer treatment plant	(26,553)	(4,323)	-	-	(30,876)
Meters and services	(10,595)	(717)	-	-	(11,312)
Fire hydrants	(2,015)	(100)	-	-	(2,115)
Machinery and equipment	(3,180)	(154)	-	25	(3,309)
Computer equipment	(719)	(4)	-	-	(723)
Automotive equipment	<u>(11,247)</u>	<u>(2,210)</u>	<u>-</u>	<u>1,119</u>	<u>(12,338)</u>
Total accumulated depreciation	<u>(214,168)</u>	<u>(22,333)</u>	<u>-</u>	<u>1,144</u>	<u>(235,357)</u>
Total depreciable assets, net	<u>491,957</u>	<u>(7,349)</u>	<u>-</u>	<u>(42)</u>	<u>484,566</u>
Business-Type activities capital assets, net	<u>\$ 575,369</u>	<u>\$ 11,244</u>	<u>\$ -</u>	<u>\$ (12,668)</u>	<u>\$ 573,945</u>

CITY OF GLENDALE, ARIZONA

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(amounts expressed in thousands)

Depreciation was charged to functions/programs as follows:

Governmental activities:

General	\$ 16,543
Public safety	7,706
Public works	9,938
Street maintenance	11,826
Community services	5,255
Community environment	36
Total depreciation expense	<u>\$ 51,304</u>

Business-Type activities:

Water and sewer	\$ 19,561
Landfill	763
Sanitation	1,560
Housing	449
Total depreciation expense	<u>\$ 22,333</u>

Included in the water and sewer depreciation amount is \$181 amortization of water storage rights.

VI. Construction commitments

The City has active construction projects as of June 30, 2011. 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	\$ 11,227	\$ 1,036
Community services	27,995	6,277
Public safety	17,235	2
Public works	92,525	845
Street maintenance	16,062	504
Water and sewer facilities	62,234	5,835
Landfill	269	42
Sanitation	165	3
Housing	414	-
Total primary government	<u>\$ 228,126</u>	<u>\$ 14,544</u>

VII. 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

CITY OF GLENDALE, ARIZONA

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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 \$200 in medical claims per individual per plan year. Claims exceeding \$200 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.

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

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2011

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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 1%. These liabilities are reported in the internal service funds at their present value of \$9,672 as of June 30, 2011. Changes in the balances of claims liabilities during the past two years are as follows:

	<u>Risk Management</u>		<u>Workers' Compensation</u>		<u>Employee Benefits</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Unpaid claims, beginning of fiscal year	\$ 2,509	\$ 3,309	\$ 1,857	\$ 1,729	\$ 2,797	\$ 954
Current year claims and changes in estimate	3,847	61	1,837	1,200	23,482	23,813
Claims payments	<u>(3,786)</u>	<u>(861)</u>	<u>(1,285)</u>	<u>(1,072)</u>	<u>(21,586)</u>	<u>(21,970)</u>
Balance at fiscal year end	<u>\$ 2,570</u>	<u>\$ 2,509</u>	<u>\$ 2,409</u>	<u>\$ 1,857</u>	<u>\$ 4,693</u>	<u>\$ 2,797</u>

VIII. 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, 2011, are as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2012	\$ 646	\$ 155
2013	1,190	-
2014	1,332	-
2015	1,802	-
2016	3,357	-
2017-2018	6,610	-
Total minimum lease payments	<u>14,937</u>	<u>155</u>
Less: Amount representing interest	<u>(3,104)</u>	<u>(4)</u>
Present value of net minimum lease payments	<u>\$ 11,833</u>	<u>\$ 151</u>

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2011

(amounts expressed in thousands)

The assets acquired through capital leases are as follows:

Class of Property	Governmental Activities	Business-Type Activities
Equipment	\$ 170	\$ 95
Automotive equipment	2,479	5,390
Building	197	5,141
Other	15,395	4,434
	18,241	15,060
Less: Accumulated depreciation	(4,700)	(9,071)
Total	\$ 13,541	\$ 5,989

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 2010-11 were \$549.

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 \$214,643 (cost of \$294,189 less accumulated depreciation of \$79,546). 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
2012	\$ 1,244
2013	1,145
2014	1,109
2015	1,007
2016	1,006
2017 and beyond	20,036
Total	\$ 25,547

D. New capital lease

On June 1, 2011, the City redeemed \$11,355 in capital lease obligations and refunded governmental notes payable by issuing \$11,503 in refunding capital lease obligations. The refunding capital lease obligation is payable in 14 semi-annual payments at a constant interest rate of 5.4% with the final payment due on March 1, 2018. The lease obligations are not general obligations of the City but are limited obligations of the City.

IX. Short-term debt

The City did not issue short-term debt for the year ended June 30, 2011.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2011

(amounts expressed in thousands)

X. Long-term debt

A. General obligation bonds

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

B. Revenue bonds

Highway User Revenue Fund (HURF) bonds are used to construct street and highway projects. The \$16,290 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 \$18,005. The current year revenues of \$13,843 paid the current year principal and interest amounts of \$3,890 and \$800, 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 \$99,815 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 \$153,881. The current year revenues of \$19,486 collected in the transportation special revenue fund paid the current year principal and interest amounts of \$2,780 and \$4,548, respectively.

The \$289,175 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 \$426,162. The current year principal and interest on the bonds were \$23,492 and net revenues of the system were \$39,577.

C. Municipal Property Corporation (MPC) bonds

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

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2011

(amounts expressed in thousands)

Under the provisions of the purchase agreement, the City has pledged for the payment of the purchase price: 1) all net revenues derived by it from the municipal office complex and arena, and 2) all excise, transaction, privilege and franchise taxes which it currently collects, which it may collect or which are allocated to it by any other governmental unit or municipal corporation, except its share of such amounts which by state law, rule or regulation must be expended for other purposes. However, under no circumstances shall such pledge constitute a general obligation of the City or will the purchase price be payable from the proceeds of ad valorem taxes. The total principal and interest remaining to be paid is \$473,258 and the net revenues and transfers of the MPC debt service fund were \$968 and \$20,237, respectively.

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 total principal and interest remaining to be paid is \$448,456 and current year interest payments were made from capitalized interest accounts, and not from revenues.

Under the provisions of the lease agreement, the obligation of the City is a limited obligation and is secured by a third-lien claim and pledge of the City's unrestricted excise taxes. This pledge is junior and subordinate to the pledges for senior excise tax obligations and subordinate excise tax obligations. The City may choose to make payments from other legally available funds.

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.

Under the provisions of an intergovernmental agreement with the City of Phoenix, 80% of the general fund portion of transaction privilege tax revenues received for taxable activities at Camelback Ranch is pledged for payment of outstanding series 2008B bonds.

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CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2011

(amounts expressed in thousands)

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, 2011:

	June 30, 2010	Additions	Reductions	June 30, 2011	Amounts Due Within One Year
General obligation (GO) bonds	\$ 225,595	\$ 38,300	\$ (69,625)	\$ 194,270	\$ -
Revenue bonds:					
Highway user revenue	23,910	-	(7,620)	16,290	-
Transportation bonds	102,490	-	(2,675)	99,815	2,780
Municipal Property Corporation	287,555	-	(5,600)	281,955	6,585
Public Facilities Corporation	199,750	-	-	199,750	-
Total bonds payable	<u>839,300</u>	<u>38,300</u>	<u>(85,520)</u>	<u>792,080</u>	<u>9,365</u>
Notes payable	6,288	-	(6,288)	-	-
Total notes payable	<u>6,288</u>	<u>-</u>	<u>(6,288)</u>	<u>-</u>	<u>-</u>
Other long-term obligations:					
Capital lease obligations	7,493	11,503	(7,163)	11,833	166
OPEB obligations	23,643	8,373	-	32,016	-
Compensated absences	17,009	14,942	(13,051)	18,900	13,555
Claims and judgments	7,163	29,166	(26,657)	9,672	7,527
Unamortized premium on debt issuance	8,706	3,369	(3,351)	8,724	684
Developer payable obligations	2,179	244	-	2,423	-
Arbitrage rebate payable	228	-	(80)	148	-
Total other long-term obligations	<u>66,421</u>	<u>67,597</u>	<u>(50,302)</u>	<u>83,716</u>	<u>21,932</u>
Total	<u>\$ 912,009</u>	<u>\$ 105,897</u>	<u>\$ (142,110)</u>	<u>\$ 875,796</u>	<u>\$ 31,297</u>

General fund typically has been used to liquidate compensated absences in prior years, since most employees engaged in governmental activities are paid from that fund. Paychecks include payment for leave taken during the current pay period. Of the \$875,796 in the total liabilities, \$14,945 represents debt related to unspent bond proceeds (\$5,885 restricted cash in streets construction fund and \$9,060 restricted cash in Western Loop 101 Public Facilities Corporation construction fund) and \$800,115 is related to net assets invested in capital assets. Other obligations not included in the calculation of net assets invested in capital assets are OPEB obligations, compensated absences, claims and judgments, and arbitrage rebate payable.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2011

(amounts expressed in thousands)

The following is a summary of changes in long-term liabilities reported in the business-type activities financial statements for the year ended June 30, 2011:

	June 30, 2010	Additions	Reductions	June 30, 2011	Amounts Due Within One Year
Water and sewer GO bonds	\$ 9,160	\$ -	\$ (1,750)	\$ 7,410	\$ -
Water and sewer revenue/obligation bonds	273,140	25,685	(9,650)	289,175	10,135
Total bonds payable	<u>282,300</u>	<u>25,685</u>	<u>(11,400)</u>	<u>296,585</u>	<u>10,135</u>
Notes payable	14,278	-	(2,377)	11,901	708
Total notes payable	<u>14,278</u>	<u>-</u>	<u>(2,377)</u>	<u>11,901</u>	<u>708</u>
Other long-term obligations:					
Capital lease obligations	592	-	(441)	151	151
Estimated closure and post-closure costs	13,813	-	(2)	13,811	-
Unamortized premium on debt issuance	6,230	-	(366)	5,864	367
OPEB obligations	5,080	1,801	-	6,881	-
Compensated absences	2,987	2,334	(2,179)	3,142	2,259
Housing noncurrent liabilities	43	12	-	55	-
Total other long-term obligations	<u>28,745</u>	<u>4,147</u>	<u>(2,988)</u>	<u>29,904</u>	<u>2,777</u>
Total	<u>\$ 325,323</u>	<u>\$ 29,832</u>	<u>\$ (16,765)</u>	<u>\$ 338,390</u>	<u>\$ 13,620</u>

Of the \$338,390 in total liabilities, \$314,501 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 had unspent bond proceeds at year end in the amount of \$12,291.

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.

Issue Refunded	Date Refunded	Remaining Balance
General Obligation Bonds Series 2002	November 30, 2010	\$23,125
General Obligation Bonds Series 2003	November 30, 2010	\$15,740

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2011

(amounts expressed in thousands)

G. Bonds payable

Bonds payable at June 30, 2011, 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, 2011
<u>GO bonds payable from secondary assessed property taxes</u>					
Various	1.50-5.00	2003	2022	\$ 52,525	\$ 11,225
Various	3.00-5.00	2004	2019	36,645	21,955
Various	3.50-4.00	2005	2015	11,960	5,285
Refunding	5.00-5.00	2006	2015	9,065	7,440
Various	4.00-5.00	2006	2021	29,365	21,545
Various	4.00-5.00	2007	2022	61,000	48,140
Various	1.50-5.63	2010	2030	41,650	40,380
Refunding	4.00-5.00	2011	2022	38,300	38,300
Total					194,270
<u>Revenue bonds payable from highway user revenue funds</u>					
Streets	2.50-4.00	2004	2014	14,655	7,580
Streets	4.00-5.00	2006	2016	15,745	8,710
Total					16,290
<u>Revenue bonds payable from the 0.5% transportation sales tax</u>					
Transportation excise tax	4.00-5.00	2008	2032	109,110	99,815
<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	45,730
MPC excise tax 2003B	1.46-5.58	2003	2033	105,260	96,370
MPC refunding	4.70-4.70	2004	2033	7,250	7,250
MPC excise tax 2004A	2.00-5.00	2004	2014	10,880	6,860
MPC excise tax 2006A	4.00-5.00	2006	2026	33,250	29,655
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	51,285
MPC excise tax 2008C	4.00-5.02	2008	2015	9,140	7,435
Total					281,955
<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					199,750
Total bonds payable recorded in governmental activities					792,080
Less current portion					(9,365)
Long-term portion of bonds payable recorded in governmental activities					\$ 782,715

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2011

(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, 2011</u>
<u>GO bonds payable from water and sewer fund</u>					
Water and sewer	1.50-5.00	2003	2022	13,875	\$ 7,410
Total					<u>7,410</u>
<u>Revenue bonds/obligations payable from water and sewer fund</u>					
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	42,550
Various	3.00-5.00	2008	2028	65,500	60,940
Various	6.20-6.55	2011	2030	25,685	<u>25,685</u>
Total					<u>289,175</u>
Total bonds payable recorded in business-type activities					296,585
Less current portion					<u>(10,135)</u>
Long-term portion of bonds payable recorded in business-type activities					<u>\$ 286,450</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, 2011, is as follows:

	<u>6%</u>	<u>20%</u>
Capacity to incur bonded debt	\$ 105,214	\$ 350,714
Less: Bonded debt applicable to limit	<u>(14,399)</u>	<u>(166,031)</u>
Unused bonded debt capacity	<u>\$ 90,815</u>	<u>\$ 184,683</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, 2011

(amounts expressed in thousands)

H. Bonds authorized, issued and unissued

Bonds authorized but not fully issued as of June 30, 2011, are shown below:

GO bonds	Authorized Amount	Issued through June 30, 2011	Authorized but Unissued
<u>Voter authorized October 20, 1981</u>			
Operations center	\$ 6,750	\$ 550	\$ 6,200
<u>Voter authorized March 10, 1987</u>			
Library	9,698	8,000	1,698
<u>Voter authorized November 2, 1999</u>			
Cultural facility ⁽¹⁾	18,215	4,494	13,721
Economic development	50,500	17,873	32,627
Governmental facilities ⁽¹⁾	40,910	16,910	24,000
Landfill development ⁽¹⁾	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 ⁽¹⁾	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 ⁽¹⁾	\$ 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, 2011

(amounts expressed in thousands)

I. Other debt (developer, notes, long-term)

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

Developer Payable Obligation - On December 1, 2005, the City entered into a development and ground lease agreement with Cabela's whereby Cabela's has the option to purchase the City owned property 90 days after the expiration of the 20-year ground lease (option date). In addition, the City entered into a site improvement management agreement on July 1, 2006, whereby Cabela's accrues a management compensation amount for their actual costs of operation, maintenance, and repair of site improvements. The management compensation amount accrues annually with interest. At the option date Cabela's can purchase the property at Fair Market Value and receive a credit against the purchase price for the accrued management compensation amount.

\$ 2,423

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.

\$ 7,502

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.

1,416

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.

2,983

Total notes payable recorded in business-type activities

11,901

Less current portion

(708)

Long-term portion of notes payable recorded in business-type activities

\$ 11,193

CITY OF GLENDALE, ARIZONA
Notes to the Financial Statements
June 30, 2011
(amounts expressed in thousands)

J. Debt service requirements

Fiscal Year Ending	HURF Bonds	Transportation Bonds	MPC Bonds	PFC Bonds	Various Purposes Bonds	Water and Sewer			Total
						GO Bonds	Notes Payable	Revenue Bonds/Obligations	
2012	\$ 4,696	\$ 7,327	\$ 21,317	\$ 13,011	\$ 23,275	\$ 1,251	\$ 2,261	\$ 24,169	\$ 97,307
2013	4,699	7,326	21,357	13,011	23,278	1,258	2,226	24,165	97,320
2014	4,686	7,326	21,372	15,950	22,053	1,260	1,482	24,165	98,294
2015	1,953	7,326	19,552	17,765	25,104	1,249	1,483	24,167	98,599
2016	1,971	7,326	19,665	17,657	22,701	1,236	1,483	24,169	96,208
2017	-	7,327	22,031	15,294	22,666	1,226	1,482	24,163	94,189
2018	-	7,330	22,086	15,234	22,073	1,214	1,482	24,168	93,587
2019	-	7,328	22,142	15,180	19,746	-	1,483	24,163	90,042
2020	-	7,326	22,195	15,127	15,866	-	1,115	24,168	85,797
2021	-	7,329	22,258	15,066	14,973	-	448	24,166	84,240
2022	-	7,329	22,307	15,017	12,237	-	449	24,166	81,505
2023	-	7,329	22,363	14,958	3,044	-	448	25,300	73,442
2024	-	7,328	23,010	14,310	3,046	-	448	25,298	73,440
2025	-	7,328	23,064	14,256	3,052	-	449	25,291	73,440
2026	-	7,330	23,122	14,201	3,056	-	448	25,294	73,451
2027	-	7,329	20,525	16,798	3,059	-	448	24,215	72,374
2028	-	7,331	20,585	16,738	3,063	-	449	20,327	68,493
2029	-	7,328	19,778	17,542	3,067	-	448	7,396	55,559
2030	-	7,326	20,717	16,604	3,076	-	-	7,212	54,935
2031	-	7,327	20,778	16,543	-	-	-	-	44,648
2032	-	7,325	20,837	16,486	-	-	-	-	44,648
2033	-	-	13,634	16,313	-	-	-	-	29,947
2034	-	-	8,563	18,340	-	-	-	-	26,903
2035	-	-	-	21,766	-	-	-	-	21,766
2036	-	-	-	21,764	-	-	-	-	21,764
2037	-	-	-	21,765	-	-	-	-	21,765
2038	-	-	-	21,760	-	-	-	-	21,760
Total	18,005	153,881	473,258	448,456	248,435	8,694	18,532	426,162	1,795,423
Less Interest	1,715	56,846	197,888	248,706	54,165	1,284	7,339	147,122	715,065
Principal	\$16,290	\$ 97,035	\$275,370	\$199,750	\$194,270	\$ 7,410	\$11,193	\$279,040	\$1,080,358

The following table discloses the debt service requirements as of June 30, 2011, segregating principal and interest, for the next five years and in five-year increments thereafter. Note: the principal column for notes payable includes the future draws.

