



Comprehensive Annual Financial Report

City of Glendale, Arizona

For the Fiscal Year Ended
June 30, 2017



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City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

INTRODUCTORY SECTION

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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City of Glendale, Arizona

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2017

Mayor Jerry Weiers

Councilmembers

Ian Hugh - Vice Mayor, Cactus District

Bart Turner - Barrel District

Lauren Tolmachoff - Cholla District

Jamie Aldama - Ocotillo District

Ray Malnar - Sahuaro District

Joyce Clark - Yucca District

Management Staff

Kevin Phelps - City Manager

Tom Duensing - Assistant City Manager

Prepared by Finance

Vicki Rios, Budget and Finance Director

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**City of Glendale, Arizona
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2017**

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December 21, 2017

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

The Budget and Finance Department is pleased to submit the City of Glendale, Arizona's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2017. The CAFR includes a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP). The financial statements 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 accuracy and completeness of the data, including all disclosures 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 are free of 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 15. 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 CliftonLarsonAllen 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, 2017, 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 City's independent auditors also perform the Single Audit of the City's federal grant programs. 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 involving the administration of federal awards. The Single Audit Reporting Package is issued separately from this financial report and is available upon request.

Budgetary Controls

The annual budget serves as the foundation for the City's financial planning and control. City departments are required to submit requests for appropriation to the City Manager on or before the last week of December each year. Management uses these requests to develop a budget to propose to the City Council for review and adoption. The City Council is required to hold public hearings on the proposed budget and adopt the final budget by the first Monday in August. The City maintains budgetary controls that are designed to ensure compliance with budgetary and legal provisions contained in the annually appropriated operating and capital project budgets approved by the City Council. The legal level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the city-wide level consisting of the total operating budget and the total capital projects budget, as adopted by

the City Council. For budget administrative purposes, the City maintains budgetary controls at the fund and department level. Department Heads may request transfers of appropriations within the same fund for his/her department. However, transfers of appropriations between funds and departments 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.

Arizona state law and Glendale City financial policies require that each annual city budget be a balanced budget. A balanced budget means the total expenditures cannot exceed the budgeted period's total financial resources available. The adopted FY16-17 budget complies with the balanced budget requirement in all City funds. Additionally, the State of Arizona sets a limit on the expenditures of local jurisdictions. Compliance with these expenditure limitations is required. The City submits an audited expenditure limitation report as defined by the Uniform Expenditure Reporting System (A.R.S. Section 41-1279.07) along with audited financial statements to the State Auditor General within the required timeframe.

City of Glendale Profile

The City of Glendale, Arizona is the fifth largest city in the state with a population of approximately 238,000 people. Located in the northwestern part of the metropolitan Phoenix area and occupying approximately 60 square miles of land, the City is home to the Arizona Cardinals and the Arizona Coyotes. The City is also the owner of Camelback Ranch, the spring training facility for the Los Angeles Dodgers and the 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, Municipal Judge and City Auditor (Internal). 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 services; water, sewer, and solid waste 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 the Municipal Property Corporation, a legally separate entity, that is reported within the City's financial statements.

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.

Primary Revenue Sources

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. Local sales tax revenues increased 3.7% this fiscal year when compared to the last fiscal year. The growth can be attributed to the improving economy and economic development activities which are expected to generate additional construction sales tax revenue. In addition, as the jobless claims continue to decline and the overall economy continues to improve, rising consumer confidence is expected to lead to increased spending, especially in retail sales. The city's state shared sales tax revenues also increased 2.5% compared to last fiscal year.

Workforce and Unemployment

Glendale's unemployment rate for the month of June 2017 was 4.9% which is lower than the statewide unemployment rate of 5.3%. Glendale's workforce is concentrated in the following nonfarm sectors: retail (11.41%), health care services (11.38%), consumer services (8.55%), government and social advocacy services (8.31%), education (7.99%), construction (5.89%), finance, insurance and real estate (4.27%), business services (4.06%), and transportation and distribution (2.94%). Arizona's nonfarm employment grew 2.4% over last year with leisure & hospitality, education and health services, professional & business services leading the growth.

Economic Development

Business attraction, business retention & expansion, redevelopment, business assistance, and major events comprise the five pillars of Glendale's economic development program. Business attraction is focused on five targeted industries: aerospace & defense, manufacturing, signature retail & entertainment, medical technology, and advanced business services. In fiscal year 2017, the City successfully hosted the 2017 NCAA Men's Final Four Basketball Championship at the University of Phoenix Stadium, which was reported by the Arizona State University WP Carey School of Business as having a \$324.5 million impact for Arizona. Major business attraction and retention projects in representative target industries include Lockheed Martin, H&M Metals, Ring Video Doorbell, AKDHC, Avanti Windows and Bechtel. Consumer-products manufacturer Conair Corporation completed construction of their \$40 million, 1 million square foot state of the art e-commerce fulfillment center. This is the third building in the Glen Harbor Business Park, which increases the size of their corporate campus to approximately 2.3 million SF total, or 53 acres under roof. Conair plans to hire 300 new positions over the next couple of years bringing their campus total to 750 employees. BMW's new \$30 million, 80,000+ square foot high end full service dealership will employ up to 200 new positions paying an average of \$65,000 annually plus benefits and bonuses. This project represents two of the most prominent goals of Economic Development, facilitating the creation of high quality jobs for citizens and an additional sales tax revenue source for the City of Glendale. Alaska USA Federal CU expanded their corporate foot print in Glendale's Talavi Business Park with their \$17 million purchase of the 185,000 square feet Talavi Tech building, which was formerly part of the Honeywell campus. This new facility along with their existing data center and newly acquired branch location will provide hundreds of new finance, IT, and customer service positions.

Financial Strategy

As part of the annual budget process, the city prepares a five-year financial forecast for each of the City's major operating funds. The forecast provides a long-term view of current year budget decisions affecting the City and provide an estimate of fund balance and sensitivity to revenue and expenditure changes over the forecast period. Through sound financial planning and positive economic conditions, the City's General Fund balance continues to improve and increased \$2.4 million in fiscal year 2017. The City's general obligation and general excise tax bond ratings were upgraded by Moody's Investor Services in April 2017.

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, 2016. This was the twenty-ninth consecutive year the City has received this prestigious award, and the thirty-first 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 fiscal year beginning July 1, 2016. This was the thirtieth consecutive year 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,

A handwritten signature in black ink, appearing to read "Vicki L. Rios". The signature is fluid and cursive, with a horizontal line extending from the end.

Vicki L. Rios, CPA
Budget and Finance Director



Government Finance Officers Association

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

Presented to

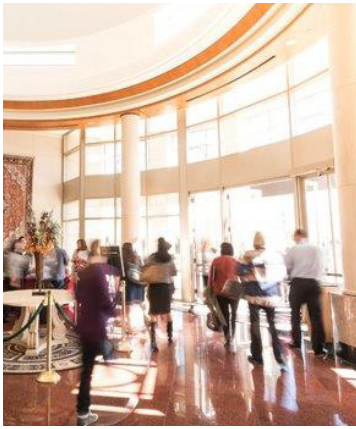
**City of Glendale
Arizona**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

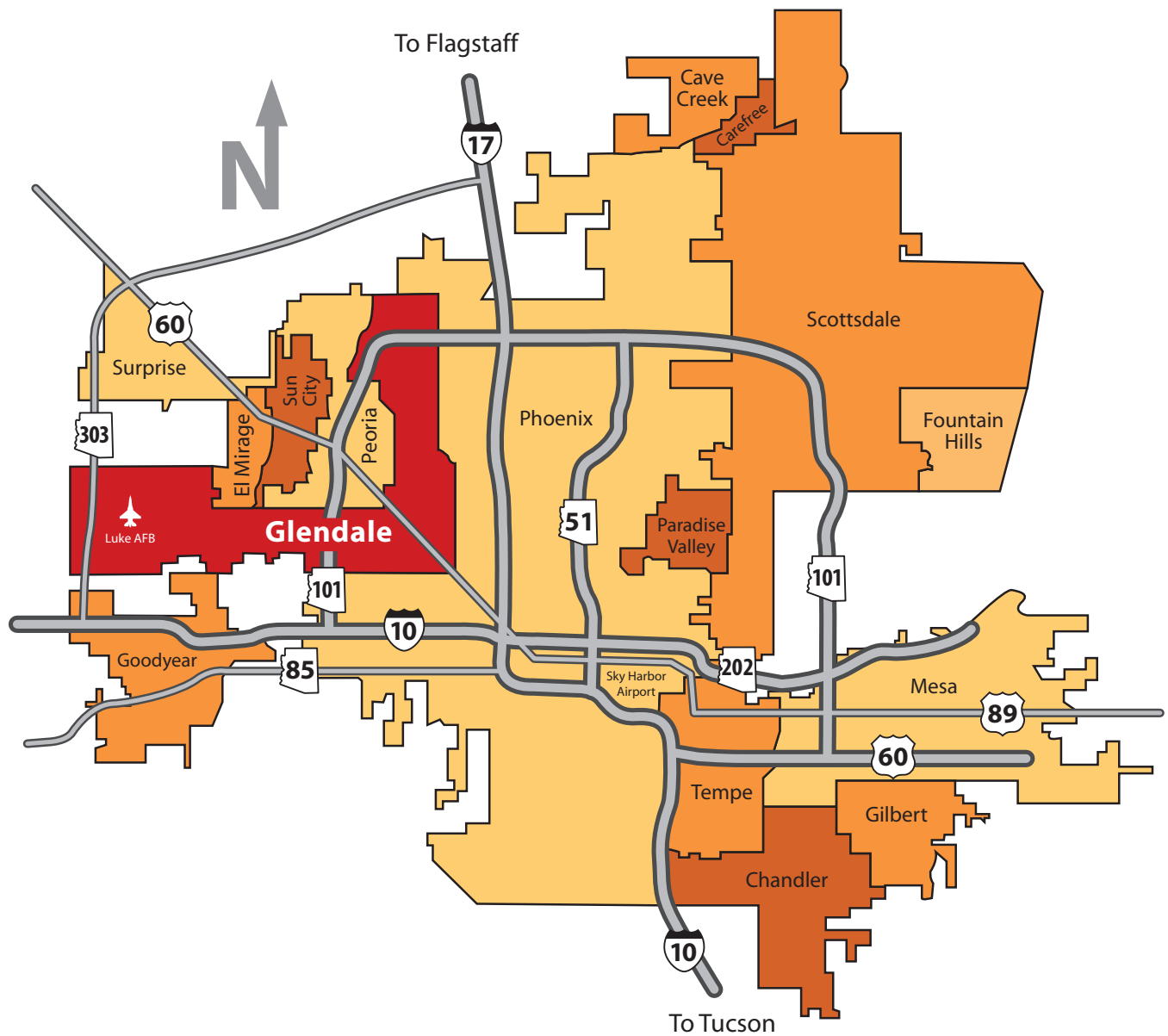
June 30, 2016



Executive Director/CEO



Glendale, Arizona & Neighboring Communities



GLENDALE CITY OFFICIALS



Jerry Weiers
Mayor



Ian Hugh
Vice Mayor/
Councilmember
Cactus District



Bart Turner
Councilmember
Barrell District



Lauren Tolmachoff
Councilmember
Cholla District



Jamie Aldama
Councilmember
Ocotillo District



Ray Malnar
Councilmember
Sahuaro District



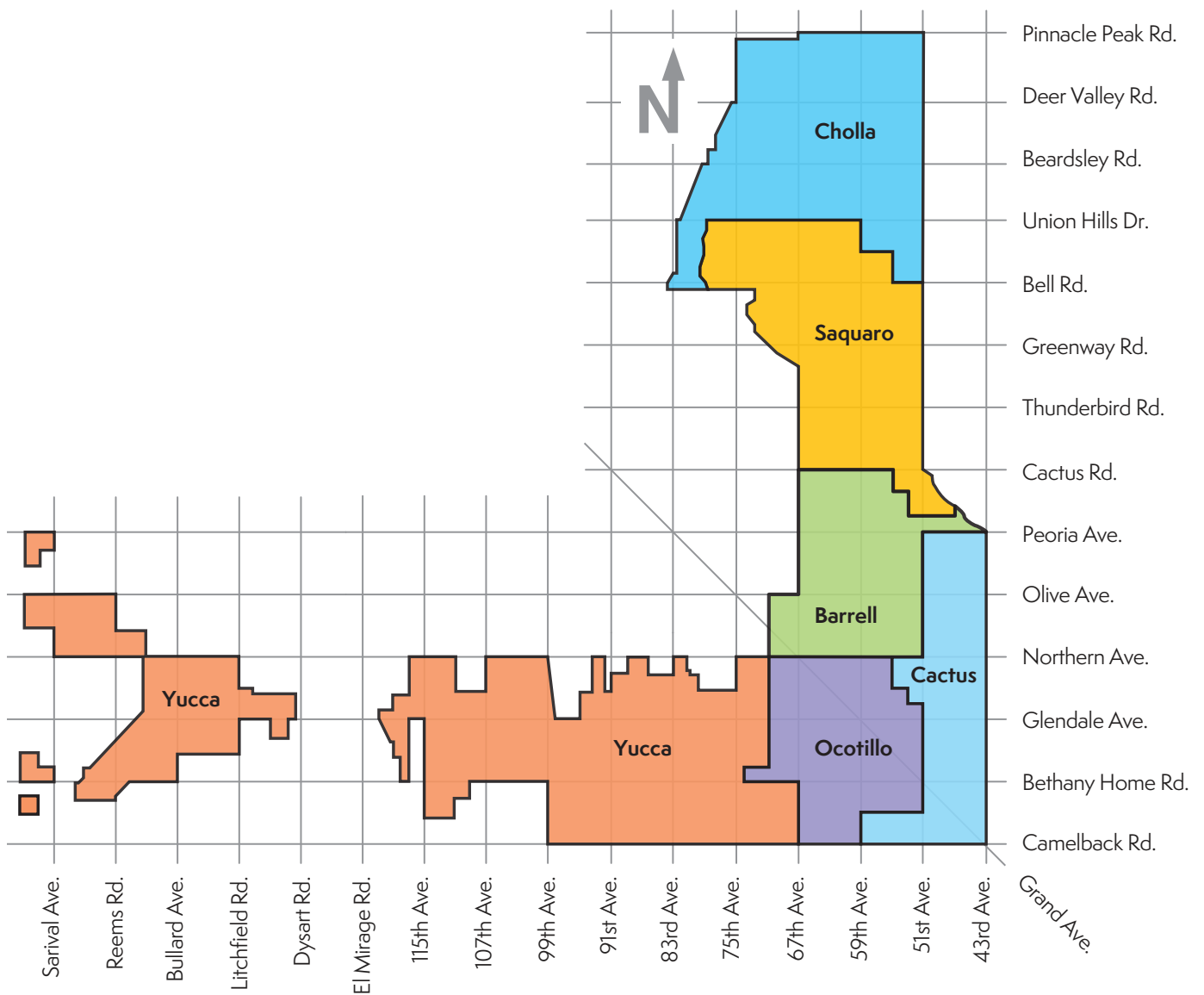
Joyce Clark
Councilmember
Yucca District



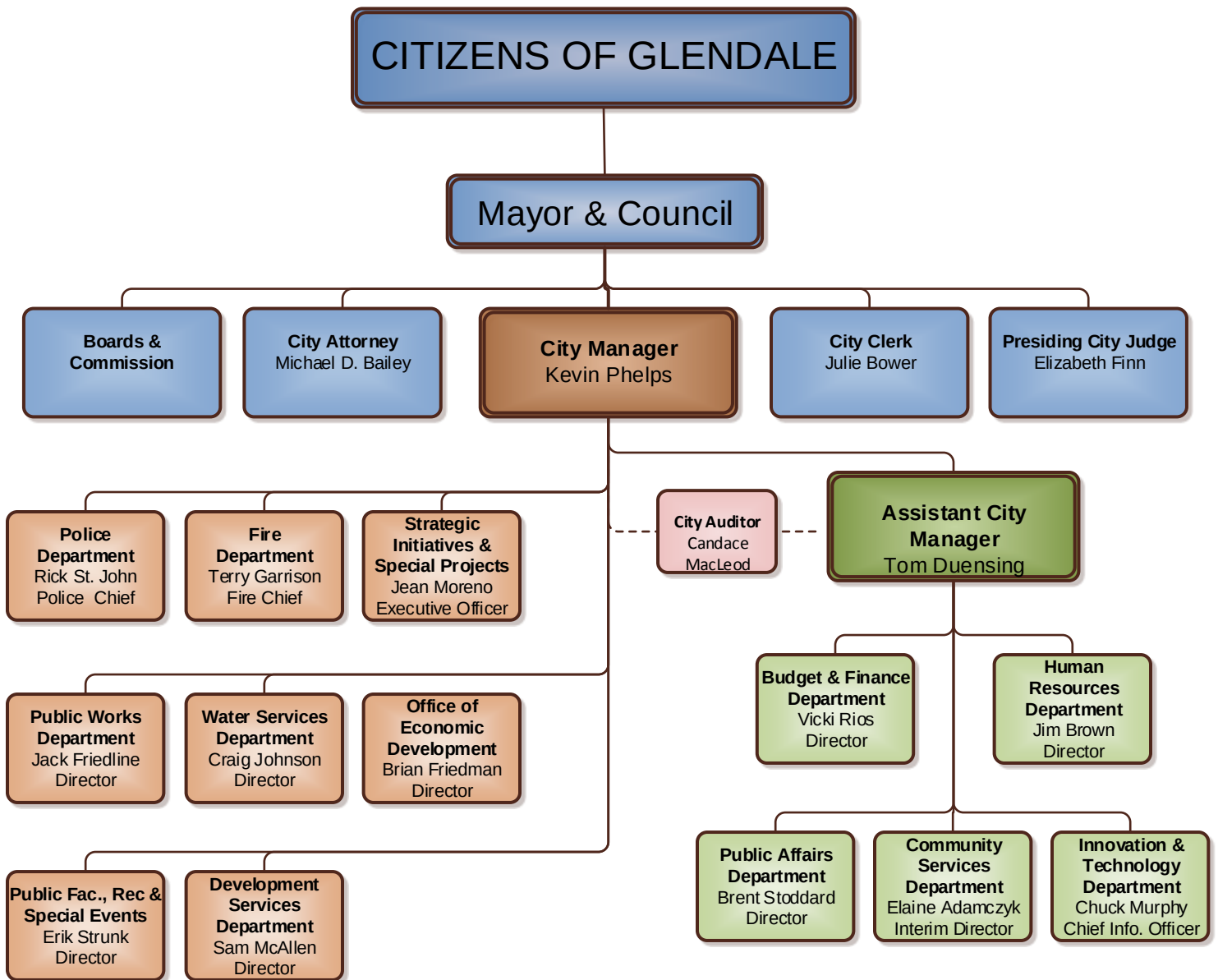
Kevin Phelps
City Manager



Glendale Council District Boundaries



GLENDALE ORGANIZATIONAL CHART



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City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FINANCIAL
SECTION**

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Members of City 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, 2017, 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, 2017, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information for the City's pension plans, other postemployment benefits, and budgetary comparison schedule for the general fund (as listed in the table of contents) 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'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 combining and individual nonmajor fund financial statements and the supplementary information (the federal financial data schedules) 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.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2017, on our consideration of the City'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 solely 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 the effectiveness of the City's 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's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Phoenix, Arizona
December 21, 2017

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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, 2017

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CITY OF GLENDALE, ARIZONA

Management's Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2017

(amounts expressed in thousands)

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, 2017. 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 1-4. 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 2016-17:

- The City's total net position decreased \$29,896 or 4.0%. The governmental net position decreased by \$29,460 or 7.8%, and the business-type net position decreased by \$436 or 0.1%. The decrease in net position in governmental activities is primarily due to an increase in net pension obligations.
- General revenues from governmental activities increased \$5,237 or 2.2%. The primary reason for this increase was an increase of \$5,578 or 3.7% in sales tax revenues. In addition, state shared income tax increased \$2,081 or 7.6%, and state shared sales tax increased \$542 or 2.5%.
- Governmental activities program specific revenues in the form of charges for services, grants, and contributions increased \$3,197 or 4.8%. Charges for services revenue increased \$1,837 or 5.5%. This increase is due to an increase in development impact fee revenues.
- The total cost of all City programs increased by \$38,468 or 9.1%. The increase is attributed to an increase of \$34,292 or 25.9% in public safety expenses in the governmental activities and an increase of 3,125 or 3.9% in water and sewer and \$2,253 or 24.9% in landfill expenses for the business-type activities. The increase in public safety expenses is due to an increase in salaries and pension expenses. The increase in water and sewer is expenses is due to an increase in salaries and professional and contractual expenses. The increase in landfill expenses is due to an increase in professional and contractual expense.
- The General Fund, a major governmental fund, collected \$224,814 in revenues which is an increase of \$4,822 or 2.2% from the prior year. This increase was primarily due to an increase in taxes and intergovernmental revenues. The total expenditures of the General Fund were \$193,975, which is an increase of \$8,536 or 4.6%. A significant portion of this increase related to an increase in public safety and community services expenditures.
- In April 2017, the City's general obligation and general excise tax bond ratings were upgraded by Moody's Investor Services.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information intended to provide additional detail to support the basic 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 the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Net position is categorized as net investment in capital assets, 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 that illustrates how the City's net position changed during the 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, such as revenues pertaining to uncollected taxes and expenses pertaining to 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, solid waste, and housing.

Fund Financial Statements

The Fund Financial Statements found on page 30, 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 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.

CITY OF GLENDALE, ARIZONA

Management's Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2017

(amounts expressed in thousands)

The City maintains 16 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 2 major funds. Data from the other 14 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules.

Proprietary Funds

The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer, landfill, solid waste, 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 fleet, technology, 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 fund, while data from the other three enterprise funds is combined into a single, aggregated presentation. Individual fund data for each of the non-major enterprise funds is provided in the form of combining statements and schedules. Conversely, all five 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.

Notes to the Financial Statements

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

Additional Required Supplementary Information

Following the basic financial statements is Required Supplementary Information (RSI) that further explains and supports the financial information in the financial statements. RSI presents the budgetary comparison schedules for the general fund, as well as other required supplementary information related to the City's pensions 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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$724,391 as of June 30, 2017.

By far the largest portion of the City's net position reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is 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.

CITY OF GLENDALE, ARIZONA

Management's Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2017

(amounts expressed in thousands)

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 the three categories of net position except for unrestricted net position for the governmental activities which decreased by \$39,097 or 16.3% over the prior year. The City is addressing the negative unrestricted net position for the governmental activities by holding the line on expenditures and decreasing debt service payments as a result of bond refundings in fiscal years 2015, 2016 and 2017.

The chart below is a comparison of the City's net position for fiscal years 2017 and 2016:

Condensed Statement of Net Position

As of June 30, 2017, and 2016

(in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 299,556	\$ 310,629	\$ 137,420	\$ 141,397	\$ 436,976	\$ 452,026
Capital Assets:						
Non-depreciable	132,255	134,016	42,145	43,842	174,400	177,858
Depreciable (net)	1,007,060	1,019,063	463,149	461,560	1,470,209	1,480,623
Equity in joint venture	3,359	-	48,448	51,074	51,807	51,074
Total assets	1,442,230	1,463,708	691,162	697,873	2,133,392	2,161,581
Deferred Outflows of Resources	101,981	81,535	15,849	12,594	117,830	94,129
Current liabilities	75,389	132,360	29,134	38,501	104,523	170,861
Noncurrent liabilities	1,098,558	1,017,733	298,691	293,892	1,397,249	1,311,625
Total liabilities	1,173,947	1,150,093	327,825	332,393	1,501,772	1,482,486
Deferred Inflows of Resources	19,801	15,227	5,258	3,710	25,059	18,937
Net position:						
Net investment						
in capital assets	471,979	456,001	267,111	256,488	739,090	712,489
Restricted	157,251	163,592	22,897	21,576	180,148	185,168
Unrestricted	(278,767)	(239,670)	83,920	96,300	(194,847)	(143,370)
Total net position	\$ 350,463	\$ 379,923	\$ 373,928	\$ 374,364	\$ 724,391	\$ 754,287

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2017
(amounts expressed in thousands)

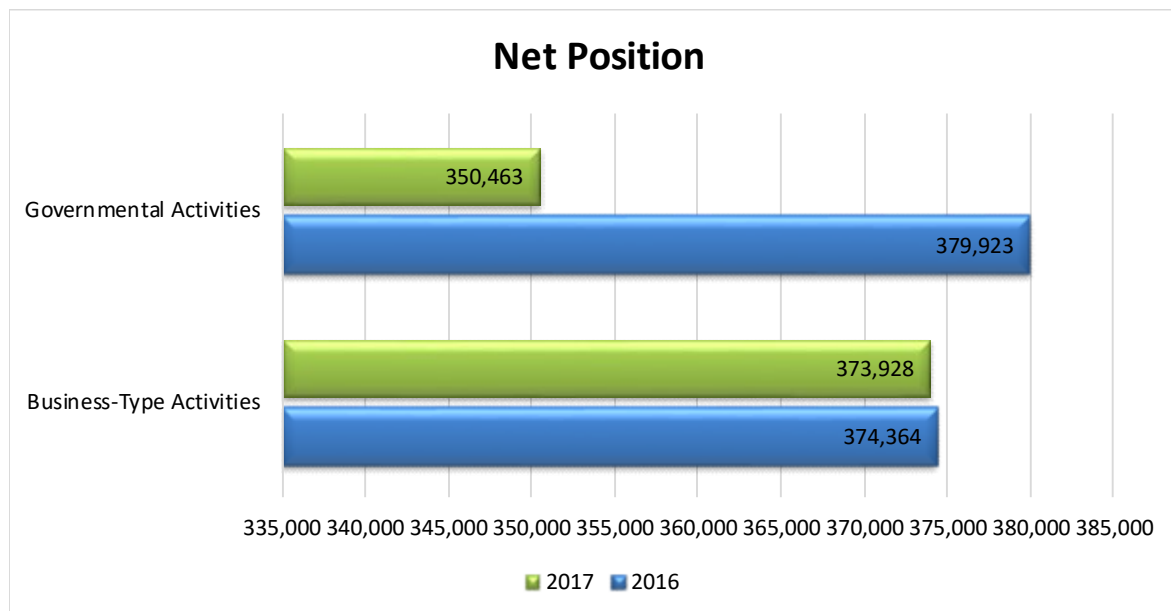
The following presents a summary of the changes in net position compared to the prior year:

Changes in Net Position As of June 30, 2017, and 2016 (in thousands)						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	\$ 35,163	\$ 33,326	\$ 107,402	\$ 109,848	\$ 142,565	\$ 143,174
Operating grants and contributions	27,519	26,225	10,230	9,809	37,749	36,034
Capital grants and contributions	6,669	6,603	2,815	815	9,484	7,418
Total program revenues	69,351	66,154	120,447	120,472	189,798	186,626
General revenues:						
Property taxes	24,955	24,531	-	-	24,955	24,531
Sales taxes	155,779	150,201	-	-	155,779	150,201
State shared sales tax	22,024	21,482	-	-	22,024	21,482
Urban revenue sharing (state shared income tax)	29,378	27,297	-	-	29,378	27,297
Auto in-lieu taxes	9,458	9,351	-	-	9,458	9,351
Investment earnings, unrestricted	(253)	1,225	883	614	630	1,839
Miscellaneous	1,400	3,417	114	63	1,514	3,480
Total revenues	312,092	303,658	121,444	121,149	433,536	424,807
Expenses:						
General government	61,373	64,228	-	-	61,373	64,228
Public safety	166,790	132,498	-	-	166,790	132,498
Public works	24,768	24,859	-	-	24,768	24,859
Community services	33,752	32,796	-	-	33,752	32,796
Community environment	3,930	4,262	-	-	3,930	4,262
Street maintenance	21,848	21,219	-	-	21,848	21,219
Interest on long-term debt	27,827	27,932	-	-	27,827	27,932
Water and sewer	-	-	83,500	80,375	83,500	80,375
Landfill	-	-	11,302	9,049	11,302	9,049
Solid Waste	-	-	15,698	15,016	15,698	15,016
Housing	-	-	12,644	12,730	12,644	12,730
Total expenses	340,288	307,794	123,144	117,170	463,432	424,964
Excess before transfers	(28,196)	(4,136)	(1,700)	3,979	(29,896)	(157)
Transfers in (out)	(1,264)	(803)	1,264	803	-	-
Increase (decrease) in net position	(29,460)	(4,939)	(436)	4,782	(29,896)	(157)
Net position beginning	379,923	384,862	374,364	369,582	754,287	754,444
Net position ending	\$ 350,463	\$ 379,923	\$ 373,928	\$ 374,364	\$ 724,391	\$ 754,287

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2017
(amounts expressed in thousands)

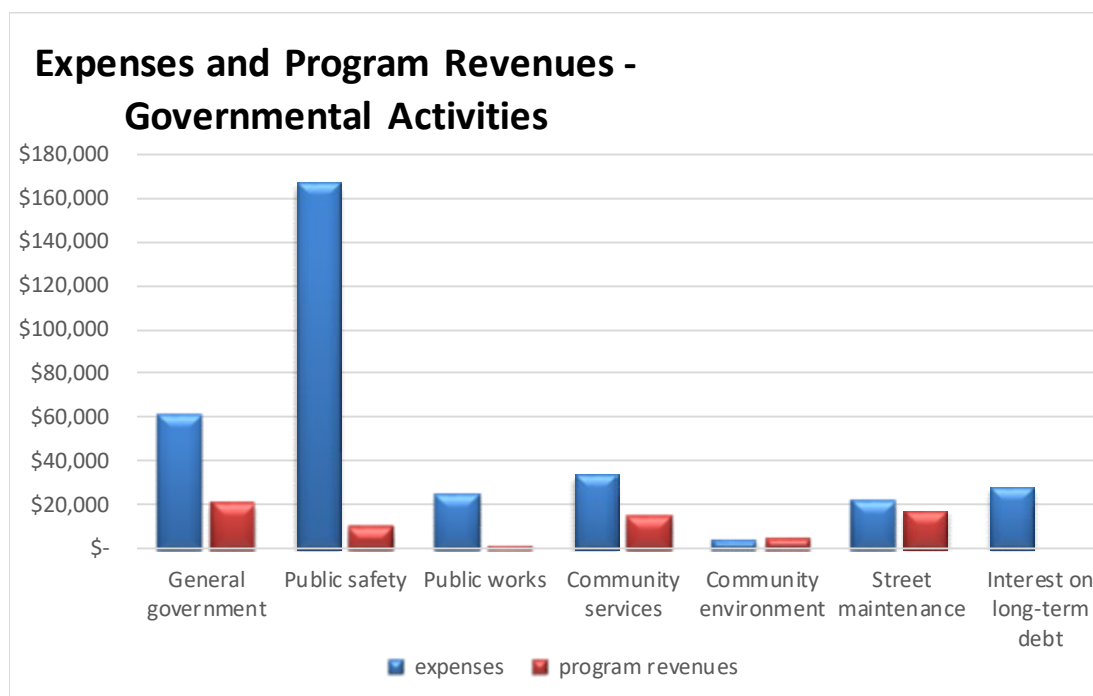
Changes in Net Position

The net position of the governmental activities decreased by \$29,460 and business-type activities' net position decreased by \$436.



Revenues and Expenditures

The chart below shows the performance of the revenues in the governmental activities versus expenses:



CITY OF GLENDALE, ARIZONA

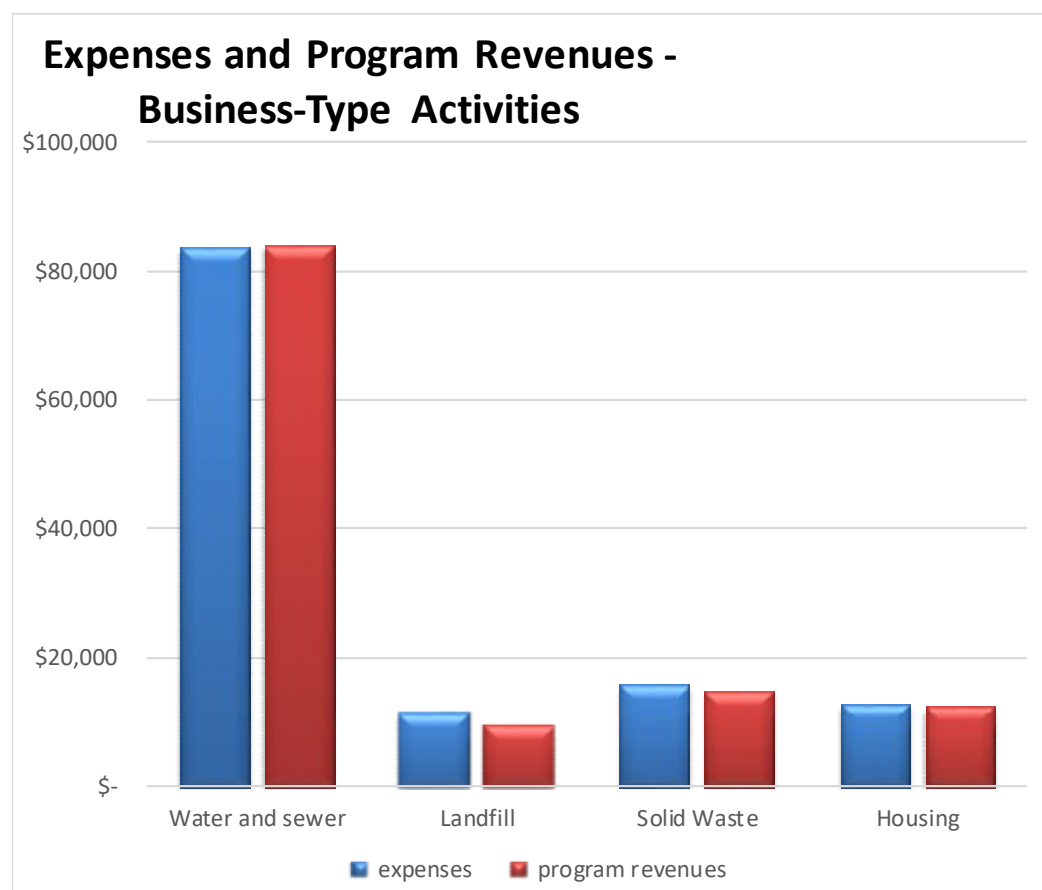
Management's Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2017

(amounts expressed in thousands)

The City's total revenues from governmental activities for the fiscal year ended June 30, 2017 increased \$8,434 or 2.8%. The increase in revenues is due to an increase in local sales tax, state shared sales tax, and state shared income tax revenues. The cost of programs and services for governmental activities was \$340,288, an increase of \$32,494 or 10.6%. The increase is primarily due to an increase in public safety expenses related to pensions and an increase in salaries expenses.

