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City of Glendale, Arizona

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2013



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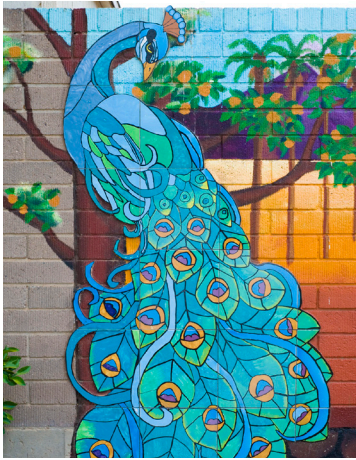
City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

INTRODUCTORY SECTION

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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City of Glendale, Arizona

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2013

Mayor Jerry Weiers

Councilmembers

Yvonne J. Knaack, Vice Mayor - Barrel District

Manuel D. Martinez - Cholla District

Norma Alvarez - Ocotillo District

Ian Hugh - Cactus District

Samuel U. Chavira - Yucca District

Gary D. Sherwood - Sahuaro District

Management Staff

Brenda S. Fischer - City Manager

Prepared by Finance
Tom Duensing, Executive Director

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**City of Glendale, Arizona
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2013**

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December 12, 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, 2013. 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 Clifton Larson Allen LLP, 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, 2013, 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 229,008 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 2013, Glendale's annual average unemployment rate is at 7.2%; this is an improvement from last calendar year's average of 7.6%. 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. In June 2012, the City Council approved a temporary sales tax rate increase of .7% effective August 1, 2012, through August 1, 2017. This fiscal year we saw a 27.3% increase in the sales tax over last year; the increase is primarily due to the temporary sales tax rate increase. 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 2013 collections were based on 2011 income tax returns filed.

Glendale's workforce is concentrated in the following nonfarm sectors: education and health services (24.78%); trade, transportation, and utilities (22.6%); government (12.45%); construction (8.71%); and leisure and hospitality (8.66%). Each of Glendale's nonfarm employment categories, with the exception of mining, have experienced some growth; with educational and health services, construction, and government jobs leading in growth. The Arizona Department of Administration projects that in 2014, Arizona nonfarm employment will grow by 2.0%; Glendale is expected to grow faster than the State at 2.2%. If this improvement in employment continues as forecasted, the revenues which fund the City's operating budget will slowly recover.

Economic Development

Job creation, business retention and expansion, redevelopment and small business assistance comprise the major programs of Glendale's economic development strategy. In fiscal year 2013, Glendale welcomed or retained several new or expanding companies to the city including: Arrowhead Cadillac, Performance Steel, ZyTech Building Systems, Terminix, Barron Lighting, and Midwestern University. These new or expanding companies contributed to the creation/expansion or retention of 1,207 jobs and generated over \$1.2 million in new revenue to Glendale in fiscal year 2013.

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, 11-12, and 12-13 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, 2012. This was the twenty-fifth consecutive year the City has received this prestigious award, and the twenty-seventh 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 2012-13. This is the twenty-sixth 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,



Tom Duensing
Executive Director of Financial Services

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Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Glendale
Arizona**

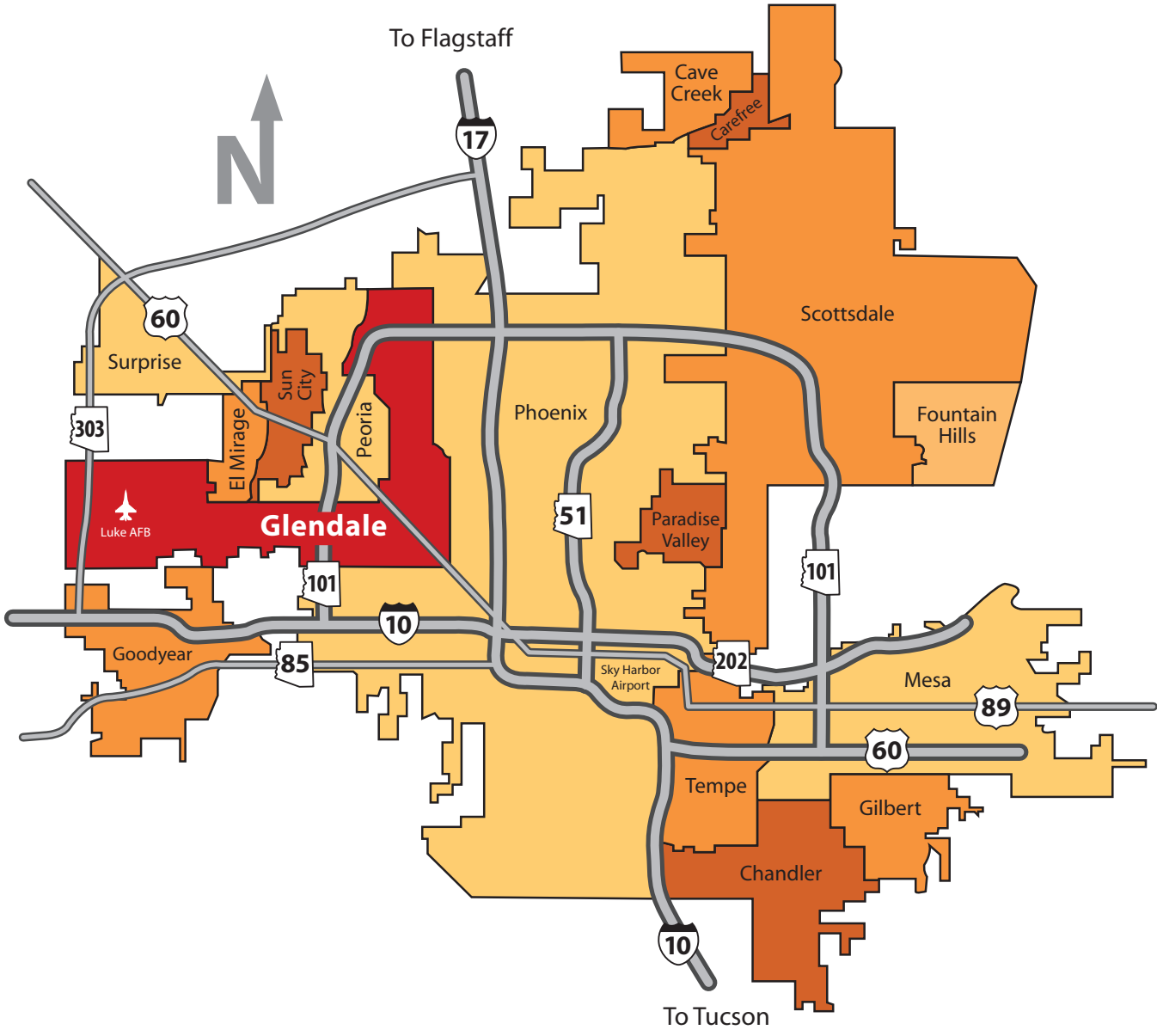
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO



Glendale, Arizona & Neighboring Communities



Glendale City Officials



Jerry Weiers
Mayor



Yvonne J. Knaack
Vice Mayor/
Councilmember
Barrel District



Manuel D. Martinez
Councilmember
Cholla District



Norma Alvarez
Councilmember
Ocotillo District



Ian Hugh
Councilmember
Cactus District



Samuel U. Chavira
Councilmember
Yucca District



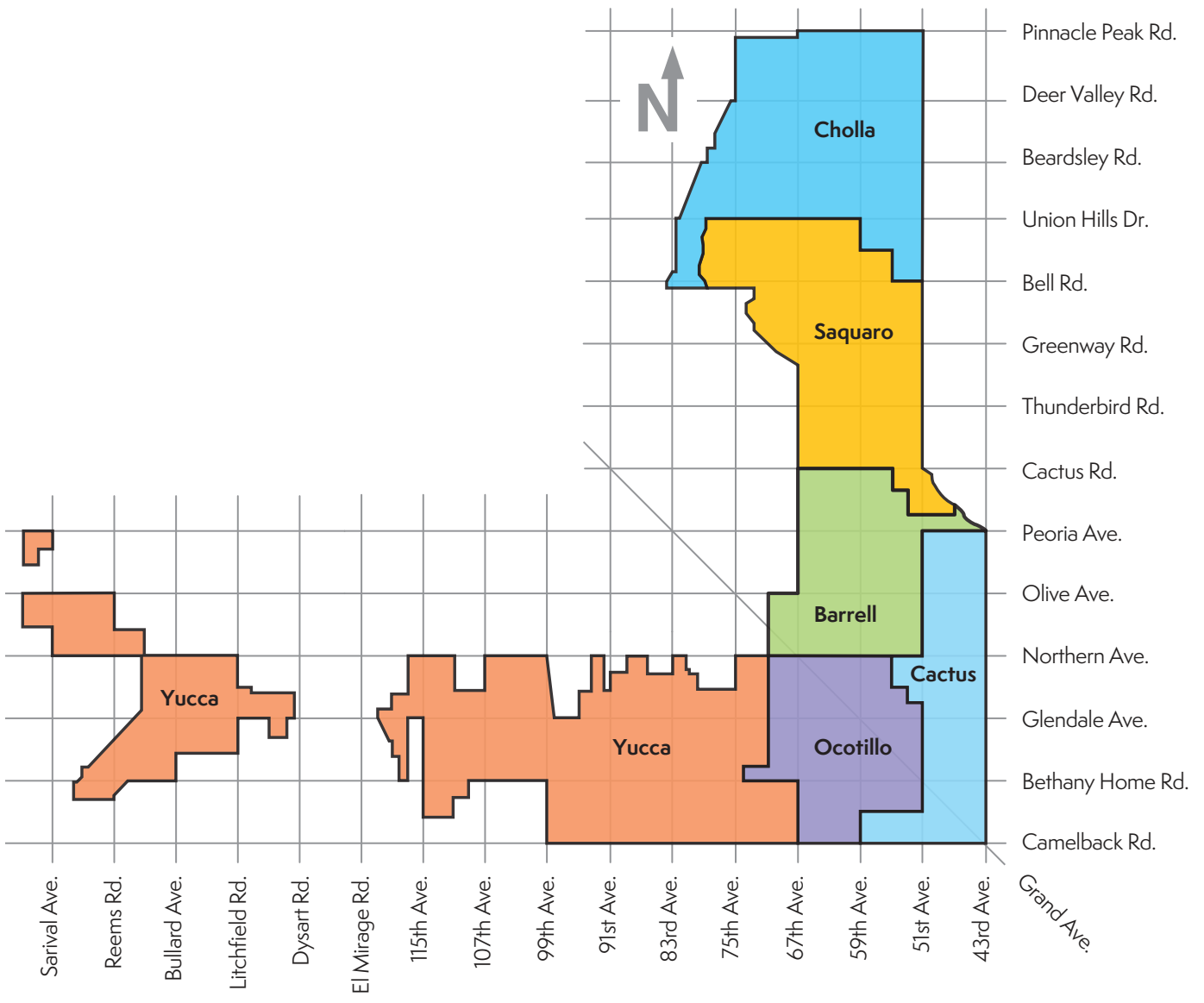
Gary D. Sherwood
Councilmember
Sahuaro District



Brenda S. Fischer
City Manager



Glendale Council District Boundaries



CITIZENS OF GLENDALE

Mayor & Council

Boards & Commissions

**City Attorney
Michael D. Bailey**

**City Manager
Brenda S. Fischer**

**City Clerk
Pam Hanna**

**Presiding City Judge
Elizabeth Finn**

**Executive Director
Public Works
(Field Ops. & Engineering)
Stuart Kent**

**Executive Director
Water Services
(Utilities & Environmental Services)
Craig Johnson**

**Police Chief
Police Services
Debora Black**

**Fire Chief
Fire Services
Mark Burdick**

**Interim Assistant
City Manager
Julie Frisoni**

**Executive Director
Transportation Services
Jamsheed Mehta**

**Executive Director
Human Resources & Risk Management
Jim Brown**

**Executive Director
Financial Services
(Budget & Finance)
Tom Duensing**

**City Auditor
Candace MacLeod**

**Executive Director
Parks, Recreation & Library Services
Erik Strunk**

**Executive Director
Neighborhood & Human Services
Sam McAllen**

**Executive Director
Technology & Innovation
(IT & Innovate)
Chuck Murphy**

**Executive Director
Community & Economic Development
Brian Friedman**

**Interim Executive Director
Communications
(Marketing, Public Info., Civic Center)
Julie Watters**

**Intergovernmental Programs Director
Brent Stoddard**

**Assistant To The Mayor
Thomas Adkins**

**Council Services Administrator
Kristen Krey**

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City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FINANCIAL SECTION

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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 (City), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

During the fiscal year ended June 30, 2013, the City adopted the provisions of Governmental Accounting Standards Board Statement (GASBS) No. 61, *The Financial Reporting Entity: Omnibus – an amendment of BASB Statement No. 14 and 24*, GASBS No. 62, *Codification of Accounting and Financial Reporting Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, GASBS No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*, and GASBS No 65, *Items Previously Reported as Assets and Liabilities*. As a result of the implementation of GASBS No. 65, the City reported a change in accounting principle (See Note XVI) to restate beginning net position for issuance costs that were previously reported as deferred charges. The auditors' opinion was not modified with respect to the restatement. GASBS No. 61, 62, and 63 did not have a material effect on the financial statements.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 15 – 28, the schedule of funding progress for the public safety personnel retirement system pension plan and other postemployment benefits on pages 87 – 88 and the budgetary comparison schedules for the general fund and major special revenue funds on pages 89 – 91 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Glendale, Arizona's basic financial statements. The combining and individual nonmajor fund financial statements, supplementary information and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

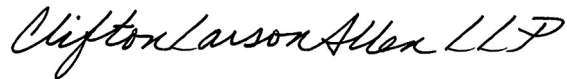
The Honorable Mayor and Members of City of Council
City of Glendale, Arizona

The combining and individual nonmajor fund financial statements and the 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 basic 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 it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2013, on our consideration of the 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 result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Glendale, Arizona's internal control over financial reporting and compliance.



Phoenix, Arizona
December 12, 2013

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City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

MANAGEMENT'S DISCUSSION & ANALYSIS

(Required Supplementary Information)

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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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, 2013. 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 2012-13:

- The City's total net position increased \$4,201 or .43%. The governmental net position decreased by \$6,418 or 1.12%, and the business-type net position increased by \$10,619 or 2.56%.
- General revenues from governmental activities increased \$41,652 or 25.50% and comprised 76.35% of all revenues from governmental activities. There were two primary reasons for this increase:
 1. There was a .7% increase in the City sales tax rate effective August 1, 2012.
 2. The Urban Revenue Sharing (state shared income tax) increased from the prior year.
- Governmental activities program specific revenues in the form of charges for services, grants, and contributions decreased \$5,780 or 8.34%; this decrease was primarily due to the recognition of a one-time revenue source received in fiscal year 2012 related to the settlement of the Coyotes Hockey bankruptcy.
- The total cost of all City programs decreased by \$6,021 or 1.54% primarily due to the decrease in expenses through reduction in ongoing operating costs.
- A major governmental fund, the General Fund, collected \$164,427 in revenues which is an increase of \$28,774 or 21.2% from the prior year. This increase was due primarily to a .7% sales tax increase. The total expenditures of the General Fund were \$127,327, which is an increase of \$1.307 or 1.04%. In light of budgetary pressure with ongoing commitments related to major projects, the City has held the line on expenditures through leaving vacant positions open and diligently reducing non-personnel expenses.
- The General Fund balance increased \$14,848 or 55.7%. This increase was primarily due to a .7% increase in the City transaction privilege tax rate (sales tax) effective August 1, 2012.
- The City issued \$239,875 in Municipal Property Corporation (MPC) revenue refunding bonds. These bonds were used to refund a portion of the 2003 and 2004 MPC bonds and all of the outstanding Public Facility Corporation (PFC) bonds of the City.

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 Position 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

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

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 Position presented on page 27, provides information on all of the City's assets and liabilities with the difference between the two reported as net position. Net position is categorized as capital assets less related debt, restricted by an outside party, and unrestricted. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

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

Fund Financial Statements

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

Governmental Funds

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

The City maintains 19 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the major funds. Data from the other 15 governmental funds are combined into a single,

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

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, as well as other required supplementary information related to the City's public safety personnel retirement system and other post-employment benefits.

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 position may serve over time as a useful indicator of a City's financial position. In the case of the City, assets exceeded liabilities by \$990,703 as of June 30, 2013.

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

The City's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets. At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, 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

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

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 position for fiscal years 2013 and 2012.

Condensed Statement of Net Position
As of June 30, 2013, and 2012
(in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2013	2012, restated	2013	2012, restated	2013	2012, restated
Current and other assets	\$ 233,041	\$ 233,880	\$ 215,370	\$ 198,156	\$ 448,411	\$ 432,036
Capital assets, net	1,205,209	1,235,685	542,902	558,718	1,748,111	1,794,403
Total assets	1,438,250	1,469,565	758,272	756,874	2,196,522	2,226,439
Deferred Outflows of Resources	14,996	2,027	3,689	-	18,685	2,027
Current liabilities	66,884	47,705	25,485	12,713	92,369	60,418
Noncurrent liabilities	821,687	852,794	310,448	328,752	1,132,135	1,181,546
Total liabilities	888,571	900,499	335,933	341,465	1,224,504	1,241,964
Net position:						
Net investment						
in capital assets	438,366	460,639	251,765	262,554	690,131	735,669
Restricted	186,106	183,829	12,264	12,921	198,370	234,633
Unrestricted	(59,797)	(73,375)	161,999	139,934	102,202	89,791
Total net position	\$ 564,675	\$ 571,093	\$ 426,028	\$ 415,409	\$ 990,703	\$ 986,502

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(amounts expressed in thousands)

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

Changes in Net Position
As of June 30, 2013, and 2012
(in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2013	2012, restated	2013	2012, restated	2013	2012, restated
Revenues:						
Program revenues:						
Charges for services	\$ 30,450	\$ 36,380	\$ 108,885	\$ 109,363	\$ 139,335	\$ 145,743
Operating grants and contributions	25,156	27,636	9,376	9,423	34,532	37,059
Capital grants and contributions	7,904	5,274	831	705	8,735	5,979
Total program revenues	63,510	69,290	119,092	119,491	182,602	188,781
General revenues:						
Property taxes	21,372	20,232	-	-	21,372	20,232
Sales taxes	132,872	97,451	-	-	132,872	97,451
State shared sales tax	18,558	17,716	-	-	18,558	17,716
Urban revenue sharing (state shared income tax)	23,159	19,135	-	-	23,159	19,135
Auto in-lieu taxes	7,586	7,277	-	-	7,586	7,277
Investment earnings, unrestricted	716	975	1,878	1,126	2,594	2,101
Gain on disposal of capital assets	353	56	43	-	396	56
Miscellaneous	367	489	70	72	437	561
Total revenues	268,493	232,621	121,083	120,689	389,576	353,310
Expenses:						
General government	37,447	35,962	-	-	37,447	35,962
Public safety	115,694	112,689	-	-	115,694	112,689
Public works	19,230	18,435	-	-	19,230	18,435
Community services	33,831	39,478	-	-	33,831	39,478
Community environment	5,655	6,828	-	-	5,655	6,828
Street maintenance	20,000	20,045	-	-	20,000	20,045
Interest on long-term debt	42,413	41,337	-	-	42,413	41,337
Water and sewer	-	-	73,460	78,756	73,460	78,756
Landfill	-	-	7,486	7,602	7,486	7,602
Sanitation	-	-	16,122	15,437	16,122	15,437
Housing	-	-	14,037	14,827	14,037	14,827
Total expenses	274,270	274,774	111,105	116,622	385,375	391,396
Excess before transfers	(5,777)	(42,153)	9,978	4,067	4,201	(38,086)
Transfers in (out)	(641)	(307)	641	307	-	-
Special item	-	(25,000)	-	-	-	(25,000)
Increase (decrease) in net position	(6,418)	(67,460)	10,619	4,374	4,201	(63,086)
Net position beginning, as restated	571,093	638,553	415,409	411,035	986,502	1,049,588
Net position ending	\$ 564,675	\$ 571,093	\$ 426,028	\$ 415,409	\$ 990,703	\$ 986,502

CITY OF GLENDALE, ARIZONA
 Management's Discussion and Analysis (MD&A)
 For the Fiscal Year Ended June 30, 2013
 (amounts expressed in thousands)

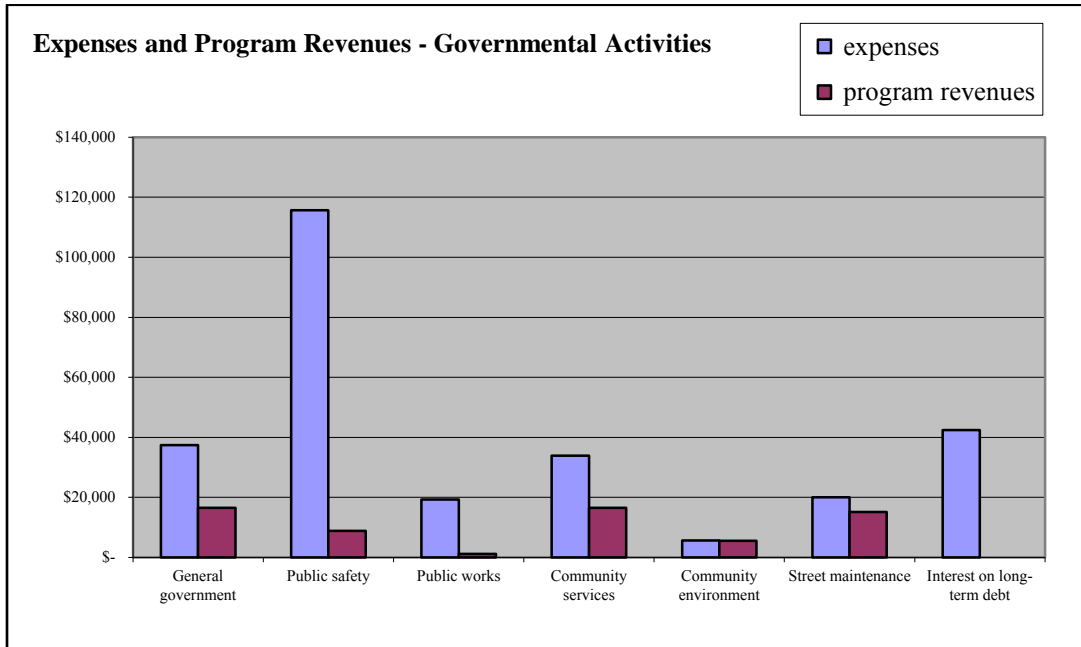
Changes in Net Position

There was a decrease of \$6,418 in net position of the governmental activities. The most notable difference is due to the sales tax rate increased the revenue which helped offset expenses.

The City's total revenue from governmental activities for the fiscal year ended June 30, 2013, was \$268,493.

The cost of programs and services for governmental activities was \$274,270.

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



The government activities sales tax increased \$35,421 or 36.35 % due to an increase in the City sales tax rate as well as the opening of a major mall outlet in FY 2013.

The special item decreased from prior year by \$25,000 million due to the City not having to pay the NHL an owner's fee for the strike shortened season in FY 2013.

The decrease in charges for services is largely due to a decrease in arena special revenue of \$4,559.

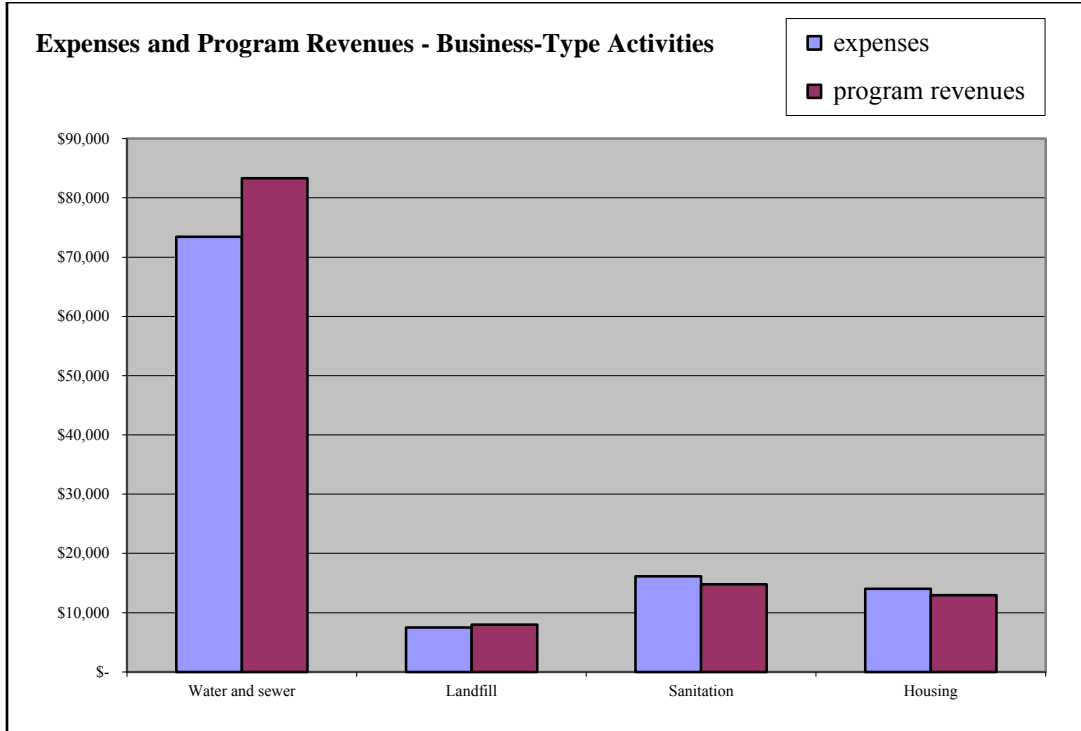
The increase in public safety expense is primarily due to an increase in retirement expense of \$1,977.

The decrease in community services expense is due to a decrease of \$2,756 in salaries expense.

