



City of Glendale, Arizona

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2012



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City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

INTRODUCTORY SECTION

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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City of Glendale, Arizona

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2012

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

Horatio Skeete - Acting City Manager

Sherry Schurhammer
Executive Director
Financial Services

Prepared by Finance
Diane Goke
Chief Financial Officer



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**City of Glendale, Arizona
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2012**

TABLE OF CONTENTS

	<u>Page</u>
I. INTRODUCTORY SECTION	
Title Page	i
Table of Contents	iii
Letter of Transmittal	1
GFOA Certificate of Achievement.....	5
Glendale, Arizona and Neighboring Communities	6
Glendale City Officials	7
Glendale Council District Boundaries.....	8
Organization Chart.....	9
 II. FINANCIAL SECTION	
Independent Auditors’ Report.....	11
A. MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)	13
B. BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Assets	27
Statement of Activities.....	28
 Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	30
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets.....	31
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	32
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	33
Statement of Net Assets – Proprietary Funds.....	34
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds.....	35
Statement of Cash Flows – Proprietary Funds	36
 Notes to the Financial Statements	 38
 C. REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule – General Fund	81
Budgetary Comparison Schedule – Transportation Fund.....	83
Notes to Required Supplementary Information.....	84

**City of Glendale, Arizona
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2012**

TABLE OF CONTENTS

	<u>Page</u>
D. COMBINING STATEMENTS	
Other Major Governmental Funds	
Budgetary Comparison Schedule – Western Loop 101 Public Facilities Corporation Debt Service Fund	85
Budgetary Comparison Schedule – General Obligation Debt Service Fund	86
Non-Major Governmental Funds	
Combining Balance Sheet.....	90
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	92
Budgetary Comparison Schedules	
Community Development Block Grants Fund.....	94
Highway Users Gas Tax Fund	95
Police and Fire Sales Tax Fund.....	96
Federal Stimulus Fund	97
Other Special Revenue Fund.....	98
Highway User Debt Service Fund.....	99
Municipal Property Corporation Debt Service Fund	100
Transportation Debt Service Fund	101
Development Impact Fees Fund.....	102
Streets Construction Fund.....	103
Fire and Police Construction Fund.....	104
Parks Bond Construction Fund	105
Other Construction Fund.....	106
Cemetery Perpetual Care Fund	107
Non-Major Proprietary Funds – Business-Type Activities	
Combining Statement of Net Assets.....	110
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets.....	111
Combining Statement of Cash Flows	112
Budgetary Comparison Schedules	
Water and Sewer Fund (a Major Fund).....	114
Landfill Fund	116
Sanitation Fund	117
Housing Fund.....	118
Internal Service Funds	
Combining Statement of Net Assets.....	119
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets.....	120
Combining Statement of Cash Flows	121

**City of Glendale, Arizona
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2012**

TABLE OF CONTENTS

	<u>Page</u>
Budgetary Comparison Schedules	
Risk Management Fund	122
Workers' Compensation Fund	123
Employee Benefits Fund	124
 E. OTHER SUPPLEMENTARY INFORMATION	
Federal Financial Data Schedule.....	125
 III. STATISTICAL SECTION	
	<u>Schedule</u> <u>Page</u>
Net Assets by Component	1 132
Changes in Net Assets	2 134
Fund Balances – Governmental Funds.....	3 136
Changes in Fund Balances – Governmental Funds	4 138
Assessed and Estimated Actual Value of Taxable Property	5 140
Direct and Overlapping Governments Property Tax Rates	6 141
Principal Property Taxpayers	7 142
Property Tax Levies and Collections	8 143
City Transaction Privilege Taxes (Sales Tax) by Category.....	9 144
Ratio of Outstanding Debt by Type.....	10 146
Ratios of Net General Bonded Debt Outstanding.....	11 148
Net Direct and Overlapping Governmental Activities Debt.....	12 149
Legal Debt Margin Information	13 150
Pledged-Revenue Coverage	14 152
Demographic and Economical Statistics	15 154
Principal Employers	16 155
Full-Time Equivalent City Government Employees by Function/Program	17 156
Operating Indicators by Function/Program	18 157
Capital Asset Statistics by Function/Program	19 158
Miscellaneous Water and Sewer Rate Statistics.....	20 159
Miscellaneous Water and Sewer Statistics	21 160

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January 15, 2013

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, 2012. 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, 2012, 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 and can only occur in the last quarter of the fiscal year. 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 2012, Glendale's annual average unemployment rate remains relatively high at 7.6%; however this is an improvement from last calendar year's average of 8.6%. 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; however, this fiscal year we saw a slight increase in the sales tax over last year. In addition, high unemployment has reduced the amount of income tax collected and shared by the state because fewer people are employed, the revenue received by the City from the State in this area is on a two year collection lag, therefore fiscal year 2012 collections were based on 2010 income tax returns filed.

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 2012; with educational and health services, construction, and government jobs leading in growth. The Arizona Department of Administration projects that in 2013, overall employment in Arizona will grow by 2.5%; nonfarm employment is forecasted to grow by 2.8% in Glendale in 2013. 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 2012, Glendale welcomed and retained several new or expanding companies to the City including: WINCO, Tanger, Dignity Health and Alaska USA Federal Credit Union; and the expansions of Bechtel, Midwestern University, and Regional Imaging Center. These new or expanding companies contributed to the creation or retention of 3,690 jobs in Glendale in fiscal year 2012.

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, 10-11 and 11-12 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, 2011. This was the twenty-fourth consecutive year the City has received this prestigious award, and the twenty-sixth 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 2011-12. This is the twenty-fifth 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
Chief Financial Officer

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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, 2011

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.



Christopher P. Morrell

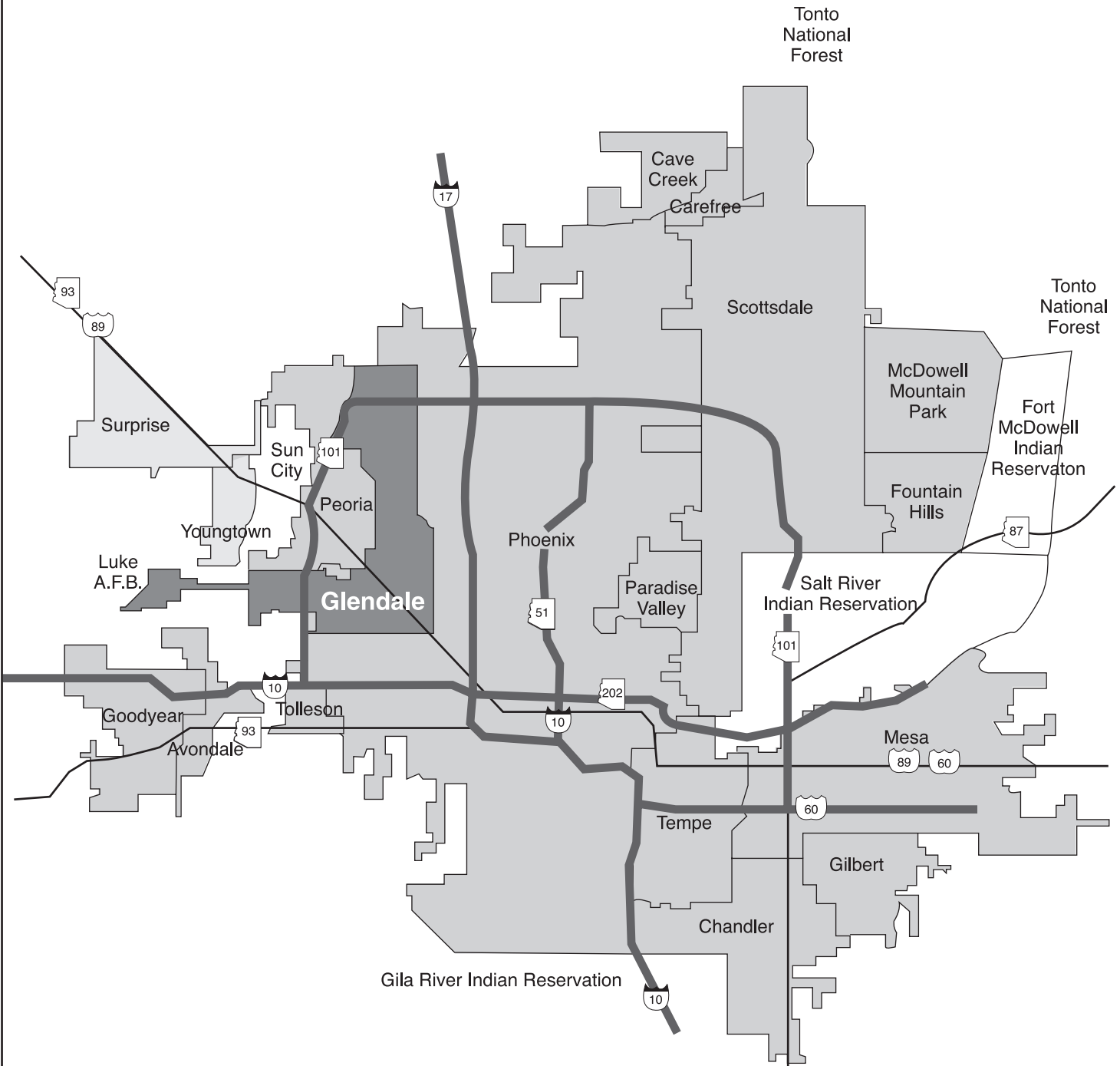
President

Jeffrey R. Enev

Executive Director



Glendale, Arizona and Neighboring Communities

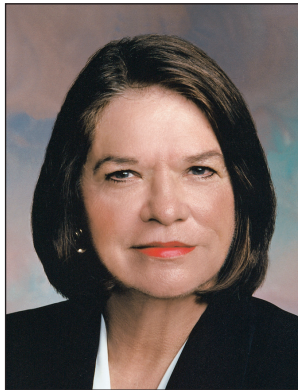




Glendale City Officials



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*



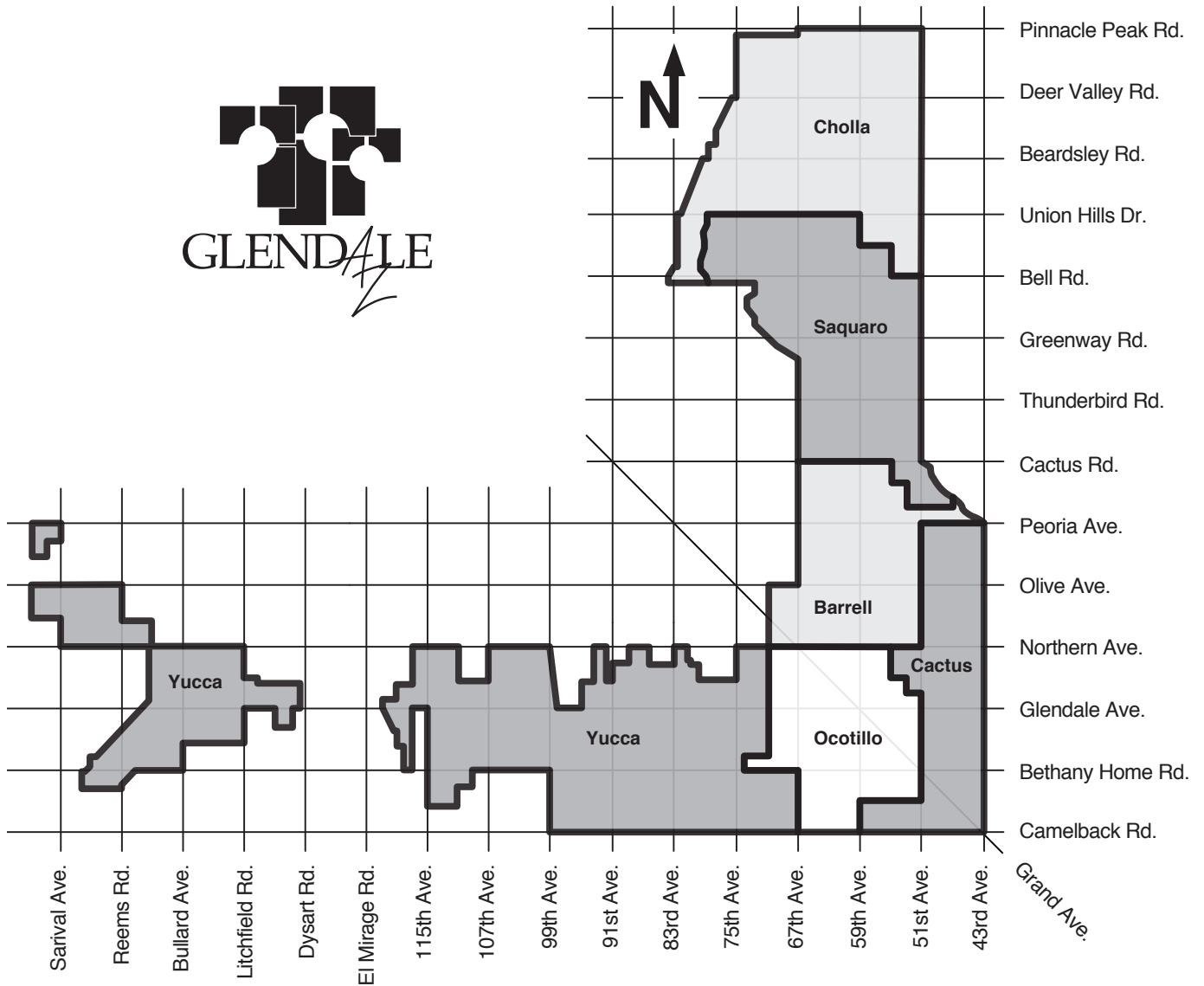
MANUEL D. MARTINEZ
*Councilmember
Cholla District*

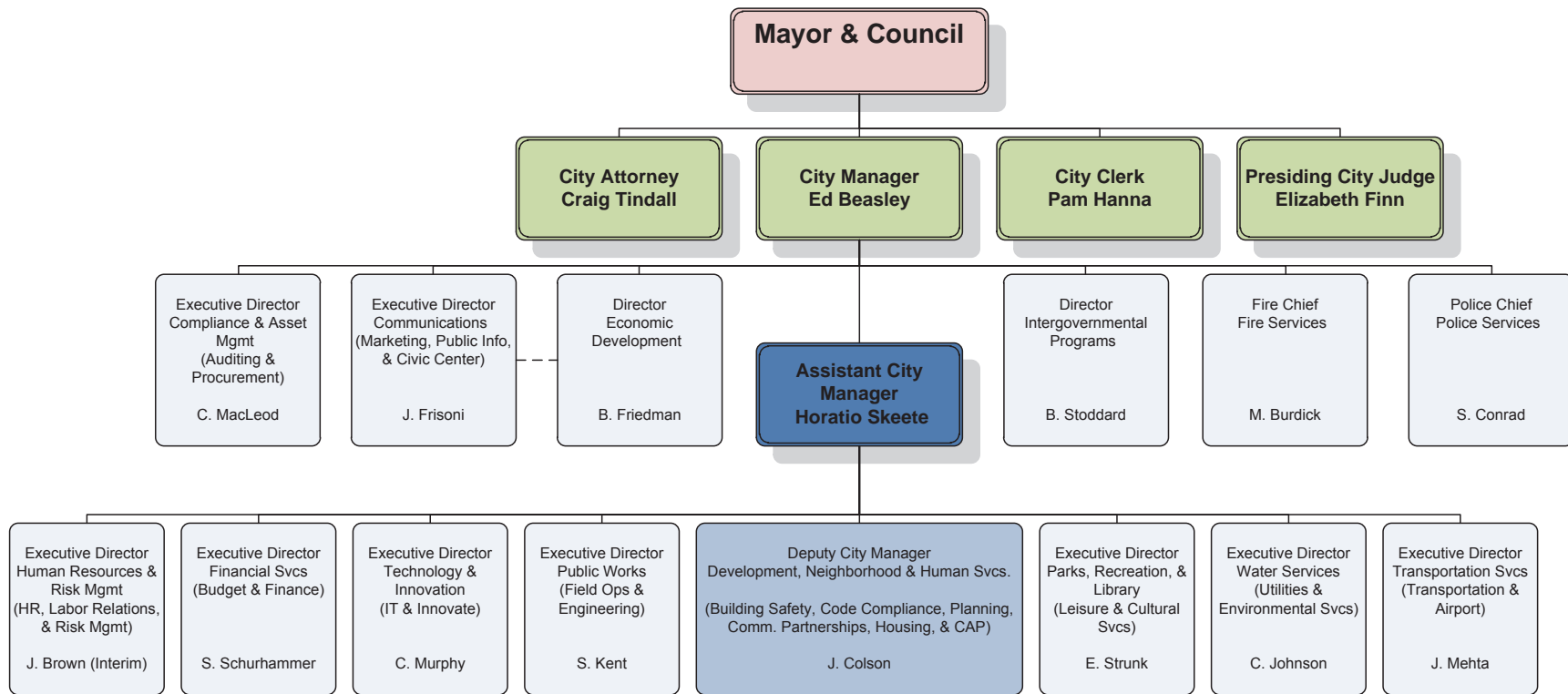


HORATIO SKEETE
Acting City Manager



Glendale Council District Boundaries





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City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FINANCIAL SECTION

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Glendale, Arizona (the City) as of and for the year ended June 30, 2012, 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, 2012, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2013, 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 26 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.
CPAs and Business Consultants

January 15, 2013



City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

MANAGEMENT'S DISCUSSION & ANALYSIS

(Required Supplementary Information)

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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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, 2012. 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 2011-12:

- The City's total net assets decreased \$63,863 or 6.02%. The governmental net assets decreased by \$68,036 or 10.54%, and the business-type net assets increased by \$4,173 or 1.01%.
- General revenues from governmental activities decreased \$11,804 or 6.74% and comprised 70.22% 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.
- Governmental activities program specific revenues in the form of charges for services, grants, and contributions decreased \$70,543 or 50.44%; this decrease 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 in fiscal year 2011.
- The total cost of all City programs decreased by \$13,526 or 3.33% primarily due to the decrease in expenses through reduction in ongoing operating costs.
- A major governmental fund, the General Fund, collected \$135,653 in revenues which is a decrease of \$11,052 or 7.53% from the prior year. This decrease was due primarily to a one-time payment of \$12.5 million related to parking at Jobing.com Arena in fiscal year 2011. The primary sources of revenue in the General Fund are local taxes and intergovernmental taxes. The total expenditures of the General Fund were \$126,020, which is a decrease of \$3,152 or 2.44%. 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 leaving vacant positions open and diligently reducing non personnel expenses.
- The General Fund fund balance decreased \$35,984 or 385.47%. This decrease was primarily due to a special item, a commitment of \$25 million to the National Hockey League (NHL) related to managing the Jobing.com Arena during the 2011-12 season. In addition, the decrease was due to revenue coming in \$7,800 below projections. During the FY2011-12 budget process, the assumption was made that we would receive additional parking revenue at Jobing.com Arena and additional electronic billboards revenue. Neither of those revenues materialized over the course of the year, primarily due to the Jobing.com Arena management agreement not being finalized in the form assumed during the budget process.

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

- The City issued \$8,665 in Municipal Property Corporation (MPC) revenue refunding bonds. These bonds were used to refund a portion of the 2003, 2004, and 2006 MPC bonds of the City.
- The City issued \$77,635 in water and sewer revenue refunding obligations. These obligations were used to refund the 2001 and 2010 WIFA loan agreements and the 2003 series subordinate water and sewer obligations.

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

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 19 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the major funds. Data from the other 16 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules.

Proprietary Funds

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

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

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 \$996,230 as of June 30, 2012.

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

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The City's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets. 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, with the exception of unrestricted net assets for governmental activities. The City has addressed this issue by the temporary sales tax increase that was effective August 1, 2012 and the debt refunding that was completed in December, 2012. 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 2012 and 2011.

Condensed Statement of Net Assets
As of June 30, 2012, and 2011
(in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 242,338	\$ 310,855	\$ 201,453	\$ 191,987	\$ 443,791	\$ 502,842
Capital assets, net	1,235,685	1,264,076	558,718	573,917	1,794,403	1,837,993
Total assets	<u>1,478,023</u>	<u>1,574,931</u>	<u>760,171</u>	<u>765,904</u>	<u>2,238,194</u>	<u>2,340,835</u>
Current liabilities	47,705	53,061	12,713	13,495	60,418	66,556
Noncurrent liabilities	852,794	875,796	328,752	338,390	1,181,546	1,214,186
Total liabilities	<u>900,499</u>	<u>928,857</u>	<u>341,465</u>	<u>351,885</u>	<u>1,241,964</u>	<u>1,280,742</u>
Net assets:						
Invested in capital assets, net of related debt	460,639	463,961	262,554	271,708	723,193	735,669
Restricted	183,829	204,645	12,921	29,988	196,750	234,633
Unrestricted	(66,944)	(22,532)	143,231	112,323	76,287	89,791
Total net assets	<u>\$ 577,524</u>	<u>\$ 646,074</u>	<u>\$ 418,706</u>	<u>\$ 414,019</u>	<u>\$ 996,230</u>	<u>\$ 1,060,093</u>

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2012
(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, 2012, and 2011
(in thousands)

	Governmental		Business-Type		Total	
	Activities		Activities		Primary	
	2012	2011, restated	2012	2011, restated	2012	2011
Revenues:						
Program revenues:						
Charges for services	\$ 36,380	\$ 42,144	\$ 109,363	\$ 108,102	\$ 145,743	\$ 150,246
Operating grants and contributions	27,636	27,137	9,423	9,342	37,059	36,479
Capital grants and contributions	5,274	70,552	705	1,155	5,979	71,707
Total program revenues	<u>69,290</u>	<u>139,833</u>	<u>119,491</u>	<u>118,599</u>	<u>188,781</u>	<u>258,432</u>
General revenues:						
Property taxes	20,232	27,189	-	-	20,232	27,189
Sales taxes	97,451	93,260	-	-	97,451	93,260
State shared sales tax	17,716	18,438	-	-	17,716	18,438
Urban revenue sharing (state shared income tax)	19,135	23,590	-	-	19,135	23,590
Auto in-lieu taxes	7,277	7,917	-	-	7,277	7,917
Investment earnings, unrestricted	975	1,482	1,126	614	2,101	2,096
Gain/(loss) on disposal of capital assets	56	(677)	(40)	137	16	(540)
Miscellaneous	489	3,936	72	70	561	4,006
Total revenues	<u>232,621</u>	<u>314,968</u>	<u>120,649</u>	<u>119,420</u>	<u>353,270</u>	<u>434,388</u>
Expenses:						
General government	35,962	46,233	-	-	35,962	46,233
Public safety	112,689	111,731	-	-	112,689	111,731
Public works	18,435	20,099	-	-	18,435	20,099
Community services	39,478	41,136	-	-	39,478	41,136
Community environment	6,828	7,061	-	-	6,828	7,061
Street maintenance	20,045	21,721	-	-	20,045	21,721
Interest on long-term debt	41,913	41,967	-	-	41,913	41,967
Water and sewer	-	-	78,917	79,160	78,917	79,160
Landfill	-	-	7,602	7,241	7,602	7,241
Sanitation	-	-	15,437	14,674	15,437	14,674
Housing	-	-	14,827	14,636	14,827	14,636
Total expenses	<u>275,350</u>	<u>289,948</u>	<u>116,783</u>	<u>115,711</u>	<u>392,133</u>	<u>405,659</u>
Excess before transfers	<u>(42,729)</u>	<u>25,020</u>	<u>3,866</u>	<u>3,709</u>	<u>(38,863)</u>	<u>28,729</u>
Transfers in (out)	<u>(307)</u>	<u>(317)</u>	<u>307</u>	<u>317</u>	<u>-</u>	<u>-</u>
Special item	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>	<u>-</u>	<u>(25,000)</u>	<u>(25,000)</u>
Increase (decrease) in net assets	<u>(68,036)</u>	<u>(297)</u>	<u>4,173</u>	<u>4,026</u>	<u>(63,863)</u>	<u>3,729</u>
Net assets, beginning, as restated	<u>645,560</u>	<u>645,857</u>	<u>414,533</u>	<u>410,507</u>	<u>1,060,093</u>	<u>1,056,364</u>
Net assets, ending	<u>\$ 577,524</u>	<u>\$ 645,560</u>	<u>\$ 418,706</u>	<u>\$ 414,533</u>	<u>\$ 996,230</u>	<u>\$ 1,060,093</u>

CITY OF GLENDALE, ARIZONA
 Management's Discussion and Analysis (MD&A)
 For the Fiscal Year Ended June 30, 2012
 (amounts expressed in thousands)

Changes in Net Assets

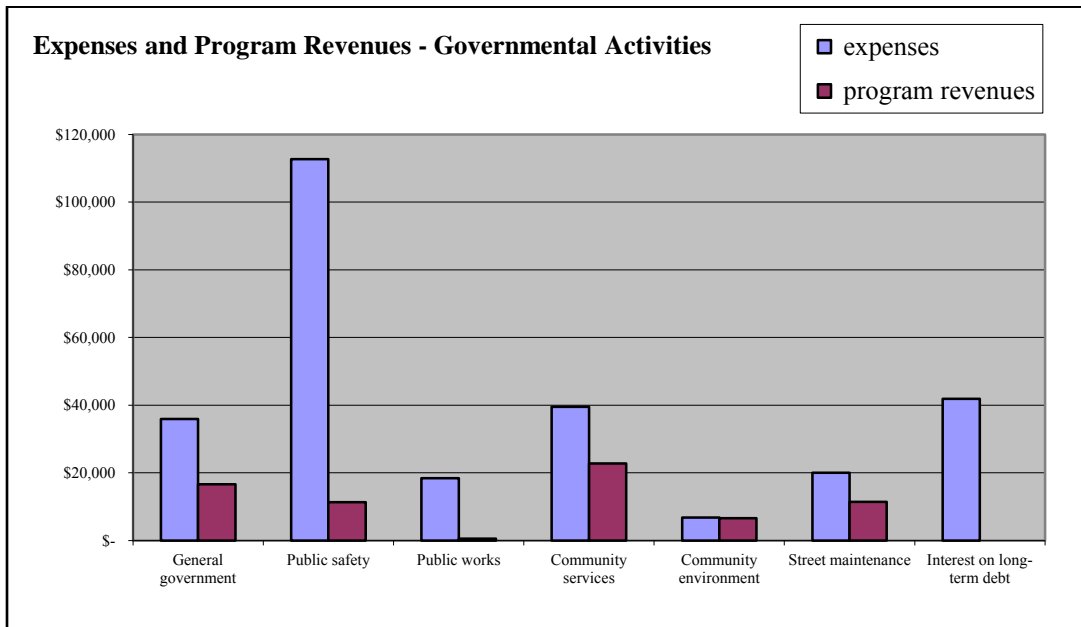
There was a decrease of \$68,036 in net assets of the governmental activities. Some notable differences are attributable to the following:

- 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, in fiscal year 2011 in the amount of \$67,401.
- Revenues in Charges for Services decreased by \$5,764 primarily related to a one-time payment of \$12.5 million related to parking at Jobing.com Arena in fiscal year 2011, offset by revenue received in fiscal year 2012 related to the resolution of the Coyotes bankruptcy case in the amount of \$4,750
- Property Tax revenues decreased by \$6,957 due to the decreased assessed valuation of property in the City
- General Government expenses decreased by \$10,271 primarily due to several construction in progress accounts expenses in fiscal year 2011 and the continued action by the City to reduce expenses
- The Special Item in both fiscal years 2011 and 2012 were \$25,000 each year for the NHL's ownership of the Coyotes hockey team and management of the Jobing.com arena. The City is not expected to pay any more money to the NHL in the future.