Fiscal Year	Principal	Interest	Total
2012	\$ 41,657	\$ 55,650	\$ 97,307
2013	44,092	53,228	97,320
2014	46,981	51,313	98,294
2015	49,455	49,144	98,599
2016	49,401	46,806	96,207
2017-2021	248,907	198,952	447,859
2022-2026	231,385	143,890	375,275
2027-2031	214,270	81,739	296,009
2032-2036	114,450	30,578	145,028
2037-2038	39,760	3,765	43,525
Total	\$ 1,080,358	\$ 715,065	\$ 1,795,423

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2011

(amounts expressed in thousands)

K. New bonds

On November 30, 2010, the City issued \$38,300 in general obligation refunding bonds to advance refund the 2012-2022 maturities of the General Obligation Refunding Bonds Series June 1, 2002, and the 2014-2017 maturities of the General Obligation Bonds Series April 1, 2003. The Refunded 2002 Bonds will be called on July 1, 2011, and the Refunded 2003 Bonds will be called on July 1, 2013. The 2010 bonds mature on various dates starting 2014 to 2022 with various interest rates of 4.00% to 5.00%. The bonds are direct and general obligations of the City and are payable as to both principal and interest from ad valorem taxes which may be levied on all taxable property therein without limitation as to rate, provided; however, the total aggregate of taxes levied to pay principal and interest in aggregate shall not exceed the total aggregate principal and interest to become due on the Refunded Bonds from the date of issuance of the Bonds to the final date of maturity on the Refunded Bonds. The bond refunding resulted in an economic reacquisition loss of \$2,035 and will be amortized over the life of the new refunding bonds. The City realized a future cash flow savings in the amount of \$884.

On November 30, 2010, the City issued \$25,685 in subordinate lien water and sewer revenue obligation bonds to acquire and construct various water and sewer improvements and extensions in the City, including payments for the City's share of upgrades to and the expansion of the 91st Avenue Regional Wastewater Treatment Plant, replacement and rehabilitation of water lines throughout the system, various water treatment plant improvements and construction of associated transmission lines, and design and construction of upgrades at the wastewater treatment plants to meet federal regulations. The bonds mature on various dates starting 2027 to 2030 with various interest rates of 6.20% to 6.55%. The bonds are not general obligations of the City, but are limited obligations of the City and are payable as both principal and interest solely from and secured by a subordinate pledge of net revenues of the system.

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 Credits will be used under the Obligation Ordinance to pay interest on, or reimburse the City for the payment of interest on, the Obligations. 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.

XI. 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, 2011, calculated below, represents the cumulative amount reported to date based on the use of estimated capacity of the landfill.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2011

(amounts expressed in thousands)

	<u>North Cell</u>	<u>South Cell</u>
Capacity (cubic yards)	31,146	21,912
Capacity used to date	-	18,444
Percentage of capacity used	-	84%
Total closure and post-closure costs in present dollars:		
as of June 30, 2011	\$ 17,471	\$ 16,407
as of June 30, 2010	\$ 17,198	\$ 16,151
Closure and post-closure care costs:		
Amount remaining to be recognized as of June 30, 2011	\$ 17,471	\$ 2,596
Liability recognized as of June 30, 2011	\$ -	\$ 13,811

These amounts are based on what it would cost to perform all closure and post-closure care in fiscal year 2010-11. 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 54 years.

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

XII. Interfund transactions**A. Interfund receivables**

Interfund balances at June 30, 2011, consisted of the following:

	<u>Due To</u>	<u>Due From</u>
Major governmental funds:		
General	\$ 5,564	\$ 25,000
Transportation special revenue fund	-	442
General obligation debt service	-	1,978
Non-major governmental funds:		
Community development block grants fund	-	147
Development impact fee	-	11
Other special revenue funds	-	159
Municipal Property Corporation debt service	-	2,842
Non-major enterprise funds:		
Landfill fund	21,726	-
Sanitation fund	4,000	725
Housing fund	14	-
Total	<u>\$ 31,304</u>	<u>\$ 31,304</u>

The interfund balances at June 30, 2011, include 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, 2011, are expected to be repaid within one year, except for sanitation and landfill interfund borrowings to the general fund of \$4,000 and \$21,000, respectively. These

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2011

(amounts expressed in thousands)

interfund borrowings were for the Coyotes Newco agreement payment, which are expected to be repaid over 25 years at an interest rate of 3.9%. The \$1,978 general obligation debt service interfund borrowing was to cover expenditures for governmental capital projects and is expected to be repaid over 10 years at an interest rate of 2.75%. The \$725 interfund borrowing from sanitation to landfill for rear and side loaders is expected to be repaid over three years at an interest rate of 1.87%.

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CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2011

(amounts expressed in thousands)

B. Interfund transfers

Interfund transfers for the year ended June 30, 2011, consisted of the following:

Transfers to general fund from:

Transportation fund	\$	1
Non-major governmental funds		
Other special revenue fund - parks		154
Streets construction fund		4
Other construction fund		30
Water and sewer enterprise fund		40
Non-major proprietary funds		
Landfill fund		<u>2</u>
Total transfers to general fund		<u>231</u>

Transfer to transportation fund from:

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

Transfer to non-major special revenue fund from:

General fund		74
Non-major proprietary funds		
Sanitation		<u>20</u>
Total transfer to non-major special revenue fund		<u>94</u>

Transfers to non-major debt service funds from:

General fund		19,624
Transportation fund		8,330
General obligation debt service fund		2,700
Non-major governmental funds		
Development impact fees		1,000
Fire and police capital projects fund		<u>613</u>
Total transfers to non-major debt service funds		<u>32,267</u>

Transfer to non-major capital project fund from:

General obligation debt service fund		<u>1,978</u>
Total transfer to non-major capital project fund		<u>1,978</u>

Transfer to non-major enterprise funds from:

General fund		<u>379</u>
Total transfer to non-major enterprise funds		<u>379</u>

Grand total all transfers		<u>\$ 35,849</u>
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Transfers are used to: 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, 2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and 3) 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, 2011

(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 2011 that were either non-routine in nature or inconsistent with the activities of the fund making the transfer. The one exception was the general obligation debt service transfer of \$1,978 to the other construction capital project fund.

XIII. 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, 2011, the City intended to honor \$23,184 of outstanding encumbrances in the new year.

XIV. 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, 2011, the City recognized a loss of \$2,912. 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, 2011, (unaudited) is as follows:

Assets

Current assets	\$ 50,111
Capital assets, net of accumulated depreciation	<u>896,596</u>
Total assets	<u>946,707</u>

Liabilities

42,286

Net assets\$ 904,421

Total revenues	\$ 56,463
Total expenses	<u>(84,869)</u>
Increase in net assets	<u>\$ (28,406)</u>

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2011

(amounts expressed in thousands)

Calculation of the City's equity:

City's share of SROG equity	\$ 62,602
(Total equity of \$904,421	
plus unrealized loss of \$5,135 less assets not	
owned by the City of \$180,781 multiplied by 8.59%)	
Net capitalized interest on the City's records	3,780
City contributions not yet received by SROG	144
Total City equity	<u>\$ 66,526</u>

Change in the City's equity:

Capital contributed to the joint venture	\$ 2,169
Net loss on joint venture	(2,912)
Net decrease in equity	<u>\$ (743)</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.

XV. 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.

XVI. Governmental fund balance components and fund type definitions

The City has a formally adopted minimum fund balance policy for the general fund. This policy was adopted through the annual budget process. The general fund should maintain a minimum unrestricted fund balance between 5% and 10% of general fund revenues received less revenues associated with the sporting facilities, certain rental revenues, replacement fund revenues and monies set aside for library, court, art commission, marketing self-sustaining and employee groups divisions. The City has not accounted for the minimum fund balance requirement at the end of June 30, 2011, as an adjustment would have increased the deficit unassigned fund balance. According to the policy, the deficiency will be replenished over a period not to exceed five years.

Listed below is a restatement of the beginning fund balance as required by GASB Statement No. 54 as well as a detailed listing of the ending fund balance as listed in the governmental fund balance sheet statements.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2011

(amounts expressed in thousands)

Beginning fund balance restated under GASB Statement 54

	General	Transportation	Western Loop 101		Other Non-Major Governmental Funds	Total Governmental Funds
			Public Facilities Corporation Debt Service	General Obligation Debt Service		
Pre GASB 54						
Fund balance June 30, 2010						
Reserved	\$ 9,383	\$ 75	\$ 25,522	\$ 26,604	\$ 23,854	\$ 85,438
Unreserved - designated	6,837	-	-	-	7,997	14,834
Unreserved - undesignated	22,626	35,151	-	-	48,376	106,153
Revised balance June 30, 2010	<u>\$ 38,846</u>	<u>\$ 35,226</u>	<u>\$ 25,522</u>	<u>\$ 26,604</u>	<u>\$ 80,227</u>	<u>\$ 206,425</u>
GASB 54 restated fund types						
Fund balance June 30, 2010, restated GASB 54						
Reserved	\$ 9,383	\$ 75	\$ 25,522	\$ 26,604	\$ 23,854	\$ 85,438
Unreserved - designated	6,837	-	-	-	7,997	14,834
Unreserved - undesignated	23,213	17,825	-	-	65,115	106,153
Revised balance June 30, 2010	<u>\$ 39,433</u>	<u>\$ 17,900</u>	<u>\$ 25,522</u>	<u>\$ 26,604</u>	<u>\$ 96,966</u>	<u>\$ 206,425</u>
GASB 54 new fund balance reporting						
Fund balance June 30, 2010, restated GASB 54						
Nonspendable	\$ 214	\$ 75	\$ -	\$ -	\$ 5,733	\$ 6,022
Restricted	367	17,825	25,522	26,604	71,185	141,503
Committed	2,793	-	-	-	12,418	15,211
Assigned	14,748	-	-	-	7,630	22,378
Unassigned	21,311	-	-	-	-	21,311
Revised balance June 30, 2010	<u>\$ 39,433</u>	<u>\$ 17,900</u>	<u>\$ 25,522</u>	<u>\$ 26,604</u>	<u>\$ 96,966</u>	<u>\$ 206,425</u>

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CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2011

(amounts expressed in thousands)

	Western Loop 101					
	General	Transportation	Public Facilities	General	Other Non-Major	Total
			Corporation	Obligation	Governmental	Governmental
			Debt Service	Debt Service	Funds	Funds
Nonspendable						
Inventory	\$ 463	\$ 74	\$ -	\$ -	\$ 166	\$ 703
Cemetery perpetual care	-	-	-	-	5,583	5,583
Total Nonspendable	<u>463</u>	<u>74</u>	<u>-</u>	<u>-</u>	<u>5,749</u>	<u>6,286</u>
Restricted						
Escrow agreement	5,000	-	-	-	-	5,000
Public transit	-	24,152	-	-	-	24,152
State drug enforcement	-	-	-	-	4,906	4,906
U.S. drug enforcement	-	-	-	-	255	255
Debt service	-	-	12,552	21,250	155	33,957
Court security	50	-	-	-	-	50
Court time payments	304	-	-	-	-	304
Court computer upgrade	49	-	-	-	-	49
HOME program	-	-	-	-	92	92
Highway user gas tax	-	-	-	-	12,728	12,728
Police activities	-	-	-	-	6,916	6,916
Fire activities	-	-	-	-	1,261	1,261
PFC construction	-	-	-	-	10,109	10,109
Street G.O. bond projects	-	-	-	-	4,119	4,119
HURF bond projects	-	-	-	-	303	303
Transportation construction	-	-	-	-	10,882	10,882
Fire and police construction	-	-	-	-	4,561	4,561
Park bond construction	-	-	-	-	414	414
Economic development	-	-	-	-	1,810	1,810
Open space/trails	-	-	-	-	587	587
Cultural and historical project	-	-	-	-	342	342
Government facilities	-	-	-	-	498	498
Flood control construction	-	-	-	-	11,743	11,743
Total restricted	<u>5,403</u>	<u>24,152</u>	<u>12,552</u>	<u>21,250</u>	<u>71,681</u>	<u>135,038</u>
Committed						
Arena stadium activities	450	-	-	-	-	450
Development impact fees	-	-	-	-	11,284	11,284
Artwork	1,408	-	-	-	-	1,408
Pool/park repair	-	-	-	-	180	180
Other	107	-	-	-	-	107
Total committed	<u>1,965</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,464</u>	<u>13,429</u>
Assigned						
Equipment replacement	4,419	-	-	-	-	4,419
Computer replacement	3,006	-	-	-	-	3,006
Library activities	377	-	-	-	-	377
Local I.D. administration	79	-	-	-	-	79
Telephone service	329	-	-	-	-	329
Public safety training facility	105	-	-	-	-	105
Other	938	-	-	-	199	1,137
Total assigned	<u>9,253</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>199</u>	<u>9,452</u>
Unassigned fund balance	<u>(5,414)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,414)</u>
	<u>\$ 11,670</u>	<u>\$ 24,226</u>	<u>\$ 12,552</u>	<u>\$ 21,250</u>	<u>\$ 89,093</u>	<u>\$ 158,791</u>

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2011

(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. \$ 238

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. 1,464

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. 11,004

Restricted for other purposes

The City has restricted net assets by the amount of funds deposited into an escrow account. The escrow account was funded as part of the agreement with the National Hockey League to keep the hockey team in Glendale. Funds in this account are restricted as to being drawn down by the National Hockey League per the agreement. 15,000

Total restricted for water and sewer 27,706

NON-MAJOR PROPRIETARY FUNDS

Net assets held by the housing fund may only be used for that purpose. 2,282

Total restricted for enterprise fund type \$ 29,988

XVII. Employee retirement systems and pension plans

A. Plan descriptions

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

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

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2011

(amounts expressed in thousands)

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, 2011, active ASRS members and the City were each required by statute to contribute at the actuarially determined rate of 9.85% (9.01% for retirement, 0.59% for health insurance premiums, and 0.25% 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, 2011, 2010, and 2009 were \$12,555, \$12,810, and \$14,595, respectively, which were equal to the required contributions for the year.

Agent Plans. For the year ended June 30, 2011, 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 17.81% and 20.04% for Fire and Police, respectively. The health insurance premium portion of the contribution for fire members was computed as \$435 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 29.79% 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, 2011, 2010, and 2009 were \$93, \$84, and \$88, respectively, which were equal to the required contributions for the year.

Annual Pension Cost (APC). Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plans and the annual required contributions are subject to continual revision as actual results are compared to past expectations and new estimates are made. The required schedule of funding progress provides multi-year trend information that shows whether the actuarial value of the

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2011

(amounts expressed in thousands)

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, 2011, the date of the most recent available actuarial valuation, and related information follow.

	Fire	Police
Contribution rates:		
City	17.81%	20.04%
Plan members	7.65%	7.65%
Annual pension cost	\$2,629	\$5,612
Actuarial cost method	Entry age normal	Entry age normal
Actuarial assumptions:		
Investment rate of return	8.25%	8.25%
Projected salary increases*	5.00% - 8.00%	5.00% - 8.00%
Includes inflation at*	5.00%	5.00%
Amortization method	Level % closed for unfunded actuarial accrued liability, open for excess	Level % closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	25 years for unfunded actuarial accrued liability, 20 years for excess	25 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value	7-year smoothed market value

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

D. Three-year trend information for PSPRS

Information for the agent plan for PSPRS for Glendale Fire and Police as of the most recent available actuarial valuations for June 30, 2011, follows.

Contributions required and contributions made

Year Ended June 30	APC	Percentage of APC Contributed	Net Pension Obligation
Police			
2011	\$ 5,612	100.0 %	\$ -
2010	\$ 5,869	100.0 %	\$ -
2009	\$ 6,268	100.0 %	\$ -
Fire			
2011	\$ 3,064	100.0 %	\$ -
2010	\$ 3,123	100.0 %	\$ -
2009	\$ 3,931	100.0 %	\$ -

Includes insurance premium tax, where applicable.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2011

(amounts expressed in thousands)

E. Schedule of funding progress

Funded status. The funded status of the PSPRS plans as of the most recent valuation date, June 30, 2011, along with the actuarial assumptions and methods used in those valuations follow. For this valuation, which was prior to the implementation of GASB Statement Nos. 43 and 45, the pension and health insurance benefit amounts were aggregated. In future years when GASB Statement Nos. 43 and 45 measurements are made and reported, these benefits will be disaggregated and reported separately.

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

Analysis of funding progress excluding health insurance subsidy beginning June 30, 2009:

Valuation Date June 30	Actuarial Value of Plan Assets	Actuarial Accrued Liability	Funding Liability (Excess)	Funded Ratio	Annual Covered Payroll	Unfunded Liability as Percentage of Covered Payroll
Police						
2011	\$ 96,829	\$ 157,063	\$ 60,234	61.6%	\$ 27,576	218.4%
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%

Valuation Date June 30	Actuarial Value of Plan Assets	Actuarial Accrued Liability	Funding Liability (Excess)	Funded Ratio	Annual Covered Payroll	Unfunded Liability as Percentage of Covered Payroll
Fire						
2011	\$ 77,133	\$ 104,035	\$ 26,902	74.1%	\$ 16,811	160.0%
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%

XVIII. 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, 2011, 2010, and 2009, a total amount of \$3,328, \$3,273, and \$2,930 was contributed to the plan by active retirees, respectively, in the form of current premiums of which \$5,103, \$4,980, and \$4,509 was

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2011

(amounts expressed in thousands)

paid out for retiree costs, respectively. The required contributions were 4.65%, 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, 2011.