CITY OF GLENDALE, ARIZONA
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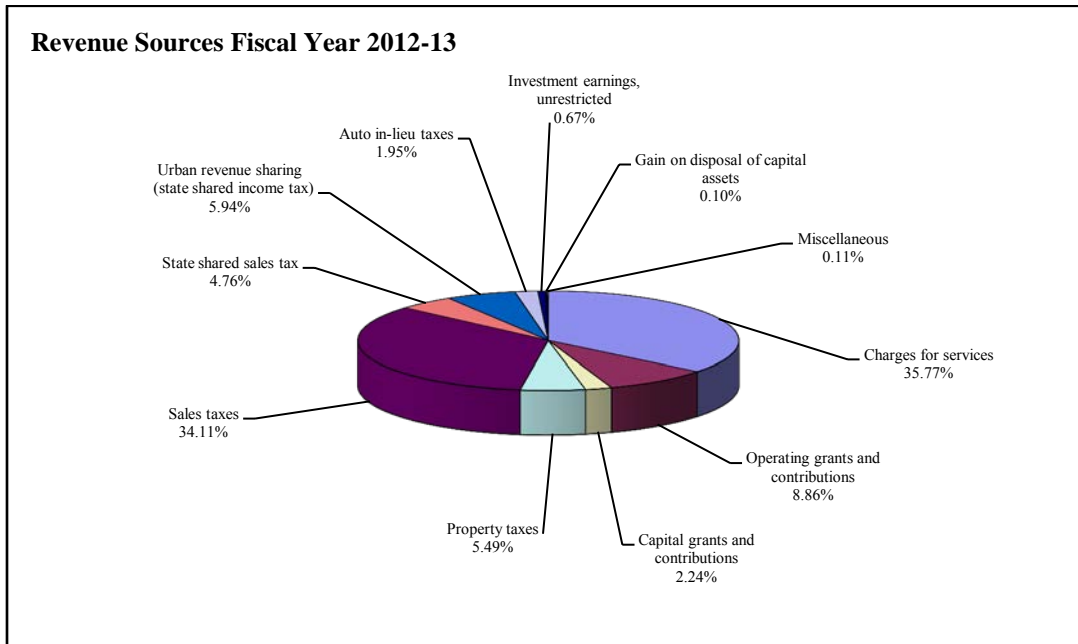
The increase in net position of the business type-activities of \$10,619 was primarily due to increases in water and sewer revenue and a concerted effort at controlling expenses during the year. The City's revenue from business-type activities for the fiscal year ended June 30, 2013, was \$121,083. The cost of programs and services was \$111,105.

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



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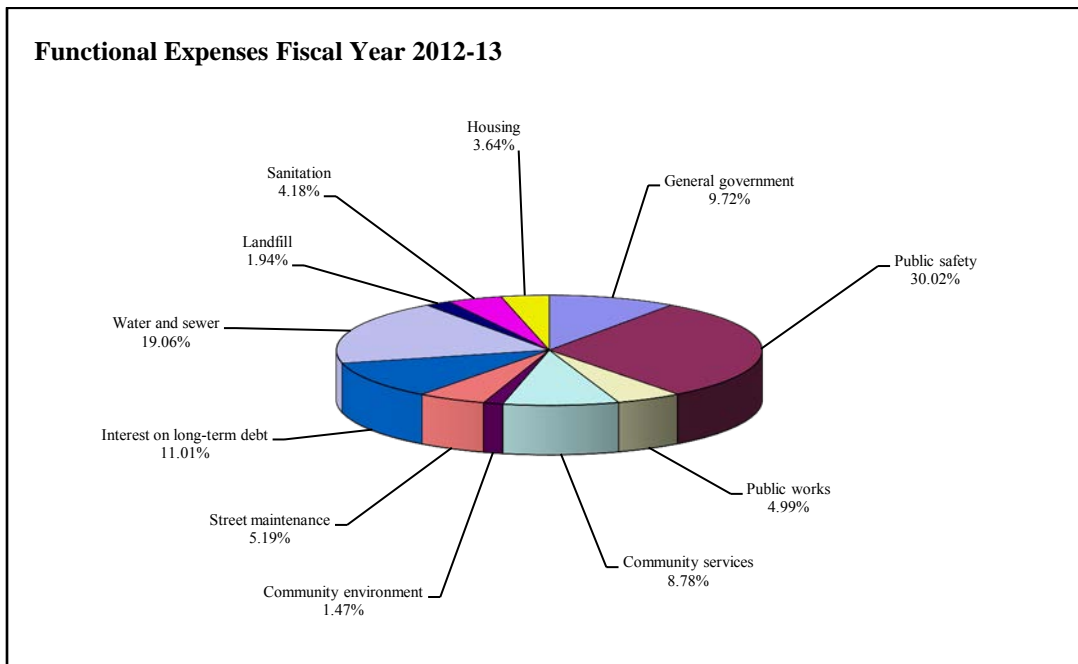
City Revenue Categories



As discussed, the majority (57.45%) of the total 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, 2013
 (amounts expressed in thousands)

City Expense Categories



The majority of the City's expenses (49.08%) 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 \$98,004, an increase of \$649 or 0.67% in comparison with the prior year.

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 2013, a negative \$11,801 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 \$256,583 in fiscal year 2013, an increase of 11.67% from the previous year total of \$229,766. This increase reflects changes in the city sales tax rate. Expenditures for governmental functions totaled \$257,435 in fiscal year 2013, a decrease of 2.38% from the previous year total of \$263,713. This decrease is primarily due to the prior year one-time purchase of airport land.

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 (\$14,438), while total fund balance was (\$11,801). The City also has \$650 of its fund balance as nonspendable; \$311 as restricted; and \$1,676 as committed.

The factors that represent the significant increase in the General Fund from the prior year are:

- Holding the line on expenditures both salary and operating.
- Increasing the sales tax rate by .7% effective 8/1/2012.

Overall, the General Fund's performance resulted in revenues over expenditures of \$37,100 in fiscal year 2013. In the prior year, revenues exceeded expenditures by \$9,633.

The transportation fund accounts for the City's public transit program and transportation improvement projects. The fund saw a decrease in fund balance of \$1,776 for the fiscal year ended June 30, 2013. This decrease is due to an effort to contain costs and keep a healthy fund balance.

The Western Loop 101 Public Facilities Corporation (PFC) 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 a transfer of remaining bond proceeds held the PFC construction fund to make the debt service payments for the period ending June 30, 2013. 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 \$12,641 at June 30, 2013. This represents a decrease of \$4,124 due to the decrease in secondary property tax received as result of declining home values.

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(amounts expressed in thousands)

Proprietary Funds

Net position of the enterprise funds increased \$10,674 or 2.54%. The enterprise funds' total net position was 2.86% restricted, 38.39% unrestricted, and 58.75% 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 position of \$11,233 for the fiscal year ended June 30, 2013. 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 funds saw an increase of \$858 for the fiscal year ended June 30, 2013. 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

The City's fund balance was positively impacted by the sales tax increase.

- The City's budgeted revenues met expectations factoring in the sales tax increase and were over \$1,099 from the final budgeted amounts.
- General Fund expenditures were less than the final budget by \$27,462 or 15.49%. A significant item was not paying a budgeted owners fee to the NHL due negotiations with new buyers of the Coyotes hockey team.
- Budgetary fund balance increased by \$14,949 or 81.25% as a result of the City still holding the line on operational expenditures and additional revenues.
- Budgeted equipment purchases did not occur during the fiscal year resulting in general fund capital outlay expenditures that were \$3,934 or 86.06% less than the final budget.
- The significant increase in the final budget is primarily due to the advance refunding of all outstanding PFC bonds in December 2012. The MPC debt service budget was increased by \$8,180.

Capital Asset and Debt Administration

Capital Assets

The City's investment in capital assets (net of accumulated depreciation) as of June 30, 2013, for its governmental-type activities was \$1,205,209 and for the business-type activities was \$542,902. 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.

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

Major capital asset projects capitalized during the current fiscal year included the following:

- Storm water monitoring system, \$428
- Additional Westgate parking, \$558
- Water and sewer improvements at Arrowhead facility, \$2,496
- Water system security phase III, \$1,363
- Flood control project, \$14,611
- 67th Avenue, Cactus to ACDC street project, \$5,268
- 67th Avenue, Olive to Bell street project, \$4,980

The following table is a summary of capital assets reflected in the June 30, 2013, financial statements as compared to last year's financial statements.

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

	Governmental		Business-Type		Total	
	Activities		Activities		Primary	
	2013	2012	2013	2012	2013	2012
Construction in progress	\$ 98,177	\$ 164,713	\$ 61,066	\$ 63,100	\$ 159,243	\$ 227,813
Land	90,307	90,285	26,299	26,297	116,606	116,582
Water storage rights	-	-	7,938	8,117	7,938	8,117
Artwork	2,378	1,676	-	-	2,378	1,676
Buildings	291,926	295,104	8,140	8,496	300,066	303,600
Improvements other than buildings	152,488	134,501	44,970	45,609	197,458	180,110
Infrastructure-streets	432,348	425,397	-	-	432,348	425,397
Infrastructure-parks	55,742	54,947	-	-	55,742	54,947
Infrastructure-airport	6,399	6,176	-	-	6,399	6,176
Infrastructure-flood/storm drains	52,679	35,413	-	-	52,679	35,413
Water lines	-	-	74,735	76,496	74,735	76,496
Sewer lines	-	-	73,829	76,375	73,829	76,375
Water treatment plant	-	-	122,214	127,593	122,214	127,593
Sewer treatment plant	-	-	99,047	99,950	99,047	99,950
Meters and services	-	-	14,872	15,583	14,872	15,583
Fire hydrants	-	-	2,868	2,970	2,868	2,970
Machinery and equipment	9,042	11,353	1,730	969	10,772	12,322
Computer equipment	299	512	194	197	493	709
Software	1,988	1,841	-	-	1,988	1,841
Automotive equipment	11,436	13,767	5,000	6,966	16,436	20,733
Total	<u>\$ 1,205,209</u>	<u>\$ 1,235,685</u>	<u>\$ 542,902</u>	<u>\$ 558,718</u>	<u>\$ 1,748,111</u>	<u>\$ 1,794,403</u>

The construction commitments at June 30, 2013, were \$3,603. 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, 2013
(amounts expressed in thousands)

Long-Term Debt

At the end of the current fiscal year, the City had total debt outstanding of \$1,020,889 compared to \$1,064,620 last year, a 4.11% net decrease.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
General obligation	\$ 163,130	\$ 179,010	\$ 5,515	\$ 6,485	\$ 168,645	\$ 185,495
Transportation revenue bond	91,140	97,035	-	-	91,140	97,035
Highway users revenue bonds	8,055	12,250	-	-	8,055	12,250
Municipal Property Corporation revenue bonds	468,875	275,090	-	-	468,875	275,090
Western Loop 101 Public Facilities Corporation	-	199,750	-	-	-	199,750
Capital lease obligation	11,094	11,667	-	-	11,094	11,667
Water and sewer revenue bonds/obligations	-	-	273,080	282,625	273,080	282,625
Notes payable	-	-	-	708	-	708
Total	\$ 742,294	\$ 774,802	\$ 278,595	\$ 289,818	\$ 1,020,889	\$ 1,064,620

The City maintains an "A-" 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, 2013, was \$55,527 and \$60,760, 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 2013-14 budget is \$576,000 (down .01% from 2012-13), including a \$346,321 operating budget (a decrease of .01% from 2013) and \$99,599 in capital outlay (down 6.1% from 2013). The fiscal year 2013-14 budget includes \$40,851 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 but jumped to 164,427 in fiscal year 2013 primarily due to the sales tax increase. 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 and remained steady at \$127,327 for fiscal year 2013. The General Fund balance decreased from \$66,388 in fiscal year 2008 to a June 30, 2013, fund balance of deficit \$11,801. 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

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

citizens, as well as to 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 2013, the City's annual average unemployment rate is 7.2%; this represents an improvement from last calendar year's average of 7.6%.

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 Executive Director of Financial Services, 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, 2013

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City of Glendale, Arizona
Statement of Net Position
June 30, 2013
(amounts expressed in thousands)

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Equity in pooled cash and investments	\$ 138,193	84,915	\$ 223,108
Receivables (net of allowance for uncollectibles)			
Property taxes	806	-	806
Accounts	24,476	13,773	38,249
Note	74,019	-	74,019
Accrued interest	306	-	306
Intergovernmental receivable	7,527	71	7,598
Internal balances	(37,138)	37,138	-
Inventories and prepaid items	841	712	1,553
Restricted deposits	-	3,365	3,365
Restricted cash and investments	24,011	15,007	39,018
Capital assets:			
Non-depreciable	190,862	87,365	278,227
Depreciable (net)	1,014,347	455,537	1,469,884
Equity in joint venture	-	60,389	60,389
Total assets	<u>1,438,250</u>	<u>758,272</u>	<u>2,196,522</u>
DEFERRED OUTFLOWS OF RESOURCES			
Debit amounts resulting from refunded debt	<u>14,996</u>	<u>3,689</u>	<u>18,685</u>
LIABILITIES			
Vouchers payable	12,489	2,058	14,547
Accounts payable	741	65	806
Contract payable	5,000	-	5,000
Retainage payable	60	111	171
Accrued interest payable	11,666	6,576	18,242
Intergovernmental payable	278	292	570
Deposits payable	2,750	3,452	6,202
Unearned revenue	6,864	148	7,012
Noncurrent liabilities:			
Due within one year	27,036	12,783	39,819
Due in more than one year	821,687	310,448	1,132,135
Total liabilities	<u>888,571</u>	<u>335,933</u>	<u>1,224,504</u>
NET POSITION			
Net investment in capital assets	438,366	251,765	690,131
Restricted for:			
Capital projects	25,973	-	25,973
Debt service	88,258	-	88,258
Transportation	31,123	-	31,123
Highway and streets	18,453	-	18,453
Revenue bond retirement, replacement, and extension	-	10,686	10,686
Perpetual care - nonexpendable	5,616	-	5,616
Other purposes	16,683	1,578	18,261
Unrestricted	(59,797)	161,999	102,202
Total net position	<u>\$ 564,675</u>	<u>\$ 426,028</u>	<u>\$ 990,703</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, 2013
(amounts expressed in thousands)

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
General government	\$ 37,447	12,520	728	3,249
Public safety	115,694	5,778	2,976	19
Public works	19,230	1,149	19	-
Community services	33,831	11,003	3,530	2,005
Community environment	5,655	-	5,468	-
Street maintenance	20,000	-	12,435	2,631
Interest on long-term debt	42,413	-	-	-
Total governmental activities	<u>274,270</u>	<u>30,450</u>	<u>25,156</u>	<u>7,904</u>
Business-type activities:				
Water and sewer	73,460	81,963	549	831
Landfill	7,486	7,994	-	-
Sanitation	16,122	14,791	-	-
Housing	14,037	4,137	8,827	-
Total business-type activities	<u>111,105</u>	<u>108,885</u>	<u>9,376</u>	<u>831</u>
Total primary government	<u>\$ 385,375</u>	<u>\$ 139,335</u>	<u>\$ 34,532</u>	<u>\$ 8,735</u>

General revenues:

Taxes:

Property taxes levied for:

General purposes

Debt service

Sales taxes

State shared sales tax

Urban revenue sharing (state shared income tax)

Auto in-lieu taxes

Investment earnings, unrestricted

Gain on disposal of capital assets

Miscellaneous

Transfers

Total general revenues, special items, and transfers

Change in net position

Net position - beginning - restated

Net position - ending

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

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (20,950)	\$ -	\$ (20,950)
(106,921)	-	(106,921)
(18,062)	-	(18,062)
(17,293)	-	(17,293)
(187)	-	(187)
(4,934)	-	(4,934)
(42,413)	-	(42,413)
<u>(210,760)</u>	<u>-</u>	<u>(210,760)</u>
-	9,883	9,883
-	508	508
-	(1,331)	(1,331)
-	(1,073)	(1,073)
<u>-</u>	<u>7,987</u>	<u>7,987</u>
<u>(210,760)</u>	<u>7,987</u>	<u>(202,773)</u>
2,521	-	2,521
18,851	-	18,851
132,872	-	132,872
18,558	-	18,558
23,159	-	23,159
7,586	-	7,586
716	1,878	2,594
353	43	396
367	70	437
(641)	641	-
<u>204,342</u>	<u>2,632</u>	<u>206,974</u>
(6,418)	10,619	4,201
571,093	415,409	986,502
<u>\$ 564,675</u>	<u>\$ 426,028</u>	<u>\$ 990,703</u>

City of Glendale, Arizona
Balance Sheet
Governmental Funds
June 30, 2013
(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 AND DEFERRED OUTFLOWS OF RESOURCES						
Assets:						
Equity in pooled cash and investments	\$ 30,808	\$ 26,579	\$ 98	\$ 12,759	\$ 60,219	\$ 130,463
Receivables, net of allowance for doubtful accounts:						
Property taxes	103	-	-	703	-	806
Accounts	13,604	2,689	-	-	8,183	24,476
Note	-	-	74,019	-	-	74,019
Accrued interest	306	-	-	-	-	306
Due from other funds	2,804	-	-	-	-	2,804
Intergovernmental receivable	1,985	2,273	-	-	3,269	7,527
Inventories and prepaid items	650	61	-	-	97	808
Restricted cash and investments	70	-	-	-	22,241	22,311
Total assets	<u>50,330</u>	<u>31,602</u>	<u>74,117</u>	<u>13,462</u>	<u>94,009</u>	<u>263,520</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Vouchers payable	7,835	363	-	-	2,745	10,943
Accounts payable	741	-	-	-	-	741
Contract Payable	5,000	-	-	-	-	5,000
Retainage payable	-	-	-	-	60	60
Compensated absences - current	950	31	-	-	148	1,129
Intergovernmental payable	217	-	-	-	61	278
Due to other funds	-	70	-	-	2,731	2,801
Deposits	2,741	-	-	-	9	2,750
Unearned revenue	402	15	-	-	6,447	6,864
Advance to other funds	39,685	-	-	-	-	39,685
Matured interest payable	-	-	-	301	11,365	11,666
Matured bonds payable	-	-	-	-	2,790	2,790
Total liabilities	<u>57,571</u>	<u>479</u>	<u>-</u>	<u>301</u>	<u>26,356</u>	<u>84,707</u>
Deferred Inflows of Resources	<u>4,560</u>	<u>855</u>	<u>74,019</u>	<u>520</u>	<u>855</u>	<u>80,809</u>
Fund Balances:						
Nonspendable	650	61	-	-	5,713	6,424
Restricted	311	30,207	98	12,641	60,826	104,083
Committed	1,676	-	-	-	115	1,791
Assigned	-	-	-	-	144	144
Unassigned	(14,438)	-	-	-	-	(14,438)
Total fund balances	<u>(11,801)</u>	<u>30,268</u>	<u>98</u>	<u>12,641</u>	<u>66,798</u>	<u>98,004</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 50,330</u>	<u>\$ 31,602</u>	<u>\$ 74,117</u>	<u>\$ 13,462</u>	<u>\$ 94,009</u>	<u>\$ 263,520</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 Position**

June 30, 2013

(amounts expressed in thousands)

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

Fund balances - total governmental funds balance sheet	\$	98,004
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	\$	1,755,638
Less accumulated depreciation		<u>(550,429)</u>
		1,205,209
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred outflow in the funds.		14,996
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds and shown as an internal balance item.		2,544
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.		(1,489)
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		(728,410)
Capital lease obligations		(11,094)
Developer payable obligations		(2,873)
Compensated absences		(17,562)
Bond discount		1,526
OPEB obligations		(50,993)
Unamortized premium on debt issuance		<u>(25,992)</u>
		(835,398)
Unavailable revenue that is measurable but not yet available for governmental fund activities is recognized as revenue for governmental-wide activities.		<u>80,809</u>
Net position of governmental activities	\$	<u><u>564,675</u></u>

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

City of Glendale, Arizona
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2013
(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	
REVENUES						
Taxes and special assessments	\$ 87,849	\$ 21,691	\$ -	\$ 19,189	\$ 20,976	\$ 149,705
Licenses and permits	9,598	-	-	-	775	10,373
Intergovernmental	50,040	2,757	-	630	23,093	76,520
Local	-	-	-	-	36	36
Charges for services	10,797	128	-	-	971	11,896
Fines and forfeitures	3,469	-	-	-	-	3,469
Investment income	540	93	-	-	129	762
Miscellaneous	2,134	223	-	-	1,465	3,822
Total revenues	<u>164,427</u>	<u>24,892</u>	<u>-</u>	<u>19,819</u>	<u>47,445</u>	<u>256,583</u>
EXPENDITURES						
Current:						
General government	15,785	-	4	-	276	16,065
Public safety	81,639	-	-	-	21,971	103,610
Public works	7,822	-	-	-	37	7,859
Community services	15,371	9,685	-	-	2,910	27,966
Community environment	14	-	-	-	5,540	5,554
Street maintenance	647	667	-	-	6,991	8,305
Miscellaneous	2,535	-	-	7	2,075	4,617
Debt service:						
Principal	571	-	-	15,880	9,990	26,441
Interest	2,244	-	10,210	8,056	22,528	43,038
Capital outlay	699	837	-	-	12,444	13,980
Total expenditures	<u>127,327</u>	<u>11,189</u>	<u>10,214</u>	<u>23,943</u>	<u>84,762</u>	<u>257,435</u>
Excess (deficiency) of revenues over (under) expenditures	<u>37,100</u>	<u>13,703</u>	<u>(10,214)</u>	<u>(4,124)</u>	<u>(37,317)</u>	<u>(852)</u>
OTHER FINANCING SOURCES (USES)						
Payment to refunded bonds escrow agent	-	-	-	-	(256,054)	(256,054)
Refunded bonds issued	-	-	-	-	239,875	239,875
Premium on long-term debt issued	-	-	-	-	19,779	19,779
Discount on long-term debt issued	-	-	-	-	(1,557)	(1,557)
Proceeds from equipment disposal	589	-	-	-	-	589
Transfers in	54	900	10,272	-	40,910	52,136
Transfers out	(22,895)	(16,379)	-	-	(13,993)	(53,267)
Total other financing sources and uses	<u>(22,252)</u>	<u>(15,479)</u>	<u>10,272</u>	<u>-</u>	<u>28,960</u>	<u>1,501</u>
Net change in fund balances	<u>14,848</u>	<u>(1,776)</u>	<u>58</u>	<u>(4,124)</u>	<u>(8,357)</u>	<u>649</u>
Fund balances, July 1	<u>(26,649)</u>	<u>32,044</u>	<u>40</u>	<u>16,765</u>	<u>75,155</u>	<u>97,355</u>
Fund balances, June 30	<u>\$ (11,801)</u>	<u>\$ 30,268</u>	<u>\$ 98</u>	<u>\$ 12,641</u>	<u>\$ 66,798</u>	<u>\$ 98,004</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, 2013

(amounts expressed in thousands)

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

Net change in fund balances - total governmental funds		\$	649
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 \$13,980 did not exceed depreciation of \$46,612 for the current period.			(32,632)
The net effect of various transactions involving capital is to increase net assets.			
Capital contributions	\$	2,378	
Disposals		(589)	
Gain (loss) on sales		<u>353</u>	
			2,142
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.			9,217
The net effect of long-term debt issuance and the related transactions is to increase net assets.			
Bond premium		(19,779)	
Bond discount		1,557	
Bonds discount amortized		(73)	
Bond premium amortized		1,190	
Payment to refunded bonds escrow agent		256,054	
Principal paid		26,441	
Refunding bonds issued		<u>(239,875)</u>	
			25,515
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.			(75)
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.			(11,445)
Internal service funds are used by management to charge the costs of workers' compensation, risk management, and employee benefits to individual funds.			837
Expenses on the statement of activities differ from governmental funds because of the portion not accrued on the governmental funds.			<u>(626)</u>
Change in net position of governmental activities		\$	<u>(6,418)</u>