The City's revenue from governmental activities for the fiscal year ended June 30, 2012, was \$232,621.

The cost of programs and services for governmental activities was \$275,350.

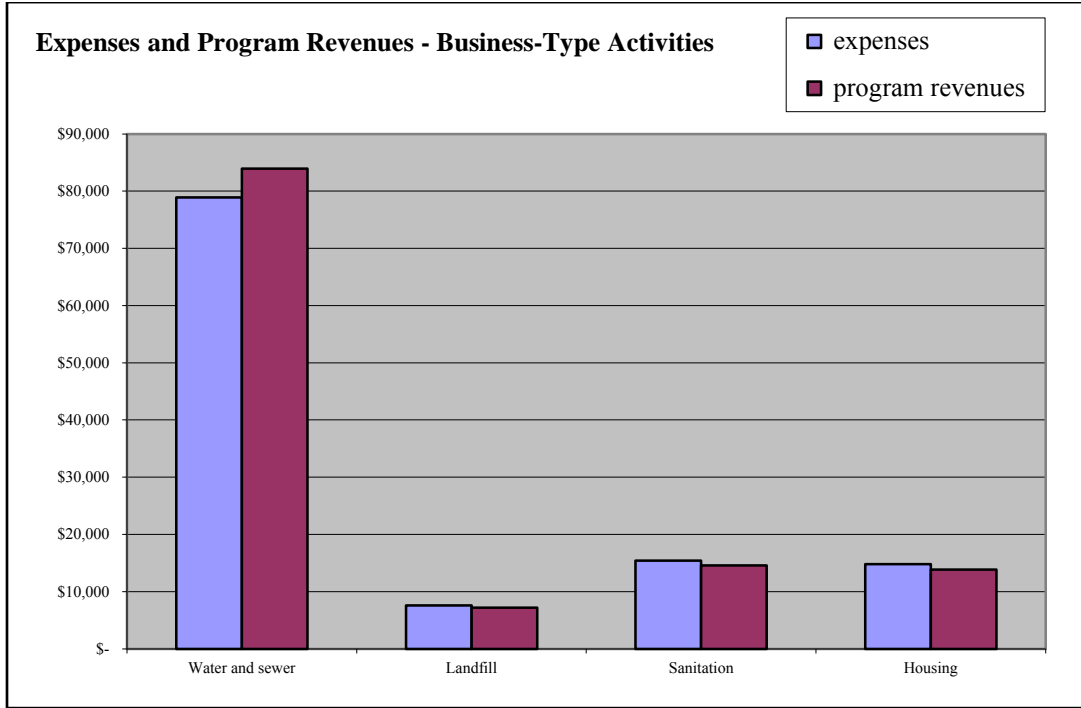
Below shows the performance of the revenues in the governmental activities versus expenses.



CITY OF GLENDALE, ARIZONA
 Management's Discussion and Analysis (MD&A)
 For the Fiscal Year Ended June 30, 2012
 (amounts expressed in thousands)

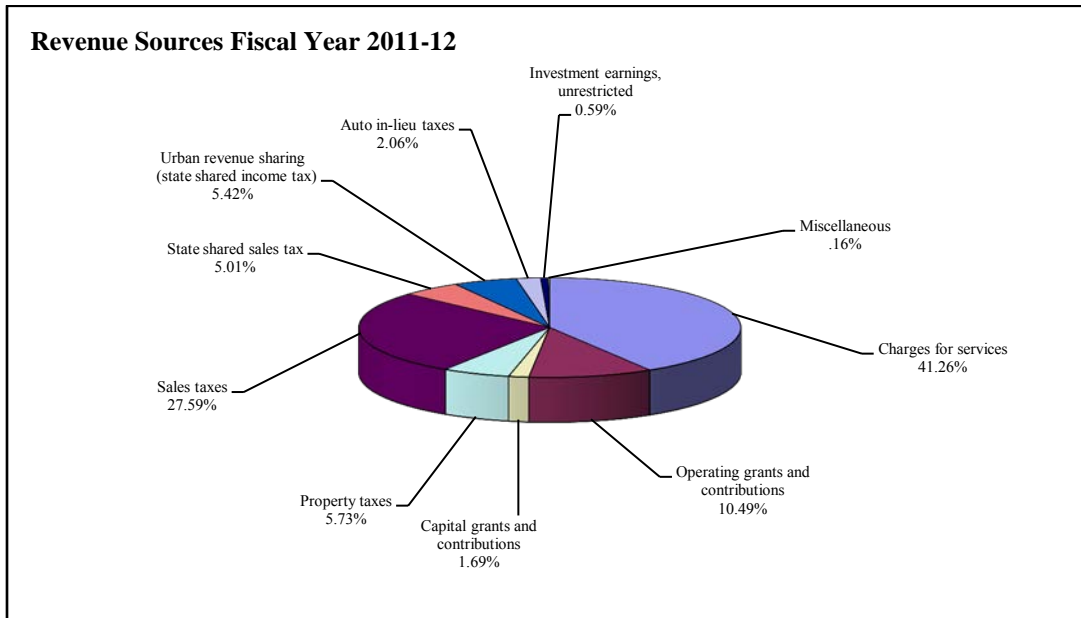
The increase in net assets of the business type-activities of \$4,173 was primarily due to increases in water and sewer revenue and a concerted effort at controlling expenses during the year. The City's revenue from business-type activities for the fiscal year ended June 30, 2012, was \$120,649. The cost of programs and services was \$116,783.

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, 2012
 (amounts expressed in thousands)

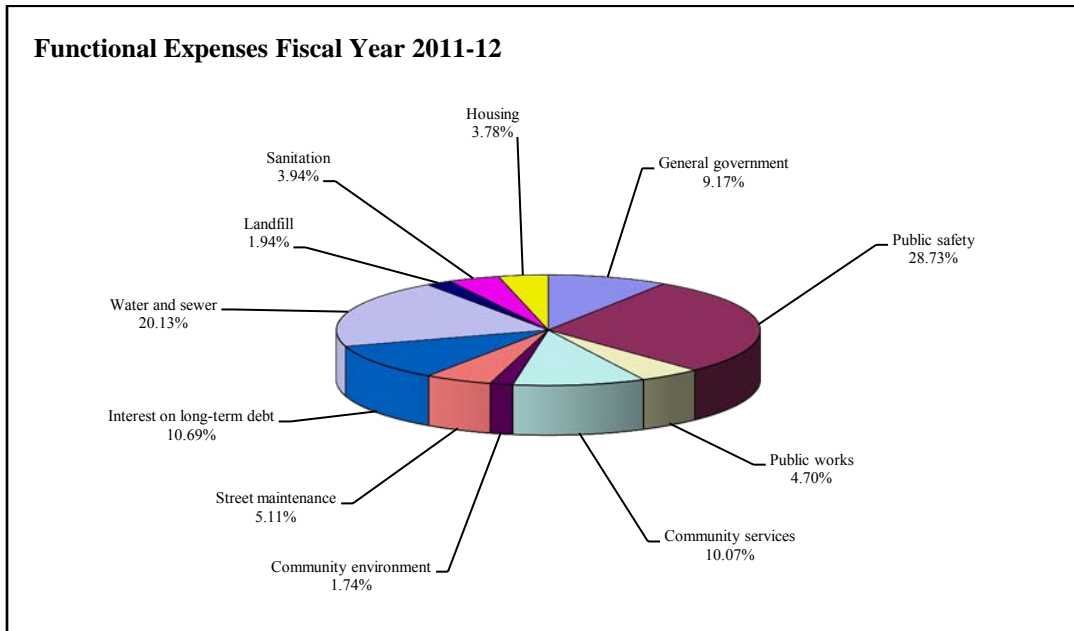
City Revenue Categories



As discussed, the majority (43.75%) 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, 2012
 (amounts expressed in thousands)

City Expense Categories



The majority of the City's expenses (48.86%) 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 \$97,355, a decrease of \$59,100 or 37.77% in comparison with the prior year due primarily to the \$25,000 special item, \$13,011 of interest expenses relating to the PFC bonds with no corresponding revenue, and increases in streets construction and other construction expenditures.

The City implemented Governmental Accounting Standards Board Statement (GASB) 54 during the prior fiscal 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 in greater detail. In fiscal year 2012, a negative \$29,565 of the total fund balance constituted unassigned fund balance. This primarily is a result of the commitment to the NHL for \$25 million related to management of the Jobing.com Arena for FY 2011-12, classified as a special item. The remaining fund balance is not available for new spending because it has already been committed, restricted or is nonspendable for specific purposes; examples are artwork and arena stadium activities. The financial performance of the City as a whole is reflected in its governmental funds.

Revenues for governmental functions overall totaled \$229,766 in fiscal year 2012, a decrease of 7.42% from the previous year total of \$248,263. 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 \$288,713 in fiscal year 2012, a decrease of 2.62% from the previous year total of \$296,478. This decrease is primarily due to the decrease in Municipal Property Corporation debt as a result of refunding savings.

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 (\$29,565), while total fund balance was (\$26,649). The City also has \$197 of its fund balance as nonspendable; \$368 as restricted; and \$2,351 as committed.

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 commitment to the National Hockey League (NHL) for management of the Jobing.com Arena for the FY 2011-12 season and FY 2010-11 season (two continuous years of \$25 million payments).

Overall, the General Fund's performance resulted in revenues over expenditures of \$9,633 in fiscal year 2012. In the prior year, revenues exceeded expenditures by \$17,533.

The transportation fund accounts for the City's public transit program and transportation improvement projects. The fund saw an increase in fund balance of \$7,818 for the fiscal year ended June 30, 2012. This increase is due to an effort to contain costs and keep a healthy fund balance.

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 a combination of appropriated funds and reserve funds to make the debt service payments for the period ending June 30, 2012. Those reserve funds have been depleted in the current fiscal year.

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 \$16,765 at June 30, 2012. This represents a decrease of \$4,485 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, 2012
(amounts expressed in thousands)

Proprietary Funds

Net assets of the enterprise funds increased \$4,173 or 1.00%. The enterprise funds' total net assets were 3.09% restricted, 34.20% unrestricted, and 62.71% 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 \$5,446 for the fiscal year ended June 30, 2012. This increase is due to increases in water and sewer revenue and a concerted effort at controlling expenses during the year.

The internal service fund accounts for risk management, workers' compensation, and employee benefits provided to other departments. The fund saw a decrease of \$1,770 for the fiscal year ended June 30, 2012. The decrease was due to a decrease in premiums paid during the year. Internal service funds were 100% unrestricted. The policy of the City is to fund the worker's compensation and risk management funds at a 55% confidence level based on the most recent actuarial valuations. Due to high and ongoing claims in the worker's compensation fund, the fund balance fell below the confidence level in December, 2012. The City has done a transfer to fund this appropriately.

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. The decrease can also be attributed to a one-time payment of \$12.5 million related to parking at Jobing.com Arena in fiscal year 2011, as well as a decrease in state shared revenues.
- General Fund revenues were below the final budget by \$7,800 or 4.72%, primarily due to the charges for services budget. During the FY2011-12 budget process, the assumption was made that we would receive additional parking revenue at Jobing.com Arena and additional electronic billboards revenue. Neither of those revenues materialized over the course of the year, primarily due to the Jobing.com Arena management agreement not being finalized in the form assumed during the budget process.
- General Fund expenditures were less than the final budget by \$12,850 or 6.89%. This positive variance resulted because of the continued steps taken during the fiscal year to decrease expenditures. Such steps included mandatory furlough for employees, leaving positions vacant, and other expenditure reductions.

Capital Asset and Debt Administration

Capital Assets

The City's investment in capital assets (net of accumulated depreciation) as of June 30, 2012, for its governmental-type activities was \$1,235,685 and for the business-type activities was \$558,718. 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:

- Bike overpass bridge at 63rd Avenue and Loop 101, \$4,213
- Northern Avenue overlay, \$2,440
- Sewer line and manhole rehabilitation phase I, \$3,029
- Sewer line rehabilitation phase II, \$1,285

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

The following table is a summary of capital assets reflected in the June 30, 2012, 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	
	2012	2011	2012	2011	2012	2011
Construction in progress	\$ 164,713	\$ 165,044	\$ 63,100	\$ 63,082	\$ 227,813	\$ 228,126
Land	90,285	85,029	26,297	26,297	116,582	111,326
Water storage rights	-	-	8,117	8,325	8,117	8,325
Artwork	1,676	1,636	-	-	1,676	1,636
Buildings	295,104	303,360	8,496	8,779	303,600	312,139
Improvements other than buildings	134,501	143,333	45,609	47,835	180,110	191,168
Infrastructure-streets	425,397	438,801	-	-	425,397	438,801
Infrastructure-parks	54,947	53,917	-	-	54,947	53,917
Infrastructure-airport	6,176	6,638	-	-	6,176	6,638
Infrastructure-flood/storm drains	35,413	35,904	-	-	35,413	35,904
Water lines	-	-	76,496	78,040	76,496	78,040
Sewer lines	-	-	76,375	74,685	76,375	74,685
Water treatment plant	-	-	127,593	134,596	127,593	134,596
Sewer treatment plant	-	-	99,950	103,817	99,950	103,817
Meters and services	-	-	15,583	16,297	15,583	16,297
Fire hydrants	-	-	2,970	3,072	2,970	3,072
Machinery and equipment	11,353	13,580	969	461	12,322	14,041
Computer equipment	512	754	197	201	709	955
Software	1,841	103	-	-	1,841	103
Automotive equipment	13,767	15,977	6,966	8,458	20,733	24,435
Total	\$ 1,235,685	\$ 1,264,076	\$ 558,718	\$ 573,945	\$ 1,794,403	\$ 1,838,021

The construction commitments at June 30 were \$14,800. Additional information on capital assets can be found in Note V of the financial statements.

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

Long-Term Debt

At the end of the current fiscal year, the City had total debt outstanding of \$1,064,620 compared to \$1,112,550 last year, a 4.38% net decrease.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
General obligation	\$ 179,010	\$ 194,270	\$ 6,485	\$ 7,410	\$ 185,495	\$ 201,680
Transportation revenue bond	97,035	99,815	-	-	97,035	99,815
Highway users revenue bonds	12,250	16,290	-	-	12,250	16,290
Municipal Property Corporation revenue bonds	275,090	281,955	-	-	275,090	281,955
Western Loop 101 Public Facilities Corporation	199,750	199,750	-	-	199,750	199,750
Capital lease obligation	11,667	11,833	-	151	11,667	11,984
Water and sewer revenue bonds/obligations	-	-	282,625	289,175	282,625	289,175
Notes payable	-	-	708	11,901	708	11,901
Total	\$ 774,802	\$ 803,913	\$ 289,818	\$ 308,637	\$ 1,064,620	\$ 1,112,550

The City maintains an "AA" underlying rating from Standard & Poor's and an "A2" underlying rating from Moody's for general obligation debt. The senior excise tax bonds are rated "AA+" by Standard and Poor's and an "A2" by Moody's. The subordinate lien water and sewer revenue bonds are rated "A1" by Moody's and "AA" by Standard & Poor's. Transportation bonds were assigned an underlying rating of "AA" by Standard & Poor's and "A2" by Moody's. Street and highway user revenue bonds are rated "AA" by Standard & Poor's and "A2" 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, 2012, was \$57,516 and \$70,599, respectively. Additional information on long-term debt can be found in Notes VIII and X of the financial statements.

Economic Factors and Next Year's Budgets and Rates

The adopted fiscal year 2012-13 budget is \$579,000 (down 5.45% from 2011-12), including a \$347,725 operating budget (an decrease of 3.97% from 2012) and \$106,163 in capital outlay (down 26.39% from 2011). The fiscal year 2011-12 budget includes \$39,097 contingency appropriation to cover emergency expenses or revenue shortages.

The economic climate has negatively impacted the City's revenue streams, including excise taxes, for the past several fiscal years. Total revenues in the General Fund were \$166,963 in fiscal year 2008 and fell to \$135,653 in fiscal year 2012. To offset the reduction in revenues, the City has been reducing expenditures through mandatory furloughs, leaving vacant positions open and reducing non-personnel expenses. Since fiscal year 2009, the City general fund departmental budgets have been cut by about 25% and the number of full-time employees has decreased by 307 positions, a decrease of 22% of the workforce. The City has also merged departments to cut additional costs. Total expenditures in the General Fund were \$157,217 in fiscal year 2008 and were reduced to \$126,020 in fiscal year 2012. The General Fund balance decreased from \$66,388 in fiscal year 2008 to a June 30, 2012 fund balance of negative (\$26,649). The decrease in general fund balance was the result of the City Council's decision to use fund balance rather than reduce services on its citizens, as well as to

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

fund two payments to the National Hockey League ("NHL") of \$25,000 in each of fiscal years 2011 and 2012, (for a total of \$50,000) to manage the City-owned Jobing.com Arena. These two payments were special items that will not occur in the future.

For fiscal year 2012, the City's annual average unemployment rate is 7.6%; this represents an improvement from last calendar year's average of 8.6%. The City's unemployment rate is lower than the state's unemployment rate which is 8.0%.

Request for information

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

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City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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City of Glendale, Arizona
Statement of Net Assets
June 30, 2012
(amounts expressed in thousands)

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Equity in pooled cash and investments	\$ 136,680	\$ 64,037	\$ 200,717
Receivables (net of allowance for uncollectibles)			
Property taxes	1,002	-	1,002
Accounts	15,230	13,799	29,029
Note	70,771	-	70,771
Accrued interest	331	-	331
Intergovernmental receivable	6,972	106	7,078
Internal balances	(37,390)	37,390	-
Inventories and prepaid items	11,564	4,235	15,799
Restricted cash and investments	33,336	18,157	51,493
Deferred receivable	3,842	-	3,842
Capital assets:			
Non-depreciable	256,674	89,397	346,071
Depreciable (net)	979,011	469,321	1,448,332
Equity in joint venture	-	63,729	63,729
Total assets	<u>1,478,023</u>	<u>760,171</u>	<u>2,238,194</u>
LIABILITIES			
Vouchers payable	12,370	3,255	15,625
Accounts payable	34	41	75
Contract payable	5,000	-	5,000
Retainage payable	3	-	3
Accrued interest payable	15,861	6,384	22,245
Intergovernmental payable	236	316	552
Deposits	2,569	2,690	5,259
Unearned revenue	11,632	27	11,659
Noncurrent liabilities:			
Due within one year	25,014	13,705	38,719
Due in more than one year	827,780	315,047	1,142,827
Total liabilities	<u>900,499</u>	<u>341,465</u>	<u>1,241,964</u>
NET ASSETS			
Invested in capital assets, net of related debt	460,639	262,554	723,193
Restricted for:			
Capital projects	27,936	-	27,936
Debt service	88,482	-	88,482
Transportation	32,044	-	32,044
Highway and streets	15,339	-	15,339
Revenue bond retirement, replacement, and extension	-	10,963	10,963
Perpetual care - nonexpendable	5,598	-	5,598
Other purposes	14,430	1,958	16,388
Unrestricted	(66,944)	143,231	76,287
Total net assets	<u>\$ 577,524</u>	<u>\$ 418,706</u>	<u>\$ 996,230</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, 2012
(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	\$ 35,962	12,334	923	3,370
Public safety	112,689	5,624	5,651	96
Public works	18,435	512	18	-
Community services	39,478	17,910	3,111	1,719
Community environment	6,828	-	6,561	-
Street maintenance	20,045	-	11,372	89
Interest on long-term debt	41,913	-	-	-
Total governmental activities	<u>275,350</u>	<u>36,380</u>	<u>27,636</u>	<u>5,274</u>
Business-type activities:				
Water and sewer	78,917	82,730	574	612
Landfill	7,602	7,185	-	-
Sanitation	15,437	14,562	-	-
Housing	14,827	4,886	8,849	93
Total business-type activities	<u>116,783</u>	<u>109,363</u>	<u>9,423</u>	<u>705</u>
Total primary government	<u>\$ 392,133</u>	<u>\$ 145,743</u>	<u>\$ 37,059</u>	<u>\$ 5,979</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/(Loss) 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 - restated

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
\$ (19,335)	\$ -	\$ (19,335)
(101,318)	-	(101,318)
(17,905)	-	(17,905)
(16,738)	-	(16,738)
(267)	-	(267)
(8,584)	-	(8,584)
(41,913)	-	(41,913)
<u>(206,060)</u>	<u>-</u>	<u>(206,060)</u>
-	4,999	4,999
-	(417)	(417)
-	(875)	(875)
-	(999)	(999)
<u>-</u>	<u>2,708</u>	<u>2,708</u>
<u>(206,060)</u>	<u>2,708</u>	<u>(203,352)</u>
2,887	-	2,887
17,345	-	17,345
97,451	-	97,451
17,716	-	17,716
19,135	-	19,135
7,277	-	7,277
975	1,126	2,101
56	(40)	16
489	72	561
(25,000)	-	(25,000)
(307)	307	-
<u>138,024</u>	<u>1,465</u>	<u>139,489</u>
<u>(68,036)</u>	<u>4,173</u>	<u>(63,863)</u>
<u>645,560</u>	<u>414,533</u>	<u>1,060,093</u>
<u>\$ 577,524</u>	<u>\$ 418,706</u>	<u>\$ 996,230</u>

City of Glendale, Arizona
Balance Sheet
Governmental Funds
June 30, 2012
(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	\$ 14,363	\$ 29,365	\$ 6,545	\$ 16,882	\$ 63,288	\$ 130,443
Receivables, net of allowance for doubtful accounts:						
Property taxes	147	-	-	855	-	1,002
Accounts	9,777	2,665	-	-	2,602	15,044
Note	-	-	70,771	-	-	70,771
Accrued interest	331	-	-	-	-	331
Due from other funds	5,006	-	-	-	-	5,006
Intergovernmental receivable	1,777	2,461	-	-	2,734	6,972
Inventories and prepaid items	1,000	80	-	-	155	1,235
Restricted cash and investments	82	-	-	-	31,594	31,676
Deferred receivables	-	-	-	-	3,842	3,842
Total assets	<u>\$ 32,483</u>	<u>\$ 34,571</u>	<u>\$ 77,316</u>	<u>\$ 17,737</u>	<u>\$ 104,215</u>	<u>\$ 266,322</u>
LIABILITIES AND FUND BALANCE						
Liabilities:						
Vouchers payable	\$ 6,506	\$ 518	\$ -	\$ -	\$ 3,418	\$ 10,442
Accounts payable	34	-	-	-	-	34
Contract Payable	5,000	-	-	-	-	5,000
Retainage payable	-	-	-	-	3	3
Compensated absences - current	1,047	28	-	-	158	1,233
Intergovernmental payable	154	-	-	-	82	236
Due to other funds	39,883	1,066	-	-	3,936	44,885
Deposits	2,561	-	-	-	8	2,569
Matured interest payable	-	-	6,505	334	9,022	15,861
Deferred revenue	3,947	915	70,771	638	6,953	83,224
Matured bonds payable	-	-	-	-	5,480	5,480
Total liabilities	<u>59,132</u>	<u>2,527</u>	<u>77,276</u>	<u>972</u>	<u>29,060</u>	<u>168,967</u>
Fund Balances:						
Nonspendable	197	80	-	-	5,749	6,026
Restricted	368	31,964	40	16,765	69,195	118,332
Committed	2,351	-	-	-	129	2,480
Assigned	-	-	-	-	82	82
Unassigned	(29,565)	-	-	-	-	(29,565)
Total fund balances	<u>(26,649)</u>	<u>32,044</u>	<u>40</u>	<u>16,765</u>	<u>75,155</u>	<u>97,355</u>
Total liabilities and fund balances	<u>\$ 32,483</u>	<u>\$ 34,571</u>	<u>\$ 77,316</u>	<u>\$ 17,737</u>	<u>\$ 104,215</u>	<u>\$ 266,322</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, 2012
(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	\$	97,355
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	\$	1,742,880
Less accumulated depreciation		<u>(507,195)</u>
		1,235,685
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		10,297
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds and shown as an internal balance item.		2,489
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.		(2,347)
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		(757,655)
Capital lease obligations		(11,667)
Developer payable obligations		(2,650)
Compensated absences		(17,487)
OPEB obligations		(39,548)
Unamortized premium on debt issuance		<u>(8,540)</u>
		(837,547)
Deferred revenue that is measurable but not yet available for governmental fund activities is recognized as revenue for governmental-wide activities.		<u>71,592</u>
Net assets of governmental activities	<u>\$</u>	<u>577,524</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, 2012
(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	\$ 60,852	\$ 20,664	\$ -	\$ 17,831	\$ 18,871	\$ 118,218
Licenses and permits	9,172	-	-	-	1,626	10,798
Intergovernmental	44,780	3,179	-	335	24,715	73,009
Charges for services	9,236	108	-	-	2,143	11,487
Fines and forfeitures	3,374	-	-	-	-	3,374
Investment income	635	84	-	334	127	1,180
Miscellaneous	7,604	2,318	-	-	1,778	11,700
Total revenues	<u>135,653</u>	<u>26,353</u>	<u>-</u>	<u>18,500</u>	<u>49,260</u>	<u>229,766</u>
EXPENDITURES						
Current:						
General government	17,696	-	4	-	447	18,147
Public safety	74,509	-	-	-	25,859	100,368
Public works	7,635	-	-	-	74	7,709
Community services	19,209	10,913	-	-	3,475	33,597
Community environment	78	-	-	-	6,625	6,703
Street maintenance	684	-	-	-	7,627	8,311
Miscellaneous	1,600	-	-	7	175	1,782
Debt service:						
Principal	167	-	-	15,260	9,520	24,947
Interest	1,459	-	13,011	8,684	19,361	42,515
Capital outlay	2,983	198	-	-	16,453	19,634
Total expenditures	<u>126,020</u>	<u>11,111</u>	<u>13,015</u>	<u>23,951</u>	<u>89,616</u>	<u>263,713</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,633</u>	<u>15,242</u>	<u>(13,015)</u>	<u>(5,451)</u>	<u>(40,356)</u>	<u>(33,947)</u>
OTHER FINANCING SOURCES (USES)						
Payment to refunded bonds escrow agent	-	-	-	-	(9,320)	(9,320)
Refunded bonds issued	-	-	-	-	8,665	8,665
Premium on long-term debt issued	-	-	-	-	898	898
Proceeds from equipment disposal	535	5	-	-	6	546
Transfers in	115	900	503	2,319	29,140	32,977
Transfers out	(21,267)	(8,329)	-	(1,353)	(2,970)	(33,919)
Total other financing sources and uses	<u>(20,617)</u>	<u>(7,424)</u>	<u>503</u>	<u>966</u>	<u>26,419</u>	<u>(153)</u>
Special item						
National Hockey League Owners Fee	(25,000)	-	-	-	-	(25,000)
Net change in fund balances	<u>(35,984)</u>	<u>7,818</u>	<u>(12,512)</u>	<u>(4,485)</u>	<u>(13,937)</u>	<u>(59,100)</u>
Fund balances, July 1 as restated	9,335	24,226	12,552	21,250	89,092	156,455
Fund balances, June 30	<u>\$ (26,649)</u>	<u>\$ 32,044</u>	<u>\$ 40</u>	<u>\$ 16,765</u>	<u>\$ 75,155</u>	<u>\$ 97,355</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, 2012
(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	\$	(59,100)
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 \$19,634 did not exceed depreciation of \$47,644 for the current period.		
		(28,010)
The net effect of various transactions involving capital is to increase net assets.		
Capital contributions	\$	90
Disposals		(546)
Gain (loss) on sales		56
		<u>(400)</u>
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		
		3,786
The net effect of long-term debt issuance and the related transactions is to increase net assets.		
Bond premium		(898)
Bond premium amortized		602
Payment to refunded bonds escrow agent		9,320
Principal paid		24,947
Refunding bonds issued		(8,665)
Bond costs amortized		(576)
Arbitrage rebate		148
		<u>24,878</u>
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.		
		293
Other post employment benefits reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.		
		(7,531)
Internal service funds are used by management to charge the costs of workers' compensation, risk management, and employee benefits to individual funds.		
		(1,968)
Expenses on the statement of activities differ from governmental funds because of the portion not accrued on the governmental funds.		
		<u>16</u>
Change in net assets of governmental activities	\$	<u><u>(68,036)</u></u>