The chart below shows the performance of the expenses and revenues in the business-type activities:



The City's total revenues from business-type activities for the fiscal year ended June 30, 2017 were \$121,444, an increase of \$295 or 0.2%. The cost of programs and services was \$123,144, an increase of \$5,974 or 5.1%. Water and sewer expenses increased \$3,125 or 3.9% and landfill expenses increased \$2,253 or 24.9%.

CITY OF GLENDALE, ARIZONA

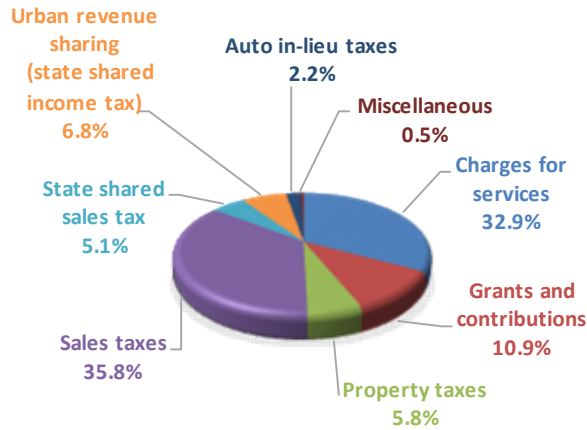
Management's Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2017

(amounts expressed in thousands)

City Revenue Categories

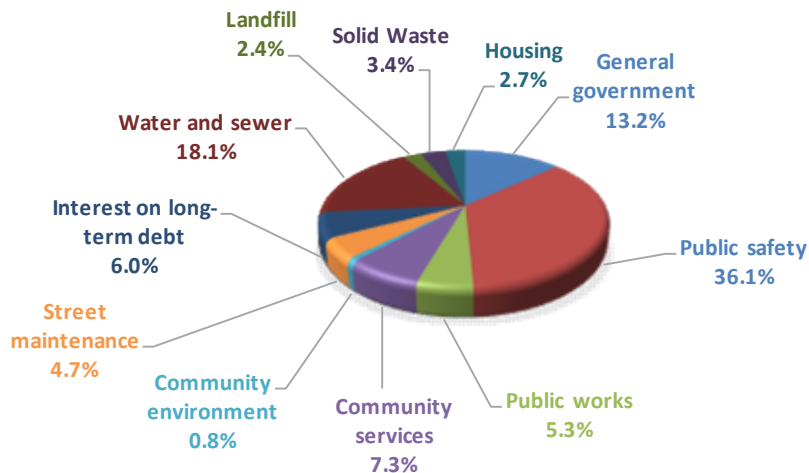
REVENUES BY SOURCE FISCAL YEAR 2016-17



The pie chart above shows the different types of revenue the City receives and the proportion of each. The majority (68.7%) of the total revenue the City receives comes from charges for services and local sales tax. The second most significant source is grants and contributions (10.9%).

City Expense Categories

EXPENSES BY FUNCTION FISCAL YEAR 2016-17



The majority of the City's expenses (54.2%) are incurred in the public safety and water and sewer categories. Public safety expenses include those related to police and fire protection services provided to the community and are funded by the general fund. Water and sewer expenses are paid by the enterprise fund which is funded primarily through user paid fees for services.

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2017
(amounts expressed in thousands)

Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$158,047, a decrease of \$5,677 or 3.5% in comparison with the prior year.

The City implemented Governmental Accounting Standards Board Statement (GASB) 54 during the 2011 fiscal year which impacted the presentation of fund balance components by more accurately classifying the fund balances into five categories: non-spendable, restricted, committed, assigned and unassigned; Note K. in the summary of significant accounting policies addresses this in greater detail. In fiscal year 2017 and 2016, \$36,789 and \$35,226 respectively, of the total fund balance constituted unassigned fund balance.

Revenues for governmental functions overall totaled \$306,503 in fiscal year 2017, an increase of \$6,936 or 2.3% from the previous years' total of \$299,567. The increase is primarily due to an increase in taxes and special assessments revenue of \$5,087 or 2.9% and an increase in intergovernmental revenue of \$3,411 or 4%.

Expenditures for governmental functions totaled \$332,637 in fiscal year 2017, a decrease of \$6,215 or 1.8% from the previous year total of \$338,852. The decrease is primarily due to a decrease in capital expenditures of \$20,136 or 34%.

The General Fund is the main operating fund of the City. The General Fund balance increased \$2,439 or 4.1%. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$40,559 while total fund balance was \$61,583. The General Fund has \$2,934 of its fund balance as non-spendable; \$7,443 as restricted; and \$10,647 assigned. Per the City's adopted financial policies, 10% of the general fund operating revenue which totals \$22,481 has been earmarked as the Budget Stabilization Reserve and \$18,078 has been earmarked as the Operating Reserve. Consistent with the requirements of GASB Statement No. 54, formal Council action was not taken prior to June 30, 2017 to commit these funds; therefore, the funds are reported as unassigned.

Overall, the General Fund's performance resulted in revenues over expenditures of \$30,839 in fiscal year 2017. In the prior year, revenues exceeded expenditures by \$34,553.

The Municipal Property Corporation (MPC) debt service fund was established to account for the debt service payments on the bonds that were issued to finance the construction of a new municipal office complex, hockey arena, public safety training center, parking garage, media center, and convention center. The fund had a balance of \$3,442 at the end of the fiscal year.

Proprietary Funds

Net position of the enterprise funds decreased \$850 or 0.2%. The enterprise funds' total net position was \$22,897 restricted, \$85,107 unrestricted, and \$267,111 invested in capital assets. This decrease in net position is primarily due to an increase in landfill operating expenses.

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 \$1,106 or 0.3% for the fiscal year ended June 30, 2017. The internal service funds account for fleet, technology, risk management, workers' compensation, and employee benefits provided to other departments. The funds saw an increase in fund balance of \$2,741 for the fiscal year ended June 30, 2017. The City's policy is to fund the worker's compensation and risk management funds at a 55% confidence level based on the most recent actuarial valuations.

CITY OF GLENDALE, ARIZONA

Management's Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2017

(amounts expressed in thousands)

General Fund Budgetary Highlights

- The City's budgeted revenues exceeded expectations and were \$1,945 higher than the final budgeted amounts. Positive economic trends resulted in taxes and charges for services that were \$1,666 and \$1,282 greater than the final budget, respectively. Intergovernmental revenues were \$467 lower than the final budget. Miscellaneous revenues were \$988 lower than the final budget.
- General Fund expenditures were lower than the final budget by \$5,927. The most significant reduction was in public safety which was \$2,051 lower than the budgeted amount due to savings in budgeted salaries expenditures. In addition, budgeted equipment purchases did not occur during the fiscal year resulting in general fund capital outlay expenditures that were \$1,283 lower than the final budget.
- General Fund budgetary fund balance increased by \$643 or 1.2%. This increase is due to tax revenues being higher than originally expected.

Capital Asset and Debt Administration

Capital Assets

The City's investment in capital assets (net of accumulated depreciation) as of June 30, 2017, for its governmental-type activities was \$1,139,315 and for the business-type activities was \$505,294. The investment in governmental and business-type capital assets consisted of land, buildings, machinery and equipment, and infrastructure for streets, parks, airport and street lighting, water, and wastewater treatment plants.

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

- Parking Lot 91st and Maryland \$4,718
- PMP Mill & Overlay South of Peoria \$8,375
- Multi Use Pathway Grand Canal \$1,583
- 47th Ave Storm Drain \$971
- Landfill Scale House and Road Location \$5,916
- City Wide Manhole Rehabilitation \$1,639
- Water Line Improvements \$7,169
- City Wide Large Meter Vault Repairs \$1,329

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2017
(amounts expressed in thousands)

The following table is a summary of capital assets reflected in the June 30, 2017, financial statements as compared to last year's financial statements.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Construction in progress	\$ 10,459	\$ 11,680	\$ 15,846	\$ 17,543	\$ 26,305	\$ 29,223
Land	119,381	119,941	26,299	26,299	145,680	146,240
Water storage rights	-	-	7,222	7,401	7,222	7,401
Artwork	2,415	2,395	-	-	2,415	2,395
Buildings	252,074	261,992	6,219	6,644	258,293	268,636
Improvements other than buildings	141,294	144,723	45,644	42,384	186,938	187,107
Infrastructure-streets	457,766	456,425	-	-	457,766	456,425
Infrastructure-parks	48,003	50,601	-	-	48,003	50,601
Infrastructure-airport	8,628	7,888	-	-	8,628	7,888
Infrastructure-flood/storm drains	67,439	67,551	-	-	67,439	67,551
Water lines	-	-	79,463	70,821	79,463	70,821
Sewer lines	-	-	75,133	74,169	75,133	74,169
Water treatment plant	-	-	138,830	146,624	138,830	146,624
Sewer treatment plant	-	-	85,028	88,599	85,028	88,599
Meters and services	-	-	14,073	14,839	14,073	14,839
Fire hydrants	-	-	2,463	2,562	2,463	2,562
Machinery and equipment	10,599	11,954	790	1,395	11,389	13,349
Computer equipment	1,142	1,089	71	323	1,213	1,412
System Purchase	-	-	477	883	477	883
Software	3,253	3,039	-	-	3,253	3,039
Automotive equipment	16,862	13,801	7,736	4,916	24,598	18,717
Total	<u>\$ 1,139,315</u>	<u>\$ 1,153,079</u>	<u>\$ 505,294</u>	<u>\$ 505,402</u>	<u>\$ 1,644,609</u>	<u>\$ 1,658,481</u>

The construction commitments at June 30, 2017 were \$38,749. Additional information on capital assets can be found in Note V of the financial statements.

Long-Term Debt

At the end of the current fiscal year, the City had total debt outstanding of \$857,921 compared to \$897,850 last year, a 4.4% net decrease.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
General obligation	\$ 120,000	\$ 135,130	\$ -	\$ -	\$ 120,000	\$ 135,130
Transportation revenue bond	74,670	77,615	-	-	74,670	77,615
Highway users revenue bonds	-	-	-	-	-	-
Excise tax revenue bonds	147,960	147,960	-	-	147,960	147,960
Municipal Property revenue bonds	283,515	288,590	-	-	283,515	288,590
Capital lease obligation	4,484	6,620	-	-	4,484	6,620
Note payable	3,677	5,515	-	-	3,677	5,515
Settlement obligation	11,100	14,100	-	-	11,100	14,100
Water and sewer revenue bonds/obligations	-	-	212,515	222,320	212,515	222,320
Total	<u>\$ 645,406</u>	<u>\$ 675,530</u>	<u>\$ 212,515</u>	<u>\$ 222,320</u>	<u>\$ 857,921</u>	<u>\$ 897,850</u>

CITY OF GLENDALE, ARIZONA

Management's Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2017

(amounts expressed in thousands)

The City received a "A+" underlying rating from Standard & Poor's and an "A1" underlying rating from Moody's Investor Services for its general obligation debt. The senior excise tax bonds are rated "AA+" by Standard and Poor's and an "A1" by Moody's. The subordinate excise tax bonds are rated "AA" by Standard and Poor's and an "A1" 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.

The Arizona Constitution provides that the general obligation bonded indebtedness for a city for general municipal purposes, libraries, economic development, historic preservation, and cultural facilities may not exceed 6% of the total limited property value of the taxable property in that city. Cities may also issue general obligation bonds up to 20% of the total limited property value for supplying 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, 2017, were \$73,633 and \$129,101, respectively. Additional information on long-term debt can be found in Note X of the financial statements.

Next Year's Budget and Economic Factors

The City of Glendale is continuing its efforts to make sound financial decisions that focus on prudent long-range planning in order to achieve \$50,000 in unrestricted fund balance by fiscal year 2020. The overall goals underlying the city's financial policies include fiscal responsibility, flexibility, and adherence to the highest accounting and management practices.

The adopted fiscal year 2017-18 budget is \$672,000, a decrease of 3.0% from 2016-17. The decrease is due to a reduction in the city's Capital Improvement Plan. The major sources of revenue for the City continue to be sales tax, state shared revenues and property taxes with projected revenues of \$106,418, \$30,139, and \$22,824, respectively. For fiscal year 2017-18, City sales tax is expected to grow by 3.0% as the jobless claims continue to decline and the overall economy continues to improve and rising consumer confidence is expected to lead to increased spending, especially in retail sales. Total revenues for fiscal year 2017-18 are projected at \$536,849.

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 Director of Budget & Finance, 5850 West Glendale Avenue, Suite 302, Glendale, Arizona 85301.



City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**BASIC
FINANCIAL
STATEMENTS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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City of Glendale, Arizona
Statement of Net Position
June 30, 2017
(amounts expressed in thousands)

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
ASSETS			
Equity in pooled cash and investments	\$ 164,315	\$ 107,255	\$ 271,570
Receivables (net of allowance for uncollectibles)			
Property taxes	888	-	888
Accounts	32,733	13,316	46,049
Note	51,308	-	51,308
Accrued interest	479	-	479
Intergovernmental receivable	4,906	31	4,937
Internal balances	1,187	(1,187)	-
Inventories and prepaid items	3,164	2,579	5,743
Restricted deposits	-	2,948	2,948
Restricted cash and investments	40,576	12,478	53,054
Capital assets:			
Non-depreciable	132,255	42,145	174,400
Depreciable (net)	1,007,060	463,149	1,470,209
Equity in joint venture	3,359	48,448	51,807
Total assets	<u>1,442,230</u>	<u>691,162</u>	<u>2,133,392</u>
DEFERRED OUTFLOWS OF RESOURCES			
Debit amounts related to pensions	80,324	6,980	87,304
Debit amounts resulting from refunded debt	21,657	8,869	30,526
Total deferred outflows of resources	<u>101,981</u>	<u>15,849</u>	<u>117,830</u>
LIABILITIES			
Vouchers payable	25,524	7,983	33,507
Accounts payable	169	56	225
Contract payable	1,125	-	1,125
Retainage payable	545	534	1,079
Matured bonds payable	23,755	9,805	33,560
Accrued interest payable	14,782	5,160	19,942
Intergovernmental payable	490	375	865
Deposits payable	3,344	5,207	8,551
Unearned revenue	5,655	14	5,669
Noncurrent liabilities:			
Due within one year	61,560	17,244	78,804
Due in more than one year	1,036,998	281,447	1,318,445
Total liabilities	<u>1,173,947</u>	<u>327,825</u>	<u>1,501,772</u>
DEFERRED INFLOW OF RESOURCES			
Credit amounts related to pensions	15,930	4,316	20,246
Credit amounts resulting from OPEB	3,871	942	4,813
Total deferred inflows of resources	<u>19,801</u>	<u>5,258</u>	<u>25,059</u>
NET POSITION			
Net investment in capital assets	471,979	267,111	739,090
Restricted for:			
Capital projects	17,992	-	17,992
Debt service	59,556	9,805	69,361
Transportation	45,015	-	45,015
Highway and streets	17,945	-	17,945
Revenue bond retirement, replacement, and extension	-	9,579	9,579
Perpetual care - nonexpendable	5,809	-	5,809
Police and Fire	7,443	-	7,443
Other purposes	3,491	3,513	7,004
Unrestricted	(278,767)	83,920	(194,847)
Total net position	<u>\$ 350,463</u>	<u>\$ 373,928</u>	<u>\$ 724,391</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, 2017
(amounts expressed in thousands)

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Grants and Contributions	Grants and Contributions
<u>Functions/Programs</u>				
Primary government:				
Governmental activities:				
General government	\$ 61,373	\$ 15,027	\$ 2,277	\$ 3,457
Public safety	166,790	5,445	4,434	128
Public works	24,768	536	47	689
Community services	33,752	13,490	963	682
Community environment	3,930	308	4,047	-
Street maintenance	21,848	357	15,751	1,713
Interest on long-term debt	27,827	-	-	-
Total governmental activities	<u>340,288</u>	<u>35,163</u>	<u>27,519</u>	<u>6,669</u>
Business-type activities:				
Water and sewer	83,500	80,219	1,068	2,562
Landfill	11,302	9,451	-	-
Solid Waste	15,698	14,856	-	-
Housing	12,644	2,876	9,162	253
Total business-type activities	<u>123,144</u>	<u>107,402</u>	<u>10,230</u>	<u>2,815</u>
Total primary government	<u>\$ 463,432</u>	<u>\$ 142,565</u>	<u>\$ 37,749</u>	<u>\$ 9,484</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

Miscellaneous

Transfers

 Total general revenues, special items, and transfers

 Change in net position

Net position - beginning

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
\$ (40,612)	\$ -	\$ (40,612)
(156,783)	-	(156,783)
(23,496)	-	(23,496)
(18,617)	-	(18,617)
425	-	425
(4,027)	-	(4,027)
(27,827)	-	(27,827)
<u>(270,937)</u>	<u>-</u>	<u>(270,937)</u>
-	349	349
-	(1,851)	(1,851)
-	(842)	(842)
-	(353)	(353)
<u>-</u>	<u>(2,697)</u>	<u>(2,697)</u>
<u>(270,937)</u>	<u>(2,697)</u>	<u>(273,634)</u>
5,557	-	5,557
19,398	-	19,398
155,779	-	155,779
22,024	-	22,024
29,378	-	29,378
9,458	-	9,458
(253)	883	630
1,400	114	1,514
(1,264)	1,264	-
<u>241,477</u>	<u>2,261</u>	<u>243,738</u>
(29,460)	(436)	(29,896)
379,923	374,364	754,287
<u>\$ 350,463</u>	<u>\$ 373,928</u>	<u>\$ 724,391</u>

City of Glendale, Arizona
Balance Sheet
Governmental Funds
June 30, 2017
(amounts expressed in thousands)

	Major Funds			
	General	Municipal Property Corporation Debt Service	Other Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Assets:				
Equity in pooled cash and investments	\$ 43,547	\$ 458	\$ 99,168	\$ 143,173
Receivables, net of allowance for doubtful accounts:				
Property taxes	193	-	695	888
Accounts	25,511	-	7,213	32,724
Note	-	51,308	-	51,308
Accrued interest	479	-	-	479
Due from other funds	3,148	-	-	3,148
Intergovernmental receivable	364	-	4,542	4,906
Inventories and prepaid items	2,934	-	121	3,055
Restricted cash and investments	1,302	15,147	22,552	39,001
Total assets	<u>\$ 77,478</u>	<u>\$ 66,913</u>	<u>\$ 134,291</u>	<u>\$ 278,682</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Vouchers payable	\$ 7,974	\$ -	\$ 4,632	\$ 12,606
Accounts payable	168	-	1	169
Contract payable	1,125	-	-	1,125
Retainage payable	-	-	545	545
Compensated absences - current	1,298	-	116	1,414
Intergovernmental payable	489	-	1	490
Due to other funds	-	-	3,148	3,148
Deposits	3,278	-	66	3,344
Unearned revenue	-	-	5,655	5,655
Matured interest payable	-	7,088	7,694	14,782
Matured bonds payable	-	5,075	18,680	23,755
Total liabilities	<u>14,332</u>	<u>12,163</u>	<u>40,538</u>	<u>67,033</u>
Deferred Inflows of Resources - Unavailable Revenue	<u>1,563</u>	<u>51,308</u>	<u>731</u>	<u>53,602</u>
Fund Balances:				
Nonspendable	2,934	-	5,861	8,795
Restricted	7,443	3,442	88,466	99,351
Committed	-	-	2,295	2,295
Assigned	10,647	-	170	10,817
Unassigned	40,559	-	(3,770)	36,789
Total fund balances	<u>61,583</u>	<u>3,442</u>	<u>93,022</u>	<u>158,047</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 77,478</u>	<u>\$ 66,913</u>	<u>\$ 134,291</u>	<u>\$ 278,682</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, 2017

(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	\$	158,047
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	\$	1,873,642
Less accumulated depreciation		<u>(735,594)</u>
		1,138,048
Adjustment to reflect the government joint venture		3,359
Deferred outflow of resources related to pensions		78,270
Deferred outflow reacquisition price of refunding outstanding debt		21,657
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds and shown as an internal balance item.		1,187
Internal service funds are used by management to charge the costs of workers' compensation, risk management, employee benefits, fleet services and IT projects to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the statement of net position.		7,811
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	(626,145)	
Net pension obligation	(310,500)	
Capital lease obligations	(4,484)	
Developer payable obligations	(3,898)	
Compensated absences	(22,923)	
Claims and judgments	(10,064)	
Bond discount	1,277	
OPEB obligations	(49,492)	
Settlement obligation	(11,100)	
Unamortized premium on debt issuance	(52,066)	
Note payable	<u>(3,677)</u>	
		(1,093,072)
Deferred inflows of resources related to OPEB		(3,729)
Deferred inflows of resources related to pensions		(14,717)
Deferred inflows of resources is unavailable revenue that is measurable but not yet available for governmental fund activities is recognized as revenue for governmental-wide activities.		<u>53,602</u>
Net position of governmental activities	\$	<u><u>350,463</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, 2017

(amounts expressed in thousands)

	Major Funds			
	General	Municipal Property Corporation Debt Service	Other Non-Major Governmental Funds	Total Governmental Funds
REVENUES				
Taxes and special assessments	\$ 135,837	\$ -	\$ 45,739	\$ 181,576
Licenses and permits	9,068	-	3,335	12,403
Intergovernmental	60,945	-	28,739	89,684
Local	88	-	212	300
Charges for services	12,058	-	1,428	13,486
Fines and forfeitures	3,254	-	445	3,699
Investment income(loss)	(288)	26	538	276
Miscellaneous	3,852	-	1,227	5,079
Total revenues	<u>224,814</u>	<u>26</u>	<u>81,663</u>	<u>306,503</u>
EXPENDITURES				
Current:				
General government	28,844	10	677	29,531
Public safety	125,450	-	6,126	131,576
Public works	9,476	-	8	9,484
Community services	16,917	-	13,742	30,659
Community environment	-	-	3,979	3,979
Street maintenance	800	-	10,395	11,195
Debt service:				
Principal	-	5,075	41,381	46,456
Interest	-	14,117	16,587	30,704
Capital outlay	12,488	-	26,565	39,053
Total expenditures	<u>193,975</u>	<u>19,202</u>	<u>119,460</u>	<u>332,637</u>
Excess (deficiency) of revenues over (under) expenditures	<u>30,839</u>	<u>(19,176)</u>	<u>(37,797)</u>	<u>(26,134)</u>
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	-	-	19,330	19,330
Proceeds from equipment disposal	224	-	2,167	2,391
Transfers in	137	19,251	29,062	48,450
Transfers out	(28,761)	-	(20,953)	(49,714)
Total other financing sources and uses	<u>(28,400)</u>	<u>19,251</u>	<u>29,606</u>	<u>20,457</u>
Net change in fund balances	<u>2,439</u>	<u>75</u>	<u>(8,191)</u>	<u>(5,677)</u>
Fund balances, July 1	<u>59,144</u>	<u>3,367</u>	<u>101,213</u>	<u>163,724</u>
Fund balances, June 30	<u>\$ 61,583</u>	<u>\$ 3,442</u>	<u>\$ 93,022</u>	<u>\$ 158,047</u>

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, 2017

(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		\$	(5,677)
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 as depreciation expense.			
Expenditures for capitalized assets	\$	38,440	
Less current year depreciation		<u>(49,992)</u>	(11,552)
The net effect of various transactions involving capital is to increase net position.			
Capital contributions		623	
Disposals		(3,027)	
Gain (loss) on sales		<u>151</u>	(2,253)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.			
			(367)
The net effect of long-term obligations and the related transactions is to increase net assets.			
Long term debt issued		(19,330)	
Capital lease payments		2,136	
Net bond premium and discount amortized		4,418	
Settlement obligation		3,000	
Principal paid on bonds and notes		<u>44,318</u>	34,542
Compensated absences reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.			
			(1,666)
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.			
			1,106
Net pension expense 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.			
			(35,932)
Internal service funds are used by management to charge the costs of workers' compensation, risk management, employee benefits, fleet services, and technology projects to individual funds.			
			2,403
Expenses on the statement of activities differ from governmental funds because of the portion not accrued on the governmental funds.			
			<u>(10,064)</u>
Change in net position of governmental activities		\$	<u>(29,460)</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, 2017
(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Major Funds Water and Sewer	Other Proprietary Funds	Total	
ASSETS				
Current assets:				
Equity in pooled cash and investments	\$ 97,030	\$ 10,225	\$ 107,255	\$ 21,142
Receivables:				
Accounts	12,914	3,004	15,918	10
Allowance for uncollectibles	(2,133)	(469)	(2,602)	-
Intergovernmental receivable	-	31	31	-
Inventories and prepaid items	2,561	18	2,579	109
Total current assets	110,372	12,809	123,181	21,261
Noncurrent assets:				
Restricted deposits	2,948	-	2,948	1,575
Restricted cash and investments	12,478	-	12,478	-
Capital assets:				
Capital assets	814,504	61,389	875,893	4,693
Accumulated depreciation	(337,610)	(32,989)	(370,599)	(3,426)
Capital assets, net	476,894	28,400	505,294	1,267
Equity in joint venture	48,448	-	48,448	-
Total noncurrent assets	540,768	28,400	569,168	2,842
Total assets	651,140	41,209	692,349	24,103
DEFERRED OUTFLOWS OF RESOURCES				
Debit amounts related to pensions	4,586	2,394	6,980	2,054
Debit amounts resulting from refunded debt	8,869	-	8,869	-
Total deferred outflows of resources	13,455	2,394	15,849	2,054
LIABILITIES				
Current liabilities:				
Vouchers payable	7,135	848	7,983	2,854
Accounts payable	1	55	56	-
Retainage payable	534	-	534	-
Compensated absences	1,608	606	2,214	539
Matured bonds payable	9,805	-	9,805	-
Intergovernmental payable	341	34	375	-
Deposits	4,907	300	5,207	-
Unearned rent	-	14	14	-
Estimated claims payable	-	-	-	9,840
Current portion of long-term debt:				
Unamortized premium on debt issuance	2,250	-	2,250	-
Revenue bonds/obligations payable	12,780	-	12,780	-
Interest payable	5,160	-	5,160	-
Total current liabilities	44,521	1,857	46,378	13,233
Noncurrent liabilities:				
Compensated absences	852	558	1,410	307
Unamortized premium on debt issuance	22,482	-	22,482	-
Revenue bonds/obligations payable	199,735	-	199,735	-
Pension obligations	20,838	11,177	32,015	3,400
OPEB long-term obligations	6,788	4,295	11,083	50
Other long-term debt	-	25	25	-
Estimated closure and post-closure costs	-	14,697	14,697	-
Total noncurrent liabilities	250,695	30,752	281,447	3,757
Total liabilities	295,216	32,609	327,825	16,990
DEFERRED INFLOWS				
Credit amounts related to pensions	2,800	1,515	4,315	1,214
Credit amounts related to OPEB	619	324	943	142
Total deferred inflows of resources	3,419	1,839	5,258	1,356
NET POSITION				
Net investment in capital assets	238,711	28,400	267,111	1,267
Restricted for:				
Debt service	9,805	-	9,805	-
Revenue bond retirement, replacement and extension	9,579	-	9,579	-
Other purposes	3,513	-	3,513	-
Unrestricted	104,352	(19,245)	85,107	6,544
Total net position	\$ 365,960	\$ 9,155	375,115	\$ 7,811
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			(1,187)	
Net position of business-type activities			\$ 373,928	

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, 2017

(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds			Governmental
	Major Funds	Other		Activities -
	Water and Sewer	Proprietary	Total	Internal
		Funds		Service Funds
Operating revenues:				
Intergovernmental	\$ 1,068	\$ 9,162	\$ 10,230	\$ -
Metered water sales	45,748	-	45,748	-
Sewer service charges	32,337	-	32,337	-
Container service	-	4,039	4,039	-
Curb service	-	10,817	10,817	-
Landfill user fees	-	7,883	7,883	-
Self-insurance premium	-	-	-	34,594
Charges for Services	-	-	-	16,921
Recycling sales	-	1,393	1,393	-
Other fees	2,308	3,051	5,359	617
Total operating revenues	<u>81,461</u>	<u>36,345</u>	<u>117,806</u>	<u>52,132</u>
Operating expenses:				
Water	22,845	-	22,845	-
Sewer	12,822	-	12,822	-
Landfill	-	10,119	10,119	-
Housing	-	12,243	12,243	-
Closure/post-closure care adjustment	-	438	438	-
Solid Waste	-	14,377	14,377	-
Administrative and general	13,338	-	13,338	16,255
Insurance claims and premiums	-	-	-	32,690
Amortization and depreciation	22,649	2,463	25,112	370
Total operating expenses	<u>71,654</u>	<u>39,640</u>	<u>111,294</u>	<u>49,315</u>
Operating income (loss)	<u>9,807</u>	<u>(3,295)</u>	<u>6,512</u>	<u>2,817</u>
Nonoperating revenues (expenses):				
Impact fees	1,170	-	1,170	-
Investment income	811	72	883	123
Interest expense	(8,760)	-	(8,760)	-
Net loss from joint venture	(3,311)	-	(3,311)	-
Gain on disposal of assets	14	51	65	-
OPEB expense	(209)	(109)	(318)	(199)
Total nonoperating revenues (expenses)	<u>(10,285)</u>	<u>14</u>	<u>(10,271)</u>	<u>(76)</u>
Income (loss) before contributions and transfers	(478)	(3,281)	(3,759)	2,741
Capital contributions	1,392	253	1,645	-
Transfers in	229	1,082	1,311	-
Transfers out	(37)	(10)	(47)	-
Change in net position	<u>1,106</u>	<u>(1,956)</u>	<u>(850)</u>	<u>2,741</u>
Total net position - beginning	364,854	11,111		5,070
Total net position - ending	<u>\$ 365,960</u>	<u>\$ 9,155</u>		<u>\$ 7,811</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			414	
Change in net position of business-type activities			<u>\$ (436)</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, 2017

(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds			Governmental
	Major Funds	Other		Activities -
	Water and Sewer	Proprietary	Total	Internal
		Funds		Service Funds
Cash flows from operating activities:				
Cash received from customers	\$ 82,299	\$ 27,063	\$ 109,362	\$ 52,132
Cash received from federal operating grants	-	9,178	9,178	-
Cash paid to suppliers:				
Internal city departments	(8,054)	(9,578)	(17,632)	(255)
External vendors	(18,706)	(18,401)	(37,107)	(10,618)
Cash paid for insurance and in settlement of claims	-	-	-	(31,458)
Cash paid to employees for services	(18,737)	(9,566)	(28,303)	(5,601)
Net cash provided (used) by operating activities	<u>36,802</u>	<u>(1,304)</u>	<u>35,498</u>	<u>4,200</u>
Cash flows from noncapital financing activities:				
Transfers in	229	1,082	1,311	-
Transfers out	(37)	(10)	(47)	-
Due to / from other funds	<u>-</u>	<u>(6)</u>	<u>(6)</u>	<u>-</u>
Net cash provided (used) by noncapital financing activities	<u>192</u>	<u>1,066</u>	<u>1,258</u>	<u>-</u>
Cash flows from capital and related financing activities:				
Principal payments on obligations	(9,415)	(12)	(9,427)	-
Acquisition of capital assets and rights	(18,380)	(4,168)	(22,548)	(563)
Impact fees	1,170	-	1,170	-
Interest payments on obligations	(10,608)	-	(10,608)	-
Contributions to Joint Venture	<u>(685)</u>	<u>-</u>	<u>(685)</u>	<u>-</u>
Net cash (used) by capital and related financing activities	<u>(37,918)</u>	<u>(4,180)</u>	<u>(42,098)</u>	<u>(563)</u>
Cash flows from investing activities:				
Interest received from investments	<u>811</u>	<u>72</u>	<u>883</u>	<u>123</u>
Net cash provided by investing activities	<u>811</u>	<u>72</u>	<u>883</u>	<u>123</u>
Net increase (decrease) in cash and cash equivalents during fiscal year	(113)	(4,346)	(4,459)	3,760
Cash and cash equivalents, July 1	<u>109,621</u>	<u>14,571</u>	<u>124,192</u>	<u>17,382</u>
Cash and cash equivalents, June 30	<u>\$ 109,508</u>	<u>\$ 10,225</u>	<u>\$ 119,733</u>	<u>\$ 21,142</u>

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

	Business-Type Activities - Enterprise Funds			Governmental
	Major Funds	Other		Activities -
	Water and Sewer	Proprietary	Total	Internal
		Funds		Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 9,807	\$ (3,295)	\$ 6,512	\$ 2,817
Adjustments to reconcile operating income (loss) to net cash provided (used) by operations:				
Amortization and depreciation	22,649	2,463	25,112	370
Net pension expense and contribution	(610)	(309)	(919)	(186)
Net OPEB expense and contribution	(31)	(15)	(46)	(6)
Changes in assets and liabilities:				
Accounts receivable	515	(101)	414	-
Intergovernmental receivable	-	16	16	-
Inventories and prepaid items	(394)	-	(394)	(50)
Restricted deposits	(104)	-	(104)	-
Vouchers and accounts payable	4,256	(455)	3,801	(129)
Intergovernmental payable	18	(10)	8	-
Deposits	427	(25)	402	-
Unearned rent	-	6	6	-
Compensated absences	269	(17)	252	99
Claims payable	-	-	-	1,285
Estimated closure and post-closure costs	-	438	438	-
Net cash provided (used) by operating activities	<u>\$ 36,802</u>	<u>\$ (1,304)</u>	<u>\$ 35,498</u>	<u>\$ 4,200</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	\$ 97,030	\$ 10,225	\$ 107,255	\$ 21,142
Restricted cash and investments	12,478	-	12,478	-
Total cash and cash equivalents	<u>\$ 109,508</u>	<u>\$ 10,225</u>	<u>\$ 119,733</u>	<u>\$ 21,142</u>
Noncash investing, capital, and financing activities:				
Contributions of capital assets	\$ 1,392	\$ 253	\$ 1,645	\$ -
Loss on joint venture	(3,311)	-	(3,311)	-
Amortization of bond premium/discount	2,250	-	2,250	-
Amortization of debit amounts resulting from refunded debt	934	-	934	-

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2017

(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, 2017

(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 form of government. The major operations of the City include providing police, fire, water, and sewer services to citizens. 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. The total debt outstanding, including leases, of the MPC is expected to be repaid entirely or almost entirely with the resources of the primary government. 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 Budget and Finance Department.