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

City of Glendale, Arizona
Statement of Net Position
Proprietary Funds
June 30, 2013
(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds			Governmental
	Major Funds	Other	Total	Activities -
		Proprietary		Internal
	Water and Sewer	Funds		Service Funds
ASSETS				
Current assets:				
Equity in pooled cash and investments	\$ 71,172	\$ 13,743	\$ 84,915	\$ 7,730
Receivables:				
Accounts	12,624	2,653	15,277	-
Allowance for uncollectibles	(1,228)	(276)	(1,504)	-
Intergovernment receivable	-	71	71	-
Inventories and prepaid items	671	41	712	34
Total current assets	<u>83,239</u>	<u>16,232</u>	<u>99,471</u>	<u>7,764</u>
Noncurrent assets:				
Restricted deposits	3,365	-	3,365	1,700
Restricted cash and investments	14,931	76	15,007	-
Advance to other funds	14,925	25,006	39,931	-
Capital assets:				
Capital assets	770,203	52,246	822,449	-
Accumulated depreciation	(249,985)	(29,562)	(279,547)	-
Capital assets, net	<u>520,218</u>	<u>22,684</u>	<u>542,902</u>	<u>-</u>
Equity in joint venture	60,389	-	60,389	-
Total noncurrent assets	<u>613,828</u>	<u>47,766</u>	<u>661,594</u>	<u>1,700</u>
Total assets	<u>697,067</u>	<u>63,998</u>	<u>761,065</u>	<u>9,464</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>3,689</u>	<u>-</u>	<u>3,689</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Vouchers payable	1,452	606	2,058	1,546
Accounts payable	-	65	65	-
Retainage payable	111	-	111	-
Compensated absences	1,340	652	1,992	-
Due to other funds	-	3	3	-
Intergovernmental payable	292	-	292	-
Deposits	3,179	273	3,452	-
Unearned rent	-	148	148	-
Estimated claims payable	-	-	-	9,407
Current portion of long-term debt:				
Unamortized premium on debt issuance	1,036	-	1,036	-
Revenue bonds/obligations payable	9,755	-	9,755	-
Interest payable	6,576	-	6,576	-
Total current liabilities	<u>23,741</u>	<u>1,747</u>	<u>25,488</u>	<u>10,953</u>
Noncurrent liabilities:				
Compensated absences	540	460	1,000	-
Advance from other funds	-	246	246	-
General obligation bonds	5,515	-	5,515	-
Unamortized premium on debt issuance	14,139	-	14,139	-
Revenue bonds/obligations payable	263,325	-	263,325	-
OPEB long-term obligations	7,060	4,379	11,439	-
Other long-term debt	-	77	77	-
Estimated closure and post-closure costs	-	14,953	14,953	-
Total noncurrent liabilities	<u>290,579</u>	<u>20,115</u>	<u>310,694</u>	<u>-</u>
Total liabilities	<u>314,320</u>	<u>21,862</u>	<u>336,182</u>	<u>10,953</u>
NET POSITION				
Net investment in capital assets	229,081	22,684	251,765	-
Restricted for:				
Revenue bond retirement, replacement and extension	10,686	-	10,686	-
Other purposes	-	1,578	1,578	-
Unrestricted	146,669	17,874	164,543	(1,489)
Total net position	<u>\$ 386,436</u>	<u>\$ 42,136</u>	<u>428,572</u>	<u>\$ (1,489)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			(2,544)	
Net position of business-type activities			<u>\$ 426,028</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 Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Major Funds	Other	Total	
	Water and Sewer	Proprietary Funds		
Operating revenues:				
Intergovernmental	\$ 549	\$ 8,827	\$ 9,376	\$ -
Metered water sales	45,022	-	45,022	-
Sewer service charges	32,905	-	32,905	-
Container service	-	4,176	4,176	-
Curb service	-	10,615	10,615	-
Landfill user fees	-	6,322	6,322	-
Self-insurance premium	-	-	-	28,918
Recycling sales	-	1,535	1,535	-
Other fees	2,838	4,274	7,112	143
Total operating revenues	<u>81,314</u>	<u>35,749</u>	<u>117,063</u>	<u>29,061</u>
Operating expenses:				
Water	16,464	-	16,464	-
Sewer	11,854	-	11,854	-
Landfill	-	5,946	5,946	-
Housing	-	13,340	13,340	-
Closure/post-closure care adjustment	-	449	449	-
Sanitation	-	14,001	14,001	-
Administrative and general	10,885	-	10,885	46
Insurance claims and premiums	-	-	-	28,664
Amortization and depreciation	19,914	2,812	22,726	-
Total operating expenses	<u>59,117</u>	<u>36,548</u>	<u>95,665</u>	<u>28,710</u>
Operating income (loss)	<u>22,197</u>	<u>(799)</u>	<u>21,398</u>	<u>351</u>
Nonoperating revenues (expenses):				
Impact fees	1,268	-	1,268	-
Investment income	872	1,006	1,878	17
Interest expense	(12,660)	(8)	(12,668)	-
Gain on disposal of assets	25	18	43	-
OPEB expense	(1,634)	(1,083)	(2,717)	-
Total nonoperating revenues (expenses)	<u>(12,129)</u>	<u>(67)</u>	<u>(12,196)</u>	<u>17</u>
Income (loss) before contributions and transfers	10,068	(866)	9,202	368
Capital contributions	831	-	831	-
Transfers in	375	307	682	490
Transfers out	(41)	-	(41)	-
Change in net position	<u>11,233</u>	<u>(559)</u>	<u>10,674</u>	<u>858</u>
Total net position - beginning - restated	375,203	42,695		(2,347)
Total net position - ending	<u>\$ 386,436</u>	<u>\$ 42,136</u>		<u>\$ (1,489)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			(55)	
Change in net position of business-type activities			<u>\$ 10,619</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, 2013

(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	\$ 82,068	\$ 27,041	\$ 109,109	\$ 29,247
Cash received from federal government	-	8,862	8,862	-
Cash paid to suppliers:				
Internal city departments	(6,371)	(9,588)	(15,959)	-
External vendors	(18,723)	(15,421)	(34,144)	-
Cash paid for insurance and in settlement of claims	-	-	-	(28,174)
Cash paid to employees for services	(15,354)	(8,279)	(23,633)	(47)
Net cash provided (used) by operating activities	<u>41,620</u>	<u>2,615</u>	<u>44,235</u>	<u>1,026</u>
Cash flows from noncapital financing activities:				
Transfers in	375	307	682	490
Transfers out	(41)	-	(41)	-
Advances to/due from other funds	75	362	437	-
Advances from/due to other funds	-	(240)	(240)	-
Net cash provided (used) by noncapital financing activities	<u>409</u>	<u>429</u>	<u>838</u>	<u>490</u>
Cash flows from capital and related financing activities:				
Principal payments on obligations	(11,223)	14	(11,209)	-
Acquisition of capital assets and rights	(4,976)	(1,067)	(6,043)	-
Impact fees	1,268	-	1,268	-
Interest payments on obligations	(13,231)	(8)	(13,239)	-
Net cash (used) by capital and related financing activities	<u>(28,162)</u>	<u>(1,061)</u>	<u>(29,223)</u>	<u>-</u>
Cash flows from investing activities:				
Interest received from investments	<u>872</u>	<u>1,006</u>	<u>1,878</u>	<u>17</u>
Net cash provided by investing activities	<u>872</u>	<u>1,006</u>	<u>1,878</u>	<u>17</u>
Net increase (decrease) in cash and cash equivalents during fiscal year	14,739	2,989	17,728	1,533
Cash and cash equivalents, July 1	<u>71,364</u>	<u>10,830</u>	<u>82,194</u>	<u>7,897</u>
Cash and cash equivalents, June 30	<u>\$ 86,103</u>	<u>\$ 13,819</u>	<u>\$ 99,922</u>	<u>\$ 9,430</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)	\$ 22,197	\$ (799)	\$ 21,398	\$ 351
Adjustments to reconcile operating income (loss) to net cash provided (used) by operations:				
Amortization and depreciation	19,914	2,812	22,726	-
Changes in assets and liabilities:				
Accounts receivable	10	16	26	186
Intergovernmental receivable	-	35	35	-
Inventories and prepaid items	260	(34)	226	(1)
Vouchers and accounts payable	(1,293)	120	(1,173)	(382)
Accrued expenses	87	-	87	-
Deposits	768	(6)	762	-
Unearned rent	-	121	121	-
Compensated absences	(323)	(82)	(405)	(19)
Claims payable	-	-	-	891
Proceeds from disposal of assets	-	(17)	(17)	-
Estimated closure and post-closure costs	-	449	449	-
Net cash provided (used) by operating activities	<u>\$ 41,620</u>	<u>\$ 2,615</u>	<u>\$ 44,235</u>	<u>\$ 1,026</u>
Reconciliation of statement of net position cash and investments to the statement of cash flows:				
Per combined statement of net position:				
Equity in pooled cash and investments	\$ 71,172	\$ 13,743	\$ 84,915	\$ 7,730
Restricted cash and investments	14,931	76	15,007	1,700
Total cash and cash equivalents	<u>\$ 86,103</u>	<u>\$ 13,819</u>	<u>\$ 99,922</u>	<u>\$ 9,430</u>
Noncash investing, capital, and financing activities:				
Contributions of capital assets	\$ 831	\$ -	\$ 831	\$ -
Amortization of bond premium/discount	1,112	-	1,112	-

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2013

(amounts expressed in thousands)

Notes to the Financial Statements

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

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CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2013

(amounts expressed in thousands)

I. Summary of significant accounting policies

A. Reporting entity

The City of Glendale, Arizona (City) was incorporated June 18, 1910, under the provisions of Article 13, Sections 1 through 6 of the Constitution of Arizona and Title 9 of the Arizona Revised Statutes. It is governed by a Mayor elected at large, and six district council members. The City operates under a Council-Manager government. 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.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government 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

CITY OF GLENDALE, ARIZONA

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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).

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.

C. Form of presentation – fund 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 special revenue 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.

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The City reports the following major proprietary fund:

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

Additionally, the City reports the following internal service funds:

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

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, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures/expenses, as appropriate. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following funds are presented in the accompanying financial statements.

Governmental funds

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

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

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

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

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

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

Proprietary funds

Proprietary funds are used to account for the City's ongoing operations 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

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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.

D. 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.

Resources that have been received before time requirements are met but after all other eligibility requirements have been met are recorded as a deferred inflow. However, resources transmitted before time requirements are met but after eligibility requirements have been met are recorded as deferred outflows. This practice is defined and supported by GASB Statement 63, as it pertains to Financial reporting of deferred outflows of resources, deferred inflows of resources and net position.

E. Statement of cash flows

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

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F. Interfund transactions

Interfund transactions, consisting of services performed for other funds or costs billed to other funds are treated as expenditures in the fund receiving the services and as a reimbursement reducing expenditures in the fund performing the services, except for sales of water to other City departments, which are recorded as revenue in the Water Enterprise funds. In addition, operating transfers are made between funds to shift resources from a fund legally authorized to receive revenue to a fund authorized to expend the revenue.

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is classified as due to/from other funds (current portion of interfund loans) and advances to/from other funds (noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

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, 2013, the postage portion of the general fund supplies inventory was \$5. 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.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred by the enterprise funds during the current fiscal year was \$12,668. In addition, \$53 was included as part of the cost of capital assets under construction in connection with water and sewer projects.

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

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

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, 2013, is \$1,783. 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, 2013, 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, 2013, is \$4,128.

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, 2013, 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

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:

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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. Amounts must be committed prior to fiscal year end.

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 unassigned fund balance. Other funds with negative fund balances may report a 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. Net position

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

Net Investment in Capital Assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.

Restricted Net Position – This category represents net position that has external restriction imposed by creditors, grantors, contributors, laws or regulations of other governments, and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This category represents net position of the City not restricted for any project or other purpose.

M. 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.

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Property Tax Calendar

Lien date	January 1, 2012
Levy (assessment) date (third Monday in August)	August 18, 2012
Due dates:	
First half of assessment	October 1, 2012
Second half of assessment	March 1, 2013
Penalties and interest added (collection dates):	
First half of assessment	November 1, 2012
Second half of assessment	May 1, 2013

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, 2013, is as follows:

<u>Fund</u>	<u>Rate</u>
General fund	\$ 0.22
General obligation debt service fund	1.68
Total	<u>\$ 1.90</u>

N. 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.

Represented Fire and Police MOU employees who retire and have ten or more years of service will have 50% of their accrued sick time contributed to a mandatory Retiree Health Savings plan based on their average hourly wage over the last 36 months. Represented Fire and Police MOU employees who retire are paid 100% of accrued vacation time.

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

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June 30, 2013, 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.

O. Deferred outflow and deferred inflow of resources

Resources transmitted before time requirements are met, but after all other eligibility requirements have been met, are reported as deferred outflows. Reacquisition costs associated with bond refunding is an example of a deferred outflow of resources.

Resources received before time requirements are met, but after all other eligibility requirements are met, are recorded as deferred inflows. Certain grant receipts is an example of deferred inflow of resources.

Amounts that are reported as deferred outflows are shown as a separate balance sheet section following the assets. Similarly, amounts shown as deferred inflows are shown in a separate balance sheet section following liabilities.

P. 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 position. Bond premiums and discounts are reported as long-term liability and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

Q. 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.

R. 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

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Section 401(a). Also, during the fiscal year 2011, the employees had available to them the option of deferring compensation in Roth IRA administered by ICMA Retirement Corporation (ICMA RC). On February 12, 2013 the adoption of a new contract was approved by the Mayor and City Council which allowed the plan to be administered solely by the third-party administrator GREAT WEST LIFE & ANNUITY INSURANCE CO (Great West). 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 the third-party administrator, Great West. 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 Great West.

Retiree Health Savings (RHS) Plan was originally adopted on July 1, 2008, and amended and restated on February 12, 2013, by Mayor and Council. The purpose of the Plan is to provide certain Employees with an opportunity to receive reimbursement for certain Health Care Expenses as provide in this Plan. It is the intention of the Adopting Employer that the benefits payable under this Plan be eligible for exclusion from the gross income of Participants as provided by Sections 105(b) and 106 of the Code. In addition, it is the intention of the Adopting Employer that the Plan qualify as a Health Reimbursement Arrangement (HRA) under IRS Revenue Ruling 202-41 (June 26, 2002) and IRS Notice 2002-45 (June 26, 2002). The provider for this RHS plan is Educator Benefit Consultants (EBC). The contributions to this Plan is detailed in the Compensated Absences (M) section on this document.

S. Investments

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

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

Arizona Revised Statutes require the City to deposit certain crime-related forfeitures with the County Treasurer. The County Treasurer determines the fair value of those pooled investments. The structure of the pool does not provide for shares and the County has not provided or obtained any legally binding guarantees to support the value of the participants' investments. The 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 decrease in the fair value of investments during the fiscal year ended June 30, 2013, was \$422.

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

For the year ended June 30, 2013, expenditures exceeded appropriations in the housing fund by \$861. These over-expenditures were funded by beginning fund balance and operating transfers.

The City ended the fiscal year June 30, 2013, with a deficit fund balance/net position 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. \$ 11,801

Risk management fund

Deficit will be funded by an increase in premiums for fiscal year 2014 and next fiscal year. 930

Employee benefits internal service fund

Deficit will be funded by an increase in premiums for fiscal year 2014 and next fiscal year. 1,996

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 \$59,556 and the bank balances were \$61,236. The difference of \$1,680 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, 2013, was \$42,429 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), interest-earning money market accounts, certificates of deposit, and the State of Arizona Local Government Investment Pool (LGIP). Investments may not exceed three years to maturity from the date of purchase. The City's investment in the LGIP is stated at fair value, which also approximates the value of the investment upon withdrawal.

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As of June 30, 2013, the City had the following investments:

Investment Type	Investment Maturities (in years)			Fair Value
	0 - 1	1 - 2	2 - 3	
Commercial paper	\$ 13,495	\$ -	\$ -	\$ 13,495
Corporate bonds	16,128	10,116	13,010	39,254
U.S. Agencies	30,656	28,596	29,961	89,213
Arizona LGIP - State Pool	18,179	-	-	18,179
Grand total investments	<u>\$ 78,458</u>	<u>\$ 38,712</u>	<u>\$ 42,971</u>	<u>\$ 160,141</u>
Cash deposits				59,556
Cash with fiscal agents				42,429
Total deposits and investments				<u>\$ 262,126</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, 2013, the City's investments were rated by Moody's Investor Service and Standard & Poor's as follows:

Investment Type	S&P Rating	Moody's Rating	% of Total Investments	Weighted Average Maturity (Years)
U.S. Agencies	AA+	Aaa	52.60%	1.59
Arizona LGIP	NR	NR	11.35%	0.00
Commercial Paper	A-1	P-1	8.43%	0.00
Corporate	AA-	Aa3	8.13%	1.38
Corporate	AA+	A1	5.18%	1.03
Corporate	AA+	Aaa	3.76%	1.78
U.S. Agencies	A-1+	P-1	3.11%	0.27
Corporate	A+	A1	2.73%	0.25
Corporate	A+	A2	2.51%	1.60
Corporate	AA	Aa2	2.20%	0.32

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

Issuer	Investment Type	Amount
FFCB Total	U.S. Agencies	\$ 24,970
FHLB Total	U.S. Agencies	23,718
FNMA Total	U.S. Agencies	18,477
State Pool	Arizona LGIP	18,179
FHLMC Total	U.S. Agencies	17,071
GE Capital	Corporate	8,300
Met Life Glob	Corporate	8,009

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2013

(amounts expressed in thousands)

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

IV. 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 4.13% per annum payable semi-annually. A note receivable for the agreed upon contribution amount plus accrued interest on the note in the amount of \$14,019 has been recorded at June 30, 2013. No payments have been received by the City on the note as of June 30, 2013. 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. On December 27, 2012, the City of Glendale Municipal Property Corporation, a blended component of the City, issued subordinate excise tax revenue bonds to refund the \$199,750 third lien excise tax revenue bonds. The issuance of \$183,405 in tax-exempt bonds and \$16,850 in taxable bonds achieved debt service savings and lowered the next five fiscal years' annual rental payments under the Lease Agreement.

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CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2013

(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, 2013, is as follows:

	Balances June 30, 2012	Increase	Decrease	Balances June 30, 2013
Governmental activities				
Non-depreciable assets:				
Construction in progress	\$ 164,713	\$ 12,443	\$ (78,979)	\$ 98,177
Land	90,285	22	-	90,307
Artwork	1,676	702	-	2,378
Total non-depreciable assets	<u>256,674</u>	<u>13,167</u>	<u>(78,979)</u>	<u>190,862</u>
Depreciable assets:				
Buildings	380,077	6,946	-	387,023
Improvements other than buildings	232,334	27,129	(10)	259,453
Infrastructure - streets	642,465	23,566	-	666,031
Infrastructure - parks	82,578	3,974	-	86,552
Infrastructure - flood/storm drains	41,719	17,827	-	59,546
Infrastructure - airport	14,003	685	-	14,688
Machinery and equipment	44,889	426	(940)	44,375
Computer equipment	4,333	69	(173)	4,229
Software	2,714	526	(19)	3,221
Automotive equipment	41,094	1,297	(2,733)	39,658
Total depreciable assets at historical cost	<u>1,486,206</u>	<u>82,445</u>	<u>(3,875)</u>	<u>1,564,776</u>
Less accumulated depreciation for:				
Buildings	(84,973)	(10,124)	-	(95,097)
Improvements other than buildings	(97,833)	(9,142)	10	(106,965)
Infrastructure - streets	(217,068)	(16,615)	-	(233,683)
Infrastructure - parks	(27,631)	(3,179)	-	(30,810)
Infrastructure - flood/storm drains	(6,306)	(561)	-	(6,867)
Infrastructure - airport	(7,827)	(462)	-	(8,289)
Machinery and equipment	(33,536)	(2,500)	703	(35,333)
Computer equipment	(3,821)	(282)	173	(3,930)
Software	(873)	(379)	19	(1,233)
Automotive equipment	(27,327)	(3,368)	2,473	(28,222)
Total accumulated depreciation	<u>(507,195)</u>	<u>(46,612)</u>	<u>3,378</u>	<u>(550,429)</u>
Total depreciable assets, net	<u>979,011</u>	<u>35,833</u>	<u>(497)</u>	<u>1,014,347</u>
Governmental activities capital assets, net	<u>\$ 1,235,685</u>	<u>\$ 49,000</u>	<u>\$ (79,476)</u>	<u>\$ 1,205,209</u>

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2013

(amounts expressed in thousands)

	Balances June 30, 2012	Increase	Decrease	Balances June 30, 2013
Business-Type activities:				
Non-depreciable assets:				
Construction in progress - water and sewer	\$ 62,441	\$ 4,948	\$ (6,938)	\$ 60,451
Construction in progress - landfill	269	50	-	319
Construction in progress - sanitation	165	-	-	165
Construction in progress - housing authority	225	118	(212)	131
Land	26,297	2	-	26,299
Total non-depreciable assets	<u>89,397</u>	<u>5,118</u>	<u>(7,150)</u>	<u>87,365</u>
Depreciable assets:				
Buildings	16,508	188	-	16,696
Water storage rights	9,183	-	-	9,183
Improvements other than buildings	63,273	2,090	-	65,363
Water lines	114,141	690	-	114,831
Sewer lines	127,470	378	-	127,848
Water treatment plant	202,454	1,624	-	204,078
Sewer treatment plant	134,693	2,965	-	137,658
Meters and services	27,609	-	-	27,609
Fire hydrants	5,187	-	-	5,187
Machinery and equipment	4,437	998	(232)	5,203
Computer equipment	925	-	-	925
Automotive equipment	20,802	20	(319)	20,503
Total depreciable assets at historical cost	<u>726,682</u>	<u>8,953</u>	<u>(551)</u>	<u>735,084</u>
Less accumulated depreciation for:				
Buildings	(8,012)	(544)	-	(8,556)
Water storage rights	(1,066)	(179)	-	(1,245)
Improvements other than buildings	(17,664)	(2,729)	-	(20,393)
Water lines	(37,645)	(2,451)	-	(40,096)
Sewer lines	(51,095)	(2,924)	-	(54,019)
Water treatment plant	(74,861)	(7,003)	-	(81,864)
Sewer treatment plant	(34,743)	(3,868)	-	(38,611)
Meters and services	(12,026)	(711)	-	(12,737)
Fire hydrants	(2,217)	(102)	-	(2,319)
Machinery and equipment	(3,468)	(226)	221	(3,473)
Computer equipment	(728)	(3)	-	(731)
Automotive equipment	(13,836)	(1,986)	319	(15,503)
Total accumulated depreciation	<u>(257,361)</u>	<u>(22,726)</u>	<u>540</u>	<u>(279,547)</u>
Total depreciable assets, net	<u>469,321</u>	<u>(13,773)</u>	<u>(11)</u>	<u>455,537</u>
Business-Type activities capital assets, net	<u>\$ 558,718</u>	<u>\$ (8,655)</u>	<u>\$ (7,161)</u>	<u>\$ 542,902</u>

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2013

(amounts expressed in thousands)

Depreciation was charged to functions/programs as follows:

Governmental activities:

General	\$ 15,474
Public safety	4,912
Public works	10,114
Street maintenance	11,315
Community services	4,785
Community environment	12
Total depreciation expense	<u>\$ 46,612</u>

Business-Type activities:

Water and sewer	\$ 19,914
Landfill	816
Sanitation	1,529
Housing	467
Total depreciation expense	<u>\$ 22,726</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, 2013. 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	\$ 6,688	\$ -
Community services	16,843	1,171
Public safety	2,030	-
Public works	56,668	24
Street maintenance	15,962	1,290
Water and sewer facilities	60,462	336
Landfill	319	-
Sanitation	165	782
Housing	130	-
Total primary government	<u>\$ 159,267</u>	<u>\$ 3,603</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

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2013

(amounts expressed in thousands)

insurance for liability, property, aviation, errors and omissions, boiler and machinery, and vehicle property damage. The risk management fund was fully self-insured through June 30, 1998, for tort liability loss. Effective July 1, 1998, the City purchased excess public entity liability insurance with \$1,000 of self-insurance retention for claims incurred on or after July 1, 1998.

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

Premium payments to insurance carriers are made directly from the risk management fund. 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.

D. Estimated liability

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

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

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2013

(amounts expressed in thousands)

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 actuarial determined liability of \$9,407 as of June 30, 2013. Changes in the balances of claims liabilities during the past two years are as follows:

	Risk Management		Workers' Compensation		Employee Benefits	
	2013	2012	2013	2012	2013	2012
Unpaid claims, beginning of fiscal year	\$ 2,108	\$ 2,570	\$ 4,139	\$ 2,409	\$ 2,269	\$ 4,693
Current year claims and changes in estimate	3,877	(8)	(74)	5,038	22,922	20,813
Claims payments	(1,724)	(454)	(914)	(3,308)	(23,196)	(23,237)
Balance at fiscal year end	<u>\$ 4,261</u>	<u>\$ 2,108</u>	<u>\$ 3,151</u>	<u>\$ 4,139</u>	<u>\$ 1,995</u>	<u>\$ 2,269</u>

VIII. Leases**A. Capital leases**

The City's capital lease activity consists principally of leasing various types of heavy equipment for 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. Leases vary in terms from 7 to 9 years for fire trucks to 10 years for real property. Current year principal expenditures are \$573 for governmental activities. The future minimum lease obligation and net present value of lease payments at June 30, 2013, are as follows:

Year Ending June 30	Governmental Activities
2014	\$ 1,332
2015	1,802
2016	3,357
2017	3,305
2018	3,305
Total minimum lease payments	<u>13,101</u>
Less: Amount representing interest	<u>(2,007)</u>
Present value of net minimum lease payments	<u>\$ 11,094</u>

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2013

(amounts expressed in thousands)

The assets acquired through capital leases are as follows:

Class of Property	Governmental Activities	Business-Type Activities
Equipment	\$ 170	\$ 67
Automotive equipment	2,367	4,695
Building	197	5,141
Other	15,395	4,434
	18,129	14,337
Less: Accumulated depreciation	(7,143)	(9,329)
Total	\$ 10,986	\$ 5,008

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 2012-13 were \$350.

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 2013 and beyond. The carrying value of leased assets is \$362,102 (cost of \$484,151 less accumulated depreciation of \$122,049). 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
2014	\$ 2,559
2015	2,543
2016	2,521
2017	2,528
2018	2,369
2019 and beyond	55,022
Total	\$ 67,542

IX. Short-term debt

The City did not issue short-term debt for the year ended June 30, 2013.

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

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2013

(amounts expressed in thousands)

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

B. Revenue bonds

Highway User Revenue Fund (HURF) bonds are used to construct street and highway projects. The \$8,055 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 \$8,610. The current year principal and interest amounts of \$4,195 and \$504, respectively, were funded with transfers of \$1,354 from HURF 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 \$91,140 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 \$139,227. The current year revenues of \$21,691 collected in the transportation special revenue fund paid the current year principal and interest amounts of \$3,005 and \$4,321, 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 \$393,809. The current year principal and interest on the bonds were \$22,907 and net revenues of the system were \$44,251.

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,

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2013

(amounts expressed in thousands)

from MPC. In addition, on April 1, 2004, the City entered into a lease agreement with the MPC to issue bonds to finance an escrow account to refund certain outstanding City improvement district bonds. In June 2008, the City entered into a lease agreement with the MPC to issue bonds to refund outstanding 2006B bonds. 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. In December 2012, the City entered into a lease agreement with the MPC to issue bonds to partially refund outstanding maturities of the bond series 2003 and 2004, and to fully refund outstanding maturities of the Western Loop 101 Public Facilities Corporation bond series 2008. 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 \$811,933 and the transfers of the MPC debt service fund were \$20,579. Excise tax revenues pledged for repayment of MPC and PFC bonds was \$131,931. The current year principal and interest paid was \$17,703.

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. In December 2012, MPC bonds were issued to advance refund all outstanding PFC bonds.