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

City of Glendale, Arizona
Statement of Net Assets
Proprietary Funds
June 30, 2012
(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Major Funds	Other	Total	
	Water and Sewer	Proprietary Funds		
ASSETS				
Current assets:				
Equity in pooled cash and investments	\$ 53,270	\$ 10,767	\$ 64,037	\$ 6,237
Receivables:				
Accounts	12,248	2,580	14,828	186
Allowance for uncollectibles	(842)	(187)	(1,029)	-
Due from other funds	15,000	25,368	40,368	-
Intergovernment receivable	-	106	106	-
Inventories and prepaid items	4,228	7	4,235	33
Total current assets	<u>83,904</u>	<u>38,641</u>	<u>122,545</u>	<u>6,456</u>
Noncurrent assets:				
Restricted cash and investments	18,094	63	18,157	1,660
Capital assets:				
Capital assets	764,792	51,287	816,079	-
Accumulated depreciation	(230,467)	(26,894)	(257,361)	-
Capital assets, net	<u>534,325</u>	<u>24,393</u>	<u>558,718</u>	<u>-</u>
Equity in joint venture	63,729	-	63,729	-
Total noncurrent assets	<u>616,148</u>	<u>24,456</u>	<u>640,604</u>	<u>1,660</u>
Total assets	<u>700,052</u>	<u>63,097</u>	<u>763,149</u>	<u>8,116</u>
LIABILITIES				
Current liabilities:				
Vouchers payable	2,745	510	3,255	1,928
Accounts payable	-	41	41	-
Compensated absences	1,605	735	2,340	-
Due to other funds	-	489	489	-
Intergovernmental payable	316	-	316	-
Deposits	2,411	279	2,690	-
Unearned rent	-	27	27	-
Estimated claims payable	-	-	-	5,405
Current portion of long-term debt:				
Unamortized premium on debt issuance	1,112	-	1,112	-
Revenue bonds/obligations payable	9,545	-	9,545	-
Other long-term debt	708	-	708	-
Interest payable	6,384	-	6,384	-
Total current liabilities	<u>24,826</u>	<u>2,081</u>	<u>26,907</u>	<u>7,333</u>
Noncurrent liabilities:				
Compensated absences	598	459	1,057	19
General obligation bonds	6,485	-	6,485	-
Unamortized premium on debt issuance	11,138	-	11,138	-
Revenue bonds/obligations payable	273,080	-	273,080	-
OPEB long-term obligations	5,425	3,295	8,720	-
Other long-term debt	-	63	63	-
Claims payable	-	-	-	3,111
Estimated closure and post-closure costs	-	14,504	14,504	-
Total noncurrent liabilities	<u>296,726</u>	<u>18,321</u>	<u>315,047</u>	<u>3,130</u>
Total liabilities	<u>321,552</u>	<u>20,402</u>	<u>341,954</u>	<u>10,463</u>
NET ASSETS				
Invested in capital assets, net of related debt	238,161	24,393	262,554	-
Restricted for:				
Revenue bond retirement, replacement and extension	10,963	-	10,963	-
Other purposes	-	1,958	1,958	-
Unrestricted	129,376	16,344	145,720	(2,347)
Total net assets	<u>\$ 378,500</u>	<u>\$ 42,695</u>	<u>421,195</u>	<u>\$ (2,347)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			(2,489)	
Net assets of business-type activities			<u>\$ 418,706</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, 2012
(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	\$ 573	\$ 8,849	\$ 9,422	\$ -
Metered water sales	46,523	-	46,523	-
Sewer service charges	31,630	-	31,630	-
Container service	-	4,123	4,123	-
Curb service	-	10,432	10,432	-
Landfill user fees	-	4,913	4,913	-
Self-insurance premium	-	-	-	23,706
Recycling sales	-	2,150	2,150	-
Other fees	3,157	4,998	8,155	683
Total operating revenues	<u>81,883</u>	<u>35,465</u>	<u>117,348</u>	<u>24,389</u>
Operating expenses:				
Water	17,967	-	17,967	-
Sewer	12,596	-	12,596	-
Landfill	-	5,906	5,906	-
Housing	-	14,242	14,242	-
Closure/post-closure care adjustment	-	693	693	-
Sanitation	-	13,197	13,197	-
Administrative and general	10,992	-	10,992	288
Insurance claims and premiums	-	-	-	26,525
Amortization and depreciation	19,857	2,852	22,709	-
Total operating expenses	<u>61,412</u>	<u>36,890</u>	<u>98,302</u>	<u>26,813</u>
Operating income (loss)	<u>20,471</u>	<u>(1,425)</u>	<u>19,046</u>	<u>(2,424)</u>
Nonoperating revenues (expenses):				
Capital grant proceeds	-	92	92	-
Impact fees	1,493	20	1,513	-
Investment income	120	1,006	1,126	19
Interest expense	(13,079)	(15)	(13,094)	-
Net loss from joint venture	(2,848)	-	(2,848)	-
Amortization of bond issuance cost	(202)	-	(202)	-
Loss on disposal of assets	-	(40)	(40)	-
OPEB expense	(1,121)	(718)	(1,839)	-
Total nonoperating revenues (expenses)	<u>(15,637)</u>	<u>345</u>	<u>(15,292)</u>	<u>19</u>
Income (loss) before contributions and transfers	4,834	(1,080)	3,754	(2,405)
Capital contributions	612	1	613	-
Transfers in	-	307	307	1,835
Transfers out	-	-	-	(1,200)
Change in net assets	<u>5,446</u>	<u>(772)</u>	<u>4,674</u>	<u>(1,770)</u>
Total net assets - beginning	373,054	43,467	-	-
Total net assets - beginning as restated	-	-	-	(577)
Total net assets - ending	<u>\$ 378,500</u>	<u>\$ 42,695</u>	<u>\$ -</u>	<u>\$ (2,347)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			(501)	
Change in net assets of business-type activities			<u>\$ 4,173</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, 2012

(amounts expressed in thousands)

	<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>			
Cash flows from operating activities:				
Cash received from customers	\$ 82,022	\$ 26,704	\$ 108,726	\$ 24,203
Cash received from federal government	-	8,977	8,977	-
Cash paid to suppliers:				
Internal city departments	(6,328)	(9,337)	(15,665)	-
External vendors	(20,981)	(16,473)	(37,454)	-
Cash paid for insurance and in settlement of claims	-	-	-	(27,845)
Cash paid to employees for services	(14,968)	(7,739)	(22,707)	(288)
Net cash provided (used) by operating activities	<u>39,745</u>	<u>2,132</u>	<u>41,877</u>	<u>(3,930)</u>
Cash flows from noncapital financing activities:				
Paid to other programs	(15,000)	-	(15,000)	-
Transfers in	-	307	307	1,835
Transfers out	-	-	-	(1,200)
Net cash provided (used) by noncapital financing activities	<u>(15,000)</u>	<u>307</u>	<u>(14,693)</u>	<u>635</u>
Cash flows from capital and related financing activities:				
Proceeds from bonds sold	90,702	-	90,702	-
Payment to refunded bonds' escrow agent	(79,401)	-	(79,401)	-
Principal payments on obligations	(16,902)	(143)	(17,045)	-
Acquisition of capital assets and rights	(5,494)	(1,493)	(6,987)	-
Impact fees	1,493	20	1,513	-
Interest payments on obligations	(20,739)	(16)	(20,755)	-
Capital grant proceeds	-	92	92	-
Net cash (used) by capital and related financing activities	<u>(30,341)</u>	<u>(1,540)</u>	<u>(31,881)</u>	<u>-</u>
Cash flows from investing activities:				
Interest received from investments	<u>120</u>	<u>1,006</u>	<u>1,126</u>	<u>19</u>
Net cash provided by investing activities	<u>120</u>	<u>1,006</u>	<u>1,126</u>	<u>19</u>
Net increase (decrease) in cash and cash equivalents during fiscal year	(5,476)	1,905	(3,571)	(3,276)
Cash and cash equivalents, July 1	<u>76,840</u>	<u>8,925</u>	<u>85,765</u>	<u>11,173</u>
Cash and cash equivalents, June 30	<u>\$ 71,364</u>	<u>\$ 10,830</u>	<u>\$ 82,194</u>	<u>\$ 7,897</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)	\$ 20,471	\$ (1,425)	\$ 19,046	\$ (2,424)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operations:				
Amortization and depreciation	19,857	2,852	22,709	-
Changes in assets and liabilities:				
Accounts receivable	(889)	(65)	(954)	(187)
Due from other funds	-	(158)	(158)	-
Intergovernmental receivable	-	466	466	-
Inventories and prepaid items	60	1	61	19
Vouchers and accounts payable	(955)	(136)	(1,091)	(183)
Accrued expenses	6	(5)	1	-
Due to other funds	-	(236)	(236)	-
Deposits	1,099	(9)	1,090	-
Unearned rent	-	(6)	(6)	-
Compensated absences	96	160	256	1
Claims payable	-	-	-	(1,156)
Estimated closure and post-closure costs	-	693	693	-
Net cash provided (used) by operating activities	<u>\$ 39,745</u>	<u>\$ 2,132</u>	<u>\$ 41,877</u>	<u>\$ (3,930)</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	\$ 53,270	\$ 10,767	\$ 64,037	\$ 6,237
Restricted cash and investments	18,094	63	18,157	1,660
Total cash and cash equivalents	<u>\$ 71,364</u>	<u>\$ 10,830</u>	<u>\$ 82,194</u>	<u>\$ 7,897</u>
Noncash investing, capital, and financing activities:				
Contributions of capital assets	\$ 612	\$ 1	\$ 613	\$ -
Loss on joint venture	(2,848)	-	(2,848)	-

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2012

(amounts expressed in thousands)

Notes to the Financial Statements

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

Index

	<u>Note</u>	<u>Page</u>
Summary of Significant Accounting Policies.....	I	39
Compliance – Excess of Expenditures Over Appropriations/Deficits in Fund Equity.....	II	48
Deposits and Investments.....	III	48
Note Receivable.....	IV	50
Capital Assets.....	V	51
Construction Commitments.....	VI	53
Self-Insurance Funds.....	VII	53
Leases.....	VIII	55
Short-Term Debt.....	IX	56
Long-Term Debt.....	X	56
Landfill Obligations.....	XI	66
Interfund Transactions.....	XII	67
Encumbrances.....	XIII	69
Equity in Joint Venture.....	XIV	69
Jointly Governed Organizations.....	XV	70
Prior Period Adjustment.....	XVI	71
Governmental fund balance components and fund type definitions.....	XVII	71
Employee Retirement Systems and Pension Plans.....	XVIII	73
Other Post-Employment Benefits.....	XIX	76
Contingent Liabilities and Commitments.....	XX	78
Special Item.....	XXI	78
Subsequent Events.....	XXII	79

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2012

(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, 2012

(amounts expressed in thousands)

Council-Manager government. The major operations of the City include providing police and fire services to citizens as well as water and sewer. 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 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 corporation 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:

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2012

(amounts expressed in thousands)

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

Additionally, the City reports the following internal service funds:

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the 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.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2012

(amounts expressed in thousands)

Proprietary funds

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

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

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

E. Measurement focus and basis of accounting

The 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.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2012

(amounts expressed in thousands)

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 expenditure at time of purchase (i.e., the purchase method) for budgetary purposes. At June 30, 2012, the postage portion of the general fund supplies inventory was \$17. 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.

Restricted assets also include cash held at the Maricopa County Treasurer for the Racketeer Influenced and Corrupt Organizations Act (RICO). RICO funds are limited by state and federal law to qualified expenses related to fighting and preventing drug use and organized crime.

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 \$13,094. In addition, \$38 was included as part of the cost of capital assets under construction in connection with water and sewer projects.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2012

(amounts expressed in thousands)

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

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

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

J. Water storage rights

The City has entered into a lease agreement with Salt River Pima-Maricopa Indian Community (SRP-MIC) for the rights to 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 \$67. The net book value of water rights as of June 30, 2012, is \$1,850. 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, 2012, the City has capitalized payment of \$4,463 for these water rights. Current year amortization was \$112. The net book value of these water rights as of June 30, 2012, is \$4,240.

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, 2012, 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, which changes the City Code. An example is amounts committed for artwork.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2012

(amounts expressed in thousands)

Assigned are amounts intended for other purposes by the city manager. The city manager and designees are given authority to establish new funds as needed through the financial policies adopted in the annual Budget Book approved by Mayor and Council. 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 or negative 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, 2011
Levy (assessment) date (third Monday in August)	August 15, 2011
Due dates:	
First half of assessment	October 1, 2011
Second half of assessment	March 1, 2012
Penalties and interest added (collection dates):	
First half of assessment	November 1, 2011
Second half of assessment	May 1, 2012

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, 2012, 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>

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2012

(amounts expressed in thousands)

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. Employees separating from the City receive 100% of accrued vacation time. Sick leave is accumulated without limit and can be used in the event of an illness of the employee or 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 separated service and have five or more 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, 2012, 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

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2012

(amounts expressed in thousands)

straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

P. Operating revenues and expenses

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

Q. Deferred compensation

Voluntary Deferred Compensation Plan for Employees of the City of Glendale, State of Arizona: Restated Plan Document (the "Plan document") was adopted by the Mayor and City Council on November 10, 1998, and amended on January 8, 2002, to incorporate the Federal Economic Growth and Tax Relief Reconciliation Act of 2001. In addition, the Mayor and City Council adopted a defined contribution deferred compensation plan document on April 9, 2002, under the Internal Revenue Code Section 401(a). 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 PEBSCO Securities Corporation (Nationwide Retirement Solutions). In compliance with the provisions of the U.S. Internal Revenue Code Sections 457(g) and 401(a), the plan assets are in custodial or trust accounts for the exclusive benefit of the plans' participants and beneficiaries.

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

R. Investments

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

1. Aside from investments clearly identified as belonging to a specific fund, any unrealized gain/loss resulting from the valuation is recognized within the general fund as investment revenue.
2. Investments are recorded at fair value, which is based on quoted market prices as of the valuation date.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2012

(amounts expressed in thousands)

3. Pooled investment income is allocated to various funds monthly based on the average equity balances maintained during the month.

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

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, 2012, was \$198.

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

For the year ended June 30, 2012, expenditures exceeded appropriations in the housing fund by \$1,916. These over-expenditures were funded by beginning fund balance and operating transfers.

The City ended the fiscal year June 30, 2012, with a deficit fund balance/net assets in the following funds:

General fund

Deficit will be funded with a council approved sales tax increase of 0.7% and operating expenditure reductions over the next five fiscal years. \$ 26,649

Workers' compensation internal service fund

Deficit will be funded by premiums and interfund transfers from other funds in next fiscal year. The deficit is due to a GAAP loss adjustment for estimated claims payable based on an actuarial study 707

Employee benefits internal service fund

Deficit will be funded by canceling interfund transfers to other funds in next fiscal year. 2,488

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 \$28,744 and the bank balances were \$28,841. The difference of \$9,361 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 and collateral held in the City's name. City deposits held with fiscal agents at June 30, 2012, was \$66,733 and were uncollateralized.

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),

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2012

(amounts expressed in thousands)

interest-earning money market accounts, certificates of deposit, and the State of Arizona Local Government Investment Pool (LGIP). Investments may not exceed three years to maturity from the date of purchase. The City's investment in the LGIP is stated at fair value, which also approximates the value of the investment upon withdrawal.

As of June 30, 2012, the City had the following investments:

Investment Type	Investment Maturities (in years)			Fair Value
	0 - 1	1 - 2	2 - 3	
Commercial paper	\$ 14,961	\$ -	\$ -	\$ 14,961
Corporate bonds	12,765	15,183	2,002	29,950
U.S. Agencies	23,148	32,051	39,670	94,869
Arizona LGIP - State Pool	16,953	-	-	16,953
Grand total investments	<u>\$ 67,827</u>	<u>\$ 47,234</u>	<u>\$ 41,672</u>	<u>\$ 156,733</u>
Cash deposits				28,744
Cash with fiscal agents				66,733
Total deposits and investments				<u>\$ 252,210</u>

Interest rate risk: As a means of limiting its exposure to interest rate risk the City's investment policy requires all securities to mature in no more than three years. The City also purchases securities to be laddered with staggered maturity dates.

Credit risk: As of June 30, 2012, 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 Total Investments	Weighted Average Maturity (Years)
U.S. Agencies	Aaa	AA+	57.53%	0.99
U.S. Agencies	P-1	A-1+	2.99%	0.31
Commercial Paper	P-1	A-1+	9.55%	0.00
Corporate	A1	AA+	5.02%	0.66
Corporate	Aa3	AA-	4.64%	1.54
Corporate	Aa1	AA+	3.76%	0.28
Corporate	Aa3	A	2.79%	1.24
Corporate	Aa2	AA	2.25%	1.31
Corporate	Aaa	AA+	0.65%	1.43
Arizona LGIP-Pool 5	NA	AAAF/S1+	10.82%	0.00

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2012

(amounts expressed in thousands)

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

<u>Issuer</u>	<u>Investment Type</u>	<u>Amount</u>
FNMA Total	U.S. Agencies	\$ 30,925
FHLB Total	U.S. Agencies	29,004
FHLMC Total	U.S. Agencies	22,622
State Pool	Arizona LGIP	16,953
FFCB Total	U.S. Agencies	12,318
GE Capital	Corporate	7,864

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 Loop 101 Public Facilities 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 for the agreed upon contribution amount plus accrued interest on the note in the amount of \$10,771 has been recorded at June 30, 2012. No payments have been received by the City on the note as of June 30, 2012. 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.

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CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2012

(amounts expressed in thousands)

V. Capital assets

A summary of capital asset activity, for the government-wide financial statements, for the year ended June 30, 2012, is as follows:

	Balances June 30, 2011	Additions	Transfers	Disposals	Balances June 30, 2012
Governmental activities					
Non-depreciable assets:					
Construction in progress	\$ 165,044	\$ 11,422	\$ (11,753)	\$ -	\$ 164,713
Land	85,029	5,256	-	-	90,285
Artwork	1,636	15	25	-	1,676
Total non-depreciable assets	<u>251,709</u>	<u>16,693</u>	<u>(11,728)</u>	<u>-</u>	<u>256,674</u>
Depreciable assets:					
Buildings	378,237	-	1,840	-	380,077
Improvements other than buildings	231,531	-	803	-	232,334
Infrastructure - streets	639,175	100	3,190	-	642,465
Infrastructure - parks	78,530	-	4,048	-	82,578
Infrastructure - flood/storm drains	41,650	-	69	-	41,719
Infrastructure - airport	14,003	-	-	-	14,003
Machinery and equipment	44,525	504	-	(140)	44,889
Computer equipment	4,394	101	-	(162)	4,333
Software	936	-	1,778	-	2,714
Automotive equipment	41,262	2,372	-	(2,540)	41,094
Total depreciable assets at historical cost	<u>1,474,243</u>	<u>3,077</u>	<u>11,728</u>	<u>(2,842)</u>	<u>1,486,206</u>
Less accumulated depreciation for:					
Buildings	(74,877)	(10,096)	-	-	(84,973)
Improvements other than buildings	(88,198)	(9,635)	-	-	(97,833)
Infrastructure - streets	(200,374)	(16,694)	-	-	(217,068)
Infrastructure - parks	(24,613)	(3,018)	-	-	(27,631)
Infrastructure - flood/storm drains	(5,746)	(560)	-	-	(6,306)
Infrastructure - airport	(7,365)	(462)	-	-	(7,827)
Machinery and equipment	(30,945)	(2,670)	-	79	(33,536)
Computer equipment	(3,640)	(344)	-	163	(3,821)
Software	(833)	(40)	-	-	(873)
Automotive equipment	(25,285)	(4,125)	-	2,083	(27,327)
Total accumulated depreciation	<u>(461,876)</u>	<u>(47,644)</u>	<u>-</u>	<u>2,325</u>	<u>(507,195)</u>
Total depreciable assets, net	<u>1,012,367</u>	<u>(44,567)</u>	<u>11,728</u>	<u>(517)</u>	<u>979,011</u>
Governmental activities capital assets, net	<u>\$ 1,264,076</u>	<u>\$ (27,874)</u>	<u>\$ -</u>	<u>\$ (517)</u>	<u>\$ 1,235,685</u>

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2012

(amounts expressed in thousands)

	Balances				Balances
	June 30, 2011	Additions	Transfers	Disposals	June 30, 2012
Business-Type activities:					
Non-depreciable assets:					
Construction in progress - water and sewer	\$ 62,234	\$ 5,465	\$ -	\$ (5,258)	\$ 62,441
Construction in progress - landfill	269	-	-	-	269
Construction in progress - sanitation	165	-	-	-	165
Construction in progress - housing authority	414	62	-	(251)	225
Land	26,297	-	-	-	26,297
Total non-depreciable assets	<u>89,379</u>	<u>5,527</u>	<u>-</u>	<u>(5,509)</u>	<u>89,397</u>
Depreciable assets:					
Buildings	16,257	251	-	-	16,508
Water storage rights	9,211	-	-	(28)	9,183
Improvements other than buildings	62,764	509	-	-	63,273
Water lines	113,256	885	-	-	114,141
Sewer lines	123,002	4,468	-	-	127,470
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	3,770	697	-	(30)	4,437
Computer equipment	925	-	-	-	925
Automotive equipment	20,795	854	-	(847)	20,802
Total depreciable assets at historical cost	<u>719,923</u>	<u>7,664</u>	<u>-</u>	<u>(905)</u>	<u>726,682</u>
Less accumulated depreciation for:					
Buildings	(7,481)	(531)	-	-	(8,012)
Water storage rights	(887)	(179)	-	-	(1,066)
Improvements other than buildings	(14,925)	(2,739)	-	-	(17,664)
Water lines	(35,216)	(2,429)	-	-	(37,645)
Sewer lines	(48,318)	(2,777)	-	-	(51,095)
Water treatment plant	(67,857)	(7,004)	-	-	(74,861)
Sewer treatment plant	(30,875)	(3,868)	-	-	(34,743)
Meters and services	(11,312)	(714)	-	-	(12,026)
Fire hydrants	(2,115)	(102)	-	-	(2,217)
Machinery and equipment	(3,322)	(173)	-	27	(3,468)
Computer equipment	(725)	(3)	-	-	(728)
Automotive equipment	(12,352)	(2,190)	-	706	(13,836)
Total accumulated depreciation	<u>(235,385)</u>	<u>(22,709)</u>	<u>-</u>	<u>733</u>	<u>(257,361)</u>
Total depreciable assets, net	<u>484,538</u>	<u>(15,045)</u>	<u>-</u>	<u>(172)</u>	<u>469,321</u>
Business-Type activities capital assets, net	<u>\$ 573,917</u>	<u>\$ (9,518)</u>	<u>\$ -</u>	<u>\$ (5,681)</u>	<u>\$ 558,718</u>

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2012

(amounts expressed in thousands)

Depreciation was charged to functions/programs as follows:

Governmental activities:

General	\$ 15,240
Public safety	5,677
Public works	9,868
Street maintenance	11,654
Community services	5,183
Community environment	22
Total depreciation expense	<u>\$ 47,644</u>

Business-Type activities:

Water and sewer	\$ 19,857
Landfill	737
Sanitation	1,653
Housing	462
Total depreciation expense	<u>\$ 22,709</u>

Included in the water and sewer depreciation amount is \$179 amortization of water storage rights.

VI. Construction commitments

The City has active construction projects as of June 30, 2012. 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	\$ 9,670	\$ 4,223
Community services	25,346	2,172
Public safety	15,812	2
Public works	95,252	2,735
Street maintenance	18,632	91
Water and sewer facilities	62,441	4,594
Landfill	269	798
Sanitation	165	185
Housing	225	-
Total primary government	<u>\$ 227,812</u>	<u>\$ 14,800</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

Notes to the Financial Statements

June 30, 2012

(amounts expressed in thousands)

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. Insurance coverage has not 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 \$750 for each workers' compensation claim and purchases commercial insurance for claims in excess of \$750.

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 contribute 75% 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.

The employee benefits fund balance has a \$1,000 credit in the fiscal year. The credit is recorded in the appropriate departments as a reduction of their expenditures. This credit has been ongoing since the city council approved it in FY2008.

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

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2012

(amounts expressed in thousands)

workers' compensation self-insurance program liability includes recoveries related to subrogation. Salvage and subrogation are immaterial to both risk management and employee benefits self-insurance programs and are not incorporated into the liability. The self-insurance programs do not include a provision for unallocated claim adjustment expenses except for the workers' compensation fund, which provides for unallocated claims adjustment expenses and Industrial Commission taxes and fees.

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

The risk management fund and the workers compensation fund are funded to meet a 55% confidence level of the most recent actuarial report.