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 inter-fund items. Transactions that would be treated as revenue, expenditures or expenses if they involved organizations external to the governmental unit, like the sale of water from the water and sewer fund to various functions of the general fund, are accounted for as revenue and expenditures or expenses in the funds involved. Transactions that constitute reimbursement to a fund for expenditures or expenses initially made from that fund, which are properly applicable to another fund, are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditure or expense in the fund that is being reimbursed. Governmental Accounting Standards Board (GASB) Statement 34 also requires that administrative service fees charged to other operating funds to support general services used by the other operating funds (like purchasing, accounting and administration) should be treated as reimbursement transactions and the revenue and expenditures/expenses reduced in the allocating fund. Transfers between funds are included in the results of both governmental and proprietary funds (as other sources/uses in governmental funds).

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."

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2017

(amounts expressed in thousands)

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 inter-fund 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 *municipal property corporation debt service fund (MPC)* accounts for the debt service payments for the bonds that were issued to finance the construction of a new municipal office complex, hockey arena, public safety training center, parking garage, media center and convention center.

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 internal service funds.

Internal service funds account for risk management, workers’ compensation, employee benefits, fleet and technology services 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:

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

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(amounts expressed in thousands)

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 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, solid waste, and housing funds.

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

D. Measurement focus and basis of accounting

The City-wide and proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. 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.

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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 60 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.

F. Inter-fund transactions

Inter-fund 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 inter-fund advances) and advances to/from other funds (noncurrent portion of inter-fund advances). 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

CITY OF GLENDALE, ARIZONA

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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, 2017, the postage portion of the general fund supplies inventory was \$8. 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 non-spendable 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 position, 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 acquisition value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred by the enterprise funds during the current fiscal year was \$8,760. In addition, \$245 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:

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

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

J. Water 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, 2017, is \$1,514. 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, 2017, 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, 2017, is \$3,681.

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, 2017, 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 components of governmental fund balance consist of the following:

Non-spendable amounts are the portion of net resources that cannot be spent because of their form such as inventories and prepaid items. Also included is the portion of net resources that cannot be spent because they must be maintained intact pursuant to legal and contractual requirements such as the cemetery permanent fund.

Restricted are amounts that are subject to externally enforceable legal restrictions imposed by parties outside the government such as creditors, grantors, contributors, and other governments through laws and regulations. Examples of restricted fund balance are amounts held to pay for bonded construction projects, debt service, and excise tax revenues collected for voter approved transportation expenditures.

Committed are amounts that are constrained by limitations imposed by the highest level of decision making authority, namely Mayor and Council and require approval by the same level of authority through an ordinance to remove. Amounts must be committed prior to the fiscal year end. An example of committed fund balance is amounts for artwork.

Assigned are amounts that are constrained by limitations imposed by management based on the intended use of the funds. The city manager and finance director are given authority to assign funds as needed through the financial policies adopted in the annual Budget Book approved by Mayor and Council. Examples include amounts intended for computer replacement or telephone or equipment management services.

Unassigned are amounts for any other purpose. If resources were not assigned, they could not be properly reported in a fund other than the general fund. Therefore, only the general fund can report a

CITY OF GLENDALE, ARIZONA

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positive amount of unassigned fund balance. Any governmental fund in a deficit position could report a negative amount of unassigned fund balance.

When both restricted and unrestricted resources are available for specific expenditures, restricted resources are considered spent before unrestricted 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 position.

L. Net position

The government-wide and proprietary fund financial statements use 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 restrictions 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 inflows of resources.

Property Tax Calendar

Lien date	January 1, 2016
Levy (assessment) date (third Monday in August)	August 15, 2016
Due dates:	
First half of assessment	October 3, 2016
Second half of assessment	March 1, 2017
Penalties and interest added (collection dates):	
First half of assessment	November 2, 2016
Second half of assessment	May 2, 2017

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

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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, 2017, is as follows:

<u>Fund</u>	<u>Rate</u>
General fund	\$ 0.48
General obligation debt service fund	1.67
Total	<u>\$ 2.15</u>

N. Compensated absences

Vacation time is accumulated up to a maximum of 10 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 their 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 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. Employees who separate from 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 a 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 June 30, 2017, 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

In addition to assets, the statement of net position will report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has two items that qualify for reporting in this category. It is the deferred charge on refunded debt and deferred outflows related to pensions reported in the government-wide statement of net position.

In addition to liabilities, the statement of net position will report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of

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resources (revenue) until that time. The government only has two items that qualify for reporting in this category. It is unavailable revenue, which arises only under a modified accrual basis of accounting, and the deferred inflow related to pensions and other post-employment benefits.

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 a 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 *non-operating* 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 non-operating revenues and expenses.

R. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

S. Deferred compensation

Voluntary Deferred Compensation Plan for Employees of the City of Glendale, State of Arizona; Restated Plan Document (the "Plan document") was adopted by the Mayor and City Council on November 10, 1998, and amended on January 8, 2002 to incorporate the Federal Economic Growth and Tax Relief Reconciliation Act of 2001. In addition, the Mayor and City Council adopted a defined contribution deferred compensation plan document on April 9, 2002, under the Internal Revenue Code Section 401(a). 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 Empower

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Retirement (Empower) a division of 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. 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. In addition, the plan assets are not included as a fund of the City.

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 provided 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 are detailed in the Compensated Absences (N) section on this document.

T. Elected Officials' Defined Contribution Retirement System (EODCRS)

HB 2608 signed in July of 2013 closed the Elected Officials' Retirement Plan (EORP) to new members and established the new Elected Officials' Defined Contribution Retirement System (EODCRS) effective January 1, 2014 (A.R.S. Title 38, Chapter 5, Article 3.1). In addition to this new plan, the EODCRS Disability Program was also established (A.R.S. Title 38, Chapter 5, Article 3.2). EODCRS is a non-ERISA 401(a) plan type. If a person is elected, appointed, or hired on or after January 1, 2014, does not have money on account with EORP, does not have money on account with ASRS or does not timely opt out of the EODCRS to return to ASRS, if applicable, the elected official must be automatically enrolled in the EODCRS. This includes any elected official who has already retired from EORP and/or ASRS. The investment options available to EODCRS members will be administered by Nationwide Retirement Solutions (NRS). The elected official will also contribute to and participate in the EODCRS Disability Program administered by PSPRS.

As prescribed in ARS § 38-727, if a person is appointed, elected, or hired on or after January 1, 2014 and does not have money on account with the EORP, but has money on account with the ASRS, that person has the option to return to the ASRS. The member has the option to participate in either the EODCRS or the ASRS Plan with each term. That decision is irrevocable during the term in which that election was made. Additionally, the elected official will contribute to and participate in the Long-Term Disability Program administered by ASRS. To choose the ASRS, the person must fill out a form provided by PSPRS opting out of the EODCRS. This election must be made within 30 days after that person's term begins and returned to PSPRS. The City was required by statute to contribution 12.16 percent of elected officials participating as an ASRS members' annual covered payroll to the ASRS Legacy

As of January 1, 2014, the employer rate for all employers contributing on behalf of their elected officials, regardless of what plan they are in, will be 23.5%. However, pursuant to ARS § 38-810, subsection C, and as described above, that rate may be split a number of ways depending on which plan (or path) your elected official will belong to. Employee rates will vary, also dependent upon the path your elected official is on, and all are pre-tax contributions. The rates for the respective disability programs are separate from the 23.5% employer rate and are contributed on an after-tax basis. The 23.5% employer rate is set by statute; however, the Board of Trustees of PSPRS is required to monitor this rate

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to inform the Legislature annually of its continued ability to pay the unfunded liability of the EORP legacy costs, so there is the possibility of this rate changing from time-to-time. Additionally, the rate for the disability program will also be reviewed and revised annually to meet its actuarially determined costs.

For the year ended June 30, 2017 active EODCRS members were required by statute to contribute at the rate of 8.125 percent (8 percent to the DC plan and .125 percent for the disability program) of the members' annual covered payroll. The City was required by statute to contribute at the rate 6.125 percent (6 percent to the DC plan and .125 percent for the disability program) of the active members' annual covered payroll. The maximum annual contribution limits are in accordance with the IRS regulation for defined contribution plans. Employee and employer contributions are immediately vested. In addition, the City was required by statute to contribution 17.50 percent of the EODC members' annual covered payroll to the EORP Legacy. The Elected Officials Retirement Plan is not reported in the financial statements because of its relative insignificance to the financial statements.

U. Investments

The City uses 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, 2017, was \$919.

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

The City ended the fiscal year June 30, 2017, with a deficit fund balance/net position in the following funds:

Streets Construction fund

The deficit fund will be funded by bond proceeds in 2018 \$ 3,770

Fleet services internal service fund

Deficit will be funded by increase in user premium charges in next fiscal year. 2,867

Solid Waste fund

A rate increase was approved by City Council in fiscal year 2017-18. 1,200

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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 \$25,741 and the bank balances were \$27,691. The difference of \$1,950 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, 2017, were \$65,025 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 five years to maturity from the date of purchase. The City's investment in the LGIP is stated at fair value, which also approximates the value of the investment upon withdrawal.

As of June 30, 2017, the City had the following investments:

Investment Type	Investment Maturities (in years)				Fair Value
	0 - 1	1 - 2	2 - 3	Over 3	
Corporate bonds	\$ 12,999	\$ 5,027	\$ 5,038	\$ -	\$ 23,064
U.S. Agencies	14,988	20,031	40,085	-	75,104
U.S. Treasuries	44,939	30,011	9,979	-	84,929
Arizona LGIP - State Pool	53,709	-	-	-	53,709
Grand total investments	<u>\$ 126,635</u>	<u>\$ 55,069</u>	<u>\$ 55,102</u>	<u>\$ -</u>	<u>\$ 236,806</u>
Cash deposits					25,741
Cash with fiscal agents					65,025
Total deposits and investments					<u>\$ 327,572</u>

Investment Fair Value Level: Investments using fair value measurement guidelines established by generally accepted accounting principles recognize a three-tiered fair value hierarchy as follows:

- Level 1 – Quoted prices for identical investments in active markets,
- Level 2 – Observable inputs other than quoted market prices, and
- Level 3 – Unobservable inputs

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The City's investments are classified as follows:

Fair Value Measurements Using				
Investment at fair value level	Level 1	Level 2	Level 3	Totals
Corporate Bonds	\$ -	\$ 23,064	\$ -	\$ 23,064
U.S. Agencies	-	75,104	-	75,104
U.S. Treasury	-	84,929	-	84,929
Total Investments at fair value level	<u>\$ -</u>	<u>\$ 183,097</u>	<u>\$ -</u>	<u>183,097</u>
External Investment Pools Measured at Fair Value				
State Treasurer's Investment Pool				<u>53,709</u>
Total Investments				<u>\$ 236,806</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 five years. The City also purchases securities to be laddered with staggered maturity dates.

Credit risk: The City's investment policy requires commercial paper to have a rating of at least A-1 by Standard and Poor's, P-1 by Moody's, or F1 by Fitch. Corporate bonds must have a rating of at least A or better by Standard and Poor's, A2 by Moody's, or A by Fitch. As of June 30, 2017, 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	31.72%	1.87
U.S. Treasury	AA+	Aaa	31.64%	1.28
Arizona LGIP	NR	NR	22.68%	0.10
Corporate	AA-	Aa3	4.23%	0.79
U.S. Treasury	A-1+	P-1	4.22%	0.04
Corporate	AA	Aa2	2.13%	2.12
Corporate	AA-	Aa2	2.11%	0.38
Corporate	A	A2	1.27%	0.55

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CITY OF GLENDALE, ARIZONA

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

<u>Issuer</u>	<u>Investment Type</u>	<u>Amount</u>
United States Treasury Total	U.S. Treasury	\$ 84,929
Arizona LGIP Total	Arizona LGIP	53,709
FNMA Total	U.S. Agencies	40,016
Freddie Mac Total	U.S. Agencies	15,002

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 (PFC), a blended component of the City dissolved in fiscal year 2016, 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 \$27,071 less an allowance for doubtful accounts in the amount of \$35,763 has been recorded at June 30, 2017. No payments have been received by the City on the note as of June 30, 2017. At the Glendale City Council workshop session held on August 5, 2014, the AZSTA presentation included projections for the AZSTA to begin making payments to the City in the year 2021. On December 27, 2012, the City of Glendale Municipal Property Corporation (MPC), a blended component unit of the City, issued subordinate excise tax revenue bonds to refund the \$199,750 third lien excise tax revenue bonds that were previously issued by the Western Loop 101 Public Facilities Corporation (PFC). 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. In fiscal year 2016, the AZSTA receivable was recorded in the MPC debt service fund.

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CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

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(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, 2017, is as follows:

	Balances June 30, 2016	Increase	Decrease	Balances June 30, 2017
Governmental activities				
Non-depreciable assets:				
Construction in progress	\$ 11,680	\$ 26,810	\$ (28,031)	\$ 10,459
Land	119,941	4,454	(5,014)	119,381
Artwork	2,395	20	-	2,415
Total non-depreciable assets	<u>134,016</u>	<u>31,284</u>	<u>(33,045)</u>	<u>132,255</u>
Depreciable assets:				
Buildings	387,865	-	-	387,865
Improvements other than buildings	280,887	6,786	(24)	287,649
Infrastructure - streets	750,840	20,752	-	771,592
Infrastructure - parks	90,550	538	-	91,088
Infrastructure - flood/storm drains	77,618	988	-	78,606
Infrastructure - airport	17,546	1,180	-	18,726
Machinery and equipment	51,184	950	(663)	51,471
Computer equipment	4,518	450	(405)	4,563
Software	5,971	1,472	(1,357)	6,086
Automotive equipment	44,836	6,228	(2,630)	48,434
Total depreciable assets at historical cost	<u>1,711,815</u>	<u>39,344</u>	<u>(5,079)</u>	<u>1,746,080</u>
Less accumulated depreciation for:				
Buildings	(125,873)	(9,918)	-	(135,791)
Improvements other than buildings	(136,165)	(10,214)	24	(146,355)
Infrastructure - streets	(294,415)	(19,411)	-	(313,826)
Infrastructure - parks	(39,949)	(3,136)	-	(43,085)
Infrastructure - flood/storm drains	(10,067)	(1,100)	-	(11,167)
Infrastructure - airport	(9,658)	(440)	-	(10,098)
Machinery and equipment	(39,228)	(2,293)	649	(40,872)
Computer equipment	(3,430)	(396)	405	(3,421)
Software	(2,932)	(463)	562	(2,833)
Automotive equipment	(31,035)	(2,991)	2,454	(31,572)
Total accumulated depreciation	<u>(692,752)</u>	<u>(50,362)</u>	<u>4,094</u>	<u>(739,020)</u>
Total depreciable assets, net	<u>1,019,063</u>	<u>(11,018)</u>	<u>(985)</u>	<u>1,007,060</u>
Governmental activities capital assets, net \$	<u>1,153,079</u>	<u>\$ 20,266</u>	<u>\$ (34,030)</u>	<u>\$ 1,139,315</u>

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2017

(amounts expressed in thousands)

	Balances June 30, 2016	Increase	Decrease	Balances June 30, 2017
Business-Type activities:				
Non-depreciable assets:				
Construction in progress - water and sewer	\$ 11,654	\$ 18,828	\$ (15,600)	\$ 14,882
Construction in progress - landfill	5,446	1,142	(6,231)	357
Construction in progress - solid waste	-	35	-	35
Construction in progress - housing authority	443	295	(166)	572
Land	26,299	-	-	26,299
Total non-depreciable assets	43,842	20,300	(21,997)	42,145
Depreciable assets:				
Buildings	16,846	118	(50)	16,914
Water rights	9,183	-	-	9,183
Improvements other than buildings	71,511	6,165	-	77,676
Water lines	118,585	11,262	-	129,847
Sewer lines	137,324	4,291	-	141,615
Water treatment plant	253,374	1,373	-	254,747
Sewer treatment plant	139,202	32	-	139,234
Meters and services	29,734	-	-	29,734
Fire hydrants	5,187	-	-	5,187
Machinery and equipment	5,477	-	(1,443)	4,034
Computer equipment	925	78	-	1,003
System Purchase	1,163	-	-	1,163
Automotive equipment	21,040	4,963	(2,594)	23,409
Total depreciable assets at historical cost	809,551	28,282	(4,087)	833,746
Less accumulated depreciation for:				
Buildings	(10,202)	(543)	50	(10,695)
Water rights	(1,782)	(179)	-	(1,961)
Improvements other than buildings	(29,127)	(2,905)	-	(32,032)
Water lines	(47,764)	(2,620)	-	(50,384)
Sewer lines	(63,155)	(3,327)	-	(66,482)
Water treatment plant	(106,750)	(9,167)	-	(115,917)
Sewer treatment plant	(50,603)	(3,603)	-	(54,206)
Meters and services	(14,895)	(766)	-	(15,661)
Fire hydrants	(2,625)	(99)	-	(2,724)
Machinery and equipment	(4,078)	-	834	(3,244)
Computer equipment	(606)	(326)	-	(932)
System Purchase	(280)	(406)	-	(686)
Automotive equipment	(16,124)	(1,171)	1,622	(15,673)
Total accumulated depreciation	(347,991)	(25,112)	2,506	(370,597)
Total depreciable assets, net	461,560	3,170	(1,581)	463,149
Business-Type activities capital assets, net	\$ 505,402	\$ 23,470	\$ (23,578)	\$ 505,294

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

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Depreciation was charged to functions/programs as follows:

Governmental activities:

General	\$ 15,631
Public safety	4,961
Public works	14,698
Street maintenance	10,829
Community services	4,239
Community environment	4
Total depreciation expense	<u>\$ 50,362</u>

Business-Type activities:

Water and sewer	\$ 22,649
Landfill	743
Solid Waste	1,313
Housing	407
Total depreciation expense	<u>\$ 25,112</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, 2017. 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:

Project	Spent-to-Date	Construction Commitment
General government	\$ 760	\$ 1,602
Community services	305	45
Public works	4,578	1,753
Street maintenance	4,816	11,306
Water and sewer facilities	14,882	24,043
Landfill	357	-
Solid Waste	35	-
Housing	572	-
Total primary government	<u>\$ 26,305</u>	<u>\$ 38,749</u>

VII. Internal service 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, and loss and destruction of assets. The City's risk management fund purchases excess or commercial insurance as follows: automobile and general liability, errors and omissions, employment practices liability, employee benefit liability, employee benefits wrongful acts, and products completed operations hazards with limits up to

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\$50,000. The risk management fund was fully self-insured through June 30, 1998, for tort liability losses. Effective July 1, 1998, the City purchased excess insurance. Currently the excess insurance liability coverage has a \$1,000 self-insured retention. The fund also purchased commercial insurance for airport owners and operators' liability with limits up to \$20,000 and no deductible, crime coverage with limits up to \$10,000 with a \$50 deductible, fiduciary liability covering the Deferred Compensation Committee with limits up to \$5,000 and no deductible, and public employees blanket bond covering the Risk Management and Workers' Compensation Trust Fund Board with limits up to \$10. Property coverage for damage or destruction of city assets is up to \$1,000,000 with varying deductibles from \$25 up to \$500. The property coverage includes builders risk, automobile physical damage, boiler and machinery, pollution and cyber.

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

Premium payments to insurance carriers, loss control, and risk management expenses 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 statutory coverage up to a maximum of \$2,000 for each workers' compensation claim with an \$800 self-insured retention.

Funds receiving insurance coverage pay monthly premiums to the workers' compensation fund based upon a budget model taking into consideration actuarial analysis and projections prior loss experience, staffing level, operating budget and the National Council on Compensation Insurance workers' compensation manual rates.

Premium payments to insurance carriers and loss control and workers' compensation expenses 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 100% 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 based on the actuarial valuation of the costs of claims, administration of the plan, demographics of the group, plan design changes and any new mandated benefits. These insurance benefits are provided through fully insured 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 self-insured medical plan are set prior to the beginning of each plan year equal to 125% of the expected claims liability.

Premium payments to insurance carriers are made directly from the fund. There have been no settlements paid in excess of insurance in any of the past three years nor has insurance coverage been significantly reduced in recent years.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

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(amounts expressed in thousands)

D. Estimated liability

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

Liabilities include an amount for claims that have been incurred but not reported, the effects of specific, incremental claim adjustment expenses, and other allocated claim adjustment expenses. The City's workers' compensation self-insurance program liability includes recoveries related to subrogation. Salvage and subrogation are immaterial to both risk management and employee benefits self-insurance programs and are not incorporated into the liability. The risk management trust fund and workers' compensation self-insurance programs do include a provision for unallocated claim adjustment expenses. The workers' compensation fund includes payment of 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 .51%. These liabilities are reported in the internal service funds at their actuarial determined liability of \$9,840 as of June 30, 2017. Changes in the balances of claims liabilities during the past two years are as follows:

	<u>Risk Management</u>		<u>Workers' Compensation</u>		<u>Employee Benefits</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Unpaid claims, beginning of fiscal year	\$ 2,810	\$ 2,857	\$ 3,831	\$ 3,518	\$ 1,914	\$ 3,994
Current year claims and changes in estimate	1,096	2,284	2,548	1,374	27,266	22,785
Claims payments	<u>(1,148)</u>	<u>(2,331)</u>	<u>(1,358)</u>	<u>(1,061)</u>	<u>(27,119)</u>	<u>(24,865)</u>
Balance at fiscal year end	<u>\$ 2,758</u>	<u>\$ 2,810</u>	<u>\$ 5,021</u>	<u>\$ 3,831</u>	<u>\$ 2,061</u>	<u>\$ 1,914</u>

E. Fleet Services

The Fleet Services Fund was established to track income and expenses of the internal services provided to city departments. The Fleet Services Fund specifically covers vehicle maintenance needs and fuel purchased for city vehicles.

F. Technology

The Technology Fund and the Technology Projects Fund are used to track income and expenses of the internal services provided to city departments for telephone services, information technology services, and support. The Technology Fund specifically supports all the city's computers, hardware, and software. The Technology Fund is designed to balance, with the rates (revenues) set to recover the actual expenses each year. The Technology Projects Fund may accrue a fund balance in anticipation of future upgrades and potential carry over of project funding

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

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(amounts expressed in thousands)

VIII. Leases**A. Capital leases**

The City's capital lease activity consists principally of leasing various types of light equipment such as radios for the Police Department and a photocopier for the Fire Department. Leases vary in terms of 3 to 5 years for photocopier and radios. Current year principal expenditures are \$2,136 for governmental activities. The future minimum lease obligation and net present value of lease payments at June 30, 2017, are as follows:

Year Ending June 30	Governmental Activities
2018	\$ 2,353
2019	2,353
Total minimum lease payments	4,706
Less: Amount representing interest	(222)
Present value of net minimum lease payments	<u>\$ 4,484</u>

The assets acquired through capital leases are as follows:

Class of Property	Governmental Activities
Equipment	\$ 6,624
Less: Accumulated depreciation	(668)
Total	<u>\$ 5,956</u>

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 2016-17 were \$85.

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 2017 and beyond. The carrying value of leased assets is \$299,669 (cost of \$498,312 less accumulated depreciation of \$198,643). 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.

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CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

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Scheduled minimum revenues for non-cancelable leases for succeeding fiscal years ending June 30 are as follows:

Fiscal Year	Total Revenues
2018	\$ 2,554
2019	2,473
2020	2,465
2021	2,173
2022	1,457
2023 and beyond	41,946
Total	<u>\$ 53,068</u>

IX. Short-term debt

The City did not issue short-term debt for the year ended June 30, 2017.

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

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the City 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. HURF bonds outstanding are special obligations of the City and 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 remaining outstanding HURF bonds were paid off in fiscal year 2016. 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 \$74,670 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 \$102,009. The current year revenues of \$26,362 collected in the transportation special revenue fund paid the current year principal and interest amounts of \$3,550 and \$3,594, 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 Excise Tax Revenue Refunding bonds are special obligations of the City and are not a general obligation of the City. Under a purchase agreement the City makes monthly payments to a trustee. The payments are secured by a senior claim and pledge by the City of all of the City's unrestricted excise tax

CITY OF GLENDALE, ARIZONA

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revenues which comprise of all excise tax, transaction privilege, franchise and income tax which it collects or is apportioned by the State or political subdivision of the State. The \$147,960 in bonds outstanding was issued to refund senior and subordinate excise tax revenue bonds issued by the MPC. The total principal and interest remaining on the bonds to be paid is \$212,104. The current year interest amount of \$6,916 was funded with a transfer from the General fund.

The \$212,515 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 \$281,950. The current year principal and interest on the bonds were \$20,126 and net revenues of the system were \$34,437.

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 purchased the constructed municipal office complex, hockey arena, public safety training center, parking garage, media center, convention center and city infrastructure, respectively, from MPC. In addition, on April 1, 2004, the City entered into a lease agreement with the MPC to issue bonds to finance an escrow account to refund certain outstanding City improvement district bonds. In June 2008, the City entered into a lease agreement with the MPC to issue bonds to refund outstanding 2006B bonds. 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. In March 2015, senior excise tax revenue bonds were issued to refund MPC bonds series 2002B, 2003B, 2006A, and series 2012D, respectively. In April 2016, senior excise tax revenue bonds were issued to refund MPC bond series 2003 D in full as well as several maturities of the MPC bond series 2008A. 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 from the municipal office complex and arena, and 2) all excise, transaction, privilege and franchise taxes which the City currently collects, may collect or are allocated to the City by any other governmental unit or municipal corporation, except the City's 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 nor will the purchase price be payable from the proceeds of ad valorem taxes. The total principal and interest remaining to be paid is \$467,486. Excise tax revenues pledged for repayment of MPC was \$160,534. The current year principal and interest paid was \$19,192.

CITY OF GLENDALE, ARIZONA

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(amounts expressed in thousands)

For senior liens, the pledged revenue coverage covenants in the lien 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 subordinate 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 subordinate lien excise tax obligations in any current fiscal year.

D. 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, 2017:

	June 30, 2016	Increases	Decreases	June 30, 2017	Amounts Due Within One Year
General obligation (GO) bonds	\$ 135,130	\$ -	\$ (15,130)	\$ 120,000	\$ 14,810
Revenue bonds:					
Excise Tax Revenue bonds	147,960	-	-	147,960	1,115
Transportation bonds	77,615	19,330	(22,275)	74,670	3,925
Municipal Property Corporation	288,590	-	(5,075)	283,515	4,990
Total bonds payable	<u>649,295</u>	<u>19,330</u>	<u>(42,480)</u>	<u>626,145</u>	<u>24,840</u>
Other long-term obligations:					
Capital lease obligations	6,620	-	(2,136)	4,484	2,206
Note payable	5,515	-	(1,838)	3,677	1,838
Net OPEB liabilities	52,298	-	(2,756)	49,542	-
Settlement obligations	14,100	-	(3,000)	11,100	3,000
Compensated absences	23,502	7,320	(5,639)	25,183	15,718
Claims and judgments	8,555	30,910	(29,625)	9,840	9,840
Unamortized premium on debt issuance	56,547	-	(4,481)	52,066	4,118
Discount on debt issuance	(1,340)	-	63	(1,277)	-
Net pension obligation	257,562	56,338	-	313,900	-
Developer payable obligations	3,639	259	-	3,898	-
Total other long-term obligations	<u>426,998</u>	<u>94,827</u>	<u>(49,412)</u>	<u>472,413</u>	<u>36,720</u>
Total	<u>\$ 1,076,293</u>	<u>\$ 114,157</u>	<u>\$ (91,892)</u>	<u>\$ 1,098,558</u>	<u>\$ 61,560</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 \$1,098,558 in the total liabilities, \$688,993 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 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.

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June 30, 2017

(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, 2017:

	June 30, 2016	Additions	Reductions	June 30, 2017	Amounts Due Within One Year
Water and sewer revenue/obligation bonds	\$ 222,320	\$ -	\$ (9,805)	\$ 212,515	\$ 12,780
Total bonds payable	<u>222,320</u>	<u>-</u>	<u>(9,805)</u>	<u>212,515</u>	<u>12,780</u>
Other long-term obligations:					
Estimated closure and post-closure costs	14,259	438	-	14,697	-
Unamortized premium on debt issuance	26,982	-	(2,250)	24,732	2,250
Net Pension obligations	29,350	2,665	-	32,015	-
Net OPEB liabilities	11,754	-	(671)	11,083	-
Compensated absences	3,372	1,199	(947)	3,624	2,214
Housing noncurrent liabilities	37	-	(12)	25	-
Total other long-term obligations	<u>85,754</u>	<u>4,302</u>	<u>(3,880)</u>	<u>86,176</u>	<u>4,464</u>
Total	<u>\$ 308,074</u>	<u>\$ 4,302</u>	<u>\$ (13,685)</u>	<u>\$ 298,691</u>	<u>\$ 17,244</u>

Of the \$298,691 in total liabilities, \$247,052 (including matured bonds payable) 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 landfill closure and post-closure costs, OPEB obligations, compensated absences, and housing noncurrent liabilities.

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CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2017

(amounts expressed in thousands)

E. Current and 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 issues in an irrevocable escrow account with a trust agent, which will provide amounts sufficient for future payment of principal and interest of the issue refunded.

Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. Although defeased, the refunded debt from this issue will not be actually retired until the call dates have come due or until maturity if they are not callable issues.