Normal cost	\$ 6,640
Minimum amortization of unfunded actuarial liability (UAL)	3,806
Interest adjustment to year end	419
Annual required contribution	<u>10,865</u>
ARC adjustment	(375)
Interest adjustment to net obligation	<u>1,149</u>
OPEB cost	<u>11,639</u>
Contributions made	(1,465)
Net OPEB obligation beginning of year	<u>28,723</u>
Net OPEB obligation end of year	<u>\$ 38,897</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, 2009, 2010, and 2011 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
2011	11,638	12.6

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

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2011

(amounts expressed in thousands)

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, 2009, actuarial valuation the actuarial cost method used is the entry age normal method. A 4.00% pay as you go discount/investment 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. No salary or post-retirement benefit increases were projected. Inflation rate is unknown at this time. The last actuarial valuation performed by a consultant was for the period ending June 30, 2010.

XIX. 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.

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.

XX. Special item and surrounding contingent liabilities

As of the fall of 2011, the National Hockey League (NHL) is in official negotiations with two prospective buyers of the team with a goal of keeping the Coyotes operating as the anchor tenant in Jobing.com Arena. The City's role in the negotiation process is to concurrently draft possible arena management agreement scenarios for the eventual buyer of the team to agree to. This has been an ongoing process over the past three years. The \$25,000 referenced as a special item was provided via agreement with the NHL to reimburse for the team's losses for the 2010-11 season. The special item was funded by a \$21,000 loan from the landfill fund and \$4,000 loan from the sanitation fund. Both loans are scheduled to be paid over 25 years.

As the negotiation process carries forward, the NHL has agreed to operate the arena in the interim through an agreement with the City. This agreement requires: 1) the City to reimburse for the team's losses for the 2011-12 NHL season in an amount not to exceed \$25,000 if a team buyer is not in place by the end of the season. Currently, \$20,000 is on deposit with an escrow agent. Of this \$20,000, \$15,000 is recorded in the water and sewer fund and \$5,000 is recorded in the general fund. The \$15,000 will be repaid to the general fund with interest once the funds are drawn out of the escrow account. The agreement also states that an additional \$5,000 needs to be delivered to the escrow agent by the close of the 2011-12 NHL season or when the team is sold, whichever arrives earlier. The regular NHL season begins in the month of October and ends in April. The City plans to pay this additional \$5,000 from the general fund and the entire \$20,000 is budgeted in fiscal year 2011-12; 2) NHL pays monthly rent for use of the arena which is approximately \$43 per month and pays the City approximately \$2,000 annually in parking revenue

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2011

(amounts expressed in thousands)

generated from a ticket surcharge for parking; and 3) the NHL reimburses the City for security costs incurred during the season. In addition to the loss of rental and parking revenues, there is an undeterminable impact on sales tax revenues received by the City from the businesses surrounding the arena if a buyer is not found.

XXI. Subsequent events

On August 15, 2011, the City had \$2,335 garnished from its checking account as a result of a judgment in favor of a plaintiff in a lawsuit. This liability was recorded on June 30, 2011, in the Risk Management Internal Service Fund. The City is pursuing reimbursement from the insurance company.

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City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

REQUIRED SUPPLEMENTARY INFORMATION

(other than MD&A)

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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City of Glendale, Arizona
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011
(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, 2010	\$ 25,870	\$ 25,870	\$ 43,787	\$ 17,917
RESOURCES (INFLOWS):				
Taxes	59,228	59,228	59,435	207
Licenses and permits	9,015	9,015	8,547	(468)
Intergovernmental	50,707	50,707	50,644	(63)
Charges for services	36,410	36,410	29,417	(6,993)
Fines and forfeitures	4,007	4,007	3,806	(201)
Investment income (loss)	1,036	1,036	270	(766)
Proceeds from disposal of assets	200	200	247	47
Capital lease proceeds	-	-	11,503	11,503
Miscellaneous	2,190	2,190	15,029	12,839
Total revenues	<u>162,793</u>	<u>162,793</u>	<u>178,898</u>	<u>16,105</u>
Add: Transfers in	9,669	9,669	25,231	15,562
Less: Transfers out	<u>(26,273)</u>	<u>(26,273)</u>	<u>(22,955)</u>	<u>3,318</u>
Amounts available for appropriation	<u>172,059</u>	<u>172,059</u>	<u>224,961</u>	<u>52,902</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General government	29,103	56,290	53,264	3,026
Public safety	75,395	74,982	73,608	1,374
Public works	21,461	22,169	20,737	1,432
Community services	21,811	22,054	20,521	1,533
Community environment	85	142	106	36
Street maintenance	791	791	707	84
Contingencies	2,982	2,982	-	2,982
Miscellaneous	2,911	2,911	1,043	1,868
Debt service:				
Principal	3,399	12,869	13,379	(510)
Interest	851	730	221	509
Capital outlay	<u>5,525</u>	<u>5,178</u>	<u>2,638</u>	<u>2,540</u>
Total charges to appropriations	<u>164,314</u>	<u>201,098</u>	<u>186,224</u>	<u>14,874</u>
Budgetary fund balance, June 30, 2011	<u>\$ 7,745</u>	<u>\$ (29,039)</u>	<u>\$ 38,737</u>	<u>\$ 67,776</u>

(Continued)

City of Glendale, Arizona
Budgetary Comparison Schedule (continued)
General Fund
For the Fiscal Year Ended June 30, 2011
(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.	\$ 224,961
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.	(43,787)
Indirect cost allocation	(7,862)
Interest earned on restricted investments not available for appropriation	518
Interfund loan to the general obligation debt fund	1,978
Internal charges for services provided.	(13,291)
Proceeds from disposal of assets.	(55)
Interfund loan from sanitation	(4,000)
Interfund loan from landfill	(21,000)
Capital lease refunding proceeds.	(11,503)
Less: Transfers in.	(231)
Add: Transfers out.	20,977
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 146,705</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 186,224
Differences - budget to GAAP:	
Principal retirement.	(11,355)
Capital outlay funded by long-term debt.	368
Internal charges for services provided.	(21,065)
Extraordinary item.	(25,000)
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 129,172</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, 2011
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2010	\$ 15,357	\$ 15,357	\$ 18,034	\$ 2,677
RESOURCES (INFLOWS):				
Taxes	18,650	18,650	19,486	836
Intergovernmental	2,178	2,178	2,510	332
Charges for services	128	128	127	(1)
Investments	150	150	131	(19)
Proceeds from disposal of assets	-	-	27	27
Miscellaneous revenues	2,000	2,000	2,145	145
Total revenues	<u>23,106</u>	<u>23,106</u>	<u>24,426</u>	<u>1,320</u>
Add: Transfers in	900	900	900	-
Less: Transfers out	<u>(15,980)</u>	<u>(15,980)</u>	<u>(8,331)</u>	<u>7,649</u>
Amounts available for appropriation	<u>23,383</u>	<u>23,383</u>	<u>35,029</u>	<u>11,646</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Community services	19,575	22,125	9,976	12,149
Capital outlay	<u>3,638</u>	<u>3,334</u>	<u>684</u>	<u>2,650</u>
Total charges to appropriations	<u>23,213</u>	<u>25,459</u>	<u>10,660</u>	<u>14,799</u>
Budgetary fund balance, June 30, 2011	<u>\$ 170</u>	<u>\$ (2,076)</u>	<u>\$ 24,369</u>	<u>\$ 26,445</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.	\$ 35,029
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.	(18,034)
Proceeds from disposal of assets.	(27)
Less: Transfers in.	(900)
Add: Transfers out.	<u>8,331</u>
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 24,399</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 10,660
Differences - budget to GAAP:	
Salaries payable.	<u>9</u>
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 10,669</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, 2011

(amounts expressed in thousands)

I. Budgetary basis of accounting

The City prepares its annual budget on a basis which differs from the GAAP basis. Budgetary comparison schedules for the general and transportation funds are included as required supplementary information to provide a meaningful comparison of actual results to budget on the budget basis. Budgetary comparison schedules for all other funds are presented as other supplemental information after the combining statements. In all cases, the budgetary schedules include a reconciliation of the adjustments required to convert the budgetary revenues and expenditures or change in net assets on a budgetary basis, to revenues and expenditures/expenses or change in net assets on a GAAP basis.

II. Budgetary information

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

1. Prior to the first of June of each year, the City Manager submits to the Mayor and Council a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed operating and capital expenditures and the means of financing them.
2. The projected beginning budgeted fund balances for each fund are based on preliminary estimates of the June 30th ending actual budget basis fund balances rather than the June 30th ending budgeted fund balances. These two amounts will differ because of differences in actual results for the year versus planned results and by unused contingency appropriations.
3. Prior to July 1, after receiving comments in a public hearing, a tentative budget is adopted by the City Council, which fixes an upper-dollar limit for all funds combined, beyond which the City may not increase appropriations. After two weeks of legal advertising, the City Council legally adopts a final budget ordinance, which fixes appropriations for each fund, except for the nonexpendable trust fund.
4. Budget basis expenditures may not exceed appropriations for each fund, except in conjunction with the transfer of contingency funds. Contingency funds are appropriated for several funds as identified in the budget basis schedules and may only be transferred with City Council approval. The City Council may reallocate appropriations through amendment, but may not increase total appropriations above the total budget, which was legally adopted for the fiscal year.
5. The Director of Budget and Management is generally authorized to transfer budgeted amounts within departments' approved capital or operating budgets, and the City Manager is authorized to transfer appropriations between departments. Any new capital improvement projects or any nonbudgeted projects require City Council approval.
6. Formal budgetary integration is employed as a management control device during the year for all funds except the Western Loop 101 Public Facilities Corporation.

III. Contingency appropriation

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

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



City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

COMBINING STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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City of Glendale, Arizona
Budgetary Comparison Schedule
General Obligation Debt Service Fund
For the Fiscal Year Ended June 30, 2011
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2010	\$ 26,878	\$ 26,878	\$ 26,604	\$ (274)
RESOURCES (INFLOWS):				
Investments	-	-	675	675
Taxes	24,180	24,180	23,981	(199)
Total inflows	24,180	24,180	24,656	476
Add: Transfers in	-	-	1,978	1,978
Less: Transfers out	(2,700)	(2,700)	(4,678)	(1,978)
Amounts available for appropriation	48,358	48,358	48,560	202
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Miscellaneous	336	336	6	330
Debt service:				
Principal	15,861	15,861	15,929	(68)
Interest	9,461	9,461	9,397	64
Total charges to appropriations	25,658	25,658	25,332	326
Budgetary fund balance, June 30, 2011	\$ 22,700	\$ 22,700	\$ 23,228	\$ 528

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.	\$ 48,560
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.	(26,604)
Interfund loan to general fund.	(1,978)
Add transfers out.	4,678
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 24,656

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 25,332
Miscellaneous	418
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 25,750

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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
- 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.

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 special revenue fund to fund this debt.

Municipal Property Corporation Debt Service

This 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 special 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

This 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. In addition, this fund accounts for transportation projects funded by transportation excise tax revenue bonds issued on October 27, 2007.

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
- 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, 2011
(amounts expressed in thousands)

	Special Revenue Funds					
	Community	Highway	Development	Police	Federal	Other
	Development	User	Impact	and		
	Block Grants	Gas Tax	Fees	Fire	Stimulus	
ASSETS						
Equity in pooled cash and investments	\$ 104	\$ 11,811	\$ 11,301	\$ 7,505	\$ 386	\$ 824
Receivables, net of allowance for doubtful accounts:						
Accounts	1	-	-	2,247	-	28
Intergovernmental receivable	936	1,158	-	-	429	1,039
Inventories and prepaid items	-	165	-	-	-	1
Restricted cash and investments	-	-	-	-	-	10,718
Deferred receivables	3,755	-	-	-	-	-
Total assets	<u>\$ 4,796</u>	<u>\$ 13,134</u>	<u>\$ 11,301</u>	<u>\$ 9,752</u>	<u>\$ 815</u>	<u>\$ 12,610</u>
LIABILITIES AND FUND BALANCES:						
Liabilities:						
Vouchers payable	\$ 773	\$ 206	\$ 6	\$ 800	\$ 57	\$ 717
Accounts payable	21	-	-	-	-	-
Retainage payable	3	-	-	-	1	9
Compensated absences - current	5	35	-	97	-	7
Intergovernmental payable	-	-	-	-	-	1
Due to other funds	147	-	11	-	-	159
Deposits	-	-	-	-	-	7
Matured interest payable	-	-	-	-	-	-
Deferred revenue	3,755	-	-	678	757	6,170
Matured bonds payable	-	-	-	-	-	-
Total liabilities	<u>4,704</u>	<u>241</u>	<u>17</u>	<u>1,575</u>	<u>815</u>	<u>7,070</u>
Fund balances:						
Nonspendable	-	165	-	-	-	-
Restricted	92	12,728	-	8,177	-	5,161
Committed	-	-	11,284	-	-	180
Assigned	-	-	-	-	-	199
Total fund balances	<u>92</u>	<u>12,893</u>	<u>11,284</u>	<u>8,177</u>	<u>-</u>	<u>5,540</u>
Total liabilities and fund balances	<u>\$ 4,796</u>	<u>\$ 13,134</u>	<u>\$ 11,301</u>	<u>\$ 9,752</u>	<u>\$ 815</u>	<u>\$ 12,610</u>

Debt Service Funds			Capital Project Funds					Permanent Fund	Total Non-Major Governmental Funds
Highway User	Municipal Property Corporation	Transportation	Western Loop 101 Public Facilities Corporation Construction	Streets Construction	Fire and Police Construction	Parks Bond Construction	Other Construction	Cemetery Perpetual Care	
\$ 7	\$ 19	\$ 5,054	\$ 1,051	\$ 10,359	\$ 4,807	\$ 570	\$ 15,261	\$ 5,583	\$ 74,642
-	-	-	53	-	-	-	-	58	2,387
-	-	-	-	-	-	-	-	-	3,562
-	-	-	-	-	-	-	-	-	166
-	16,557	-	9,060	5,885	-	-	-	-	42,220
-	-	-	-	-	-	-	-	-	3,755
<u>\$ 7</u>	<u>\$ 16,576</u>	<u>\$ 5,054</u>	<u>\$ 10,164</u>	<u>\$ 16,244</u>	<u>\$ 4,807</u>	<u>\$ 570</u>	<u>\$ 15,261</u>	<u>\$ 5,641</u>	<u>\$ 126,732</u>
\$ -	\$ 1	\$ -	\$ 2	\$ 775	\$ 246	\$ 19	\$ 224	\$ -	\$ 3,826
-	-	-	-	-	-	-	-	-	21
-	-	-	-	45	-	137	35	-	230
-	-	-	-	-	-	-	-	-	144
-	-	-	-	60	-	-	-	-	61
-	2,842	-	-	-	-	-	-	-	3,159
-	-	-	-	-	-	-	-	-	7
-	7,000	2,274	-	-	-	-	-	-	9,274
-	-	-	53	60	-	-	22	58	11,553
-	6,585	2,780	-	-	-	-	-	-	9,365
-	<u>16,428</u>	<u>5,054</u>	<u>55</u>	<u>940</u>	<u>246</u>	<u>156</u>	<u>281</u>	<u>58</u>	<u>37,640</u>
-	-	-	-	-	-	-	-	5,583	5,748
7	148	-	10,109	15,304	4,561	414	14,980	-	71,681
-	-	-	-	-	-	-	-	-	11,464
-	-	-	-	-	-	-	-	-	199
<u>7</u>	<u>148</u>	<u>-</u>	<u>10,109</u>	<u>15,304</u>	<u>4,561</u>	<u>414</u>	<u>14,980</u>	<u>5,583</u>	<u>89,092</u>
<u>\$ 7</u>	<u>\$ 16,576</u>	<u>\$ 5,054</u>	<u>\$ 10,164</u>	<u>\$ 16,244</u>	<u>\$ 4,807</u>	<u>\$ 570</u>	<u>\$ 15,261</u>	<u>\$ 5,641</u>	<u>\$ 126,732</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, 2011
(amounts expressed in thousands)

	Special Revenue Funds					
	Community Development Block Grants	Highway User Gas Tax	Development Impact Fees	Police and Fire Sales Tax	Federal Stimulus	Other
REVENUES						
Taxes and special assessments	\$ -	\$ -	\$ -	\$ 18,072	\$ -	\$ -
Licenses and permits	-	-	820	-	-	-
Intergovernmental	5,051	13,843	-	-	1,553	6,158
Charges for services	-	-	-	-	-	1,117
Investments	-	-	61	-	-	96
Miscellaneous	387	-	-	-	37	636
Total revenues	<u>5,438</u>	<u>13,843</u>	<u>881</u>	<u>18,072</u>	<u>1,590</u>	<u>8,007</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	4
Public safety	-	-	-	16,540	26	4,444
Public works	-	-	-	-	-	78
Community services	-	-	182	-	1,238	1,986
Community environment	5,386	-	-	-	-	1,403
Street maintenance	-	8,326	5	-	-	-
Miscellaneous	-	-	-	-	-	5
Debt service:						
Principal	-	19	361	-	-	-
Interest	-	-	14	-	-	-
Capital outlay	42	-	82	4	325	771
Total expenditures	<u>5,428</u>	<u>8,345</u>	<u>644</u>	<u>16,544</u>	<u>1,589</u>	<u>8,691</u>
Excess (deficiency) of revenues over expenditures	<u>10</u>	<u>5,498</u>	<u>237</u>	<u>1,528</u>	<u>1</u>	<u>(684)</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from equipment disposal	-	2	-	-	-	-
Transfers in	-	20	-	-	-	74
Transfers out	-	-	(1,000)	-	-	(154)
Total other financing sources and uses	<u>-</u>	<u>22</u>	<u>(1,000)</u>	<u>-</u>	<u>-</u>	<u>(80)</u>
Excess (deficiency) of revenues and other sources over Net change in fund balances	<u>10</u>	<u>5,520</u>	<u>(763)</u>	<u>1,528</u>	<u>1</u>	<u>(764)</u>
Fund balances, July 1	82	7,373	12,047	6,649	(1)	6,304
Fund balances, June 30	<u>\$ 92</u>	<u>\$ 12,893</u>	<u>\$ 11,284</u>	<u>\$ 8,177</u>	<u>\$ -</u>	<u>\$ 5,540</u>