The City reports the estimated liability in net present value dollars using a future investment yield assumption of .53%. These liabilities are reported in the internal service funds at their present value of \$8,516 as of June 30, 2012. Changes in the balances of claims liabilities during the past two years are as follows:

	Risk Management		Workers' Compensation		Employee Benefits	
	2012	2011	2012	2011	2012	2011
Unpaid claims, beginning of fiscal year	\$ 2,570	\$ 2,509	\$ 2,409	\$ 1,857	\$ 4,693	\$ 2,797
Current year claims and changes in estimate	(8)	3,847	5,038	1,837	20,813	23,482
Claims payments	(454)	(3,786)	(3,308)	(1,285)	(23,237)	(21,586)
Balance at fiscal year end	<u>\$ 2,108</u>	<u>\$ 2,570</u>	<u>\$ 4,139</u>	<u>\$ 2,409</u>	<u>\$ 2,269</u>	<u>\$ 4,693</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 the general fund. The City pledged the Glendale Regional Public Safety Training Facility as collateral for \$11,503 in capital leases in May, 2011. 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 \$155 for business-type activities and \$646 for governmental activities. The future minimum lease obligation and net present value of lease payments at June 30, 2012, are as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2013	\$ 1,190
2014	1,332
2015	1,802
2016	3,357
2017	3,305
2018	<u>3,305</u>
Total minimum lease payments	14,291
Less: Amount representing interest	<u>(2,624)</u>
Present value of net minimum lease payments	<u>\$ 11,667</u>

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2012

(amounts expressed in thousands)

The assets acquired through capital leases are as follows:

Class of Property	Governmental Activities	Business-Type Activities
Equipment	\$ 170	\$ 74
Automotive equipment	2,479	4,874
Building	197	5,141
Other	15,395	4,434
	18,241	14,523
Less: Accumulated depreciation	(4,878)	(9,100)
Total	\$ 13,363	\$ 5,423

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 2011-12 were \$489.

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 2012 and beyond. The carrying value of leased assets is \$262,044 (cost of \$359,140 less accumulated depreciation of \$97,096). 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
2013	\$ 1,866
2014	1,853
2015	1,841
2016	1,806
2017	1,792
2018 and beyond	63,256
Total	\$ 72,414

IX. Short-term debt

The City did not issue short-term debt for the year ended June 30, 2012.

X. Long-term debt**A. General obligation bonds (GO)**

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the City

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2012

(amounts expressed in thousands)

and are repaid through the City's levying of property taxes. Retirement of the general obligation bonds in the business-type activities are intended to be paid back by the revenues of the business-type activities.

B. Revenue bonds

Highway User Revenue Fund (HURF) bonds are used to construct street and highway projects. The \$12,250 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 \$13,309. The current year principal and interest amounts of \$4,040 and \$656, respectively, were funded with transfers of \$1,353 from HURF fund; \$1,353 from GO debt service fund; \$1,000 from transportation fund; and \$1,000 from development impact fee fund. 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 \$94,145 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 \$146,554. The current year revenues of \$20,664 collected in the transportation special revenue fund paid the current year principal and interest amounts of \$2,890 and \$4,437, respectively.

For transportation revenue bonds, the pledged revenue coverage covenants in the purchase agreements require the transportation excise taxes received must be equal to or at least one and one-half times the total interest and principal payment required in the current fiscal year.

The \$273,080 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 \$406,962. The current year principal and interest on the bonds were \$22,741 and net revenues of the system were \$41,941.

For water and sewer revenue bond senior obligations, the pledged revenue coverage covenants in the purchase agreements require the revenues received must be equal to or at least one hundred twenty percent of the combined debt service on all outstanding senior obligations. For water and sewer revenue bond subordinate obligations, the pledged revenue coverage covenants in the purchase agreements require the revenues received must be equal to or at least one hundred twenty percent of the combined debt service on all outstanding senior obligations and subordinate obligations.

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

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2012

(amounts expressed in thousands)

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. In February 2012, the City entered into a lease agreement with the MPC to issue bonds to partially refund outstanding maturities of the bond series 2003, 2004, and 2006. An amount equal to the MPC debt service and related miscellaneous fees, is payable to the MPC in monthly installments by the City.

Under the provisions of the purchase agreement, the City has pledged for the payment of the purchase price: 1) all net revenues derived by it from the municipal office complex and arena, and 2) all excise, transaction, privilege and franchise taxes which it currently collects, which it may collect or which are allocated to it by any other governmental unit or municipal corporation, except its share of such amounts which by state law, rule or regulation must be expended for other purposes. However, under no circumstances shall such pledge constitute a general obligation of the City or will the purchase price be payable from the proceeds of ad valorem taxes. The total principal and interest remaining to be paid is \$458,139 and the revenues and transfers of the MPC debt service fund were \$955 and \$16,809, respectively. Excise tax revenues pledged for repayment of MPC and PFC bonds was \$100,081. The current year principal and interest paid was \$16,858.

For senior liens, the pledged revenue coverage covenants in the lease agreements require the unrestricted excise taxes received must be equal to or at least three times the senior excise tax obligation payment required in any current fiscal year. The requirement for second liens is the unrestricted excise taxes received must be equal to at least two times the combined total payment on senior excise tax obligations and second lien excise tax obligations in any current fiscal year.

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 \$435,445 and current year interest payments were made from capitalized interest accounts and the general fund. Excise tax revenues pledged for repayment of MPC and PFC bonds was \$100,081. The current year principal and interest paid was \$13,011.

For third liens, the pledged revenue coverage covenants in the lease agreements require the unrestricted excise taxes received must be equal to at least two times the combined total payment requirements on senior excise tax obligations, subordinate excise tax obligations and third lien excise tax obligations in any current fiscal year.

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.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2012

(amounts expressed in thousands)

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. The amount received for FY2012 was \$140.

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, 2012:

	June 30, 2011	Additions	Reductions	June 30, 2012	Amounts Due Within One Year
General obligation (GO) bonds	\$ 194,270	\$ -	\$ (15,260)	\$ 179,010	\$ -
Revenue bonds:					
Highway user revenue	16,290	-	(4,040)	12,250	-
Transportation bonds	99,815	-	(2,780)	97,035	2,890
Municipal Property Corporation	281,955	8,665	(15,530)	275,090	2,590
Public Facilities Corporation	199,750	-	-	199,750	-
Total bonds payable	<u>792,080</u>	<u>8,665</u>	<u>(37,610)</u>	<u>763,135</u>	<u>5,480</u>
Other long-term obligations:					
Capital lease obligations	11,833	-	(166)	11,667	571
OPEB obligations	32,016	7,532	-	39,548	-
Compensated absences	18,900	13,393	(13,555)	18,738	12,956
Claims and judgments	9,672	25,843	(26,999)	8,516	5,405
Unamortized premium on debt issuance	8,724	898	(1,082)	8,540	602
Developer payable obligations	2,423	227	-	2,650	-
Arbitrage rebate payable	148	-	(148)	-	-
Total other long-term obligations	<u>83,716</u>	<u>47,893</u>	<u>(41,950)</u>	<u>89,659</u>	<u>19,534</u>
Total	<u>\$ 875,796</u>	<u>\$ 56,558</u>	<u>\$ (79,560)</u>	<u>\$ 852,794</u>	<u>\$ 25,014</u>

General, transportation, and police and fire sales tax special revenue funds typically have been used to liquidate compensated absences in prior years, since most employees engaged in governmental activities are paid from those funds. Paychecks include payment for leave taken during the current pay period. Of the \$852,794 in the total liabilities, \$10,946 represents debt related to unspent bond proceeds (\$1,912 restricted cash in streets construction fund and \$9,034 restricted cash in Western Loop 101 Public Facilities Corporation construction fund) and \$775,046 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. No governmental funds cash has been used to fund the net other post-employment benefit obligation (OPEB). The net annual OPEB cost for the current fiscal year was 21.2% funded by the employee benefits internal service fund. This fund receives money from employee contributions as well as general and water and sewer fund contributions.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2012

(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, 2012:

	June 30, 2011	Additions	Reductions	June 30, 2012	Amounts Due Within One Year
Water and sewer GO bonds	\$ 7,410	\$ -	\$ (925)	\$ 6,485	\$ -
Water and sewer revenue/obligation bonds	289,175	77,635	(84,185)	282,625	9,545
Total bonds payable	<u>296,585</u>	<u>77,635</u>	<u>(85,110)</u>	<u>289,110</u>	<u>9,545</u>
Notes payable	11,901	-	(11,193)	708	708
Total notes payable	<u>11,901</u>	<u>-</u>	<u>(11,193)</u>	<u>708</u>	<u>708</u>
Other long-term obligations:					
Capital lease obligations	151	-	(151)	-	-
Estimated closure and post-closure costs	13,811	693	-	14,504	-
Unamortized premium on debt issuance	5,864	13,067	(6,681)	12,250	1,112
OPEB obligations	6,881	1,839	-	8,720	-
Compensated absences	3,142	2,514	(2,259)	3,397	2,340
Housing noncurrent liabilities	55	8	-	63	-
Total other long-term obligations	<u>29,904</u>	<u>18,121</u>	<u>(9,091)</u>	<u>38,934</u>	<u>3,452</u>
Total	<u>\$ 338,390</u>	<u>\$ 95,756</u>	<u>\$ (105,394)</u>	<u>\$ 328,752</u>	<u>\$ 13,705</u>

Of the \$328,752 in total liabilities, \$302,068 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 \$5,904.

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 2003	November 30, 2010	\$15,740
Water and Sewer Bonds Series 2003	February 9, 2012	\$74,050
Municipal Property Corporation Bonds Series 2003A	February 9, 2012	\$2,765
Municipal Property Corporation Bonds Series 2004A	February 9, 2012	\$3,430
Municipal Property Corporation Bonds Series 2006A	February 9, 2012	\$2,750

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2012

(amounts expressed in thousands)

G. Bonds payable

Bonds payable at June 30, 2012, 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, 2012
<u>GO bonds payable from secondary assessed property taxes</u>					
Various	1.50-5.00	2003	2022	\$ 52,525	\$ 7,865
Various	3.00-5.00	2004	2019	36,645	19,605
Various	3.50-4.00	2005	2015	11,960	4,035
Refunding	5.00-5.00	2006	2015	9,065	5,725
Various	4.00-5.00	2006	2021	29,365	19,760
Various	4.00-5.00	2007	2022	61,000	44,620
Various	1.50-5.63	2010	2030	41,650	39,100
Refunding	4.00-5.00	2011	2022	38,300	38,300
Total					<u>179,010</u>
<u>Revenue bonds payable from highway user revenue funds</u>					
Streets	2.50-4.00	2004	2014	14,655	5,145
Streets	4.00-5.00	2006	2016	15,745	7,105
Total					<u>12,250</u>
<u>Revenue bonds payable from the 0.5% transportation sales tax</u>					
Transportation excise tax	4.00-5.00	2008	2032	109,110	97,035
<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	41,635
MPC excise tax 2003B	1.46-5.58	2003	2033	105,260	96,065
MPC refunding	4.70-4.70	2004	2033	7,250	7,250
MPC excise tax 2004A	2.00-5.00	2004	2014	10,880	1,865
MPC excise tax 2006A	4.00-5.00	2006	2026	33,250	25,610
MPC excise tax 2008A	3.00-5.00	2008	2032	32,315	32,220
MPC excise tax 2008B	5.45-6.16	2008	2033	52,780	51,075
MPC excise tax 2008C	4.00-5.02	2008	2015	9,140	5,650
MPC refunding 2012A	3.00-5.00	2012	2021	8,665	8,665
Total					<u>275,090</u>
<u>Public Facilities Corporation payable from general fund lease payments</u>					
PFC excise tax 2008A	5.75-7.00	2008	2038	137,495	137,495
PFC excise tax 2008B	5.00-7.00	2008	2038	48,670	48,670
PFC excise tax 2008C	7.50	2008	2017	13,585	13,585
Total					<u>199,750</u>
Total bonds payable recorded in governmental activities					763,135
Less current portion					(5,480)
Long-term portion of bonds payable recorded in governmental activities					<u>\$ 757,655</u>

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2012

(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, 2012</u>
<u>GO bonds payable from water and sewer fund</u>					
Water and sewer	1.50-5.00	2003	2022	13,875	\$ 6,485
Total					<u>6,485</u>
<u>Revenue bonds/obligations payable from water and sewer fund</u>					
Various	4.00-5.00	2004	2023	80,000	3,355
Various	4.00-5.25	2006	2026	80,000	76,545
Various	4.25-5.00	2007	2028	44,500	40,850
Various	3.00-5.00	2008	2028	65,500	58,555
Various	6.20-6.55	2011	2030	25,685	25,685
Various refunding	2.00-5.00	2012	2028	77,635	77,635
Total					<u>282,625</u>
Total bonds payable recorded in business-type activities					289,110
Less current portion					<u>(9,545)</u>
Long-term portion of bonds payable recorded in business-type activities					<u>\$ 279,565</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, 2012, is as follows:

	<u>6%</u>	<u>20%</u>
Capacity to incur bonded debt	\$ 68,971	\$ 229,905
Less: Bonded debt applicable to limit	<u>(11,455)</u>	<u>(159,306)</u>
Unused bonded debt capacity	<u>\$ 57,516</u>	<u>\$ 70,599</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, 2012

(amounts expressed in thousands)

H. Bonds authorized, issued and unissued

Bonds authorized but not fully issued as of June 30, 2012, are shown below:

GO bonds	Authorized Amount	Issued through June 30, 2012	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, 2012

(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.

\$ 2,650

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

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.

\$ 708

Total notes payable recorded in business-type activities

708

Less current portion

(708)

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

\$ -

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CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2012

(amounts expressed in thousands)

J. Debt service requirements

Fiscal Year Ending	HURF Bonds	Transportation Bonds	MPC Bonds	PFC Bonds	Various Purposes G.O. Bonds	Water and Sewer			Total
						G.O. Bonds	Notes Payable	Revenue Bonds/Obligations	
2013	\$ 4,699	\$ 7,326	\$ 16,949	\$ 13,011	\$ 23,936	\$ 1,259	\$ 743	\$ 22,907	\$ 90,830
2014	4,686	7,326	21,703	15,950	22,700	1,260	-	22,917	96,542
2015	1,953	7,326	19,884	17,765	25,738	1,249	-	25,453	99,368
2016	1,971	7,326	19,996	17,657	23,319	1,236	-	25,455	96,960
2017	-	7,327	24,538	15,294	23,260	1,226	-	25,444	97,089
2018	-	7,330	24,289	15,234	22,639	1,214	-	25,455	96,161
2019	-	7,328	24,582	15,180	20,283	-	-	25,449	92,822
2020	-	7,326	23,300	15,127	16,372	-	-	25,083	87,208
2021	-	7,329	23,618	15,066	15,445	-	-	24,413	85,871
2022	-	7,329	22,307	15,017	12,675	-	-	24,081	81,409
2023	-	7,329	22,362	14,958	3,444	-	-	25,293	73,386
2024	-	7,328	23,010	14,310	3,407	-	-	25,292	73,347
2025	-	7,328	23,064	14,256	3,370	-	-	25,285	73,303
2026	-	7,330	23,122	14,201	3,328	-	-	25,289	73,270
2027	-	7,329	20,524	16,798	3,283	-	-	24,215	72,149
2028	-	7,331	20,583	16,738	3,234	-	-	20,323	68,209
2029	-	7,328	19,778	17,542	3,184	-	-	7,396	55,228
2030	-	7,326	20,718	16,604	3,135	-	-	7,212	54,995
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	13,309	146,554	458,139	435,445	232,752	7,444	743	406,962	1,701,348
Less interest	1,059	52,409	185,639	235,695	53,742	959	35	133,882	663,420
Principal	\$ 12,250	\$ 94,145	\$ 272,500	\$ 199,750	\$ 179,010	\$ 6,485	\$ 708	\$ 273,080	\$ 1,037,928

The following table discloses the debt service requirements as of June 30, 2012, segregating principal and interest, for the next five years and in five-year increments thereafter.

Fiscal Year	Principal	Interest	Total
2013	\$ 37,303	\$ 53,527	\$ 90,830
2014	44,650	51,892	96,542
2015	49,505	49,863	99,368
2016	49,425	47,535	96,960
2017	51,920	45,169	97,089
2018-2022	253,640	189,832	443,472
2023-2027	233,640	131,815	365,455
2028-2032	198,980	68,748	267,728
2033-2037	98,385	23,759	122,144
2038	20,480	1,280	21,760
Total	\$ 1,037,928	\$ 663,420	\$ 1,701,348

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2012

(amounts expressed in thousands)

K. New bonds

On February 9, 2012, the City issued \$8,665 in municipal property corporation senior lien excise tax revenue refunding bonds to advance refund the 2012-2013 maturities of the Municipal Property Corporation Bond Series issued in 2003, 2004, and 2006. The 2012 bonds mature on various dates starting 2012 to 2021 with various interest rates of 3.00% to 5.00%. The bonds are not general obligations of the City, but are limited obligations of the City and are payable from and secured by a pledge of the City's unrestricted excise taxes. The bond refunding resulted in a net present value loss of \$424. The City realized a future cash flow loss in the amount of \$1,741.

On February 9, 2012, the City issued \$77,635 in senior lien water and sewer revenue refunding obligation bonds to advance refund the 2001 and 2010 WIFA Loan Agreements, the 2014-2028 maturities of the Water and Sewer Subordinate Bond Series December 16, 2003, and to partially refund the 2012-2013 maturities of that same water and sewer subordinate bond. The bonds mature on various dates starting 2014 to 2028 with various interest rates of 2.00% to 5.00%. The bonds are not general obligations of the City, but are limited obligations of the City and are payable as both principal and interest solely from and secured by a pledge of net revenues of the City's water and sewer system. The bond refunding resulted in a net present value savings of \$8,235. The City realized a future cash flow savings in the amount of \$1,552.

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, 2012, calculated below, represents the cumulative amount reported to date based on the use of estimated capacity of the landfill.

	<u>North Cell</u>	<u>South Cell</u>
Capacity (cubic yards)	31,402	22,064
Capacity used to date	-	19,257
Percentage of capacity used	-	87%
Total closure and post-closure costs in present dollars:		
as of June 30, 2012	\$ 17,696	\$ 16,618
as of June 30, 2011	\$ 17,471	\$ 16,407
Closure and post-closure care costs:		
Amount remaining to be recognized		
as of June 30, 2012	\$ 17,696	\$ 2,114
Liability recognized as of June 30, 2012	\$ -	\$ 14,504

These amounts are based on what it would cost to perform all closure and post-closure care in fiscal year 2011-12. 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 50 years.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2012

(amounts expressed in thousands)

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

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

Interfund balances at June 30, 2012, consisted of the following:

	<u>Due To</u>	<u>Due From</u>
Major governmental funds:		
General	\$ 5,006	\$ 39,883
Transportation special revenue fund	-	1,066
Non-major governmental funds:		
Community development block grants fund	-	130
Police and fire sales tax	-	247
Other special revenue funds	-	1,994
Municipal Property Corporation debt service	-	1,565
Non-major enterprise funds:		
Water and sewer fund	15,000	-
Landfill fund	21,387	-
Sanitation fund	3,981	488
Housing fund	-	1
Total	<u>\$ 45,374</u>	<u>\$ 45,374</u>

The interfund balances at June 30, 2012, 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, 2012, are expected to be repaid within one year, except for sanitation, landfill and water and sewer interfund borrowings to the general fund of \$3,492, \$21,387 and \$15,000 respectively. The sanitation and landfill portions of the interfund borrowings were for the Coyotes Newco agreement payment, which are expected to be repaid over 24 years at an interest rate of 3.9%. The \$488 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%. The \$15,000 water and sewer interfund borrowing, was for the Coyotes Newco agreement payment which is expected to be repaid over 25 years at an interest rate of 3.245%.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2012

(amounts expressed in thousands)

B. Interfund transfers

Interfund transfers for the year ended June 30, 2012, consisted of the following:

Transfers to general fund from:

Non-major governmental funds	
Other special revenue fund - parks	\$ 110
Other construction fund	5
Total transfers to general fund	<u>115</u>

Transfers to transportation fund from:

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

Transfers to general obligation debt service fund:

General fund	1,978
Non-major governmental funds	
Development impact fees	341
Total transfers to general obligation debt service	<u>2,319</u>

Transfers to major debt service fund from:

General fund	503
Total transfers to major debt service	<u>503</u>

Transfers to non-major special revenue funds from:

General fund	136
Non-major governmental funds	
Highway user gas tax	62
Other special revenue fund	99
Total transfers to non-major special revenue funds	<u>297</u>

Transfers to non-major debt service funds from:

General fund	16,808
Transportation fund	8,329
General obligation debt service fund	1,353
Non-major governmental funds	
Highway user gas tax	1,353
Development impact fees	1,000
Total transfers to non-major debt service funds	<u>28,843</u>

Transfers to non-major enterprise fund from:

General fund	307
Total transfers to non-major enterprise fund	<u>307</u>

Transfers to internal service fund from:

General fund	635
Total transfers to internal service fund	<u>635</u>

Grand total all transfers	<u>\$ 33,919</u>
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CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2012

(amounts expressed in thousands)

Transfers are used to: 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; 2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and 3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The interfund transfers are all classified as transfers and are included in the results of operations of both governmental and proprietary funds.

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, 2012, the City intended to honor \$12,551 of outstanding encumbrances in the new year.

Fund

Major:

General	\$	596
Transportation		621
Water and sewer		4,594

Non-Major:

Community development block grant		31
Highway user gas tax		34
Police and fire sales tax		14
Federal stimulus		621
Other special revenue		883
Development impact fee		24
Streets capital		3,480
Fire and police capital		2
Other capital		655
Landfill		798
Sanitation		185
Risk management internal services		13
Total	\$	<u>12,551</u>

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, 2012, the City recognized a loss of \$2,848. The City has financed its share of construction costs through the issuance of revenue bonds, development fees and grants. The bonds are

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2012

(amounts expressed in thousands)

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, 2012, (unaudited) is as follows:

Assets

Current assets	\$ 44,912
Capital assets, net of accumulated depreciation	<u>868,922</u>
Total assets	<u>913,834</u>

Liabilities

Net assets	<u>35,952</u>
	<u>\$ 877,882</u>

Total revenues	\$ 76,906
Total expenses	<u>(103,445)</u>
Decrease in net assets	<u>\$ (26,539)</u>

Calculation of the City's equity:

City's share of SROG equity	\$ 60,389
(Total equity of \$877,882 plus unrealized loss of \$2,424 less assets not owned by the City of \$177,290 multiplied by 8.59%)	
Net capitalized interest on the City's records	3,294
City contributions not yet received by SROG	<u>46</u>
Total City equity	<u>\$ 63,729</u>

Change in the City's equity:

Capital contributed to the joint venture	\$ 51
Net loss on joint venture	<u>(2,848)</u>
Net decrease in equity	<u>\$ (2,797)</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.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2012

(amounts expressed in thousands)

XVI. Prior period adjustment

In August of 2011, funds were garnished from the City's checking account in the amount of \$2,335 for a claim against the City. The transaction was recorded as an expense of the risk management fund. In researching further and after our financial reports were issued for FY2011, it was determined that the general fund should be responsible for this claim. Therefore, the beginning fund balance for the general fund is decreasing and the beginning fund balance for the risk management internal service fund is increasing by \$2,335. In addition, the net assets for governmental activities decreased by \$514 and the business activities increased by \$514. This is due to restating the adjustment to reflect the consolidation of internal service activities for enterprise funds.

The governmental fund balances as restated:

	Western Loop 101					Total Governmental Funds
	General	Transportation	Public Facilities Corporation Debt Service	General Obligation Debt Service	Other Non-Major Governmental Funds	
Balance July 1	\$ 11,670	\$ 24,226	\$ 12,552	\$ 21,250	\$ 89,092	\$ 158,790
Adjustment	(2,335)	-	-	-	-	(2,335)
Balance restated July 1	<u>\$ 9,335</u>	<u>\$ 24,226</u>	<u>\$ 12,552</u>	<u>\$ 21,250</u>	<u>\$ 89,092</u>	<u>\$ 156,455</u>

The internal service funds net assets as restated:

	Risk Management	Workers' Compensation	Employee Benefits	Total
Net assets - beginning	\$ (1,487)	\$ 734	\$ (2,159)	\$ (2,912)
Adjustment	2,335	-	-	2,335
Net assets beginning - restated	<u>\$ 848</u>	<u>\$ 734</u>	<u>\$ (2,159)</u>	<u>\$ (577)</u>

The governmental and business-type activities net assets as restated:

	Government Activities	Business Activities	Total
Net assets - beginning	\$ 646,074	\$ 414,019	\$ 1,060,093
Adjustment	(514)	514	-
Net assets beginning - restated	<u>\$ 645,560</u>	<u>\$ 414,533</u>	<u>\$ 1,060,093</u>

XVII. 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 policy states that the general fund should maintain a minimum unassigned 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 complied with the minimum fund balance requirement at the end of June 30, 2012, primarily due to

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2012

(amounts expressed in thousands)

the NHL payment of \$25 million expensed in the current year and prior year. According to the policy, the deficiency will be replenished over a period not to exceed five years.

	Western Loop 101					
	General	Transportation	Public Facilities	General	Other Non-Major	Total
			Corporation	Obligation	Governmental	Governmental
			Debt Service	Debt Service	Funds	Funds
Nonspendable						
Inventory	\$ 197	\$ 80	\$ -	\$ -	\$ 151	\$ 428
Cemetery perpetual care	-	-	-	-	5,598	5,598
Total Nonspendable	197	80	-	-	5,749	6,026
Restricted						
Public transit	-	31,964	-	-	-	31,964
State drug enforcement	-	-	-	-	5,714	5,714
U.S. drug enforcement	-	-	-	-	251	251
Debt service	-	-	40	16,765	906	17,711
Court security	49	-	-	-	-	49
Court time payments	261	-	-	-	-	261
Court computer upgrade	58	-	-	-	-	58
HOME program	-	-	-	-	107	107
Highway user gas tax	-	-	-	-	15,188	15,188
Police activities	-	-	-	-	7,661	7,661
Fire activities	-	-	-	-	247	247
Federal stimulus activities	-	-	-	-	24	24
PFC construction	-	-	-	-	10,214	10,214
Development impact fees	-	-	-	-	11,343	11,343
Street G.O. bond projects	-	-	-	-	3,227	3,227
HURF bond projects	-	-	-	-	306	306
Transportation construction	-	-	-	-	1,335	1,335
Fire and police construction	-	-	-	-	2,512	2,512
Park bond construction	-	-	-	-	312	312
Economic development	-	-	-	-	1,810	1,810
Open space/trails	-	-	-	-	587	587
Cultural and historical project	-	-	-	-	316	316
Government facilities	-	-	-	-	170	170
Flood control construction	-	-	-	-	6,750	6,750
Other	-	-	-	-	215	215
Total restricted	368	31,964	40	16,765	69,195	118,332
Committed						
Arena stadium activities	556	-	-	-	-	556
Artwork	1,256	-	-	-	-	1,256
Pool/park repair	-	-	-	-	129	129
Other	539	-	-	-	-	539
Total committed	2,351	-	-	-	129	2,480
Assigned						
Other	-	-	-	-	82	82
Total assigned	-	-	-	-	82	82
Unassigned fund balance	(29,565)	-	-	-	-	(29,565)
	\$ (26,649)	\$ 32,044	\$ 40	\$ 16,765	\$ 75,155	\$ 97,355

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2012

(amounts expressed in thousands)

Enterprise Fund Type

WATER AND SEWER FUND

Restricted for revenue bond retirement/replacement and extension

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

\$ 10,963

Total restricted for water and sewer

\$ 10,963

NON-MAJOR PROPRIETARY FUNDS

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

1,958

Total restricted for enterprise fund type

\$ 12,921

XVIII. Employee retirement systems and pension plans

A. Plan descriptions

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

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

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

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.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2012

(amounts expressed in thousands)

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
www.azasrs.gov

PSPRS or EORP

3010 East Camelback Road #200
Phoenix, Arizona 85016

(602) 255-5575
www.psprs.com

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, 2012, active ASRS members and the City were each required by statute to contribute at the actuarially determined rate of 10.74% (9.87% for retirement, 0.63% for health insurance premiums, and 0.24% 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, 2012, 2011, and 2010 were \$13,752, \$12,555, and \$12,810, respectively, which were equal to the required contributions for the year.