<u>Issue Refunded</u>	<u>Date Refunded</u>	<u>Remaining Balance</u>
Western Loop 101 Public Facilities Corporation Bonds Series 2008C	December 27, 2012	\$ 450
Transportation Excise Tax Bonds 2007	February 25, 2015	59,110
Transportation Excise Tax Bonds 2007	June 22, 2017	18,725
Water and Sewer Revenue Bonds 2007	March 3, 2015	28,970
Water and Sewer Revenue Bonds 2008	March 3, 2015	39,340
General Obligation Bonds 2007	March 10, 2015	20,300
Municipal Property Corporation Bonds Series 2008A	April 25, 2016	27,760

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CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2017

(amounts expressed in thousands)

F. Bonds payable

Bonds payable at June 30, 2017, 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, 2017
<u>GO bonds payable from secondary assessed property taxes</u>					
Various Tax-Exempt	1.50-5.00	2003	2018	\$ 52,525	\$ 4,335
Various Tax-Exempt	4.00-5.00	2007	2022	61,000	4,485
Various Taxable Direct Pay BAB	1.50-5.63	2010	2030	41,650	31,355
Refunding Tax-Exempt	4.00-5.00	2011	2022	38,300	16,930
Refunding Tax-Exempt	2.00-5.00	2015	2022	39,490	35,610
Various Tax-Exempt(A), Taxable(B)	1.54-4.00	2016	2036	27,285	27,285
Total					<u>120,000</u>
<u>Revenue bonds payable from the 0.5% transportation sales tax</u>					
Refunding Tax-Exempt Excise Tax Rev	2.00-5.00	2015	2032	55,635	55,340
Refunding Tax-Exempt Excise Tax Rev	2.62	2017	2032	19,330	19,330
Total					<u>74,670</u>
<u>Excise Tax bonds payable from general fund sales tax</u>					
Refunding Tax-Exempt 2015A	5.00	2015	2031	100,430	100,430
Refunding Taxable 2015B	3.93-4.03	2015	2033	13,700	13,700
Refunding Tax-Exempt 2016	3.00-5.00	2016	2033	33,830	33,830
Total					<u>147,960</u>
<u>Municipal Property Corporation payable from general fund lease payments</u>					
MPC Taxable excise tax 2003B	1.46-5.58	2003	2033	105,260	1,480
MPC Tax-Exempt excise tax 2008A	3.00-5.00	2008	2032	32,315	1,465
MPC Taxable excise tax 2008B	5.45-6.16	2008	2033	52,780	44,570
MPC Tax-Exempt refunding 2012A	3.00-5.00	2012	2021	8,665	6,490
MPC Tax-Exempt refunding 2012B	5.00	2013	2033	39,620	39,620
MPC Tax-Exempt refunding 2012C	5.00	2013	2038	183,405	183,405
MPC Taxable refunding 2012D	1.30-3.125	2013	2020	16,850	6,485
Total					<u>283,515</u>
Total bonds payable recorded in governmental activities					626,145
Less current portion					(24,840)
Long-term portion of bonds payable recorded in governmental activities					<u>\$ 601,305</u>

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2017

(amounts expressed in thousands)

Classified in business-type 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, 2017
<u>Revenue bonds/obligations payable from water and sewer fund</u>					
Various	3.00-5.00	2008	2018	65,500	3,070
Various	6.20-6.55	2011	2030	25,685	25,685
Various refunding	2.00-5.00	2012	2028	77,635	62,515
Various refunding	2.50-5.00	2015	2028	121,245	121,245
Total					<u>212,515</u>
Total bonds payable recorded in business-type activities					212,515
Less current portion					<u>(12,780)</u>
Long-term portion of bonds payable recorded in business-type activities					<u>\$ 199,735</u>

The Arizona Constitution provides that the general obligation bonded indebtedness for a city for general municipal purposes may not exceed 6% of the limited 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 limited 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, 2017, is as follows:

	6%	20%
Capacity to incur bonded debt	\$ 73,633	\$ 245,444
Less: Bonded debt applicable to limit	-	(116,343)
Unused bonded debt capacity	<u>\$ 73,633</u>	<u>\$ 129,101</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, 2017

(amounts expressed in thousands)

G. Bonds authorized, issued and unissued

Bonds authorized but not fully issued as of June 30, 2017, are shown below:

<u>GO bonds</u>	<u>Authorized Amount</u>	<u>Issued through June 30, 2017</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	28,453	22,047
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	28,532	50,533
Total GO bonds	<u>\$ 502,319</u>	<u>\$ 166,765</u>	<u>\$ 335,554</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>\$ 166,765</u>	<u>\$ 345,554</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, 2017

(amounts expressed in thousands)

H. 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.

\$ 3,898

Note Payable Obligation - On December 16, 2015, the City entered into an agreement with Conair Corporation which determined compensation for the transfer of fee title interest of about 38.5 acres of Conair Property for an Airport runway protection zone and related purposes. The first of four annual payments was made on January 14, 2016.

\$3,677

Less current portion

(\$1,838)

Note payable long-term portion

\$1,839

Settlement Obligation - On November 14, 2016, the City entered into a settlement agreement with the Arizona Sports and Tourism Authority, the Arizona Cardinals Football Club, LLC, the New Cardinals Stadium LLC, and the Stadium Development LLC, which determined compensation for the City's failure to provide adequate assurance for Stadium parking. The first of five payments was made on November 15, 2016. Three additional \$3,000 payments are due annually in July and a \$2,100 payment is due prior to July 1, 2019, with an option for later payment.

\$11,100

Total settlement obligation

11,100

Less current portion

(3,000)

Settlement obligation long-term portion

\$ 8,100

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2017

(amounts expressed in thousands)

I. Future year debt service requirements

Fiscal Year Ending	Trans- portation Bonds	MPC Bonds	Excise Tax Bonds	G.O. Bonds	Water and Sewer Revenue Bonds/ Obligations	Total
2018	7,039	18,950	8,031	19,878	22,640	76,538
2019	7,034	19,702	13,560	19,202	25,448	84,946
2020	7,033	20,708	13,655	19,199	25,080	85,675
2021	6,700	22,562	13,731	19,178	24,409	86,580
2022	6,699	22,506	13,783	16,831	24,079	83,898
2023	6,694	21,121	15,172	5,596	25,290	73,873
2024	6,699	20,459	15,832	5,559	25,288	73,837
2025	6,703	20,370	15,918	5,523	25,285	73,799
2026	6,700	20,306	15,988	5,483	25,289	73,766
2027	6,701	22,898	13,392	5,436	24,162	72,589
2028	6,699	22,824	13,465	5,387	20,302	68,677
2029	6,699	23,488	12,804	5,518	7,411	55,920
2030	6,696	23,392	12,902	5,286	7,267	55,543
2031	6,699	23,326	12,966	2,150	-	45,141
2032	7,214	24,391	11,902	2,150	-	45,657
2033	-	27,821	9,003	2,151	-	38,975
2034	-	22,533	-	2,155	-	24,688
2035	-	22,533	-	2,151	-	24,684
2036	-	22,532	-	2,150	-	24,682
2037	-	22,532	-	-	-	22,532
2038	-	22,532	-	-	-	22,532
2039	-	-	-	-	-	-
2040	-	-	-	-	-	-
Total	102,009	467,486	212,104	150,983	281,950	1,214,532
Less interest	27,339	183,971	64,144	30,983	69,435	375,872
Principal	<u>\$ 74,670</u>	<u>\$ 283,515</u>	<u>\$ 147,960</u>	<u>\$ 120,000</u>	<u>\$ 212,515</u>	<u>\$ 838,660</u>

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CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2017

(amounts expressed in thousands)

The following table discloses the debt service requirements as of June 30, 2017, 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>
2018	\$ 37,620	\$ 38,918	\$ 76,538
2019	47,420	37,526	84,946
2020	50,190	35,485	85,675
2021	53,290	33,290	86,580
2022	53,140	30,758	83,898
2023-2027	247,890	119,974	367,864
2028-2032	211,405	59,533	270,938
2033-2037	116,150	19,411	135,561
2038	21,555	977	22,532
Total	<u>\$ 838,660</u>	<u>\$ 375,872</u>	<u>\$ 1,214,532</u>

J. New bonds

On June 22, 2017, the City issued \$19,330 in Transportation Excise Tax revenue refunding obligations. Proceeds of the bonds current refunded \$18,725 of Transportation Excise Tax revenue bond series 2007 with bonds maturing in 2018-2032. The 2017 bonds mature on various dates starting 2018 to 2032 with a fixed interest rate of 2.62%. The bonds were purchased as a single obligation by Compass Mortgage Corp, an Alabama corporation. The bonds are not a general obligation of the City, but are limited obligations of the City and are payable as to both principal and interest solely from and secured by a pledge of various revenues derived by the City from collection of a dedicated 0.5% excise tax for transportation infrastructure. The refunding resulted in an insignificant economic gain and future cash flow savings of \$1,819.

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.

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CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2017

(amounts expressed in thousands)

The landfill closure and post-closure care liability at June 30, 2017, 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)	29,598	24,215
Capacity used to date	-	20,575
Percentage of capacity used	-	85%
Total closure and post-closure costs in present dollars:		
as of June 30, 2017	\$ 18,419	\$ 17,297
as of June 30, 2016	\$ 18,258	\$ 17,146
Closure and post-closure care costs:		
Amount remaining to be recognized as of June 30, 2017	\$ 18,419	\$ 2,600
Liability recognized as of June 30, 2017	\$ -	\$ 14,697

These amounts are based on what it would cost to perform all closure and post-closure care in fiscal year 2016-17. 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.

XII. Inter-fund transactions

Inter-fund balances at June 30, 2017, consisted of the following:

A. Due to/due from**Due to general fund from:**

Other non-major governmental funds	
Community development block grant	\$ 907
Other special revenue	335
Capital Project Street Construction	1,906
Total due to general fund	<u>\$ 3,148</u>

The inter-fund balances at June 30, 2017, include short-term loans to cover temporary cash deficits in various funds. This occasionally occurs prior to bond sales or grant reimbursements. All inter-fund balances outstanding at June 30, 2017, are expected to be repaid within one year.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2017

(amounts expressed in thousands)

B. Inter-fund transfers

Inter-fund transfers for the year ended June 30, 2017, consisted of the following:

Transfers to general fund from:

Other Special Revenue Fund	131
Water and Sewer fund	<u>6</u>
Total transfers to general fund	<u>137</u>

Transfers to municipal property corporation debt service from:

General fund	<u>19,251</u>
Total transfers to municipal property corporation debt service	<u>19,251</u>

Transfers to non-major special revenue fund from:

General fund	1,196
Capital Projects Funds	147
Water and Sewer	119
Other Proprietary Funds	<u>10</u>
Total transfers to non-major special revenue fund	<u>1,472</u>

Transfers to non-major debt service funds from:

General fund	6,915
Development impact fees	210
Transportation fund	<u>7,144</u>
Total transfers to non-major debt service funds	<u>14,269</u>

Transfers to non-major capital projects fund from:

Transportation fund	6,318
Highway users gas tax	<u>7,003</u>
Total transfers to non-major capital projects fund	<u>13,321</u>

Transfers to non-major proprietary funds from:

General fund	1,170
Water and sewer	<u>(88)</u>
Total transfers to other non-major proprietary fund	<u>1,082</u>

Transfers to Water and Sewer from:

General fund	<u>229</u>
Total transfers to water and sewer fund	<u>229</u>

Grand total all transfers	<u><u>\$ 49,761</u></u>
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CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2017

(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 inter-fund 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 budgeted in the new fiscal year. At June 30, 2017, the City intended to honor \$5,770 of outstanding encumbrances in the new fiscal year.

Fund**Major:**

General	\$ 55
Water and sewer	3,296

Non-Major:

Other special revenue	40
Streets capital	2,130
Other capital	9
Landfill	240
Total	<u>\$ 5,770</u>

XIV. Equity in joint ventures**A. Sub-Regional Operating Group (SROG)**

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 the 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, 2016. The City accounts for its approximate 6.8% investment using the equity method in the water and sewer fund. For the year ended June 30, 2016, the City recognized a loss in the joint venture of \$3,311. 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, 2017

(amounts expressed in thousands)

A summary of the audited financial information on the joint venture as of and for the fiscal year ended June 30, 2016, is as follows:

Assets

Current assets	\$ 49,316
Capital assets, net of accumulated depreciation	<u>706,590</u>
Total assets	<u>755,906</u>

Liabilities34,002**Net assets**\$ 721,904

Total revenues	\$ 48,202
Total expenses	<u>(85,241)</u>
Decrease in net assets	<u>\$ (37,039)</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.

B. Regional Wireless Cooperative (RWC)

The City currently participates with twenty Arizona cities and districts in the Regional Wireless Cooperative agreement for the construction, operation and maintenance of a regional communications network, a joint venture. The City of Phoenix is both the Network and the Administrative Managing Member. As the Network Managing Member, Phoenix operates and maintains the network. As the Administrative Managing Member, Phoenix is responsible for accounting, budgeting, procurement and contracting for the RWC.

The City has an ongoing financial responsibility as a result of the agreement to participate in the cost to construct, operate and maintain the network. The city's share of costs is determined based on the proportionate number of subscriber units in use at the time of assessment. The latest available audited financial information on the joint venture is as of and for the fiscal year ended June 30, 2016. The equity interest for the City at June 30, 2016, was \$3,359. The City accounts for its approximate 3.8% investment using the equity method in the Public Safety fund. For the year ended June 30, 2016, the City recognized a loss in the joint venture of \$274.

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CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2017

(amounts expressed in thousands)

A summary of the audited financial information on the joint venture as of and for the fiscal year ended June 30, 2016, is as follows:

Assets

Current assets	\$ 10,847
Capital assets, net of accumulated depreciation	<u>86,472</u>
Total assets	<u>97,319</u>

Liabilities and Deferred Inflows of Resources**Net assets**

	<u>8,667</u>
	<u>\$ 88,652</u>
Total revenues	\$ 23,646
Total expenses	<u>(30,877)</u>
Decrease in net assets	<u>\$ (7,231)</u>

Copies of separate financial statements of the joint venture can be obtained from RWC Director's Office, 200 W. Washington Street, 12th Floor, Phoenix, Arizona 85003

XV. Jointly governed organizations

The Regional Public Transit Authority (RPTA) is a voluntary association of local governments, including Glendale, Phoenix, Mesa, Tempe, Scottsdale, and Maricopa County. Its purpose is to ensure that a viable public transportation system is provided as an alternative for regional mobility and to ease the traffic congestion and air pollution caused by over-reliance on the single occupant vehicle. The Board of Directors consists of the mayors of those cities and a member of the County Board of Supervisors.

Arizona Municipal Water Users Association (AMWUA) is a non-profit corporation established and funded by cities in Maricopa County for the development of an urban water policy and to represent the cities' interests before the Arizona legislature. In addition, AMWUA contracts with the cities jointly using the 91st Avenue Waste Water Treatment Plant to perform certain accounting, administrative and support services.

XVI. Governmental fund balance components and fund type definitions

The City has a formally adopted minimum fund balance policy for the general fund. This policy was adopted through the annual budget process. The policy states that the general fund should maintain a minimum unrestricted (the total amount of the committed, assigned, and unassigned) fund balance of 25% of the projected annual ongoing revenues.

The City's general fund, unrestricted fund balance at June 30, 2017 is \$51,206. Per the City's adopted financial policies, 10% of the general fund operating revenue which totals \$22,481 has been earmarked as the Budget Stabilization Reserve and \$18,078 has been earmarked as the Operating Reserve. Consistent with the requirements of GASB Statement No. 54, formal Council action was not taken prior to June 30, 2017 to commit these funds; therefore, the funds are reported as unassigned.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2017

(amounts expressed in thousands)

	General	Municipal Property Corporation Debt Service	Other Non-Major Governmental Funds	Total Governmental Funds
Nonspendable				
Inventories and prepaid items	\$ 2,934	\$ -	\$ 121	\$ 3,055
Cemetery perpetual care	-	-	5,740	5,740
Total Nonspendable	2,934	-	5,861	8,795
Restricted				
Public transit	-	-	44,818	44,818
State drug enforcement	-	-	2,183	2,183
U.S. drug enforcement	-	-	265	265
Debt service	-	3,442	4,363	7,805
Court security	-	-	302	302
Court time payments	-	-	60	60
Court computer upgrade	-	-	91	91
HOME program	-	-	158	158
Highway user gas tax	-	-	17,945	17,945
Police activities	6,447	-	-	6,447
Fire activities	996	-	-	996
Development impact fees	-	-	14,974	14,974
Fire and police construction	-	-	257	257
Park bond construction	-	-	122	122
Economic development	-	-	1,007	1,007
Open space/trails	-	-	226	226
Cultural and historical projects	-	-	255	255
Government facilities	-	-	37	37
Garden for visually impaired	-	-	60	60
Neighborhood stabilization	-	-	229	229
Flood control construction	-	-	1,114	1,114
Total restricted	7,443	3,442	88,466	99,351
Committed				
Artwork	-	-	1,154	1,154
Pool/park repair	-	-	127	127
Other	-	-	1,014	1,014
Total committed	-	-	2,295	2,295
Assigned				
Equipment replacement	55	-	-	55
General government capital projects	9,225	-	-	9,225
Bed tax/tourism	1,367	-	-	1,367
Public safety training facility	-	-	170	170
Total assigned	10,647	-	170	10,817
Unassigned fund balance	40,559	-	(3,770)	36,789
	\$ 61,583	\$ 3,442	\$ 93,022	\$ 158,047

Enterprise Fund Type
Water and Sewer Fund

Restricted for debt service	\$ 9,805
Restricted for revenue bond retirement/replacement and extension	
Two percent of net water revenues must be, by bond ordinance, 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.	9,579
Restricted for other purposes	<u>3,513</u>
Total restricted for water and sewer	<u>\$ 22,897</u>
Total restricted for enterprise fund types	<u>\$ 22,897</u>

XVII. Employee retirement systems and pension plans

The City contributes to the Arizona State Retirement System (ASRS), the Public Safety Personnel Retirement System (PSPRS) for police officers and fire fighters, and the Elected Officials Retirement Plan (EORP) for City elected officials who are elected, appointed, or hired prior to January 1, 2014. The Elected Officials Retirement Plan is not described below because of its relative insignificance to the financial statements.

At June 30, 2017, the City reported the following aggregate amounts related to pensions for all plans to which it contributes:

Statement of Net Position and Statement of Activities	Governmental Activities	Business-Type Activities	Total
Net pension liabilities	\$ 313,900	\$ 32,015	\$ 345,915
Deferred outflows of resources	80,324	6,980	87,304
Deferred inflows of resources	15,930	4,316	20,246
Pension expense	61,341	1,280	62,621

A. Arizona State Retirement System (ASRS)

Plan Description - City employees not covered by the other pension plans described on the following pages participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. ASRS is a component unit of the State of Arizona. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on its Web site at www.azasrs.gov.

Benefits Provided - The ASRS provides retirement, disability, health insurance premium supplemental benefits, and survivor benefits. State statute establishes benefits terms. Retirement

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benefits are calculated on the basis of age, average monthly compensation, and total credited service as follows:

	Retirement initial membership date:	
	Before July 1, 2011	On or after July 1, 2011
Years of service and age required to receive benefit	Sum of years and age equals 80 10 years age 62 5 years age 50* any years age 65	30 years age 55 25 years age 60 10 years age 62 5 years age 50* any years age 65
Final average salary is based on	Highest 36 consecutive months of last 120 months	Highest 60 consecutive months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%

**With actuarially reduced benefits*

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earnings. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member's death. For retired members, the survivor benefit is determined by the retirement benefit option chosen. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contributions and employer's contributions, plus interest earned.

Contributions - In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2017, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.48 percent (11.34 percent for retirement and 0.14 percent for long-term disability) of the members' annual covered payroll. The City was required by statute to contribute at the actuarially determined rate of 11.48 percent (10.78 percent for retirement, 0.56 percent for health insurance premium benefit, and 0.14 percent for long-term disability) of the active members' annual covered payroll. In addition, the City was required by statute to contribute at the actuarially determined rate of 9.47 percent (9.17 percent for retirement, 0.21 percent for health insurance premium benefit and 0.09 percent for long-term disability) of annual covered payroll of retired members who worked for the city in positions that would typically be filled by an employee who contributes to the ASRS. Contributions to the pension plan for the year ended June 30, 2017, were \$7,073. The City's contributions for the current and two preceding years for OPEB, all of which were equal to the required contributions, were as follows:

	Health Benefit Supplement Fund	Long-Term Disability Fund
<u>Year Ended June 30,</u>		
2017	\$ 365	\$ 91
2016	298	71
2015	325	66

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Pension Liability - At June 30, 2017, the City reported a liability of \$102,830 for its proportionate share of the net pension liability of the ASRS. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using generally accepted actuarial procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2015, to the measurement date of June 30, 2016.

The City's reported liability at June 30, 2017, increased by \$8,552 from the City's prior year liability of \$94,278 because of changes in the ASRS' net pension liability and the City's proportionate share of that liability. The ASRS' publicly available financial report provides details on the change in the net pension liability.

The City's proportionate share of the net pension liability was based on the City's fiscal year 2016 contributions. The City's proportion measured as of June 30, 2016, was 0.63706 percent, which was an increase of 0.0318 from its proportion measured as of June 30, 2015.

Pension Expense and Deferred Outflows/Inflows of Resources - For the year ended June 30, 2017, the City recognized pension expense for ASRS of \$4,109. At June 30, 2017 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 623	\$ 7,074
Changes of assumptions or other inputs	-	5,440
Net difference between projected and actual earnings on pension plan investments	11,143	-
Changes in proportion and differences between City contributions and proportionate share of contributions	3,600	1,464
City contributions subsequent to the measurement date	7,073	-
Total	\$ 22,439	\$ 13,978

The \$7,073 reported as deferred outflows of resources related to ASRS pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	
2017	\$ (4,515)
2018	(2,088)
2019	4,868
2020	3,123
Thereafter	-

Actuarial Assumptions – The total pension liability was determined by an actuarial valuation as of June 30, 2015 and rolled forward using generally accepted actuarial procedures to June 30, 2016. The significant actuarial assumptions used to measure the total pension liability are as follows:

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Actuarial valuation date	June 30, 2015
Actuarial roll forward date	June 30, 2016
Actuarial cost method	Entry age normal
Amortization method:	
Plan amendments	Immediate
Investment gain/loss	5 Years
Assumption gain/loss	Average future service life
Experience gain/loss	Average future service life
Asset valuation	Fair value
Discount Rate	8%
Projected salary increases	3 - 6.75%
Inflation	3%
Permanent benefit increase	Included
Mortality rates	1994 GAM Scale BB

The actuarial assumptions related to funding were selected on the basis of an experience study which was performed for the five-year period ending June 30, 2012. The ASRS board adopted the experience study which recommended changes and those changes were effective as of June 30, 2013 actuarial valuation.

The long-term expected rate of return on ASRS pension plan investments was determined to be 8.75 percent using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Actual returns may be lower due to the volatility of returns.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Real Return
		Arithmetic Basis
Equity	58%	6.73%
Fixed income	25%	3.70%
Real estate	10%	4.25%
Multi-asset class	5%	3.41%
Commodities	2%	3.84%
Total	100%	

Discount Rate - The discount rate used to measure the ASRS total pension liability was 8 percent, which is less than the long-term expected rate of return of 8.75 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statutes. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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Sensitivity of the City's Proportionate Share of the ASRS Net Pension Liability to Changes in the Discount Rate - The following table presents the City's proportionate share of the net pension liability calculated using the discount rate of 8 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7 percent) or 1 percentage point higher (9 percent) than the current rate.

	1% Decrease (7%)	Current Discount Rate (8%)	1% Increase (9%)
City's proportionate share of the net pension liability	\$ 131,113	\$ 102,828	\$ 80,149

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued ASRS financial report.

B. Public Safety Personnel Retirement System (PSPRS)

Plan Description - City public safety personnel who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS). The PSPRS administers an agent multiple-employer defined benefit pension plan and an agent multiple-employer defined benefit health insurance premium benefit (OPEB) plan (agent plans). A seven-member board known as the Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 4. The PSPRS issues a publicly available financial report that includes their financial statements and required supplementary information. The reports are available on the PSPRS Web site at www.psprs.com.

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Benefits Provided - The PSPRS provides retirement, health insurance premium supplement, disability, and survivor benefits. State statute establishes benefit terms. Retirement, disability, and survivor benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

	Initial Membership Date	
	Before January 1, 2012	On or After January 1, 2012 and Before July 1, 2017
<u>Retirement and Disability</u>		
Years of service and age required to receive benefit	20 years, any age 15 years, age 62	25 years and age 52.5
Final average salary is based on	Highest 36 consecutive months of last 20 years	Highest 60 consecutive months of last 20 years
Benefit percentage Normal Retirement	50% less 2.0% for each year of credited service less than 20 years OR plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	2.5% for each year of credited service, not to exceed 80%
Accidental Disability Retirement	50% or normal retirement, whichever is greater	
Catastrophic Disability Retirement	90% for the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater	
Ordinary Disability Retirement	Normal retirement calculated with actual years of credited service or 20 years of credited service, whichever is greater, multiplied by years of credited service (not to exceed 20 years) divided by 20	
<u>Survivor Benefit</u>		
Retired Members	80% to 100% of retired member's pension benefit	
Active Members	80% to 100% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job	

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on excess investment earning. In addition, the Legislature may enact permanent one-time benefits increases after a Joint Legislative Budget Committee analysis of the increases effects on the plan. PSPRS also provides temporary disability benefits of 50 percent of the member's compensation for up to 12 months.

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Employees Covered by Benefit Terms - At June 30, 2017, the following employees were covered by the agent pension plans' benefit terms:

	PSPRS Police	PSPRS Firefighters
Inactive employees or beneficiaries currently receiving benefits	186	92
Inactive employees entitled to but not yet receiving benefits	48	30
Active employees	388	221
Total	<u>622</u>	<u>343</u>

Contributions and Annual OPEB Cost - State statutes establish the pension contribution requirements for active PSPRS employees. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for PSPRS pension and health insurance premium benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contribution rates for the year ended June 30, 2017, are indicated below. Rates are a percentage of active members' annual covered payroll.

	PSPRS Police	PSPRS Firefighters
Active Members - Pension	7.65%	7.65%
City:		
Pension	36.41%	31.46%
Health Insurance Premium Benefit	0.54%	0.00%

For the agent plans, the City's contributions to the pension plan and annual OPEB cost and contributions for the health insurance premium benefit which equaled required contributions for the year ended June 30, 2017, were:

	PSPRS Police	PSPRS Firefighters
Contributions Made:		
Pension	\$ 12,841	\$ 6,649
Health Insurance Premium Benefit	190	-

During fiscal year 2017, the City paid for PSPRS pension and OPEB contributions 100 percent from the General Fund.

Pension Liability - At June 30, 2017, the City reported the following net pension liabilities:

	Liability
PSPRS Police	\$ 159,608
PSPRS Firefighters	83,477

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The net pension liabilities were measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liabilities as of June 30, 2016, reflect the following changes of benefit terms and actuarial assumptions.

Pension Actuarial Assumptions - The significant actuarial assumptions used to measure the total pension liability are as follows:

Actuarial valuation date	June 30, 2016
Actuarial cost method	Individual entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	22 years
Asset valuation method	7 year smoothed market, 20% corridor
Discount rate	7.50%
Projected salary increases	4.0% - 8.0% including inflation
Inflation	3%, no explicit price inflation is used
Permanent benefit increase	Members retired on or before July 1, 2011: 2% of overall average benefits compounded annually. All member receive the same dollar amount of increases, members retired on or after August 1, 2011: 0.5% of overall average benefits compounded annually. All members receive the same dollar amount of increase
Mortality rates	RP-2000 mortality table (adjusted by 105% for both males and females)

Actuarial assumptions used in the June 30, 2016, valuation was based on the results of an actuarial experience study for the 5-year period ended June 30, 2012.

The long-term expected rate of return on PSPRS pension plan investments was determined to be 7.50 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Short Term Investments	2%	0.75%
Risk Parity	4%	5.13%
Absolute Return	5%	4.11%
Fixed Income	7%	2.92%
Real Assets	8%	4.77%
GTAA	10%	4.38%
Real Estate	10%	4.48%
Private Equity	11%	9.50%
Credit Opportunities	13%	7.08%
Non-U.S. Equity	14%	8.25%
U.S. Equity	16%	6.23%
Total	100%	

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Pension Discount Rates - The following discount rates were used to measure the total pension liabilities:

	PSPRS Police	PSPRS Firefighters
Discount rates	7.50%	7.50%

The projection of cash flows used to determine the PSPRS discount rates assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rate and the member rate. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Agent Plans Net Pension Liability - The following tables present changes in the City's net pension liability for the PSPRS pension plan (Police and Firefighters):

PSPRS - Police	Total Pension Liability (Asset) (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance at June 30, 2016	\$ 243,876	\$ 115,207	\$ 128,669
Changes for the year:			
Service cost	6,644	-	6,644
Interest on the total pension liability	18,964	-	18,964
Changes of benefit terms	16,926	-	16,926
Differences between expected and actual experience in the measurement of the pension liability	(3,593)	-	(3,593)
Changes of assumptions or other inputs	10,446		10,446
Contributions - employer	-	13,527	(13,527)
Contributions - employee	-	4,299	(4,299)
Net investment income	-	729	(729)
Benefit payments, including refunds of employee contributions	(11,246)	(11,246)	-
Administrative expenses	-	(105)	105
Other changes	-	(2)	2
Net changes	38,141	7,202	30,939
Balance as of June 30, 2017	\$ 282,017	\$ 122,409	\$ 159,608

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PSPRS - Firefighters	Total Pension Liability (Asset) (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance at June 30, 2016	\$ 152,392	\$ 90,476	\$ 61,916
Changes for the year:			
Service cost	4,065	-	4,065
Interest on the total pension liability	11,801	-	11,801
Changes of benefit terms	12,497	-	12,497
Differences between expected and actual experience in the measurement of the pension liability	(2,923)	-	(2,923)
Changes of assumptions or other inputs	6,345	-	6,345
Contributions - employer	-	7,339	(7,339)
Contributions - employee	-	2,649	(2,649)
Net investment income	-	547	(547)
Benefit payments, including refunds of employee contributions	(8,199)	(8,199)	-
Administrative expenses	-	(79)	79
Other changes	-	(232)	232
Net changes	23,586	2,025	21,561
Balance as of June 30, 2017	\$ 175,978	\$ 92,501	\$ 83,477

Sensitivity of the City's Net Pension Liability to Changes in the Discount Rate - The following table presents the City's net pension liabilities calculated using the discount rates noted above, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
PSPRS Police			
Rate	6.50%	7.50%	8.50%
Net Pension Liability	\$ 198,413	\$ 159,608	\$ 127,830
PSPRS Firefighters			
Rate	6.50%	7.50%	8.50%
Net Pension Liability	107,267	83,477	63,853

Pension Plan Fiduciary Net Position - Detailed information about the pension plans' fiduciary net position is available in the separately issued PSPRS financial report.

Pension Expense - For the year ended June 30, 2016, the City recognized the following pension expense:

	Pension Expense
PSPRS Police	\$ 36,417
PSPRS Firefighters	22,095

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Pension Deferred Outflows/Inflows of Resources - At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PSPRS - Police	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,050	\$ 3,040
Changes of assumptions or other inputs	17,992	-
Net difference between projected and actual earnings on pension plan investments	7,501	-
City contributions subsequent to the measurement date	12,841	-
Total	<u>\$ 40,384</u>	<u>\$ 3,040</u>

PSPRS - Firefighters	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 856	\$ 3,228
Changes of assumptions or other inputs	11,218	-
Net difference between projected and actual earnings on pension plan investments	5,758	-
City contributions subsequent to the measurement date	6,649	-
Total	<u>\$ 24,481</u>	<u>\$ 3,228</u>

The amounts reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	PSPRS Police	PSPRS Firefighters
Year Ending June 30,		
2018	\$ 6,882	\$ 3,015
2019	6,882	3,015
2020	6,919	3,871
2021	3,057	3,162
2022	784	799
Thereafter	-	759

Agent Plan OPEB Actuarial Assumptions - The health insurance premium benefit contribution requirements for the year ended June 30, 2016, were established by the June 30, 2015 actuarial valuations, and those actuarial valuations were based on the following actuarial methods and assumptions.

Actuarial valuations involve estimates of the reported amounts' value 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 for the health insurance premium benefit presented as required supplementary information provides multiyear

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trend information that shows whether the actuarial value of the plans' assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Projections of benefits are based on (1) the plans as understood by the City and the 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 the 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 significant actuarial methods and assumptions used are the same for all PSPRS plans and related benefits (unless noted), and the actuarial methods and assumptions used to establish the fiscal year 2016, contribution requirements, are as follows:

PSPRS - OPEB Contribution Requirements

Actuarial Valuation Date	June 30, 2015
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	21 years for unfunded actuarial accrued liability, 20 years for excess
Asset Valuation Method	7-year smoothed market value; 80%/120% Corridor
Actuarial Assumptions:	
Investment Rate of Return	7.85%
Inflation	3.0%
Projected Salary Increases	4.0% - 8.0%
Wage Growth	4.00%

Agent Plan OPEB Trend Information - The following table presents the annual OPEB cost information for the health insurance premium benefit for the current and 2 preceding years:

Year Ended June 30	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation
PSPRS Police			
2017	\$ 190	100.00%	\$ -
2016	222	100.00	-
2015	488	100.00	-
PSPRS Firefighters			
2017	\$ -	100.00%	\$ -
2016	-	100.00	-
2015	223	100.00	-

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Agent Plan OPEB Funded Status - The funded status of the health insurance premium benefit plans as of the most recent valuation date, June 30, 2016 is as follows:

		PSPRS Police	PSPRS Firefighters
Actuarial Value of Assets (a)	\$	5,042	\$ 4,366
Actuarial Accrued Liability (b)		6,312	3,285
Unfunded Actuarial Accrued Liability (Funding Excess) (b) - (a)	\$	1,270	\$ (1,081)
Funded Ratio (a) / (b)		79.9%	132.9%
Annual Covered Payroll (c)	\$	34,196	\$ 20,296
Unfunded Actuarial Accrued Liability (Funding Excess) as a Percentage of Covered Payroll (b) - (a) / (c)		3.71%	0.00%

The funded status of the all the PSPRS health insurance premium benefit plans in the June 30, 2016, actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement:

PSPRS - OPEB Funded Status

Actuarial Valuation Date	June 30, 2016
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	20 years
Asset Valuation Method	7-year smoothed market value; 80%/120% market
Actuarial Assumptions:	
Investment Rate of Return	7.50%
Inflation	3.0%
Projected Salary Increases	4.0% - 8.0%
Wage Growth	4.0%

XVIII. Other Post-Employment Benefits (OPEB)**A. Plan description and Benefits Provided**

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 through the City's group health insurance plans. By continuing to provide eligible 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 blended rate to eligible retirees. This blended rate or implicit rate exists because on average retiree healthcare costs are higher than active employee healthcare costs. Retirees can also continue their basic life insurance benefit. Retirees pay 100% 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

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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 and employees covered

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.