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. Current year interest payments were made from the general fund. Excise tax revenues pledged for repayment of MPC and PFC bonds was \$131,931. The current year principal and interest paid was \$10,210.

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 in the current year was \$59.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2013

(amounts expressed in thousands)

E. Changes in long-term liabilities

The following is a summary of changes in long-term liabilities reported in the governmental activities financial statements for the year ended June 30, 2013:

	June 30, 2012	Increases	Decreases	June 30, 2013	Amounts Due Within One Year
General obligation (GO) bonds	\$ 179,010	\$ -	\$ (15,880)	\$ 163,130	\$ -
Revenue bonds:					
Highway user revenue	12,250	-	(4,195)	8,055	-
Transportation bonds	97,035	-	(5,895)	91,140	-
Municipal Property Corporation	275,090	239,875	(46,090)	468,875	2,790
Public Facilities Corporation	199,750	-	(199,750)	-	-
Total bonds payable	<u>763,135</u>	<u>239,875</u>	<u>(271,810)</u>	<u>731,200</u>	<u>2,790</u>
Other long-term obligations:					
Capital lease obligations	11,667	-	(573)	11,094	743
OPEB obligations	39,548	11,445	-	50,993	-
Compensated absences	18,738	12,909	(12,957)	18,690	12,454
Claims and judgments	8,516	27,616	(26,725)	9,407	9,407
Unamortized premium on debt issuance	8,540	19,779	(2,327)	25,992	1,704
Discount on debt issuance	-	(1,557)	31	(1,526)	(62)
Developer payable obligations	2,650	223	-	2,873	-
Total other long-term obligations	<u>89,659</u>	<u>70,415</u>	<u>(42,551)</u>	<u>117,523</u>	<u>24,246</u>
Total	<u>\$ 852,794</u>	<u>\$ 310,290</u>	<u>\$ (314,361)</u>	<u>\$ 848,723</u>	<u>\$ 27,036</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 \$848,723 in the total liabilities, \$766,843 is related to net position for the City's net investment in capital assets. Other obligations not included in the calculation of net position for the City's net investment in capital assets are OPEB obligations, compensated absences, and claims and judgments. 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 12.0% 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, 2013

(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, 2013:

	June 30, 2012	Additions	Reductions	June 30, 2013	Amounts Due Within One Year
Water and sewer GO bonds	\$ 6,485	\$ -	\$ (970)	\$ 5,515	\$ -
Water and sewer revenue/obligation bonds	282,625	-	(9,545)	273,080	9,755
Total bonds payable	<u>289,110</u>	<u>-</u>	<u>(10,515)</u>	<u>278,595</u>	<u>9,755</u>
Notes payable	708	-	(708)	-	-
Total notes payable	<u>708</u>	<u>-</u>	<u>(708)</u>	<u>-</u>	<u>-</u>
Other long-term obligations:					
Estimated closure and post-closure costs	14,504	449	-	14,953	-
Unamortized premium on debt issuance	16,287	-	(1,112)	15,175	1,036
OPEB obligations	8,720	2,719	-	11,439	-
Compensated absences	3,397	1,937	(2,342)	2,992	1,992
Housing noncurrent liabilities	63	14	-	77	-
Total other long-term obligations	<u>42,971</u>	<u>5,119</u>	<u>(3,454)</u>	<u>44,636</u>	<u>3,028</u>
Total	<u>\$ 332,789</u>	<u>\$ 5,119</u>	<u>\$ (14,677)</u>	<u>\$ 323,231</u>	<u>\$ 12,783</u>

Of the \$323,231 in total liabilities, \$293,770 is included in the calculation of net position for the City's net investment in capital assets. Other obligations not included in the calculation of net position for the City's net investment 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 \$2,633.

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.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2013

(amounts expressed in thousands)

<u>Issue Refunded</u>	<u>Date Refunded</u>	<u>Remaining Balance</u>
General Obligation Bonds Series 2003	November 30, 2010	\$15,740
Water and Sewer Bonds Series 2003	February 9, 2012	\$73,050
Municipal Property Corporation Bonds Series 2003A	February 9, 2012	\$1,375
Municipal Property Corporation Bonds Series 2004A	February 9, 2012	\$1,765
Municipal Property Corporation Bonds Series 2006A	February 9, 2012	\$1,405
Municipal Property Corporation Bonds Series 2003A	December 27, 2012	\$41,635
Municipal Property Corporation Bonds Series 2004A	December 27, 2012	\$1,865
Western Loop 101 Public Facilities Corporation Bonds Series 2008A	December 27, 2012	\$137,495
Western Loop 101 Public Facilities Corporation Bonds Series 2008B	December 27, 2012	\$48,670
Western Loop 101 Public Facilities Corporation Bonds Series 2008C	December 27, 2012	\$13,585

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CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2013

(amounts expressed in thousands)

G. Bonds payable

Bonds payable at June 30, 2013, 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, 2013
<u>GO bonds payable from secondary assessed property taxes</u>					
Various	1.50-5.00	2003	2022	\$ 52,525	\$ 4,335
Various	3.00-5.00	2004	2019	36,645	17,165
Various	3.50-4.00	2005	2015	11,960	2,740
Refunding	5.00-5.00	2006	2015	9,065	3,915
Various	4.00-5.00	2006	2021	29,365	17,910
Various	4.00-5.00	2007	2022	61,000	40,960
Various	1.50-5.63	2010	2030	41,650	37,805
Refunding	4.00-5.00	2011	2022	38,300	38,300
Total					<u>163,130</u>
<u>Revenue bonds payable from highway user revenue funds</u>					
Streets	2.50-4.00	2004	2014	14,655	2,620
Streets	4.00-5.00	2006	2016	15,745	5,435
Total					<u>8,055</u>
<u>Revenue bonds payable from the 0.5% transportation sales tax</u>					
Transportation excise tax	4.00-5.00	2008	2032	109,110	91,140
<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 2003B	1.46-5.58	2003	2033	105,260	95,675
MPC refunding	4.70-4.70	2004	2033	7,250	7,250
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	50,605
MPC excise tax 2008C	4.00-5.02	2008	2015	9,140	3,920
MPC refunding 2012A	3.00-5.00	2012	2021	8,665	8,665
MPC refunding 2012B	5.00	2013	2033	39,620	39,620
MPC refunding 2012C	5.00	2013	2031	183,405	183,405
MPC refunding 2012D	1.30-3.125	2013	2020	16,850	16,850
Total					<u>468,875</u>
Total bonds payable recorded in governmental activities					731,200
Less current portion					(2,790)
Long-term portion of bonds payable recorded in governmental activities					<u>\$ 728,410</u>

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2013

(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, 2013</u>
<u>GO bonds payable from water and sewer fund</u>					
Water and sewer	1.50-5.00	2003	2022	13,875	\$ 5,515
Total					<u>5,515</u>
<u>Revenue bonds/obligations payable from water and sewer fund</u>					
Various	4.00-5.00	2004	2023	80,000	1,630
Various	4.00-5.25	2006	2026	80,000	72,955
Various	4.25-5.00	2007	2028	44,500	39,075
Various	3.00-5.00	2008	2028	65,500	56,100
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>273,080</u>
Total bonds payable recorded in business-type activities					278,595
Less current portion					<u>(9,755)</u>
Long-term portion of bonds payable recorded in business-type activities					<u>\$ 268,840</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, 2013, is as follows:

	<u>6%</u>	<u>20%</u>
Capacity to incur bonded debt	\$ 62,836	\$ 209,455
Less: Bonded debt applicable to limit	<u>(7,309)</u>	<u>(148,695)</u>
Unused bonded debt capacity	<u>\$ 55,527</u>	<u>\$ 60,760</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, 2013

(amounts expressed in thousands)

H. Bonds authorized, issued and unissued

Bonds authorized but not fully issued as of June 30, 2013, are shown below:

<u>GO bonds</u>	<u>Authorized Amount</u>	<u>Issued through June 30, 2013</u>	<u>Authorized but Unissued</u>
<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	<u>\$ 502,319</u>	<u>\$ 139,480</u>	<u>\$ 362,839</u>
<u>Revenue bonds</u>			
<u>Voter authorized November 2, 1999</u>			
Water and sewer ⁽¹⁾	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ 10,000</u>
Total revenue bonds	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total bonds	<u>\$ 512,319</u>	<u>\$ 139,480</u>	<u>\$ 372,839</u>

(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, 2013

(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.

\$ 2,873

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CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2013

(amounts expressed in thousands)

J. Debt service requirements

Fiscal Year Ending	HURF Bonds	Trans- portation Bonds	MPC Bonds	Various	Water and Sewer		Total
				Purposes	Revenue		
				G.O. Bonds	G.O. Bonds	Bonds/ Obligations	
2014	\$ 4,686	\$ 7,326	\$ 32,241	\$ 22,700	\$1,260	\$ 32,672	\$ 100,885
2015	1,953	7,326	31,444	25,738	1,249	25,453	93,163
2016	1,971	7,326	31,948	23,319	1,236	25,455	91,255
2017	-	7,327	31,430	23,260	1,226	25,444	88,687
2018	-	7,330	31,195	22,639	1,214	25,455	87,833
2019	-	7,328	33,560	20,283	-	25,449	86,620
2020	-	7,326	34,656	16,372	-	25,083	83,437
2021	-	7,329	36,581	15,445	-	24,413	83,768
2022	-	7,329	36,583	12,675	-	24,081	80,668
2023	-	7,328	36,585	3,444	-	25,293	72,650
2024	-	7,328	36,584	3,407	-	25,292	72,611
2025	-	7,328	36,585	3,370	-	25,285	72,568
2026	-	7,330	36,586	3,328	-	25,289	72,533
2027	-	7,329	36,581	3,283	-	24,165	71,358
2028	-	7,331	36,581	3,234	-	20,302	67,448
2029	-	7,328	36,586	3,184	-	7,411	54,509
2030	-	7,326	36,585	3,135	-	7,267	54,313
2031	-	7,327	36,585	-	-	-	43,912
2032	-	7,325	36,582	-	-	-	43,907
2033	-	-	36,583	-	-	-	36,583
2034	-	-	22,533	-	-	-	22,533
2035	-	-	22,533	-	-	-	22,533
2036	-	-	22,532	-	-	-	22,532
2037	-	-	22,532	-	-	-	22,532
2038	-	-	22,532	-	-	-	22,532
Total	8,610	139,227	814,723	208,816	6,185	393,809	1,571,370
Less interest	555	48,087	345,848	45,686	670	120,729	561,575
Principal	\$ 8,055	\$91,140	\$468,875	\$163,130	\$5,515	\$273,080	\$1,009,795

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2013

(amounts expressed in thousands)

The following table discloses the debt service requirements as of June 30, 2013, segregating principal and interest, for the next five years and in five-year increments thereafter.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 53,075	\$ 47,810	\$ 100,885
2015	47,040	46,123	93,163
2016	47,075	44,180	91,255
2017	46,490	42,197	88,687
2018	47,760	40,073	87,833
2019-2023	239,275	167,868	407,143
2024-2028	246,645	109,873	356,518
2029-2033	183,615	49,609	233,224
2034-2038	98,820	13,842	112,662
Total	<u>\$ 1,009,795</u>	<u>\$ 561,575</u>	<u>\$ 1,571,370</u>

K. New bonds

On December 12, 2012, the City issued \$39,620 in Municipal Property Corporation senior lien excise tax revenue refunding bonds to advance refund the 2014-2033 maturities of the Municipal Property Corporation Bond Series issued in 2003, and the 2014 maturity of the Municipal Property Corporation Bond Series issued in 2004. The 2012 bonds mature on various dates starting 2021 to 2033 with an interest rate of 5.00%. The bonds are not a general obligation of the City, but are a limited obligation of the City and are payable from and secured by a senior lien pledge of the City's unrestricted excise taxes.

On December 12, 2012, the City issued \$183,405 in Municipal Property Corporation subordinate excise tax revenue refunding bonds to advance refund the Western Loop 101 Public Facilities Corporation tax-exempt bond series issued in 2008. The bonds mature on various dates starting 2017 to 2038 with an interest rate of 5.00%. The bonds are not a general obligation of the City, but are a limited obligation of the City and are payable and secured by a subordinate lien pledge of the City's unrestricted excise taxes.

On December, 12, 2013, the City issued \$16,850 in Municipal Property Corporation subordinate excise tax revenue refunding bonds taxable series to advance refund the Western Loop 101 Public Facilities Corporation taxable bond series issued in 2008. The bonds mature on various dates starting 2014 to 2020 with various interest rates of 1.30% to 3.125%. The bonds are not a general obligation of the City, but are a limited obligation of the City and are payable from and secured by a subordinate lien pledge of the city's Unrestricted Excise Taxes.

In total, the bonds refunding resulted in an economic reacquisition loss of \$13,462 and will be amortized over the life of the new refunding bonds. The City realized a future cash flow savings in the amount of \$50,649.

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.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2013

(amounts expressed in thousands)

The landfill closure and post-closure care liability at June 30, 2013, 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	21,218
Capacity used to date	-	18,849
Percentage of capacity used	-	89%
Total closure and post-closure costs in present dollars:		
as of June 30, 2013	\$ 17,925	\$ 16,833
as of June 30, 2012	\$ 17,696	\$ 16,618
Closure and post-closure care costs:		
Amount remaining to be recognized as of June 30, 2013	\$ 17,925	\$ 1,880
Liability recognized as of June 30, 2013	\$ -	\$ 14,953

These amounts are based on what it would cost to perform all closure and post-closure care in fiscal year 2012-13. 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.

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.

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CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2013

(amounts expressed in thousands)

XII. Interfund transactions

Interfund balances at June 30, 2013, consisted of the following:

A. Due to/due from

Due to general fund from:

Transportation	\$ 70
Community development block grant	474
Other special revenue	889
Municipal Property Corporation debt service	1,368
Housing	<u>3</u>
Total due to general fund	<u>\$ 2,804</u>

The interfund balances at June 30, 2013, 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, 2013, are expected to be repaid within one year.

B. Advance to/advance from

Advance to general fund from:

Water and sewer	\$14,925
Landfill	20,799
Sanitation	<u>3,961</u>
Total advance to general fund	<u>39,685</u>

Advance to landfill from:

Sanitation	<u>246</u>
Total advance to landfill	<u>246</u>
Grand total	<u>\$39,931</u>

The sanitation, landfill and water and sewer interfund borrowings to the general fund were \$3,961, \$20,799, and \$14,925, respectively. The sanitation and landfill portions of the interfund borrowings were for the Coyotes Newco agreement payment, which are expected to be repaid over 23 years at an interest rate of 3.9%. The \$246 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 \$14,925 water and sewer interfund borrowing was for the Coyotes Newco agreement payment, which is expected to be repaid over 24 years at an interest rate of 3.245%.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2013

(amounts expressed in thousands)

C. Interfund transfers

Interfund transfers for the year ended June 30, 2013, consisted of the following:

Transfers to general fund from:

Capital projects funds	
Streets construction fund	\$ 13
Enterprise funds	
Water and sewer enterprise fund	41
Total transfers to general fund	<u>54</u>

Transfers to transportation fund from:

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

Transfers to Public Facilities Corporation debt service fund from:

Western Loop 101 PFC construction fund	10,272
Total transfers to Public Facilities Corporation debt service fund	<u>10,272</u>

Transfers to non-major special revenue fund from:

General fund	244
Total transfers to non-major special revenue fund	<u>244</u>

Transfers to non-major debt service funds from:

General fund	20,578
Transportation fund	8,331
Highway users gas tax	2,708
Non-major governmental funds	
Development impact fees	1,000
Total transfers to non-major debt service funds	<u>32,617</u>

Transfers to capital projects fund from:

General fund	1
Transportation fund	8,048
Total transfers to capital projects fund	<u>8,049</u>

Transfers to water and sewer proprietary fund from:

General fund	375
Total transfers to water and sewer proprietary fund	<u>375</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	490
Total transfers to internal service fund	<u>490</u>

Grand total all transfers	<u>\$53,308</u>
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CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2013

(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, 2013, the City intended to honor \$5,040 of outstanding encumbrances in the new year.

Fund

Major:

General	\$ 83
Transportation	2,386
Water and sewer	857

Non-Major:

Community development block grant	200
Police and fire sales tax	34
Federal stimulus	75
Other special revenue	343
Development impact fee	16
Streets capital	124
Landfill	45
Sanitation	877
Total	<u>\$ 5,040</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 latest available audited financial information on the joint venture is as of and for the fiscal year ended June 30, 2012. 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 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.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2013

(amounts expressed in thousands)

Summary of audited financial information on the joint venture as of and for the fiscal year ended June 30, 2012, 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	<u>35,952</u>
Net assets	<u>\$ 877,882</u>
Total revenues	\$ 76,906
Total expenses	<u>(103,445)</u>
Decrease in net assets	<u>\$ (26,539)</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, 2013

(amounts expressed in thousands)

XVI. Change in accounting principle

The City of Glendale implemented Governmental Accounting Standards Board (GASB) statement No. 65, Items previously reported as assets and liabilities. Implementation of this statement resulted in a change in accounting for bond issuance costs from amortizing the costs over the life of the bonds to recognizing the issuance cost as an expense in the year incurred. The result of the change in accounting principle is reflected below in the governmental and business type activities net position.

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

	<u>Government Activities</u>	<u>Business Activities</u>	<u>Total</u>	<u>Major Funds Water and Sewer</u>
Net position - beginning	\$ 577,524	\$ 418,706	\$ 996,230	\$ 378,500
Adjustment	<u>(6,431)</u>	<u>(3,297)</u>	<u>(9,728)</u>	<u>(3,297)</u>
Net position beginning - restated	<u>\$ 571,093</u>	<u>\$ 415,409</u>	<u>\$ 986,502</u>	<u>\$ 375,203</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, 2013, primarily due to the NHL payment of \$50 million expensed in the prior years. According to the policy, the deficiency will be replenished over a period not to exceed five years.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2013

(amounts expressed in thousands)

	Western Loop 101					Total Governmental Funds
	General	Transportation	Public Facilities Corporation Debt Service	General Obligation Debt Service	Other Non-Major Governmental Funds	
Nonspendable						
Inventories and prepaid items	\$ 650	\$ 61	\$ -	\$ -	\$ 97	\$ 808
Cemetery perpetual care	-	-	-	-	5,616	5,616
Total Nonspendable	<u>650</u>	<u>61</u>	<u>-</u>	<u>-</u>	<u>5,713</u>	<u>6,424</u>
Restricted						
Public transit	-	30,207	-	-	-	30,207
State drug enforcement	-	-	-	-	4,008	4,008
U.S. drug enforcement	-	-	-	-	250	250
Debt service	-	-	98	12,641	980	13,719
Court security	36	-	-	-	-	36
Court time payments	203	-	-	-	-	203
Court computer upgrade	72	-	-	-	-	72
HOME program	-	-	-	-	58	58
Highway user gas tax	-	-	-	-	18,356	18,356
Police activities	-	-	-	-	9,499	9,499
Fire activities	-	-	-	-	1,446	1,446
Federal stimulus activities	-	-	-	-	24	24
Development impact fees	-	-	-	-	11,160	11,160
Street G.O. bond projects	-	-	-	-	2,754	2,754
HURF bond projects	-	-	-	-	300	300
Transportation construction	-	-	-	-	906	906
Fire and police construction	-	-	-	-	2,183	2,183
Park bond construction	-	-	-	-	283	283
Economic development	-	-	-	-	1,123	1,123
Open space/trails	-	-	-	-	588	588
Cultural and historical projects	-	-	-	-	262	262
Government facilities	-	-	-	-	69	69
Flood control construction	-	-	-	-	6,345	6,345
Other	-	-	-	-	232	232
Total restricted	<u>311</u>	<u>30,207</u>	<u>98</u>	<u>12,641</u>	<u>60,826</u>	<u>104,083</u>
Committed						
Arena stadium activities	57	-	-	-	-	57
Artwork	1,170	-	-	-	-	1,170
Pool/park repair	-	-	-	-	115	115
Other	449	-	-	-	-	449
Total committed	<u>1,676</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>115</u>	<u>1,791</u>
Assigned						
Other	-	-	-	-	144	144
Total assigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>144</u>	<u>144</u>
Unassigned fund balance	<u>(14,438)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,438)</u>
	<u>\$ (11,801)</u>	<u>\$ 30,268</u>	<u>\$ 98</u>	<u>\$ 12,641</u>	<u>\$ 66,798</u>	<u>\$ 98,004</u>

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2013

(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 capital assets of the water and sewer fund.

\$ 10,686

Total restricted for water and sewer

10,686

NON-MAJOR PROPRIETARY FUNDS

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

1,578

Total restricted for enterprise fund type

\$ 12,264

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.

SB 1609 makes change to the existing contributions and benefits structures for the ASRS, PSPRS, and EORP plans. Beginning on July 1, 2012, employers are required to pay an Alternate Contribution Rate

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2013

(amounts expressed in thousands)

(ACR) for retired member who perform services that would otherwise be performed by an employee of the employer. The ACR percentage is calculated as the greater of 2% or two times the “deficit” payment, and calculates the ACR by adding the employer ASRS Contribution Rate to the employer LTD Contribution Rate, and then subtracting the normal cost. The cap for this rate cannot be higher than the employer’s portion of the total ASRS Contribution Rate which is the Defined Benefit plus LTD.

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, 2013, active ASRS members and the City were each required by statute to contribute at the actuarially determined rate of 11.14% (10.25% for retirement, 0.65% for health insurance premiums, and 0.24% long-term disability) of the members’ annual covered payroll. The ASRS ACR rate was 8.64%. The City’s employer contributions to ASRS for the years ended June 30, 2013, 2012, and 2011 were \$6,346, \$6,876, and \$6,278, respectively, which were equal to the required contributions for the year. The City’s employee contributions to ASRS were equal to the employers required contribution.

Agent Plans. For the year ended June 30, 2013, PSPRS members were required by statute to contribute 9.55% of the members’ annual covered payroll, and the City was required to contribute at the actuarially determined rate of 22.06% and 24.84% for Fire and Police, respectively. The PSPRS ACR rates for both Fire and Police were 14.57%. The health insurance premium portion of the contribution for fire and police members was computed as \$125 and \$280 for the year, respectively.

In addition, active EORP members were required by statute to contribute 11.50% of the members’ annual covered payroll. The City was required to remit contributions of 36.44% of the members’ annual covered payroll, as determined by actuarial valuation. The City’s employer contributions to EORP for the years ended June 30, 2013, 2012, and 2011, were \$60, \$57, and \$47, respectively, which were equal to the required contributions for the year. The City’s employee contributions to EORP were equal to the employers required contribution.

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.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2013

(amounts expressed in thousands)

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, 2013, the date of the most recent available actuarial valuation, and related information follow.

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

	Fire	Police
Contribution rates:		
City	22.06%	24.84%
Plan members	9.55%	9.55%
Annual pension cost	\$3,863	\$7,111
Actuarial cost method**	Entry age normal	Entry age normal
Actuarial assumptions**:		
Investment rate of return	7.85%	7.85%
Projected salary increases*	4.50% - 8.50%	4.50% - 8.50%
Includes inflation at*	4.50%	4.50%
Amortization method**	Level percent-of-pay, closed	Level percent-of-pay, closed
Remaining amortization period**	23 years for unfunded actuarial accrued liability, 20 years for excess	23 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method**	7-year smoothed market 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, 2013, follows.

Contributions required and contributions made

Year Ended June 30	APC	Percentage of APC Contributed	Net Pension Obligation
Police			
2013	\$ 7,111	100.0 %	\$ -
2012	6,243	100.0 %	-
2011	6,163	100.0 %	-
Fire			
2013	3,863	100.0 %	-
2012	3,280	100.0 %	-
2011	3,186	100.0 %	-

Includes insurance premium tax, where applicable.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2013

(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	Actuarial Value of Plan Assets	Actuarial Accrued Liability	Funding Liability (Excess)	Funded Ratio	Annual Covered Payroll	Unfunded Liability as Percentage of Covered Payroll
Police						
2013	\$ 108,107	\$ 192,310	\$ 84,203	56.2%	\$ 28,336	297.2%

Valuation Date	Actuarial Value of Plan Assets	Actuarial Accrued Liability	Funding Liability (Excess)	Funded Ratio	Annual Covered Payroll	Unfunded Liability as Percentage of Covered Payroll
Fire						
2013	\$ 88,686	\$ 124,713	\$ 36,027	71.1%	\$ 18,548	194.2%

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.

For the fiscal year ending June 30, 2013, the amount of \$3,592 was contributed to the plan by active retirees, in the form of current premiums and the City contributed \$1,942 (implied subsidy). The required contribution was 3.47% of covered payroll.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2013

(amounts expressed in thousands)

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 1,723 active and 602 retiree members for the plan year ending June 30, 2013. 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, 2013.

Normal cost	\$ 7,046
Minimum amortization of unfunded actuarial liability (UAL)	<u>5,463</u>
Annual required contribution	<u>12,509</u>
ARC adjustment	1,665
Interest adjustment to net obligation	<u>1,932</u>
OPEB cost	<u>16,106</u>
Contributions made	(1,942)
Net OPEB obligation beginning of year	<u>48,268</u>
Net OPEB obligation end of year	<u>\$ 62,432</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 is as follows:

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2013	\$16,104	12.0%	\$62,432

D. Funding status

The City's funding status for OPEB is as follows (determined by an actuarial study):

	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, 2013

(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 June 30, 2012, the last 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. Implementation of new accounting principles

GASB statement No. 60, Accounting and Financial Reporting for Service Concession Arrangements, improves financial reporting by establishing recognition, measurement, and disclosure requirements for service concession arrangements (SCAs). An SCA is an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. The requirements of this Statement improve financial reporting by establishing recognition, measurement, and disclosure requirements for SCAs for both transferors and governmental operators, requiring governments to account for and report SCAs in the same manner, which improves the comparability of financial statements.