Agent Plans. For the year ended June 30, 2012, PSPRS members were required by statute to contribute 8.65% of the members' annual covered payroll, and the City was required to contribute at the actuarially determined rate of 18.66% and 21.25% for Fire and Police, respectively. The health insurance premium portion of the contribution for fire and police members was computed as \$128 and \$272 for the year, respectively.

In addition, active EORP members were required by statute to contribute 10.00% of the members' annual covered payroll. The City was required to remit contributions of 32.99% 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, 2012, 2011, and 2010 were \$113, \$93, and \$84, 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 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, 2012, the date of the most recent available actuarial valuation, and related information follow.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2012

(amounts expressed in thousands)

GASB statement No. 25 supplementary information actuarial methods, rates, and cost.

	Fire	Police
Contribution rates:		
City	18.66%	21.25%
Plan members	8.65%	8.65%
Annual pension cost	\$3,280	\$6,243
Actuarial cost method**	Entry age normal	Entry age normal
Actuarial assumptions**:		
Investment rate of return	8.00%	8.00%
Projected salary increases*	5.00% - 9.00%	5.00% - 9.00%
Includes inflation at*	5.00%	5.00%
Amortization method**	Level percent-of-pay, closed	Level percent-of-pay, closed
Remaining amortization period**	24 years for unfunded actuarial accrued liability, 20 years for excess	24 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method**	7-year smoothed market value 80%/120% market	7-year smoothed market value 80%/120% market

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

**Actuarial presented summary of methods and assumptions used to determine the employer contribution for fiscal year 2013-14.

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, 2012, follows.

Contributions required and contributions made

Year Ended June 30	APC	Percentage of APC Contributed	Net Pension Obligation
Police			
2012	\$ 6,243	100.0 %	\$ -
2011	\$ 6,163	100.0 %	\$ -
2010	\$ 5,869	100.0 %	\$ -
Fire			
2012	\$ 3,280	100.0 %	\$ -
2011	\$ 3,186	100.0 %	\$ -
2010	\$ 3,123	100.0 %	\$ -

Includes insurance premium tax, where applicable.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2012

(amounts expressed in thousands)

E. Schedule of funding progress

The following information is presented as an analysis of funding progress excluding health insurance subsidy:

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						
2012	\$ 102,979	\$ 182,264	\$ 79,285	56.5%	\$ 29,356	270.1%
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%
Fire						
2012	\$ 84,891	\$ 119,523	\$ 34,631	71.0%	\$ 18,406	188.2%
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%

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.

XIX. 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. Retirees pay their own insurance premiums. In order for employees to be eligible for this benefit, they need 5 years of service if they were hired prior to July 1, 2005, and 10 years of service if they were hired after July 1, 2005. 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 health care 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. The City makes no contribution to the retirees' premiums other than allowing them to participate through the City's pooled benefits. By providing retirees with access to the City's healthcare plans based on the same rates it charges to active employees, the City is in effect providing a subsidy to retirees.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2012

(amounts expressed in thousands)

For the fiscal year ending June 30, 2012, the amount of \$3,167 was contributed to the plan by active retirees, in the form of current premiums and the City contributed \$2,688 (implied subsidy). The required contribution was 3.47% of covered payroll.

C. Annual OPEB cost and net OPEB obligation

The City of Glendale's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), and amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The City had 1,834 active and 617 retiree members for the plan year ending June 30, 2012. 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, 2012.

Normal cost	\$ 7,046
Minimum amortization of unfunded actuarial liability (UAL)	<u>5,463</u>
Annual required contribution	<u>12,509</u>
ARC adjustment	(1,389)
Interest adjustment to net obligation	<u>1,556</u>
OPEB cost	<u>12,676</u>
Adjustment to net OPEB obligation	(616)
Contributions made	(2,688)
Net OPEB obligation beginning of year	<u>38,896</u>
Net OPEB obligation end of year	<u>\$ 48,268</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010, 2011, and 2012 are as follows:

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2010	\$ 10,946	12.9%	\$ 28,723
2011	11,638	12.6	38,897
2012	12,676	21.2	48,268

D. Funding status

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

	June 30, 2012	July 1, 2009	July 1, 2007
Actuarial valuation date	June 30, 2012	July 1, 2009	July 1, 2007
Actuarial value of assets	\$ -	\$ -	\$ -
Actuarial accrued liability	\$ 152,974	\$ 106,578	\$ 101,281
Unfunded Actuarial Liability (UAL)	\$ 152,974	\$ 106,578	\$ 101,281
Funded ratio	- %	- %	- %
Annual covered payroll	\$ 105,550	\$ 109,704	\$ 109,391
Ratio of UAL to annual covered payroll	144.9%	97.2%	92.6%

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2012

(amounts expressed in thousands)

E. Actuarial methods and assumptions

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

For the June 30, 2012, 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 level percent of payroll amortized over 30 years and the period is open. The healthcare cost trend rate used in the actuarial assumptions averaged 7.5% for the medical and dental plans for the 2011-12 fiscal year. No salary or post-retirement benefit increases were projected. Inflation rate is unknown at this time.

XX. 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. In the opinion of City management, based on the advice of the City attorney, the resolution of such claims and litigation are believed to 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.

XXI. Special item

As of the fall of 2012, the National Hockey League (NHL) is in official negotiations with a prospective buyer of the team with the goal of keeping the Coyotes operating as the anchor tenant in Jobing.com Arena. The City has given approval of an arena management agreement (for more discussion on this see note XXII). This has been an ongoing process over the past four years.

The \$25,000 special item represents commitment to the National Hockey League (NHL) for having the Coyotes hockey team play at the Jobing.com arena for the 2011-12 hockey season. \$20,000 of the owner's fee was funded with \$5,000 from the general fund and a \$15,000 inter-fund loan from the water and sewer fund to the general fund. The inter-fund loan is expected to be paid back over 25 years. The additional \$5,000 balance due is a contract payable in the general fund at the end of fiscal year 2012, however that funding is most likely to come from the water and sewer fund.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2012

(amounts expressed in thousands)

XXII. Subsequent events

On June 12, 2012, the Mayor and City Council adopted a 0.7% increase in the general transaction privilege (sales) tax from 1.2% to 1.9% across most categories effective August 1, 2012. The dedicated public safety tax of 0.5% and transportation tax of 0.5% remained the same for a total rate of 2.9%. The retail sales and use category of single items costing over \$5 remained the same at a total rate of 2.2%. After the increase to the sales tax was adopted, an initiative challenging the increase was brought forward by the voters at the November 6, 2012 election. The initiative failed by a 66% no vote. The 0.7% increase will terminate on August 1, 2017.

On November 13, 2012, Mayor and Council adopted an ordinance authorizing the city manager to refinance the Municipal Property Corporation debt not to exceed \$61,000 and the Western Loop 101 Public Facilities Corporation debt not to exceed \$203,000. On December 13, 2012, \$239,875 in refunding bonds were sold by the Municipal Property Corporation. This transaction resulted in a \$38,000 cash flow savings for the general fund over the next five years, a net present value savings of \$43,000 and will not increase the original term of the bonds. As a result, the Western Loop 101 Public Facilities Corporation no longer has any debt associated with it and will be dissolved.

On November 27, 2012, Mayor and Council approved a revised Arena Lease and Management agreement with the Arizona Hockey Arena Partners, LLC and Arena Hockey Partners, LLC to keep the Coyotes hockey team playing in the city-owned Jobing.com arena for the next 20 years. The City would be required to pay \$5,500 as a management fee to the Arena operator in fiscal year 2012-13, with annual payments in subsequent years increasing to \$18,000 in years 2-10 and then declining to \$13,000 in years 17-20. In addition, the City would also fund a capital improvement account in the amount of \$500 per year with an additional \$500 in years 2021-2024. The effective date of the amended agreement and payment of the management fee is contingent upon the proposed buyer closing on its purchase of the Team from the NHL prior to January 31, 2013.

On November 30, 2012, the Moody's rating agency revised the bond ratings for the City. Listed below are the categories of bonds showing the before and after ratings.

Bond Category	Before	After
GO Bonds	Aa3	A2
Senior MPC Bonds	A1	A2
Subordinate MPC Bonds	A2	A3
Third Lien MPC Bonds	A3	A3
HURF Bonds	Aa2	A2
Transportation Bonds	Aa3	A2
Water and Sewer Obligations	Aa3	A1

On December 6, 2012, Standard and Poor's revised the rating on the Municipal Property Corporation Subordinate Lien Bonds from AA+ to AA.

On December 12, 2012, Standard and Poor's revised the rating on the general obligation bonds from A+ to A-.

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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, 2012

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City of Glendale, Arizona
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2011	\$ 39,532	\$ 39,532	\$ 38,737	\$ (795)
RESOURCES (INFLOWS):				
Taxes	61,447	61,447	60,852	(595)
Licenses and permits	8,840	8,840	9,172	332
Intergovernmental	44,842	44,842	44,780	(62)
Charges for services	37,675	37,675	30,922	(6,753)
Fines and forfeitures	4,045	4,043	3,374	(669)
Investment income (loss)	856	856	371	(485)
Proceeds from disposal of assets	252	252	513	261
Miscellaneous	7,302	7,302	7,473	171
Total revenues	<u>165,259</u>	<u>165,257</u>	<u>157,457</u>	<u>(7,800)</u>
Add: Transfers in	19,007	19,007	15,115	(3,892)
Less: Transfers out	<u>(40,155)</u>	<u>(40,155)</u>	<u>(19,289)</u>	<u>20,866</u>
Amounts available for appropriation	<u>183,643</u>	<u>183,641</u>	<u>192,020</u>	<u>8,379</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General government	46,694	57,484	49,698	7,786
Public safety	76,573	77,492	76,685	807
Public works	20,899	20,900	20,087	813
Community services	19,627	20,371	20,161	210
Community environment	84	134	128	6
Street maintenance	791	791	684	107
Miscellaneous	2,631	2,631	1,601	1,030
Debt service:				
Principal	11	131	287	(156)
Interest	406	1,616	1,459	157
Capital outlay	<u>5,689</u>	<u>4,921</u>	<u>2,831</u>	<u>2,090</u>
Total charges to appropriations	<u>173,405</u>	<u>186,471</u>	<u>173,621</u>	<u>12,850</u>
Budgetary fund balance, June 30, 2012	<u>\$ 10,238</u>	<u>\$ (2,830)</u>	<u>\$ 18,399</u>	<u>\$ 21,229</u>

(Continued)

City of Glendale, Arizona
Budgetary Comparison Schedule (continued)
General Fund
For the Fiscal Year Ended June 30, 2012
(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.	\$ 192,020
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.	(38,737)
Indirect cost allocation	(8,862)
Interest earned on restricted investments not available for appropriation	263
Internal charges for services provided.	(12,823)
Proceeds from disposal of assets.	(513)
Interfund loan from water and sewer	(15,000)
Miscellaneous revenue not reported GAAP basis.	131
Less: Transfers in.	(115)
Add: Transfers out.	19,289
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 135,653</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 173,621
Differences - budget to GAAP:	
Principal retirement.	(120)
Capital outlay funded by long-term debt.	152
Internal charges for services provided.	(22,633)
Special item.	(25,000)
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 126,020</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, 2012
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2011	\$ 10,929	\$ 10,929	\$ 24,369	\$ 13,440
RESOURCES (INFLOWS):				
Taxes	19,300	19,300	20,664	1,364
Intergovernmental	4,981	4,981	3,179	(1,802)
Charges for services	128	128	108	(20)
Investments	98	98	84	(14)
Proceeds from disposal of assets	-	-	5	5
Miscellaneous revenues	2,000	2,000	2,318	318
Total revenues	<u>26,507</u>	<u>26,507</u>	<u>26,358</u>	<u>(149)</u>
Add: Transfers in	900	900	900	-
Less: Transfers out	<u>(15,793)</u>	<u>(15,793)</u>	<u>(8,329)</u>	<u>7,464</u>
Amounts available for appropriation	<u>22,543</u>	<u>22,543</u>	<u>43,298</u>	<u>20,755</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Community services	12,609	12,963	11,018	1,945
Capital outlay	<u>5,518</u>	<u>5,210</u>	<u>198</u>	<u>5,012</u>
Total charges to appropriations	<u>18,127</u>	<u>18,173</u>	<u>11,216</u>	<u>6,957</u>
Budgetary fund balance, June 30, 2012	<u>\$ 4,416</u>	<u>\$ 4,370</u>	<u>\$ 32,082</u>	<u>\$ 27,712</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.	\$ 43,298
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(24,369)
Proceeds from disposal of assets.	(5)
Less: Transfers in.	(900)
Add: Transfers out.	<u>8,329</u>
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 26,353</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 11,216
Differences - budget to GAAP:	
Salaries payable.	<u>(105)</u>
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 11,111</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, 2012

(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, capital and debt service 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 sets 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 sets appropriations for each fund.
4. Budget basis expenditures may not exceed appropriations for each fund, except in conjunction with the transfer of contingency funds and/or unused appropriation authority from another fund that is backed by additional revenue or fund balance in the fund receiving the appropriation. 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 budget amendments, but may not increase total appropriations above the total budget, which was legally adopted for the fiscal year.
5. The City Council may authorize a transfer of unencumbered appropriation balanced within an individual city office, department or agency at any time during the fiscal year. During the last three months of the fiscal year, the City Council may approve transfers among city offices, departments, and agencies as necessary. Interfund transfers (i.e., transfers between funds) must be specifically approved by City Council. Procedures for requesting City Council approval of appropriation transfers and delegation of budget responsibility will be set by the City Manager.
6. Budgetary authorization and spending management controls are employed during the year for all funds except the Western Loop 101 Public Facilities Corporation construction fund.

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, 2012

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City of Glendale, Arizona
Budgetary Comparison Schedule
Western Loop 101 Public Facilities Corporation Debt Service Fund
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2011	\$ -	\$ -	\$ -	\$ -
RESOURCES (INFLOWS):				
Add: Transfers in	380	380	503	123
Amounts available for appropriation	<u>380</u>	<u>380</u>	<u>503</u>	<u>123</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General government	-	-	4	(4)
Debt service:				
Interest	380	503	499	4
Total charges to appropriations	<u>380</u>	<u>503</u>	<u>503</u>	<u>-</u>
Budgetary fund balance, June 30, 2012	<u>\$ -</u>	<u>\$ (123)</u>	<u>\$ -</u>	<u>\$ 123</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.	\$ 503
Differences - budget to GAAP:	
Less: Transfers in.	<u>(503)</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.	\$ 503
Differences - budget to GAAP:	
Interest.	<u>12,512</u>
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 13,015</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
General Obligation Debt Service Fund
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2011	\$ 21,116	\$ 21,116	\$ 23,228	\$ 2,112
RESOURCES (INFLOWS):				
Investments	669	669	334	(335)
Taxes	18,144	18,144	17,831	(313)
Intergovernmental	-	-	335	335
Total inflows	18,813	18,813	18,500	(313)
Add: Transfers in	208	208	341	133
Less: Transfers out	(1,353)	(1,353)	(1,353)	-
Amounts available for appropriation	38,784	38,784	40,716	1,932
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Miscellaneous	340	340	7	333
Debt service:				
Principal	15,260	15,260	15,260	-
Interest	8,683	8,683	8,684	(1)
Total charges to appropriations	24,283	24,283	23,951	332
Budgetary fund balance, June 30, 2012	\$ 14,501	\$ 14,501	\$ 16,765	\$ 2,264

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.	\$ 40,716
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.	(23,228)
Less transfers in.	(341)
Add transfers out.	1,353
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 18,500

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 23,951
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 23,951

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.

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 the airport, miscellaneous grants, and other recreation programs.

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 other funds 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.

Development Impact Fees Fund

This fund accounts for fees covered by Chapter 28, Article VI of the Municipal Code and is restricted in use by ARS 9-463.05. 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.

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, 2012
(amounts expressed in thousands)

	Special Revenue Funds				
	Community	Highway	Police	Federal	Other
	Development	User	and Fire		
	Block Grants	Gas Tax	Sales Tax	Stimulus	
ASSETS					
Equity in pooled cash and investments	\$ 292	\$ 14,378	\$ 7,366	\$ 841	\$ 674
Receivables, net of allowance for doubtful accounts:					
Accounts	2	-	2,526	-	2
Intergovernmental receivable	429	1,103	-	29	1,173
Inventories and prepaid items	-	151	-	-	1
Restricted cash and investments	-	-	-	-	8,797
Deferred receivables	3,842	-	-	-	-
Total assets	<u>\$ 4,565</u>	<u>\$ 15,632</u>	<u>\$ 9,892</u>	<u>\$ 870</u>	<u>\$ 10,647</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Vouchers payable	\$ 295	\$ 270	\$ 724	\$ 356	\$ 852
Retainage payable	-	-	-	-	3
Compensated absences - current	6	23	114	-	15
Intergovernmental payable	-	-	-	-	1
Due to other funds	130	-	247	-	1,994
Deposits	-	-	-	-	8
Matured interest payable	-	-	-	-	-
Deferred revenue	4,027	-	899	490	1,383
Matured bonds payable	-	-	-	-	-
Total liabilities	<u>4,458</u>	<u>293</u>	<u>1,984</u>	<u>846</u>	<u>4,256</u>
Fund balances:					
Nonspendable	-	151	-	-	-
Restricted	107	15,188	7,908	24	6,180
Committed	-	-	-	-	129
Assigned	-	-	-	-	82
Total fund balances	<u>107</u>	<u>15,339</u>	<u>7,908</u>	<u>24</u>	<u>6,391</u>
Total liabilities and fund balances	<u>\$ 4,565</u>	<u>\$ 15,632</u>	<u>\$ 9,892</u>	<u>\$ 870</u>	<u>\$ 10,647</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	Development Impact Fees	Streets Construction	Fire and Police Construction	Parks Bond Construction	Other Construction	Cemetery Perpetual Care		
\$ 16	\$ 19	\$ 5,108	\$ 1,180	\$ 11,429	\$ 3,417	\$ 2,904	\$ 312	\$ 9,754	\$ 5,598	\$ 63,288	
-	-	-	-	-	-	-	-	-	72	2,602	
-	-	-	-	-	-	-	-	-	-	2,734	
-	11,851	-	9,034	-	1,912	-	-	3	-	155	
-	-	-	-	-	-	-	-	-	-	31,594	
-	-	-	-	-	-	-	-	-	-	3,842	
<u>\$ 16</u>	<u>\$ 11,870</u>	<u>\$ 5,108</u>	<u>\$ 10,214</u>	<u>\$ 11,429</u>	<u>\$ 5,329</u>	<u>\$ 2,904</u>	<u>\$ 312</u>	<u>\$ 9,757</u>	<u>\$ 5,670</u>	<u>\$ 104,215</u>	
\$ -	\$ -	\$ -	\$ -	\$ 86	\$ 341	\$ 392	\$ -	\$ 102	\$ -	\$ 3,418	
-	-	-	-	-	-	-	-	-	-	3	
-	-	-	-	-	-	-	-	-	-	158	
-	21	-	-	-	60	-	-	-	-	82	
-	1,565	-	-	-	-	-	-	-	-	3,936	
-	-	-	-	-	-	-	-	-	-	8	
-	6,804	2,218	-	-	-	-	-	-	-	9,022	
-	-	-	-	-	60	-	-	22	72	6,953	
-	2,590	2,890	-	-	-	-	-	-	-	5,480	
-	<u>10,980</u>	<u>5,108</u>	<u>-</u>	<u>86</u>	<u>461</u>	<u>392</u>	<u>-</u>	<u>124</u>	<u>72</u>	<u>29,060</u>	
-	-	-	-	-	-	-	-	-	5,598	5,749	
16	890	-	10,214	11,343	4,868	2,512	312	9,633	-	69,195	
-	-	-	-	-	-	-	-	-	-	129	
-	-	-	-	-	-	-	-	-	-	82	
<u>16</u>	<u>890</u>	<u>-</u>	<u>10,214</u>	<u>11,343</u>	<u>4,868</u>	<u>2,512</u>	<u>312</u>	<u>9,633</u>	<u>5,598</u>	<u>75,155</u>	
<u>\$ 16</u>	<u>\$ 11,870</u>	<u>\$ 5,108</u>	<u>\$ 10,214</u>	<u>\$ 11,429</u>	<u>\$ 5,329</u>	<u>\$ 2,904</u>	<u>\$ 312</u>	<u>\$ 9,757</u>	<u>\$ 5,670</u>	<u>\$ 104,215</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, 2012
(amounts expressed in thousands)

	Special Revenue Funds				
	Community Development Block Grants	Highway User Gas Tax	Police and Fire		Other
			Sales Tax	Federal Stimulus	
REVENUES					
Taxes and special assessments	\$ -	\$ -	\$ 18,871	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	4,252	11,353	-	1,373	7,583
Charges for services	-	-	-	-	1,190
Investments	-	-	-	-	65
Miscellaneous	776	-	-	-	712
Total revenues	<u>5,028</u>	<u>11,353</u>	<u>18,871</u>	<u>1,373</u>	<u>9,550</u>
EXPENDITURES					
Current:					
General government	-	-	-	-	3
Public safety	-	-	19,140	43	4,625
Public works	-	-	-	-	48
Community services	-	-	-	1,306	1,789
Community environment	5,011	-	-	-	1,614
Street maintenance	-	7,591	-	-	-
Miscellaneous	-	-	-	-	8
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay	2	-	-	-	601
Total expenditures	<u>5,013</u>	<u>7,591</u>	<u>19,140</u>	<u>1,349</u>	<u>8,688</u>
Excess (deficiency) of revenues over expenditures	<u>15</u>	<u>3,762</u>	<u>(269)</u>	<u>24</u>	<u>862</u>
OTHER FINANCING SOURCES (USES)					
Refunded bonds redeemed	-	-	-	-	-
Long-term debt issued	-	-	-	-	-
Premium on long-term debt issued	-	-	-	-	-
Proceeds from equipment disposal	-	-	-	-	-
Transfers in	-	99	-	-	198
Transfers out	-	(1,415)	-	-	(209)
Total other financing sources and uses	<u>-</u>	<u>(1,316)</u>	<u>-</u>	<u>-</u>	<u>(11)</u>
Excess (deficiency) of revenues and other sources over Net change in fund balances	15	2,446	(269)	24	851
Fund balances, July 1	92	12,893	8,177	-	5,540
Fund balances, June 30	<u>\$ 107</u>	<u>\$ 15,339</u>	<u>\$ 7,908</u>	<u>\$ 24</u>	<u>\$ 6,391</u>

Debt Service Funds			Capital Projects Funds						Permanent Fund	Total
Highway User	Municipal Property Corporation	Transportation	Western Loop 101 Public Facilities Corporation Construction	Development Impact Fees	Streets Construction	Fire and Police Construction	Parks Bond Construction	Other Construction	Cemetery Perpetual Care	Non-Major Governmental Funds
	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	1,626	-	-	-	-	-	1,626
-	-	-	140	-	14	-	-	-	-	24,715
-	953	-	-	-	-	-	-	-	-	2,143
-	-	-	-	31	7	2	-	7	15	127
-	2	-	-	-	-	-	-	288	-	1,778
-	955	-	140	1,657	21	2	-	295	15	49,260
-	242	-	-	16	130	-	24	32	-	447
-	-	-	-	-	-	2,051	-	-	-	25,859
-	-	-	-	-	-	-	-	26	-	74
-	-	-	-	239	140	-	-	1	-	3,475
-	-	-	-	-	-	-	-	-	-	6,625
-	-	-	-	2	34	-	-	-	-	7,627
1	165	1	-	-	-	-	-	-	-	175
4,040	2,590	2,890	-	-	-	-	-	-	-	9,520
656	14,268	4,437	-	-	-	-	-	-	-	19,361
-	-	-	35	-	10,159	-	78	5,578	-	16,453
4,697	17,265	7,328	35	257	10,463	2,051	102	5,637	-	89,616
(4,697)	(16,310)	(7,328)	105	1,400	(10,442)	(2,049)	(102)	(5,342)	15	(40,356)
-	(9,320)	-	-	-	-	-	-	-	-	(9,320)
-	8,665	-	-	-	-	-	-	-	-	8,665
-	898	-	-	-	-	-	-	-	-	898
-	-	-	-	-	6	-	-	-	-	6
4,706	16,809	7,328	-	-	-	-	-	-	-	29,140
-	-	-	-	(1,341)	-	-	-	(5)	-	(2,970)
4,706	17,052	7,328	-	(1,341)	6	-	-	(5)	-	26,419
9	742	-	105	59	(10,436)	(2,049)	(102)	(5,347)	15	(13,937)
7	148	-	10,109	11,284	15,304	4,561	414	14,980	5,583	89,092
\$ 16	\$ 890	\$ -	\$ 10,214	\$ 11,343	\$ 4,868	\$ 2,512	\$ 312	\$ 9,633	\$ 5,598	\$ 75,155

City of Glendale, Arizona
Budgetary Comparison Schedule
Community Development Block Grants Fund
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2011	\$ 1,474	\$ 1,474	\$ 98	\$ (1,376)
RESOURCES (INFLOWS):				
Intergovernmental	9,168	9,168	4,252	(4,916)
Miscellaneous	364	364	776	412
Total revenues	<u>9,532</u>	<u>9,532</u>	<u>5,028</u>	<u>(4,504)</u>
Amounts available for appropriation	<u>11,006</u>	<u>11,006</u>	<u>5,126</u>	<u>(5,880)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Community environment	10,993	10,994	5,011	5,983
Capital Outlay	-	-	2	(2)
Total charges to appropriations	<u>10,993</u>	<u>10,994</u>	<u>5,013</u>	<u>5,981</u>
Budgetary fund balance, June 30, 2012	<u>\$ 13</u>	<u>\$ 12</u>	<u>\$ 113</u>	<u>\$ 101</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.	\$ 5,126
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.	(98)
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balance - governmental funds.	<u>\$ 5,028</u>