Debt Service Funds			Capital Projects Funds					Permanent Fund	Total
Highway User	Municipal Property Corporation	Transportation	Western Loop 101 Public Facilities Corporation Construction	Streets Construction	Fire and Police Construction	Parks Bond Construction	Other Construction	Cemetery Perpetual Care	Non-Major Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,072
-	-	-	-	-	-	-	-	-	820
-	-	-	1	-	-	-	-	-	26,606
-	953	-	-	-	-	-	-	-	2,070
-	-	-	-	22	6	2	33	28	248
-	15	-	3,400	-	171	-	-	-	4,646
-	968	-	3,401	22	177	2	33	28	52,462
-	-	-	-	-	143	-	54	-	201
-	-	-	-	-	544	-	-	-	21,554
-	-	-	-	-	-	66	7	-	151
-	-	-	-	278	-	-	1	-	3,685
-	-	-	-	-	-	-	-	-	6,789
-	-	-	-	-	-	-	-	-	8,331
84	19	2	-	-	-	-	-	-	110
3,890	6,585	2,780	-	-	-	-	52	-	13,687
800	14,601	4,548	-	-	-	-	1	-	19,964
-	-	-	594	6,529	509	3,070	6,478	-	18,404
4,774	21,205	7,330	594	6,807	1,196	3,136	6,593	-	92,876
(4,774)	(20,237)	(7,330)	2,807	(6,785)	(1,019)	(3,134)	(6,560)	28	(40,414)
-	-	-	-	-	-	-	-	-	2
4,700	20,237	7,330	-	-	-	-	1,978	-	34,339
-	-	-	-	(4)	(613)	-	(30)	-	(1,801)
4,700	20,237	7,330	-	(4)	(613)	-	1,948	-	32,540
(74)	-	-	2,807	(6,789)	(1,632)	(3,134)	(4,612)	28	(7,874)
81	148	-	7,302	22,093	6,193	3,548	19,592	5,555	96,966
\$ 7	\$ 148	\$ -	\$ 10,109	\$ 15,304	\$ 4,561	\$ 414	\$ 14,980	\$ 5,583	\$ 89,092

City of Glendale, Arizona
Budgetary Comparison Schedule
Community Development Block Grants Fund
For the Fiscal Year Ended June 30, 2011
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2010	\$ 1,312	\$ 1,312	\$ 85	\$ (1,227)
RESOURCES (INFLOWS):				
Intergovernmental	8,074	8,074	5,051	(3,023)
Miscellaneous	-	-	387	387
Total revenues	<u>8,074</u>	<u>8,074</u>	<u>5,438</u>	<u>(2,636)</u>
Amounts available for appropriation	<u>9,386</u>	<u>9,386</u>	<u>5,523</u>	<u>(3,863)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Community environment	9,386	9,679	5,383	4,296
Capital Outlay	-	-	42	(42)
Total charges to appropriations	<u>9,386</u>	<u>9,679</u>	<u>5,425</u>	<u>4,254</u>
Budgetary fund balance, June 30, 2011	<u>\$ -</u>	<u>\$ (293)</u>	<u>\$ 98</u>	<u>\$ 391</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.	\$ 5,523
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>(85)</u>
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balance - governmental funds.	<u>\$ 5,438</u>

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 5,425
Differences - budget to GAAP:	
Salaries payable.	<u>3</u>
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 5,428</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Highway Users Gas Tax Fund
For the Fiscal Year Ended June 30, 2011
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2010	\$ 6,712	\$ 6,712	\$ 7,603	\$ 891
RESOURCES (INFLOWS):				
Intergovernmental	13,500	13,500	13,842	342
Proceeds from asset disposal	-	-	1	1
Total revenues	13,500	13,500	13,843	343
Add: Transfers in	-	-	20	20
Amounts available for appropriation	20,212	20,212	21,466	1,254
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Street maintenance	20,212	20,616	8,320	12,296
Debt service:				
Principal	-	19	19	-
Total charges to appropriations	20,212	20,635	8,339	12,296
Budgetary fund balance, June 30, 2011	\$ -	\$ (423)	\$ 13,127	\$ 13,550

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.	\$ 21,466
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.	(7,603)
Less: Transfers in.	(20)
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 13,843

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 8,339
Differences - budget to GAAP:	
Salaries payable.	6
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 8,345

City of Glendale, Arizona
Budgetary Comparison Schedule
Development Impact Fees Fund
For the Fiscal Year Ended June 30, 2011
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2010	\$ 11,757	\$ 11,757	\$ 12,048	\$ 291
RESOURCES (INFLOWS):				
Licenses and permits	670	670	820	150
Investments	76	76	61	(15)
Total revenues	746	746	881	135
Less: Transfers out	(1,000)	(1,000)	(1,000)	-
Amounts available for appropriation	11,503	11,503	11,929	426
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
General administration	174	174	-	174
Public safety	1,110	1,110	-	1,110
Street maintenance	191	149	5	144
Community services	8,951	8,991	183	8,808
Capital outlay	702	704	81	623
Principal retirement	361	361	361	-
Interest expense	14	14	14	-
Total charges to appropriations	11,503	11,503	644	10,859
Budgetary fund balance, June 30, 2011	\$ -	\$ -	\$ 11,285	\$ 11,285

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.	\$ 11,929
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(12,048)
Add: Transfers out.	1,000
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 881

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 644
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 644

City of Glendale, Arizona
Budgetary Comparison Schedule
Police and Fire Sales Tax Fund
For the Fiscal Year Ended June 30, 2011
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2010	\$ 3,484	\$ 3,484	\$ 7,106	\$ 3,622
RESOURCES (INFLOWS):				
Taxes	17,912	17,912	18,072	160
Total revenues	17,912	17,912	18,072	160
Amounts available for appropriation	21,396	21,396	25,178	3,782
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Public safety	18,722	19,381	16,430	2,951
Capital outlay	-	-	4	(4)
Total charges to appropriations	18,722	19,381	16,434	2,947
Budgetary fund balance, June 30, 2011	\$ 2,674	\$ 2,015	\$ 8,744	\$ 6,729

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.	\$ 25,178
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.	(7,106)
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 18,072

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 16,434
Differences - budget to GAAP:	
Salaries payable.	110
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 16,544

City of Glendale, Arizona
Budgetary Comparison Schedule
Federal Stimulus Fund
For the Fiscal Year Ended June 30, 2011
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2010	\$ -	\$ -	\$ (1)	\$ (1)
RESOURCES (INFLOWS):				
Intergovernmental	3,967	3,967	1,553	(2,414)
Miscellaneous	-	-	37	37
Total revenues	<u>3,967</u>	<u>3,967</u>	<u>1,590</u>	<u>(2,377)</u>
Amounts available for appropriation	<u>3,967</u>	<u>3,967</u>	<u>1,589</u>	<u>(2,378)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Public safety	-	75	26	49
Community services	3,965	4,093	1,238	2,855
Capital outlay	<u>2</u>	<u>432</u>	<u>325</u>	<u>107</u>
Total charges to appropriations	<u>3,967</u>	<u>4,600</u>	<u>1,589</u>	<u>3,011</u>
Budgetary fund balance, June 30, 2011	<u>\$ -</u>	<u>\$ (633)</u>	<u>\$ -</u>	<u>\$ 633</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.	\$ 1,589
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>1</u>
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 1,590</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	<u>\$ 1,589</u>
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 1,589</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Other Special Revenue Fund
For the Fiscal Year Ended June 30, 2011
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2010	\$ 5,603	\$ 5,603	\$ 6,358	\$ 755
RESOURCES (INFLOWS):				
Intergovernmental	6,266	6,266	6,158	(108)
Charges for services	1,060	1,060	1,117	57
Investments	137	137	96	(41)
Miscellaneous	18,175	18,175	636	(17,539)
Total revenues	25,638	25,638	8,007	(17,631)
Add: Transfers in	89	89	74	(15)
Less: Transfers out	-	-	(154)	(154)
Amounts available for appropriation	31,330	31,330	14,285	(17,045)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General government	-	-	4	(4)
Public safety	17,786	13,072	4,446	8,626
Public works	177	192	78	114
Community services	2,810	2,930	1,977	953
Community environment	511	2,265	1,404	861
Miscellaneous	-	-	5	(5)
Capital outlay	4,902	5,998	771	5,227
Total charges to appropriations	26,186	24,457	8,685	15,772
Budgetary fund balance, June 30, 2011	\$ 5,144	\$ 6,873	\$ 5,600	\$ (1,273)

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule.	\$ 14,285
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(6,358)
Less: Transfers in.	(74)
Add: Transfers out.	154
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 8,007

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 8,685
Differences - budget to GAAP:	
Salaries payable.	6
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 8,691

City of Glendale, Arizona
Budgetary Comparison Schedule
Highway User Debt Service Fund
For the Fiscal Year Ended June 30, 2011
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2010	\$ 53	\$ 53	\$ -	\$ (53)
RESOURCES (INFLOWS):				
Add: Transfers in	4,700	4,700	4,700	-
Amounts available for appropriation	<u>4,753</u>	<u>4,753</u>	<u>4,700</u>	<u>(53)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Miscellaneous	10	10	3	7
Debt service:				
Principal	3,890	3,890	3,890	-
Interest	800	800	800	-
Total charges to appropriations	<u>4,700</u>	<u>4,700</u>	<u>4,693</u>	<u>7</u>
Budgetary fund balance, June 30, 2011	<u>\$ 53</u>	<u>\$ 53</u>	<u>\$ 7</u>	<u>\$ (46)</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.	\$ 4,700
Differences - budget to GAAP:	
Less: Transfers in.	<u>(4,700)</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.	\$ 4,693
Differences - budget to GAAP:	
Arbitrage rebate.	<u>81</u>
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 4,774</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Municipal Property Corporation Debt Service Fund
For the Fiscal Year Ended June 30, 2011
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2010	\$ 2,944	\$ 2,944	\$ (10)	\$ (2,954)
RESOURCES (INFLOWS):				
Charges for services	-	-	953	953
Miscellaneous revenues	1,056	1,056	25	(1,031)
Total revenues	1,056	1,056	978	(78)
Add: Transfers in	21,307	21,307	20,237	(1,070)
Amounts available for appropriation	25,307	25,307	21,205	(4,102)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Miscellaneous	30	30	19	11
Debt service:				
Principal	6,540	6,540	6,585	(45)
Interest	14,737	14,737	14,601	136
Total charges to appropriations	21,307	21,307	21,205	102
Budgetary fund balance, June 30, 2011	\$ 4,000	\$ 4,000	\$ -	\$ (4,000)

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.	\$ 21,205
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.	(20,237)
Miscellaneous revenue	(10)
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 968

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 21,205
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 21,205

City of Glendale, Arizona
Budgetary Comparison Schedule
Transportation Debt Service Fund
For the Fiscal Year Ended June 30, 2011
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2010	\$ -	\$ -	\$ -	\$ -
RESOURCES (INFLOWS):				
Add: Transfers in	7,328	7,328	7,330	2
Amounts available for appropriation	<u>7,328</u>	<u>7,328</u>	<u>7,330</u>	<u>2</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Miscellaneous	-	-	2	(2)
Debt service:				
Principal	2,780	2,780	2,780	-
Interest	4,548	4,548	4,548	-
Total charges to appropriations	<u>7,328</u>	<u>7,328</u>	<u>7,330</u>	<u>(2)</u>
Budgetary fund balance, June 30, 2011	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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.	\$ 7,330
Differences - budget to GAAP:	
Less: Transfers in.	<u>(7,330)</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.	\$ 7,330
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 7,330</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Streets Construction Fund
For the Fiscal Year Ended June 30, 2011
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2010	\$ 26,221	\$ 26,221	\$ 22,080	\$ (4,141)
RESOURCES (INFLOWS):				
Investments	38	38	32	(6)
Miscellaneous	35,800	35,800	-	(35,800)
Long-term debt issued	24,000	24,000	-	(24,000)
Total revenues	59,838	59,838	32	(59,806)
Add: Transfers in	7,653	7,653	-	(7,653)
Less: Transfers out	(9)	(9)	(4)	(4,251)
Amounts available for appropriation	93,703	93,703	22,108	(71,595)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Community services	2,054	2,052	278	2,493
Street maintenance	108	108	-	108
Capital outlay	91,540	52,667	6,529	46,138
Total charges to appropriations	93,702	54,827	6,807	48,020
Budgetary fund balance, June 30, 2011	\$ 1	\$ 38,876	\$ 15,301	\$ (23,575)

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.	\$ 22,108
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.	(22,080)
Market adjustment on restricted investments not available for appropriation.	(10)
Add: Transfers out.	4
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 22

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 6,807
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 6,807

City of Glendale, Arizona
Budgetary Comparison Schedule
Fire and Police Construction Fund
For the Fiscal Year Ended June 30, 2011
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2010	\$ 5,686	\$ 5,686	\$ 6,160	\$ 474
RESOURCES (INFLOWS):				
Investments	2	2	38	36
Miscellaneous	-	-	172	172
Total revenues	2	2	210	208
Less: Transfers out	-	-	(613)	(613)
Amounts available for appropriation	5,688	5,688	5,757	69
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
General administration	-	-	142	(142)
Public safety	1,418	1,420	545	875
Capital outlay	4,270	4,588	509	4,079
Total charges to appropriations	5,688	6,008	1,196	4,812
Budgetary fund balance, June 30, 2011	\$ -	\$ (320)	\$ 4,561	\$ (4,881)

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.	\$ 5,757
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(6,160)
Market adjustment on restricted investments not available for appropriation.	(33)
Add: Transfers out.	613
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 177

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 1,196
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 1,196

City of Glendale, Arizona
Budgetary Comparison Schedule
Parks Bond Construction Fund
For the Fiscal Year Ended June 30, 2011
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2010	\$ 3,949	\$ 3,949	\$ 3,542	\$ (407)
RESOURCES (INFLOWS):				
Investments	<u>1</u>	<u>1</u>	<u>8</u>	<u>7</u>
Total revenues	<u>1</u>	<u>1</u>	<u>8</u>	<u>7</u>
Amounts available for appropriation	<u>3,950</u>	<u>3,950</u>	<u>3,550</u>	<u>(400)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General administration	889	884	-	884
Public works	-	-	66	(66)
Capital outlay	<u>3,060</u>	<u>3,461</u>	<u>3,070</u>	<u>391</u>
Total charges to appropriations	<u>3,949</u>	<u>4,345</u>	<u>3,136</u>	<u>1,209</u>
Budgetary fund balance, June 30, 2011	<u>\$ 1</u>	<u>\$ (395)</u>	<u>\$ 414</u>	<u>\$ 809</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.	\$ 3,550
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.	(3,542)
Market adjustment on restricted investments not available for appropriation.	(6)
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 2</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 3,136
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 3,136</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Other Construction Fund
For the Fiscal Year Ended June 30, 2011
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2010	\$ 27,736	\$ 27,736	\$ 19,513	\$ (8,223)
RESOURCES (INFLOWS):				
Investments	7	7	109	102
Miscellaneous	500	500	-	(500)
Total revenues	507	507	109	(398)
Add: Transfers in	-	-	1,978	1,978
Less: Transfers out	-	-	(30)	(30)
Amounts available for appropriation	28,243	28,243	21,570	(6,673)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General administration	-	25	54	(29)
Community services	2,932	3,406	1	3,405
Public Works	4	10	7	3
Capital outlay	25,307	18,982	6,478	12,504
Principal	-	52	52	-
Interest	-	1	1	-
Total charges to appropriations	28,243	22,476	6,593	15,883
Budgetary fund balance, June 30, 2011	\$ -	\$ 5,767	\$ 14,977	\$ 9,210

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.	\$ 21,570
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(19,513)
Market adjustment on restricted investments not available for appropriation.	(76)
Less: Transfers in.	(1,978)
Add: Transfers out.	30
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 33

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 6,593
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 6,593

City of Glendale, Arizona
Budgetary Comparison Schedule
Cemetery Perpetual Care Fund
For the Fiscal Year Ended June 30, 2011
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2010	\$ 5,564	\$ 5,564	\$ 5,555	\$ (9)
RESOURCES (INFLOWS):				
Investments	44	44	28	(16)
Total revenues	44	44	28	(16)
Amounts available for appropriation	5,608	5,608	5,583	(25)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Public works	5,608	5,608	-	5,608
Total charges to appropriations	5,608	5,608	-	5,608
Budgetary fund balance, June 30, 2011	\$ -	\$ -	\$ 5,583	\$ 5,583

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.	\$ 5,583
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.	(5,555)
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 28

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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, 2011
(amounts expressed in thousands)

	<u>Landfill</u>	<u>Sanitation</u>	<u>Housing</u>	<u>Total</u>
ASSETS				
Current assets:				
Equity in pooled cash and investments	\$ 5,824	\$ 325	\$ 2,721	\$ 8,870
Receivables:				
Accounts	403	2,095	27	2,525
Allowance for uncollectibles	(2)	(389)	-	(391)
Due from other funds	21,726	4,000	14	25,740
Intergovernmental receivable	-	-	235	235
Inventories and prepaid items	-	-	9	9
Total current assets	<u>27,951</u>	<u>6,031</u>	<u>3,006</u>	<u>36,988</u>
Noncurrent assets:				
Restricted cash and investments	-	-	55	55
Capital assets:				
Capital assets	23,278	13,607	13,677	50,562
Accumulated depreciation	<u>(10,742)</u>	<u>(6,422)</u>	<u>(7,607)</u>	<u>(24,771)</u>
Capital assets, net	<u>12,536</u>	<u>7,185</u>	<u>6,070</u>	<u>25,791</u>
Total noncurrent assets	<u>12,536</u>	<u>7,185</u>	<u>6,125</u>	<u>25,846</u>
Total assets	<u>40,487</u>	<u>13,216</u>	<u>9,131</u>	<u>62,834</u>
LIABILITIES				
Current liabilities:				
Vouchers payable	440	156	-	596
Accounts payable	26	-	64	90
Compensated absences	306	335	19	660
Due to other funds	-	725	-	725
Intergovernmental payable	-	6	-	6
Deposits	145	107	37	289
Unearned rent	-	-	33	33
Current portion of long-term debt:				
Capital lease payable	-	151	-	151
Interest payable	-	1	-	1
Total current liabilities	<u>917</u>	<u>1,481</u>	<u>153</u>	<u>2,551</u>
Noncurrent liabilities:				
Compensated absences	105	96	173	374
OPEB long-term obligations	728	1,450	398	2,576
Other long-term debt	-	-	55	55
Estimated closure and post-closure costs	<u>13,811</u>	<u>-</u>	<u>-</u>	<u>13,811</u>
Total noncurrent liabilities	<u>14,644</u>	<u>1,546</u>	<u>626</u>	<u>16,816</u>
Total liabilities	<u>15,561</u>	<u>3,027</u>	<u>779</u>	<u>19,367</u>
NET ASSETS				
Invested in capital assets, net of related debt	12,536	7,034	6,070	25,640
Restricted for:				
Other purposes	-	-	2,282	2,282
Unrestricted	<u>12,390</u>	<u>3,155</u>	<u>-</u>	<u>15,545</u>
Total net assets	<u>\$ 24,926</u>	<u>\$ 10,189</u>	<u>\$ 8,352</u>	<u>\$ 43,467</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, 2011