For the fiscal year ending June 30, 2017, the number of employees covered by the plan totaled 2,329.

Inactive employees or beneficiaries currently receiving benefits	626
Active employees	1,703
Total	<u>2,329</u>

C. 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. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Healthcare costs were derived from age-neutral premiums, trended to the valuation date and adjusted for the risk characteristics of the group. Medical healthcare trends were projected at 7.75%, decreasing annually by 0.25%, down to an ultimate rate of 5.0%.

For June 30, 2017, the last actuarial valuation, the actuarial cost method used is the entry age normal method. A 3.43% pay as you go discount/investment rate was used. This represents a 0.58% increase over the discount rate used in the prior valuation. 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.

Actuarial valuation date	June 30, 2017
Inflation	2.4%
Salary Increases	3.5% including inflation
Discount rate	3.43%
Mortality rates	RPH-2014 employee mortality table & RPH-2014 healthy annuitant table (for both males and females)

D. Change in total OPEB liability

A change in the net OPEB liability was determined by an actuarial valuation as of June 30, 2017. The following table shows the changes in OPEB liability as of June 30, 2017.

Total OPEB Liability balance at June 30, 2016	<u>\$ 64,052</u>
Changes for the Year	
Service Cost	3,494
Interest	2,311
Changes of benefit terms	(3,580)
Differences between expected and actual experience	(2,463)
Changes in assumptions or other inputs	(2,952)
Benefit payments	<u>(237)</u>
Net Changes	<u>(3,427)</u>
Total OPEB Liability balance at June 30, 2017	<u><u>\$ 60,625</u></u>

Multi-year schedule of changes in the net OPEB liability is available in the Required Supplementary Information.

E. Discount rate sensitivity

The discount rate of 3.43% was used to measure the total OPEB liability. This discount rate is the average of the S&P Municipal Bond 20 Year High Grade Rate Index of 3.29% and the Fidelity General Obligation AA 20 Year Yield of 3.65% as of June 30, 2017. The following table presents the City's net OPEB liability calculated using the discount rate noted above, as well as what the City's OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Discount Rate	2.43%	3.43%	4.43%
Total OPEB Liability	\$ 71,872	\$ 60,625	\$ 52,089

F. Healthcare cost trend rate sensitivity

The following table presents the total OPEB liability of the City, as well as the City's total OPEB liability if it were calculated using healthcare cost trend rates that are 1 percentage point lower or higher than current rates.

	<u>Healthcare Cost Trend Rates</u>		
	<u>6.75%</u>	<u>7.75%</u>	<u>8.75%</u>
Total OPEB Liability	\$ 45,126	\$ 60,625	\$ 83,147

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2017

(amounts expressed in thousands)

G. OPEB expense

The following table shows the components of the City's annual OPEB expense for the year.

Service Cost	\$ 3,494
Interest	2,311
Difference between Actual and Expected Experience	(274)
Changes in Assumptions/Inputs	(328)
Change in Benefit Terms	(3,580)
Total FY17 OPEB Expense	<u>\$ 1,623</u>

H. Deferred outflows/inflows of resources

At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB as shown in the following table.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (2,189)
Changes of assumptions or other inputs	-	(2,624)
Total	<u>\$ -</u>	<u>\$ (4,813)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	OPEB Expense
2018	\$ (602)
2019	(602)
2020	(602)
2021	(601)
2022	(601)
Thereafter	(1,805)
	<u>\$ (4,813)</u>

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CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2017

(amounts expressed in thousands)

XIX. Contingent liabilities and commitments

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the city expects such amounts, if any, to be immaterial.

The City is subject to claims and litigation, which arise in the ordinary course of its operations. In the opinion of City management, based on the advice of the City attorney, the resolution of such claims and litigation are believed to either have no material adverse effect on the financial position or the future operations of the City or likelihood of a negative outcome to the City is not determinable.

The City, under the memorandum of agreement with the Arizona Sports and Tourism Authority (AZSTA) and B & B Holdings (DBA Arizona Cardinals), irrevocably assigns, transfers, and pledges unrestricted excise taxes collected at the Multipurpose Facility site (Stadium) to AZSTA. In consideration for the pledge of unrestricted excise tax revenues, the AZSTA issued bonds to improve the Stadium infrastructure. The City's obligation is to make monthly payments to the AZSTA for sales tax payments collected from the site only. The AZSTA bonds do not constitute a legal debt of the City.

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CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2017

(amounts expressed in thousands)

XX. Tax Abatement

The City implemented GASB Statement No. 77. This statement requires government's that enter into tax abatement agreements to disclose information about the agreements. The tax abatement is listed by program for the year ended June 30, 2017.

Primary Government

City of Glendale, AZ

Purpose of Program	Economic Development
Tax being abated	Sales tax reimbursements
Authority under which the abatement agreement is entered	The City is authorized pursuant to Article 1, Section 3 of its Charter and ARS 9-500.05 and 9-500.11, ARS 11-952 to enter into economic development agreements with businesses located in the City and to appropriate and spend public monies for and in conjunction with economic development activities.
Criteria to be eligible to receive abatement	The City analyses the economic development benefits and determines that such public benefits support and justify the economic development incentives provided by each agreement. The public benefits anticipated are indirect economic and non-economic benefits such as increasing City's residents access to goods and services, enhancing public infrastructure, increasing the City's employment base, increasing the City's assessed property valuation and increasing the City's general tax revenues.
Mechanism by which the taxes are abated	The City shall make periodic payments based on a percentage of transaction privilege taxes received by the City for a certain length of time as entered into the agreement after occupancy.
How amount of abatement is determined	Based on a percentage of transaction privilege taxes received by the City for a certain length of time as entered into the agreement or capped at a certain dollar amount.
Types of commitments made by the City other than to reduce taxes	City will abandon real property adjacent to the property for right of way, modifying and rezoning use permit of property.
Amount of sales tax reimbursements for the fiscal year ended June 30, 2017	\$ 2,354

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2017

(amounts expressed in thousands)

XXI. Implementation of new accounting principle

GASB statement No. 77, Tax Abatement Disclosures, addresses accounting and financial reporting issues related to tax abatements. The requirements of this Statement improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition.

XXII. Subsequent events

On October 4, 2017, \$65,385 in subordinate excise tax revenue refunding bonds were sold by the City to refinance a portion of City of Glendale, Arizona Municipal Property Corporation bonds. This transaction resulted in a \$15,761 cash flow savings for the general fund over the next fifteen years, a net present value savings of \$12,851 and will not increase the original term of the bonds.

On December 12, 2017, the city council approved an ordinance authorizing the issuance and sale of General Obligation Refunding Bonds in one or more series for the purpose of providing for the cross-over refunding of General Obligation Bonds, Series 2009B (Taxable Direct Pay Build America Bonds, Series 2009B).

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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, 2017

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CITY OF GLENDALE, ARIZONA

Schedule of Pension Liability

June 30, 2017

(amounts expressed in thousands)

	Reporting Fiscal Year (Measurement Date)				
	2017 (2016)	2016 (2015)	2015 (2014)	2014 (2013)	2013 - 2008 (2012 - 2007)
Arizona State Retirement System:					
City's Proportion of the Net Pension Liability	0.637060%	0.605260%	0.619749%	0.656524%	Information
City's Proportionate Share of the Net Pension Liability	\$ 102,830	\$ 94,278	\$ 91,702	\$ 109,143	Not Available
City's Covered-Employee Payroll	\$ 58,301	\$ 54,853	\$ 54,523	\$ 57,475	
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered -Employee Payroll	176.38%	171.87%	168.19%	189.90%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.06%	68.35%	69.49%	N/A	

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CITY OF GLENDALE, ARIZONA

Schedule of Pension Liability

June 30, 2017

(amounts expressed in thousands)

Public Safety Personnel Retirement System - Police:

	Reporting Fiscal Year (Measurement Date)			2014 - 2008 (2013 - 2007)
	2017 (2016)	2016 (2015)	2015 (2014)	
Total Pension Liability:				
Service Cost	\$ 6,644	\$ 6,083	\$ 5,483	Information
Interest on the Total Pension Liability	18,964	17,857	14,973	Not Available
Changes of Benefit Terms	16,926	-	3,331	
Differences Between Expected and Actual Experience in the Measurement of the Pension Liability	(3,593)	1,067	2,845	
Changes of Assumptions or Other Inputs	10,446	-	19,686	
Benefit Payments, Including Refunds of Employee Contributions	(11,246)	(11,143)	(8,616)	
Net Change in Total Pension Liability	38,139	13,864	37,702	
Total Pension Liability - Beginning	243,876	230,012	192,310	
Total Pension Liability - Ending (a)	<u>\$ 282,015</u>	<u>\$ 243,876</u>	<u>\$ 230,012</u>	
Plan Fiduciary Net Position:				
Contributions - Employer	\$ 13,527	\$ 9,691	\$ 8,221	
Contributions - Employee	4,299	4,009	3,432	
Net Investment Income	729	4,023	12,960	
Benefit Payments, Including Refunds of Employee Contributions	(11,246)	(11,143)	(8,616)	
Administrative Expenses	(105)	(99)	(104)	
Other Changes	(2)	(6)	(124)	
Net Change in Plan Fiduciary Net Position	7,202	6,475	15,769	
Plan Fiduciary Net Position - Beginning	115,207	108,732	92,963	
Plan Fiduciary Net Position - Ending (b)	<u>\$ 122,409</u>	<u>\$ 115,207</u>	<u>\$ 108,732</u>	
City's Net Pension Liability (Asset) - Ending (a) - (b)	159,606	128,669	121,280	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	43.40%	47.24%	47.27%	
Covered-employee Payroll	34,196	33,350	31,815	
City's Net Pension Liability (Asset) as a Percentage of Covered-employee Payroll	466.74%	385.81%	381.20%	

CITY OF GLENDALE, ARIZONA
Schedule of Pension Liability

June 30, 2017

(amounts expressed in thousands)

Public Safety Personnel Retirement System - Fire:

	Reporting Fiscal Year (Measurement Date)			2014 - 2008 (2013 - 2007)
	2017 (2016)	2016 (2015)	2015 (2014)	
Total Pension Liability:				
Service Cost	\$ 4,065	\$ 3,858	\$ 3,805	Information
Interest on the Total Pension Liability	11,801	11,230	9,672	Not Available
Changes of Benefit Terms	12,497	-	1,658	
Differences Between Expected and Actual Experience in the Measurement of the Pension Liability	(2,923)	(823)	1,452	
Changes of Assumptions or Other Inputs	6,345	-	9,623	
Benefit Payments, Including Refunds of Employee Contributions	(8,199)	(5,996)	(6,800)	
Net Change in Total Pension Liability	23,586	8,269	19,410	
Total Pension Liability - Beginning	152,392	144,123	124,713	
Total Pension Liability - Ending (a)	<u>\$ 175,978</u>	<u>\$ 152,392</u>	<u>\$ 144,123</u>	
Plan Fiduciary Net Position:				
Contributions - Employer	\$ 7,339	\$ 4,942	\$ 4,630	
Contributions - Employee	2,649	2,380	2,265	
Net Investment Income	547	3,189	10,457	
Benefit Payments, Including Refunds of Employee Contributions	(8,199)	(5,996)	(6,800)	
Administrative Expenses	(79)	(78)	(84)	
Other Changes	(232)	(389)	-	
Net Change in Plan Fiduciary Net Position	2,025	4,048	10,468	
Plan Fiduciary Net Position - Beginning	90,476	86,428	75,960	
Plan Fiduciary Net Position - Ending (b)	<u>\$ 92,501</u>	<u>\$ 90,476</u>	<u>\$ 86,428</u>	
City's Net Pension Liability (Asset) - Ending (a) - (b)	83,477	61,916	57,695	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.56%	59.37%	59.97%	
Covered-employee Payroll	20,296	20,570	19,291	
City's Net Pension Liability (Asset) as a Percentage of Covered-employee Payroll	411.30%	301.00%	299.08%	

CITY OF GLENDALE, ARIZONA

Schedule of OPEB Liability

June 30, 2017

(amounts expressed in thousands)

	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>2015 - 2008</u>
Total OPEB Liability			
Service Cost	\$ 3,494	\$ 3,376	Information
Interest	2,311	1,792	Not Available
Changes of benefit terms	(3,580)	-	
Differences between expected and actual experience	(2,463)	-	
Changes in assumptions or other inputs	(2,952)	-	
Benefit payments	<u>(237)</u>	<u>(620)</u>	
Net Changes	<u>(3,427)</u>	<u>4,548</u>	
Total OPEB Liability balance at June 30, 2016	<u>\$ 64,052</u>	<u>\$ 59,504</u>	
Total OPEB Liability balance at June 30, 2017	<u>\$ 60,625</u>	<u>\$ 64,052</u>	
Covered Employee Payroll	\$ 113,677	\$ 93,944	
Total OPEB Liability as a percentage of covered employee payroll	53.3%	68.2%	
Discount Rate	3.43%	2.85%	

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CITY OF GLENDALE, ARIZONA

Schedule of Pension Contributions

June 30, 2017

(amounts expressed in thousands)

Arizona State Retirement System:

	2017	2016	2015
Statutorily Required Contribution	\$ 7,073	\$ 6,472	\$ 6,071
City's Contribution in Relation to the Statutorily Required Contribution	7,073	6,472	6,071
City's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
City's Covered-Employee Payroll	\$ 64,059	\$ 58,301	\$ 54,853
City's Contributions as a Percentage of Covered- Employee Payroll	11.04%	11.10%	11.07%

Public Safety Personnel Retirement System - Police:

	2017	2016	2015
Statutorily Required Contribution	\$ 12,841	\$ 13,527	\$ 9,691
City's Contribution in Relation to the Statutorily Required Contribution	12,841	13,527	9,691
City's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
City's Covered-Employee Payroll	\$ 37,615	\$ 34,196	\$ 33,350
City's Contributions as a Percentage of Covered- Employee Payroll	34.14%	39.56%	29.06%

Public Safety Personnel Retirement System - Fire:

	2017	2016	2015
Statutorily Required Contribution	\$ 6,649	\$ 7,339	\$ 4,942
City's Contribution in Relation to the Statutorily Required Contribution	6,649	7,339	4,942
City's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
City's Covered-Employee Payroll	\$ 21,372	\$ 20,296	\$ 20,570
City's Contributions as a Percentage of Covered- Employee Payroll	31.11%	36.16%	24.03%

Reporting Fiscal Year						
2014	2013	2012	2011	2010	2009	2008
\$ 5,978	\$ 5,971	\$ 5,743	\$ 5,685	\$ 6,479	\$ 6,045	\$ 5,269
5,978	5,971	5,743	5,685	6,479	6,045	5,269
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 54,523	\$ 57,475	\$ 65,443	\$ 65,143	\$ 71,338	\$ 81,655	\$ 79,680
10.96%	10.39%	8.77%	8.73%	9.08%	7.40%	6.61%

Reporting Fiscal Year				
2014	2013	2012	2011	2010 - 2008
\$ 8,221	\$ 6,787	\$ 5,907	\$ 5,248	Information Not Available
8,221	6,787	5,907	5,248	
\$ -	\$ -	\$ -	\$ -	
\$ 31,815	\$ 28,336	\$ 29,356	\$ 27,576	
25.84%	23.95%	20.12%	19.03%	

Reporting Fiscal Year				
2014	2013	2012	2011	2010 - 2008
\$ 4,630	\$ 3,454	\$ 2,828	\$ 2,546	Information Not Available
4,630	3,454	2,828	2,546	
\$ -	\$ -	\$ -	\$ -	
\$ 19,291	\$ 18,547	\$ 18,406	\$ 16,811	
24.00%	18.62%	15.36%	15.14%	

CITY OF GLENDALE, ARIZONA

Schedule of Funding Progress

June 30, 2017

(amounts expressed in thousands)

GASB Statement No. 45 Supplementary Information

The schedule of funding progress for the Public Safety Personnel Retirement System post-retirement health insurance subsidy is as follows:

Valuation Date June 30	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfund AAL (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a % of Covered Payroll
Fire						
2016	\$ 4,366	\$ 3,285	\$ (1,081)	132.9 %	\$ 20,296	0.00 %
2015	4,219	3,108	(1,111)	135.8	20,570	0.00
2014	3,916	3,104	(812)	126.2	19,291	0.00
Police						
2016	\$ 5,042	\$ 6,312	\$ 1,270	79.9 %	\$ 34,196	3.71 %
2015	4,799	6,034	1,235	79.5	33,350	3.70
2014	4,369	5,928	1,559	73.7	31,816	4.90

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CITY OF GLENDALE, ARIZONA

Notes to Pension Liability and Contributions

June 30, 2017

(amounts expressed in thousands)

PSPRS Actuarial Methods and Assumptions:

Actuarial Cost Method	Entry age normal
Amortization Level	Level percentage of payroll, closed
Remaining Amortization Period as of the 2015 Actuarial Valuation	20 years for unfunded actuarial accrued liability, 20 years for excess
Asset Valuation Method	7-year smoothed market value; 80%/120% market
Actuarial Assumptions:	
Investment Rate of Return	7.50%; net of investment and administrative expense
Projected Salary Increases	4.0% to 8.0% including inflation
Wage Growth	4.0%
Retirement Age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006 - June 30, 2011
Mortality	RP-2000 mortality table (adjusted by 105% for both males and females)

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City of Glendale, Arizona
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (budgetary basis)	Final Budget Positive (Negative)
Budgetary fund balance, July 1, 2016	\$ 51,125	\$ 51,125	\$ 55,521	\$ 4,396
RESOURCES (INFLOWS):				
Taxes	110,599	110,599	112,265	1,666
Licenses and permits	9,124	9,124	9,068	(56)
Intergovernmental	61,412	61,412	60,945	(467)
Charges for services	20,476	20,476	21,758	1,282
Fines and forfeitures	3,021	3,021	3,253	232
Investment income (loss)	420	420	634	214
Proceeds from disposal of assets	250	250	224	(26)
Local revenue	-	-	88	88
Miscellaneous	5,245	5,245	4,257	(988)
Total revenues	210,547	210,547	212,492	1,945
Add: Transfers in	29,292	29,292	30,938	1,646
Less: Transfers out	(32,781)	(32,781)	(34,375)	(1,594)
Amounts available for appropriation	258,183	258,183	264,576	6,393
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General government	38,477	41,084	40,124	960
Public safety	127,299	127,297	125,246	2,051
Public works	12,550	12,503	12,435	68
Community services	17,349	17,357	17,202	155
Street maintenance	950	920	802	118
Contingencies	5,000	1,241	-	1,241
Debt service:				
Principal	50	50	-	50
Interest	1	1	-	1
Capital outlay	14,579	13,886	12,603	1,283
Total charges to appropriations	216,255	214,339	208,412	5,927
Budgetary fund balance, June 30, 2017	\$ 41,928	\$ 43,844	\$ 56,164	\$ 12,320

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. \$ 264,576

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. (55,521)

Indirect cost allocation (9,700)

Interest earned on restricted investments not available for appropriation (922)

Proceeds from disposal of assets. (224)

Revenue reported on a GAAP basis. (1,090)

Police and fire sales tax revenue. 24,258

Less: Transfers in. (30,938)

Add: Transfers out. 34,375

Total revenues as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds. \$ 224,814

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule. \$ 208,412

Differences - budget to GAAP:

Capital outlay funded by long-term debt. (115)

Salaries payable. (14,322)

Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds. \$ 193,975

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

CITY OF GLENDALE, ARIZONA

Notes to Required Supplementary Information

June 30, 2017

(amounts expressed in thousands)

I. Basis of accounting

The City prepares its annual budget on a basis which differs from the GAAP basis. A budgetary comparison schedule for the general fund is included as required supplementary information to provide a meaningful comparison of actual results to budget on a 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 changes in net position on a budgetary basis, to revenues and expenditures/expenses or changes in net position on a GAAP basis.

In the fund financial statements, the revenues and expenses relating to police and fire sales tax is included in general fund and reflected as a reconciling item in the budgetary comparison schedule for the general fund.

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. The legal level of budgetary control is the total budget as adopted. This is the level at which expenditures cannot legally exceed the appropriated amount.
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.

CITY OF GLENDALE, ARIZONA

Notes to Required Supplementary Information

June 30, 2017

(amounts expressed in thousands)

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.

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City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

COMBINING STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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City of Glendale, Arizona

Budgetary Comparison Schedule

Municipal Property Corporation Debt Service Fund

For the Fiscal Year Ended June 30, 2017

(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2016	\$ 2,654	\$ 2,654	\$ 3,367	\$ 713
RESOURCES (INFLOWS):				
Investments	-	-	26	26
Add: Transfers in	19,251	19,251	19,251	-
Less: Transfers out	-	-	-	-
Amounts available for appropriation	<u>21,905</u>	<u>21,905</u>	<u>22,644</u>	<u>739</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General administration	30	30	10	20
Debt service:				
Principal	5,075	5,075	5,075	-
Interest	14,176	14,176	14,117	59
Total charges to appropriations	<u>19,281</u>	<u>19,281</u>	<u>19,202</u>	<u>79</u>
Budgetary fund balance, June 30, 2017	<u>\$ 2,624</u>	<u>\$ 2,624</u>	<u>\$ 3,442</u>	<u>\$ 818</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.	\$ 22,644
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(3,367)
Less: Transfers in.	(19,251)
Total revenues as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 26</u>

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 19,202
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 19,202</u>

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.

Transportation Fund

This fund accounts for the City's public transit program and transportation improvement projects.

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.

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.

Transportation Debt Service Fund

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.

Excise Tax Revenue Debt Service Fund

This fund accounts for the debt that was issued to refund the senior and subordinate excise tax revenue bonds issued by the Municipal Property Corporation.

General Obligation Debt Service Fund

This fund accounts for the resources received from a secondary property tax levy used to repay general obligation debt.

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.

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).

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

City of Glendale, Arizona
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2017
(amounts expressed in thousands)

1 of 3

	Special Revenue Funds			
		Community Development Block Grants	Highway User Gas Tax	Other
	Transportation			
ASSETS				
Assets:				
Equity in pooled cash and investments	\$ 42,093	\$ 281	\$ 16,892	\$ 2,552
Receivables, net of allowance for doubtful accounts:				
Property taxes	-	-	-	-
Accounts	2,498	4,396	97	153
Intergovernmental receivable	752	1,231	1,418	1,141
Inventories and prepaid items	121	-	-	-
Restricted cash and investments	-	-	-	3,275
Total assets	<u>\$ 45,464</u>	<u>\$ 5,908</u>	<u>\$ 18,407</u>	<u>\$ 7,121</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Vouchers payable	\$ 401	\$ 211	\$ 434	\$ 261
Accounts payable	-	-	-	1
Retainage payable	-	6	-	-
Compensated absences - current	33	6	28	49
Intergovernmental payable	-	-	-	1
Due to other funds	-	907	-	335
Deposits	-	-	-	66
Unearned revenue	15	4,391	-	839
Matured interest payable	-	-	-	-
Matured bonds payable	-	-	-	-
Total liabilities	<u>449</u>	<u>5,521</u>	<u>462</u>	<u>1,552</u>
Deferred Inflows of Resources	<u>76</u>	<u>-</u>	<u>-</u>	<u>143</u>
Fund balances:				
Nonspendable	121	-	-	-
Restricted	44,818	387	17,945	2,961
Committed	-	-	-	2,295
Assigned	-	-	-	170
Unassigned	-	-	-	-
Total fund balances	<u>44,939</u>	<u>387</u>	<u>17,945</u>	<u>5,426</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 45,464</u>	<u>\$ 5,908</u>	<u>\$ 18,407</u>	<u>\$ 7,121</u>

Debt Service Funds				Permanent Fund
Western Loop 101				
Highway User	Transportation	Excise Tax Revenue	General Obligation	Cemetery Perpetual Care
\$ 43	\$ 4,247	\$ 3,513	\$ 3,405	\$ 5,740
-	-	-	695	-
-	-	-	-	69
-	-	-	-	-
-	-	-	-	-
-	1,298	-	17,979	-
<u>\$ 43</u>	<u>\$ 5,545</u>	<u>\$ 3,513</u>	<u>\$ 22,079</u>	<u>\$ 5,809</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	1,387	3,458	2,849	-
-	3,550	-	15,130	-
<u>-</u>	<u>4,937</u>	<u>3,458</u>	<u>17,979</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>443</u>	<u>69</u>
-	-	-	-	5,740
43	608	55	3,657	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>43</u>	<u>608</u>	<u>55</u>	<u>3,657</u>	<u>5,740</u>
<u>\$ 43</u>	<u>\$ 5,545</u>	<u>\$ 3,513</u>	<u>\$ 22,079</u>	<u>\$ 5,809</u>

(Continued)

City of Glendale, Arizona
Combining Balance Sheet (continued)
Non-Major Governmental Funds
June 30, 2017
(amounts expressed in thousands)

3 of 3

	Capital Project Funds					Total Non-Major Governmental Funds
	Development Impact Fees	Streets Construction	Fire and Police Construction	Parks Bond Construction	Other Construction	
ASSETS						
Assets:						
Equity in pooled cash and investments	\$ 15,089	\$ 1,870	\$ 257	\$ 122	\$ 3,064	\$ 99,168
Receivables, net of allowance for doubtful accounts:						
Property taxes	-	-	-	-	-	695
Accounts	-	-	-	-	-	7,213
Intergovernmental receivable	-	-	-	-	-	4,542
Inventories and prepaid items	-	-	-	-	-	121
Restricted cash and investments	-	-	-	-	-	22,552
Total assets	<u>\$ 15,089</u>	<u>\$ 1,870</u>	<u>\$ 257</u>	<u>\$ 122</u>	<u>\$ 3,064</u>	<u>\$ 134,291</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Vouchers payable	\$ 115	\$ 2,833	\$ -	\$ -	\$ 377	\$ 4,632
Accounts payable	-	-	-	-	-	1
Retainage payable	-	491	-	-	48	545
Compensated absences - current	-	-	-	-	-	116
Intergovernmental payable	-	-	-	-	-	1
Due to other funds	-	1,906	-	-	-	3,148
Deposits	-	-	-	-	-	66
Unearned revenue	-	410	-	-	-	5,655
Matured interest payable	-	-	-	-	-	7,694
Matured bonds payable	-	-	-	-	-	18,680
Total liabilities	<u>115</u>	<u>5,640</u>	<u>-</u>	<u>-</u>	<u>425</u>	<u>40,538</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>731</u>
Fund balances:						
Nonspendable	-	-	-	-	-	5,861
Restricted	14,974	-	257	122	2,639	88,466
Committed	-	-	-	-	-	2,295
Assigned	-	-	-	-	-	170
Unassigned	-	(3,770)	-	-	-	(3,770)
Total fund balances	<u>14,974</u>	<u>(3,770)</u>	<u>257</u>	<u>122</u>	<u>2,639</u>	<u>93,022</u>
Total liabilities, deferred outflows of resources and fund balances	<u>\$ 15,089</u>	<u>\$ 1,870</u>	<u>\$ 257</u>	<u>\$ 122</u>	<u>\$ 3,064</u>	<u>\$ 134,291</u>

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Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**Non-Major Governmental Funds**

For the Fiscal Year Ended June 30, 2017

(amounts expressed in thousands)

	Special Revenue Funds			
	Transportation	Community Development Block Grants	Highway User Gas Tax	Other
REVENUES				
Taxes and special assessments	\$ 26,362	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	5
Intergovernmental	2,453	2,890	15,463	7,100
Local	-	-	-	212
Charges for services	110	-	-	1,318
Fines and forfeitures	-	-	-	445
Investment income	326	-	-	31
Miscellaneous	167	263	98	592
Total revenues	<u>29,418</u>	<u>3,153</u>	<u>15,561</u>	<u>9,703</u>
EXPENDITURES				
Current:				
General government	-	-	-	459
Public safety	-	-	-	5,608
Public works	-	-	-	8
Community services	11,884	46	-	1,385
Community environment	-	2,734	-	1,245
Street maintenance	471	-	9,877	-
Debt service:				
Principal	-	2	-	-
Interest	-	-	-	-
Capital outlay:	468	292	48	1,375
Total expenditures	<u>12,823</u>	<u>3,074</u>	<u>9,925</u>	<u>10,080</u>
Excess (deficiency) of revenues over expenditures	<u>16,595</u>	<u>79</u>	<u>5,636</u>	<u>(377)</u>
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	-	-	-	-
Proceeds from equipment disposal	16	-	-	110
Transfers in	900	-	-	572
Transfers out	(13,462)	-	(7,003)	(131)
Total other financing sources and uses	<u>(12,546)</u>	<u>-</u>	<u>(7,003)</u>	<u>551</u>
Net change in fund balances	4,049	79	(1,367)	174
Fund balances, July 1	40,890	308	19,312	5,252
Fund balances, June 30	<u>\$ 44,939</u>	<u>\$ 387</u>	<u>\$ 17,945</u>	<u>\$ 5,426</u>

Debt Service Funds				Permanent Fund
Highway User	Transportation	Excise Tax Revenue	General Obligation	Cemetery Perpetual Care
\$ -	\$ -	\$ -	\$ 19,377	\$ -
-	-	-	-	-
-	-	-	552	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	8	-	47
-	-	11	7	-
-	-	19	19,936	47
-	-	-	-	-
-	197	3	9	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	22,275	-	15,130	-
-	3,594	6,916	5,861	-
-	-	-	-	-
-	26,066	6,919	21,000	-
-	(26,066)	(6,900)	(1,064)	47
-	19,330	-	-	-
-	-	-	-	-
-	7,144	6,915	210	-
-	-	-	-	-
-	26,474	6,915	210	-
-	408	15	(854)	47
43	200	40	4,511	5,693
\$ 43	\$ 608	\$ 55	\$ 3,657	\$ 5,740

(Continued)

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)**Non-Major Governmental Funds**

For the Fiscal Year Ended June 30, 2017

(amounts expressed in thousands)

	Capital Projects Funds					Total Non-Major Governmental Funds
	Development Impact Fees	Streets Construction	Fire and Police Construction	Parks Bond Construction	Other Construction	
REVENUES						
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,739
Licenses and permits	3,330	-	-	-	-	3,335
Intergovernmental	-	281	-	-	-	28,739
Local	-	-	-	-	-	212
Charges for services	-	-	-	-	-	1,428
Fines and forfeitures	-	-	-	-	-	445
Investments	125	1	-	-	-	538
Miscellaneous	89	-	-	-	-	1,227
Total revenues	<u>3,544</u>	<u>282</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>81,663</u>
EXPENDITURES						
Current:						
General government	-	9	-	-	-	677
Public safety	518	-	-	-	-	6,126
Public works	-	-	-	-	-	8
Community services	343	84	-	-	-	13,742
Community environment	-	-	-	-	-	3,979
Street maintenance	-	47	-	-	-	10,395
Debt service:						
Principal	1,043	1,838	1,093	-	-	41,381
Interest	106	-	110	-	-	16,587
Capital outlay:	<u>1,212</u>	<u>19,808</u>	<u>99</u>	<u>-</u>	<u>3,263</u>	<u>26,565</u>
Total expenditures	<u>3,222</u>	<u>21,786</u>	<u>1,302</u>	<u>-</u>	<u>3,263</u>	<u>119,460</u>
Excess (deficiency) of revenues over expenditures	<u>322</u>	<u>(21,504)</u>	<u>(1,302)</u>	<u>-</u>	<u>(3,263)</u>	<u>(37,797)</u>
OTHER FINANCING SOURCES (USES)						
Refunding bonds issued	-	-	-	-	-	19,330
Proceeds from equipment disposal	-	-	-	-	2,041	2,167
Transfers in	-	13,321	-	-	-	29,062
Transfers out	<u>(210)</u>	<u>(136)</u>	<u>(1)</u>	<u>-</u>	<u>(10)</u>	<u>(20,953)</u>
Total other financing sources and uses	<u>(210)</u>	<u>13,185</u>	<u>(1)</u>	<u>-</u>	<u>2,031</u>	<u>29,606</u>
Net change in fund balances	112	(8,319)	(1,303)	-	(1,232)	(8,191)
Fund balances, July 1	<u>14,862</u>	<u>4,549</u>	<u>1,560</u>	<u>122</u>	<u>3,871</u>	<u>101,213</u>
Fund balances, June 30	<u>\$ 14,974</u>	<u>\$ (3,770)</u>	<u>\$ 257</u>	<u>\$ 122</u>	<u>\$ 2,639</u>	<u>\$ 93,022</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Transportation Fund
For the Fiscal Year Ended June 30, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2016	\$ 35,399	\$ 35,399	\$ 40,656	\$ 5,257
RESOURCES (INFLOWS):				
Taxes	25,053	25,053	26,505	1,452
Intergovernmental	1,000	1,000	2,453	1,453
Charges for services	124	124	110	(14)
Investments	140	140	326	186
Proceeds from disposal of assets	-	-	16	16
Miscellaneous revenues	15,143	15,143	167	(14,976)
Total revenues	41,460	41,460	29,577	(11,883)
Add: Transfers in	900	900	900	-
Less: Transfers out	(20,901)	(20,901)	(13,462)	7,439
Amounts available for appropriation	56,858	56,858	57,671	813
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Community services	15,050	14,890	11,859	3,031
Street maintenance	716	954	471	483
Capital outlay	15,724	15,322	468	14,854
Total charges to appropriations	31,490	31,166	12,798	18,368
Budgetary fund balance, June 30, 2017	\$ 25,368	\$ 25,692	\$ 44,873	\$ 19,181