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 5,013
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 5,013</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Highway Users Gas Tax Fund
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2011	\$ 12,741	\$ 12,741	\$ 13,127	\$ 386
RESOURCES (INFLOWS):				
Intergovernmental	11,416	11,416	11,353	(63)
Total revenues	11,416	11,416	11,353	(63)
Add: Transfers in	-	-	99	99
Amounts available for appropriation	24,157	24,157	24,579	422
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Street maintenance	22,477	15,854	7,738	8,116
Transfers out	1,353	1,353	1,415	(62)
Total charges to appropriations	23,830	17,207	9,153	8,054
Budgetary fund balance, June 30, 2012	\$ 327	\$ 6,950	\$ 15,426	\$ 8,476

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.	\$ 24,579
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(13,127)
Less: Transfers in.	(99)
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 11,353

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 9,153
Differences - budget to GAAP:	
Transfers out	(1,415)
Salaries payable.	(147)
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 7,591

City of Glendale, Arizona
Budgetary Comparison Schedule
Police and Fire Sales Tax Fund
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2011	\$ 5,085	\$ 5,085	\$ 8,744	\$ 3,659
RESOURCES (INFLOWS):				
Taxes	18,384	18,384	18,871	487
Total revenues	18,384	18,384	18,871	487
Amounts available for appropriation	23,469	23,469	27,615	4,146
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Public safety	20,545	21,666	19,557	2,109
Capital outlay	25	25	-	25
Total charges to appropriations	20,570	21,691	19,557	2,134
Budgetary fund balance, June 30, 2012	\$ 2,899	\$ 1,778	\$ 8,058	\$ 6,280

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.	\$ 27,615
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(8,744)
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 18,871

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 19,557
Differences - budget to GAAP:	
Salaries payable.	(417)
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 19,140

City of Glendale, Arizona
Budgetary Comparison Schedule
Federal Stimulus Fund
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2011	\$ -	\$ -	\$ -	\$ -
RESOURCES (INFLOWS):				
Intergovernmental	2,672	2,672	1,373	(1,299)
Total revenues	2,672	2,672	1,373	(1,299)
Amounts available for appropriation	2,672	2,672	1,373	(1,299)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Public safety	75	50	43	7
Community services	2,595	2,876	1,307	1,569
Capital outlay	2	2	(1)	3
Total charges to appropriations	2,672	2,928	1,349	1,579
Budgetary fund balance, June 30, 2012	\$ -	\$ (256)	\$ 24	\$ 280

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.	\$ 1,373
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 1,373

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 1,349
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 1,349

City of Glendale, Arizona
Budgetary Comparison Schedule
Other Special Revenue Fund
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2011	\$ 5,462	\$ 5,462	\$ 5,600	\$ 138
RESOURCES (INFLOWS):				
Intergovernmental	21,840	21,840	7,584	(14,256)
Charges for services	992	992	1,189	197
Investments	95	95	65	(30)
Miscellaneous	20,303	20,303	712	(19,591)
Total revenues	43,230	43,230	9,550	(33,680)
Add: Transfers in	119	119	198	79
Less: Transfers out	-	-	(209)	(209)
Amounts available for appropriation	48,811	48,811	15,139	(33,672)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General government	-	-	3	(3)
Public safety	21,362	11,141	4,625	6,516
Public works	177	177	48	129
Community services	2,701	2,689	1,839	850
Community environment	1,701	1,728	1,607	121
Miscellaneous	-	-	8	(8)
Capital outlay	20,688	17,754	601	17,153
Total charges to appropriations	46,629	33,489	8,731	24,758
Budgetary fund balance, June 30, 2012	\$ 2,182	\$ 15,322	\$ 6,408	\$ (8,914)

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule.	\$ 15,139
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.	(5,600)
Less: Transfers in.	(198)
Add: Transfers out.	209
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 9,550

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 8,731
Differences - budget to GAAP:	
Salaries payable.	(43)
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 8,688

City of Glendale, Arizona
Budgetary Comparison Schedule
Highway User Debt Service Fund
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2011	\$ -	\$ -	\$ 7	\$ 7
RESOURCES (INFLOWS):				
Add: Transfers in	4,706	4,706	4,706	-
Amounts available for appropriation	<u>4,706</u>	<u>4,706</u>	<u>4,713</u>	<u>7</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Miscellaneous	10	9	1	8
Debt service:				
Principal	4,040	4,040	4,040	-
Interest	656	656	656	-
Total charges to appropriations	<u>4,706</u>	<u>4,705</u>	<u>4,697</u>	<u>8</u>
Budgetary fund balance, June 30, 2012	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 16</u>	<u>\$ 15</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.	\$ 4,713
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)
Less: Transfers in.	<u>(4,706)</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.	<u>\$ 4,697</u>
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 4,697</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Municipal Property Corporation Debt Service Fund
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2011	\$ 1,534	\$ 1,534	\$ -	\$ (1,534)
RESOURCES (INFLOWS):				
Charges for services	1,057	1,057	953	(104)
Miscellaneous revenues	-	-	2	2
Total revenues	1,057	1,057	955	(102)
Add: Transfers in	19,442	19,442	16,809	(2,633)
Amounts available for appropriation	22,033	22,033	17,764	(4,269)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Miscellaneous	35	35	16	19
Debt service:				
Principal	6,960	6,960	2,590	4,370
Interest	14,452	14,452	14,268	184
Total charges to appropriations	21,447	21,447	16,874	4,573
Budgetary fund balance, June 30, 2012	\$ 586	\$ 586	\$ 890	\$ 304

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule.	\$ 17,764
Differences - budget to GAAP:	
Less: Transfers in.	(16,809)
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 955

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 16,874
Differences - budget to GAAP:	
Other financing uses on bond refunding.	
Cost of issuance on long-term debt issued.	243
Arbitrage rebate.	148
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 17,265

City of Glendale, Arizona
Budgetary Comparison Schedule
Transportation Debt Service Fund
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2011	\$ -	\$ -	\$ -	\$ -
RESOURCES (INFLOWS):				
Add: Transfers in	<u>7,327</u>	<u>7,327</u>	<u>7,328</u>	<u>1</u>
Amounts available for appropriation	<u>7,327</u>	<u>7,327</u>	<u>7,328</u>	<u>1</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Miscellaneous	-	2	1	1
Debt service:				
Principal	2,890	2,890	2,890	-
Interest	4,437	4,437	4,437	-
Total charges to appropriations	<u>7,327</u>	<u>7,329</u>	<u>7,328</u>	<u>1</u>
Budgetary fund balance, June 30, 2012	<u>\$ -</u>	<u>\$ (2)</u>	<u>\$ -</u>	<u>\$ 2</u>

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 7,328
Differences - budget to GAAP:	
Less: Transfers in.	<u>(7,328)</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.	\$ 7,328
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 7,328</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Development Impact Fees Fund
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2011	\$ 11,015	\$ 11,015	\$ 11,285	\$ 270
RESOURCES (INFLOWS):				
Licenses and permits	678	678	1,626	948
Investments	50	50	31	(19)
Total revenues	728	728	1,657	929
Less: Transfers out	(1,209)	(1,209)	(1,340)	(131)
Amounts available for appropriation	10,534	10,534	11,602	1,068
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
General administration	202	202	16	186
Public safety	1,180	1,180	-	1,180
Street maintenance	67	67	2	65
Community services	8,354	8,354	239	8,115
Capital outlay	731	763	-	763
Total charges to appropriations	10,534	10,566	257	10,309
Budgetary fund balance, June 30, 2012	\$ -	\$ (32)	\$ 11,345	\$ 11,377

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.	\$ 11,602
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.	(11,285)
Add: Transfers out.	1,340
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 1,657

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 257
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 257

City of Glendale, Arizona
Budgetary Comparison Schedule
Streets Construction Fund
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary fund balance, July 1, 2011	\$ 23,628	\$ 23,628	\$ 15,301	\$ (8,327)
RESOURCES (INFLOWS):				
Investments	18	18	9	(9)
Intergovernmental	-	-	15	15
Proceeds from asset disposal	-	-	6	6
Long-term debt issued	13,000	13,000	-	(13,000)
Total revenues	13,018	13,018	30	(12,988)
Add: Transfers in	7,467	7,467	-	(7,467)
Amounts available for appropriation	44,113	44,113	15,331	(28,782)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General administration	-	-	130	(130)
Community services	1,214	1,303	139	1,164
Street maintenance	108	252	34	218
Capital outlay	42,791	46,181	10,160	36,021
Total charges to appropriations	44,113	47,736	10,463	37,273
Budgetary fund balance, June 30, 2012	\$ -	\$ (3,623)	\$ 4,868	\$ 8,491

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule.	\$ 15,331
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.	(15,301)
Market adjustment on restricted investments not available for appropriation.	(3)
Proceeds from disposal of assets	(6)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 21</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 10,463
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 10,463</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Fire and Police Construction Fund
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2011	\$ 4,683	\$ 4,683	\$ 4,561	\$ (122)
RESOURCES (INFLOWS):				
Investments	<u>6</u>	<u>6</u>	<u>2</u>	<u>(4)</u>
Total revenues	<u>6</u>	<u>6</u>	<u>2</u>	<u>(4)</u>
Amounts available for appropriation	<u>4,689</u>	<u>4,689</u>	<u>4,563</u>	<u>(126)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Public safety	2,347	2,347	2,051	296
Capital outlay	<u>2,342</u>	<u>2,540</u>	<u>-</u>	<u>2,540</u>
Total charges to appropriations	<u>4,689</u>	<u>4,887</u>	<u>2,051</u>	<u>2,836</u>
Budgetary fund balance, June 30, 2012	<u>\$ -</u>	<u>\$ (198)</u>	<u>\$ 2,512</u>	<u>\$ (2,710)</u>

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule.	\$ 4,563
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	<u>(4,561)</u>
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.	\$ 2,051
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 2,051</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Parks Bond Construction Fund
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2011	\$ 348	\$ 348	\$ 414	\$ 66
RESOURCES (INFLOWS):				
Investments	<u>2</u>	<u>2</u>	<u>-</u>	<u>(2)</u>
Total revenues	<u>2</u>	<u>2</u>	<u>-</u>	<u>(2)</u>
Amounts available for appropriation	<u>350</u>	<u>350</u>	<u>414</u>	<u>64</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General administration	183	183	24	159
Capital outlay	<u>166</u>	<u>291</u>	<u>78</u>	<u>213</u>
Total charges to appropriations	<u>349</u>	<u>474</u>	<u>102</u>	<u>372</u>
Budgetary fund balance, June 30, 2012	<u>\$ 1</u>	<u>\$ (124)</u>	<u>\$ 312</u>	<u>\$ 436</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.	\$ 414
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>(414)</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.	\$ 102
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 102</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Other Construction Fund
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2011	\$ 15,725	\$ 15,725	\$ 14,977	\$ (748)
RESOURCES (INFLOWS):				
Investments	39	39	7	(32)
Miscellaneous	-	-	288	288
Total revenues	39	39	295	256
Less: Transfers out	-	-	(5)	(5)
Amounts available for appropriation	15,764	15,764	15,267	(497)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General administration	-	6	32	(26)
Community services	2,427	2,592	1	2,591
Public Works	5	5	26	(21)
Capital outlay	13,332	13,161	5,578	7,583
Total charges to appropriations	15,764	15,764	5,637	10,127
Budgetary fund balance, June 30, 2012	\$ -	\$ -	\$ 9,630	\$ 9,630

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 15,267
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(14,977)
Add: Transfers out.	5
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 295

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 5,637
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 5,637

City of Glendale, Arizona
Budgetary Comparison Schedule
Cemetery Perpetual Care Fund
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2011	\$ 5,576	\$ 5,576	\$ 5,583	\$ 7
RESOURCES (INFLOWS):				
Investments	22	22	15	(7)
Total revenues	22	22	15	(7)
Amounts available for appropriation	5,598	5,598	5,598	-
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Public works	5,598	5,598	-	5,598
Total charges to appropriations	5,598	5,598	-	5,598
Budgetary fund balance, June 30, 2012	\$ -	\$ -	\$ 5,598	\$ 5,598

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. \$ 5,598

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. (5,583)

Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds. \$ 15

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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 clean.

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, 2012
(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	\$ 7,312	\$ 758	\$ 2,697	\$ 10,767
Receivables:				
Accounts	598	1,980	2	2,580
Allowance for uncollectibles	(5)	(182)	-	(187)
Due from other funds	21,387	3,981	-	25,368
Intergovernmental receivable	-	-	106	106
Inventories and prepaid items	-	-	7	7
Total current assets	<u>29,292</u>	<u>6,537</u>	<u>2,812</u>	<u>38,641</u>
Noncurrent assets:				
Restricted cash and investments	-	-	63	63
Capital assets:				
Capital assets	23,945	13,573	13,769	51,287
Accumulated depreciation	<u>(11,460)</u>	<u>(7,366)</u>	<u>(8,068)</u>	<u>(26,894)</u>
Capital assets, net	<u>12,485</u>	<u>6,207</u>	<u>5,701</u>	<u>24,393</u>
Total noncurrent assets	<u>12,485</u>	<u>6,207</u>	<u>5,764</u>	<u>24,456</u>
Total assets	<u>41,777</u>	<u>12,744</u>	<u>8,576</u>	<u>63,097</u>
LIABILITIES				
Current liabilities:				
Vouchers payable	300	210	-	510
Accounts payable	-	-	41	41
Compensated absences	347	365	23	735
Due to other funds	-	488	1	489
Deposits	135	106	38	279
Unearned rent	-	-	27	27
Total current liabilities	<u>782</u>	<u>1,169</u>	<u>130</u>	<u>2,081</u>
Noncurrent liabilities:				
Compensated absences	135	121	203	459
OPEB long-term obligations	926	1,848	521	3,295
Other long-term debt	-	-	63	63
Estimated closure and post-closure costs	<u>14,504</u>	<u>-</u>	<u>-</u>	<u>14,504</u>
Total noncurrent liabilities	<u>15,565</u>	<u>1,969</u>	<u>787</u>	<u>18,321</u>
Total liabilities	<u>16,347</u>	<u>3,138</u>	<u>917</u>	<u>20,402</u>
NET ASSETS				
Invested in capital assets, net of related debt	12,485	6,207	5,701	24,393
Restricted for:				
Other purposes	-	-	1,958	1,958
Unrestricted	<u>12,945</u>	<u>3,399</u>	<u>-</u>	<u>16,344</u>
Total net assets	<u>\$ 25,430</u>	<u>\$ 9,606</u>	<u>\$ 7,659</u>	<u>\$ 42,695</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, 2012

(amounts expressed in thousands)

	Business-Type Activities Enterprise Funds			
	Landfill	Sanitation	Housing	Total
Operating revenues:				
Intergovernmental	\$ -	\$ -	\$ 8,849	\$ 8,849
Container service	-	4,123	-	4,123
Curb service	-	10,432	-	10,432
Landfill user fees	4,913	-	-	4,913
Recycling sales	2,150	-	-	2,150
Other fees	108	4	4,886	4,998
Total operating revenues	<u>7,171</u>	<u>14,559</u>	<u>13,735</u>	<u>35,465</u>
Operating expenses:				
Landfill	5,906	-	-	5,906
Housing	-	-	14,242	14,242
Closure/post-closure care adjustment	693	-	-	693
Sanitation	-	13,197	-	13,197
Depreciation	737	1,653	462	2,852
Total operating expenses	<u>7,336</u>	<u>14,850</u>	<u>14,704</u>	<u>36,890</u>
Operating income (loss)	<u>(165)</u>	<u>(291)</u>	<u>(969)</u>	<u>(1,425)</u>
Nonoperating revenues (expenses):				
Capital grant proceeds	-	-	92	92
Impact fees	14	6	-	20
Investment income	849	157	-	1,006
Interest expense/loss	-	(15)	-	(15)
Gain (loss) on disposal of assets	4	(44)	-	(40)
OPEB expense	(198)	(397)	(123)	(718)
Total nonoperating revenue (expenses)	<u>669</u>	<u>(293)</u>	<u>(31)</u>	<u>345</u>
Income (loss) before contributions and transfers	504	(584)	(1,000)	(1,080)
Capital contributions	-	1	-	1
Transfers in	<u>-</u>	<u>-</u>	<u>307</u>	<u>307</u>
Change in net assets	<u>504</u>	<u>(583)</u>	<u>(693)</u>	<u>(772)</u>
Total net assets - beginning	24,926	10,189	8,352	43,467
Total net assets - ending	<u>\$ 25,430</u>	<u>\$ 9,606</u>	<u>\$ 7,659</u>	<u>\$ 42,695</u>

City of Glendale, Arizona
Combining Statement of Cash Flows
Non-Major Proprietary Funds - Business-Type Activities
For the Fiscal Year Ended June 30, 2012
(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	\$ 7,309	\$ 14,486	\$ 4,909	\$ 26,704
Cash received from federal government	-	-	8,977	8,977
Cash paid to suppliers:				
Internal city departments	(1,115)	(8,222)	-	(9,337)
External vendors	(2,477)	(970)	(13,026)	(16,473)
Cash paid to employees for services	(2,410)	(4,139)	(1,190)	(7,739)
Net cash provided (used) by operating activities	<u>1,307</u>	<u>1,155</u>	<u>(330)</u>	<u>2,132</u>
Cash flows from noncapital financing activities:				
Transfers in	-	-	307	307
Net cash provided by (used) noncapital financing activities	<u>-</u>	<u>-</u>	<u>307</u>	<u>307</u>
Cash flows from capital and related financing activities:				
Principal payments on obligations	-	(151)	8	(143)
Acquisition of capital assets and rights	(682)	(718)	(93)	(1,493)
Impact fees	14	6	-	20
Interest payments on obligations	-	(16)	-	(16)
Capital grant proceeds	-	-	92	92
Net cash (used) capital and related financing activities	<u>(668)</u>	<u>(879)</u>	<u>7</u>	<u>(1,540)</u>
Cash flows from investing activities:				
Interest received from investments	849	157	-	1,006
Net cash provided by investing activities	<u>849</u>	<u>157</u>	<u>-</u>	<u>1,006</u>
Net increase (decrease) in cash and cash equivalents during fiscal year	1,488	433	(16)	1,905
Cash and cash equivalents, July 1	<u>5,824</u>	<u>325</u>	<u>2,776</u>	<u>8,925</u>
Cash and cash equivalents, June 30	<u><u>\$ 7,312</u></u>	<u><u>\$ 758</u></u>	<u><u>\$ 2,760</u></u>	<u><u>\$ 10,830</u></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)	\$ (165)	\$ (291)	\$ (969)	\$ (1,425)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operations:				
Depreciation	737	1,653	462	2,852
Changes in assets and liabilities:				
Accounts receivable	-	(92)	26	(66)
Due from other funds	(191)	19	14	(158)
Intergovernmental receivable	339	-	128	467
Inventories and prepaid items	-	-	1	1
Vouchers payable	(168)	54	(22)	(136)
Accrued expenses	-	(5)	-	(5)
Due to other funds	-	(237)	1	(236)
Deposits	(10)	(1)	2	(9)
Unearned rent	-	-	(6)	(6)
Compensated absences	72	55	33	160
Estimated closure and post-closure costs	693	-	-	693
Net cash provided by (used) operating activities	<u>\$ 1,307</u>	<u>\$ 1,155</u>	<u>\$ (330)</u>	<u>\$ 2,132</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	\$ 7,312	\$ 758	\$ 2,697	\$ 10,767
Restricted cash and investments	-	-	63	63
Total cash and cash equivalents	<u>\$ 7,312</u>	<u>\$ 758</u>	<u>\$ 2,760</u>	<u>\$ 10,830</u>

Noncash investing, capital, and financing activities:

Contributions of capital assets	\$ -	\$ 1	\$ -	\$ 1
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City of Glendale, Arizona
Budgetary Comparison Schedule
Water and Sewer Fund
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary fund balance, July 1, 2011	\$ 56,465	\$ 56,465	\$ 65,818	\$ 9,353
RESOURCES (INFLOWS):				
Intergovernmental	-	-	573	573
Charges for services:				
Metered water sales	45,609	45,609	45,975	366
Sewer service charges	31,441	31,441	31,630	189
Impact fees	700	700	1,493	793
Other fees	1,216	1,216	1,904	688
Investments	111	111	120	9
Miscellaneous	206	206	1,247	1,041
Proceeds from equipment disposal	39	39	-	(39)
Total revenues	<u>79,322</u>	<u>79,322</u>	<u>82,942</u>	<u>3,620</u>
Less: Transfers out	<u>(106)</u>	<u>(106)</u>	<u>(15,000)</u>	<u>(14,894)</u>
Amounts available for appropriation	<u>135,681</u>	<u>135,681</u>	<u>133,760</u>	<u>(1,921)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General administration	11,890	11,964	11,109	855
Public works:				
Water	21,512	21,399	17,607	3,792
Sewer	14,441	14,486	12,471	2,015
Contingencies	5,000	5,000	-	5,000
Capital outlay	53,099	52,354	5,691	46,663
Debt service:				
Principal	12,583	13,291	11,178	2,113
Interest	14,306	14,376	13,702	674
Total charges to appropriations	<u>132,831</u>	<u>132,870</u>	<u>71,758</u>	<u>61,112</u>
Budgetary fund balance, June 30, 2012	<u>\$ 2,850</u>	<u>\$ 2,811</u>	<u>\$ 62,002</u>	<u>\$ 59,191</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.	\$ 133,760
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.	(65,818)
Revenues offset directly by bad debt expense on budgetary basis.	636
Internal staff and administrative charges reported as revenue only on budgetary basis.	(82)
Add: Transfers out.	<u>15,000</u>
Total revenues as reported on the statement of revenues, expenses, and changes in fund net assets excluding capital contributions.	<u><u>\$ 83,496</u></u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 71,758
Differences - budget to GAAP:	
Bad debt expense.	636
Amortization of capitalized bond issuance expense.	199
Capital outlay expenditure.	(5,691)
Change in compensated absences liability.	95
Amortization and depreciation expense.	19,857
Bond issuance costs.	4
Principal payments on long-term obligations.	(11,178)
OPEB expense.	1,120
Interest expense.	(623)
Internal staff and administrative charges reported as revenue only on budgetary basis.	(82)
Change in accrued payroll.	<u>(281)</u>
Total expenses as reported in the statement of revenues, expenses, and changes in fund net assets, excluding loss from joint venture.	<u><u>\$ 75,814</u></u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Landfill Fund
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2011	\$ 20,249	\$ 20,249	\$ 5,765	\$ (14,484)
RESOURCES (INFLOWS):				
Charges for services:				
Landfill user fees	5,968	5,968	5,341	(627)
Recycling fees	1,820	1,820	2,150	330
Other fees	58	58	108	50
Proceeds from equipment disposal	10	10	5	(5)
Proceeds from interfund loan	230	230	338	108
Investments	140	140	849	709
Impact fees	27	27	14	(13)
Total revenues	<u>8,253</u>	<u>8,253</u>	<u>8,805</u>	<u>552</u>
Amounts available for appropriation	<u>28,502</u>	<u>28,502</u>	<u>14,570</u>	<u>(13,932)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Contingencies	2,000	2,000	-	2,000
Landfill	7,099	7,099	6,332	767
Capital outlay	1,731	1,735	693	1,042
Total charges to appropriations	<u>10,830</u>	<u>10,834</u>	<u>7,025</u>	<u>3,809</u>
Budgetary fund balance, June 30, 2012	<u>\$ 17,672</u>	<u>\$ 17,668</u>	<u>\$ 7,545</u>	<u>\$ (10,123)</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.	\$ 14,570
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.	(5,765)
Internal staff and administrative charges reported as revenue only on budgetary basis.	(431)
Revenues offset directly by bad debt expense on budgetary basis.	3
Proceeds from disposal of capital assets.	(5)
Gain on disposal of assets.	4
Proceeds from loan.	(338)
Total revenues as reported in the combining statement of revenues, expenses, and changes in fund net assets.	<u>\$ 8,038</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 7,025
Differences - budget to GAAP:	
Bad debt expense.	3
Capital outlay expenditures.	(693)
Change in compensated absences liability.	73
Change in estimated landfill post-closure liability.	693
Depreciation expense.	737
OPEB expense.	198
Accrued payroll.	(71)
Internal staff and administrative charges reported as revenue only on budgetary basis.	(431)
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net assets.	<u>\$ 7,534</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Sanitation Fund
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2011	\$ 5,869	\$ 5,869	\$ 2,148	\$ (3,721)
RESOURCES (INFLOWS):				
Charges for services:				
Container service	4,395	4,395	4,170	(225)
Curb service	10,554	10,554	10,311	(243)
Impact fees	4	4	6	2
Investments	35	35	157	122
Miscellaneous	-	-	4	4
Proceeds from equipment disposal	80	80	77	(3)
Proceeds from interfund loan	-	-	19	19
Total revenues	<u>15,068</u>	<u>15,068</u>	<u>14,744</u>	<u>(324)</u>
Amounts available for appropriation	<u>20,937</u>	<u>20,937</u>	<u>16,892</u>	<u>(4,045)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Sanitation	14,676	14,676	13,197	1,479
Capital outlay	1,863	1,863	795	1,068
Debt service:				
Principal	388	388	388	-
Interest	<u>17</u>	<u>17</u>	<u>17</u>	<u>-</u>
Total charges to appropriations	<u>16,944</u>	<u>16,944</u>	<u>14,397</u>	<u>2,547</u>
Budgetary fund balance, June 30, 2012	<u>\$ 3,993</u>	<u>\$ 3,993</u>	<u>\$ 2,495</u>	<u>\$ (1,498)</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.	\$ 16,892
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.	(2,148)
Internal staff and administrative charges reported as revenue only on budgetary basis.	(47)
Revenues offset directly by bad debt expense on budgetary basis.	121
Proceeds from disposal of capital assets.	(77)
Gain on disposal of assets.	(44)
Proceeds from interfund loan.	(19)
Total revenues as reported in the combining statement of revenues, expenses, and changes in fund net assets.	<u>\$ 14,678</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 14,397
Differences - budget to GAAP:	
Bad debt expense.	121
Capital outlay.	(795)
Change in compensated absences liability.	54
Depreciation expense.	1,653
Interest expense.	(2)
OPEB expense.	397
Principal payments on long-term obligations.	(388)
Accrued payroll.	(128)
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>\$ 15,262</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Housing Fund
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2011	\$ 828	\$ 828	\$ 2,866	\$ 2,038
RESOURCES (INFLOWS):				
Intergovernmental	9,143	9,143	8,941	(202)
Miscellaneous	4,100	4,100	4,886	786
Total revenues	13,243	13,243	13,827	584
Add: Transfers in	307	307	307	-
Amounts available for appropriation	14,378	14,378	17,000	2,622
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Housing	12,385	12,385	14,242	(1,857)
Capital outlay	224	224	283	(59)
Total charges to appropriations	12,609	12,609	14,525	(1,916)
Budgetary fund balance, June 30, 2012	\$ 1,769	\$ 1,769	\$ 2,475	\$ 706