GASB statement No. 61, The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34, improves financial reporting for a governmental financial reporting entity. The requirements of this statement result in more relevant financial statements by improving guidance for including, presenting, and disclosing information about component units and equity interest transactions of

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2013

(amounts expressed in thousands)

a financial reporting entity. This Statement provides amendments to Statement No. 14, The Financial Reporting Entity, and Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments.

GASB statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, improves financial reporting by contributing to the GASB’s efforts to codify all sources of generally accepted accounting principles for state and local governments so that they derive from a single source. This Statement will eliminate the need for financial statement preparers and auditors to determine which FASB and AICPA pronouncement provisions apply to state and local governments, resulting in more consistent application of applicable guidance.

GASB statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Concepts Statement No. 4, Elements of Financial Statements, introduced and defined these elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively. This statement amends the net asset reporting requirements in Statement No. 34, Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.

GASB statement No. 65, Items Previously Reported as Assets and Liabilities, establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities.

XXII. Subsequent events

On August 5, 2013, the City entered into Professional Management Services Agreement, an Arena Lease Agreement and Non Relocation Agreement with the new owners of the Coyotes Hockey team, IceArizona Hockey, Co., LLC, and Arena Manager, IceArizona Manager Co., LLC. The fifteen-year agreement requires the City to pay an annual management fee of \$15,000 to the arena manager, IceArizona Manager Co., LLC, including a capital maintenance fee of \$500 and increasing to \$1,000 in fiscal year 2021. The City is entitled to receive specified revenues as defined in the agreement. The agreement does have an out clause whereby the team can relocate after five years if the cumulative team losses exceed \$50,000. The City is then entitled to a City Shortfall payment which is the difference between \$45,000 less specified revenues collected in the agreement over the five-year period.

On August 19, 2013, the City paid off the remaining principal amount of Water and Sewer General Obligation Bonds Series 2003 in the amount of \$5,515. The City realizes a future interest expense savings of \$638.

On August 23, 2013, 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	A2	A3
Senior MPC Bonds	A2	A3
Subordinate MPC Bonds	A3	Baa1
Hurf Bonds	A2	A3
Transportation Bonds	A2	A3
Water and Sewer Obligations	A1	A1

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2013

(amounts expressed in thousands)

On September 20, 2013, the City and the National Hockey League (NHL) reached an agreement which calls for the final payment of the NHL 2011-12 owners fee in the amount of \$5,000 to be paid by the City on September 20, 2016. This amount has been recorded and reflected as a contract payable in the general fund as of June 30, 2013.

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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, 2013

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CITY OF GLENDALE, ARIZONA
 Three-Year Trend
 June 30, 2013
 (amounts expressed in thousands)

Three-Year Trend Information for PSPRS and OPEB

Schedule of funding progress

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

<u>Valuation Date</u> June 30	<u>Actuarial Value of Plan Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Funding Liability (Excess)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>Unfunded Liability as Percentage of Covered Payroll</u>
Fire						
2013	\$ 88,686	\$ 124,713	\$ 36,027	71.1 %	\$ 18,548	194.2 %
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

<u>Valuation Date</u> June 30	<u>Actuarial Value of Plan Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Funding Liability (Excess)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>Unfunded Liability as Percentage of Covered Payroll</u>
Police						
2013	\$ 108,107	\$ 192,310	\$ 84,203	56.2 %	\$ 28,336	297.2 %
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

GASB STATEMENT NO. 45 SUPPLEMENTARY INFORMATION

Schedule of Funding Progress

The following information is presented concerning the post-retirement health insurance subsidy.

<u>Valuation Date June 30</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfund AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a % of Covered Payroll</u>
Fire						
2013	\$ -	\$ 2,942,098	\$ 2,942,098	0.0 %	\$ 18,547,600	15.86 %
2012	-	2,901,819	2,901,819	0.0	18,406,246	15.77
2011	-	2,899,671	2,899,671	0.0	16,811,098	17.25
Police						
2013	\$ -	\$ 5,603,302	\$ 5,603,302	0.0 %	\$ 28,335,867	19.77 %
2012	-	5,436,679	5,436,679	0.0	29,355,876	18.52
2011	-	5,397,269	5,397,269	0.0	27,575,979	19.57

Annual OPEB cost and net OPEB obligation

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011, 2012, and 2013 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>
2011	\$11,638	12.6%	\$38,897
2012	12,676	21.2	48,268
2013	16,104	12.0	62,430

City of Glendale, Arizona
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

1 of 2

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2012	\$ (1,489)	\$ (1,489)	\$ 18,399	\$ 19,888
RESOURCES (INFLOWS):				
Taxes	86,890	86,890	87,849	959
Licenses and permits	8,701	8,701	9,598	897
Intergovernmental	50,319	50,319	50,040	(279)
Charges for services	33,339	33,339	32,962	(377)
Fines and forfeitures	3,479	3,479	3,469	(10)
Investment income (loss)	287	287	987	700
Proceeds from disposal of assets	250	250	589	339
Loan proceeds	-	-	25	25
Miscellaneous	3,227	3,227	2,072	(1,155)
Total revenues	<u>186,492</u>	<u>186,492</u>	<u>187,591</u>	<u>1,099</u>
Add: Transfers in	-	-	54	54
Less: Transfers out	<u>(18,842)</u>	<u>(27,093)</u>	<u>(22,895)</u>	<u>4,198</u>
Amounts available for appropriation	<u>166,161</u>	<u>157,910</u>	<u>183,149</u>	<u>25,239</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General government	43,694	43,260	25,379	17,881
Public safety	80,392	82,920	81,647	1,273
Public works	20,043	20,844	20,144	700
Community services	17,996	17,010	15,763	1,247
Community environment	20	20	14	6
Street maintenance	791	1,283	647	636
Contingencies	-	331	-	331
Miscellaneous	3,851	3,987	2,535	1,452
Debt service:				
Principal	571	793	791	2
Interest	619	2,244	2,244	-
Capital outlay	4,957	4,571	637	3,934
Total charges to appropriations	<u>172,934</u>	<u>177,263</u>	<u>149,801</u>	<u>27,462</u>
Budgetary fund balance, June 30, 2013	<u>\$ (6,773)</u>	<u>\$ (19,353)</u>	<u>\$ 33,348</u>	<u>\$ 52,701</u>

(Continued)

City of Glendale, Arizona
Budgetary Comparison Schedule (continued)
General Fund
For the Fiscal Year Ended June 30, 2013
(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.	\$ 183,149
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(18,399)
Indirect cost allocation	(8,862)
Interest earned on restricted investments not available for appropriation	(447)
Internal charges for services provided.	(13,303)
Proceeds from disposal of assets.	(589)
Interfund loan from water and sewer	(25)
Miscellaneous revenue not reported GAAP basis.	62
Less: Transfers in.	(54)
Add: Transfers out.	22,895
Total revenues as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 164,427</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 149,801
Differences - budget to GAAP:	
Principal retirement.	(220)
Capital outlay funded by long-term debt.	62
Internal charges for services provided.	(22,316)
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 127,327</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, 2013
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2012	\$ 26,938	\$ 26,938	\$ 32,082	\$ 5,144
RESOURCES (INFLOWS):				
Taxes	20,862	20,862	21,691	829
Intergovernmental	7,146	7,146	2,757	(4,389)
Charges for services	135	135	128	(7)
Investments	95	95	93	(2)
Proceeds from disposal of assets	10	10	-	(10)
Miscellaneous revenues	2,000	2,000	223	(1,777)
Total revenues	<u>30,248</u>	<u>30,248</u>	<u>24,892</u>	<u>(5,356)</u>
Add: Transfers in	-	-	900	900
Less: Transfers out	<u>(35,295)</u>	<u>(35,295)</u>	<u>(16,379)</u>	<u>18,916</u>
Amounts available for appropriation	<u>21,891</u>	<u>21,891</u>	<u>41,495</u>	<u>19,604</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Community services	14,165	13,767	9,685	4,082
Street maintenance	-	-	667	(667)
Capital outlay	<u>5,594</u>	<u>6,034</u>	<u>837</u>	<u>5,197</u>
Total charges to appropriations	<u>19,759</u>	<u>19,801</u>	<u>11,189</u>	<u>8,612</u>
Budgetary fund balance, June 30, 2013	<u>\$ 2,132</u>	<u>\$ 2,090</u>	<u>\$ 30,306</u>	<u>\$ 28,216</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.	\$ 41,495
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.	(32,082)
Less: Transfers in.	(900)
Add: Transfers out.	16,379
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 24,892</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 11,189
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 11,189</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, 2013

(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.

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, 2013

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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, 2013
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2012	\$ -	\$ -	\$ -	\$ -
RESOURCES (INFLOWS):				
Add: Transfers in	9,010	10,272	10,272	-
Amounts available for appropriation	<u>9,010</u>	<u>10,272</u>	<u>10,272</u>	<u>-</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current				
General administration	10	10	4	(6)
Debt service				
Interest expense	9,000	10,230	10,210	(20)
Total charges to appropriations	<u>9,010</u>	<u>10,240</u>	<u>10,214</u>	<u>(26)</u>
Budgetary fund balance, June 30, 2013	<u>\$ -</u>	<u>\$ 32</u>	<u>\$ 58</u>	<u>\$ (26)</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.	\$ 10,272
Differences - budget to GAAP:	
Less: Transfers in.	<u>(10,272)</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.	\$ 10,214
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 10,214</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
General Obligation Debt Service Fund
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2012	\$ 16,515	\$ 16,515	\$ 16,765	\$ 250
RESOURCES (INFLOWS):				
Investments	658	659	-	(659)
Taxes	19,403	19,404	19,189	(215)
Intergovernmental	-	-	630	630
Total inflows	<u>20,061</u>	<u>20,063</u>	<u>19,819</u>	<u>(244)</u>
Less: Transfers out	<u>(1,374)</u>	<u>(20)</u>	<u>-</u>	<u>20</u>
Amounts available for appropriation	<u>35,202</u>	<u>36,558</u>	<u>36,584</u>	<u>26</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Miscellaneous	340	340	7	333
Debt service:				
Principal	15,880	15,880	15,880	-
Interest	8,056	8,056	8,056	-
Total charges to appropriations	<u>24,276</u>	<u>24,276</u>	<u>23,943</u>	<u>333</u>
Budgetary fund balance, June 30, 2013	<u>\$ 10,926</u>	<u>\$ 12,282</u>	<u>\$ 12,641</u>	<u>\$ 359</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.	\$ 36,584
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>(16,765)</u>
Total revenues as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 19,819</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	<u>\$ 23,943</u>
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 23,943</u>

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NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

Community Development Block Grants Fund

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

Highway User Gas Tax Fund

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

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.

City of Glendale, Arizona
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2013
(amounts expressed in thousands)

	Special Revenue Funds				
	Community Development Block Grants	Highway User Gas Tax	Police and Fire Sales Tax	Federal Stimulus	Other
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Assets:					
Equity in pooled cash and investments	\$ -	\$ 17,466	\$ 8,990	\$ 93	\$ 467
Receivables, net of allowance for doubtful accounts:					
Accounts	4,098	-	3,758	-	255
Intergovernmental receivable	667	1,173	-	16	1,413
Due from other funds	-	-	-	-	-
Inventories and prepaid items	-	97	-	-	-
Restricted cash and investments	-	-	-	-	5,784
Total assets	<u>4,765</u>	<u>18,736</u>	<u>12,748</u>	<u>109</u>	<u>7,919</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Vouchers payable	132	262	837	1	493
Retainage payable	5	-	-	-	-
Compensated absences - current	4	21	111	-	12
Intergovernmental payable	-	-	-	-	1
Due to other funds	474	-	-	-	889
Deposits	-	-	-	-	9
Unearned revenue	4,092	-	-	84	1,766
Matured interest payable	-	-	-	-	-
Matured bonds payable	-	-	-	-	-
Total liabilities	<u>4,707</u>	<u>283</u>	<u>948</u>	<u>85</u>	<u>3,170</u>
Deferred Inflows of Resources	-	-	855	-	-
Fund balances:					
Nonspendable	-	97	-	-	-
Restricted	58	18,356	10,945	24	4,490
Committed	-	-	-	-	115
Assigned	-	-	-	-	144
Total fund balances	<u>58</u>	<u>18,453</u>	<u>10,945</u>	<u>24</u>	<u>4,749</u>
Total liabilities, deferred outflows of resources and fund balances	<u>\$ 4,765</u>	<u>\$ 18,736</u>	<u>\$ 12,748</u>	<u>\$ 109</u>	<u>\$ 7,919</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		
\$ 25	\$ 18	\$ 3	\$ -	\$ 11,160	\$ 5,392	\$ 2,183	\$ 283	\$ 8,523	\$ 5,616	\$ 60,219	
-	-	-	-	-	-	-	-	-	72	8,183	
-	-	-	-	-	-	-	-	-	-	3,269	
-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	97	
-	16,457	-	-	-	-	-	-	-	-	22,241	
<u>25</u>	<u>16,475</u>	<u>3</u>	<u>-</u>	<u>11,160</u>	<u>5,392</u>	<u>2,183</u>	<u>283</u>	<u>8,523</u>	<u>5,688</u>	<u>94,009</u>	
-	-	-	-	-	907	-	-	113	-	2,745	
-	-	-	-	-	55	-	-	-	-	60	
-	-	-	-	-	-	-	-	-	-	148	
-	-	-	-	-	60	-	-	-	-	61	
-	1,368	-	-	-	-	-	-	-	-	2,731	
-	-	-	-	-	-	-	-	-	-	9	
-	-	-	-	-	410	-	-	23	72	6,447	
-	11,365	-	-	-	-	-	-	-	-	11,365	
-	2,790	-	-	-	-	-	-	-	-	2,790	
-	<u>15,523</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,432</u>	<u>-</u>	<u>-</u>	<u>136</u>	<u>72</u>	<u>26,356</u>	
-	-	-	-	-	-	-	-	-	-	855	
-	-	-	-	-	-	-	-	-	5,616	5,713	
25	952	3	-	11,160	3,960	2,183	283	8,387	-	60,826	
-	-	-	-	-	-	-	-	-	-	115	
-	-	-	-	-	-	-	-	-	-	144	
<u>25</u>	<u>952</u>	<u>3</u>	<u>-</u>	<u>11,160</u>	<u>3,960</u>	<u>2,183</u>	<u>283</u>	<u>8,387</u>	<u>5,616</u>	<u>66,798</u>	
<u>\$ 25</u>	<u>\$ 16,475</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 11,160</u>	<u>\$ 5,392</u>	<u>\$ 2,183</u>	<u>\$ 283</u>	<u>\$ 8,523</u>	<u>\$ 5,688</u>	<u>\$ 94,009</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, 2013
(amounts expressed in thousands)

	Special Revenue Funds				
	Community Development Block Grants	Highway User Gas Tax	Police and Fire Sales Tax	Federal Stimulus	Other
REVENUES					
Taxes and special assessments	\$ -	\$ -	\$ 20,976	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	3,948	12,415	-	1,243	5,429
Charges for services	-	-	-	-	971
Investments	-	-	-	11	31
Local	-	-	-	-	36
Miscellaneous	359	34	1	-	641
Total revenues	<u>4,307</u>	<u>12,449</u>	<u>20,977</u>	<u>1,254</u>	<u>7,108</u>
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Public safety	-	-	17,913	-	3,607
Public works	-	-	-	-	25
Community services	-	-	-	846	1,892
Community environment	4,350	-	-	-	1,190
Street maintenance	-	6,589	-	-	-
Miscellaneous	-	-	-	-	7
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay	6	38	27	408	2,273
Total expenditures	<u>4,356</u>	<u>6,627</u>	<u>17,940</u>	<u>1,254</u>	<u>8,994</u>
Excess (deficiency) of revenues over expenditures	<u>(49)</u>	<u>5,822</u>	<u>3,037</u>	<u>-</u>	<u>(1,886)</u>
OTHER FINANCING SOURCES (USES)					
Payment to refunded bond escrow agent	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-
Premium on long-term debt issued	-	-	-	-	-
Discount on long-term debt issued	-	-	-	-	-
Transfers in	-	-	-	-	244
Transfers out	-	(2,708)	-	-	-
Total other financing sources and uses	<u>-</u>	<u>(2,708)</u>	<u>-</u>	<u>-</u>	<u>244</u>
Excess (deficiency) of revenues and other sources over Net change in fund balances	<u>(49)</u>	<u>3,114</u>	<u>3,037</u>	<u>-</u>	<u>(1,642)</u>
Fund balances, July 1	107	15,339	7,908	24	6,391
Fund balances, June 30	<u>\$ 58</u>	<u>\$ 18,453</u>	<u>\$ 10,945</u>	<u>\$ 24</u>	<u>\$ 4,749</u>

Debt Service Funds			Capital Projects Funds						Permanent Fund	Total
Highway User	Municipal Property Corporation	Transportation	Western Loop 101		Streets Construction	Fire and Police Construction	Parks Bond Construction	Other Construction	Cemetery Perpetual Care	Non-Major Governmental Funds
			Public Facilities Corporation Construction	Development Impact Fees						
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,976
-	-	-	-	775	-	-	-	-	-	775
-	-	-	58	-	-	-	-	-	-	23,093
-	-	-	-	-	-	-	-	-	-	971
-	-	-	-	37	20	3	-	9	18	129
-	-	-	-	-	-	-	-	-	-	36
-	-	-	-	200	90	119	-	21	-	1,465
-	-	-	58	1,012	110	122	-	30	18	47,445
-	-	-	-	75	160	-	3	38	-	276
-	-	-	-	-	-	451	-	-	-	21,971
-	-	-	-	-	-	-	10	2	-	37
-	-	-	-	111	61	-	-	-	-	2,910
-	-	-	-	-	-	-	-	-	-	5,540
-	-	-	-	9	393	-	-	-	-	6,991
-	2,066	2	-	-	-	-	-	-	-	2,075
4,195	2,790	3,005	-	-	-	-	-	-	-	9,990
504	17,703	4,321	-	-	-	-	-	-	-	22,528
-	-	-	-	-	8,438	-	16	1,238	-	12,444
4,699	22,559	7,328	-	195	9,052	451	29	1,278	-	84,762
(4,699)	(22,559)	(7,328)	58	817	(8,942)	(329)	(29)	(1,248)	18	(37,317)
-	(256,054)	-	-	-	-	-	-	-	-	(256,054)
-	239,875	-	-	-	-	-	-	-	-	239,875
-	19,779	-	-	-	-	-	-	-	-	19,779
-	(1,557)	-	-	-	-	-	-	-	-	(1,557)
4,708	20,578	7,331	-	-	8,047	-	-	2	-	40,910
-	-	-	(10,272)	(1,000)	(13)	-	-	-	-	(13,993)
4,708	22,621	7,331	(10,272)	(1,000)	8,034	-	-	2	-	28,960
9	62	3	(10,214)	(183)	(908)	(329)	(29)	(1,246)	18	(8,357)
16	890	-	10,214	11,343	4,868	2,512	312	9,633	5,598	75,155
\$ 25	\$ 952	\$ 3	\$ -	\$ 11,160	\$ 3,960	\$ 2,183	\$ 283	\$ 8,387	\$ 5,616	\$ 66,798

City of Glendale, Arizona
Budgetary Comparison Schedule
Community Development Block Grants Fund
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2012	\$ -	\$ -	\$ 113	\$ 113
RESOURCES (INFLOWS):				
Intergovernmental	5,284	5,284	3,948	(1,336)
Miscellaneous	110	110	359	249
Total revenues	<u>5,394</u>	<u>5,394</u>	<u>4,307</u>	<u>(1,087)</u>
Amounts available for appropriation	<u>5,394</u>	<u>5,394</u>	<u>4,420</u>	<u>(974)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Community environment	5,394	5,397	4,350	1,047
Capital Outlay	-	-	6	(6)
Total charges to appropriations	<u>5,394</u>	<u>5,397</u>	<u>4,356</u>	<u>1,041</u>
Budgetary fund balance, June 30, 2013	<u>\$ -</u>	<u>\$ (3)</u>	<u>\$ 64</u>	<u>\$ 67</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.				\$ 4,420
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.				(113)
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balance - governmental funds.				<u>\$ 4,307</u>
Uses/outflows of resources:				
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.				\$ 4,356
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.				<u>\$ 4,356</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Highway Users Gas Tax Fund
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2012	\$ 14,301	\$ 14,301	\$ 15,426	\$ 1,125
RESOURCES (INFLOWS):				
Intergovernmental	12,759	12,759	12,415	(344)
Miscellaneous	-	-	34	34
Total revenues	<u>12,759</u>	<u>12,759</u>	<u>12,449</u>	<u>(310)</u>
Amounts available for appropriation	<u>27,060</u>	<u>27,060</u>	<u>27,875</u>	<u>815</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Street maintenance	12,486	11,556	6,601	4,955
Capital outlay			38	(38)
Transfers out	<u>1,354</u>	<u>2,709</u>	<u>2,708</u>	<u>1</u>
Total charges to appropriations	<u>13,840</u>	<u>14,265</u>	<u>9,347</u>	<u>4,918</u>
Budgetary fund balance, June 30, 2013	<u>\$ 13,220</u>	<u>\$ 12,795</u>	<u>\$ 18,528</u>	<u>\$ 5,733</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.				\$ 27,875
Differences - budget to GAAP:				
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.				(15,426)
Less: Transfers in.				-
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.				<u>\$ 12,449</u>
Uses/outflows or resources:				
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.				\$ 9,347
Differences - budget to GAAP:				
Transfers out				(2,708)
Salaries payable.				(12)
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.				<u>\$ 6,627</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Police and Fire Sales Tax Fund
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2012	\$ 8,664	\$ 8,664	\$ 8,058	\$ (606)
RESOURCES (INFLOWS):				
Taxes	19,004	19,004	20,976	1,972
Miscellaneous	-	-	1	1
Total revenues	<u>19,004</u>	<u>19,004</u>	<u>20,977</u>	<u>1,973</u>
Amounts available for appropriation	<u>27,668</u>	<u>27,668</u>	<u>29,035</u>	<u>1,367</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Public safety	20,751	20,984	17,904	3,080
Capital outlay	49	25	27	(2)
Total charges to appropriations	<u>20,800</u>	<u>21,009</u>	<u>17,931</u>	<u>3,078</u>
Budgetary fund balance, June 30, 2013	<u>\$ 6,868</u>	<u>\$ 6,659</u>	<u>\$ 11,104</u>	<u>\$ 4,445</u>

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule.	\$ 29,035
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.	(8,058)
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 20,977</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 17,931
Differences - budget to GAAP:	
Salaries payable.	9
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 17,940</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Federal Stimulus Fund
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2012	\$ 180	\$ 180	\$ 24	\$ (156)
RESOURCES (INFLOWS):				
Intergovernmental	1,787	1,787	1,243	(544)
Investments	-	-	11	11
Total revenues	<u>1,787</u>	<u>1,787</u>	<u>1,254</u>	<u>(533)</u>
Amounts available for appropriation	<u>1,967</u>	<u>1,967</u>	<u>1,278</u>	<u>(689)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Community services	1,967	1,967	846	1,121
Capital outlay	-	-	408	(408)
Total charges to appropriations	<u>1,967</u>	<u>1,967</u>	<u>1,254</u>	<u>713</u>
Budgetary fund balance, June 30, 2013	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24</u>	<u>\$ 24</u>

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule.	\$ 1,278
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 1,254</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 1,254
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 1,254</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Other Special Revenue Fund
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2012	\$ 5,314	\$ 5,314	\$ 6,408	\$ 1,094
RESOURCES (INFLOWS):				
Intergovernmental	22,172	22,172	5,429	(16,743)
Charges for services	1,184	1,184	971	(213)
Investments	64	64	31	(33)
Local	-	-	36	36
Miscellaneous	14,303	14,303	641	(13,662)
Total revenues	<u>37,723</u>	<u>37,723</u>	<u>7,108</u>	<u>(30,615)</u>
Add: Transfers in	202	272	244	(28)
Amounts available for appropriation	<u>43,239</u>	<u>43,309</u>	<u>13,760</u>	<u>(29,549)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Public safety	15,624	10,458	3,607	6,851
Public works	145	145	25	120
Community services	2,413	3,177	1,892	1,285
Community environment	1,462	1,464	1,190	274
Miscellaneous	-	-	7	(7)
Capital outlay	<u>18,467</u>	<u>10,537</u>	<u>2,273</u>	<u>8,264</u>
Total charges to appropriations	<u>38,111</u>	<u>25,781</u>	<u>8,994</u>	<u>16,787</u>
Budgetary fund balance, June 30, 2013	<u>\$ 5,128</u>	<u>\$ 17,528</u>	<u>\$ 4,766</u>	<u>\$ (12,762)</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.				\$ 13,760
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.				(6,408)
Less: Transfers in.				(244)
Add: Transfers out.				-
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.				<u>\$ 7,108</u>
Uses/outflows or resources:				
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.				\$ 8,994
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.				<u>\$ 8,994</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Highway User Debt Service Fund
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2012	\$ 7	\$ 7	\$ 16	\$ 9
RESOURCES (INFLOWS):				
Add: Transfers in	4,709	4,709	4,708	(1)
Amounts available for appropriation	<u>4,716</u>	<u>4,716</u>	<u>4,724</u>	<u>8</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Miscellaneous	10	10	-	10
Debt service:				
Principal	4,195	4,195	4,195	-
Interest	504	504	504	-
Total charges to appropriations	<u>4,709</u>	<u>4,709</u>	<u>4,699</u>	<u>10</u>
Budgetary fund balance, June 30, 2013	<u>\$ 7</u>	<u>\$ 7</u>	<u>\$ 25</u>	<u>\$ 18</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.	\$ 4,724
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(16)
Less: Transfers in.	<u>(4,708)</u>
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ -</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 4,699
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 4,699</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Municipal Property Corporation Debt Service Fund
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2012	\$ -	\$ -	\$ 890	\$ -
RESOURCES (INFLOWS):				
Add: Transfers in	16,489	24,669	20,578	(4,091)
Amounts available for appropriation	<u>16,489</u>	<u>24,669</u>	<u>20,578</u>	<u>(4,091)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Miscellaneous	40	40	23	17
Debt service:				
Principal	2,290	2,290	2,790	(500)
Interest	14,159	18,249	17,703	546
Total charges to appropriations	<u>16,489</u>	<u>20,579</u>	<u>20,516</u>	<u>63</u>
Budgetary fund balance, June 30, 2013	<u>\$ -</u>	<u>\$ 4,090</u>	<u>\$ 62</u>	<u>\$ (4,028)</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.	\$ 20,578
Differences - budget to GAAP:	
Less: Transfers in.	<u>(20,578)</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.	\$ 20,516
Differences - budget to GAAP:	
Other financing uses on bond refunding.	
Cost of issuance on long-term debt issued.	<u>2,043</u>
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 22,559</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Transportation Debt Service Fund
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2012	\$ -	\$ -	\$ -	\$ -
RESOURCES (INFLOWS):				
Add: Transfers in	7,331	7,331	7,331	-
Amounts available for appropriation	<u>7,331</u>	<u>7,331</u>	<u>7,331</u>	<u>-</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Miscellaneous	5	5	2	3
Debt service:				
Principal	3,005	3,005	3,005	-
Interest	4,321	4,321	4,321	-
Total charges to appropriations	<u>7,331</u>	<u>7,331</u>	<u>7,328</u>	<u>3</u>
Budgetary fund balance, June 30, 2013	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ 3</u>