(amounts expressed in thousands)

	Business-Type Activities Enterprise Funds			
	Landfill	Sanitation	Housing	Total
Operating revenues:				
Intergovernmental	\$ -	\$ -	\$ 9,342	\$ 9,342
Container service	-	4,300	-	4,300
Curb service	-	10,425	-	10,425
Landfill user fees	5,604	-	-	5,604
Recycling sales	2,294	-	-	2,294
Other fees	107	-	4,829	4,936
Total operating revenues	<u>8,005</u>	<u>14,725</u>	<u>14,171</u>	<u>36,901</u>
Operating expenses:				
Landfill	6,201	-	-	6,201
Housing	-	-	14,039	14,039
Closure/post-closure care adjustment	(2)	-	-	(2)
Sanitation	-	12,552	-	12,552
Depreciation	763	1,560	449	2,772
Total operating expenses	<u>6,962</u>	<u>14,112</u>	<u>14,488</u>	<u>35,562</u>
Operating income (loss)	<u>1,043</u>	<u>613</u>	<u>(317)</u>	<u>1,339</u>
Nonoperating revenues (expenses):				
Impact fees	23	9	-	32
Investment income	69	11	-	80
Interest expense	-	(30)	-	(30)
Gain on disposal of assets	4	106	-	110
OPEB expense	(198)	(364)	(108)	(670)
Total nonoperating revenue (expenses)	<u>(102)</u>	<u>(268)</u>	<u>(108)</u>	<u>(478)</u>
Income (loss) before contributions and transfers	941	345	(425)	861
Capital contributions	-	861	249	1,110
Transfers in	-	-	379	379
Transfers out	(2)	(20)	-	(22)
Change in net assets	<u>939</u>	<u>1,186</u>	<u>203</u>	<u>2,328</u>
Total net assets - beginning	23,987	9,003	8,149	41,139
Total net assets - ending	<u>\$ 24,926</u>	<u>\$ 10,189</u>	<u>\$ 8,352</u>	<u>\$ 43,467</u>

City of Glendale, Arizona

Combining Statement of Cash Flows

Non-Major Proprietary Funds - Business-Type Activities

For the Fiscal Year Ended June 30, 2011

(amounts expressed in thousands)

	<u>Landfill</u>	<u>Sanitation</u>	<u>Housing</u>	<u>Total</u>
Cash flows from operating activities:				
Cash received from customers	\$ 8,165	\$ 14,780	\$ 4,819	\$ 27,764
Cash received from federal government	-	-	9,317	9,317
Cash paid to suppliers:				
Internal city departments	(1,258)	(7,420)	-	(8,678)
External vendors	(2,344)	(1,204)	(12,830)	(16,378)
Cash paid to employees for services	(2,408)	(4,212)	(1,264)	(7,884)
Net cash provided (used) by operating activities	<u>2,155</u>	<u>1,944</u>	<u>42</u>	<u>4,141</u>
Cash flows from noncapital financing activities:				
Paid to other programs	(21,000)	(4,000)	-	(25,000)
Transfers in	-	-	379	379
Transfers out	(2)	(20)	-	(22)
Net cash provided by (used) noncapital financing activities	<u>(21,002)</u>	<u>(4,020)</u>	<u>379</u>	<u>(24,643)</u>
Cash flows from capital and related financing activities:				
Principal payments on obligations	-	(441)	12	(429)
Acquisition of capital assets and rights	(834)	(1,392)	(250)	(2,476)
Impact fees	23	9	-	32
Interest payments on obligations	-	(35)	-	(35)
Capital grant proceeds	-	-	249	249
Net cash (used) capital and related financing activities	<u>(811)</u>	<u>(1,859)</u>	<u>11</u>	<u>(2,659)</u>
Cash flows from investing activities:				
Interest received from investments	69	11	-	80
Net cash provided by investing activities	<u>69</u>	<u>11</u>	<u>-</u>	<u>80</u>
Net increase (decrease) in cash and cash equivalents during fiscal year	(19,589)	(3,924)	432	(23,081)
Cash and cash equivalents, July 1	25,413	4,249	2,344	32,006
Cash and cash equivalents, June 30	<u>\$ 5,824</u>	<u>\$ 325</u>	<u>\$ 2,776</u>	<u>\$ 8,925</u>

	<u>Landfill</u>	<u>Sanitation</u>	<u>Housing</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 1,043	\$ 613	\$ (317)	\$ 1,339
Adjustments to reconcile operating income (loss) to net cash provided (used) by operations:				
Depreciation	763	1,560	449	2,772
Changes in assets and liabilities:				
Accounts receivable	-	37	(20)	17
Due from other funds	-	-	(14)	(14)
Intergovernmental receivable	232	-	(26)	206
Inventories and prepaid items	-	-	1	1
Vouchers payable	142	(39)	16	119
Due to other funds	-	(233)	(7)	(240)
Deposits	(67)	-	(1)	(68)
Unearned rent	-	-	11	11
Compensated absences	49	(17)	(50)	(18)
Proceeds from disposal of assets	(5)	23	-	18
Estimated closure and post-closure costs	(2)	-	-	(2)
Net cash provided by (used) operating activities	<u>\$ 2,155</u>	<u>\$ 1,944</u>	<u>\$ 42</u>	<u>\$ 4,141</u>
Reconciliation of statement of net assets cash and investments to the statement of cash flows:				
Per combined statement of net assets:				
Equity in pooled cash and investments	\$ 5,824	\$ 325	\$ 2,721	\$ 8,870
Restricted cash and investments	-	-	55	55
Total cash and cash equivalents	<u>\$ 5,824</u>	<u>\$ 325</u>	<u>\$ 2,776</u>	<u>\$ 8,925</u>
Noncash investing, capital, and financing activities:				
Estimated closure and post-closure costs	\$ (2)	\$ -	\$ -	\$ (2)
Contributions of capital assets	-	861	249	1,110

City of Glendale, Arizona
Budgetary Comparison Schedule
Water and Sewer Fund
For the Fiscal Year Ended June 30, 2011
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary fund balance, July 1, 2010	\$ 36,070	\$ 36,070	\$ 47,776	\$ 11,706
RESOURCES (INFLOWS):				
Charges for services:				
Metered water sales	49,396	49,395	44,009	(5,386)
Sewer service charges	31,771	31,771	32,602	831
Impact fees	700	700	1,369	669
Other fees	1,216	1,216	1,850	634
Investments	580	580	546	(34)
Miscellaneous	87	87	82	(5)
Proceeds from bonds sold	20,000	20,000	25,685	5,685
Proceeds from equipment disposal	39	39	27	(12)
Total revenues	<u>103,789</u>	<u>103,788</u>	<u>106,170</u>	<u>2,382</u>
Less: Transfers out	<u>(245)</u>	<u>(245)</u>	<u>(41)</u>	<u>204</u>
Amounts available for appropriation	<u>139,614</u>	<u>139,613</u>	<u>153,905</u>	<u>14,292</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General administration	11,514	11,005	10,790	215
Public works:				
Water	22,277	23,486	17,411	6,075
Sewer	15,360	14,271	12,347	1,924
Bond issuance cost	-	685	685	-
Contingencies	5,000	5,000	-	5,000
Capital outlay	55,711	58,214	19,374	38,840
Debt service:				
Principal	12,099	12,807	13,414	(607)
Interest	<u>13,141</u>	<u>14,075</u>	<u>14,066</u>	<u>9</u>
Total charges to appropriations	<u>135,102</u>	<u>139,543</u>	<u>88,087</u>	<u>51,456</u>
Budgetary fund balance, June 30, 2011	<u>\$ 4,512</u>	<u>\$ 70</u>	<u>\$ 65,818</u>	<u>\$ 65,748</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.	\$ 153,905
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.	(47,776)
Revenues offset directly by bad debt expense on budgetary basis.	834
Bond proceeds.	(25,685)
Proceeds from equipment disposals.	(27)
Gain on disposal of assets.	27
Internal staff and administrative charges reported as revenue only on budgetary basis.	(168)
Add: Transfers out.	41
Total revenues as reported on the statement of revenues, expenses, and changes in fund net assets excluding capital contributions.	<u>\$ 81,151</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 88,087
Differences - budget to GAAP:	
Bad debt expense.	834
Amortization of capitalized bond issuance expense.	188
Capital outlay expenditure.	(19,374)
Change in compensated absences liability.	172
Amortization and depreciation expense.	19,561
Bond issuance costs.	(681)
Principal payments on long-term obligations.	(13,414)
OPEB expense.	1,130
Interest expense.	(695)
Internal staff and administrative charges reported as revenue only on budgetary basis.	(168)
Change in accrued payroll.	163
Total expenditures as reported in the statement of revenues, expenses, and changes in fund net assets, excluding loss from joint venture.	<u>\$ 75,803</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Landfill Fund
For the Fiscal Year Ended June 30, 2011
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2010	\$ 26,519	\$ 26,519	\$ 26,619	\$ 100
RESOURCES (INFLOWS):				
Charges for services:				
Landfill user fees	5,180	5,180	5,930	750
Recycling fees	1,827	1,827	2,294	467
Other fees	421	421	107	(314)
Proceeds from equipment disposal	10	10	4	(6)
Proceeds from loan	-	-	233	233
Investments	500	500	69	(431)
Impact fees	25	25	23	(2)
Total revenues	<u>7,963</u>	<u>7,963</u>	<u>8,660</u>	<u>697</u>
Less: Transfers out	<u>(6,000)</u>	<u>(6,000)</u>	<u>(21,001)</u>	<u>(15,001)</u>
Amounts available for appropriation	<u>28,482</u>	<u>28,482</u>	<u>14,278</u>	<u>(14,204)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Contingencies	2,000	2,000	-	2,000
Landfill	7,043	7,039	7,613	(574)
Capital outlay	1,861	1,865	900	965
Total charges to appropriations	<u>10,904</u>	<u>10,904</u>	<u>8,513</u>	<u>2,391</u>
Budgetary fund balance, June 30, 2011	<u>\$ 17,578</u>	<u>\$ 17,578</u>	<u>\$ 5,765</u>	<u>\$ (11,813)</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.	\$ 14,278
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.	(26,619)
Internal staff and administrative charges reported as revenue only on budgetary basis.	(326)
Proceeds from loan.	(233)
Add: Transfers out.	<u>21,001</u>
Total revenues as reported in the combining statement of revenues, expenses, and changes in fund net assets.	<u>\$ 8,101</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 8,513
Differences - budget to GAAP:	
Capital outlay expenditures.	(900)
Change in estimated landfill post-closure liability.	(2)
Depreciation expense.	763
Expenses not recorded on a GAAP basis.	(1,190)
OPEB expense.	198
Internal staff and administrative charges reported as revenue only on budgetary basis.	<u>(222)</u>
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net assets.	<u>\$ 7,160</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Sanitation Fund
For the Fiscal Year Ended June 30, 2011
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2010	\$ 4,181	\$ 4,181	\$ 6,105	\$ 1,924
RESOURCES (INFLOWS):				
Charges for services:				
Container service	4,419	4,419	4,347	(72)
Curb service	10,448	10,448	10,231	(217)
Impact fees	4	4	9	5
Investments	71	71	11	(60)
Proceeds from equipment disposal	80	80	87	7
Total revenues	<u>15,022</u>	<u>15,022</u>	<u>14,685</u>	<u>(337)</u>
Amounts available for appropriation	<u>19,203</u>	<u>19,203</u>	<u>20,790</u>	<u>1,587</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Sanitation	13,665	13,662	12,439	1,223
Capital outlay	1,289	1,486	1,475	11
Debt service:				
Principal	693	674	674	-
Interest	35	35	35	-
Total charges to appropriations	<u>15,682</u>	<u>15,857</u>	<u>14,623</u>	<u>1,234</u>
Budgetary fund balance, June 30, 2011	<u>\$ 3,521</u>	<u>\$ 3,346</u>	<u>\$ 6,167</u>	<u>\$ 2,821</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.	\$ 20,790
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(6,105)
Internal staff and administrative charges reported as revenue only on budgetary basis.	(47)
Revenues offset directly by bad debt expense on budgetary basis.	193
Proceeds from disposal of capital assets.	(62)
Gain on disposal of assets.	82
Total revenues as reported in the combining statement of revenues, expenses, and changes in fund net assets.	<u>\$ 14,851</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 14,623
Differences - budget to GAAP:	
Bad debt expense.	192
Capital outlay.	(1,475)
Change in compensated absences liability.	(18)
Depreciation expense.	1,559
Interest expense.	(4)
OPEB expense.	364
Principal payments on long-term obligations.	(674)
Accrued payroll.	(14)
Internal staff and administrative charges reported as revenue only on budgetary basis.	(47)
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net assets.	<u>\$ 14,506</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Housing Fund
For the Fiscal Year Ended June 30, 2011
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2010	\$ 845	\$ 845	\$ 2,774	\$ 1,929
RESOURCES (INFLOWS):				
Intergovernmental	9,008	9,008	9,591	583
Miscellaneous	-	-	4,829	4,829
Total revenues	9,008	9,008	14,420	5,412
Add: Transfers in	307	307	379	72
Amounts available for appropriation	10,160	10,160	17,573	7,413
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Housing	8,237	8,237	14,039	(5,802)
Capital outlay	250	250	668	(418)
Total charges to appropriations	8,487	8,487	14,707	(6,220)
Budgetary fund balance, June 30, 2011	\$ 1,673	\$ 1,673	\$ 2,866	\$ 1,193

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.	\$ 17,573
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.	(2,774)
Less: Transfers in.	(379)
Total revenues as reported in the combining statement of revenues, expenses, and changes in fund net assets.	\$ 14,420

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 14,707
Differences - budget to GAAP:	
Depreciation expense.	449
Capital outlay.	(668)
OPEB expense.	108
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net assets.	\$ 14,596



City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

INTERNAL SERVICE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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City of Glendale, Arizona
Combining Statement of Net Assets
Internal Service Funds
June 30, 2011
(amounts expressed in thousands)

	<u>Risk Management</u>	<u>Workers' Compensation</u>	<u>Employee Benefits</u>	<u>Total</u>
ASSETS				
Current assets:				
Equity in pooled cash and investments	\$ 3,640	\$ 3,021	\$ 2,907	\$ 9,568
Inventories and prepaid items	52	-	-	52
Total current assets	<u>3,692</u>	<u>3,021</u>	<u>2,907</u>	<u>9,620</u>
Noncurrent assets:				
Restricted cash and investments	-	180	1,425	1,605
Total assets	<u>3,692</u>	<u>3,201</u>	<u>4,332</u>	<u>11,225</u>
LIABILITIES				
Current liabilities:				
Vouchers payable	250	58	1,798	2,106
Accounts payable	2,342	-	-	2,342
Estimated claims payable	1,935	899	4,693	7,527
Total current liabilities	<u>4,527</u>	<u>957</u>	<u>6,491</u>	<u>11,975</u>
Noncurrent liabilities:				
Compensated absences	17	-	-	17
Estimated claims payable	635	1,510	-	2,145
Total noncurrent liabilities	<u>652</u>	<u>1,510</u>	<u>-</u>	<u>2,162</u>
Total liabilities	<u>5,179</u>	<u>2,467</u>	<u>6,491</u>	<u>14,137</u>
NET ASSETS				
Unrestricted	<u>(1,487)</u>	<u>734</u>	<u>(2,159)</u>	<u>(2,912)</u>
Total net assets	<u>\$ (1,487)</u>	<u>\$ 734</u>	<u>\$ (2,159)</u>	<u>\$ (2,912)</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, 2011

(amounts expressed in thousands)

	<u>Risk Management</u>	<u>Workers' Compensation</u>	<u>Employee Benefits</u>	<u>Total</u>
Operating revenues:				
Self-insurance premiums	\$ 2,500	\$ 984	\$ 20,984	\$ 24,468
Other	23	23	277	323
Total operating revenues	<u>2,523</u>	<u>1,007</u>	<u>21,261</u>	<u>24,791</u>
Operating expenses:				
Administrative and general	256	-	7	263
Insurance claims and premiums	<u>4,666</u>	<u>1,581</u>	<u>24,434</u>	<u>30,681</u>
Total operating expenses	<u>4,922</u>	<u>1,581</u>	<u>24,441</u>	<u>30,944</u>
Operating income (loss)	(2,399)	(574)	(3,180)	(6,153)
Nonoperating revenues:				
Investment income	<u>21</u>	<u>10</u>	<u>20</u>	<u>51</u>
Income (loss) before transfers	<u>(2,378)</u>	<u>(564)</u>	<u>(3,160)</u>	<u>(6,102)</u>
Operating transfers in	-	1,450	-	1,450
Operating transfers out	<u>(1,450)</u>	<u>-</u>	<u>-</u>	<u>(1,450)</u>
Change in net assets	(3,828)	886	(3,160)	(6,102)
Net assets - beginning	<u>2,341</u>	<u>(152)</u>	<u>1,001</u>	<u>3,190</u>
Net assets - ending	<u>\$ (1,487)</u>	<u>\$ 734</u>	<u>\$ (2,159)</u>	<u>\$ (2,912)</u>