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.	\$ 17,000
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(2,866)
Non operating revenue on a GAAP basis	(92)
Less: Transfers in.	(307)
Total revenues as reported in the combining statement of revenues, expenses, and changes in fund net assets, excluding capital grant proceeds.	\$ 13,735

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 14,525
Differences - budget to GAAP:	
Depreciation expense.	462
Capital outlay.	(283)
OPEB expense.	123
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net assets.	\$ 14,827



City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

INTERNAL SERVICE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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City of Glendale, Arizona
Combining Statement of Net Assets
Internal Service Funds
June 30, 2012
(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	\$ 3,001	\$ 3,234	\$ 2	\$ 6,237
Accounts receivable, net	-	-	186	186
Inventories and prepaid items	33	-	-	33
Total current assets	<u>3,034</u>	<u>3,234</u>	<u>188</u>	<u>6,456</u>
Noncurrent assets:				
Restricted cash and investments	-	235	1,425	1,660
Total assets	<u>3,034</u>	<u>3,469</u>	<u>1,613</u>	<u>8,116</u>
LIABILITIES				
Current liabilities:				
Vouchers payable	60	37	1,831	1,928
Estimated claims payable	1,872	1,264	2,269	5,405
Total current liabilities	<u>1,932</u>	<u>1,301</u>	<u>4,100</u>	<u>7,333</u>
Noncurrent liabilities:				
Compensated absences	18	-	1	19
Estimated claims payable	236	2,875	-	3,111
Total noncurrent liabilities	<u>254</u>	<u>2,875</u>	<u>1</u>	<u>3,130</u>
Total liabilities	<u>2,186</u>	<u>4,176</u>	<u>4,101</u>	<u>10,463</u>
NET ASSETS				
Unrestricted	<u>848</u>	<u>(707)</u>	<u>(2,488)</u>	<u>(2,347)</u>
Total net assets	<u>\$ 848</u>	<u>\$ (707)</u>	<u>\$ (2,488)</u>	<u>\$ (2,347)</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, 2012

(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	\$ 20,222	\$ 23,706
Other	26	26	631	683
Total operating revenues	<u>2,526</u>	<u>1,010</u>	<u>20,853</u>	<u>24,389</u>
Operating expenses:				
Administrative and general	253	-	35	288
Insurance claims and premiums	1,080	3,659	21,786	26,525
Total operating expenses	<u>1,333</u>	<u>3,659</u>	<u>21,821</u>	<u>26,813</u>
Operating income (loss)	1,193	(2,649)	(968)	(2,424)
Nonoperating revenues:				
Investment income	<u>7</u>	<u>8</u>	<u>4</u>	<u>19</u>
Income (loss) before transfers	<u>1,200</u>	<u>(2,641)</u>	<u>(964)</u>	<u>(2,405)</u>
Operating transfers in	-	1,200	635	1,835
Operating transfers out	<u>(1,200)</u>	<u>-</u>	<u>-</u>	<u>(1,200)</u>
Change in net assets	-	(1,441)	(329)	(1,770)
Net assets - beginning as restated	<u>848</u>	<u>734</u>	<u>(2,159)</u>	<u>(577)</u>
Net assets - ending	<u>\$ 848</u>	<u>\$ (707)</u>	<u>\$ (2,488)</u>	<u>\$ (2,347)</u>

City of Glendale, Arizona
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

	Risk Management	Workers' Compensation	Employee Benefits	Total
Cash flows from operating activities:				
Cash received from customers	\$ 2,526	\$ 1,011	\$ 20,666	\$ 24,203
Cash paid for insurance and in settlement of claims	(1,718)	(1,951)	(24,176)	(27,845)
Cash paid to employees for services	(254)	-	(34)	(288)
Net cash provided by (used for) operating activities	554	(940)	(3,544)	(3,930)
Cash flows from noncapital financing activities:				
Operating transfers in (out)	(1,200)	1,200	635	635
Cash flows from investing activities:				
Interest received	7	8	4	19
Net increase (decrease) in cash during fiscal year	(639)	268	(2,905)	(3,276)
Cash and cash equivalents, July 1	3,640	3,201	4,332	11,173
Cash and cash equivalents, June 30	<u>\$ 3,001</u>	<u>\$ 3,469</u>	<u>\$ 1,427</u>	<u>\$ 7,897</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ 1,193	\$ (2,649)	\$ (968)	\$ (2,424)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operations:				
Change in accounts receivable	-	-	(187)	(187)
Change in inventories and prepaid items	19	-	-	19
Change in vouchers payable	(195)	(22)	34	(183)
Change in compensated absences	-	-	1	1
Change in claims payable	(463)	1,731	(2,424)	(1,156)
Net cash provided by (used for) operating activities	<u>\$ 554</u>	<u>\$ (940)</u>	<u>\$ (3,544)</u>	<u>\$ (3,930)</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	\$ 3,001	\$ 3,234	\$ 2	\$ 6,237
Restricted cash and investments	-	235	1,425	1,660
Total cash and cash equivalents	<u>\$ 3,001</u>	<u>\$ 3,469</u>	<u>\$ 1,427</u>	<u>\$ 7,897</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Risk Management Fund
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2011	\$ 4,477	\$ 4,477	\$ 3,394	\$ (1,083)
RESOURCES (INFLOWS):				
Self-insurance premiums	2,500	2,500	2,500	-
Investments	17	17	7	(10)
Other	26	26	26	-
Total revenues	2,543	2,543	2,533	(10)
Less: Transfers out	-	-	(1,200)	(1,200)
Amounts available for appropriation	7,020	7,020	4,727	(2,293)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General Administration	3,308	2,808	261	2,547
Insurance and claims	2,760	2,738	1,523	1,215
Total charges to appropriations	6,068	5,546	1,784	3,762
Budgetary fund balance, June 30, 2012	\$ 952	\$ 1,474	\$ 2,943	\$ 1,469

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.	\$ 4,727
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.	(3,394)
Add: Transfers out.	1,200
Total revenues as reported on the combining statement of revenues, expenses, and changes in fund net assets.	\$ 2,533

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 1,784
Differences - budget to GAAP:	
Insurance and claims recorded gaap basis only.	(443)
Change in compensated absences liability.	(8)
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net assets.	\$ 1,333

City of Glendale, Arizona
Budgetary Comparison Schedule
Workers' Compensation Fund
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2011	\$ 1,284	\$ 1,284	\$ 3,112	\$ 1,828
RESOURCES (INFLOWS):				
Self-insurance premiums	984	984	984	-
Investments	7	7	8	1
Other	26	26	26	-
Total revenues	1,017	1,017	1,018	1
Add: Transfers in	-	-	1,200	1,200
Amounts available for appropriation	2,301	2,301	5,330	3,029
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Insurance and claims	1,407	1,928	1,928	-
Total charges to appropriations	1,407	1,928	1,928	-
Budgetary fund balance, June 30, 2012	\$ 894	\$ 373	\$ 3,402	\$ 3,029

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.	\$ 5,330
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(3,112)
Less: Transfers in.	(1,200)
Total revenues as reported in the combining statement of revenues, expenses, and changes in fund net assets.	\$ 1,018

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 1,928
Differences - budget to GAAP:	
Change in estimated claims payable.	1,731
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net assets.	\$ 3,659

City of Glendale, Arizona
Budgetary Comparison Schedule
Employee Benefits Fund
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2011	\$ 2,584	\$ 2,584	\$ 2,533	\$ (51)
RESOURCES (INFLOWS):				
Self-insurance premiums	21,878	21,878	20,222	(1,656)
Investments	17	17	4	(13)
Other	-	-	631	631
Total revenues	<u>21,895</u>	<u>21,895</u>	<u>20,857</u>	<u>(1,669)</u>
Add: Transfers in	-	-	635	635
Amounts available for appropriation	<u>24,479</u>	<u>24,479</u>	<u>24,025</u>	<u>(454)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General Administration	6	40	35	5
Insurance and claims	<u>23,112</u>	<u>24,204</u>	<u>24,208</u>	<u>(4)</u>
Total charges to appropriations	<u>23,118</u>	<u>24,244</u>	<u>24,243</u>	<u>1</u>
Budgetary fund balance, June 30, 2012	<u>\$ 1,361</u>	<u>\$ 235</u>	<u>\$ (218)</u>	<u>\$ (453)</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.	\$ 24,025
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.	(2,533)
Less: Transfers in.	<u>(635)</u>
Total revenues as reported in the combining statement of revenues, expenses, and changes in fund net assets.	<u>\$ 20,857</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 24,243
Differences - budget to GAAP:	
Change in estimated claims payable liability.	<u>(2,422)</u>
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net assets.	<u>\$ 21,821</u>



City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OTHER SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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Federal Financial Data Schedule (PHA: AZ003)

For the Fiscal Year Ended June 30, 2012

(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	\$ 855,524	\$ 1,128,241	\$ 24,536	\$ 18,025	\$ -	\$ 2,026,326
112	Cash - restricted - modernization and development	-	-	-	-	-	-
113	Cash - other restricted	-	632,742	-	-	-	632,742
114	Cash - tenant security deposits	38,255	-	-	-	-	38,255
115	Cash - restricted for payment of current liability	-	-	-	-	-	-
100	Total cash	<u>893,779</u>	<u>1,760,983</u>	<u>24,536</u>	<u>18,025</u>	<u>-</u>	<u>2,697,323</u>
Accounts receivables:							
121	Accounts receivable - PHA projects	-	79,367	-	-	-	79,367
122	Accounts receivable - HUD other projects	2,517	-	24,245	-	-	26,762
124	Accounts receivable - other government	-	-	-	-	-	-
125	Accounts receivable - miscellaneous	-	-	-	-	-	-
126	Accounts receivable - tenants	1,618	-	-	-	-	1,618
126.1	Allowance for doubtful accounts - tenants	(95)	-	-	-	-	(95)
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>4,040</u>	<u>79,367</u>	<u>24,245</u>	<u>-</u>	<u>-</u>	<u>107,652</u>
Current investments:							
131	Investments - unrestricted	-	-	-	-	-	-
132	Investments - restricted	-	62,707	-	-	-	62,707
135	Investments - restricted for payment of current liability	-	-	-	-	-	-
142	Prepaid expenses and other assets	-	-	-	-	-	-
143	Inventories	7,838	-	-	-	-	7,838
143.1	Allowance for obsolete inventories	(392)	-	-	-	-	(392)
144	Inter program - due from	-	43,389	-	-	(43,389)	-
145	Assets held for sale	-	-	-	-	-	-
150	Total current assets	<u>905,265</u>	<u>1,946,446</u>	<u>48,781</u>	<u>18,025</u>	<u>(43,389)</u>	<u>2,875,128</u>
Non-current assets:							
Capital assets:							
161	Land	135,533	-	-	-	-	135,533
162	Buildings	10,228,655	149,998	-	-	-	10,378,653
163	Furniture, equipment & machinery - dwellings	515,204	-	-	-	-	515,204
164	Furniture, equipment & machinery - administration	178,682	102,908	-	-	-	281,590
165	Leasehold improvements	2,233,891	-	-	-	-	2,233,891
166	Accumulated depreciation	(7,909,959)	(158,506)	-	-	-	(8,068,465)
167	Construction in progress	224,286	-	-	-	-	224,286
168	Infrastructure	-	-	-	-	-	-
160	Total capital assets, net of accumulated depreciation	<u>5,606,292</u>	<u>94,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,700,692</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>5,606,292</u>	<u>94,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,700,692</u>
190	Total assets	<u>\$ 6,511,557</u>	<u>\$ 2,040,846</u>	<u>\$ 48,781</u>	<u>\$ 18,025</u>	<u>\$ (43,389)</u>	<u>\$ 8,575,820</u>

(continued)

City of Glendale, Arizona
Federal Financial Data Schedule (PHA: AZ003)
For the Fiscal Year Ended June 30, 2012
(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	21,531	14,133	-	-	-	35,664
313	Accounts payable > 90 days past due	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	-	-	-	-	-	-
322	Accrued compensated absences - current portion	12,306	10,303	-	-	-	22,609
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	38,255	-	-	-	-	38,255
342	Deferred revenues	4,602	19,430	-	2,761	-	26,793
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	6,545	-	-	-	-	6,545
346	Accrued liabilities - other	-	-	-	-	-	-
347	Inter program - due to	1,363	-	35,243	6,783	(43,389)	-
348	Loan liability - current	-	-	-	-	-	-
310	Total current liabilities	<u>84,602</u>	<u>43,866</u>	<u>35,243</u>	<u>9,544</u>	<u>(43,389)</u>	<u>129,866</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	-	62,707	-	-	-	62,707
354	Accrued compensated absences - noncurrent	110,751	92,728	-	-	-	203,479
355	Loan Liability - noncurrent	-	-	-	-	-	-
356	FASB 5 liabilities	-	-	-	-	-	-
357	Accrued pension and OPEB liability	312,737	208,491	-	-	-	521,228
350	Total noncurrent liabilities	<u>423,488</u>	<u>363,926</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>787,414</u>
300	Total liabilities	<u>508,090</u>	<u>407,792</u>	<u>35,243</u>	<u>9,544</u>	<u>(43,389)</u>	<u>917,280</u>
EQUITY/NET ASSETS:							
508.1	Invested in capital assets, net of related debt	5,606,292	94,400	-	-	-	5,700,692
509.2	Fund balance reserved	-	-	-	-	-	-
511.1	Restricted net assets	-	632,742	-	-	-	632,742
511.2	Unreserved designated fund balance	-	-	-	-	-	-
512.1	Unrestricted net assets	399,915	903,172	13,538	8,481	-	1,325,106
512.2	Unreserved undesignated fund balance	-	-	-	-	-	-
513	Total equity/net assets	<u>6,006,207</u>	<u>1,630,314</u>	<u>13,538</u>	<u>8,481</u>	<u>-</u>	<u>7,658,540</u>
600	Total liabilities and equity/net assets	<u>\$ 6,514,297</u>	<u>\$ 2,038,106</u>	<u>\$ 48,781</u>	<u>\$ 18,025</u>	<u>\$ (43,389)</u>	<u>\$ 8,575,820</u>

(continued)

City of Glendale, Arizona
Federal Financial Data Schedule (PHA: AZ003)
For the Fiscal Year Ended June 30, 2012
(rounded to nearest dollar)

(continued)

Line Item No.	Income Statement Account Description	AMPS	HCV	DVP	DHAP	Eliminations	Total
	REVENUE:						
70300	Net tenant rental revenue	\$ 292,028	\$ -	\$ -	\$ -	\$ -	\$ 292,028
70400	Tenant revenue - other	13,094	-	-	-	-	13,094
70500	Total tenant revenue	<u>305,122</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>305,122</u>
70600	HUD PHA operating grants - other	528,631	8,320,178	-	-	-	8,848,809
70610	Capital grants	92,000	-	-	-	-	92,000
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	989	1,297	-	-	-	2,286
71200	Mortgage interest income	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-
71310	Cost of sale of assets	-	-	-	-	-	-
71400	Fraud recovery - other	-	8,870	-	-	-	8,870
71500	Other revenue	41,599	4,527,485	-	-	-	4,569,084
71600	Gain or loss on the sale of capital assets	-	-	-	-	-	-
72000	Investment income - restricted	-	847	-	-	-	847
70000	Total revenue	<u>968,341</u>	<u>12,858,677</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,827,018</u>

(continued)

City of Glendale, Arizona
Federal Financial Data Schedule (PHA: AZ003)
For the Fiscal Year Ended June 30, 2012
(rounded to nearest dollar)

(continued)

Line Item No.	Income Statement Account Description	AMPS	HCV	DVP	DHAP	Eliminations	Total
EXPENSES:							
91100	Administrative salaries	\$ 288,091	\$ 549,349	\$ -	\$ -	\$ -	\$ 837,440
91200	Auditing fees	-	-	-	-	-	-
91300	Management fee	-	-	-	-	-	-
91310	Bookkeeping fee	-	-	-	-	-	-
91400	Advertising and marketing	-	-	-	-	-	-
91500	Employee benefit contributions - administrative	133,384	224,302	-	-	-	357,686
91600	Office expenses	36,610	42,160	-	-	-	78,770
91700	Legal expense	727	-	-	-	-	727
91800	Travel	80	7	-	-	-	87
91810	Allocated overhead	-	-	-	-	-	-
91900	Other	28,504	16,433	-	-	-	44,937
91000	Total operating - administrative	487,396	832,251	-	-	-	1,319,647
92000	Asset management fee	-	-	-	-	-	-
92100	Tenant services - salaries	-	-	-	-	-	-
92200	Relocation costs	-	-	-	-	-	-
92300	Employee benefit contributions - tenant services	-	-	-	-	-	-
92400	Tenant services - other	17,553	-	-	-	-	17,553
92500	Total Tenant services	17,553	-	-	-	-	17,553
93100	Water	78,576	-	-	-	-	78,576
93200	Electricity	23,412	-	-	-	-	23,412
93300	Gas	2,901	-	-	-	-	2,901
93400	Fuel	-	-	-	-	-	-
93500	Labor	-	-	-	-	-	-
93600	Sewer	34,620	-	-	-	-	34,620
93700	Employee benefit contributions- utilities	-	-	-	-	-	-
93800	Other utilities expense	-	-	-	-	-	-
93000	Total utilities	139,509	-	-	-	-	139,509
94100	Ordinary maintenance and operations - labor	257,710	-	-	-	-	257,710
94200	Ordinary maintenance and operations - materials & other	62,802	17,269	-	-	-	80,071
94300	Ordinary maintenance and operations - contract costs	141,164	-	-	-	-	141,164
94500	Employee benefit contributions - ordinary maintenance	88,820	-	-	-	-	88,820
94000	Total maintenance	550,496	17,269	-	-	-	567,765

(continued)

City of Glendale, Arizona
Federal Financial Data Schedule (PHA: AZ003)
For the Fiscal Year Ended June 30, 2012
(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	34,020	23,307	-	-	-	57,327
96120	Liability insurance	-	-	-	-	-	-
96130	Workman's compensation	1,277	851	-	-	-	2,128
96140	All other insurance	-	-	-	-	-	-
96100	Total insurance premiums	35,297	24,158	-	-	-	59,455
96200	Other general expenses	-	27,584	-	-	-	27,584
96210	Compensated absences	-	-	-	-	-	-
96300	Payments in lieu of taxes	-	-	-	-	-	-
96400	Bad debt - tenant rents	-	-	-	-	-	-
96500	Bad debt - mortgages	-	-	-	-	-	-
96600	Bad debt - other	-	-	-	-	-	-
96800	Severance expense	-	-	-	-	-	-
96000	Total other general expenses	-	27,584	-	-	-	27,584
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	1,230,251	901,262	-	-	-	2,131,513
97000	Excess revenue over operating expenses	(261,910)	11,957,415	-	-	-	11,695,505
97100	Extraordinary maintenance	538	-	-	-	-	538
97200	Casualty losses - non-capitalized	-	-	-	-	-	-
97300	Housing assistance payments	-	7,974,291	-	-	-	7,974,291
97350	HAP Portability-in	-	4,259,444	-	-	-	4,259,444
97400	Depreciation expense	457,338	4,262	-	-	-	461,600
97500	Fraud losses	-	-	-	-	-	-
97600	Capital outlays - governmental funds	-	-	-	-	-	-
97700	Debt principal payment 0 governmental funds	-	-	-	-	-	-
97800	Dwelling units rent expense	-	-	-	-	-	-
90000	Total expenses	1,688,127	13,139,259	-	-	-	14,827,386

(continued)

City of Glendale, Arizona
Federal Financial Data Schedule (PHA: AZ003)
For the Fiscal Year Ended June 30, 2012
(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	\$ 2,530	\$ -	\$ -	\$ -	\$ (2,530)	\$ -
10020	Operating transfers out	(2,530)	-	-	-	2,530	-
10030	Operating transfers from/to primary government	307,000	-	-	-	-	307,000
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>307,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>307,000</u>
10000	Excess (deficiency) of total revenues over (under) total expenses	<u>\$ (412,786)</u>	<u>\$ (280,582)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (693,368)</u>
MEMO ACCOUNT INFORMATION							
11020	Required annual debt principal payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11030	Beginning equity	6,418,993	1,910,896	13,538	8,481	-	8,351,908
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	-	1,048,422	-	-	-	1,048,422
11180	Housing assistance payments equity	-	632,742	-	-	-	632,742
11190	Unit months available	1,738	12,768	-	-	-	14,506
11210	Unit months leased	1,722	12,445	-	-	-	14,167
11270	Excess cash	722,437	-	-	-	-	722,437
11610	Land purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11620	Building purchases	49,188	-	-	-	-	49,188
11630	Furniture & equipment - dwelling purchases	30,047	-	-	-	-	30,047
11640	Furniture & equipment - administrative purchases	-	-	-	-	-	-
11650	Leasehold improvements purchases	12,765	-	-	-	-	12,765
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, 2012

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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>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Government activities				
Invested in capital assets, net of related debt	\$ 460,639	\$ 463,961	\$ 457,773	\$ 471,484
Restricted	183,829	204,645	176,400	144,422
Unrestricted	<u>(66,944)</u>	<u>(22,532)</u>	<u>11,684</u>	<u>51,500</u>
Total governmental activities net assets	<u>577,524</u>	<u>646,074</u>	<u>645,857</u>	<u>667,406</u>
Business-type activities				
Invested in capital assets, net of related debt	262,554	271,708	271,969	286,452
Restricted	12,921	29,988	13,988	13,249
Unrestricted	<u>143,231</u>	<u>112,323</u>	<u>124,550</u>	<u>114,814</u>
Total business-type activities net assets	<u>418,706</u>	<u>414,019</u>	<u>410,507</u>	<u>414,515</u>
Primary government				
Invested in capital assets, net of related debt	723,193	735,669	729,742	757,936
Restricted	196,750	234,633	190,388	157,671
Unrestricted	<u>76,287</u>	<u>89,791</u>	<u>136,234</u>	<u>166,314</u>
Total primary government net assets	<u>\$ 996,230</u>	<u>\$ 1,060,093</u>	<u>\$ 1,056,364</u>	<u>\$ 1,081,921</u>

Schedule 1

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 499,322	\$ 446,828	\$ 398,517	\$ 372,778	\$ 353,135	\$ 259,802
133,695	180,303	155,163	179,434	169,434	127,393
51,850	44,573	75,417	40,641	49,916	132,801
<u>684,867</u>	<u>671,704</u>	<u>629,097</u>	<u>592,853</u>	<u>572,485</u>	<u>519,996</u>
297,329	249,569	233,387	274,620	228,252	275,204
12,836	11,881	12,437	11,249	10,479	10,235
107,384	155,325	158,753	108,604	141,094	82,564
<u>417,549</u>	<u>416,775</u>	<u>404,577</u>	<u>394,473</u>	<u>379,825</u>	<u>368,003</u>
796,651	696,397	631,904	647,398	581,387	535,006
146,531	192,184	167,600	190,683	179,913	137,628
159,234	199,898	234,170	149,245	191,010	215,365
<u>\$ 1,102,416</u>	<u>\$ 1,088,479</u>	<u>\$ 1,033,674</u>	<u>\$ 987,326</u>	<u>\$ 952,310</u>	<u>\$ 887,999</u>

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

Schedule 2

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Expenses										
Governmental activities:										
General government	\$ 35,962	\$ 46,233	\$ 42,530	\$ 39,545	\$ 39,998	\$ 37,992	\$ 33,329	\$ 31,603	\$ 24,003	\$ 20,209
Public safety	112,689	111,217	108,308	109,136	113,285	92,405	75,277	64,277	56,176	52,625
Public works	18,435	20,099	16,627	15,040	16,006	14,816	13,995	14,309	13,883	11,411
Community services	39,478	41,136	44,524	48,143	52,185	45,481	40,275	37,394	33,914	32,210
Community environment	6,828	7,061	6,316	3,539	5,164	4,698	4,125	3,236	3,446	3,433
Street maintenance	20,045	21,721	23,058	23,978	26,175	24,906	22,720	21,355	20,425	20,308
Other	-	-	-	-	-	-	3,020	238	142	148
Interest on long-term debt	41,913	41,967	42,286	38,982	28,475	23,551	16,883	16,986	15,838	7,223
Total governmental activities expenses	<u>275,350</u>	<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>
Business-type activities:										
Water and sewer	78,917	79,444	81,910	74,424	74,581	63,289	55,607	50,190	45,628	43,442
Landfill	7,602	7,280	8,454	8,045	8,067	8,264	7,950	7,431	7,164	7,784
Sanitation	15,437	14,814	14,093	14,039	15,209	13,847	13,257	12,287	12,294	12,353
Housing	14,827	14,687	14,180	11,840	9,862	8,951	9,466	9,278	8,858	8,033
Total business-type activities expenses	<u>116,783</u>	<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>
Total primary government expenses	<u>\$ 392,133</u>	<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>
Program revenues										
Governmental activities:										
Charges for services:										
General government	\$ 12,334	\$ 24,822	\$ 14,232	\$ 11,879	\$ 12,132	\$ 11,610	\$ 10,726	\$ 9,075	\$ 9,092	\$ 10,029
Public safety	5,624	5,094	5,824	4,670	5,744	1,964	1,375	1,200	1,043	1,897
Public works	512	495	7,447	588	543	531	516	506	148	526
Community services	17,910	11,733	11,918	15,661	22,859	22,285	20,121	16,871	16,942	13,439
Community environment	-	-	-	3,045	-	-	31	-	3	-
Street maintenance	-	-	2	36	-	48	-	-	-	7
Operating grants and contributions	27,636	27,137	29,596	24,146	33,191	36,566	31,973	26,535	24,503	22,522
Capital grants and contributions	5,274	70,552	3,755	2,600	14,491	26,247	6,406	1,407	3,429	4,294
Total governmental activities program revenues	<u>69,290</u>	<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>