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 7,331
Differences - budget to GAAP:	
Less: Transfers in.	<u>(7,331)</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
Western Loop 101 Public Facilities Corporation Construction Fund
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2012	\$ -	\$ -	\$ -	\$ -
RESOURCES (INFLOWS):				
Intergovernmental	105	105	58	(47)
Miscellaneous revenues	11,300	11,300	10,214	(1,086)
Total revenues	11,405	11,405	10,272	(1,133)
Amounts available for appropriation	11,405	11,405	10,272	(1,133)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Transfers out	9,010	10,273	10,272	1
Total charges to appropriations	9,010	10,273	10,272	1
Budgetary fund balance, June 30, 2013	\$ 2,395	\$ 1,132	\$ -	\$ (1,132)

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.	\$ 10,272
Differences - budget to GAAP:	
Less: Miscellaneous income.	(10,214)
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 58

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 10,272
Differences - budget to GAAP:	
Transfers out	(10,272)
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ -

City of Glendale, Arizona
Budgetary Comparison Schedule
Development Impact Fees Fund
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2012	\$ 10,447	\$ 10,447	\$ 11,345	\$ 898
RESOURCES (INFLOWS):				
Licenses and permits	581	581	775	194
Investments	38	38	37	(1)
Miscellaneous	-	-	200	200
Total revenues	<u>619</u>	<u>619</u>	<u>1,012</u>	<u>393</u>
Less: Transfers out	<u>(1,209)</u>	<u>(1,209)</u>	<u>(1,000)</u>	<u>209</u>
Amounts available for appropriation	<u>9,857</u>	<u>9,857</u>	<u>11,357</u>	<u>1,500</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
General administration	214	244	75	169
Public safety	1,366	1,366	-	1,366
Street maintenance	-	-	9	(9)
Community services	7,364	7,374	111	7,263
Capital outlay	<u>913</u>	<u>911</u>	<u>-</u>	<u>911</u>
Total charges to appropriations	<u>9,857</u>	<u>9,895</u>	<u>195</u>	<u>9,700</u>
Budgetary fund balance, June 30, 2013	<u>\$ -</u>	<u>\$ (38)</u>	<u>\$ 11,162</u>	<u>\$ 11,200</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.	\$ 11,357
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.	(11,345)
Add: Transfers out.	1,000
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 1,012</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 195
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 195</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Streets Construction Fund
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2012	\$ 10,620	\$ 10,620	\$ 4,868	\$ (5,752)
RESOURCES (INFLOWS):				
Investments	1	1	20	19
Miscellaneous	-	-	90	90
Total revenues	1	1	110	109
Add: Transfers in	27,863	27,863	8,047	(19,816)
Less: Transfers out	(40)	(39)	(13)	26
Amounts available for appropriation	<u>38,444</u>	<u>38,445</u>	<u>13,012</u>	<u>(25,433)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General administration	-	715	160	555
Community services	1,518	1,568	61	1,507
Street maintenance	287	287	393	(106)
Capital outlay	36,639	36,642	8,438	28,204
Total charges to appropriations	<u>38,444</u>	<u>39,212</u>	<u>9,052</u>	<u>30,160</u>
Budgetary fund balance, June 30, 2013	<u>\$ -</u>	<u>\$ (767)</u>	<u>\$ 3,960</u>	<u>\$ 4,727</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.

\$ 13,012

Differences - budget to GAAP:

The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.

(4,868)

Less: Transfers In.

(8,047)

Add: Transfers out.

13

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.

\$ 110

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.

\$ 9,052

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

\$ 9,052

City of Glendale, Arizona
Budgetary Comparison Schedule
Fire and Police Construction Fund
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2012	\$ 2,429	\$ 2,429	\$ 2,512	\$ 83
RESOURCES (INFLOWS):				
Investments	1	1	3	2
Miscellaneous	-	-	119	119
Total revenues	<u>1</u>	<u>1</u>	<u>122</u>	<u>121</u>
Amounts available for appropriation	<u>2,430</u>	<u>2,430</u>	<u>2,634</u>	<u>204</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Public safety	1,843	1,892	451	1,441
Capital outlay	<u>587</u>	<u>619</u>		<u>619</u>
Total charges to appropriations	<u>2,430</u>	<u>2,511</u>	<u>451</u>	<u>2,060</u>
Budgetary fund balance, June 30, 2013	<u>\$ -</u>	<u>\$ (81)</u>	<u>\$ 2,183</u>	<u>\$ 2,264</u>

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule.	\$ 2,634
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>(2,512)</u>
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 122</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 451
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 451</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Parks Bond Construction Fund
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2012	\$ 280	\$ 280	\$ 312	\$ 32
RESOURCES (INFLOWS):				
Amounts available for appropriation	<u>280</u>	<u>280</u>	<u>312</u>	<u>32</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General administration	138	137	3	134
Public works	-	-	10	(10)
Capital outlay	142	168	16	152
Total charges to appropriations	<u>280</u>	<u>305</u>	<u>29</u>	<u>276</u>
Budgetary fund balance, June 30, 2013	<u>\$ -</u>	<u>\$ (25)</u>	<u>\$ 283</u>	<u>\$ 308</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.				\$ 312
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>(312)</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.				\$ 29
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.				<u>\$ 29</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Other Construction Fund
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2012	\$ 9,406	\$ 9,406	\$ 9,630	\$ 224
RESOURCES (INFLOWS):				
Investments	3	3	9	6
Miscellaneous	-	-	21	21
Total revenues	<u>3</u>	<u>3</u>	<u>30</u>	<u>27</u>
Add: Transfers in	-	1	2	1
Less: Transfers out	(33)	(27)	-	27
Amounts available for appropriation	<u>9,376</u>	<u>9,383</u>	<u>9,662</u>	<u>279</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General administration	-	-	38	(38)
Community services	4,898	4,898	-	4,898
Public Works	5	5	2	3
Capital outlay	<u>4,473</u>	<u>4,715</u>	<u>1,238</u>	<u>3,477</u>
Total charges to appropriations	<u>9,376</u>	<u>9,618</u>	<u>1,278</u>	<u>8,340</u>
Budgetary fund balance, June 30, 2013	\$ -	\$ (235)	\$ 8,384	\$ 8,619

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.

\$ 9,662

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.

(9,630)

Less: Transfers in.

(2)

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

\$ 30

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.

\$ 1,278

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

\$ 1,278

City of Glendale, Arizona
Budgetary Comparison Schedule
Cemetery Perpetual Care Fund
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2012	\$ 5,605	\$ 5,605	\$ 5,598	\$ (7)
RESOURCES (INFLOWS):				
Investments	21	21	18	(3)
Total revenues	21	21	18	(3)
Amounts available for appropriation	5,626	5,626	5,616	(10)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Public works	5,626	5,626	-	5,626
Total charges to appropriations	5,626	5,626	-	5,626
Budgetary fund balance, June 30, 2013	\$ -	\$ -	\$ 5,616	\$ 5,616

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.

\$ 5,616

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.

(5,598)

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

\$ 18

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 Position
Non-Major Proprietary Funds - Business-Type Activities
June 30, 2013
(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	\$ 9,669	\$ 1,429	\$ 2,645	\$ 13,743
Receivables:				
Accounts	563	2,085	5	2,653
Allowance for uncollectibles	(5)	(271)	-	(276)
Intergovernmental receivable	-	-	71	71
Inventories and prepaid items	-	-	41	41
Total current assets	<u>10,227</u>	<u>3,243</u>	<u>2,762</u>	<u>16,232</u>
Noncurrent assets:				
Restricted cash and investments	-	-	76	76
Advance to other funds	21,045	3,961	-	25,006
Capital assets:				
Capital assets	24,900	13,450	13,896	52,246
Accumulated depreciation	(12,344)	(8,683)	(8,535)	(29,562)
Capital assets, net	<u>12,556</u>	<u>4,767</u>	<u>5,361</u>	<u>22,684</u>
Total noncurrent assets	<u>33,601</u>	<u>8,728</u>	<u>5,437</u>	<u>47,766</u>
Total assets	<u>43,828</u>	<u>11,971</u>	<u>8,199</u>	<u>63,998</u>
LIABILITIES				
Current liabilities:				
Vouchers payable	338	268	-	606
Accounts payable	-	-	65	65
Compensated absences	293	337	22	652
Due to other funds	-	-	3	3
Deposits	125	109	39	273
Unearned Rent	-	-	148	148
Total current liabilities	<u>756</u>	<u>714</u>	<u>277</u>	<u>1,747</u>
Noncurrent liabilities:				
Advance from other funds	-	246	-	246
Compensated absences	129	130	201	460
OPEB long-term obligations	1,213	2,461	705	4,379
Other long-term debt	-	-	77	77
Estimated closure and post-closure costs	14,953	-	-	14,953
Total noncurrent liabilities	<u>16,295</u>	<u>2,837</u>	<u>983</u>	<u>20,115</u>
Total liabilities	<u>17,051</u>	<u>3,551</u>	<u>1,260</u>	<u>21,862</u>
NET POSITION				
Net investment in capital assets	12,556	4,767	5,361	22,684
Restricted for:				
Other purposes	-	-	1,578	1,578
Unrestricted	14,221	3,653	-	17,874
Total net position	<u>\$ 26,777</u>	<u>\$ 8,420</u>	<u>\$ 6,939</u>	<u>\$ 42,136</u>

City of Glendale, Arizona

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position

Non-Major Proprietary Funds - Business-Type Activities

For the Fiscal Year Ended June 30, 2013

(amounts expressed in thousands)

	Business-Type Activities Enterprise Funds			
	Landfill	Sanitation	Housing	Total
Operating revenues:				
Intergovernmental	\$ -	\$ -	\$ 8,827	\$ 8,827
Container service	-	4,176	-	4,176
Curb service	-	10,615	-	10,615
Landfill user fees	6,322	-	-	6,322
Recycling sales	1,535	-	-	1,535
Other fees	137	-	4,137	4,274
Total operating revenues	<u>7,994</u>	<u>14,791</u>	<u>12,964</u>	<u>35,749</u>
Operating expenses:				
Landfill	5,946	-	-	5,946
Housing	-	-	13,340	13,340
Closure/post-closure care adjustment	449	-	-	449
Sanitation	-	14,001	-	14,001
Depreciation	816	1,529	467	2,812
Total operating expenses	<u>7,211</u>	<u>15,530</u>	<u>13,807</u>	<u>36,548</u>
Operating income (loss)	<u>783</u>	<u>(739)</u>	<u>(843)</u>	<u>(799)</u>
Nonoperating revenues (expenses):				
Investment income	848	158	-	1,006
Interest expense	-	(8)	-	(8)
Gain (loss) on disposal of assets	2	16	-	18
OPEB expense	(286)	(613)	(184)	(1,083)
Total nonoperating revenue (expenses)	<u>564</u>	<u>(447)</u>	<u>(184)</u>	<u>(67)</u>
Income (loss) before contributions and transfers	1,347	(1,186)	(1,027)	(866)
Transfers in	-	-	307	307
Change in net position	<u>1,347</u>	<u>(1,186)</u>	<u>(720)</u>	<u>(559)</u>
Total net position - beginning	25,430	9,606	7,659	42,695
Total net position - ending	<u>\$ 26,777</u>	<u>\$ 8,420</u>	<u>\$ 6,939</u>	<u>\$ 42,136</u>

City of Glendale, Arizona

Combining Statement of Cash Flows

Non-Major Proprietary Funds - Business-Type Activities

For the Fiscal Year Ended June 30, 2013

(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	\$ 7,999	\$ 14,786	\$ 4,256	\$ 27,041
Cash received from federal government	-	-	8,862	8,862
Cash paid to suppliers:				
Internal city departments	(1,170)	(8,418)	-	(9,588)
External vendors	(2,220)	(1,076)	(12,125)	(15,421)
Cash paid to employees for services	(2,578)	(4,473)	(1,228)	(8,279)
Net cash provided (used) by operating activities	<u>2,031</u>	<u>819</u>	<u>(235)</u>	<u>2,615</u>
Cash flows from noncapital financing activities:				
Transfers in	-	-	307	307
Advances to/due from other funds	342	20	-	362
Advances from/due to other funds	-	(242)	2	(240)
Net cash provided by (used) noncapital financing activities	<u>342</u>	<u>(222)</u>	<u>309</u>	<u>429</u>
Cash flows from capital and related financing activities:				
Increase principal obligations	-	-	14	14
Acquisition of capital assets and rights	(864)	(76)	(127)	(1,067)
Interest payments on obligations	-	(8)	-	(8)
Net cash (used) capital and related financing activities	<u>(864)</u>	<u>(84)</u>	<u>(113)</u>	<u>(1,061)</u>
Cash flows from investing activities:				
Interest received from investments	848	158	-	1,006
Net cash provided by investing activities	<u>848</u>	<u>158</u>	<u>-</u>	<u>1,006</u>
Net increase (decrease) in cash and cash equivalents during fiscal year	2,357	671	(39)	2,989
Cash and cash equivalents, July 1	<u>7,312</u>	<u>758</u>	<u>2,760</u>	<u>10,830</u>
Cash and cash equivalents, June 30	<u>\$ 9,669</u>	<u>\$ 1,429</u>	<u>\$ 2,721</u>	<u>\$ 13,819</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)	\$ 783	\$ (739)	\$ (843)	\$ (799)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operations:				
Depreciation	816	1,529	467	2,812
Changes in assets and liabilities:				
Accounts receivable	35	(16)	(3)	16
Intergovernmental receivable	-	-	35	35
Inventories and prepaid items	-	-	(34)	(34)
Vouchers payable	38	58	-	96
Accounts payable	-	-	24	24
Accrued expenses	-	-	-	-
Deposits	(10)	3	1	(6)
Unearned rent	-	-	121	121
Compensated absences	(60)	(19)	(3)	(82)
Proceeds from disposal of assets	(20)	3	-	(17)
Estimated closure and post-closure costs	449	-	-	449
Net cash provided by (used) operating activities	<u>\$ 2,031</u>	<u>\$ 819</u>	<u>\$ (235)</u>	<u>\$ 2,615</u>

Reconciliation of statement of net position cash and investments to the statement of cash flows:

Per combined statement of net assets:				
Equity in pooled cash and investments	\$ 9,669	\$ 1,429	\$ 2,645	\$ 13,743
Restricted cash and investments	-	-	76	76
Total cash and cash equivalents	<u>\$ 9,669</u>	<u>\$ 1,429</u>	<u>\$ 2,721</u>	<u>\$ 13,819</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Water and Sewer Fund
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2012	\$ 64,305	\$ 64,305	\$ 62,002	\$ (2,303)
RESOURCES (INFLOWS):				
Intergovernmental	-	-	549	549
Charges for services:				
Metered water sales	43,465	43,465	44,729	1,264
Sewer service charges	32,114	32,114	32,905	791
Impact fees	350	350	1,268	918
Other fees	1,804	1,804	1,778	(26)
Investments	22	22	872	850
Miscellaneous	124	124	1,054	930
Proceeds from loan	-	-	75	75
Proceeds from equipment disposal	27	27	27	-
Total revenues	<u>77,906</u>	<u>77,906</u>	<u>83,257</u>	<u>5,351</u>
Add: Transfers in	-	-	375	375
Less: Transfers out	(115)	(126)	(41)	85
Amounts available for appropriation	<u>142,096</u>	<u>142,085</u>	<u>145,593</u>	<u>3,508</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General administration	12,056	11,855	11,007	848
Water	21,403	21,537	16,374	5,163
Sewer	14,641	14,689	11,870	2,819
Contingencies	5,000	5,000	-	5,000
Capital outlay	31,857	31,302	4,950	26,352
Debt service:				
Principal	10,725	11,433	11,433	-
Interest	13,441	13,476	13,476	-
Total charges to appropriations	<u>109,123</u>	<u>109,292</u>	<u>69,110</u>	<u>40,182</u>
Budgetary fund balance, June 30, 2013	<u>\$ 32,973</u>	<u>\$ 32,793</u>	<u>\$ 76,483</u>	<u>\$ 43,690</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.	\$ 145,593
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(62,002)
Revenues offset directly by bad debt expense on budgetary basis.	381
Proceeds from loan.	(75)
Proceeds from equipment disposals.	(27)
Gain on disposal of assets.	25
Internal staff and administrative charges reported as revenue only on budgetary basis.	(82)
Less: Transfers in.	(375)
Add: Transfers out.	41
Total revenues as reported on the statement of revenues, expenses, and changes in fund net position, excluding capital contributions.	<u>\$ 83,479</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 69,110
Differences - budget to GAAP:	
Bad debt expense.	381
Capital outlay expenditure.	(4,950)
Change in compensated absences liability.	(323)
Amortization and depreciation expense.	19,914
Principal payments on long-term obligations.	(11,433)
OPEB expense.	1,634
Interest expense.	(816)
Internal staff and administrative charges reported as revenue only on budgetary basis.	(81)
Change in accrued payroll.	(24)
Total expenses as reported in the statement of revenues, expenses, and changes in fund net position, excluding loss from joint venture.	<u>\$ 73,412</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Landfill Fund
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2012	\$ 6,881	\$ 6,881	\$ 7,545	\$ 664
RESOURCES (INFLOWS):				
Charges for services:				
Landfill user fees	5,620	5,620	6,753	1,133
Recycling fees	1,836	1,836	1,535	(301)
Other fees	131	131	137	6
Proceeds from equipment disposal	15	15	2	(13)
Proceeds from interfund loan	230	230	342	112
Investments	60	60	848	788
Total revenues	<u>7,892</u>	<u>7,892</u>	<u>9,617</u>	<u>1,725</u>
Add: Transfers in	920	920	-	(920)
Amounts available for appropriation	<u>15,693</u>	<u>15,693</u>	<u>17,162</u>	<u>1,469</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Contingencies	2,000	2,000	-	2,000
Landfill	6,978	6,954	6,441	513
Capital outlay	2,770	2,770	887	1,883
Total charges to appropriations	<u>11,748</u>	<u>11,724</u>	<u>7,328</u>	<u>4,396</u>
Budgetary fund balance, June 30, 2013	<u>\$ 3,945</u>	<u>\$ 3,969</u>	<u>\$ 9,834</u>	<u>\$ 5,865</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.	\$ 17,162
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.	(7,545)
Internal staff and administrative charges reported as revenue only on budgetary basis.	(431)
Revenues offset directly by bad debt expense on budgetary basis.	2
Proceeds from disposal of capital assets.	(2)
Proceeds from loan.	(342)
Total revenues as reported in the combining statement of revenues, expenses, and changes in fund net position.	<u>\$ 8,844</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 7,328
Differences - budget to GAAP:	
Bad debt expense.	2
Capital outlay expenditures.	(887)
Change in compensated absences liability.	(60)
Change in estimated landfill post-closure liability.	449
Depreciation expense.	816
OPEB expense.	286
Accrued payroll.	(6)
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 position.	<u>\$ 7,497</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Sanitation Fund
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2012	\$ 1,809	\$ 1,809	\$ 2,496	\$ 687
RESOURCES (INFLOWS):				
Charges for services:				
Container service	4,354	4,354	4,223	(131)
Curb service	10,447	10,447	10,525	78
Investments	4	4	158	154
Proceeds from equipment disposal	30	30	16	(14)
Proceeds from interfund loan	-	-	20	20
Total revenues	<u>14,835</u>	<u>14,835</u>	<u>14,942</u>	<u>107</u>
Add: Transfers in	175	175	-	(175)
Amounts available for appropriation	<u>16,819</u>	<u>16,819</u>	<u>17,438</u>	<u>619</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Sanitation	14,573	14,757	13,989	768
Capital outlay	1,280	1,280	88	1,192
Debt service:				
Principal	242	242	242	-
Interest	8	8	8	-
Total charges to appropriations	<u>16,103</u>	<u>16,287</u>	<u>14,327</u>	<u>1,960</u>
Budgetary fund balance, June 30, 2013	<u>\$ 716</u>	<u>\$ 532</u>	<u>\$ 3,111</u>	<u>\$ 2,579</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.	\$ 17,438
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.	(2,496)
Internal staff and administrative charges reported as revenue only on budgetary basis.	(47)
Revenues offset directly by bad debt expense on budgetary basis.	90
Proceeds from interfund loan.	(20)
Total revenues as reported in the combining statement of revenues, expenses, and changes in fund net position	<u>\$ 14,965</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 14,327
Differences - budget to GAAP:	
Bad debt expense.	90
Capital outlay.	(88)
Change in compensated absences liability.	(19)
Depreciation expense.	1,529
OPEB expense.	613
Principal payments on long-term obligations.	(242)
Accrued payroll.	(12)
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 position	<u>\$ 16,151</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Housing Fund
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2012	\$ 1,769	\$ 1,769	\$ 2,475	\$ 706
RESOURCES (INFLOWS):				
Intergovernmental	10,119	10,119	8,953	(1,166)
Miscellaneous	4,100	4,100	4,010	(90)
Investments	-	-	1	1
Total revenues	14,219	14,219	12,964	(1,255)
Add: Transfers in	307	307	307	-
Amounts available for appropriation	16,295	16,295	15,746	(549)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Housing	12,490	12,501	13,340	(839)
Capital outlay	210	210	221	(11)
Total charges to appropriations	12,700	12,711	13,561	(850)
Budgetary fund balance, June 30, 2013	\$ 3,595	\$ 3,584	\$ 2,185	\$ (1,399)

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.	\$ 15,746
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.	(2,475)
Less: Transfers in.	(307)
Total revenues as reported in the combining statement of revenues, expenses, and changes in fund net position, excluding capital grant proceeds.	\$ 12,964

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 13,561
Differences - budget to GAAP:	
Depreciation expense.	467
Capital outlay.	(221)
OPEB expense.	184
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net position.	\$ 13,991



City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

INTERNAL SERVICE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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City of Glendale, Arizona
Combining Statement of Net Position
Internal Service Funds
June 30, 2013
(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	\$ 3,330	\$ 4,345	\$ 55	\$ 7,730
Inventories and prepaid items	34	-	-	34
Total current assets	<u>3,364</u>	<u>4,345</u>	<u>55</u>	<u>7,764</u>
Noncurrent assets:				
Restricted deposits	-	275	1,425	1,700
Total assets	<u>3,364</u>	<u>4,620</u>	<u>1,480</u>	<u>9,464</u>
LIABILITIES				
Current liabilities:				
Vouchers payable	33	32	1,481	1,546
Estimated claims payable	4,261	3,151	1,995	9,407
Total current liabilities	<u>4,294</u>	<u>3,183</u>	<u>3,476</u>	<u>10,953</u>
Total liabilities	<u>4,294</u>	<u>3,183</u>	<u>3,476</u>	<u>10,953</u>
NET POSITION				
Unrestricted	<u>(930)</u>	<u>1,437</u>	<u>(1,996)</u>	<u>(1,489)</u>
Total net position	<u>\$ (930)</u>	<u>\$ 1,437</u>	<u>\$ (1,996)</u>	<u>\$ (1,489)</u>

City of Glendale, Arizona

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position

Internal Service Funds

For the Fiscal Year Ended June 30, 2013

(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	\$ 2,384	\$ 24,034	\$ 28,918
Other	24	24	95	143
Total operating revenues	<u>2,524</u>	<u>2,408</u>	<u>24,129</u>	<u>29,061</u>
Operating expenses:				
Administrative and general	-	-	46	46
Insurance claims and premiums	4,801	275	23,588	28,664
Total operating expenses	<u>4,801</u>	<u>275</u>	<u>23,634</u>	<u>28,710</u>
Operating income (loss)	(2,277)	2,133	495	351
Nonoperating revenues:				
Investment income (loss)	<u>9</u>	<u>11</u>	<u>(3)</u>	<u>17</u>
Income (loss) before transfers	<u>(2,268)</u>	<u>2,144</u>	<u>492</u>	<u>368</u>
Operating transfers in	490	-	-	490
Change in net position	(1,778)	2,144	492	858
Net position - beginning	<u>848</u>	<u>(707)</u>	<u>(2,488)</u>	<u>(2,347)</u>
Net position - ending	<u>\$ (930)</u>	<u>\$ 1,437</u>	<u>\$ (1,996)</u>	<u>\$ (1,489)</u>

City of Glendale, Arizona

Combining Statement of Cash Flows

Internal Service Funds

For the Fiscal Year Ended June 30, 2013

(amounts expressed in thousands)