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.	\$ 57,671
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.	(40,656)
Proceeds from disposal of assets.	(16)
Revenue reported on a GAAP basis.	(143)
Less: Transfers in.	(900)
Add: Transfers out.	13,462
Total revenues as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 29,418

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 12,798
Differences - budget to GAAP:	
Internal charges for services provided.	25
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 12,823

City of Glendale, Arizona
Budgetary Comparison Schedule
Community Development Block Grants Fund
For the Fiscal Year Ended June 30, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (budgetary basis)	Final Budget Positive (Negative)
Budgetary fund balance, July 1, 2016	\$ -	\$ -	\$ 313	\$ 313
RESOURCES (INFLOWS):				
Intergovernmental	5,647	5,647	2,890	(2,757)
Miscellaneous	168	168	263	95
Total revenues	<u>5,815</u>	<u>5,815</u>	<u>3,153</u>	<u>(2,662)</u>
Amounts available for appropriation	<u>5,815</u>	<u>5,815</u>	<u>3,466</u>	<u>(2,349)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Community environment	5,813	5,813	2,734	3,079
Community services	-	-	46	(46)
Principal paid	2	2	2	-
Capital Outlay	-	-	292	(292)
Total charges to appropriations	<u>5,815</u>	<u>5,815</u>	<u>3,074</u>	<u>2,741</u>
Budgetary fund balance, June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 392</u>	<u>\$ 392</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.	\$ 3,466
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(313)
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fundbalance - governmental funds.	<u>\$ 3,153</u>

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 3,074
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 3,074</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Highway Users Gas Tax Fund
For the Fiscal Year Ended June 30, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2016	\$ 20,562	\$ 20,562	\$ 19,456	\$ (1,106)
RESOURCES (INFLOWS):				
Intergovernmental	14,289	14,289	15,463	1,174
Miscellaneous	22	22	98	76
Total revenues	<u>14,311</u>	<u>14,311</u>	<u>15,561</u>	<u>1,250</u>
Amounts available for appropriation	<u>34,873</u>	<u>34,873</u>	<u>35,017</u>	<u>144</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Community Services	-	-	-	-
Street maintenance	11,023	10,623	9,877	746
Capital outlay	-	-	48	(48)
Transfers out	<u>21,039</u>	<u>21,039</u>	<u>7,003</u>	<u>14,036</u>
Total charges to appropriations	<u>32,062</u>	<u>31,662</u>	<u>16,928</u>	<u>14,734</u>
Budgetary fund balance, June 30, 2017	<u>\$ 2,811</u>	<u>\$ 3,211</u>	<u>\$ 18,089</u>	<u>\$ 14,878</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.	\$ 35,017
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(19,456)
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 15,561</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 16,928
Differences - budget to GAAP:	
Transfers out	(7,003)
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 9,925</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Police and Fire Sales Tax Fund
For the Fiscal Year Ended June 30, 2017
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>(budgetary basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance, July 1, 2016	\$ 7,462	\$ 7,462	\$ 8,220	\$ 758
RESOURCES (INFLOWS):				
Taxes	<u>24,187</u>	<u>24,187</u>	<u>24,258</u>	<u>71</u>
Total revenues	<u>24,187</u>	<u>24,187</u>	<u>24,258</u>	<u>71</u>
Less: Transfers out	<u>(25,187)</u>	<u>(25,187)</u>	<u>(25,187)</u>	<u>-</u>
Amounts available for appropriation	<u>6,462</u>	<u>6,462</u>	<u>7,291</u>	<u>829</u>
Budgetary fund balance, June 30, 2017	<u>\$ 6,462</u>	<u>\$ 6,462</u>	<u>\$ 7,291</u>	<u>\$ 829</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.	\$ 7,291
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.	(8,220)
Revenue reported on a GAAP basis.	(143)
Add: Transfers out.	<u>25,187</u>
Total revenues of the police and fire sales tax fund included in the general fund.	<u>\$ 24,115</u>

Uses/outflows or resources:

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

City of Glendale, Arizona
Budgetary Comparison Schedule
Other Special Revenue Fund
For the Fiscal Year Ended June 30, 2017
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>(budgetary basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance, July 1, 2016	\$ 3,432	\$ 3,432	\$ 4,793	\$ 1,361
RESOURCES (INFLOWS):				
Licenses and permits	5	5	5	-
Intergovernmental	8,263	8,263	6,878	(1,385)
Charges for services	1,393	1,393	1,309	(84)
Fines and Forfeitures	384	384	445	61
Investments	6	6	31	25
Proceeds from equipment disposal	-	-	110	110
Local	-	-	49	49
Miscellaneous	16,454	16,454	709	(15,745)
Total revenues	26,505	26,505	9,536	(16,969)
Add: Transfers in	477	477	572	95
Less: Transfers out	-	-	(131)	(131)
Amounts available for appropriation	30,414	30,414	14,770	(15,644)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General government	664	755	457	298
Public safety	15,057	13,352	5,603	7,749
Public works	38	38	8	30
Community services	1,641	1,713	1,375	338
Community environment	1,534	1,534	1,245	289
Capital outlay	8,767	13,618	1,323	12,295
Total charges to appropriations	27,701	31,010	10,011	20,999
Budgetary fund balance, June 30, 2017	<u>\$ 2,713</u>	<u>\$ (596)</u>	<u>\$ 4,759</u>	<u>\$ 5,355</u>

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures**Sources/inflows of resources:**

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule.	\$ 14,770
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.	(4,793)
Intergovernmental.	183
Local	202
Charges for services.	9
Proceeds from equipment disposal.	(110)
Miscellaneous.	(117)
Less: Transfers in.	(572)
Add: Transfers out.	131
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 9,703</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 10,011
Differences - budget to GAAP:	
Capital outlay	52
Salaries payable	17
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 10,080</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Highway User Debt Service Fund
For the Fiscal Year Ended June 30, 2017
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>(budgetary basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance, July 1, 2016	\$ -	\$ -	\$ 43	\$ 43
RESOURCES (INFLOWS):				
Add: Transfers in	-	-	-	-
Amounts available for appropriation	-	-	43	43
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Miscellaneous	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total charges to appropriations	-	-	-	-
Budgetary fund balance, June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43</u>	<u>\$ 43</u>

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 43
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(43)
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ -</u>

Uses/outflows of resources:

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

City of Glendale, Arizona
Budgetary Comparison Schedule
Transportation Debt Service Fund
For the Fiscal Year Ended June 30, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2016	\$ 200	\$ 200	\$ 200	\$ -
RESOURCES (INFLOWS):				
Add: Transfers in	7,144	7,144	7,144	-
Amounts available for appropriation	<u>7,344</u>	<u>7,344</u>	<u>7,344</u>	<u>-</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General government	5	5	3	2
Debt service:				
Principal	3,550	3,550	3,550	-
Interest	3,594	3,594	3,183	411
Total charges to appropriations	<u>7,149</u>	<u>7,149</u>	<u>6,736</u>	<u>413</u>
Budgetary fund balance, June 30, 2017	<u>\$ 195</u>	<u>\$ 195</u>	<u>\$ 608</u>	<u>\$ 413</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.	\$ 7,344
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(200)
Less: Transfers in.	<u>(7,144)</u>
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ -</u>

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 6,736
Differences - budget to GAAP:	
Refunding principal paid	18,725
General administration	194
Interest Expense	<u>411</u>
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 26,066</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Excise Tax Revenue Debt Service Fund
For the Fiscal Year Ended June 30, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2016	\$ 33	\$ 33	\$ 40	\$ 7
RESOURCES (INFLOWS):				
Investments	-	-	8	8
Miscellaneous revenue	-	-	11	11
Total revenues	-	-	19	19
Add: Transfers in	6,916	6,916	6,915	(1)
Amounts available for appropriation	6,949	6,949	6,974	25
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General government	10	10	3	7
Debt service:				
Interest	6,916	6,916	6,916	-
Total charges to appropriations	6,926	6,926	6,919	7
Budgetary fund balance, June 30, 2017	<u>\$ 23</u>	<u>\$ 23</u>	<u>\$ 55</u>	<u>\$ 32</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.	\$ 6,974
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.	(40)
Less: Transfers in.	(6,915)
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 19</u>

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 6,919
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 6,919</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
General Obligation Debt Service Fund
For the Fiscal Year Ended June 30, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2016	\$ 3,984	\$ 3,984	\$ 4,510	\$ 526
RESOURCES (INFLOWS):				
Taxes	19,588	19,588	19,377	(211)
Intergovernmental	570	570	552	(18)
Miscellaneous	-	-	7	7
Total inflows	20,158	20,158	19,936	(222)
Add: Transfers in	210	210	210	-
Amounts available for appropriation	24,352	24,352	24,656	304
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General government	320	320	9	311
Miscellaneous	993	993	-	993
Debt service:				
Principal	15,130	15,130	15,130	-
Interest	4,869	4,869	5,861	(992)
Total charges to appropriations	21,312	21,312	21,000	312
Budgetary fund balance, June 30, 2017	\$ 3,040	\$ 3,040	\$ 3,656	\$ 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.	\$ 24,656
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.	(4,510)
Less transfers in.	(210)
Total revenues as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 19,936

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 21,000
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 21,000

City of Glendale, Arizona
Budgetary Comparison Schedule
Cemetery Perpetual Care Fund
For the Fiscal Year Ended June 30, 2017
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>(budgetary basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance, July 1, 2016	\$ 5,684	\$ 5,684	\$ 5,693	\$ 9
RESOURCES (INFLOWS):				
Investments	<u>26</u>	<u>26</u>	<u>47</u>	<u>21</u>
Total revenues	<u>26</u>	<u>26</u>	<u>47</u>	<u>21</u>
Amounts available for appropriation	<u>5,710</u>	<u>5,710</u>	<u>5,740</u>	<u>30</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Public works	<u>5,710</u>	<u>5,710</u>	<u>-</u>	<u>5,710</u>
Total charges to appropriations	<u>5,710</u>	<u>5,710</u>	<u>-</u>	<u>5,710</u>
Budgetary fund balance, June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,740</u>	<u>\$ 5,740</u>

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule. \$ 5,740

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.

(5,693)

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

\$ 47

City of Glendale, Arizona
Budgetary Comparison Schedule
Development Impact Fees Fund
For the Fiscal Year Ended June 30, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2016	\$ 8,298	\$ 8,298	\$ 14,862	\$ 6,564
RESOURCES (INFLOWS):				
Licenses and permits	1,681	1,681	3,330	1,649
Investments	88	88	125	37
Total revenues	1,769	1,769	3,455	1,686
Less: Transfers out	(210)	(210)	(210)	-
Amounts available for appropriation	9,857	9,857	18,107	8,250
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
General administration	162	163	-	163
Public safety	315	833	518	315
Community services	5,507	4,578	343	4,235
Principal paid	-	-	1,043	(1,043)
Interest	-	-	106	(106)
Capital outlay	3,864	4,793	1,124	3,669
Total charges to appropriations	9,848	10,367	3,134	7,233
Budgetary fund balance, June 30, 2017	\$ 9	\$ (510)	\$ 14,973	\$ 15,483

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule.	\$ 18,107
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(14,862)
Revenue reported on a GAAP basis.	89
Add: Transfers out.	210
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 3,544

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 3,134
Differences - budget to GAAP:	
Capital outlay reported on a GAAP basis	(1,061)
Principal retirement reported on a GAAP basis	1,043
Interest expense reported on a GAAP basis	106
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fundbalances - governmental funds.	\$ 3,222

City of Glendale, Arizona
Budgetary Comparison Schedule
Streets Construction Fund
For the Fiscal Year Ended June 30, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2016	\$ 7,213	\$ 7,213	\$ 4,489	\$ (2,724)
RESOURCES (INFLOWS):				
Investments	-	-	1	1
Intergovernmental	-	-	281	281
Total revenues	-	-	282	282
Add: Transfers in	34,796	34,796	13,321	(21,475)
Less: Transfers out	-	(107)	(136)	(29)
Amounts available for appropriation	42,009	41,902	17,956	(23,946)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General administration	-	-	9	(9)
Community services	-	-	84	(84)
Street maintenance	-	350	47	303
Principal Paid	-	-	1,838	(1,838)
Capital outlay	42,009	39,599	19,808	19,791
Total charges to appropriations	42,009	39,949	21,786	18,163
Budgetary fund balance, June 30, 2017	\$ -	\$ 1,953	\$ (3,830)	\$ (5,783)

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule.	\$ 17,956
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.	(4,489)
Less: Transfers In.	(13,321)
Add: Transfers out.	136
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 282

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 21,786
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 21,786

City of Glendale, Arizona
Budgetary Comparison Schedule
Fire and Police Construction Fund
For the Fiscal Year Ended June 30, 2017
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>(budgetary basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance, July 1, 2016	\$ 1,560	\$ 1,560	\$ 1,560	\$ -
RESOURCES (INFLOWS):				
Less: Transfers out	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>(1)</u>
Amounts available for appropriation	<u>1,560</u>	<u>1,560</u>	<u>1,559</u>	<u>(1)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Public safety	357	357	-	357
Principal Paid	-	-	1,093	(1,093)
Interest	-	-	110	(110)
Capital outlay	<u>1,203</u>	<u>1,203</u>	<u>99</u>	<u>1,104</u>
Total charges to appropriations	<u>1,560</u>	<u>1,560</u>	<u>1,302</u>	<u>258</u>
Budgetary fund balance, June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 257</u>	<u>\$ 257</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.	\$ 1,559
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(1,560)
Add: Transfers out.	<u>1</u>
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ -</u>

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 1,302
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 1,302</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Parks Bond Construction Fund
For the Fiscal Year Ended June 30, 2017
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>(budgetary basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance, July 1, 2016	\$ 142	\$ 142	\$ 122	\$ (20)
RESOURCES (INFLOWS):				
Amounts available for appropriation	<u>142</u>	<u>142</u>	<u>122</u>	<u>(20)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General administration	92	92	-	92
Capital outlay	<u>50</u>	<u>50</u>	<u>-</u>	<u>50</u>
Total charges to appropriations	<u>142</u>	<u>142</u>	<u>-</u>	<u>142</u>
Budgetary fund balance, June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 122</u>	<u>\$ 122</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. \$ 122

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.

(122)

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

\$ -

Uses/outflows of resources:

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

\$ -

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

\$ -

City of Glendale, Arizona
Budgetary Comparison Schedule
Other Construction Fund
For the Fiscal Year Ended June 30, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2016	\$ 2,615	\$ 2,615	\$ 3,871	\$ 1,256
RESOURCES (INFLOWS):				
Long-term debt issued	10,545	10,545	-	(10,545)
Total revenues	10,545	10,545	-	(10,545)
Less: Transfers out	(117)	(117)	(10)	107
Amounts available for appropriation	13,043	13,043	3,861	(9,182)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Community services	302	302	-	302
Capital outlay	12,741	12,741	1,221	11,520
Total charges to appropriations	13,043	13,043	1,221	11,822
Budgetary fund balance, June 30, 2017	\$ -	\$ -	\$ 2,640	\$ 2,640

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 3,861
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(3,871)
Add: Transfers out	10
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ -

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 1,221
Differences - budget to GAAP:	
Capital outlay recognized on a GAAP basis only	2,042
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 3,263

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.

Solid Waste

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, 2017
(amounts expressed in thousands)

	Landfill	Solid Waste	Housing	Total
ASSETS				
Current assets:				
Equity in pooled cash and investments	\$ 7,542	\$ 113	\$ 2,570	\$ 10,225
Receivables:				
Accounts	813	2,190	1	3,004
Allowance for uncollectibles	(7)	(462)	-	(469)
Intergovernmental receivable	-	-	31	31
Inventories and prepaid items	-	-	18	18
Total current assets	<u>8,348</u>	<u>1,841</u>	<u>2,620</u>	<u>12,809</u>
Noncurrent assets:				
Capital assets:				
Capital assets	32,106	14,581	14,702	61,389
Accumulated depreciation	<u>(13,702)</u>	<u>(8,990)</u>	<u>(10,297)</u>	<u>(32,989)</u>
Capital assets, net	<u>18,404</u>	<u>5,591</u>	<u>4,405</u>	<u>28,400</u>
Total noncurrent assets	<u>18,404</u>	<u>5,591</u>	<u>4,405</u>	<u>28,400</u>
Total assets	<u>26,752</u>	<u>7,432</u>	<u>7,025</u>	<u>41,209</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>796</u>	<u>1,228</u>	<u>370</u>	<u>2,394</u>
LIABILITIES				
Current liabilities:				
Vouchers payable	668	180	-	848
Accounts payable	-	-	55	55
Compensated absences	288	294	24	606
Intergovernmental payable	-	1	33	34
Deposits	145	110	45	300
Unearned Rent	-	-	14	14
Total current liabilities	<u>1,101</u>	<u>585</u>	<u>171</u>	<u>1,857</u>
Noncurrent liabilities:				
Compensated absences	193	145	220	558
Pension obligations	3,667	5,721	1,789	11,177
OPEB long-term obligations	1,181	2,428	686	4,295
Other long-term debt	-	-	25	25
Estimated closure and post-closure costs	<u>14,697</u>	<u>-</u>	<u>-</u>	<u>14,697</u>
Total noncurrent liabilities	<u>19,738</u>	<u>8,294</u>	<u>2,720</u>	<u>30,752</u>
Total liabilities	<u>20,839</u>	<u>8,879</u>	<u>2,891</u>	<u>32,609</u>
DEFERRED INFLOWS OF RESOURCES				
Credit amounts related to pensions	459	802	254	1,515
Credit amounts related to OPEB	<u>89</u>	<u>179</u>	<u>56</u>	<u>324</u>
Total deferred inflows of resources	<u>548</u>	<u>981</u>	<u>310</u>	<u>1,839</u>
NET POSITION				
Net investment in capital assets	18,404	5,591	4,405	28,400
Unrestricted	<u>(12,243)</u>	<u>(6,791)</u>	<u>(211)</u>	<u>(19,245)</u>
Total net position	<u>\$ 6,161</u>	<u>\$ (1,200)</u>	<u>\$ 4,194</u>	<u>\$ 9,155</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, 2017

(amounts expressed in thousands)

	Business-Type Activities Enterprise Funds			
	Landfill	Solid Waste	Housing	Total
Operating revenues:				
Intergovernmental	\$ -	\$ -	\$ 9,162	\$ 9,162
Container service	-	4,039	-	4,039
Curb service	-	10,817	-	10,817
Landfill user fees	7,883	-	-	7,883
Recycling sales	1,393	-	-	1,393
Other fees	175	-	2,876	3,051
Total operating revenues	<u>9,451</u>	<u>14,856</u>	<u>12,038</u>	<u>36,345</u>
Operating expenses:				
Landfill	10,119	-	-	10,119
Housing	-	-	12,243	12,243
Closure/post-closure care adjustment	438	-	-	438
Solid Waste	-	14,377	-	14,377
Depreciation	743	1,313	407	2,463
Total operating expenses	<u>11,300</u>	<u>15,690</u>	<u>12,650</u>	<u>39,640</u>
Operating income (loss)	<u>(1,849)</u>	<u>(834)</u>	<u>(612)</u>	<u>(3,295)</u>
Nonoperating revenues (expenses):				
Investment income	66	3	3	72
Gain (loss) on disposal of assets	(11)	62	-	51
OPEB expense	<u>(30)</u>	<u>(60)</u>	<u>(19)</u>	<u>(109)</u>
Total nonoperating revenue (expenses)	<u>25</u>	<u>5</u>	<u>(16)</u>	<u>14</u>
Income (loss) before contributions and transfers	(1,824)	(829)	(628)	(3,281)
Capital contributions	-	-	253	253
Transfers in	570	125	387	1,082
Transfers out	<u>(10)</u>	<u>-</u>	<u>-</u>	<u>(10)</u>
Change in net position	<u>(1,264)</u>	<u>(704)</u>	<u>12</u>	<u>(1,956)</u>
Total net position - beginning	<u>7,425</u>	<u>(496)</u>	<u>4,182</u>	<u>11,111</u>
Total net position - ending	<u>\$ 6,161</u>	<u>\$ (1,200)</u>	<u>\$ 4,194</u>	<u>\$ 9,155</u>

City of Glendale, Arizona
Combining Statement of Cash Flows
Non-Major Proprietary Funds - Business-Type Activities
For the Fiscal Year Ended June 30, 2017
(amounts expressed in thousands)

	Landfill	Solid Waste	Housing	Total
Cash flows from operating activities:				
Cash received from customers	\$ 9,214	\$ 14,968	\$ 2,881	\$ 27,063
Cash received from federal operating grants	-	-	9,178	9,178
Cash paid to suppliers:				
Internal city departments	(1,343)	(8,235)	-	(9,578)
External vendors	(5,670)	(1,690)	(11,041)	(18,401)
Cash paid to employees for services	(3,410)	(4,949)	(1,207)	(9,566)
Net cash provided (used) by operating activities	(1,209)	94	(189)	(1,304)
Cash flows from noncapital financing activities:				
Transfers in	570	125	387	1,082
Transfers out	(10)	-	-	(10)
Due to / from other funds	-	-	(6)	(6)
Net cash provided (used) by noncapital financing activities	560	125	381	1,066
Cash flows from capital and related financing activities:				
Payment on principal obligations	-	-	(12)	(12)
Acquisition of capital assets and rights	(1,251)	(2,889)	(28)	(4,168)
Net cash used capital and related financing activities	(1,251)	(2,889)	(40)	(4,180)
Cash flows from investing activities:				
Interest received from investments	66	3	3	72
Net cash provided by investing activities	66	3	3	72
Net increase (decrease) in cash and cash equivalents during fiscal year	(1,834)	(2,667)	155	(4,346)
Cash and cash equivalents, July 1	9,376	2,780	2,415	14,571
Cash and cash equivalents, June 30	\$ 7,542	\$ 113	\$ 2,570	\$ 10,225

	<u>Landfill</u>	<u>Solid Waste</u>	<u>Housing</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (1,849)	\$ (834)	\$ (612)	\$ (3,295)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operations:				
Depreciation	743	1,313	407	2,463
Net pension expense and contributions	(107)	(157)	(45)	(309)
Net OPEB expense and contributions	(4)	(9)	(2)	(15)
Changes in assets and liabilities:				
Accounts receivable	(214)	114	(1)	(101)
Intergovernmental receivable	-	-	16	16
Vouchers payable	(122)	(347)	-	(469)
Accounts payable	-	-	14	14
Intergovernmental payable	-	(6)	(4)	(10)
Deposits	(23)	(2)	-	(25)
Unearned rent	-	-	6	6
Compensated absences	(71)	22	32	(17)
Estimated closure and post-closure costs	438	-	-	438
Net cash provided by (used) operating activities	<u>\$ (1,209)</u>	<u>\$ 94</u>	<u>\$ (189)</u>	<u>\$ (1,304)</u>
Reconciliation of statement of net position cash and investments to the statement of cash flows:				
Per combining statement of net position:				
Equity in pooled cash and investments	<u>\$ 7,542</u>	<u>\$ 113</u>	<u>\$ 2,570</u>	<u>\$ 10,225</u>
Total cash and cash equivalents	<u>\$ 7,542</u>	<u>\$ 113</u>	<u>\$ 2,570</u>	<u>\$ 10,225</u>
Noncash investing, capital, and financing activities:				
Contributions of capital assets	\$ -	\$ -	\$ 253	\$ 253

City of Glendale, Arizona
Budgetary Comparison Schedule
Water and Sewer Fund
For the Fiscal Year Ended June 30, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2016	\$ 99,036	\$ 99,036	\$ 99,108	\$ 72
RESOURCES (INFLOWS):				
Intergovernmental	400	400	1,068	668
Charges for services:				
Metered water sales	44,328	44,328	45,656	1,328
Sewer service charges	32,215	32,215	32,337	122
Impact fees	1,820	1,820	1,170	(650)
Other fees	1,889	1,889	1,764	(125)
Investments	254	254	811	557
Miscellaneous	10,104	10,104	626	(9,478)
Proceeds from equipment disposal	10	10	22	12
Total revenues	91,020	91,020	83,454	(7,566)
Add: Transfers in	229	229	229	-
Less: Transfers out	(37)	(37)	(37)	-
Amounts available for appropriation	190,248	190,248	182,754	(7,494)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General administration	13,726	13,726	13,880	(154)
Water	23,328	23,328	22,797	531
Sewer	14,783	14,783	13,083	1,700
Contingencies	2,000	4,783	-	4,783
Capital outlay	91,440	88,642	19,674	68,968
Debt service:				
Principal	9,805	9,805	9,805	-
Interest	10,321	10,321	10,321	-
Total charges to appropriations	165,403	165,388	89,560	75,828
Budgetary fund balance, June 30, 2017	\$ 24,845	\$ 24,860	\$ 93,194	\$ 68,334

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.	\$ 182,754
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.	(99,108)
Revenues offset directly by bad debt expense on budgetary basis.	92
Proceeds from equipment disposals.	14
Gain on disposal of assets.	(22)
Internal staff and administrative charges reported as revenue only on budgetary basis.	(82)
Capital asset transfer to general fund	
Less: Transfers in.	(229)
Add: Transfers out.	37
Total revenues as reported on the statement of revenues, expenses, and changes in fund net position, excluding capital contributions.	<u>\$ 83,456</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 89,560
Differences - budget to GAAP:	
Capital outlay expenditure.	(19,674)
Change in compensated absences liability.	(29)
Amortization and depreciation expense.	22,649
Loss on Joint Venture.	3,311
Principal payments on long-term obligations.	(9,805)
OPEB expense.	209
Interest expense.	(1,561)
Indirect cost allocation.	(726)
Total expenses as reported in the statement of revenues, expenses, and changes in fund net position.	<u>\$ 83,934</u>

City of Glendale, Arizona

Budgetary Comparison Schedule

Landfill Fund

For the Fiscal Year Ended June 30, 2017

(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2016	\$ 9,146	\$ 9,146	\$ 9,049	\$ (97)
RESOURCES (INFLOWS):				
Charges for services:				
Landfill user fees	7,922	7,922	7,883	(39)
Recycling fees	1,566	1,566	1,393	(173)
Other fees	737	737	606	(131)
Proceeds from equipment disposal	19	19	2	(17)
Proceeds from interfund loan	-	-	-	-
Investments	45	45	66	21
Total revenues	10,289	10,289	9,950	(339)
Add: Transfers in	658	658	658	-
Less: Transfers out	(10)	(10)	(10)	-
Amounts available for appropriation	20,083	20,083	19,647	(436)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Contingencies	500	-	-	-
Landfill	10,042	12,073	10,723	1,350
Capital outlay	8,033	7,501	1,271	6,230
Total charges to appropriations	18,575	19,574	11,994	7,580
Budgetary fund balance, June 30, 2017	\$ 1,508	\$ 509	\$ 7,653	\$ 7,144

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.

\$ 19,647

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.

(9,049)

Internal staff and administrative charges reported as revenue only on budgetary basis.

(431)

Proceeds from disposal of capital assets.

(2)

Less: Transfers in

(658)

Add: Transfers out.

10

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

\$ 9,517

Uses/outflows or resources:

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

\$ 11,994

Differences - budget to GAAP:

Capital outlay expenditures.

(1,271)

Change in compensated absences liability.

(495)

Change in estimated landfill post-closure liability.

438

Depreciation expense.

743

Loss on disposal of assets.

11

Pension expense.

149

OPEB expense.

30

Internal staff and administrative charges reported as revenue only on budgetary basis.