City of Glendale, Arizona
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2011
(amounts expressed in thousands)

	Risk Management	Workers' Compensation	Employee Benefits	Total
Cash flows from operating activities:				
Cash received from customers	\$ 2,523	\$ 1,006	\$ 21,263	\$ 24,792
Cash paid for insurance and in settlement of claims	(2,056)	(1,114)	(22,476)	(25,646)
Cash paid to employees for services	(255)	-	(6)	(261)
Net cash provided by (used for) operating activities	212	(108)	(1,219)	(1,115)
Cash flows from noncapital financing activities:				
Operating transfers in (out)	(1,450)	1,450	-	-
Cash flows from investing activities:				
Interest received	21	10	20	51
Net increase (decrease) in cash during fiscal year	(1,217)	1,352	(1,199)	(1,064)
Cash and cash equivalents, July 1	4,857	1,849	5,531	12,237
Cash and cash equivalents, June 30	<u>\$ 3,640</u>	<u>\$ 3,201</u>	<u>\$ 4,332</u>	<u>\$ 11,173</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ (2,399)	\$ (574)	\$ (3,180)	\$ (6,153)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operations:				
Change in accounts receivable	-	-	2	2
Change in inventories and prepaid items	17	-	-	17
Change in vouchers payable	2,515	(86)	63	2,492
Change in compensated absences	18	-	-	18
Change in claims payable	61	552	1,896	2,509
Net cash provided by (used for) operating activities	<u>\$ 212</u>	<u>\$ (108)</u>	<u>\$ (1,219)</u>	<u>\$ (1,115)</u>
Reconciliation of statement of net assets cash and investments to the statement of cash flows:				
Per combined statement of net assets:				
Equity in pooled cash and investments	\$ 3,640	\$ 3,021	\$ 2,907	\$ 9,568
Restricted cash and investments	-	180	1,425	1,605
Total cash and cash equivalents	<u>\$ 3,640</u>	<u>\$ 3,201</u>	<u>\$ 4,332</u>	<u>\$ 11,173</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Risk Management Fund
For the Fiscal Year Ended June 30, 2011
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2010	\$ 6,801	\$ 6,801	\$ 4,781	\$ (2,020)
RESOURCES (INFLOWS):				
Self-insurance premiums	2,500	2,500	2,500	-
Investments	63	63	21	(42)
Other	20	20	23	3
Total revenues	2,583	2,583	2,544	(39)
Less: Transfers out	-	-	(1,450)	(1,450)
Amounts available for appropriation	9,384	9,384	5,875	(3,509)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General Administration	3,084	3,239	228	3,011
Insurance and claims	2,760	2,605	2,253	352
Total charges to appropriations	5,844	5,844	2,481	3,363
Budgetary fund balance, June 30, 2011	\$ 3,540	\$ 3,540	\$ 3,394	\$ (146)

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.	\$ 5,875
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.	(4,781)
Add: Transfers out.	1,450
Total revenues as reported on the combining statement of revenues, expenses, and changes in fund net assets.	\$ 2,544

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 2,481
Differences - budget to GAAP:	
Insurance and claims recorded gaap basis only.	2,414
Change in compensated absences liability.	27
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net assets.	\$ 4,922

City of Glendale, Arizona
Budgetary Comparison Schedule
Workers' Compensation Fund
For the Fiscal Year Ended June 30, 2011
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2010	\$ 1,514	\$ 1,514	\$ 1,675	\$ 161
RESOURCES (INFLOWS):				
Self-insurance premiums	984	984	984	-
Investments	21	21	10	(11)
Other	20	20	23	3
Total revenues	1,025	1,025	1,017	(8)
Add: Transfers in	-	-	1,450	1,450
Amounts available for appropriation	2,539	2,539	4,142	1,603
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Insurance and claims	1,407	1,407	1,030	377
Total charges to appropriations	1,407	1,407	1,030	377
Budgetary fund balance, June 30, 2011	\$ 1,132	\$ 1,132	\$ 3,112	\$ 1,980

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 4,142
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(1,675)
Less: Transfers in.	(1,450)
Total revenues as reported in the combining statement of revenues, expenses, and changes in fund net assets.	\$ 1,017

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 1,030
Differences - budget to GAAP:	
Change in estimated claims payable.	551
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net assets.	\$ 1,581

City of Glendale, Arizona
Budgetary Comparison Schedule
Employee Benefits Fund
For the Fiscal Year Ended June 30, 2011
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2010	\$ 2,552	\$ 2,552	\$ 3,798	\$ 1,246
RESOURCES (INFLOWS):				
Self-insurance premiums	22,007	22,007	20,984	(1,023)
Investments	35	35	20	(15)
Other	-	-	277	277
Total revenues	<u>22,042</u>	<u>22,042</u>	<u>21,281</u>	<u>(1,038)</u>
Amounts available for appropriation	<u>24,594</u>	<u>24,594</u>	<u>25,079</u>	<u>485</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General Administration	-	-	7	(7)
Insurance and claims	<u>24,481</u>	<u>24,481</u>	<u>22,539</u>	<u>1,942</u>
Total charges to appropriations	<u>24,481</u>	<u>24,481</u>	<u>22,546</u>	<u>1,935</u>
Budgetary fund balance, June 30, 2011	<u>\$ 113</u>	<u>\$ 113</u>	<u>\$ 2,533</u>	<u>\$ 2,420</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.	\$ 25,079
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>(3,798)</u>
Total revenues as reported in the combining statement of revenues, expenses, and changes in fund net assets.	<u>\$ 21,281</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 22,546
Differences - budget to GAAP:	
Change in estimated claims payable liability.	<u>1,895</u>
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net assets.	<u>\$ 24,441</u>



City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OTHER SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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Federal Financial Data Schedule (PHA: AZ003)

For the Fiscal Year Ended June 30, 2011

(rounded to nearest dollar)

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

Line Item No.	Balance Sheet Account Description	AMPS	HCV	DVP	DHAP	Eliminations	Total
ASSETS:							
Current assets:							
Cash:							
111	Cash - unrestricted	\$ 593,646	\$ 1,124,120	\$ 24,536	\$ 18,025	\$ -	\$ 1,760,327
112	Cash - restricted - modernization and development	-	-	-	-	-	-
113	Cash - other restricted	-	924,404	-	-	-	924,404
114	Cash - tenant security deposits	36,596	-	-	-	-	36,596
115	Cash - restricted for payment of current liability	-	-	-	-	-	-
100	Total cash	<u>630,242</u>	<u>2,048,524</u>	<u>24,536</u>	<u>18,025</u>	<u>-</u>	<u>2,721,327</u>
Accounts receivables:							
121	Accounts receivable - PHA projects	-	71,778	-	-	-	71,778
122	Accounts receivable - HUD other projects	138,475	-	24,245	-	-	162,720
124	Accounts receivable - other government	-	-	-	-	-	-
125	Accounts receivable - miscellaneous	26,000	-	-	-	-	26,000
126	Accounts receivable - tenants	-	1,231	-	-	-	1,231
126.1	Allowance for doubtful accounts - tenants	(42)	-	-	-	-	(42)
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>165,664</u>	<u>71,778</u>	<u>24,245</u>	<u>-</u>	<u>-</u>	<u>261,687</u>
Current investments:							
131	Investments - unrestricted	-	-	-	-	-	-
132	Investments - restricted	-	54,972	-	-	-	54,972
135	Investments - restricted for payment of current liability	-	-	-	-	-	-
142	Prepaid expenses and other assets	14,370	-	-	-	-	14,370
143	Inventories	9,259	-	-	-	-	9,259
143.1	Allowance for obsolete inventories	(463)	-	-	-	-	(463)
144	Inter program - due from	61,708	42,026	-	-	(103,734)	-
145	Assets held for sale	-	-	-	-	-	-
150	Total current assets	<u>880,780</u>	<u>2,217,300</u>	<u>48,781</u>	<u>18,025</u>	<u>(103,734)</u>	<u>3,061,152</u>
Non-current assets:							
Capital assets:							
161	Land	135,533	-	-	-	-	135,533
162	Buildings	9,977,194	149,998	-	-	-	10,127,192
163	Furniture, equipment & machinery - dwellings	484,672	-	-	-	-	484,672
164	Furniture, equipment & machinery - administration	178,682	102,908	-	-	-	281,590
165	Leasehold improvements	2,233,891	-	-	-	-	2,233,891
166	Accumulated depreciation	(7,452,620)	(154,245)	-	-	-	(7,606,865)
167	Construction in progress	413,794	-	-	-	-	413,794
168	Infrastructure	-	-	-	-	-	-
160	Total capital assets, net of accumulated depreciation	<u>5,971,146</u>	<u>98,661</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,069,807</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>5,971,146</u>	<u>98,661</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,069,807</u>
190	Total assets	<u>\$ 6,851,926</u>	<u>\$ 2,315,961</u>	<u>\$ 48,781</u>	<u>\$ 18,025</u>	<u>\$ (103,734)</u>	<u>\$ 9,130,959</u>

(continued)

City of Glendale, Arizona
Federal Financial Data Schedule (PHA: AZ003)
For the Fiscal Year Ended June 30, 2011
(rounded to nearest dollar)

(continued)

Line Item No.	Balance Sheet Account Description	AMPS	HCV	DVP	DHAP	Eliminations	Total
LIABILITIES AND EQUITY/NET ASSETS:							
LIABILITIES:							
Current liabilities:							
311	Bank Overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
312	Accounts payable <= 90 days	57,132	6,647	-	-	-	63,779
313	Accounts payable > 90 days past due	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	-	-	-	-	-	-
322	Accrued compensated absences - current portion	9,567	9,719	-	-	-	19,286
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	36,596	-	-	-	-	36,596
342	Deferred revenues	4,651	25,540	-	2,761	-	32,952
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	-	61,708	35,243	6,783	(103,734)	-
348	Loan liability - current	-	-	-	-	-	-
310	Total current liabilities	<u>107,946</u>	<u>103,614</u>	<u>35,243</u>	<u>9,544</u>	<u>(103,734)</u>	<u>152,613</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	-	54,972	-	-	-	54,972
354	Accrued compensated absences - noncurrent	86,101	87,468	-	-	-	173,569
355	Loan Liability - noncurrent	-	-	-	-	-	-
356	FASB 5 liabilities	-	-	-	-	-	-
357	Accrued pension and OPEB liability	238,516	159,011	-	-	-	397,527
350	Total noncurrent liabilities	<u>324,617</u>	<u>301,451</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>626,068</u>
300	Total liabilities	<u>432,563</u>	<u>405,065</u>	<u>35,243</u>	<u>9,544</u>	<u>(103,734)</u>	<u>778,681</u>
EQUITY/NET ASSETS:							
508.1	Invested in capital assets, net of related debt	5,971,146	98,661	-	-	-	6,069,807
509.2	Fund balance reserved	-	-	-	-	-	-
511.1	Restricted net assets	-	924,404	-	-	-	924,404
511.2	Unreserved designated fund balance	-	-	-	-	-	-
512.1	Unrestricted net assets	451,386	884,662	13,538	8,481	-	1,358,067
512.2	Unreserved undesignated fund balance	-	-	-	-	-	-
513	Total equity/net assets	<u>6,422,532</u>	<u>1,907,727</u>	<u>13,538</u>	<u>8,481</u>	<u>-</u>	<u>8,352,278</u>
600	Total liabilities and equity/net assets	<u>\$ 6,855,095</u>	<u>\$ 2,312,792</u>	<u>\$ 48,781</u>	<u>\$ 18,025</u>	<u>\$ (103,734)</u>	<u>\$ 9,130,959</u>

(continued)

City of Glendale, Arizona
Federal Financial Data Schedule (PHA: AZ003)
For the Fiscal Year Ended June 30, 2011
(rounded to nearest dollar)

(continued)

Line Item No.	Income Statement Account Description	AMPS	HCV	DVP	DHAP	Eliminations	Total
	REVENUE:						
70300	Net tenant rental revenue	\$ 300,833	\$ -	\$ -	\$ -	\$ -	\$ 300,833
70400	Tenant revenue - other	11,957	-	-	-	-	11,957
70500	Total tenant revenue	<u>312,790</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>312,790</u>
70600	HUD PHA operating grants - other	490,070	8,852,500	-	-	-	9,342,570
70610	Capital grants	249,419	-	-	-	-	249,419
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	1,514	1,783	-	-	-	3,297
71200	Mortgage interest income	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-
71310	Cost of sale of assets	-	-	-	-	-	-
71400	Fraud recovery - other	-	1,290	-	-	-	1,290
71500	Other revenue	95,140	4,414,752	-	-	-	4,509,892
71600	Gain or loss on the sale of capital assets	-	-	-	-	-	-
72000	Investment income - restricted	-	1,244	-	-	-	1,244
70000	Total revenue	<u>1,148,933</u>	<u>13,271,569</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,420,502</u>

(continued)

City of Glendale, Arizona
Federal Financial Data Schedule (PHA: AZ003)
For the Fiscal Year Ended June 30, 2011
(rounded to nearest dollar)

(continued)

Line Item No.	Income Statement Account Description	AMPS	HCV	DVP	DHAP	Eliminations	Total
EXPENSES:							
91100	Administrative salaries	\$ 353,269	\$ 454,277	\$ -	\$ -	\$ -	\$ 807,546
91200	Auditing fees	-	-	-	-	-	-
91300	Management fee	-	-	-	-	-	-
91310	Bookkeeping fee	-	-	-	-	-	-
91400	Advertising and marketing	97	99	-	-	-	196
91500	Employee benefit contributions - administrative	150,715	172,225	-	-	-	322,940
91600	Office expenses	38,387	37,716	-	-	-	76,103
91700	Legal expense	-	233	-	-	-	233
91800	Travel	71	6	-	-	-	77
91810	Allocated overhead	-	-	-	-	-	-
91900	Other	42,615	36,904	-	-	-	79,519
91000	Total operating - administrative	<u>585,154</u>	<u>701,460</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,286,614</u>
92000	Asset management fee	-	-	-	-	-	-
92100	Tenant services - salaries	-	-	-	-	-	-
92200	Relocation costs	-	-	-	-	-	-
92300	Employee benefit contributions - tenant services	-	-	-	-	-	-
92400	Tenant services - other	17,199	-	-	-	-	17,199
92500	Total Tenant services	<u>17,199</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,199</u>
93100	Water	54,708	-	-	-	-	54,708
93200	Electricity	20,217	-	-	-	-	20,217
93300	Gas	3,994	-	-	-	-	3,994
93400	Fuel	-	-	-	-	-	-
93500	Labor	-	-	-	-	-	-
93600	Sewer	36,647	-	-	-	-	36,647
93700	Employee benefit contributions- utilities	-	-	-	-	-	-
93800	Other utilities expense	-	-	-	-	-	-
93000	Total utilities	<u>115,566</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>115,566</u>
94100	Ordinary maintenance and operations - labor	232,929	-	-	-	-	232,929
94200	Ordinary maintenance and operations - materials & other	64,365	29,364	-	-	-	93,729
94300	Ordinary maintenance and operations - contract costs	112,903	-	-	-	-	112,903
94500	Employee benefit contributions - ordinary maintenance	94,286	-	-	-	-	94,286
94000	Total maintenance	<u>504,483</u>	<u>29,364</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>533,847</u>

(continued)

City of Glendale, Arizona
Federal Financial Data Schedule (PHA: AZ003)
For the Fiscal Year Ended June 30, 2011
(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	32,877	21,918	-	-	-	54,795
96120	Liability insurance	-	-	-	-	-	-
96130	Workman's compensation	1,221	795	-	-	-	2,016
96140	All other insurance	-	-	-	-	-	-
96100	Total insurance premiums	34,098	22,713	-	-	-	56,811
96200	Other general expenses	-	25,660	-	-	-	25,660
96210	Compensated absences	-	-	-	-	-	-
96300	Payments in lieu of taxes	-	-	-	-	-	-
96400	Bad debt - tenant rents	3,183	-	-	-	-	3,183
96500	Bad debt - mortgages	-	-	-	-	-	-
96600	Bad debt - other	-	-	-	-	-	-
96800	Severance expense	-	-	-	-	-	-
96000	Total other general expenses	3,183	25,660	-	-	-	28,843
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	1,259,683	779,197	-	-	-	2,038,880
97000	Excess revenue over operating expenses	(110,750)	12,492,372	-	-	-	12,381,622
97100	Extraordinary maintenance	13,094	-	-	-	-	13,094
97200	Casualty losses - non-capitalized	58,808	-	-	-	-	58,808
97300	Housing assistance payments	-	7,903,724	-	-	-	7,903,724
97350	HAP Portability-in	-	4,132,383	-	-	-	4,132,383
97400	Depreciation expense	443,426	5,401	-	-	-	448,827
97500	Fraud losses	-	-	-	-	-	-
97600	Capital outlays - governmental funds	-	-	-	-	-	-
97700	Debt principal payment 0 governmental funds	-	-	-	-	-	-
97800	Dwelling units rent expense	-	-	-	-	-	-
90000	Total expenses	1,775,011	12,820,705	-	-	-	14,595,716

(continued)

City of Glendale, Arizona
Federal Financial Data Schedule (PHA: AZ003)
For the Fiscal Year Ended June 30, 2011
(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	378,845	-	-	-	-	378,845
10040	Operating transfers from/to component unit	-	-	-	-	-	-
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)	<u>378,845</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>378,845</u>
10000	Excess (deficiency) of total revenues over (under) total expenses	<u>\$ (247,233)</u>	<u>\$ 450,864</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 203,631</u>
MEMO ACCOUNT INFORMATION							
11020	Required annual debt principal payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11030	Beginning equity	6,668,363	1,458,265	13,538	8,481	-	8,148,647
11040	Prior period adjustments, equity transfers & correction of errors	-	-	-	-	-	-
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 rents	-	-	-	-	-	-
11100	Changes in allowance for doubtful accounts - other	-	-	-	-	-	-
11170	Administrative fee equity	-	1,028,360	-	-	-	1,028,360
11180	Housing assistance payments equity	-	924,404	-	-	-	924,404
11190	Unit months available	1,768	12,648	-	-	-	14,416
11210	Unit months leased	1,714	12,305	-	-	-	14,019
11270	Excess cash	650,204	-	-	-	-	650,204
11610	Land purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11620	Building purchases	232,909	-	-	-	-	232,909
11630	Furniture & equipment - dwelling purchases	5,297	-	-	-	-	5,297
11640	Furniture & equipment - administrative purchases	-	-	-	-	-	-
11650	Leasehold improvements purchases	11,213	-	-	-	-	11,213
11660	Infrastructure purchases	-	-	-	-	-	-
13510	CFFP debt service payments	-	-	-	-	-	-
13901	Replacement housing factor funds	-	-	-	-	-	-