	Risk Management	Workers' Compensation	Employee Benefits	Total
Cash flows from operating activities:				
Cash received from customers	\$ 2,524	\$ 2,408	\$ 24,315	\$ 29,247
Cash paid for insurance and in settlement of claims	(2,694)	(1,268)	(24,212)	(28,174)
Cash paid to employees for services	-	-	(47)	(47)
Net cash provided by (used for) operating activities	(170)	1,140	56	1,026
Cash flows from noncapital financing activities:				
Operating transfers in (out)	490	-	-	490
Cash flows from investing activities:				
Interest received	9	11	(3)	17
Net increase (decrease) in cash during fiscal year	329	1,151	53	1,533
Cash and cash equivalents, July 1	3,001	3,469	1,427	7,897
Cash and cash equivalents, June 30	<u>\$ 3,330</u>	<u>\$ 4,620</u>	<u>\$ 1,480</u>	<u>\$ 9,430</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ (2,277)	\$ 2,133	\$ 495	\$ 351
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operations:				
Change in accounts receivable	-	-	186	186
Change in inventories and prepaid items	(1)	-	-	(1)
Change in vouchers payable	(27)	(5)	(350)	(382)
Change in compensated absences	(18)	-	(1)	(19)
Change in claims payable	2,153	(988)	(274)	891
Net cash provided by (used for) operating activities	<u>\$ (170)</u>	<u>\$ 1,140</u>	<u>\$ 56</u>	<u>\$ 1,026</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	\$ 3,330	\$ 4,345	\$ 55	\$ 7,730
Restricted cash and investments	-	275	1,425	1,700
Total cash and cash equivalents	<u>\$ 3,330</u>	<u>\$ 4,620</u>	<u>\$ 1,480</u>	<u>\$ 9,430</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Risk Management Fund
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2012	\$ 3,601	\$ 3,601	\$ 2,943	\$ (658)
RESOURCES (INFLOWS):				
Self-insurance premiums	2,500	2,500	2,500	-
Investments	10	9	9	-
Other	30	30	24	(6)
Total revenues	<u>2,540</u>	<u>2,539</u>	<u>2,533</u>	<u>(6)</u>
Add: Transfers in	-	-	490	490
Amounts available for appropriation	<u>6,141</u>	<u>6,140</u>	<u>5,966</u>	<u>(174)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General Administration	3,262	3,000	-	3,000
Insurance and claims	<u>2,763</u>	<u>2,759</u>	<u>2,666</u>	<u>93</u>
Total charges to appropriations	<u>6,025</u>	<u>5,759</u>	<u>2,666</u>	<u>3,093</u>
Budgetary fund balance, June 30, 2013	<u>\$ 116</u>	<u>\$ 381</u>	<u>\$ 3,300</u>	<u>\$ 2,919</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.				\$ 5,966
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.				(2,943)
Less: Transfers in.				<u>(490)</u>
Total revenues as reported on the combining statement of revenues, expenses, and changes in fund net position.				<u>\$ 2,533</u>
Uses/outflows or resources:				
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.				\$ 2,666
Differences - budget to GAAP:				
Insurance and claims recorded gaap basis only.				2,153
Change in compensated absences liability.				<u>(18)</u>
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net position.				<u>\$ 4,801</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Workers' Compensation Fund
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2012	\$ 2,229	\$ 2,229	\$ 3,402	\$ 1,173
RESOURCES (INFLOWS):				
Self-insurance premiums	984	984	2,384	1,400
Investments	9	9	11	2
Other	30	30	24	(6)
Total revenues	<u>1,023</u>	<u>1,023</u>	<u>2,419</u>	<u>1,396</u>
Amounts available for appropriation	<u>3,252</u>	<u>3,252</u>	<u>5,821</u>	<u>2,569</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Insurance and claims	<u>1,407</u>	<u>1,407</u>	<u>1,263</u>	<u>144</u>
Total charges to appropriations	<u>1,407</u>	<u>1,407</u>	<u>1,263</u>	<u>144</u>
Budgetary fund balance, June 30, 2013	<u>\$ 1,845</u>	<u>\$ 1,845</u>	<u>\$ 4,558</u>	<u>\$ 2,713</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.	\$ 5,821
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	<u>(3,402)</u>
Total revenues as reported in the combining statement of revenues, expenses, and changes in fund net position.	<u>\$ 2,419</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 1,263
Differences - budget to GAAP:	
Change in estimated claims payable.	<u>(988)</u>
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net position.	<u>\$ 275</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Employee Benefits Fund
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2012	\$ 1,312	\$ 1,312	\$ (218)	\$ (1,530)
RESOURCES (INFLOWS):				
Self-insurance premiums	22,295	22,295	24,034	1,739
Investments loss	19	19	(3)	(22)
Other	-	-	95	95
Total revenues	<u>22,314</u>	<u>22,314</u>	<u>24,126</u>	<u>1,812</u>
Amounts available for appropriation	<u>23,626</u>	<u>23,626</u>	<u>23,908</u>	<u>282</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General Administration	-	40	46	(6)
Insurance and claims	<u>22,349</u>	<u>24,434</u>	<u>23,862</u>	<u>572</u>
Total charges to appropriations	<u>22,349</u>	<u>24,474</u>	<u>23,908</u>	<u>566</u>
Budgetary fund balance, June 30, 2013	<u>\$ 1,277</u>	<u>\$ (848)</u>	<u>\$ -</u>	<u>\$ 848</u>

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule. \$ 23,908

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. 218

Total revenues as reported in the combining statement of revenues, expenses, and changes in fund net position. \$ 24,126

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule. \$ 23,908

Differences - budget to GAAP:

Change in estimated claims payable liability. (274)

Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net position. \$ 23,634



City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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Federal Financial Data Schedule (PHA: AZ003)

For the Fiscal Year Ended June 30, 2013

(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	\$ 853,314	\$ 1,087,715	\$ -	\$ -	\$ -	\$ 1,941,029
112	Cash - restricted - modernization and development	-	-	-	-	-	-
113	Cash - other restricted	-	664,697	-	-	-	664,697
114	Cash - tenant security deposits	39,431	-	-	-	-	39,431
115	Cash - restricted for payment of current liability	-	-	-	-	-	-
100	Total cash	<u>892,745</u>	<u>1,752,412</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,645,157</u>
Accounts receivables:							
121	Accounts receivable - PHA projects	-	43,981	-	-	-	43,981
122	Accounts receivable - HUD other projects	26,523	-	-	-	-	26,523
124	Accounts receivable - other government	-	-	-	-	-	-
125	Accounts receivable - miscellaneous	5,050	-	-	-	-	5,050
126	Accounts receivable - tenants	416	-	-	-	-	416
126.1	Allowance for doubtful accounts - tenants	-	-	-	-	-	-
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>31,989</u>	<u>43,981</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,970</u>
Current investments:							
131	Investments - unrestricted	-	-	-	-	-	-
132	Investments - restricted	-	76,500	-	-	-	76,500
135	Investments - restricted for payment of current liability	-	-	-	-	-	-
142	Prepaid expenses and other assets	-	27,746	-	-	-	27,746
143	Inventories	13,956	-	-	-	-	13,956
143.1	Allowance for obsolete inventories	(698)	-	-	-	-	(698)
144	Inter program - due from	-	23,028	24,536	18,025	(65,589)	-
145	Assets held for sale	-	-	-	-	-	-
150	Total current assets	<u>937,992</u>	<u>1,923,667</u>	<u>24,536</u>	<u>18,025</u>	<u>(65,589)</u>	<u>2,838,631</u>
Non-current assets:							
Capital assets:							
161	Land	135,533	-	-	-	-	135,533
162	Buildings	10,417,083	149,998	-	-	-	10,567,081
163	Furniture, equipment & machinery - dwellings	523,882	-	-	-	-	523,882
164	Furniture, equipment & machinery - administration	178,682	102,908	-	-	-	281,590
165	Leasehold improvements	2,257,869	-	-	-	-	2,257,869
166	Accumulated depreciation	(8,372,541)	(162,567)	-	-	-	(8,535,108)
167	Construction in progress	130,022	-	-	-	-	130,022
168	Infrastructure	-	-	-	-	-	-
160	Total capital assets, net of accumulated depreciation	<u>5,270,530</u>	<u>90,339</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,360,869</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>5,270,530</u>	<u>90,339</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,360,869</u>
190	Total assets	<u>\$ 6,208,522</u>	<u>\$ 2,014,006</u>	<u>\$ 24,536</u>	<u>\$ 18,025</u>	<u>\$ (65,589)</u>	<u>\$ 8,199,500</u>

(continued)

Federal Financial Data Schedule (PHA: AZ003)

For the Fiscal Year Ended June 30, 2013

(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	40,144	20,618	-	-	-	60,762
313	Accounts payable > 90 days past due	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	-	-	-	-	-	-
322	Accrued compensated absences - current portion	12,138	10,224	-	-	-	22,362
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	39,431	-	-	-	-	39,431
342	Deferred revenues	3,575	141,715	-	2,761	-	148,051
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	7,039	-	-	-	-	7,039
346	Accrued liabilities - other	-	-	-	-	-	-
347	Inter program - due to	44,183	-	14,623	6,783	(65,589)	-
348	Loan liability - current	-	-	-	-	-	-
310	Total current liabilities	<u>146,510</u>	<u>172,557</u>	<u>14,623</u>	<u>9,544</u>	<u>(65,589)</u>	<u>277,645</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	-	76,500	-	-	-	76,500
354	Accrued compensated absences - noncurrent	109,238	92,020	-	-	-	201,258
355	Loan Liability - noncurrent	-	-	-	-	-	-
356	FASB 5 liabilities	-	-	-	-	-	-
357	Accrued pension and OPEB liability	397,429	307,912	-	-	-	705,341
350	Total noncurrent liabilities	<u>506,667</u>	<u>476,432</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>983,099</u>
300	Total liabilities	<u>653,177</u>	<u>648,989</u>	<u>14,623</u>	<u>9,544</u>	<u>(65,589)</u>	<u>1,260,744</u>
EQUITY/NET ASSETS:							
508.1	Invested in capital assets, net of related debt	5,270,530	90,339	-	-	-	5,360,869
509.2	Fund balance reserved	-	-	-	-	-	-
511.1	Restricted net assets	-	664,697	-	-	-	664,697
511.2	Unreserved designated fund balance	-	-	-	-	-	-
512.1	Unrestricted net assets	284,815	609,981	9,913	8,481	-	913,190
512.2	Unreserved undesignated fund balance	-	-	-	-	-	-
513	Total equity/net assets	<u>5,555,345</u>	<u>1,365,017</u>	<u>9,913</u>	<u>8,481</u>	<u>-</u>	<u>6,938,756</u>
600	Total liabilities and equity/net assets	<u>\$ 6,208,522</u>	<u>\$ 2,014,006</u>	<u>\$ 24,536</u>	<u>\$ 18,025</u>	<u>\$ (65,589)</u>	<u>\$ 8,199,500</u>

(continued)

City of Glendale, Arizona

Federal Financial Data Schedule (PHA: AZ003)

For the Fiscal Year Ended June 30, 2013

(rounded to nearest dollar)

(continued)

Line Item No.	Income Statement Account Description	AMPS	HCV	DVP	DHAP	Eliminations	Total
	REVENUE:						
70300	Net tenant rental revenue	\$ 279,615	\$ -	\$ -	\$ -	\$ -	\$ 279,615
70400	Tenant revenue - other	9,562	-	-	-	-	9,562
70500	Total tenant revenue	<u>289,177</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>289,177</u>
70600	HUD PHA operating grants - other	481,165	8,345,818	-	-	-	8,826,983
70610	Capital grants	126,333	-	-	-	-	126,333
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	591	688	-	-	-	1,279
71200	Mortgage interest income	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-
71310	Cost of sale of assets	-	-	-	-	-	-
71400	Fraud recovery - other	691	26,214	-	-	-	26,905
71500	Other revenue	28,595	3,665,213	-	-	-	3,693,808
71600	Gain or loss on the sale of capital assets	-	-	-	-	-	-
72000	Investment income - restricted	-	-	-	-	-	-
70000	Total revenue	<u>926,552</u>	<u>12,037,933</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,964,485</u>

(continued)

Federal Financial Data Schedule (PHA: AZ003)

For the Fiscal Year Ended June 30, 2013

(rounded to nearest dollar)

(continued)

Line Item No.	Income Statement Account Description	AMPS	HCV	DVP	DHAP	Eliminations	Total
	EXPENSES:						
91100	Administrative salaries	\$ 269,479	\$ 540,453	\$ -	\$ -	\$ -	\$ 809,932
91200	Auditing fees	-	-	-	-	-	-
91300	Management fee	-	-	-	-	-	-
91310	Bookkeeping fee	-	-	-	-	-	-
91400	Advertising and marketing	50	50	-	-	-	100
91500	Employee benefit contributions - administrative	116,989	290,495	-	-	-	407,484
91600	Office expenses	28,452	39,105	-	-	-	67,557
91700	Legal expense	1,395	100	-	-	-	1,495
91800	Travel	33	-	-	-	-	33
91810	Allocated overhead	-	-	-	-	-	-
91900	Other	27,011	28,451	-	-	-	55,462
91000	Total operating - administrative	<u>443,409</u>	<u>898,654</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,342,063</u>
92000	Asset management fee	-	-	-	-	-	-
92100	Tenant services - salaries	-	-	-	-	-	-
92200	Relocation costs	-	-	-	-	-	-
92300	Employee benefit contributions - tenant services	-	-	-	-	-	-
92400	Tenant services - other	13,515	-	-	-	-	13,515
92500	Total Tenant services	<u>13,515</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,515</u>
93100	Water	63,673	-	-	-	-	63,673
93200	Electricity	24,482	-	-	-	-	24,482
93300	Gas	2,566	-	-	-	-	2,566
93400	Fuel	-	-	-	-	-	-
93500	Labor	-	-	-	-	-	-
93600	Sewer	39,811	-	-	-	-	39,811
93700	Employee benefit contributions- utilities	-	-	-	-	-	-
93800	Other utilities expense	-	-	-	-	-	-
93000	Total utilities	<u>130,532</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>130,532</u>
94100	Ordinary maintenance and operations - labor	264,773	-	-	-	-	264,773
94200	Ordinary maintenance and operations - materials & other	68,871	16,206	-	-	-	85,077
94300	Ordinary maintenance and operations - contract costs	133,697	-	-	-	-	133,697
94500	Employee benefit contributions - ordinary maintenance	126,503	-	-	-	-	126,503
94000	Total maintenance	<u>593,844</u>	<u>16,206</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>610,050</u>

(continued)

Federal Financial Data Schedule (PHA: AZ003)

For the Fiscal Year Ended June 30, 2013

(rounded to nearest dollar)

(continued)

Line Item No.	Income Statement Account Description	AMPS	HCV	DVP	DHAP	Eliminations	Total
95100	Protective services - labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
95200	Protective services - other contract costs	-	-	-	-	-	-
95300	Protective services - other	-	-	-	-	-	-
95500	Employee benefit contributions - protective services	-	-	-	-	-	-
95000	Total protective services	-	-	-	-	-	-
96110	Property insurance	36,955	24,637	-	-	-	61,592
96120	Liability insurance	-	-	-	-	-	-
96130	Workman's compensation	3,577	2,384	-	-	-	5,961
96140	All other insurance	-	-	-	-	-	-
96100	Total insurance premiums	40,532	27,021	-	-	-	67,553
96200	Other general expenses	-	25,957	3,625	-	-	29,582
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	-	25,957	3,625	-	-	29,582
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	1,221,832	967,838	3,625	-	-	2,193,295
97000	Excess revenue over operating expenses	(295,280)	11,070,095	(3,625)	-	-	10,771,190
97100	Extraordinary maintenance	-	-	-	-	-	-
97200	Casualty losses - non-capitalized	-	-	-	-	-	-
97300	Housing assistance payments	-	7,840,145	-	-	-	7,840,145
97350	HAP Portability-in	-	3,491,186	-	-	-	3,491,186
97400	Depreciation expense	462,582	4,061	-	-	-	466,643
97500	Fraud losses	-	-	-	-	-	-
97600	Capital outlays - governmental funds	-	-	-	-	-	-
97700	Debt principal payment 0 governmental funds	-	-	-	-	-	-
97800	Dwelling units rent expense	-	-	-	-	-	-
90000	Total expenses	1,684,414	12,303,230	3,625	-	-	13,991,269

(continued)

City of Glendale, Arizona
Federal Financial Data Schedule (PHA: AZ003)
For the Fiscal Year Ended June 30, 2013
(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	\$ 7,446	\$ -	\$ -	\$ -	\$ (7,446)	\$ -
10020	Operating transfers out	(7,446)	-	-	-	7,446	-
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>\$ (450,862)</u>	<u>\$ (265,297)</u>	<u>\$ (3,625)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (719,784)</u>
	MEMO ACCOUNT INFORMATION						
11020	Required annual debt principal payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11030	Beginning equity	6,006,207	1,630,314	13,538	8,481	-	7,658,540
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	-	700,320	-	-	-	700,320
11180	Housing assistance payments equity	-	664,697	-	-	-	664,697
11190	Unit months available	1,726	12,648	-	-	-	14,374
11210	Unit months leased	1,716	12,579	-	-	-	14,295
11270	Excess cash	676,405	-	-	-	-	676,405
11610	Land purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11620	Building purchases	105,173	-	-	-	-	105,173
11630	Furniture & equipment - dwelling purchases	8,192	-	-	-	-	8,192
11640	Furniture & equipment - administrative purchases	-	-	-	-	-	-
11650	Leasehold improvements purchases	12,968	-	-	-	-	12,968
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, 2013

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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.	140-147
Revenue Capacity These schedules contain information to help the reader assess the city’s local revenue source, the property tax and sales tax.	148-153
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.	154-161
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.	162-163
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.	164-168

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

	<u>2013</u>	<u>2012, restated</u>	<u>2011</u>	<u>2010</u>
Government activities				
Net investment in				
capital assets	\$ 438,366	\$ 460,639	\$ 463,961	\$ 457,773
Restricted	186,106	183,829	204,645	176,400
Unrestricted	<u>(59,797)</u>	<u>(73,375)</u>	<u>(22,532)</u>	<u>11,684</u>
Total governmental activities				
net position	<u>564,675</u>	<u>571,093</u>	<u>646,074</u>	<u>645,857</u>
Business-type activities				
Net investment in				
capital assets	251,765	262,554	271,708	271,969
Restricted	12,264	12,921	29,988	13,988
Unrestricted	<u>161,999</u>	<u>139,934</u>	<u>112,323</u>	<u>124,550</u>
Total business-type activities				
net position	<u>426,028</u>	<u>415,409</u>	<u>414,019</u>	<u>410,507</u>
Primary government				
Net investment in				
capital assets	690,131	723,193	735,669	729,742
Restricted	198,370	196,750	234,633	190,388
Unrestricted	<u>102,202</u>	<u>66,559</u>	<u>89,791</u>	<u>136,234</u>
Total primary government				
net position	<u>\$ 990,703</u>	<u>\$ 986,502</u>	<u>\$ 1,060,093</u>	<u>\$ 1,056,364</u>

Schedule 1

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 471,484	\$ 499,322	\$ 446,828	\$ 398,517	\$ 372,778	\$ 353,135
144,422	133,695	180,303	155,163	179,434	169,434
51,500	51,850	44,573	75,417	40,641	49,916
667,406	684,867	671,704	629,097	592,853	572,485
286,452	297,329	249,569	233,387	274,620	228,252
13,249	12,836	11,881	12,437	11,249	10,479
114,814	107,384	155,325	158,753	108,604	141,094
414,515	417,549	416,775	404,577	394,473	379,825
757,936	796,651	696,397	631,904	647,398	581,387
157,671	146,531	192,184	167,600	190,683	179,913
166,314	159,234	199,898	234,170	149,245	191,010
\$ 1,081,921	\$ 1,102,416	\$ 1,088,479	\$ 1,033,674	\$ 987,326	\$ 952,310

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

Schedule 2

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Expenses										
Governmental activities:										
General government	\$ 37,447	\$ 35,962	\$ 46,233	\$ 42,530	\$ 39,545	\$ 39,998	\$ 37,992	\$ 33,329	\$ 31,603	\$ 24,003
Public safety	115,694	112,689	111,217	108,308	109,136	113,285	92,405	75,277	64,277	56,176
Public works	19,230	18,435	20,099	16,627	15,040	16,006	14,816	13,995	14,309	13,883
Community services	33,831	39,478	41,136	44,524	48,143	52,185	45,481	40,275	37,394	33,914
Community environment	5,655	6,828	7,061	6,316	3,539	5,164	4,698	4,125	3,236	3,446
Street maintenance	20,000	20,045	21,721	23,058	23,978	26,175	24,906	22,720	21,355	20,425
Other	-	-	-	-	-	-	-	3,020	238	142
Interest on long-term debt	42,413	41,913	41,967	42,286	38,982	28,475	23,551	16,883	16,986	15,838
Total governmental activities expenses	<u>274,270</u>	<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>
Business-type activities:										
Water and sewer	73,460	78,917	79,444	81,910	74,424	74,581	63,289	55,607	50,190	45,628
Landfill	7,486	7,602	7,280	8,454	8,045	8,067	8,264	7,950	7,431	7,164
Sanitation	16,122	15,437	14,814	14,093	14,039	15,209	13,847	13,257	12,287	12,294
Housing	14,037	14,827	14,687	14,180	11,840	9,862	8,951	9,466	9,278	8,858
Total business-type activities expenses	<u>111,105</u>	<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>
Total primary government expenses	<u>\$ 385,375</u>	<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>
Program revenues										
Governmental activities:										
Charges for services:										
General government	\$ 12,520	\$ 12,334	\$ 24,822	\$ 14,232	\$ 11,879	\$ 12,132	\$ 11,610	\$ 10,726	\$ 9,075	\$ 9,092
Public safety	5,778	5,624	5,094	5,824	4,670	5,744	1,964	1,375	1,200	1,043
Public works	1,149	512	495	7,447	588	543	531	516	506	148
Community services	11,003	17,910	11,733	11,918	15,661	22,859	22,285	20,121	16,871	16,942
Community environment	-	-	-	-	3,045	-	-	31	-	3
Street maintenance	-	-	-	2	36	-	48	-	-	-
Operating grants and contributions	25,156	27,636	27,137	29,596	24,146	33,191	36,566	31,973	26,535	24,503
Capital grants and contributions	7,904	5,274	70,552	3,755	2,600	14,491	26,247	6,406	1,407	3,429
Total governmental activities program revenues	<u>63,510</u>	<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>

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Business-type activities:										
Charges for services:										
Water and sewer	81,963	82,730	80,513	76,603	67,810	66,316	62,125	56,153	54,295	52,456
Landfill	7,994	7,185	8,027	6,987	7,304	9,196	9,742	8,362	8,961	9,593
Sanitation	14,791	14,562	14,733	15,048	15,258	14,684	14,653	14,167	13,624	12,817
Housing	4,137	4,886	4,829	4,870	2,042	816	662	569	542	512
Operating grants and contributions	9,376	9,423	9,342	9,331	8,701	8,348	8,254	8,020	8,027	7,643
Capital grants and contributions	831	705	1,155	690	1,207	4,346	5,125	5,403	242	168
Total business-type activities program revenues	<u>119,092</u>	<u>119,491</u>	<u>118,599</u>	<u>113,529</u>	<u>102,322</u>	<u>103,706</u>	<u>100,561</u>	<u>92,674</u>	<u>85,691</u>	<u>83,189</u>
Total primary government program revenues	<u>182,602</u>	<u>188,781</u>	<u>258,432</u>	<u>186,303</u>	<u>164,947</u>	<u>192,666</u>	<u>199,812</u>	<u>163,822</u>	<u>141,285</u>	<u>138,349</u>
Net (expense)/revenue										
Governmental activities	(210,760)	(206,060)	(149,601)	(210,875)	(215,738)	(192,328)	(144,598)	(138,476)	(133,804)	(112,667)
Business-type activities	7,987	2,708	2,374	(5,108)	(6,026)	(4,013)	6,210	6,394	6,505	9,245
Total primary government net expense	<u>\$ (202,773)</u>	<u>\$ (203,352)</u>	<u>\$ (147,227)</u>	<u>\$ (215,983)</u>	<u>\$ (221,764)</u>	<u>\$ (196,341)</u>	<u>\$ (138,388)</u>	<u>\$ (132,082)</u>	<u>\$ (127,299)</u>	<u>\$ (103,422)</u>
General revenues and other changes in net position										
Governmental activities:										
Taxes:										
Property taxes	\$ 21,372	\$ 20,232	\$ 27,189	\$ 33,749	\$ 32,890	\$ 28,826	\$ 23,085	\$ 21,386	\$ 19,422	\$ 18,321
Sales taxes	132,872	97,451	93,260	92,717	97,054	105,175	97,825	90,968	77,166	74,763
Unrestricted state shared sales tax	18,558	17,716	18,438	17,786	19,321	22,237	23,037	23,298	20,271	18,409
Unrestricted urban revenue sharing (state shared income tax)	23,159	19,135	23,590	31,292	36,267	34,109	27,518	22,909	20,115	19,731
Auto in-lieu taxes	7,586	7,277	7,917	8,130	8,808	9,730	10,044	10,444	9,414	8,978
Investment earnings, unrestricted	716	975	1,482	286	1,668	4,742	5,557	4,395	2,654	315
Gain (loss) on disposal of capital assets	353	56	(677)	330	(52)	879	202	348	225	9
Miscellaneous	367	489	3,936	5,406	2,872	302	301	272	275	349
Capital contributions	-	-	-	-	-	-	-	-	4,794	24,614
Transfers	(641)	(307)	(317)	(370)	(551)	(509)	(364)	700	(164)	(333)
Special item	-	(25,000)	(25,000)	-	-	-	-	-	-	-
Total governmental activities	<u>204,342</u>	<u>138,024</u>	<u>149,818</u>	<u>189,326</u>	<u>198,277</u>	<u>205,491</u>	<u>187,205</u>	<u>174,720</u>	<u>154,172</u>	<u>165,156</u>
Business-type activities:										
Investment earnings, unrestricted	1,878	1,126	614	460	2,069	4,044	5,381	3,466	2,065	1,115
Gain (loss) on disposal of capital assets	43	(40)	137	187	282	126	103	844	-	-
Loss on joint venture	-	-	-	-	-	-	-	-	-	(1,285)
Miscellaneous	70	72	70	83	90	108	140	100	202	-
Capital contributions	-	-	-	-	-	-	-	-	5,712	2,414
Transfers	641	307	317	370	551	509	364	(700)	164	333
Total business-type activities	<u>2,632</u>	<u>1,465</u>	<u>1,138</u>	<u>1,100</u>	<u>2,992</u>	<u>4,787</u>	<u>5,988</u>	<u>3,710</u>	<u>8,143</u>	<u>2,577</u>
Total primary government	<u>\$ 206,974</u>	<u>\$ 139,489</u>	<u>\$ 150,956</u>	<u>\$ 190,426</u>	<u>\$ 201,269</u>	<u>\$ 210,278</u>	<u>\$ 193,193</u>	<u>\$ 178,430</u>	<u>\$ 162,315</u>	<u>\$ 167,733</u>
Changes in net position										
Governmental activities	\$ (6,418)	\$ (68,036)	\$ 217	\$ (21,549)	\$ (17,461)	\$ 13,163	\$ 42,607	\$ 36,244	\$ 20,368	\$ 52,489
Business-type activities	10,619	4,173	3,512	(4,008)	(3,034)	774	12,198	10,104	14,648	11,822
Total primary government	<u>\$ 4,201</u>	<u>\$ (63,863)</u>	<u>\$ 3,729</u>	<u>\$ (25,557)</u>	<u>\$ (20,495)</u>	<u>\$ 13,937</u>	<u>\$ 54,805</u>	<u>\$ 46,348</u>	<u>\$ 35,016</u>	<u>\$ 64,311</u>

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

Schedule 3

	2013 ⁽¹⁾	2012 ⁽¹⁾	2011 ⁽¹⁾	2010	2009	2008	2007	2006	2005	2004
General fund										
Reserved	\$ -	\$ -	\$ -	\$ 9,383	\$ 10,450	\$ 9,271	\$ 10,500	\$ 10,287	\$ 9,377	\$ 9,582
Unreserved	-	-	-	29,463	42,180	57,117	50,880	62,166	56,661	51,080
Total general fund	<u>\$ -</u>	<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>
General fund										
Nonspendable	\$ 650	\$ 197	\$ 463	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	311	368	5,403	-	-	-	-	-	-	-
Committed	1,676	2,351	1,965	-	-	-	-	-	-	-
Assigned	-	-	9,253	-	-	-	-	-	-	-
Unassigned	(14,438)	(29,565)	(5,414)	-	-	-	-	-	-	-
Total general fund	<u>\$ (11,801)</u>	<u>\$ (26,649)</u>	<u>\$ 11,670</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
Unreserved, report in:	-	-	-	-	-	-	-	-	-	-
Special revenue funds	-	-	-	50,478	57,555	76,493	34,369	30,584	34,867	29,807
Capital projects funds	-	-	-	41,046	27,474	18,436	68,932	64,106	61,765	71,569
Total all other governmental funds	<u>\$ -</u>	<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>
All other governmental funds										
Nonspendable	\$ 5,774	\$ 5,829	\$ 5,822	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	103,772	117,964	129,635	-	-	-	-	-	-	-
Committed	115	129	11,464	-	-	-	-	-	-	-
Assigned	144	82	199	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 109,805</u>	<u>\$ 124,004</u>	<u>\$ 147,120</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.