(258)

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

\$ 11,341

City of Glendale, Arizona
Budgetary Comparison Schedule
Solid Waste Fund
For the Fiscal Year Ended June 30, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2016	\$ 3,938	\$ 3,938	\$ 4,279	\$ 341
RESOURCES (INFLOWS):				
Charges for services:				
Container service	3,868	3,868	4,039	171
Curb service	10,717	10,717	10,780	63
Investments	7	7	3	(4)
Proceeds from equipment disposal	32	32	159	127
Total revenues	14,624	14,624	14,981	357
Add: Transfers in	125	125	125	-
Amounts available for appropriation	18,687	18,687	19,385	698
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Solid Waste	14,126	14,126	14,465	(339)
Capital outlay	3,823	3,823	3,048	775
Total charges to appropriations	17,949	17,949	17,513	436
Budgetary fund balance, June 30, 2017	<u>\$ 738</u>	<u>\$ 738</u>	<u>\$ 1,872</u>	<u>\$ 1,134</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.	\$ 19,385
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.	(4,279)
Revenues offset directly by bad debt expense on budgetary basis.	37
Proceeds from disposal of capital assets.	(159)
Gain on disposal of assets.	62
Less: Transfers in.	(125)
Total revenues as reported in the combining statement of revenues, expenses, and changes in fund net position.	<u>\$ 14,921</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 17,513
Differences - budget to GAAP:	
Bad debt expense.	37
Capital outlay.	(3,048)
Change in compensated absences liability.	(345)
Depreciation expense.	1,313
Pension expense.	220
OPEB expense.	60
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net position	<u>\$ 15,750</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Housing Fund
For the Fiscal Year Ended June 30, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
			(budgetary basis)	Positive
				(Negative)
Budgetary fund balance, July 1, 2016	\$ 200	\$ 200	\$ 2,505	\$ 2,305
RESOURCES (INFLOWS):				
Intergovernmental	15,959	15,959	9,415	(6,544)
Miscellaneous	-	-	2,876	2,876
Investments	-	-	3	3
Total revenues	15,959	15,959	12,294	(3,665)
Add: Transfers in	387	387	387	-
Amounts available for appropriation	16,546	16,546	15,186	(1,360)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Housing	15,849	15,849	12,292	3,557
Capital outlay	198	198	-	198
Total charges to appropriations	16,047	16,047	12,292	3,755
Budgetary fund balance, June 30, 2017	\$ 499	\$ 499	\$ 2,894	\$ 2,395

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.	\$ 15,186
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.	(2,505)
Less: Transfers in.	(387)
Total revenues as reported in the combining statement of revenues, expenses, and changes in fund net position.	\$ 12,294

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 12,292
Differences - budget to GAAP:	
Depreciation expense.	407
Pension expense.	(49)
OPEB expense.	19
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net position.	\$ 12,669



City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**INTERNAL
SERVICE
FUNDS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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City of Glendale, Arizona
Combining Statement of Net Position
Internal Service Funds
June 30, 2017
(amounts expressed in thousands)

	Risk Management	Workers' Compensation	Employee Benefits	Fleet Services	Technology	Total
ASSETS						
Current assets:						
Equity in pooled						
cash and investments	\$ 4,468	\$ 8,490	\$ 3,682	\$ 337	\$ 4,165	\$ 21,142
Accounts receivable, net	-	-	-	10	-	10
Inventories and prepaid items	51	-	-	58	-	109
Total current assets	4,519	8,490	3,682	405	4,165	21,261
Noncurrent assets:						
Restricted deposits	-	150	1,425	-	-	1,575
Capital assets:						
Capital assets	-	-	-	862	3,831	4,693
Accumulated depreciation	-	-	-	(769)	(2,657)	(3,426)
Capital assets, net	-	-	-	93	1,174	1,267
Total assets	4,519	8,640	5,107	498	5,339	24,103
Deferred Outflows of Resources	73	34	-	1,028	919	2,054
LIABILITIES						
Current liabilities:						
Vouchers payable	24	34	2,145	311	340	2,854
Compensated absences	19	18	-	231	271	539
Estimated claims payable	2,758	5,021	2,061	-	-	9,840
Total current liabilities	2,801	5,073	4,206	542	611	13,233
Noncurrent liabilities:						
Compensated absences	7	11	-	140	149	307
Pension obligations	45	14	-	2,798	543	3,400
OPEB long-term obligations	6	2	-	32	10	50
Total noncurrent liabilities	58	27	-	2,970	702	3,757
Total liabilities	2,859	5,100	4,206	3,512	1,313	16,990
DEFERRED INFLOWS						
Amounts related to pensions	30	12	-	815	357	1,214
Amounts related to OPEB	3	4	-	66	69	142
Total deferred inflows of resources	33	16	-	881	426	1,356
NET POSITION						
Net investment in capital assests	-	-	-	93	1,174	1,267
Unrestricted	1,700	3,558	901	(2,960)	3,345	6,544
Total net position	\$ 1,700	\$ 3,558	\$ 901	\$ (2,867)	\$ 4,519	\$ 7,811

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, 2017

(amounts expressed in thousands)

	<u>Risk Management</u>	<u>Workers' Compensation</u>	<u>Employee Benefits</u>	<u>Fleet Services</u>	<u>Technology</u>	<u>Total</u>
Operating revenues:						
Self-insurance premiums	\$ 3,051	\$ 2,264	\$ 29,279	\$ -	\$ -	\$ 34,594
Charges for Service				8,315	8,606	16,921
Other fees	396	4	179	28	10	617
Total operating revenues	<u>3,447</u>	<u>2,268</u>	<u>29,458</u>	<u>8,343</u>	<u>8,616</u>	<u>52,132</u>
Operating expenses:						
Administrative and general	212	119	59	8,290	7,575	16,255
Insurance claims and premiums	2,262	2,960	27,468	-	-	32,690
Amortization and depreciation	-	-	-	14	356	370
Total operating expenses	<u>2,474</u>	<u>3,079</u>	<u>27,527</u>	<u>8,304</u>	<u>7,931</u>	<u>49,315</u>
Operating income (loss)	973	(811)	1,931	39	685	2,817
Nonoperating revenues:						
Investment income (loss)	30	67	19	-	7	123
OPEB expense	(9)	(6)	-	(102)	(82)	(199)
Total nonoperating revenues	<u>21</u>	<u>61</u>	<u>19</u>	<u>(102)</u>	<u>(75)</u>	<u>(76)</u>
Income (loss) before transfers	<u>994</u>	<u>(750)</u>	<u>1,950</u>	<u>(63)</u>	<u>610</u>	<u>2,741</u>
Change in net position	994	(750)	1,950	(63)	610	2,741
Net position - beginning	706	4,308	(1,049)	(2,804)	3,909	5,070
Net position - ending	<u>\$ 1,700</u>	<u>\$ 3,558</u>	<u>\$ 901</u>	<u>\$ (2,867)</u>	<u>\$ 4,519</u>	<u>\$ 7,811</u>

City of Glendale, Arizona
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2017
(amounts expressed in thousands)

	Risk Management	Workers' Compensation	Employee Benefits	Fleet Services	Technology	Total
Cash flows from operating activities:						
Cash received from customers	\$ 3,447	\$ 2,268	\$ 29,458	\$ 8,343	\$ 8,616	\$ 52,132
Cash paid to suppliers:						
Internal city departments	-	-	-	(214)	(41)	(255)
External vendors	-	-	-	(5,836)	(4,782)	(10,618)
Cash paid for insurance and in settlement of claims	(2,383)	(1,779)	(27,296)	-	-	(31,458)
Cash paid to employees for services	<u>(216)</u>	<u>(116)</u>	<u>-</u>	<u>(2,387)</u>	<u>(2,882)</u>	<u>(5,601)</u>
Net cash provided by (used for) operating activities	848	373	2,162	(94)	911	4,200
Cash flows from capital and related financing activities:						
Acquisition of capital assets and rights	-	-	-	-	(563)	(563)
Cash flows from investing activities:						
Interest received from investments	<u>30</u>	<u>67</u>	<u>19</u>	<u>-</u>	<u>7</u>	<u>123</u>
Net increase (decrease) in cash during fiscal year	878	440	2,181	(94)	355	3,760
Cash and cash equivalents, July 1	<u>3,590</u>	<u>8,050</u>	<u>1,501</u>	<u>431</u>	<u>3,810</u>	<u>17,382</u>
Cash and cash equivalents, June 30	<u><u>\$ 4,468</u></u>	<u><u>\$ 8,490</u></u>	<u><u>\$ 3,682</u></u>	<u><u>\$ 337</u></u>	<u><u>\$ 4,165</u></u>	<u><u>\$ 21,142</u></u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:						
Operating income (loss)	\$ 973	\$ (811)	\$ 1,931	\$ 39	\$ 685	\$ 2,817
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operations:						
Amortization and depreciation	-	-	-	14	356	370
Net pension and OPEB expense and contribution	(8)	(3)	-	(82)	(99)	(192)
Changes in assets and liabilities:						
Change in inventories and prepaid items	(45)	-	-	(5)	-	(50)
Change in vouchers payable	(24)	(9)	84	(74)	(106)	(129)
Change in compensated absences	4	6	-	14	75	99
Change in claims payable	<u>(52)</u>	<u>1,190</u>	<u>147</u>	<u>-</u>	<u>-</u>	<u>1,285</u>
Net cash provided by (used for) operating activities	<u><u>\$ 848</u></u>	<u><u>\$ 373</u></u>	<u><u>\$ 2,162</u></u>	<u><u>\$ (94)</u></u>	<u><u>\$ 911</u></u>	<u><u>\$ 4,200</u></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	<u>\$ 4,468</u>	<u>\$ 8,490</u>	<u>\$ 3,682</u>	<u>\$ 337</u>	<u>\$ 4,165</u>	<u>\$ 21,142</u>
Total cash and cash equivalents	<u><u>\$ 4,468</u></u>	<u><u>\$ 8,490</u></u>	<u><u>\$ 3,682</u></u>	<u><u>\$ 337</u></u>	<u><u>\$ 4,165</u></u>	<u><u>\$ 21,142</u></u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Risk Management Fund
For the Fiscal Year Ended June 30, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (budgetary basis)	Final Budget Positive (Negative)
Budgetary fund balance, July 1, 2016	\$ 3,107	\$ 3,107	\$ 3,546	\$ 439
RESOURCES (INFLOWS):				
Self-insurance premiums	3,058	3,058	3,051	(7)
Investments	20	20	30	10
Other	130	130	396	266
Total revenues	<u>3,208</u>	<u>3,208</u>	<u>3,477</u>	<u>269</u>
Amounts available for appropriation	<u>6,315</u>	<u>6,315</u>	<u>7,023</u>	<u>708</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General Administration	1,617	1,617	214	1,403
Insurance and claims	<u>2,734</u>	<u>2,734</u>	<u>2,360</u>	<u>374</u>
Total charges to appropriations	<u>4,351</u>	<u>4,351</u>	<u>2,574</u>	<u>1,777</u>
Budgetary fund balance, June 30, 2017	<u>\$ 1,964</u>	<u>\$ 1,964</u>	<u>\$ 4,449</u>	<u>\$ 2,485</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.	\$ 7,023
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>(3,546)</u>
Total revenues as reported on the combining statement of revenues, expenses, and changes in fund net position.	<u>\$ 3,477</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 2,574
Differences - budget to GAAP:	
Change in OPEB.	6
Insurance and claims recorded gaap basis only.	<u>(97)</u>
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net position.	<u>\$ 2,483</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Workers' Compensation Fund
For the Fiscal Year Ended June 30, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2016	\$ 7,503	\$ 7,503	\$ 8,159	\$ 656
RESOURCES (INFLOWS):				
Self-insurance premiums	2,300	2,300	2,264	(36)
Miscellaneous	-	-	4	4
Investments	26	26	67	41
Other	30	30	-	(30)
Total revenues	<u>2,356</u>	<u>2,356</u>	<u>2,335</u>	<u>(21)</u>
Amounts available for appropriation	<u>9,859</u>	<u>9,859</u>	<u>10,494</u>	<u>635</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General Administration	101	111	114	(3)
Insurance and claims	<u>2,104</u>	<u>2,093</u>	<u>1,770</u>	<u>323</u>
Total charges to appropriations	<u>2,205</u>	<u>2,204</u>	<u>1,884</u>	<u>320</u>
Budgetary fund balance, June 30, 2017	<u>\$ 7,654</u>	<u>\$ 7,655</u>	<u>\$ 8,610</u>	<u>\$ 955</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.	\$ 10,494
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>(8,159)</u>
Total revenues as reported in the combining statement of revenues, expenses, and changes in fund net position.	<u>\$ 2,335</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 1,884
Differences - budget to GAAP:	
Insurance and claims recorded gaap basis only.	1,189
Change in OPEB.	7
Change in compensated absences liability.	<u>5</u>
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net position.	<u>\$ 3,085</u>

City of Glendale, Arizona

Budgetary Comparison Schedule

Employee Benefits Fund

For the Fiscal Year Ended June 30, 2017

(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (budgetary basis)	Final Budget Positive (Negative)
Budgetary fund balance, July 1, 2016	\$ -	\$ -	\$ 865	\$ 865
RESOURCES (INFLOWS):				
Self-insurance premiums	26,719	26,719	29,279	2,560
Miscellaneous	106	106	179	73
Investments	1	1	19	18
Total revenues	<u>26,826</u>	<u>26,826</u>	<u>29,477</u>	<u>2,651</u>
Amounts available for appropriation	<u>26,826</u>	<u>26,826</u>	<u>30,342</u>	<u>3,516</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General Administration	169	169	59	110
Insurance and claims	<u>26,657</u>	<u>26,657</u>	<u>27,321</u>	<u>(664)</u>
Total charges to appropriations	<u>26,826</u>	<u>26,826</u>	<u>27,380</u>	<u>(554)</u>
Budgetary fund balance, June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,962</u>	<u>\$ 2,962</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.

\$ 30,342

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.

(865)

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

\$ 29,477

Uses/outflows or resources:

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

\$ 27,380

Differences - budget to GAAP:

Insurance and claims recorded gaap basis only.

147

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

\$ 27,527

City of Glendale, Arizona
Budgetary Comparison Schedule
Fleet Services Fund
For the Fiscal Year Ended June 30, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
			(budgetary basis)	Positive
				(Negative)
Budgetary fund balance, July 1, 2016	\$ 998	\$ 998	\$ 102	\$ (896)
RESOURCES (INFLOWS):				
Self-insurance premiums	9,178	9,178	8,316	(862)
Miscellaneous	-	-	28	28
Total revenues	9,178	9,178	8,344	(834)
Amounts available for appropriation	10,176	10,176	8,446	(1,730)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General Administration	9,164	9,164	8,345	819
Total charges to appropriations	9,164	9,164	8,345	819
Budgetary fund balance, June 30, 2017	\$ 1,012	\$ 1,012	\$ 101	\$ (911)

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.	\$ 8,446
Differences - budget to GAAP:	
Miscellaneous.	(1)
Beginning fund balance restated	(102)
Total revenues as reported in the combining statement of revenues, expenses, and changes in fund net position.	\$ 8,343

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 8,345
Differences - budget to GAAP:	
Miscellaneous	2
Amortization and depreciation expense.	14
Pension contributions that were reclassified as deferred outflows of resources.	(82)
Change in compensated absences liability.	25
OPEB Expense	102
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net position.	\$ 8,406

City of Glendale, Arizona
Budgetary Comparison Schedule
Technology Fund
For the Fiscal Year Ended June 30, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (budgetary basis)	Final Budget Positive (Negative)
Budgetary fund balance, July 1, 2016	\$ 3,884	\$ 3,884	\$ 3,380	\$ (504)
RESOURCES (INFLOWS):				
Self-insurance premiums	8,647	8,647	8,607	(40)
Miscellaneous	-	-	9	9
Investments	-	-	7	7
Proceeds from equipment disposal	-	-	-	-
Total revenues	<u>8,647</u>	<u>8,647</u>	<u>8,623</u>	<u>(24)</u>
Amounts available for appropriation	<u>12,531</u>	<u>12,531</u>	<u>12,003</u>	<u>(528)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General Administration	11,835	11,602	7,583	4,019
Capital outlay	<u>696</u>	<u>696</u>	<u>562</u>	<u>134</u>
Total charges to appropriations	<u>12,531</u>	<u>12,298</u>	<u>8,145</u>	<u>4,153</u>
Budgetary fund balance, June 30, 2017	<u>\$ -</u>	<u>\$ 233</u>	<u>\$ 3,858</u>	<u>\$ 3,625</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.	\$ 12,003
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.	
Beginning fund balance restated	<u>(3,380)</u>
Total revenues as reported in the combining statement of revenues, expenses, and changes in fund net position.	<u>\$ 8,623</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 8,145
Differences - budget to GAAP:	
Capital outlay expenditure.	(562)
Amortization and depreciation expense.	356
Pension contributions that were reclassified as deferred outflows of resources.	(99)
Change in compensated absences liability.	91
OPEB Expense	<u>82</u>
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net position.	<u>\$ 8,013</u>



City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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Federal Financial Data Schedule (PHA: AZ003)

For the Fiscal Year Ended June 30, 2017

(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.

Balance Sheet

Line Item No.	Account Description	Project Total	Housing Choice Vouchers	Eliminations	Total
ASSETS:					
Current assets:					
Cash:					
111	Cash - unrestricted	\$ 1,048,421	\$ 1,279,057	\$ -	\$ 2,327,478
112	Cash - restricted - modernization and development	-	-	-	-
113	Cash - other restricted	-	197,532	-	197,532
114	Cash - tenant security deposits	44,791	-	-	44,791
115	Cash - restricted for payment of current liability	-	-	-	-
100	Total cash	<u>1,093,212</u>	<u>1,476,589</u>	<u>-</u>	<u>2,569,801</u>
Accounts receivables:					
121	Accounts receivable - PHA projects	-	-	-	-
122	Accounts receivable - HUD other projects	31,291	-	-	31,291
124	Accounts receivable - other government	-	-	-	-
125	Accounts receivable - miscellaneous	-	-	-	-
126	Accounts receivable - tenants	1,148	-	-	1,148
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>32,439</u>	<u>-</u>	<u>-</u>	<u>32,439</u>
Current investments:					
131	Investments - unrestricted	-	-	-	-
132	Investments - restricted	-	-	-	-
135	Investments - restricted for payment of current liability	-	-	-	-
142	Prepaid expenses and other assets	638	-	-	638
143	Inventories	18,706	-	-	18,706
143.1	Allowance for obsolete inventories	(935)	-	-	(935)
144	Inter program - due from	-	-	-	-
145	Assets held for sale	-	-	-	-
150	Total current assets	<u>1,144,060</u>	<u>1,476,589</u>	<u>-</u>	<u>2,620,649</u>
Non-current assets:					
Capital assets:					
161	Land	135,533	-	-	135,533
162	Buildings	10,696,556	149,998	-	10,846,554
163	Furniture, equipment & machinery - dwellings	555,354	-	-	555,354
164	Furniture, equipment & machinery - administration	196,482	102,908	-	299,390
165	Leasehold improvements	2,293,168	-	-	2,293,168
166	Accumulated depreciation	(10,117,840)	(178,812)	-	(10,296,652)
167	Construction in progress	571,529	-	-	571,529
168	Infrastructure	-	-	-	-
160	Total capital assets, net of accumulated depreciation	<u>4,330,782</u>	<u>74,094</u>	<u>-</u>	<u>4,404,876</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>4,330,782</u>	<u>74,094</u>	<u>-</u>	<u>4,404,876</u>
190	Total assets	<u>5,474,842</u>	<u>1,550,683</u>	<u>-</u>	<u>7,025,525</u>
200	Deferred outflow of resources	<u>129,520</u>	<u>240,537</u>	<u>-</u>	<u>370,057</u>
290	Total assets and deferred outflow of resources	<u>\$ 5,604,362</u>	<u>\$ 1,791,220</u>	<u>\$ -</u>	<u>\$ 7,395,582</u>

(continued)

Federal Financial Data Schedule (PHA: AZ003)

For the Fiscal Year Ended June 30, 2017

(rounded to nearest dollar)

(continued)

Balance Sheet					
Line Item No.	Account Description	Project Total	Housing Choice Vouchers	Eliminations	Total
LIABILITIES AND EQUITY-NET ASSETS/POSITION:					
LIABILITIES:					
Current liabilities:					
311	Bank Overdraft	\$ -	\$ -	\$ -	\$ -
312	Accounts payable <= 90 days	32,559	23,500	-	56,059
313	Accounts payable > 90 days past due	-	-	-	-
321	Accrued wage/payroll taxes payable	-	-	-	-
322	Accrued compensated absences - current portion	10,904	13,519	-	24,423
324	Accrued contingency liability	-	-	-	-
325	Accrued interest payable	-	-	-	-
331	Accounts payable - HUD PHA Programs	-	-	-	-
332	Accounts payable - PHA projects	-	33,222	-	33,222
333	Accounts payable - other government	-	-	-	-
341	Tenant security deposits	44,791	-	-	44,791
342	Unearned revenues	13,978	-	-	13,978
343	Total current portion of L/T debt - capital projects/mortgage revenue	-	-	-	-
344	Current portion of L/T debt - operating borrowings	-	-	-	-
345	Other current liabilities	-	-	-	-
346	Accrued liabilities - other	-	-	-	-
347	Inter program - due to	-	-	-	-
348	Loan liability - current	-	-	-	-
310	Total current liabilities	102,232	70,241	-	172,473
Noncurrent liabilities:					
351	Long-term debt, net of current - capital projects/mortgage revenue	-	-	-	-
352	Long-term debt, net of current - operating borrowings	-	-	-	-
353	Noncurrent liabilities - other	-	25,067	-	25,067
354	Accrued compensated absences - noncurrent	98,132	121,668	-	219,800
355	Loan liability - noncurrent	-	-	-	-
356	FASB 5 liabilities	-	-	-	-
357	Accrued pension and OPEB liabilities	865,912	1,608,122	-	2,474,034
350	Total noncurrent liabilities	964,044	1,754,857	-	2,718,901
300	Total liabilities	1,066,276	1,825,098	-	2,891,374
400	Deferred inflow of resources	108,593	201,672	-	310,265
EQUITY - NET ASSETS/POSITION:					
508.4	Net investment in capital assets	4,330,782	74,094	-	4,404,876
511.4	Restricted net position	-	172,465	-	172,465
512.4	Unrestricted net position	98,711	(482,109)	-	(383,398)
513	Total equity - net assets/position	4,429,493	(235,550)	-	4,193,943
600	Total liabilities, deferred inflow of resources and equity - net assets/position	\$ 5,604,362	\$ 1,791,220	\$ -	\$ 7,395,582
(continued)					

(continued)

Income Statement					
Line Item No.	Account Description	Project Total	Housing Choice Vouchers	Eliminations	Total
REVENUE:					
70300	Net tenant rental revenue	\$ 354,056	\$ -	\$ -	\$ 354,056
70400	Tenant revenue - other	16,636	-	-	16,636
70500	Total tenant revenue	370,692	-	-	370,692
70600	HUD PHA operating grants	598,101	8,563,735	-	9,161,836
70610	Capital grants	253,202	-	-	253,202
70710	Management fee	-	-	-	-
70720	Asset management fee	-	-	-	-
70730	Bookkeeping fee	-	-	-	-
70740	Front line service fee	-	-	-	-
70750	Other fees	-	-	-	-
70700	Total fee revenue	-	-	-	-
70800	Other government grants	-	-	-	-
71100	Investment income - unrestricted	1,503	1,805	-	3,308
71200	Mortgage interest income	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-
71310	Cost of sale of assets	-	-	-	-
71400	Fraud recovery	-	5,538	-	5,538
71500	Other revenue	21,107	2,478,683	-	2,499,790
71600	Gain or loss on sale of capital assets	-	-	-	-
72000	Investment income - restricted	-	-	-	-
70000	Total revenue	\$ 1,244,605	\$ 11,049,761	\$ -	\$ 12,294,366
(continued)					

(continued)

(continued)

(continued)

(continued)

Federal Financial Data Schedule (PHA: AZ003)

For the Fiscal Year Ended June 30, 2017

(rounded to nearest dollar)

(continued)

Income Statement

Line Item No.	Account Description	Project Total	Housing Choice Vouchers	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	9,271	6,180	-	15,451
96120	Liability insurance	-	-	-	-
96130	Workmen's compensation	7,112	4,741	-	11,853
96140	All other insurance	-	-	-	-
96100	Total insurance premiums	16,383	10,921	-	27,304
96200	Other general expenses	-	6,813	-	6,813
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	-	6,813	-	6,813
96710	Interest on 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	1,193,573	904,100	-	2,097,673
97000	Excess of operating revenue over operating expenses	51,032	10,145,661	-	10,196,693
97100	Extraordinary maintenance	8,994	-	-	8,994
97200	Casualty losses - non-capitalized	-	-	-	-
97300	Housing assistance payments	-	7,840,477	-	7,840,477
97350	HAP Portability-in	-	2,315,118	-	2,315,118
97400	Depreciation expense	402,626	4,061	-	406,687
97500	Fraud losses	-	-	-	-
97600	Capital outlays - governmental funds	-	-	-	-
97700	Debt principal payment - governmental funds	-	-	-	-
97800	Dwelling units rent expense	-	-	-	-
90000	Total expenses	\$ 1,605,193	\$ 11,063,756	\$ -	\$ 12,668,949

(continued)

Federal Financial Data Schedule (PHA: AZ003)

For the Fiscal Year Ended June 30, 2017

(rounded to nearest dollar)

(continued)

Income Statement

Line Item No.	Account Description	Project Total	Housing Choice Vouchers	Eliminations	Total
OTHER FINANCING SOURCES (USES)					
10010	Operating transfers in	\$ 23,645	\$ -	\$ (23,645)	\$ -
10020	Operating transfers out	(23,645)	-	23,645	-
10030	Operating transfers from/to primary government	175,115	211,448	-	386,563
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>175,115</u>	<u>211,448</u>	<u>-</u>	<u>386,563</u>
10000	Excess (deficiency) of total revenues over (under) total expenses	<u>\$ (185,473)</u>	<u>\$ 197,453</u>	<u>\$ -</u>	<u>\$ 11,980</u>
MEMO ACCOUNT INFORMATION					
11020	Required annual debt principal payments	\$ -	\$ -	\$ -	\$ -
11030	Beginning equity	4,370,536	(188,573)	-	4,181,963
11040	Prior period adjustments, equity transfers & correction of errors	244,430	(244,430)	-	-
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	-	(408,015)	-	(408,015)
11180	Housing assistance payments equity	-	172,465	-	172,465
11190	Unit months available	1,817	12,648	-	14,465
11210	Unit months leased	1,749	12,455	-	14,204
11270	Excess cash	926,179	-	-	926,179
11610	Land purchases	-	-	-	-
11620	Building purchases	236,867	-	-	236,867
11630	Furniture & equipment - dwelling purchases	12,135	-	-	12,135
11640	Furniture & equipment - administrative purchases	-	-	-	-
11650	Leasehold improvements purchases	4,200	-	-	4,200
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, 2017

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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.

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Government activities				
Net investment in				
capital assets	\$ 471,979	\$ 456,001	\$ 456,897	\$ 448,083
Restricted	157,251	163,592	168,714	161,027
Unrestricted	<u>(278,767)</u>	<u>(239,670)</u>	<u>(240,749)</u>	<u>(277,093)</u>
Total governmental activities				
net position	<u>350,463</u>	<u>379,923</u>	<u>384,862</u>	<u>332,017</u>
Business-type activities				
Net investment in				
capital assets	267,111	256,488	253,134	256,164
Restricted	22,897	21,576	24,090	22,300
Unrestricted	<u>83,920</u>	<u>96,300</u>	<u>92,357</u>	<u>123,699</u>
Total business-type activities				
net position	<u>373,928</u>	<u>374,364</u>	<u>369,581</u>	<u>402,163</u>
Primary government				
Net investment in				
capital assets	739,090	712,489	710,031	704,247
Restricted	180,148	185,168	192,804	183,327
Unrestricted	<u>(194,847)</u>	<u>(143,370)</u>	<u>(148,392)</u>	<u>(153,394)</u>
Total primary government				
net position	<u>\$ 724,391</u>	<u>\$ 754,287</u>	<u>\$ 754,443</u>	<u>\$ 734,180</u>

Schedule 1

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 438,366	\$ 460,639	\$ 463,961	\$ 457,773	\$ 471,484	\$ 499,322
186,106	183,829	204,645	176,400	144,422	133,695
<u>(59,797)</u>	<u>(73,375)</u>	<u>(22,532)</u>	<u>11,684</u>	<u>51,500</u>	<u>51,850</u>
<u>564,675</u>	<u>571,093</u>	<u>646,074</u>	<u>645,857</u>	<u>667,406</u>	<u>684,867</u>
251,765	262,554	271,708	271,969	286,452	297,329
12,264	12,921	29,988	13,988	13,249	12,836
<u>161,999</u>	<u>139,934</u>	<u>112,323</u>	<u>124,550</u>	<u>114,814</u>	<u>107,384</u>
<u>426,028</u>	<u>415,409</u>	<u>414,019</u>	<u>410,507</u>	<u>414,515</u>	<u>417,549</u>
690,131	723,193	735,669	729,742	757,936	796,651
198,370	196,750	234,633	190,388	157,671	146,531
<u>102,202</u>	<u>66,559</u>	<u>89,791</u>	<u>136,234</u>	<u>166,314</u>	<u>159,234</u>
<u>\$ 990,703</u>	<u>\$ 986,502</u>	<u>\$ 1,060,093</u>	<u>\$ 1,056,364</u>	<u>\$ 1,081,921</u>	<u>\$ 1,102,416</u>

City of Glendale, Arizona
Changes in Net Position

Last Ten Fiscal Years
(amounts expressed in thousands)

Schedule 2

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Expenses										
Governmental activities:										
General government	\$ 61,373	\$ 64,228	\$ 60,490	\$ 73,637	\$ 37,447	\$ 35,962	\$ 46,233	\$ 42,530	\$ 39,545	\$ 39,998
Public safety	166,790	132,498	127,870	116,070	115,694	112,689	111,217	108,308	109,136	113,285
Public works	24,768	24,859	21,482	20,524	19,230	18,435	20,099	16,627	15,040	16,006
Community services	33,752	32,796	31,311	30,796	33,831	39,478	41,136	44,524	48,143	52,185
Community environment	3,930	4,262	4,980	5,895	5,655	6,828	7,061	6,316	3,539	5,164
Street maintenance	21,848	21,219	19,180	25,207	20,000	20,045	21,721	23,058	23,978	26,175
Other	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	27,827	27,932	32,106	34,808	42,413	41,913	41,967	42,286	38,982	28,475
Total governmental activities expenses	340,288	307,794	297,419	306,937	274,270	275,350	289,434	283,649	278,363	281,288
Business-type activities:										
Water and sewer	83,500	80,375	74,807	77,243	73,460	78,917	79,444	81,910	74,424	74,581
Landfill	11,302	9,049	7,727	7,554	7,486	7,602	7,280	8,454	8,045	8,067
Solid Waste	15,698	15,016	15,059	14,471	16,122	15,437	14,814	14,093	14,039	15,209
Housing	12,644	12,730	13,159	13,088	14,037	14,827	14,687	14,180	11,840	9,862
Total business-type activities expenses	123,144	117,170	110,752	112,356	111,105	116,783	116,225	118,637	108,348	107,719
Total primary government expenses	\$ 463,432	\$ 424,964	\$ 408,171	\$ 419,293	\$ 385,375	\$ 392,133	\$ 405,659	\$ 402,286	\$ 386,711	\$ 389,007
Program revenues										
Governmental activities:										
Charges for services:										
General government	\$ 15,027	\$ 16,381	\$ 18,498	\$ 17,666	\$ 12,520	\$ 12,334	\$ 24,822	\$ 14,232	\$ 11,879	\$ 12,132
Public safety	5,445	6,148	6,084	6,369	5,778	5,624	5,094	5,824	4,670	5,744
Public works	536	650	631	1,126	1,149	512	495	7,447	588	543
Community services	13,490	9,649	11,704	10,486	11,003	17,910	11,733	11,918	15,661	22,859
Community environment	308	305	309	-	-	-	-	-	3,045	-
Street maintenance	357	193	25	-	-	-	-	2	36	-
Operating grants and contributions	27,519	26,225	25,665	25,168	25,156	27,636	27,137	29,596	24,146	33,191
Capital grants and contributions	6,669	6,603	11,403	10,748	7,904	5,274	70,552	3,755	2,600	14,491
Total governmental activities program revenues	69,351	66,154	74,319	71,563	63,510	69,290	139,833	72,774	62,625	88,960

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Business-type activities:										
Charges for services:										
Water and sewer	80,219	81,829	78,541	81,065	81,963	82,730	80,513	76,603	67,810	66,316
Landfill	9,451	9,838	9,757	8,646	7,994	7,185	8,027	6,987	7,304	9,196
Solid Waste	14,856	15,181	14,944	14,836	14,791	14,562	14,733	15,048	15,258	14,684
Housing	2,876	2,980	3,265	3,504	4,137	4,886	4,829	4,870	2,042	816
Operating grants and contributions	10,230	9,809	8,855	9,357	9,376	9,423	9,342	9,331	8,701	8,348
Capital grants and contributions	2,815	815	2,562	2,423	831	705	1,155	690	1,207	4,346
Total business-type activities program revenues	120,447	120,472	117,924	119,831	119,092	119,491	118,599	113,529	102,322	103,706
Total primary government program revenues	189,798	186,626	192,243	191,394	182,602	188,781	258,432	186,303	164,947	192,666
Net (expense)/revenue										
Governmental activities	(270,937)	(241,640)	(223,100)	(235,374)	(210,760)	(206,060)	(149,601)	(210,875)	(215,738)	(192,328)
Business-type activities	(2,697)	3,302	7,172	7,475	7,987	2,708	2,374	(5,108)	(6,026)	(4,013)
Total primary government net expense	\$ (273,634)	\$ (238,338)	\$ (215,928)	\$ (227,899)	\$ (202,773)	\$ (203,352)	\$ (147,227)	\$ (215,983)	\$ (221,764)	\$ (196,341)
General revenues and other changes in net position										
Governmental activities:										
Taxes:										
Property taxes	\$ 24,955	\$ 24,531	\$ 23,881	\$ 23,577	\$ 21,372	\$ 20,232	\$ 27,189	\$ 33,749	\$ 32,890	\$ 28,826
Sales taxes	155,779	150,201	147,175	131,983	132,872	97,451	93,260	92,717	97,054	105,175
Unrestricted state shared sales tax	22,024	21,482	20,695	19,734	18,558	17,716	18,438	17,786	19,321	22,237
Unrestricted urban revenue sharing (state shared income tax)	29,378	27,297	27,446	25,271	23,159	19,135	23,590	31,292	36,267	34,109
Auto in-lieu taxes	9,458	9,351	8,664	8,086	7,586	7,277	7,917	8,130	8,808	9,730
Investment earnings, unrestricted	(253)	1,225	1,070	726	716	975	1,482	286	1,668	4,742
Gain (loss) on disposal of capital assets	-	-	(688)	78	353	56	(677)	330	(52)	879
Miscellaneous	1,400	3,417	520	687	367	489	3,936	5,406	2,872	302
Transfers	(1,264)	(803)	39,198	(64)	(641)	(307)	(317)	(370)	(551)	(509)
Special item	-	-	-	-	-	(25,000)	(25,000)	-	-	-
Total governmental activities	241,477	236,701	267,961	210,078	204,342	138,024	149,818	189,326	198,277	205,491
Business-type activities:										
Investment earnings, unrestricted	883	614	643	463	1,878	1,126	614	460	2,069	4,044
Gain (loss) on disposal of capital assets	-	-	127	167	43	(40)	137	187	282	126
Loss on joint venture	-	-	(3,329)	-	-	-	-	-	-	-
Miscellaneous	114	63	86	67	70	72	70	83	90	108
Transfers	1,264	803	(39,198)	64	641	307	317	370	551	509
Total business-type activities	2,261	1,480	(41,671)	761	2,632	1,465	1,138	1,100	2,992	4,787
Total primary government	\$ 243,738	\$ 238,181	\$ 226,290	\$ 210,839	\$ 206,974	\$ 139,489	\$ 150,956	\$ 190,426	\$ 201,269	\$ 210,278
Changes in net position										
Governmental activities	\$ (29,460)	\$ (4,939)	\$ 44,861	\$ (25,296)	\$ (6,418)	\$ (68,036)	\$ 217	\$ (21,549)	\$ (17,461)	\$ 13,163
Business-type activities	(436)	4,782	(34,499)	8,236	10,619	4,173	3,512	(4,008)	(3,034)	774
Total primary government	\$ (29,896)	\$ (157)	\$ 10,362	\$ (17,060)	\$ 4,201	\$ (63,863)	\$ 3,729	\$ (25,557)	\$ (20,495)	\$ 13,937

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City of Glendale, Arizona

Schedule 3

Fund Balances - Governmental Funds

Last Ten Fiscal Years

(amounts expressed in thousands)