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Business-type activities:										
Charges for services:										
Water and sewer	82,730	80,513	76,603	67,810	66,316	62,125	56,153	54,295	52,456	52,088
Landfill	7,185	8,027	6,987	7,304	9,196	9,742	8,362	8,961	9,593	8,644
Sanitation	14,562	14,733	15,048	15,258	14,684	14,653	14,167	13,624	12,817	11,918
Housing	4,886	4,829	4,870	2,042	816	662	569	542	512	494
Operating grants and contributions	9,423	9,342	9,331	8,701	8,348	8,254	8,020	8,027	7,643	7,091
Capital grants and contributions	705	1,155	690	1,207	4,346	5,125	5,403	242	168	520
Total business-type activities program revenues	119,491	118,599	113,529	102,322	103,706	100,561	92,674	85,691	83,189	80,755
Total primary government program revenues	188,781	258,432	186,303	164,947	192,666	199,812	163,822	141,285	138,349	133,469
Net (expense)/revenue										
Governmental activities	(206,060)	(149,601)	(210,875)	(215,738)	(192,328)	(144,598)	(138,476)	(133,804)	(112,667)	(94,853)
Business-type activities	2,708	2,374	(5,108)	(6,026)	(4,013)	6,210	6,394	6,505	9,245	9,143
Total primary government net expense	\$ (203,352)	\$ (147,227)	\$ (215,983)	\$ (221,764)	\$ (196,341)	\$ (138,388)	\$ (132,082)	\$ (127,299)	\$ (103,422)	\$ (85,710)
General revenues and other changes in net assets										
Governmental activities:										
Taxes:										
Property taxes	\$ 20,232	\$ 27,189	\$ 33,749	\$ 32,890	\$ 28,826	\$ 23,085	\$ 21,386	\$ 19,422	\$ 18,321	\$ 16,739
Sales taxes	97,451	93,260	92,717	97,054	105,175	97,825	90,968	77,166	74,763	63,832
Unrestricted state shared sales tax	17,716	18,438	17,786	19,321	22,237	23,037	23,298	20,271	18,409	17,113
Unrestricted urban revenue sharing (state shared income tax)	19,135	23,590	31,292	36,267	34,109	27,518	22,909	20,115	19,731	23,288
Auto in-lieu taxes	7,277	7,917	8,130	8,808	9,730	10,044	10,444	9,414	8,978	8,619
Investment earnings, unrestricted	975	1,482	286	1,668	4,742	5,557	4,395	2,654	315	(1,602)
Gain (loss) on disposal of capital assets	56	(677)	330	(52)	879	202	348	225	9	445
Miscellaneous	489	3,936	5,406	2,872	302	301	272	275	349	299
Capital contributions	-	-	-	-	-	-	-	4,794	24,614	27,042
Transfers	(307)	(317)	(370)	(551)	(509)	(364)	700	(164)	(333)	(67)
Special item	(25,000)	(25,000)	-	-	-	-	-	-	-	-
Total governmental activities	138,024	149,818	189,326	198,277	205,491	187,205	174,720	154,172	165,156	155,708
Business-type activities:										
Investment earnings, unrestricted	1,126	614	460	2,069	4,044	5,381	3,466	2,065	1,115	(123)
Gain (loss) on disposal of capital assets	(40)	137	187	282	126	103	844	-	-	(725)
Loss on joint venture	-	-	-	-	-	-	-	-	(1,285)	(1,011)
Miscellaneous	72	70	83	90	108	140	100	202	-	-
Capital contributions	-	-	-	-	-	-	-	5,712	2,414	7,241
Transfers	307	317	370	551	509	364	(700)	164	333	67
Total business-type activities	1,465	1,138	1,100	2,992	4,787	5,988	3,710	8,143	2,577	5,449
Total primary government	\$ 139,489	\$ 150,956	\$ 190,426	\$ 201,269	\$ 210,278	\$ 193,193	\$ 178,430	\$ 162,315	\$ 167,733	\$ 161,157
Changes in net assets										
Governmental activities	\$ (68,036)	\$ 217	\$ (21,549)	\$ (17,461)	\$ 13,163	\$ 42,607	\$ 36,244	\$ 20,368	\$ 52,489	\$ 60,855
Business-type activities	4,173	3,512	(4,008)	(3,034)	774	12,198	10,104	14,648	11,822	14,592
Total primary government	\$ (63,863)	\$ 3,729	\$ (25,557)	\$ (20,495)	\$ 13,937	\$ 54,805	\$ 46,348	\$ 35,016	\$ 64,311	\$ 75,447

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

Schedule 3

	2012 ⁽¹⁾	2011 ⁽¹⁾	2010	2009	2008	2007	2006	2005	2004	2003
General fund										
Reserved	\$ -	\$ -	\$ 9,383	\$ 10,450	\$ 9,271	\$ 10,500	\$ 10,287	\$ 9,377	\$ 9,582	\$ 17,315
Unreserved	-	-	29,463	42,180	57,117	50,880	62,166	56,661	51,080	31,727
Total general fund	<u>\$ -</u>	<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>
General fund										
Nonspendable	\$ 197	\$ 463	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	368	5,403	-	-	-	-	-	-	-	-
Committed	2,351	1,965	-	-	-	-	-	-	-	-
Assigned	-	9,253	-	-	-	-	-	-	-	-
Unassigned	(29,565)	(5,414)	-	-	-	-	-	-	-	-
Total general fund	<u>\$ (26,649)</u>	<u>\$ 11,670</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
Unreserved, report in:	-	-	-	-	-	-	-	-	-	-
Special revenue funds	-	-	50,478	57,555	76,493	34,369	30,584	34,867	29,807	23,553
Capital projects funds	-	-	41,046	27,474	18,436	68,932	64,106	61,765	71,569	126,252
Total all other governmental funds	<u>\$ -</u>	<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>
All other governmental funds										
Nonspendable	\$ 5,829	\$ 5,822	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	117,964	129,635	-	-	-	-	-	-	-	-
Committed	129	11,464	-	-	-	-	-	-	-	-
Assigned	82	199	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 124,004</u>	<u>\$ 147,120</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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Revenues										
Taxes and special assessments	\$ 118,218	\$ 120,974	\$ 126,291	\$ 130,119	\$ 133,746	\$ 121,122	\$ 112,576	\$ 96,812	\$ 93,655	\$ 82,458
Licenses and permits	10,798	9,367	9,734	10,503	17,385	17,839	16,039	15,497	16,667	16,771
Intergovernmental	73,009	79,760	90,047	91,642	101,821	107,699	86,994	75,691	73,166	73,836
Charges for services	11,487	10,461	13,640	9,881	14,125	10,086	8,838	5,681	4,824	3,313
Fines and forfeitures	3,374	3,806	4,052	4,064	4,507	3,932	3,564	3,247	3,169	3,246
Investment income (loss)	1,180	1,841	774	3,805	9,986	10,905	7,825	4,762	1,511	(805)
Miscellaneous	11,700	22,054	18,000	9,346	4,915	4,212	4,136	3,335	2,774	2,834
Total revenues	229,766	248,263	262,538	259,360	286,485	275,795	239,972	205,025	195,766	181,653
Expenditures										
General government	18,147	19,668	23,085	26,048	25,364	24,524	21,868	20,892	17,274	20,321
Public safety	100,368	95,270	96,161	103,624	100,384	86,753	72,745	61,366	53,805	49,571
Public works	7,709	8,859	11,569	11,072	11,743	12,155	12,252	12,081	12,816	10,118
Community services	33,597	33,887	37,518	42,294	44,767	39,150	35,604	32,627	30,006	28,391
Community environment	6,703	6,853	6,160	3,478	4,972	4,657	3,978	3,082	3,311	3,282
Street maintenance	8,311	9,038	10,388	11,901	13,045	13,372	11,609	10,534	9,811	9,994
Miscellaneous	1,782	1,577	2,026	1,666	1,629	3,059	2,918	55	555	80
Capital outlay	19,634	22,093	63,529	186,175	141,060	179,421	131,243	47,283	120,833	142,213
Debt service:										
Principal	24,947	31,640	29,451	29,670	32,151	28,096	20,328	18,899	18,090	21,680
Interest	42,515	42,593	42,913	39,571	32,294	20,630	17,222	17,231	15,998	8,155
Total expenditures	263,713	271,478	322,800	455,499	407,409	411,817	329,767	224,050	282,499	293,805
Excess of revenues over (under) expenditures	(33,947)	(23,215)	(60,262)	(196,139)	(120,924)	(136,022)	(89,795)	(19,025)	(86,733)	(112,152)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Other financing sources (uses)										
Refunding lease issued	-	11,503	-	-	-	-	-	-	-	-
Discount on long-term debt	-	-	-	(3,136)	-	-	-	-	(82)	-
Proceeds from loans	-	-	-	-	-	-	-	-	-	-
Long-term debt issued	8,665	38,300	41,650	199,750	109,986	133,327	93,033	16,075	69,522	215,920
Refunding bonds issued	-	-	-	-	93,815	-	9,065	-	-	-
Payment to redeem lease	-	(11,355)	-	-	-	-	-	-	-	-
Premium on long-term debt issued	898	3,369	10	1,894	2,192	1,198	1,782	230	1,114	14,500
Proceeds from equipment disposal	546	331	482	344	8,714	850	3,166	1,342	8,198	2,802
Capital lease proceeds	-	-	44	-	-	668	-	-	428	11,266
Payment to redeem/refunded bonds escrow agent	(9,320)	(41,251)	-	-	(83,521)	-	(9,582)	-	(21,262)	-
Transfers in	32,977	38,728	36,306	21,914	51,626	24,945	20,014	15,800	32,943	12,851
Transfers out	(33,919)	(39,045)	(33,430)	(22,465)	(52,135)	(25,309)	(19,314)	(15,964)	(33,276)	(12,918)
Special item	(25,000)	(25,000)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(25,153)	(24,420)	45,062	198,301	130,677	135,679	98,164	17,483	57,585	244,421
Net change in fund balances	<u>\$ (59,100)</u>	<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>
Debt service as a percentage of noncapital expenditures	27.64%	29.77%	27.91%	25.71%	24.20%	20.97%	18.91%	20.44%	21.09%	19.68%

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					
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
2011-12	330,057	1,189,718	1,307	48,084	53,746	473,388	1,149,524	1.59	12,040,482	13.479

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
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
2011-12	0.22	1.37	1.59	20.69	15.54	16.47

Source: Maricopa County 2011 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, 2012
 (amounts expressed in thousands)

Schedule 7

Taxpayer	Tax Year 2012			Tax Year 2002		
	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	\$ 17,785	1.55 %	1	\$ 15,145	1.59 %
New Westgate LLC	2	12,584	1.09			
VHS of Arrowhead, Inc.	3	12,016	1.05			
Arrowhead Towne Center LLC	4	11,416	0.99			
JQH-Glendale Az Development LLC	5	8,380	0.73			
Wal-Mart Stores, Inc.	6	8,275	0.72			
Centurylink (Qwest Corporation)	7	7,724	0.67	2	13,251	1.39
Stadium Development LLC	8	5,297	0.46			
BNSF Railway Corporation	9	4,162	0.36			
Southwest Gas Corporation	10	3,331	0.29	5	5,136	0.54
Honeywell, Inc.				3	11,346	1.19
New River Associates				4	10,822	1.13
Corning Gilbert, Inc.				6	4,349	0.45
KB Toys				7	4,080	0.43
Chase Commercial Mtg.				8	3,581	0.37
May Department Stores				9	3,134	0.33
JC Penney Co.				10	3,050	0.32
Total principal taxpayers		\$ 90,970	7.91 %		\$ 73,894	7.74 %

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
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	409	23,130	98.75
2007-08	28,728	27,823	96.85	562	28,385	98.81
2008-09	33,927	32,411	95.53	1,003	33,414	98.49
2009-10	33,617	32,260	95.96	682	32,942	97.99
2010-11	27,534	26,469	96.13	362	26,831	97.45
2011-12	20,787	20,090	96.65	-	20,090	96.65

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)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Retail sales	\$ 49,686	\$ 48,089	\$ 49,127	\$ 48,353	\$ 54,416	\$ 50,733	\$ 48,743	\$ 41,883	\$ 41,262	\$ 36,639
Contracting	5,170	6,742	4,458	6,378	9,540	10,483	9,729	7,716	7,709	5,638
Rentals	11,550	11,854	12,729	11,511	12,082	9,895	8,897	8,228	7,752	7,164
Utilities	6,393	6,449	6,829	6,449	5,359	4,724	4,168	1,967	2,606	1,765
Telecom/cable TV	5,144	6,093	6,156	6,722	6,174	5,914	5,300	5,179	4,290	2,437
Restaurant/bar	11,975	11,207	10,791	10,863	10,995	9,335	8,163	7,031	6,676	6,132
Amusement	2,896	1,860	3,697	3,659	3,034	3,288	1,934	1,043	1,058	601
Other	3,816	5,568	4,018	4,002	3,575	3,453	4,034	4,119	3,410	3,456
Total	\$ 96,630	\$ 97,862	\$ 97,805	\$ 97,937	\$ 105,175	\$ 97,825	\$ 90,968	\$ 77,166	\$ 74,763	\$ 63,832
% Growth by year										
Retail sales	3.3 %	(2.0) %	1.6 %	(11.1) %	7.3 %	4.1 %	16.4 %	1.5 %	12.6 %	18.7 %
Contracting	(23.3)	51.0	(30.1)	(33.1)	(9.0)	7.8	26.1	0.1	36.7	54.1
Rentals	(2.6)	(7.0)	10.6	(4.7)	22.1	11.2	8.1	6.1	8.2	24.8
Utilities	(0.9)	(6.0)	5.9	20.3	13.4	13.3	111.9	(24.5)	47.6	19.1
Telecom/cable TV	(15.6)	(1.0)	(8.4)	8.9	4.4	11.6	2.3	20.7	76.0	63.6
Restaurant/bar	6.9	4.0	(0.7)	(1.2)	17.8	14.4	16.1	5.3	8.9	12.0
Amusement	55.7	(50.0)	1.0	20.6	(7.7)	70.0	85.4	(1.4)	76.0	11.5
Other	(31.5)	39.0	0.4	11.9	3.5	(14.5)	(2.1)	20.8	(1.3)	3.6
Total	(1.3) %	0.1 %	(0.1) %	(6.9) %	7.5 %	7.5 %	17.9 %	3.2 %	17.1 %	21.4 %

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%. The amounts represent sales tax dollars collected for the fiscal year presented.

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Ratio of Outstanding Debt by Type⁽¹⁾

Last Ten Fiscal Years

(amounts expressed in thousands)

Fiscal Year	Government Activities						
	General Obligation Bonds	Special Assessment Bonds	Street and Highway Revenue Bonds	Excise Tax Revenue Bonds	Transportation Bonds	Capital Leases	Notes Payable
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 ⁽⁴⁾	-	16,290 ⁽⁴⁾	481,705	99,815	11,833	-
2011-12	179,010 ⁽⁴⁾	-	12,250 ⁽⁴⁾	474,840	97,035	11,667	-

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			
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	8,300	-	289,175	11,901	151	1,113,440	4,901	14.12
2011-12	6,485 ⁽⁵⁾	-	282,625	708	-	1,064,620	4,694	13.27

(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 outstanding less July 1

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		
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
2011-12	185,495 ⁽⁴⁾	16,765	168,730	14.68	744.22

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 payment.

Net Direct and Overlapping Governmental Activities Debt

June 30, 2012

(amounts expressed in thousands)

Jurisdiction	Net Debt Outstanding	Percentage Applicable to Glendale	Amount Applicable to Glendale ⁽²⁾
Peoria Unified School District No. 11	\$ 185,730	21.1126 %	\$ 39,212
Glendale Elementary School District No. 40	18,060	99.1374	17,904
Deer Valley Unified School District No. 97	186,625	20.1372	37,581
Alhambra Elementary School District No. 68	10,995	19.0292	2,092
Glendale Union High School District No. 205	88,350	20.1584	17,810
Maricopa County			
Maricopa County Community College District	671,250	3.3353	22,388
Phoenix Union High School District No. 210	271,745	1.2129	3,296
Pendergast Elementary School District No. 92	9,930	27.6915	2,750
Tolleson Union High School District No. 214	65,315	7.9351	5,183
Washington Elementary School District No. 6	92,475	2.6041	2,408
Dysart Unified School District No. 89	174,425	0.0339	59
Agua Fria Union High School District No. 216	60,220	0.0417	25
Litchfield Elementary School District No. 79	35,675	0.0651	23
Cartwright Elementary School District No. 83	16,820	-	-
Total Overlapping Debt	1,887,615		150,731
City of Glendale Debt ⁽¹⁾	162,245		162,245
Total	\$ 2,049,860		\$ 312,976

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

		2003	2004	2005	2006	2007	2008	2009	2010	2011 ⁽¹⁾	2012 ⁽¹⁾
6% Type Bonds											
	Assessed value										\$ 1,149,524
	Debt limit (6% of assessed value)										68,971
	Debt applicable to limit: General obligation bonds										12,634
	Less: Amount set aside for repayment of general obligation debt										(1,179)
	Total net debt applicable to limit										<u>11,455</u>
	Legal debt margin										<u>\$ 57,516</u>
	Debt limit	\$ 59,346	\$ 64,801	\$ 68,673	\$ 76,174	\$ 82,259	\$ 109,621	\$ 131,621	\$ 127,854	\$ 105,214	\$ 68,971
	Total net debt applicable to limit	<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>	<u>11,455</u>
	Legal debt margin	<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>	<u>\$ 57,516</u>
	Total net debt applicable to the limit as a percentage of debt limit	80.57%	76.23%	75.26%	68.97%	47.41%	39.55%	24.40%	22.69%	13.69%	16.61%
20% Type Bonds											
	Assessed value										\$ 1,149,524
	Debt limit (20% of assessed value)										229,905
	Debt applicable to limit: General obligation bonds										172,861
	Less: Amount set aside for repayment of general obligation debt										(13,555)
	Total net debt applicable to limit										<u>159,306</u>
	Legal debt margin										<u>\$ 70,599</u>
	Debt limit	\$ 197,818	\$ 216,003	\$ 228,910	\$ 253,914	\$ 274,198	\$ 365,404	\$ 438,735	\$ 426,181	\$ 350,714	\$ 229,905
	Total net debt applicable to limit	<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>	<u>159,306</u>
	Legal debt margin	<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>	<u>\$ 70,599</u>
	Total net debt applicable to the limit as a percentage of debt limit	40.87%	46.83%	43.40%	44.58%	63.00%	41.09%	31.53%	38.44%	47.34%	69.29%

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

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

Fiscal Year	Water and Sewer Revenue Bonds					
	Utility Service Charges ⁽¹⁾	Less: Operating Expenses ⁽²⁾	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2002-03	\$ 51,922	\$ 30,537	\$ 21,385	\$ 9,116 ⁽³⁾	\$ 2,745 ⁽³⁾	1.80
2003-04	53,209	31,445	21,764	7,102 ⁽³⁾	4,760 ⁽³⁾	1.84
2004-05	56,144	32,100	24,044	6,495 ⁽³⁾	6,168 ⁽³⁾	1.90
2005-06	59,426	35,916	23,510	6,813 ⁽³⁾	7,143 ⁽³⁾	1.68
2006-07	66,646	40,825	25,821	6,303 ⁽³⁾	9,280 ⁽³⁾	1.66
2007-08	69,490	44,247	25,243	7,252 ⁽³⁾	11,918 ⁽³⁾	1.32
2008-09	69,300	40,175	29,125	9,876 ⁽³⁾	13,539 ⁽³⁾	1.24
2009-10	76,987	43,628	33,359	10,347 ⁽³⁾	13,082 ⁽³⁾	1.42
2010-11	81,127	41,550	39,577	11,107 ⁽³⁾	13,598 ⁽³⁾	1.60
2011-12	83,496	41,555	41,941	9,545 ⁽⁶⁾	13,306	1.84

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	
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
2011-12	20,665	2,890	4,437	2.82	100,081 ⁽⁷⁾	2,590	27,279	3.35

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 Water Infrastructure Financing Authority of Arizona for the 00-01 loan and the 09-10 loan for fiscal years through 2010-11.
- (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.
- (6) Excluding reductions to principal by refunded bonds - Water & Sewer Revenue Bond \$74,050 and Excise Tax Revenue Bonds \$8,945.
- (7) Excise tax revenue amounts include state shared revenues.

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>
2002-03	231	3,389	\$ 101,378,940	\$ 29,914	5.3 %
2003-04	233	3,498	110,278,789	31,526	4.4
2004-05	236	3,638	120,716,738	33,182	3.9
2005-06	244	3,793	134,339,487	35,418	3.9
2006-07	246	3,907	139,665,253	35,747 ⁽⁴⁾	3.1
2007-08	249	3,988 ⁽⁵⁾	145,880,680	36,580 ⁽⁴⁾	3.6
2008-09	250	4,116 ⁽⁶⁾	146,898,132	35,690 ⁽⁴⁾	8.4
2009-10	250	4,023 ⁽⁶⁾	142,091,681 ⁽³⁾	35,320 ⁽⁴⁾	9.1
2010-11	227	4,023 ⁽⁶⁾	142,091,681 ⁽³⁾	35,320 ⁽⁴⁾	9.2
2011-12	227	4,023 ⁽⁶⁾	142,091,681 ⁽³⁾	35,320 ⁽⁴⁾	7.6

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

(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.

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

Schedule 16

Employer	2012			2002		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Luke Air Force Base	6,325	1	5.46 %	6,321	1	5.10 %
Banner Thunderbird Health System	2,866	2	2.47			
WalMart	2,175	3	1.88			
Glendale Community College	2,000	4	1.73	1,000	9	0.81
Glendale Union High School District	2,008	5	1.73	1,862	6	1.50
City of Glendale	1,725	6	1.49	1,900	5	1.53
Glendale Elementary School District	1,684	7	1.45	1,525	7	1.23
Deer Valley Unified School District	1,432	8	1.24	1,432	8	1.16
AAA	1,325	9	1.14			
Arrowhead Community Hospital	959	10	0.83			
Arrowhead Towne Center				2,500	2	2.02
Honeywell, Inc.				2,000	4	1.62
Thunderbird Samaritan Hospital				2,036	3	1.64
Schuck Component Systems				925	10	0.75
Total	22,499		19.42 %	21,501		17.36 %

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									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General government										
Management services	36.00	45.00	43.00	38.00	35.00	35.00	34.00	32.00	34.00	32.50
Finance	57.00	59.00	61.00	69.00	86.75	86.75	86.75	85.75	84.75	84.75
Planning	14.00	15.00	24.00	33.00	28.50	28.50	26.50	26.15	26.15	27.15
Building	24.00	26.00	32.00	43.00	53.75	51.75	55.75	57.75	44.75	40.75
Legal	66.00	70.00	73.00	70.00	78.00	78.00	67.00	67.00	61.00	58.00
Other	77.00	90.00	96.00	104.00	108.50	105.50	101.00	94.50	93.50	93.50
Police	534.00	544.00	554.00	567.00	557.50	543.50	506.50	507.50	473.50	455.50
Fire	269.00	270.00	276.00	278.00	263.50	251.50	237.50	216.00	196.00	195.00
Homeland security	-	-	-	6.00	7.00	7.00	-	-	-	-
Community service	60.00	72.00	72.00	69.00	93.75	87.25	84.25	82.75	75.25	75.25
Parks and recreation	92.00	123.00	122.00	85.00	99.25	98.75	89.75	86.75	80.40	79.40
Library	48.00	56.00	57.00	65.00	87.76	88.76	87.76	87.76	87.75	87.75
Public works	179.00	203.00	225.00	256.00	281.00	271.00	266.00	266.00	267.00	270.00
Engineering	19.00	26.00	27.00	39.00	45.00	45.00	46.00	45.00	44.00	44.00
Transportation	65.00	69.00	63.00	67.00	89.25	88.25	81.25	80.25	80.25	78.25
Utilities	185.00	167.00	170.00	171.00	186.00	165.00	146.00	140.00	132.00	132.00
Total	1,725.00	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

Sources:

City Budget Division

City of Glendale Human Resources Department for 2012

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

Schedule 18

Function/Program	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Police										
Calls for service	127,829	129,161	129,868	137,586	146,489	154,176	148,633	158,507	161,722	154,374
Bookings	7,083	9,902	11,015	11,990	12,902	12,119	8,640	8,138	8,057	7,980
Criminal offense reports	33,938	27,304	29,765	32,599	32,918	35,169	34,271	33,578	34,847	33,956
Fire										
EMS calls	29,321	27,751	26,591	24,419	25,851	25,819	22,284 ⁽¹⁾	18,977 ⁽³⁾	24,025	23,126
Fire calls	3,495	3,573	3,847	3,900	4,216	4,322	5,886 ⁽¹⁾	2,642 ⁽³⁾	3,335	3,379
Refuse collection										
Residential curb service (tons per year)	48,187	49,784	52,634	53,493	58,865	60,914	63,521	57,942	56,902	55,718
Commercial container service (tons per year)	39,722	40,451	41,797	44,600	48,267	51,425	49,517	44,441	44,681	48,583
Airport										
Departures/arrivals ⁽²⁾	80,416	80,291	69,834	91,998	137,762	152,194	143,798	108,887	118,140	88,449
General government										
Building permits	5,304	5,619	5,194	5,289	6,931	6,310	7,888	7,079	6,330	6,299
Library										
Volumes in collection ⁽⁴⁾	446,010	529,113	523,512	540,352	546,136	557,342	596,266	620,130	601,440	600,477
Transit										
Dial-A-Ride passengers	90,577	92,134	89,808	91,841	88,638	84,132	89,055	87,831	86,132	81,768

Source: Various city departments and FAA ATADS report

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. 2010 forward are based on fiscal year.
- (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									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Police										
Stations	3	3	3	3	3	3	3	3	3	3
Patrol vehicles	154	174	157	159	158	157	156	156	151	156
Fire stations	9	9	9	9	9	9	9	9	8	8
General government										
City square miles	59	59	59	59	58	57	57	57	57	57
Landfill										
Landfill capacity - south cell	22,065	21,912	21,666	21,666	22,594	22,594	22,594	22,594	22,594	22,594
Landfill capacity used - south cell	19,257	18,444	18,529	18,126	17,776	17,358	16,790	16,328	15,910	15,408
Other public works										
Streets (miles)	717	802	736	736	736	736	733	709	702	702
Parks and recreation										
Number of parks/retention basins/facilities	100	100	100	99	99	95	92	92	93	89
Acres of parks	2,189	2,189	2,189	2,199	2,125	2,125	2,058	2,052	1,998	1,984
Transit										
Dial-A-Ride minibuses	21	21	22	23	22	22	25	25	22	19

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	\$ 3.71
7,000 - 15,000	2.68	3.49	2.28	2.97	2.85	3.71
16,000 - 30,000	3.76	4.89	2.28	2.97	2.85	3.71
over 31,000	5.27	6.86	2.28	2.97	2.85	3.71

SEWER SERVICE RATES

Type of Service	Inside City	Outside City
Single Family Dwelling Unit	\$ 33.67	\$ 44.79
Office Building	46.79	N/A
Apartment - Average 5 units	89.33	98.46
Apartment - Average 35 units	548.81	80.87
Retail/Wholesale	66.68	N/A

(1) Per 1,000 gallons

SOURCE: City of Glendale Finance as of October 2012

HISTORICAL AVERAGE NUMBER OF WATER ACCOUNTS ⁽¹⁾

Fiscal Year Ending June 30	Residential	Commercial ⁽²⁾	Total
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 ⁽³⁾	55,169	5,919	61,088
2011 ⁽³⁾	55,318	5,938	61,256
2012 ⁽⁴⁾	55,524	5,954	61,478

(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.

(4) As of August 2012.

SOURCE: City of Glendale Finance.

WATER DELIVERIES

Acre Feet

Calendar Year	Residential ⁽¹⁾	Commercial	Other ⁽²⁾	Total
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
2011	27,409	11,143	9,558	48,110

(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)
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
2011	57,087	7.9	2.3	4.4

(1) SROG - Sub Regional Operating Group

SOURCE: City of Glendale Finance and Utilities Departments.

City of Glendale
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