City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

STATISTICAL SECTION

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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STATISTICAL SECTION

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

Contents

	<u>Pages</u>
Financial Trends These schedules contain trend information to help the reader understand how the city’s financial performance and well-being have changed over time.	132-139
Revenue Capacity These schedules contain information to help the reader assess the city’s local revenue source, the property tax and sales tax.	140-144
Debt Capacity These schedules present information to help the reader assess the affordability of the city’s current levels of outstanding debt and the city’s ability to issue additional debt in the future.	146-153
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the city’s financial activities take place.	154-155
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the city’s financial report relates to the services the city provides and the activities it performs.	156-160

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Government activities				
Invested in capital assets, net of related debt	\$ 463,961	\$ 457,773	\$ 471,484	\$ 499,322
Restricted	204,645	176,400	144,422	133,695
Unrestricted	<u>(22,532)</u>	<u>11,684</u>	<u>51,500</u>	<u>51,850</u>
Total governmental activities net assets	<u>646,074</u>	<u>645,857</u>	<u>667,406</u>	<u>684,867</u>
Business-type activities				
Invested in capital assets, net of related debt	271,708	271,969	286,452	297,329
Restricted	29,988	13,988	13,249	12,836
Unrestricted	<u>112,323</u>	<u>124,550</u>	<u>114,814</u>	<u>107,384</u>
Total business-type activities net assets	<u>414,019</u>	<u>410,507</u>	<u>414,515</u>	<u>417,549</u>
Primary government				
Invested in capital assets, net of related debt	735,669	729,742	757,936	796,651
Restricted	234,633	190,388	157,671	146,531
Unrestricted	<u>89,791</u>	<u>136,234</u>	<u>166,314</u>	<u>159,234</u>
Total primary government net assets	<u>\$ 1,060,093</u>	<u>\$ 1,056,364</u>	<u>\$ 1,081,921</u>	<u>\$ 1,102,416</u>

Schedule 1

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ 446,828	\$ 398,517	\$ 372,778	\$ 353,135	\$ 259,802	\$ 31,260
180,303	155,163	179,434	169,434	127,393	91,203
<u>44,573</u>	<u>75,417</u>	<u>40,641</u>	<u>49,916</u>	<u>132,801</u>	<u>9,232</u>
<u>671,704</u>	<u>629,097</u>	<u>592,853</u>	<u>572,485</u>	<u>519,996</u>	<u>131,695</u>
249,569	233,387	274,620	228,252	275,204	269,007
11,881	12,437	11,249	10,479	10,235	20,092
<u>155,325</u>	<u>158,753</u>	<u>108,604</u>	<u>141,094</u>	<u>82,564</u>	<u>64,312</u>
<u>416,775</u>	<u>404,577</u>	<u>394,473</u>	<u>379,825</u>	<u>368,003</u>	<u>353,411</u>
696,397	631,904	647,398	581,387	535,006	300,267
192,184	167,600	190,683	179,913	137,628	111,295
<u>199,898</u>	<u>234,170</u>	<u>149,245</u>	<u>191,010</u>	<u>215,365</u>	<u>73,544</u>
<u><u>\$ 1,088,479</u></u>	<u><u>\$ 1,033,674</u></u>	<u><u>\$ 987,326</u></u>	<u><u>\$ 952,310</u></u>	<u><u>\$ 887,999</u></u>	<u><u>\$ 485,106</u></u>

Changes in Net Assets

Last Ten Fiscal Years

(amounts expressed in thousands)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Expenses										
Governmental activities:										
General government	\$ 46,233	\$ 42,530	\$ 39,545	\$ 39,998	\$ 37,992	\$ 33,329	\$ 31,603	\$ 24,003	\$ 20,209	\$ 22,490
Public safety	111,217	108,308	109,136	113,285	92,405	75,277	64,277	56,176	52,625	53,779
Public works	20,099	16,627	15,040	16,006	14,816	13,995	14,309	13,883	11,411	12,766
Community services	41,136	44,524	48,143	52,185	45,481	40,275	37,394	33,914	32,210	30,919
Community environment	7,061	6,316	3,539	5,164	4,698	4,125	3,236	3,446	3,433	3,414
Street maintenance	21,721	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	41,967	42,286	38,982	28,475	23,551	16,883	16,986	15,838	7,223	5,864
Total governmental activities expenses	<u>289,434</u>	<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	79,444	81,910	74,424	74,581	63,289	55,607	50,190	45,628	43,442	39,909
Landfill	7,280	8,454	8,045	8,067	8,264	7,950	7,431	7,164	7,784	1,189
Sanitation	14,814	14,093	14,039	15,209	13,847	13,257	12,287	12,294	12,353	10,180
Housing	14,687	14,180	11,840	9,862	8,951	9,466	9,278	8,858	8,033	7,513
Total business-type activities expenses	<u>116,225</u>	<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>\$ 405,659</u>	<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>
Program revenues										
Governmental activities:										
Charges for services:										
General government	\$ 24,822	\$ 14,232	\$ 11,879	\$ 12,132	\$ 11,610	\$ 10,726	\$ 9,075	\$ 9,092	\$ 10,029	\$ 4,464
Public safety	5,094	5,824	4,670	5,744	1,964	1,375	1,200	1,043	1,897	325
Public works	495	7,447	588	543	531	516	506	148	526	479
Community services	11,733	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	27,137	29,596	24,146	33,191	36,566	31,973	26,535	24,503	22,522	22,640
Capital grants and contributions	70,552	3,755	2,600	14,491	26,247	6,406	1,407	3,429	4,294	2,589
Total governmental activities program revenues	<u>139,833</u>	<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>

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Business-type activities:										
Charges for services:										
Water and sewer	80,513	76,603	67,810	66,316	62,125	56,153	54,295	52,456	52,088	46,068
Landfill	8,027	6,987	7,304	9,196	9,742	8,362	8,961	9,593	8,644	9,610
Sanitation	14,733	15,048	15,258	14,684	14,653	14,167	13,624	12,817	11,918	11,808
Housing	4,829	4,870	2,042	816	662	569	542	512	494	422
Operating grants and contributions	9,342	9,331	8,701	8,348	8,254	8,020	8,027	7,643	7,091	6,592
Capital grants and contributions	1,155	690	1,207	4,346	5,125	5,403	242	168	520	673
Total business-type activities program revenues	118,599	113,529	102,322	103,706	100,561	92,674	85,691	83,189	80,755	75,173
Total primary government program revenues	258,432	186,303	164,947	192,666	199,812	163,822	141,285	138,349	133,469	110,104
Net (expense)/revenue										
Governmental activities	(149,601)	(210,875)	(215,738)	(192,328)	(144,598)	(138,476)	(133,804)	(112,667)	(94,853)	(106,854)
Business-type activities	2,374	(5,108)	(6,026)	(4,013)	6,210	6,394	6,505	9,245	9,143	16,382
Total primary government net expense	<u>\$ (147,227)</u>	<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>
General revenues and other changes in net assets										
Governmental activities:										
Taxes:										
Property taxes	\$ 27,189	\$ 33,749	\$ 32,890	\$ 28,826	\$ 23,085	\$ 21,386	\$ 19,422	\$ 18,321	\$ 16,739	\$ 16,459
Sales taxes	93,260	92,717	97,054	105,175	97,825	90,968	77,166	74,763	63,832	52,580
Unrestricted state shared sales tax	18,438	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)	23,590	31,292	36,267	34,109	27,518	22,909	20,115	19,731	23,288	22,822
Auto in-lieu taxes	7,917	8,130	8,808	9,730	10,044	10,444	9,414	8,978	8,619	7,219
Investment earnings, unrestricted	1,482	286	1,668	4,742	5,557	4,395	2,654	315	(1,602)	1,397
Gain (loss) on disposal of capital assets	(677)	330	(52)	879	202	348	225	9	445	(345)
Miscellaneous	3,936	5,406	2,872	302	301	272	275	349	299	289
Capital contributions	-	-	-	-	-	-	4,794	24,614	27,042	6,205
Transfers	(317)	(370)	(551)	(509)	(364)	700	(164)	(333)	(67)	(228)
Special item	(25,000)	-	-	-	-	-	-	-	-	-
Total governmental activities	149,818	189,326	198,277	205,491	187,205	174,720	154,172	165,156	155,708	132,149
Business-type activities:										
Investment earnings, unrestricted	614	460	2,069	4,044	5,381	3,466	2,065	1,115	(123)	1,215
Gain (loss) on disposal of capital assets	137	187	282	126	103	844	-	-	(725)	(168)
Loss on joint venture	-	-	-	-	-	-	-	(1,285)	(1,011)	(1,054)
Miscellaneous	70	83	90	108	140	100	202	-	-	-
Capital contributions	-	-	-	-	-	-	5,712	2,414	7,241	4,591
Transfers	317	370	551	509	364	(700)	164	333	67	228
Total business-type activities	1,138	1,100	2,992	4,787	5,988	3,710	8,143	2,577	5,449	8,563
Total primary government	<u>\$ 150,956</u>	<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>
Changes in net assets										
Governmental activities	\$ 217	\$ (21,549)	\$ (17,461)	\$ 13,163	\$ 42,607	\$ 36,244	\$ 20,368	\$ 52,489	60,855	\$ 25,295
Business-type activities	3,512	(4,008)	(3,034)	774	12,198	10,104	14,648	11,822	14,592	24,945
Total primary government	<u>\$ 3,729</u>	<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>

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

Schedule 3

	2011 ⁽¹⁾	2010	2009	2008	2007	2006	2005	2004	2003	2002
General fund										
Reserved	\$ -	\$ 9,383	\$ 10,450	\$ 9,271	\$ 10,500	\$ 10,287	\$ 9,377	\$ 9,582	\$ 17,315	\$ 17,998
Unreserved	-	29,463	42,180	57,117	50,880	62,166	56,661	51,080	31,727	7,119
Total general fund	<u>\$ -</u>	<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>
General fund										
Nonspendable	\$ 463	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	5,403	-	-	-	-	-	-	-	-	-
Committed	1,965	-	-	-	-	-	-	-	-	-
Assigned	9,253	-	-	-	-	-	-	-	-	-
Unassigned	(5,414)	-	-	-	-	-	-	-	-	-
Total general fund	<u>\$ 11,670</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
All other governmental funds										
Reserved	\$ -	\$ 76,055	\$ 83,966	\$ 58,146	\$ 45,029	\$ 42,910	\$ 39,014	\$ 41,188	\$ 33,527	\$ 28,460
Unreserved, report in:	-	-	-	-	-	-	-	-	-	-
Special revenue funds	-	50,478	57,555	76,493	34,369	30,584	34,867	29,807	23,553	8,596
Capital projects funds	-	41,046	27,474	18,436	68,932	64,106	61,765	71,569	126,252	37,932
Total all other governmental funds	<u>\$ -</u>	<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>
All other governmental funds										
Nonspendable	\$ 5,822	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	129,635	-	-	-	-	-	-	-	-	-
Committed	11,464	-	-	-	-	-	-	-	-	-
Assigned	199	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 147,120</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note: (1) Changes made per GASB 54 requirement fund balance reporting, effective June 30, 2011.

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

Schedule 4

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Revenues										
Taxes and special assessments	\$ 120,974	\$ 126,291	\$ 130,119	\$ 133,746	\$ 121,122	\$ 112,576	\$ 96,812	\$ 93,655	\$ 82,458	\$ 70,526
Licenses and permits	9,367	9,734	10,503	17,385	17,839	16,039	15,497	16,667	16,771	10,663
Intergovernmental	79,760	90,047	91,642	101,821	107,699	86,994	75,691	73,166	73,836	68,479
Charges for services	10,461	13,640	9,881	14,125	10,086	8,838	5,681	4,824	3,313	2,516
Fines and forfeitures	3,806	4,052	4,064	4,507	3,932	3,564	3,247	3,169	3,246	2,859
Investment income (loss)	1,841	774	3,805	9,986	10,905	7,825	4,762	1,511	(805)	2,572
Miscellaneous	22,054	18,000	9,346	4,915	4,212	4,136	3,335	2,774	2,834	2,729
Total revenues	248,263	262,538	259,360	286,485	275,795	239,972	205,025	195,766	181,653	160,344
Expenditures										
General government	19,668	23,085	26,048	25,364	24,524	21,868	20,892	17,274	20,321	20,064
Public safety	95,270	96,161	103,624	100,384	86,753	72,745	61,366	53,805	49,571	49,126
Public works	8,859	11,569	11,072	11,743	12,155	12,252	12,081	12,816	10,118	11,364
Community services	33,887	37,518	42,294	44,767	39,150	35,604	32,627	30,006	28,391	27,502
Community environment	6,853	6,160	3,478	4,972	4,657	3,978	3,082	3,311	3,282	3,223
Street maintenance	9,038	10,388	11,901	13,045	13,372	11,609	10,534	9,811	9,994	11,493
Miscellaneous	1,577	2,026	1,666	1,629	3,059	2,918	55	555	80	71
Capital outlay	22,093	63,529	186,175	141,060	179,421	131,243	47,283	120,833	142,213	38,636
Debt service:										
Principal	31,640	29,451	29,670	32,151	28,096	20,328	18,899	18,090	21,680	20,574
Interest	42,593	42,913	39,571	32,294	20,630	17,222	17,231	15,998	8,155	5,925
Total expenditures	271,478	322,800	455,499	407,409	411,817	329,767	224,050	282,499	293,805	187,978
Excess of revenues over (under) expenditures	(23,215)	(60,262)	(196,139)	(120,924)	(136,022)	(89,795)	(19,025)	(86,733)	(112,152)	(27,634)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Other financing sources (uses)										
Refunding lease issued	11,503	-	-	-	-	-	-	-	-	-
Discount on long-term debt	-	-	(3,136)	-	-	-	-	(82)	-	-
Proceeds from loans	-	-	-	-	-	-	-	-	-	200
Long-term debt issued	38,300	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	-	-	-	-
Payment to redeem lease	(11,355)	-	-	-	-	-	-	-	-	-
Premium on long-term debt issued	3,369	10	1,894	2,192	1,198	1,782	230	1,114	14,500	-
Proceeds from equipment disposal	331	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	(41,251)	-	-	(83,521)	-	(9,582)	-	(21,262)	-	(4,533)
Transfers in	38,728	36,306	21,914	51,626	24,945	20,014	15,800	32,943	12,851	15,936
Transfers out	(39,045)	(33,430)	(22,465)	(52,135)	(25,309)	(19,314)	(15,964)	(33,276)	(12,918)	(16,165)
Special item	(25,000)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(24,420)	45,062	198,301	130,677	135,679	98,164	17,483	57,585	244,421	36,083
Net change in fund balances	<u>\$ (47,635)</u>	<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>
Debt service as a percentage of noncapital expenditures	29.77%	27.91%	25.71%	24.20%	20.97%	18.91%	20.44%	21.09%	19.68%	17.74%

Note: The debt service percentage of noncapital expenditures does not include other financing sources/uses. The percentage equals the total principal and interest expenditures divided by the total expenditures less capital outlay.