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

Schedule 4

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Revenues										
Taxes and special assessments	\$ 149,705	\$ 118,218	\$ 120,974	\$ 126,291	\$ 130,119	\$ 133,746	\$ 121,122	\$ 112,576	\$ 96,812	\$ 93,655
Licenses and permits	10,373	10,798	9,367	9,734	10,503	17,385	17,839	16,039	15,497	16,667
Intergovernmental	76,520	73,009	79,760	90,047	91,642	101,821	107,699	86,994	75,691	73,166
Local revenues	36	-	-	-	-	-	-	-	-	-
Charges for services	11,896	11,487	10,461	13,640	9,881	14,125	10,086	8,838	5,681	4,824
Fines and forfeitures	3,469	3,374	3,806	4,052	4,064	4,507	3,932	3,564	3,247	3,169
Investment income (loss)	762	1,180	1,841	774	3,805	9,986	10,905	7,825	4,762	1,511
Miscellaneous	3,822	11,700	22,054	18,000	9,346	4,915	4,212	4,136	3,335	2,774
Total revenues	256,583	229,766	248,263	262,538	259,360	286,485	275,795	239,972	205,025	195,766
Expenditures										
General government	16,065	18,147	19,668	23,085	26,048	25,364	24,524	21,868	20,892	17,274
Public safety	103,610	100,368	95,270	96,161	103,624	100,384	86,753	72,745	61,366	53,805
Public works	7,859	7,709	8,859	11,569	11,072	11,743	12,155	12,252	12,081	12,816
Community services	27,966	33,597	33,887	37,518	42,294	44,767	39,150	35,604	32,627	30,006
Community environment	5,554	6,703	6,853	6,160	3,478	4,972	4,657	3,978	3,082	3,311
Street maintenance	8,305	8,311	9,038	10,388	11,901	13,045	13,372	11,609	10,534	9,811
Miscellaneous	4,617	1,782	1,577	2,026	1,666	1,629	3,059	2,918	55	555
Capital outlay	13,980	19,634	22,093	63,529	186,175	141,060	179,421	131,243	47,283	120,833
Debt service:										
Principal	26,441	24,947	31,640	29,451	29,670	32,151	28,096	20,328	18,899	18,090
Interest	43,038	42,515	42,593	42,913	39,571	32,294	20,630	17,222	17,231	15,998
Total expenditures	257,435	263,713	271,478	322,800	455,499	407,409	411,817	329,767	224,050	282,499
Excess of revenues over (under) expenditures	(852)	(33,947)	(23,215)	(60,262)	(196,139)	(120,924)	(136,022)	(89,795)	(19,025)	(86,733)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Other financing sources (uses)										
Refunding lease issued	-	-	11,503	-	-	-	-	-	-	-
Discount on long-term debt	(1,557)	-	-	-	(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
Refunding bonds issued	239,875	-	-	-	-	93,815	-	9,065	-	-
Payment to redeem lease	-	-	(11,355)	-	-	-	-	-	-	-
Premium on long-term debt issued	19,779	898	3,369	10	1,894	2,192	1,198	1,782	230	1,114
Proceeds from equipment disposal	589	546	331	482	344	8,714	850	3,166	1,342	8,198
Capital lease proceeds	-	-	-	44	-	-	668	-	-	428
Payment to redeem/refunded bonds escrow agent	(256,054)	(9,320)	(41,251)	-	-	(83,521)	-	(9,582)	-	(21,262)
Transfers in	52,136	32,977	38,728	36,306	21,914	51,626	24,945	20,014	15,800	32,943
Transfers out	(53,267)	(33,919)	(39,045)	(33,430)	(22,465)	(52,135)	(25,309)	(19,314)	(15,964)	(33,276)
Special item	-	(25,000)	(25,000)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>1,501</u>	<u>(25,153)</u>	<u>(24,420)</u>	<u>45,062</u>	<u>198,301</u>	<u>130,677</u>	<u>135,679</u>	<u>98,164</u>	<u>17,483</u>	<u>57,585</u>
Net change in fund balances	<u>\$ 649</u>	<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>
Debt service as a percentage of noncapital expenditures	28.54%	27.64%	29.77%	27.91%	25.71%	24.20%	20.97%	18.91%	20.44%	21.09%

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)

Schedule 5

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	Improve-ments	Personal ⁽³⁾	Utilities Rails and Wires					
2003-04	\$ 298,152	\$ 820,414	\$ 37,945	\$ 58,517	\$ 135,011	\$ 1,080,017	1.72	\$ 9,391,120	12.938
2004-05	342,689	893,850	45,245	56,582	193,816	1,144,550	1.72	10,065,003	13.297
2005-06	368,181	989,418	46,475	58,101	192,607	1,269,568	1.72	11,296,734	12.943
2006-07	463,560	1,033,129	47,129	58,111	230,940	1,370,989	1.72	12,107,926	13.230
2007-08	593,311	1,406,513	51,889	60,680	285,374	1,827,019	1.62	16,733,846	12.624
2008-09	739,936	1,821,057	56,528	61,347	485,193	2,193,675	1.59	21,034,639	12.736
2009-10	739,388	1,844,506	60,888	62,176	576,051	2,130,907	1.59	20,635,557	13.118
2010-11	654,550	1,593,536	59,049	56,217	609,782	1,753,570	1.59	17,333,074	13.635
2011-12	330,057	1,189,718	49,391	53,746	473,388	1,149,524	1.59	12,040,482	13.479
2012-13	304,041	1,130,460	45,507	53,158	485,894	1,047,273	1.90	11,471,039	13.366

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.
 - (3) The Assessor's Office no longer breaks down the secured and unsecured personal property as of 2013. All prior years secured and unsecured have been combined.

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
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
2012-13	0.22	1.68	1.90	22.93	18.08	17.75

Source: Maricopa County 2012 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, 2013
 (amounts expressed in thousands)

Schedule 7

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Taxpayer	Tax Year 2013			Tax Year 2003		
	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	\$ 17,905	1.71 %	1	\$ 15,145	1.53 %
VHS of Arrowhead, Inc.	2	11,631	1.11			
Arrowhead Towne Center LLC	3	10,495	1.00			
Wal-Mart Stores, Inc.	4	7,353	0.70			
JQH-Glendale Az Development LLC	5	6,818	0.65			
Centurylink (Qwest Corporation)	6	6,497	0.62	2	13,251	1.34
New Westgate LLC	7	6,287	0.60			
Stadium Development LLC	8	4,618	0.44			
Southwest Gas Corporation	9	3,956	0.38	5	5,136	0.52
Outlets at Westgate LLC	10	3,682	0.35			
Honeywell, Inc.				3	11,346	1.15
New River Associates				4	10,822	1.09
Corning Gilbert, Inc.				6	4,349	0.44
KB Toys				7	4,080	0.41
Chase Commercial Mtg.				8	3,581	0.36
Lexington Glendale LLC				9	3,369	0.34
May Department Stores				10	3,134	0.32
Total principal taxpayers		\$ 79,242	7.56 %		\$ 74,213	7.50 %

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
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	551	28,374	98.77
2008-09	33,927	32,411	95.53	1,004	33,415	98.49
2009-10	33,617	32,260	95.96	640	32,900	97.87
2010-11	27,534	26,469	96.13	97	26,566	96.48
2011-12	20,787	20,090	96.65	296	20,386	98.07
2012-13	21,841	21,268	97.38	-	21,268	97.38

Source: Maricopa County Treasurer's Office

(1) Total levy includes only secured property.

(2) Includes collections and resolutions.

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Retail sales	\$ 67,133	\$ 49,686	\$ 48,089	\$ 49,127	\$ 48,353	\$ 54,416	\$ 50,733	\$ 48,743	\$ 41,883	\$ 41,262
Contracting	4,721	5,170	6,742	4,458	6,378	9,540	10,483	9,729	7,716	7,709
Rentals	14,182	11,550	11,854	12,729	11,511	12,082	9,895	8,897	8,228	7,752
Utilities	8,028	6,393	6,449	6,829	6,449	5,359	4,724	4,168	1,967	2,606
Telecom/cable TV	5,540	5,144	6,093	6,156	6,722	6,174	5,914	5,300	5,179	4,290
Restaurant/bar	14,284	11,975	11,207	10,791	10,863	10,995	9,335	8,163	7,031	6,676
Amusement	2,154	2,896	1,860	3,697	3,659	3,034	3,288	1,934	1,043	1,058
Other	6,920	3,816	5,568	4,018	4,002	3,575	3,453	4,034	4,119	3,410
Total	\$ 122,962	\$ 96,630	\$ 97,862	\$ 97,805	\$ 97,937	\$ 105,175	\$ 97,825	\$ 90,968	\$ 77,166	\$ 74,763
% Growth by year										
Retail sales	35.1 %	3.3 %	(2.0) %	1.6 %	(11.1) %	7.3 %	4.1 %	16.4 %	1.5 %	12.6 %
Contracting	(8.7)	(23.3)	51.0	(30.1)	(33.1)	(9.0)	7.8	26.1	0.1	36.7
Rentals	22.8	(2.6)	(7.0)	10.6	(4.7)	22.1	11.2	8.1	6.1	8.2
Utilities	25.6	(0.9)	(6.0)	5.9	20.3	13.4	13.3	111.9	(24.5)	47.6
Telecom/cable TV	7.7	(15.6)	(1.0)	(8.4)	8.9	4.4	11.6	2.3	20.7	76.0
Restaurant/bar	19.3	6.9	4.0	(0.7)	(1.2)	17.8	14.4	16.1	5.3	8.9
Amusement	(25.6)	55.7	(50.0)	1.0	20.6	(7.7)	70.0	85.4	(1.4)	76.0
Other	81.3	(31.5)	39.0	0.4	11.9	3.5	(14.5)	(2.1)	20.8	(1.3)
Total	27.3 %	(1.3) %	0.1 %	(0.1) %	(6.9) %	7.5 %	7.5 %	17.9 %	3.2 %	17.1 %

Source: City of Glendale Tax and License Division

Note: The 2012 and prior years 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 2013 tax rate for City activities is 2.9% except for telecommunications which is 6.1%, restaurant/bars 3.9%, hotel/motel 7.9%, retail sales food for home consumption 2.5%, and retail sales of individual items over \$5,000 2.2%.
 The amounts represent sales tax dollars collected for the fiscal year presented.

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
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	-
2012-13	163,130 ⁽⁴⁾	-	8,055 ⁽⁴⁾	468,875	91,140	11,094	-

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				
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 ⁽⁴⁾	-	282,625	708	-	1,064,620	4,694	13.27	
2012-13	5,515 ⁽⁴⁾	-	273,080	-	-	1,023,896	4,471	12.21	

(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 Funds ⁽²⁾	Total	Percentage of Net Assessed Value of Property	Per Capita ⁽³⁾
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
2012-13	168,645 ⁽⁴⁾	12,641	156,004	14.90	681.22

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, 2013

(amounts expressed in thousands)

Jurisdiction	Net Debt Outstanding	Percentage Applicable to Glendale	Amount Applicable to Glendale ⁽²⁾
Peoria Unified School District No. 11	\$ 211,910	21.5051 %	\$ 45,571
Glendale Elementary School District No. 40	14,885	99.0481	14,743
Deer Valley Unified School District No. 97	180,800	20.2875	36,680
Alhambra Elementary School District No. 68	5,675	18.6307	1,057
Glendale Union High School District No. 205	81,460	19.7245	16,068
Maricopa County			
Maricopa County Community College District	766,085	3.2483	24,885
Phoenix Union High School District No. 210	246,635	1.1448	2,823
Pendergast Elementary School District No. 92	9,265	26.2002	2,427
Tolleson Union High School District No. 214	54,215	7.5111	4,072
Washington Elementary School District No. 6	83,440	2.4749	2,065
Dysart Unified School District No. 89	170,995	0.0843	144
Agua Fria Union High School District No. 216	54,795	0.0439	24
Litchfield Elementary School District No. 79	32,750	0.0665	22
Cartwright Elementary School District No. 83	16,360	-	-
Total Overlapping Debt	1,929,270		150,581
City of Glendale Debt ⁽¹⁾	150,489		150,489
Total	<u>\$ 2,079,759</u>		<u>\$ 301,070</u>

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.

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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 2013

		2004	2005	2006	2007	2008	2009	2010	2011 ⁽¹⁾	2012 ⁽¹⁾	2013 ⁽¹⁾
6% Type Bonds											
	Assessed value										\$ 1,047,273
	Debt limit (6% of assessed value)										62,836
	Debt applicable to limit: General obligation bonds										8,194
	Less: Amount set aside for repayment of general obligation debt										(885)
	Total net debt applicable to limit										<u>7,309</u>
	Legal debt margin										<u>\$ 55,527</u>
	Debt limit	\$ 64,801	\$ 68,673	\$ 76,174	\$ 82,259	\$ 109,621	\$ 131,621	\$ 127,854	\$ 105,214	\$ 68,971	\$ 62,836
	Total net debt applicable to limit	<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>	<u>7,309</u>
	Legal debt margin	<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>	<u>\$ 55,527</u>
	Total net debt applicable to the limit as a percentage of debt limit	76.23%	75.26%	68.97%	47.41%	39.55%	24.40%	22.69%	13.69%	16.61%	11.63%
20% Type Bonds											
	Assessed value										\$ 1,047,273
	Debt limit (20% of assessed value)										209,455
	Debt applicable to limit: General obligation bonds										160,451
	Less: Amount set aside for repayment of general obligation debt										(11,756)
	Total net debt applicable to limit										<u>148,695</u>
	Legal debt margin										<u>\$ 60,760</u>
	Debt limit	\$ 216,003	\$ 228,910	\$ 253,914	\$ 274,198	\$ 365,404	\$ 438,735	\$ 426,181	\$ 350,714	\$ 229,905	\$ 209,455
	Total net debt applicable to limit	<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>	<u>148,695</u>
	Legal debt margin	<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>	<u>\$ 60,760</u>
	Total net debt applicable to the limit as a percentage of debt limit	46.83%	43.40%	44.58%	63.00%	41.09%	31.53%	38.44%	47.34%	69.29%	70.99%

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

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

Schedule 14

Fiscal Year	Water and Sewer Revenue Bonds					
	Utility Service Charges ⁽¹⁾	Less: Operating Expenses ⁽²⁾	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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 ⁽³⁾	1.84
2012-13	83,454	39,203	44,251	9,755	13,152	1.93

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	
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 ⁽⁶⁾	27,279	3.35
2012-13	21,691	3,005	4,321	2.96	131,931 ⁽⁷⁾	2,790 ⁽⁶⁾	30,713 ⁽⁸⁾	3.94

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 - 2011-12 Water & Sewer Revenue Bond \$74,050 and Excise Tax Revenue Bonds \$8,945; and 2012-13 Excise Tax Revenue Bonds \$243,250.

(7) Excise tax revenue amounts include state shared revenues.

(8) Includes interest expense from refunding the Western Loop 101 Public Facilities Bonds in December 2012.

Demographic and Economical Statistics

Last Ten Fiscal Years

(amounts expressed in thousands)

<u>Fiscal Year</u>	<u>City of Glendale Population⁽²⁾</u>	<u>Maricopa County Population⁽⁶⁾</u>	<u>Personal Income⁽¹⁾</u>	<u>Per Capita Personal Income⁽¹⁾⁽⁴⁾</u>	<u>Unemployment Rate</u>
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	3.1
2007-08	249	3,988	145,880,680	36,580	3.6
2008-09	250	4,116	146,898,132	35,690	8.4
2009-10	250	4,023	142,091,681	35,320	9.1
2010-11	227	3,817	142,091,681 ⁽³⁾	37,226	9.2
2011-12	229 ⁽⁵⁾	3,880	142,091,681 ⁽³⁾	36,622	7.6
2012-13	229 ⁽⁵⁾	3,880 ⁽³⁾	142,091,681 ⁽³⁾	36,622	7.2

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

(2) Estimate provided by City of Glendale Planning Department.

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

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

(5) Estimate provided by Arizona Department of Administration, Office of Employment and Population Statistics website.

(6) Maricopa County population extracted from Maricopa County CAFR statistical section.

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

Schedule 16

Employer	2013			2003		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Luke Air Force Base	6,325	1	5.41 %	7,907	1	6.34 %
Banner Thunderbird Health System	2,866	2	2.45			
WalMart	2,175	3	1.86			
Glendale Union High School District	2,008	4	1.72	1,220	9	0.98
Glendale Community College	2,000	5	1.71	1,862	6	1.49
City of Glendale	1,725	6	1.47	2,021	5	1.62
Glendale Elementary School District	1,684	7	1.44	1,684	7	1.35
Deer Valley Unified School District	1,432	8	1.22	1,432	8	1.15
AAA	1,325	9	1.13			
Arrowhead Community Hospital	959	10	0.82			
Arrowhead Towne Center				2,500	2	2.00
Honeywell, Inc.				2,762	4	2.21
Thunderbird Samaritan Hospital				2,036	3	1.63
Schuck Component Systems				900	10	0.72
Total	22,499		19.23 %	24,324		19.49 %

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									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General government										
Management services	34.00	36.00	45.00	43.00	38.00	35.00	35.00	34.00	32.00	34.00
Finance	54.00	57.00	59.00	61.00	69.00	86.75	86.75	86.75	85.75	84.75
Planning	13.00	14.00	15.00	24.00	33.00	28.50	28.50	26.50	26.15	26.15
Building	21.00	24.00	26.00	32.00	43.00	53.75	51.75	55.75	57.75	44.75
Legal	67.00	66.00	70.00	73.00	70.00	78.00	78.00	67.00	67.00	61.00
Other	73.00	77.00	90.00	96.00	104.00	108.50	105.50	101.00	94.50	93.50
Police	505.00	534.00	544.00	554.00	567.00	557.50	543.50	506.50	507.50	473.50
Fire	260.00	269.00	270.00	276.00	278.00	263.50	251.50	237.50	216.00	196.00
Homeland security	-	-	-	-	6.00	7.00	7.00	-	-	-
Community service	56.00	60.00	72.00	72.00	69.00	93.75	87.25	84.25	82.75	75.25
Parks and recreation	75.00	92.00	123.00	122.00	85.00	99.25	98.75	89.75	86.75	80.40
Library	32.00	48.00	56.00	57.00	65.00	87.76	88.76	87.76	87.76	87.75
Public works	165.00	179.00	203.00	225.00	256.00	281.00	271.00	266.00	266.00	267.00
Engineering	18.00	19.00	26.00	27.00	39.00	45.00	45.00	46.00	45.00	44.00
Transportation	60.00	65.00	69.00	63.00	67.00	89.25	88.25	81.25	80.25	80.25
Utilities	172.00	185.00	167.00	170.00	171.00	186.00	165.00	146.00	140.00	132.00
Total	1,605.00	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

Sources:

City Budget Division for 2004-08

City of Glendale Human Resources Department for 2009-13

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

Schedule 18

Function/Program	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Police										
Calls for service	127,333	127,829	129,161	129,868	137,586	146,489	154,176	148,633	158,507	161,722
Bookings	8,588	7,083	9,902	11,015	11,990	12,902	12,119	8,640	8,138	8,057
Criminal offense reports	34,995	33,938	27,304	29,765	32,599	32,918	35,169	34,271	33,578	34,847
Fire										
EMS calls	30,082	29,321	27,751	26,591	24,419	25,851	25,819	22,284 ⁽¹⁾	18,977 ⁽³⁾	24,025
Fire calls	3,478	3,495	3,573	3,847	3,900	4,216	4,322	5,886 ⁽¹⁾	2,642 ⁽³⁾	3,335
Refuse collection										
Residential curb service (tons per year)	46,833	48,187	49,784	52,634	53,493	58,865	60,914	63,521	57,942	56,902
Commercial container service (tons per year)	40,272	39,722	40,451	41,797	44,600	48,267	51,425	49,517	44,441	44,681
Airport										
Departures/arrivals ⁽²⁾	76,390	80,416	80,291	69,834	91,998	137,762	152,194	143,798	108,887	118,140
General government										
Building permits	6,383	5,304	5,619	5,194	5,289	6,931	6,310	7,888	7,079	6,330
Library										
Volumes in collection ⁽⁴⁾	415,695	446,010	529,113	523,512	540,352	546,136	557,342	596,266	620,130	601,440
Transit										
Dial-A-Ride passengers	85,798	90,577	92,134	89,808	91,841	88,638	84,132	89,055	87,831	86,132

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									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Police										
Stations	3	3	3	3	3	3	3	3	3	3
Patrol vehicles	139	154	174	157	159	158	157	156	156	151
Fire stations	9	9	9	9	9	9	9	9	9	8
General government										
City square miles	59	59	59	59	59	58	57	57	57	57
Landfill										
Landfill capacity - south cell	21,218	22,065	21,912	21,666	21,666	22,594	22,594	22,594	22,594	22,594
Landfill capacity used - south cell	18,849	19,257	18,444	18,529	18,126	17,776	17,358	16,790	16,328	15,910
Other public works										
Streets (miles)	718	717	802	736	736	736	736	733	709	702
Parks and recreation										
Number of parks/retention basins/facilities	100	100	100	100	99	99	95	92	92	93
Acres of parks	2,189	2,189	2,189	2,189	2,199	2,125	2,125	2,058	2,052	1,998
Transit										
Dial-A-Ride minibuses	21	21	21	22	23	22	22	25	25	22

Source: Various city departments
 Note: Landfill capacity in thousands

WATER RATES PER METER SIZE

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

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

SEWER SERVICE RATES

Type of Service	Inside City	Outside City
Single Family Dwelling Unit	\$ 32.68	\$ 40.18
Office Building	44.09	N/A
Apartment - Average 5 units	90.14	96.63
Apartment - Average 35 units	533.39	124.85
Retail/Wholesale	64.05	N/A

(1) Per 1,000 gallons

SOURCE: City of Glendale Finance as of October 2013

HISTORICAL AVERAGE NUMBER OF WATER ACCOUNTS ⁽¹⁾

Fiscal Year Ending June 30	Residential	Commercial ⁽²⁾	Total
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
2013 ⁽³⁾	55,725	5,976	61,701

(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
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
2012	27,695	11,278	3,683	42,656

(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 SEWERAGE TREATED

Fiscal Year Ending June 30	No. of Sewer Accounts Billed	Multi-City Plant ⁽¹⁾ (MGD) Actual	Arrowhead (MGD)	West (MGD)
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
2012	57,300	7.3	2.5	5.8

(1) SROG - Sub Regional Operating Group

SOURCE: City of Glendale Finance and Utilities Departments.

City of Glendale
Finance Division
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