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 ⁽¹⁾	Total Direct Tax Rate	Estimated Actual Value ⁽¹⁾	Assessed Value as a Percentage of Actual Value ⁽²⁾
	Real Estate	Improvements	Secured Personal	Unsecured Personal	Utilities Rails and Wires					
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	1.59	20,635,557	13.118
2010-11	654,550	1,593,536	1,669	57,380	56,217	609,782	1,753,570	1.59	17,333,074	13.635

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
2001-02	0.36	1.36	1.72	15.36	13.73	13.12
2002-03	0.35	1.37	1.72	15.51	13.69	12.59
2003-04	0.34	1.38	1.72	14.79	13.59	12.06
2004-05	0.33	1.39	1.72	14.88	13.22	11.78
2005-06	0.31	1.41	1.72	20.96	18.45	16.98
2006-07	0.29	1.43	1.72	19.84	17.26	15.34
2007-08	0.27	1.35	1.62	17.74	15.33	13.97
2008-09	0.24	1.35	1.59	15.85	14.09	13.03
2009-10	0.22	1.37	1.59	15.18	13.81	12.74
2010-11	0.22	1.37	1.59	16.35	14.13	14.18

Source: Maricopa County 2010 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, 2011
 (amounts expressed in thousands)

Schedule 7

Taxpayer	Tax Year 2011			Tax Year 2001		
	Rank	Assessed Valuation	Percentage of Total City Taxable Assessed Value	Rank	Assessed Valuation	Percentage of Total City Taxable Assessed Value
Arizona Public Service Company	1	\$ 17,525,005	1.00 %	1	\$ 13,959,240	1.59 %
VHS of Arrowhead, Inc.	2	13,876,303	0.79			
Entertainment Center Development LLC	3	12,400,000	0.71			
New River Associates	4	11,935,697	0.68	3	10,258,820	1.17
Wal-Mart Stores, Inc.	5	9,388,354	0.54			
JQH-Glendale Az Development LLC	6	8,934,320	0.51			
Qwest Corporation (US West)	7	7,627,704	0.44	2	12,937,344	1.48
RCFC Zanjero Falls LLC	8	6,362,574	0.36			
Coyote Center Development LLC	9	5,652,395	0.32			
Stadium Development LLC	10	4,956,835	0.28			
Honeywell, Inc.				4	6,399,744	0.73
Southwest Gas Corporation				5	5,035,168	0.57
Safeway, Inc.				6	4,296,234	0.49
Sanderson Ford				7	4,148,167	0.47
Chase Commercial Mtg.				8	3,688,831	0.42
Lexington Glendale LLC				9	3,368,780	0.38
Corning Gilbert, Inc.				10	3,328,010	0.38
Total principal taxpayers		\$ 98,659,187	5.63 %		\$ 67,420,338	7.68 %

Source: Maricopa County Treasurer's Office

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

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

Schedule 8

Fiscal Year	Total Tax Levy ⁽¹⁾	Collected within the Fiscal Year of Levy		Collections in Subsequent Years ⁽²⁾	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
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	408	23,129	98.74
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	988	33,248	98.90
2010-11	27,534	26,469	96.13	-	26,469	96.13

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)

	<u>2011</u>	<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>
Retail sales	\$ 48,089	\$ 49,127	\$ 48,353	\$ 54,416	\$ 50,733	\$ 48,743	\$ 41,883	\$ 41,262	\$ 36,639	\$ 30,858
Contracting	6,742	4,458	6,378	9,540	10,483	9,729	7,716	7,709	5,638	3,659
Rentals	11,854	12,729	11,511	12,082	9,895	8,897	8,228	7,752	7,164	5,740
Utilities	6,449	6,829	6,449	5,359	4,724	4,168	1,967	2,606	1,765	1,482
Telecom/cable TV	6,093	6,156	6,722	6,174	5,914	5,300	5,179	4,290	2,437	1,490
Restaurant/bar	11,207	10,791	10,863	10,995	9,335	8,163	7,031	6,676	6,132	5,477
Amusement	1,860	3,697	3,659	3,034	3,288	1,934	1,043	1,058	601	539
Other	5,568	4,018	4,002	3,575	3,453	4,034	4,119	3,410	3,456	3,335
Total	\$ 97,862	\$ 97,805	\$ 97,937	\$ 105,175	\$ 97,825	\$ 90,968	\$ 77,166	\$ 74,763	\$ 63,832	\$ 52,580
% Growth by year										
Retail sales	(2.0) %	1.6 %	(11.1) %	7.3 %	4.1 %	16.4 %	1.5 %	12.6 %	18.7 %	26.2 %
Contracting	51.0	(30.1)	(33.1)	(9.0)	7.8	26.1	0.1	36.7	54.1	(14.3)
Rentals	(7.0)	10.6	(4.7)	22.1	11.2	8.1	6.1	8.2	24.8	15.0
Utilities	(6.0)	5.9	20.3	13.4	13.3	111.9	(24.5)	47.6	19.1	14.3
Telecom/cable TV	(1.0)	(8.4)	8.9	4.4	11.6	2.3	20.7	76.0	63.6	18.3
Restaurant/bar	4.0	(0.7)	(1.2)	17.8	14.4	16.1	5.3	8.9	12.0	11.0
Amusement	(50.0)	1.0	20.6	(7.7)	70.0	85.4	(1.4)	76.0	11.5	27.1
Other	39.0	0.4	11.9	3.5	(14.5)	(2.1)	20.8	(1.3)	3.6	20.5
Total	0.1 %	(0.1) %	(6.9) %	7.5 %	7.5 %	17.9 %	3.2 %	17.1 %	21.4 %	18.4 %

Source: City of Glendale Tax and License Division

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

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Ratio of Outstanding Debt by Type⁽¹⁾

Last Ten Fiscal Years

(amounts expressed in thousands)

Fiscal Year	Government Activities						
	General Obligation Bonds ⁽⁴⁾	Special Assessment Bonds	Street and Highway Revenue Bonds ⁽⁴⁾	Excise Tax Revenue Bonds	Transportation Bonds	Capital Leases	Notes Payable
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
2010-11	194,270	-	16,290	481,705	99,815	11,833	-

Fiscal Year	Business Activities					Total Primary Government	Total Debt per Capita ⁽³⁾	Percentage of Personal Income ⁽²⁾
	Water Sewer G.O. Bonds	Landfill G.O. Bonds	Water Sewer Revenue Bonds	Notes Payable	Capital Leases			
2001-02	6,165	1,333	56,705	6,358	15,291	229,099	1,005	3.22
2002-03	17,845	1,186	49,280	14,831	12,838	460,904	1,995	6.71
2003-04	15,825	1,032	121,470	14,433	11,007	552,326	2,370	8.25
2004-05	13,135	870	115,140	13,660	2,676	535,606	2,270	7.67
2005-06	12,375	700	190,020	12,285	2,613	681,679	2,794	9.08
2006-07	11,595	520	229,130	10,862	2,349	825,056	3,354	9.86
2007-08	10,805	331	288,950	10,240	1,688	982,476	3,946	11.32
2008-09	9,995	132	282,345	12,425	1,080	1,146,823	4,587	13.11
2009-10	9,160	-	273,140	14,278	592	1,150,251	4,601	13.56
2010-11	7,410	-	289,175	11,901	151	1,112,550	4,901	14.12

(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.

(3) Numbers not expressed in thousands.

(4) Amounts reflect July 1, 2011, payment.

Ratios of Net General Bonded Debt Outstanding

Last Ten Fiscal Years

(amounts expressed in thousands)

Fiscal Year	General Obligation Bonds ⁽¹⁾	Less: Amounts Available in Debt Service		Percentage of Net Assessed Value of Property	Per Capita ⁽³⁾
		Funds ⁽²⁾	Total		
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
2010-11	201,680 ⁽⁴⁾	21,250	180,430	10.29	794.09

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.

(4) Amount reflects July 1, 2011, payment.

Net Direct and Overlapping Governmental Activities Debt

June 30, 2011

(amounts expressed in thousands)

Jurisdiction	Net Debt Outstanding	Percentage Applicable to Glendale	Amount Applicable to Glendale ⁽²⁾
Peoria Unified School District No. 11	\$ 202,610	22.7211 %	\$ 46,035
Glendale Elementary School District No. 40	9,475	98.9665	9,377
Deer Valley Unified School District No. 97	154,625	19.7687	30,567
Alhambra Elementary School District No. 68	16,040	20.3567	3,265
Glendale Union High School District No. 205	76,925	21.7514	16,732
Maricopa County			
Maricopa County Community College District	737,930	3.5310	26,056
Phoenix Union High School District No. 210	244,430	1.4186	3,467
Pendergast Elementary School District No. 92	19,825	26.4854	5,251
Tolleson Union High School District No. 214	76,375	7.7246	5,900
Washington Elementary School District No. 6	84,265	2.5745	2,169
Dysart Unified School District No. 89	182,795	0.1380	252
Agua Fria Union High School District No. 216	43,295	0.0450	19
Litchfield Elementary School District No. 79	38,250	0.0738	28
Cartwright Elementary School District No. 83	16,820	0.0138	2
Total Overlapping Debt	1,903,660		149,120
City of Glendale Debt ⁽¹⁾	173,020		173,020
Total	\$ 2,076,680		\$ 322,140

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

- (1) The City of Glendale debt includes total General Obligation (GO) debt outstanding (not including landfill or water and sewer GO debt) less GO debt service fund balance.
- (2) Calculation based on Net Debt Outstanding multiplied by Percentage Applicable to Glendale, which is determined by dividing the tax area code net secondary assessed value by the tax authority net secondary assessed value.

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 2011

6% Type Bonds										
					Assessed value					\$ 1,753,569
					Debt limit (6% of assessed value)					105,214
					Debt applicable to limit: General obligation bonds					16,949
					Less: Amount set aside for repayment of general obligation debt					<u>(2,550)</u>
					Total net debt applicable to limit					<u>14,399</u>
					Legal debt margin					<u>\$ 90,815</u>
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011⁽¹⁾</u>
Debt limit	\$ 57,247	\$ 59,346	\$ 64,801	\$ 68,673	\$ 76,174	\$ 82,259	\$ 109,621	\$ 131,621	\$ 127,854	\$ 105,214
Total net debt applicable to limit	<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>	<u>14,399</u>
Legal debt margin	<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>	<u>\$ 90,815</u>
Total net debt applicable to the limit as a percentage of debt limit	52.70%	80.57%	76.23%	75.26%	68.97%	47.41%	39.55%	24.40%	22.69%	13.69%
20% Type Bonds										
					Assessed value					\$ 1,753,569
					Debt limit (20% of assessed value)					350,714
					Debt applicable to limit: General obligation bonds					184,731
					Less: Amount set aside for repayment of general obligation debt					<u>(18,700)</u>
					Total net debt applicable to limit					<u>166,031</u>
					Legal debt margin					<u>\$ 184,683</u>
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011⁽¹⁾</u>
Debt limit	\$ 190,824	\$ 197,818	\$ 216,003	\$ 228,910	\$ 253,914	\$ 274,198	\$ 365,404	\$ 438,735	\$ 426,181	\$ 350,714
Total net debt applicable to limit	<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>	<u>166,031</u>
Legal debt margin	<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>	<u>\$ 184,683</u>
Total net debt applicable to the limit as a percentage of debt limit	23.04%	40.87%	46.83%	43.40%	44.58%	63.00%	41.09%	31.53%	38.44%	47.34%

(1) Debt applicable to limit: General obligation bonds net of July 1, 2011, payment made prior to June 30, 2011.

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

Schedule 14

Fiscal Year	Water and Sewer Revenue Bonds					
	Utility Service Charges ⁽¹⁾	Less: Operating Expenses ⁽²⁾	Net Available Revenue	Debt Service		Coverage
				Principal ⁽³⁾	Interest ⁽³⁾	
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
2010-11	81,127	41,550	39,577	11,107	13,598	1.60

Fiscal Year	Transportation Bonds ⁽⁴⁾				Excise Tax Revenue Bonds ⁽⁵⁾			
	Transportation Sales Tax	Debt Service		Coverage	Excise Tax Revenue	Debt Service		Coverage
		Principal	Interest			Principal	Interest	
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
2010-11	19,486	2,780	4,548	2.66	102,962	6,585	27,612	3.01

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 and the 09-10 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⁽²⁾</u>	<u>Maricopa County Population</u>	<u>Personal Income⁽¹⁾</u>	<u>Per Capita Personal Income⁽¹⁾</u>	<u>Unemployment Rate</u>
2001-02	228	3,295	\$ 95,618,598	\$ 29,020	5.0 %
2002-03	231	3,397	98,401,099	28,968	5.3
2003-04	233	3,524	101,264,571	28,734	4.4
2004-05	236	3,524	104,211,370	29,570	3.9
2005-06	244	3,764	115,863,448	30,782	3.9
2006-07	246	3,879	131,949,430 ⁽³⁾	34,016 ⁽⁴⁾	3.1
2007-08	249	3,990 ⁽⁵⁾	139,044,312 ⁽³⁾	34,848 ⁽⁴⁾	3.6
2008-09	250	3,988 ⁽⁶⁾	139,665,253	35,021 ⁽⁴⁾	8.4
2009-10	250	4,116 ⁽⁶⁾	139,665,253 ⁽⁷⁾	33,932 ⁽⁴⁾	9.1
2010-11	227	4,023 ⁽⁶⁾	139,665,253 ⁽⁷⁾	34,717 ⁽⁴⁾	9.2

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 current fiscal year Maricopa County CAFR provides the most current number.

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

Schedule 16

Employer	2011			2001		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Luke Air Force Base	6,000	1	4.66 %	9,000	1	7.42 %
Banner Thunderbird Health System	2,900	2	2.25			
Wal-Mart	2,100	3	1.63			
Glendale Union High School District	2,008	4	1.56	1,400	6	1.15
City of Glendale	1,835	5	1.43	1,717	3	1.42
Glendale Elementary School District	1,684	6	1.31	1,525	5	1.26
Deer Valley Unified School District	1,432	7	1.11			
Glendale Community College	1,220	8	0.95	820	9	0.68
AAA	1,175	9	0.91			
Arrowhead Community Hospital	959	10	0.74			
Honeywell, Inc.				2,450	2	2.02
Thunderbird Samaritan Hospital				1,600	4	1.32
Arizona Public Service				1,021	7	0.84
Schuck & Sons				850	8	0.70
U.S. Postal Service				780	10	0.64
Total	21,313		16.55 %	21,163		17.45 %

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									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General government										
Management services	45.00	43.00	38.00	35.00	35.00	34.00	32.00	34.00	32.50	33.50
Finance	59.00	61.00	69.00	86.75	86.75	86.75	85.75	84.75	84.75	82.75
Planning	15.00	24.00	33.00	28.50	28.50	26.50	26.15	26.15	27.15	27.15
Building	26.00	32.00	43.00	53.75	51.75	55.75	57.75	44.75	40.75	32.50
Legal	70.00	73.00	70.00	78.00	78.00	67.00	67.00	61.00	58.00	50.00
Other	90.00	96.00	104.00	108.50	105.50	101.00	94.50	93.50	93.50	93.50
Police	544.00	554.00	567.00	557.50	543.50	506.50	507.50	473.50	455.50	455.50
Fire	270.00	276.00	278.00	263.50	251.50	237.50	216.00	196.00	195.00	190.00
Homeland security	-	-	6.00	7.00	7.00	-	-	-	-	-
Community service	72.00	72.00	69.00	93.75	87.25	84.25	82.75	75.25	75.25	73.75
Parks and recreation	123.00	122.00	85.00	99.25	98.75	89.75	86.75	80.40	79.40	78.40
Library	56.00	57.00	65.00	87.76	88.76	87.76	87.76	87.75	87.75	87.75
Public works	203.00	225.00	256.00	281.00	271.00	266.00	266.00	267.00	270.00	272.00
Engineering	26.00	27.00	39.00	45.00	45.00	46.00	45.00	44.00	44.00	43.00
Transportation	69.00	63.00	67.00	89.25	88.25	81.25	80.25	80.25	78.25	65.25
Utilities	167.00	170.00	171.00	186.00	165.00	146.00	140.00	132.00	132.00	132.00
Total	1,835.00	1,895.00	1,960.00	2,100.51	2,031.51	1,916.01	1,875.16	1,780.30	1,753.80	1,717.05

Sources:

City Budget Division

City of Glendale Human Resources Department for 2009-11

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

Schedule 18

Function/Program	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Police										
Calls for service	129,161	129,868	137,586	146,489	154,176	148,633	158,507	161,722	154,374	153,691
Bookings	9,902	11,015	11,990	12,902	12,119	8,640	8,138	8,057	7,980	8,781
Criminal offense reports	27,304	29,765	32,599	32,918	35,169	34,271	33,578	34,847	33,956	34,224
Fire										
EMS calls	27,751	26,591	24,419	25,851	25,819	22,284 ⁽¹⁾	18,977 ⁽³⁾	24,025	23,126	21,372
Fire calls	3,573	3,847	3,900	4,216	4,322	5,886 ⁽¹⁾	2,642 ⁽³⁾	3,335	3,379	3,379
Refuse collection										
Residential curb service (tons per year)	49,784	52,634	53,493	58,865	60,914	63,521	57,942	56,902	55,718	49,747
Commercial container service (tons per year)	40,451	41,797	44,600	48,267	51,425	49,517	44,441	44,681	48,583	45,798
Airport										
Departures/arrivals ⁽²⁾	80,291	69,834	91,998	137,762	152,194	143,798	108,887	118,140	88,449	118,703
General government										
Building permits	5,619	5,194	5,289	6,931	6,310	7,888	7,079	6,330	6,299	5,428
Library										
Volumes in collection ⁽⁴⁾	529,113	523,512	540,352	546,136	557,342	596,266	620,130	601,440	600,477	606,676
Transit										
Dial-A-Ride passengers	92,134	89,808	91,841	88,638	84,132	89,055	87,831	86,132	81,768	76,622

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									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Police										
Stations	3	3	3	3	3	3	3	3	3	3
Patrol vehicles	174	157	159	158	157	156	156	151	156	150
Fire stations	9	9	9	9	9	9	9	8	8	7
General government										
City square miles	59	59	59	58	57	57	57	57	57	56
Landfill										
Landfill capacity - south cell	21,912	21,666	21,666	22,594	22,594	22,594	22,594	22,594	22,594	22,594
Landfill capacity used - south cell	18,444	18,529	18,126	17,776	17,358	16,790	16,328	15,910	15,408	14,669
Other public works										
Streets (miles)	802	736	736	736	736	733	709	702	702	692
Parks and recreation										
Number of parks/retention basins/facilities	100	100	99	99	95	92	92	93	89	89
Acres of parks	2,189	2,189	2,199	2,125	2,125	2,058	2,052	1,998	1,984	1,984
Transit										
Dial-A-Ride minibuses	21	22	23	22	22	25	25	22	19	17

Source: Various city departments

WATER RATES PER METER SIZE

Meter Size (inch)	Commercial and Residential Monthly Base Charge	
	Inside City	Outside City
5/8	\$ 9.70	\$ 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 ⁽¹⁾			
	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	\$ 32.44	\$ 41.51
Office Building	45.88	N/A
Apartment - Average 5 units	81.47	87.66
Apartment - Average 35 units	513.05	108.73
Retail/Wholesale	68.41	N/A

(1) Per 1,000 gallons

SOURCE: City of Glendale Finance as of October 2011

HISTORICAL AVERAGE NUMBER OF WATER ACCOUNTS ⁽¹⁾

Fiscal Year Ending June 30	Residential	Commercial ⁽²⁾	Total
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 ⁽³⁾	53,523	5,556	59,079
2010 ⁽⁴⁾	55,169	5,919	61,088
2011 ⁽⁵⁾	55,318	5,938	61,256

(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.

(5) As of October 2011.

SOURCE: City of Glendale Finance.

WATER DELIVERIES

Acre Feet

Calendar Year	Residential ⁽¹⁾	Commercial	Other ⁽²⁾	Total
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
2010	27,537	10,482	4,455	42,474

(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 ⁽¹⁾ (MGD) Actual	Arrowhead (MGD)	West (MGD)
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
2010	56,868	8.3	2.3	5.4

(1) SROG - Sub Regional Operating Group

SOURCE: City of Glendale Finance and Utilities Departments.

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