	2017 ⁽¹⁾	2016 ⁽¹⁾	2015 ⁽¹⁾	2014 ⁽¹⁾	2013 ⁽¹⁾	2012 ⁽¹⁾	2011 ⁽¹⁾	2010	2009	2008
General fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,383	\$ 10,450	\$ 9,271
Unreserved	-	-	-	-	-	-	-	29,463	42,180	57,117
Total general fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,846</u>	<u>\$ 52,630</u>	<u>\$ 66,388</u>
General fund										
Nonspendable	\$ 2,934	\$ 2,940	\$ 216	\$ 600	\$ 650	\$ 197	\$ 463	\$ -	\$ -	\$ -
Restricted	7,443	8,495	10,313	688	311	368	5,403	-	-	-
Committed	-	-	1,114	1,554	1,676	2,351	1,965	-	-	-
Assigned	10,647	12,483	8,563	-	-	-	9,253	-	-	-
Unassigned	40,559	35,226	26,033	(4,835)	(14,438)	(29,565)	(5,414)	-	-	-
Total general fund	<u>\$ 61,583</u>	<u>\$ 59,144</u>	<u>\$ 46,239</u>	<u>\$ (1,993)</u>	<u>\$ (11,801)</u>	<u>\$ (26,649)</u>	<u>\$ 11,670</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
All other governmental funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,055	\$ 83,966	\$ 58,146
Unreserved, report in:	-	-	-	-	-	-	-	-	-	-
Special revenue funds	-	-	-	-	-	-	-	50,478	57,555	76,493
Capital projects funds	-	-	-	-	-	-	-	41,046	27,474	18,436
Total all other governmental funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 167,579</u>	<u>\$ 168,995</u>	<u>\$ 153,075</u>
All other governmental funds										
Nonspendable	\$ 5,861	\$ 5,818	\$ 5,768	\$ 5,801	\$ 5,774	\$ 5,829	\$ 5,822	\$ -	\$ -	\$ -
Restricted	91,908	97,170	99,970	102,241	103,772	117,964	129,635	-	-	-
Committed	2,295	1,273	-	123	115	129	11,464	-	-	-
Assigned	170	319	1,945	202	144	82	199	-	-	-
Unassigned	(3,770)	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 96,464</u>	<u>\$ 104,580</u>	<u>\$ 107,683</u>	<u>\$ 108,367</u>	<u>\$ 109,805</u>	<u>\$ 124,004</u>	<u>\$ 147,120</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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenues										
Taxes and special assessments	\$ 181,576	\$ 176,489	\$ 170,605	\$ 159,328	\$ 149,705	\$ 118,218	\$ 120,974	\$ 126,291	\$ 130,119	\$ 133,746
Licenses and permits	12,403	11,951	10,610	11,522	10,373	10,798	9,367	9,734	10,503	17,385
Intergovernmental	89,684	86,273	87,112	81,364	76,520	73,009	79,760	90,047	91,642	101,821
Local revenues	300	17	525	18	36	-	-	-	-	-
Charges for services	13,486	12,613	17,685	14,781	11,896	11,487	10,461	13,640	9,881	14,125
Fines and forfeitures	3,699	3,857	3,556	3,735	3,469	3,374	3,806	4,052	4,064	4,507
Investment income (loss)	276	1,517	1,258	900	762	1,180	1,841	774	3,805	9,986
Miscellaneous	5,079	6,850	5,662	4,500	3,822	11,700	22,054	18,000	9,346	4,915
Total revenues	306,503	299,567	297,013	276,148	256,583	229,766	248,263	262,538	259,360	286,485
Expenditures										
General government	29,531	34,671	33,494	29,666	16,065	18,147	19,668	23,085	26,048	25,364
Public safety	131,576	126,498	114,143	108,397	103,610	100,368	95,270	96,161	103,624	100,384
Public works	9,484	9,429	8,673	7,463	7,859	7,709	8,859	11,569	11,072	11,743
Community services	30,659	28,461	26,379	25,536	27,966	33,597	33,887	37,518	42,294	44,767
Community environment	3,979	4,285	4,977	5,826	5,554	6,703	6,853	6,160	3,478	4,972
Street maintenance	11,195	10,260	7,951	8,352	8,305	8,311	9,038	10,388	11,901	13,045
Miscellaneous	-	27	5,791	2,323	4,617	1,782	1,577	2,026	1,666	1,629
Capital outlay	39,053	59,189	20,949	14,662	13,980	19,634	22,093	63,529	186,175	141,060
Debt service:										
Principal	46,456	35,650	37,251	30,043	26,441	24,947	31,640	29,451	29,670	32,151
Interest	30,704	30,382	32,870	35,628	43,038	42,515	42,593	42,913	39,571	32,294
Total expenditures	332,637	338,852	292,478	267,896	257,435	263,713	271,478	322,800	455,499	407,409
Excess of revenues over (under) expenditures	(26,134)	(39,285)	4,535	8,252	(852)	(33,947)	(23,215)	(60,262)	(196,139)	(120,924)

Other financing sources (uses)	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Refunding lease issued	-	-	-	-	-	-	11,503	-	-	-
Discount on long-term debt	-	-	-	-	(1,557)	-	-	-	(3,136)	-
Long-term debt issued	-	27,285	-	-	-	8,665	38,300	41,650	199,750	109,986
Refunding bonds issued	19,330	33,830	209,255	-	239,875	-	-	-	-	93,815
Payment to redeem lease	-	-	-	-	-	-	(11,355)	-	-	-
Premium on long-term debt issued	-	4,948	35,751	-	19,779	898	3,369	10	1,894	2,192
Proceeds from equipment disposal	2,391	329	2,650	174	589	546	331	482	344	8,714
Capital lease proceeds	-	6,615	-	8	-	-	-	44	-	-
Proceeds from loans	-	7,353	-	-	-	-	-	-	-	-
Payment to redeem/refunded bonds	-	-	-	-	-	-	-	-	-	-
escrow agent	-	(30,470)	(131,966)	-	(256,054)	(9,320)	(41,251)	-	-	(83,521)
Current bond refunding principal	-	-	(110,145)	-	-	-	-	-	-	-
Current bond refunding interest	-	-	(1,022)	-	-	-	-	-	-	-
Transfers in	48,450	84,460	240,694	48,704	52,136	32,977	38,728	36,306	21,914	51,626
Transfers out	(49,714)	(85,263)	(201,496)	(48,768)	(53,267)	(33,919)	(39,045)	(33,430)	(22,465)	(52,135)
Special item	-	-	-	-	-	(25,000)	(25,000)	-	-	-
Total other financing sources (uses)	20,457	49,087	43,721	118	1,501	(25,153)	(10,923)	45,062	198,301	130,677
Net change in fund balances	\$ (5,677)	\$ 9,802	\$ 48,256	\$ 8,370	\$ 649	\$ (59,100)	\$ (34,138)	\$ (15,200)	\$ 2,162	\$ 9,753
Debt service as a percentage of noncapital expenditures	26.28%	23.61%	25.82%	25.93%	28.54%	27.64%	29.77%	27.91%	25.71%	24.20%

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 of capital outlay.

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

Fiscal Year	Major Components					Less: Tax Exempt Property	Net Assessed Value ⁽¹⁾	Total Direct Tax Rate	Estimated Actual Value ⁽¹⁾	Assessed Value as a Percentage of Actual Value ⁽²⁾
	Real Estate	Improvements	Personal ⁽³⁾	Utilities Rails and Wires						
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	
2013-14	316,206	1,213,829	41,750	53,581	477,258	1,148,108	2.29	12,489,163	13.014	
2014-15	379,087	1,451,325	40,191	55,687	518,191	1,408,099	2.15	12,452,875	15.469	
2015-16	403,055	1,546,186	40,431	59,918	529,361	1,520,229	2.20	13,046,428	15.708	
2016-17	499,308	1,635,370	37,350	60,892	579,745	1,653,175	2.14	13,617,839	16.397	

Source: Maricopa County Assessor's Office and Maricopa County's Department of Finance

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.

Schedule 6

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

Fiscal Year	Basic Rate	General Obligation Debt Service	City of Glendale	Overlapping Rates*		
				Glendale Elementary and High School Districts	Peoria Unified School Districts	Deer Valley Unified School Districts
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
2013-14	0.50	1.79	2.29	25.06	19.82	18.91
2014-15	0.49	1.66	2.15	23.58	19.64	18.85
2015-16	0.49	1.71	2.20	22.54	20.66	18.86
2016-17	0.48	1.67	2.15	23.29	20.82	19.16

Source: Maricopa County 2016 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 Nine Years Ago
 June 30, 2017
 (amounts expressed in thousands)

Schedule 7

	Tax Year 2017			Tax Year 2007 ⁽²⁾		
	Taxpayer	Rank	Assessed Valuation	Percentage of Total City Taxable Assessed Value	Rank	Assessed Valuation
	New Westgate LLC	1	\$ 18,224	1.10 %		
	Arizona Public Service Company	2	17,677	1.07	1	\$ 16,404
	Arrowhead Towne Center LLC	3	11,311	0.68		
	VHS of Arrowhead, Inc.	4	10,377	0.63	5	6,983
	American Furniture Warehouse	5	8,133	0.49		
	Outlets At Westgate LLC	6	7,261	0.44		
	JQH-Glendale Az Development LLC	7	7,153	0.43		
	Wal-Mart Stores, Inc.	8	7,048	0.43	4	10,125
	Stadium Development LLC	9	6,796	0.41		
	Lexington Glendale LLC	10	6,478	0.39		
	Qwest Corporation (US West)				7	6,326
	New River Associates				2	12,758
	Southwest Gas Corporation				3	10,147
	Toys DC South LLC				8	6,259
	51 Bell Limited Partnership				6	6,392
	Coyote Center Development LLC				9	4,916
					10	4,887
	Total principal taxpayers		\$ 100,458	6.07 %		\$ 85,197

Source: Maricopa County Treasurer's Office

Notes: (1) 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.
 The percentage of Total City Taxable Assessed Value is based on the Net Assessed Value.
 (2) 2008 information is unavailable

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
2007-08	28,728	27,823	96.85	546	28,369	98.75 %
2008-09	33,927	32,411	95.53	997	33,408	98.47
2009-10	33,617	32,260	95.96	533	32,793	97.55
2010-11	27,534	26,469	96.13	66	26,535	96.37
2011-12	20,787	20,090	96.65	66	20,194	97.15
2012-13	21,841	21,268	97.38	(9)	21,259	97.34
2013-14	23,943	23,490	98.11	141	23,631	98.70
2014-15	24,429	23,729	97.13	242	23,971	98.13
2015-16	24,850	24,255	97.61	243	24,498	98.58
2016-17	25,253	24,638	97.56	-	24,638	97.56

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)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Retail sales	\$ 88,804	\$ 84,710	\$ 79,062	\$ 73,924	\$ 67,157	\$ 49,686	\$ 48,089	\$ 49,127	\$ 48,353	\$ 54,416
Contracting	5,559	4,810	6,457	7,948	5,724	5,170	6,742	4,458	6,378	9,540
Rentals	17,394	16,581	16,146	14,502	14,182	11,550	11,854	12,729	11,511	12,082
Utilities	8,775	8,544	8,678	8,732	8,028	6,393	6,449	6,829	6,449	5,359
Telecom/cable TV	3,523	4,244	4,773	5,072	5,540	5,144	6,093	6,156	6,722	6,174
Restaurant/bar	20,070	18,767	17,651	15,842	14,284	11,975	11,207	10,791	10,863	10,995
Amusement	3,615	4,176	5,673	2,110	2,154	2,896	1,860	3,697	3,659	3,034
Other	7,347	8,802	6,686	5,808	5,917	3,816	5,568	4,018	4,002	3,575
Total	\$ 155,087	\$ 150,634	\$ 145,126	\$ 133,938	\$ 122,986	\$ 96,630	\$ 97,862	\$ 97,805	\$ 97,937	\$ 105,175
% Growth by year										
Retail sales	4.8 %	7.1 %	7.0 %	10.1 %	35.2 %	3.3 %	(2.0) %	1.6 %	(11.1) %	7.3 %
Contracting	15.6	(25.5)	(18.8)	38.9	10.7	(23.3)	51.0	(30.1)	(33.1)	(9.0)
Rentals	4.9	2.7	11.3	2.3	22.8	(2.6)	(7.0)	10.6	(4.7)	22.1
Utilities	2.7	(1.5)	(0.6)	8.8	25.6	(0.9)	(6.0)	5.9	20.3	13.4
Telecom/cable TV	(17.0)	(11.1)	(5.9)	(8.4)	7.7	(15.6)	(1.0)	(8.4)	8.9	4.4
Restaurant/bar	6.9	6.3	11.4	10.9	19.3	6.9	4.0	(0.7)	(1.2)	17.8
Amusement	(13.4)	(26.4)	168.9	(2.0)	(25.6)	55.7	(50.0)	1.0	20.6	(7.7)
Other	(16.5)	31.6	15.1	(1.8)	55.1	(31.5)	39.0	0.4	11.9	3.5
Total	3.0 %	3.8 %	8.4 %	8.9 %	27.3 %	(1.3) %	0.1 %	(0.1) %	(6.9) %	7.5 %

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 and later years 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.

Schedule 10

City of Glendale, Arizona
Ratio of Outstanding Debt by Type⁽¹⁾
 Last Ten Fiscal Years
 (amounts expressed in thousands)

Fiscal Year	Government Activities					
	General Obligation Bonds	Street and Highway Revenue Bonds	Excise Tax Revenue Bonds	Transportation Bonds	Capital Leases	Notes Payable
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	-
2013-14	151,206 ⁽⁴⁾⁽⁵⁾	3,736 ⁽⁴⁾⁽⁵⁾	477,736 ⁽⁴⁾⁽⁵⁾	89,317 ⁽⁴⁾⁽⁵⁾	10,361	-
2014-15	133,168 ⁽⁴⁾⁽⁵⁾	1,912 ⁽⁴⁾⁽⁵⁾	477,747 ⁽⁴⁾⁽⁵⁾	91,047 ⁽⁴⁾⁽⁵⁾	57	-
2015-16	141,553 ⁽⁴⁾⁽⁵⁾	- ⁽⁴⁾⁽⁵⁾	475,918 ⁽⁴⁾⁽⁵⁾	87,031 ⁽⁴⁾⁽⁵⁾	6,620	5,515
2016-17	125,384 ⁽⁴⁾⁽⁵⁾	- ⁽⁴⁾⁽⁵⁾	468,431 ⁽⁴⁾⁽⁵⁾	83,119 ⁽⁴⁾⁽⁵⁾	4,484	3,677

Fiscal Year	Business Activities							Total Debt per Capita ⁽³⁾	Percentage of Personal Income ⁽²⁾
	Water			Sewer			Total Primary Government		
	Water Sewer G.O. Bonds	Landfill G.O. Bonds	Sewer Revenue Bonds	Notes Payable	Capital Leases				
2007-08	\$ 10,805	\$ 331	\$ 288,950	\$ 10,240	\$ 1,688	\$ 982,476 ⁽¹⁾	\$ 3,946	%	11.32
2008-09	9,995	132	282,345	12,425	1,080	1,146,823 ⁽¹⁾	4,587		13.11
2009-10	9,160	-	273,140	14,278	592	1,150,251 ⁽¹⁾	4,601		13.56
2010-11	8,300	-	289,175	11,901	151	1,113,440 ⁽¹⁾	4,901		14.12
2011-12	6,485	-	282,625	708	-	1,064,620 ⁽¹⁾	4,694		13.27
2012-13	5,515 ⁽⁴⁾	-	273,080	-	-	1,020,889 ⁽¹⁾	4,471		12.21
2013-14	- ⁽⁴⁾	-	267,254 ⁽⁴⁾⁽⁵⁾	-	-	999,610 ⁽⁵⁾	4,327		11.52
2014-15	-	-	260,967 ⁽⁴⁾⁽⁵⁾	-	-	964,898 ⁽⁵⁾	4,141		10.18
2015-16	-	-	249,302 ⁽⁴⁾⁽⁵⁾	-	-	965,939 ⁽⁵⁾	4,255		10.81
2016-17	-	-	237,247 ⁽⁴⁾⁽⁵⁾	-	-	922,342 ⁽⁵⁾	3,875		9.14

(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.

(5) Includes unamortized premiums of debt issuance and discount on debt issuance.

Ratios of Net General Bonded Debt Outstanding

Last Ten Fiscal Years

(amounts expressed in thousands)

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Funds	Total	Percentage of Net Assessed Value of Property ⁽⁶⁾	Per Capita ⁽³⁾
2007-08	\$ 223,660 ⁽¹⁾	\$ 30,145	\$ 193,515	10.59 %	\$ 778.01
2008-09	207,865 ⁽¹⁾	37,418	170,447	7.77	682.30
2009-10	234,755 ⁽¹⁾	41,934	192,821	9.05	770.75
2010-11	201,680 ⁽¹⁾	21,250 ⁽²⁾	180,430	10.29	794.09
2011-12	185,495 ^{(1) (4)}	16,765 ⁽²⁾	168,730	14.68	744.22
2012-13	168,645 ^{(1) (4)}	12,641 ⁽²⁾	156,004	14.90	681.22
2013-14	147,810 ⁽⁴⁾	9,310 ⁽²⁾	138,500	12.06	599.28
2014-15	126,305 ⁽⁴⁾	8,270 ⁽²⁾	118,035	10.43 ⁽⁵⁾	507.29
2015-16	135,130 ⁽⁴⁾	4,511 ⁽²⁾	130,619	11.12 ⁽⁵⁾	556.38
2016-17	120,000 ⁽⁴⁾	3,657 ⁽²⁾	116,343	7.04 ⁽⁵⁾	488.84

Source: Maricopa County - Abstract by tax authority and class

ADOA Office of Employment and Population Statistics - Population estimates for July 1, 20

- Notes:
- (1) Includes general obligation water and sewer bonds.
 - (2) Includes the general obligation debt service fund balance at June 30.
 - (3) Per capita is in actual dollars. Population estimates per ADOA.
 - (4) Includes the July 1 payment.
 - (5) Beginning with FY 2015, based on limited assessed value instead of secondary full cash
 - (6) Beginning with FY 2017, calculation uses Feb State Abstract instead of Aug State Abst

Net Direct and Overlapping Governmental Activities DebtJune 30, 2017⁽³⁾

(amounts expressed in thousands)

Jurisdiction	Net Debt Outstanding	Percentage Applicable to Glendale	Amount Applicable to Glendale ⁽²⁾
Peoria Unified School District No. 11	\$ 236,725	27.7473 %	\$ 65,685
Glendale Elementary School District No. 40	27,380	141.2802	38,683
Deer Valley Unified School District No. 97	214,410	23.5154	50,419
Alhambra Elementary School District No. 68	-	22.5619	-
Glendale Union High School District No. 205	117,150	29.3460	34,379
Maricopa County	-	3.8900	-
Maricopa County Community College District	534,225	3.8900	20,781
Phoenix Union High School District No. 210	256,230	1.4811	3,795
Pendergast Elementary School District No. 92	25,350	36.7235	9,309
Tolleson Union High School District No. 214	28,600	10.4621	2,992
Washington Elementary School District No. 6	79,200	4.0466	3,205
Dysart Unified School District No. 89	227,738	0.1046	238
Agua Fria Union High School District No. 216	60,520	0.1944	118
Litchfield Elementary School District No. 79	44,425	0.2852	127
Cartwright Elementary School District No. 83	24,140	-	-
Total Overlapping Debt	1,876,093		229,731
City of Glendale Debt ⁽¹⁾	677,290		677,290
Total	<u>\$ 2,553,383</u>		<u>\$ 907,021</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) and revenue bonds debt outstanding (not including water & sewer bonds), capital leases, notes payable, premiums and discounts, less debt service fund balances.
- (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.
- (3) Prior fiscal year data used due to unavailability of current fiscal year Bonded Indebtedness Report from ADOA.

Legal Debt Margin Calculation for Fiscal Year 2017

6% Type Bonds									
	2008	2009	2010	2011 ⁽¹⁾	2012 ⁽¹⁾	2013 ⁽¹⁾	2014 ⁽¹⁾	2015 ⁽¹⁾⁽²⁾	2016 ⁽¹⁾⁽²⁾
Debt limit	\$ 109,621	\$ 131,621	\$ 127,854	\$ 105,214	\$ 68,971	\$ 62,836	\$ 68,886	\$ 67,877	\$ 70,496
Total net debt applicable to limit	43,358	32,121	29,010	14,399	11,455	7,309	2,415	(165)	-
Legal debt margin	\$ 66,263	\$ 99,500	\$ 98,844	\$ 90,815	\$ 57,516	\$ 55,527	\$ 66,471	\$ 68,042	\$ 70,496
Total net debt applicable to the limit as a percentage of debt limit	39.55%	24.40%	22.69%	13.69%	16.61%	11.63%	3.51%	-0.24%	0.00%
20% Type Bonds									
	2008	2009	2010	2011 ⁽¹⁾	2012 ⁽¹⁾	2013 ⁽¹⁾	2014 ⁽¹⁾	2015 ⁽¹⁾⁽²⁾	2016 ⁽¹⁾⁽²⁾
Debt limit	\$ 365,404	\$ 438,735	\$ 426,181	\$ 350,714	\$ 229,905	\$ 209,455	\$ 229,622	\$ 226,257	\$ 234,986
Total net debt applicable to limit	150,157	138,326	163,811	166,031	159,306	148,695	136,085	118,200	130,619
Legal debt margin	\$ 215,247	\$ 300,409	\$ 262,370	\$ 184,683	\$ 70,599	\$ 60,760	\$ 93,537	\$ 108,057	\$ 104,367
Total net debt applicable to the limit as a percentage of debt limit	41.09%	31.53%	38.44%	47.34%	69.29%	70.99%	59.26%	52.24%	55.59%

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

(2) Beginning in FY 2015, based on limited assessed value instead of secondary full cash value.

(3) Beginning in FY 2017, the assessed value is from Maricopa County Assessor's Office February State Abstract report

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

Fiscal Year	Utility Service Charges ⁽¹⁾	Less: Operating Expenses ⁽²⁾	Water and Sewer Revenue Bonds			
			Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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 ⁽⁵⁾	13,306 ⁽³⁾	1.84
2012-13	83,454	39,203	44,251	9,755	13,152	1.93
2013-14	81,733	42,544	39,189	10,210	12,706	1.71
2014-15	79,325	41,712	37,613	13,170	10,918	1.56
2015-16	83,088	45,431	37,657	9,415	10,719	1.87
2016-17	83,442	49,005	34,437	9,805	10,321	1.71

Fiscal Year	Transportation Bonds				Excise Tax Revenue Bonds ⁽⁴⁾			
	Transportation Sales Tax	Debt Service		Coverage	Excise Tax Revenue	Debt Service		Coverage
		Principal	Interest			Principal	Interest	
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 ⁽⁶⁾	2,590 ⁽⁵⁾	27,279	3.35
2012-13	21,691	3,005	4,321	2.96	131,931 ⁽⁶⁾	2,790 ⁽⁵⁾	30,713 ⁽⁷⁾	3.94
2014-15	23,112	3,125	4,201	3.15	141,674 ⁽⁶⁾	6,500	22,951	4.81
2014-15	24,690	3,545	3,597	3.46	151,963 ⁽⁶⁾	2,585	21,175	6.40
2015-16	25,566	3,380	3,763	3.58	156,210 ⁽⁶⁾	10,025	20,984	5.04
2016-17	26,362	3,550	3,594	3.69	160,534 ⁽⁶⁾	5,075	21,033	6.15

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 2011-12.

(4) Excise tax revenue bonds include the Municipal Property Corporation and the Western Loop 101 Public Facilities Corporation (FY 2008-09 to FY 2012-13).

(5) 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.

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

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

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

Schedule 15

Fiscal Year	City of Glendale Population ⁽²⁾	Maricopa County Population ⁽⁶⁾	Personal Income ⁽¹⁾	Per Capita Personal Income ⁽¹⁾⁽⁴⁾	Unemployment Rate
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	140,351,646	34,887	9.1
2010-11	227	3,817	147,724,392 ⁽³⁾	38,701	9.2
2011-12	229 ⁽⁵⁾	3,885 ⁽³⁾	156,763,179 ⁽³⁾	40,350	8.6 ⁽⁵⁾
2012-13	231 ⁽⁵⁾	3,934 ⁽³⁾	160,497,824 ⁽³⁾	40,798	7.6 ⁽⁵⁾
2013-14	233 ⁽⁵⁾	3,945 ⁽³⁾	167,439,604 ⁽³⁾	42,443	6.6 ⁽⁵⁾
2014-15	233 ⁽⁵⁾	4,076 ⁽³⁾	175,437,829 ⁽³⁾	43,042	5.6 ⁽⁵⁾
2015-16	227	4,137	175,437,829	42,407	5.6 ⁽⁵⁾
2016-17	238	4,137	175,437,829	42,407	4.9 ⁽⁵⁾

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 for the prior fiscal year.

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

Principal Employers

Current Year and Nine Years Ago

Employer	2017			2007 ⁽¹⁾		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Luke Air Force Base	5,100	1	4.22 %	8,400	1	4.50 %
Banner Thunderbird Health System	3,000	2	2.49	2,500	3	1.34
Arrowhead Towne Center	2,650	3	2.20	2,500	2	1.34
Walmart	2,175	4	1.80			
Glendale Union High School District	1,974	5	1.64	1,862	5	1.00
Glendale Community College	1,948	6	1.61	1,220	8	0.65
City of Glendale	1,685	7	1.40	2,100	4	1.12
Deer Valley Unified School District	1,594	8	1.32	1,432	7	0.77
Glendale Elementary School District	1,400	9	1.16	1,684	6	0.90
Tanger Outlets	1,200	10	0.99			
Schuck and Sons				1,150	9	0.62
AAA				808	10	0.43
Total	<u>22,726</u>		<u>18.83 %</u>	<u>23,656</u>		<u>12.67 %</u>

Source: City of Glendale Economic Development Department
Department of Economic Security, Research Administration
City of Glendale Human Resources Department

Notes: (1) 2008 information is unavailable

City of Glendale, Arizona

Full-Time Equivalent City Government Employees by Function/Program

Last Ten Fiscal Years

Function/Program	Full-Time Equivalent Employees as of June 30									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General government										
Management services	29.00	28.00	24.00	31.00	34.00	36.00	45.00	43.00	38.00	35.00
Finance	55.00	53.00	56.00	49.00	54.00	57.00	59.00	61.00	69.00	86.75
Planning	14.00	13.00	11.00	10.00	13.00	14.00	15.00	24.00	33.00	28.50
Building	22.00	22.00	22.00	21.00	21.00	24.00	26.00	32.00	43.00	53.75
Legal	71.00	67.00	69.00	69.00	67.00	66.00	70.00	73.00	70.00	78.00
Other	68.00	68.00	66.00	63.00	73.00	77.00	90.00	96.00	104.00	108.50
Police	530.00	522.00	517.00	534.00	505.00	534.00	544.00	554.00	567.00	557.50
Fire	282.00	262.00	259.00	253.00	260.00	269.00	270.00	276.00	278.00	263.50
Homeland security	-	-	-	-	-	-	-	-	6.00	7.00
Community service	54.00	55.00	57.00	48.00	56.00	60.00	72.00	72.00	69.00	93.75
Parks and recreation	73.00	66.00	58.00	59.00	75.00	92.00	123.00	122.00	85.00	99.25
Library	35.00	34.00	31.00	32.00	32.00	48.00	56.00	57.00	65.00	87.76
Public works	183.00	184.00	180.00	173.00	165.00	179.00	203.00	225.00	256.00	281.00
Engineering	24.00	18.00	19.00	17.00	18.00	19.00	26.00	27.00	39.00	45.00
Transportation	59.00	57.00	56.00	57.00	60.00	65.00	69.00	63.00	67.00	89.25
Utilities	186.00	184.00	185.00	176.00	172.00	185.00	167.00	170.00	171.00	186.00
Total	1,685.00	1,633.00	1,610.00	1,592.00	1,605.00	1,725.00	1,835.00	1,895.00	1,960.00	2,100.51

Sources:

City Budget Division for 2008

City of Glendale Human Resources Department for 2009-17

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

Function/Program	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Police										
Calls for service	187,645	190,074	174,535	146,538	127,333	127,829	129,161	129,868	137,586	146,489
Bookings	9,030	8,445	17,871	18,939	8,588	7,083	9,902	11,015	11,990	12,902
Criminal offense reports	30,146	32,732	31,873	31,481	34,995	33,938	27,304	29,765	32,599	32,918
Fire										
EMS calls	31,502	34,518	32,250	30,262	30,082	29,321	27,751	26,591	24,419	25,851 ⁽¹⁾
Fire calls	3,093	3,371	3,467	3,461	3,478	3,495	3,573	3,847	3,900	4,216 ⁽¹⁾
Water										
Number of billed accounts	61,846	61,329	61,117	60,932	60,450	60,109	59,732	59,579	59,079	59,807
Water produced (millions gallons)	13,672	13,864	12,057	13,768	13,667	14,064	13,569	14,284	15,375	14,943
Sewer										
Number of billed accounts	57,584	57,089	59,960	56,791	56,357	55,987	55,609	55,439	56,709	54,936
Treated influent (millions gallons)	6,289	6,229	6,117	6,244	6,065	5,970	5,998	6,405	6,570	6,661
Refuse collection										
Residential curb service (tons per year)	48,346	48,971	48,993	45,942	46,833	48,187	49,784	52,634	53,493	58,865
Commercial container service (tons per year)	41,026	46,086	45,693	41,879	40,272	39,722	40,451	41,797	44,600	48,267
Airport										
Departures/arrivals ⁽²⁾	75,561	78,977	74,217	70,679	76,390	80,416	80,291	69,834	91,998	137,762
General government										
Building permits	6,234	5,488	5,449	4,799	6,383	5,304	5,619	5,194	5,289	6,931
Library										
Volumes in collection ⁽³⁾	514,197	568,653	528,835	408,516	415,695	446,010	529,113	523,512	540,352	546,136
Transit										
Dial-A-Ride passengers	71,912	74,256	77,318	78,271	85,798	90,577	92,134	89,808	91,841	88,638

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.

(2) Departures/arrivals are based on fiscal year as of 2009-2010. 2009 figures are through October 30, 2009.

(3) Includes all formats: books, magazines, CD's, DVD's and electronic/downloadable collection.

Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Police										
Stations	3	3	3	3	3	3	3	3	3	3
Patrol vehicles	183	193	178	176	139	154	174	157	159	158
Fire stations	9	9	9	9	9	9	9	9	9	9
General government										
City square miles	60	60	59	59	59	59	59	59	59	58
Water										
Treatment capacity (millions gallons per day)	104.1	104.1	104.1	104.1	104.1	104.1	104.1	94.1	94.1	81.6
Storage capacity (millions gallons)	67	67	67	67	67	67	67	67	67	62
Miles of water mains	994	994	994	994	994	994	994	994	850	800
Sewer										
Treatment capacity (millions gallons per day)	29.2	29.2	29.2	29.2	29.2	29.2	29.2	29.2	29.2	29.2
Miles of sewer lines	707	707	707	707	707	700	690	680	670	659
Landfill										
Landfill capacity - south cell	24,215	24,215	22,429	21,493	21,218	22,065	21,912	21,666	21,666	22,594
Landfill capacity used - south cell	20,575	20,137	19,687	19,220	18,849	19,257	18,444	18,529	18,126	17,776
Other public works										
Streets (miles)	748	718	718	718	718	717	802	736	736	736
Parks and recreation										
Number of parks/retention basins/facilities	102	101	100	100	100	100	100	100	99	99
Acres of parks	2,192	2,192	2,189	2,189	2,189	2,189	2,189	2,189	2,199	2,125
Transit										
Dial-A-Ride minibuses	22	20	22	20	21	21	21	22	23	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	\$ 3.71
7,000 - 15,000	2.68	3.49	2.28	2.97	2.85	3.71
16,000 - 30,000	3.76	4.89	2.28	2.97	2.85	3.71
over 31,000	5.27	6.86	2.28	2.97	2.85	3.71

SEWER SERVICE RATES		
Type of Service	Inside City	Outside City
Single Family Dwelling Unit	31.22	34.13
Office Building	55.40	N/A
Apartment - Average 5 units	82.41	124.37
Apartment - Average 35 units	566.87	182.03
Retail/Wholesale	63.75	N/A

(1) Per 1,000 gallons

SOURCE: City of Glendale Finance as of May 2017

HISTORICAL AVERAGE NUMBER OF WATER ACCOUNTS ⁽¹⁾

Fiscal Year					
Ending June 30	Residential	Multi-Family ⁽²⁾	Commercial	Sprinkler ⁽²⁾	Total
2008	54,396		5,411		59,807
2009 ⁽³⁾	53,523		5,556		59,079
2010 ⁽³⁾	53,522	1,672	4,247	1,647	61,088
2011 ⁽³⁾	53,663	1,674	4,264	1,655	61,256
2012 ⁽⁴⁾	53,858	1,673	4,281	1,666	61,478
2013 ⁽³⁾	54,056	1,680	4,296	1,669	61,701
2014 ⁽³⁾⁽⁵⁾	53,914	1,799	4,264	1,819	61,796
2015 ⁽³⁾	54,126	1,800	4,379	1,862	62,167
2016 ⁽³⁾	54,266	1,800	4,492	1,885	62,443
2017 ⁽³⁾	54,448	1,799	4,632	1,910	62,789

(1) Total meters in the system being read monthly. Slightly lower figure for active accounts due to vacant properties.

(2) In 2010, the schedule was revised to separate into their own categories Sprinkler from Residential and Multi-Family from Commercial.

(3) As of October following the fiscal year ended.

(4) As of August 2012.

(5) Reclassified 269 residential connections to multifamily or sprinkler.

SOURCE: City of Glendale Water Services Department

WATER DELIVERIES

Acre Feet

Calendar Year	Residential ⁽¹⁾	Commercial	Other ⁽²⁾	Total
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
2013	26,921	10,634	3,050	40,605
2014	26,946	10,587	2,467	40,000
2015	26,595	11,031	2,092	39,718
2016	27,193	11,329	2,743	41,265

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

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

SOURCE: Annual Report of Arizona Department of Water Resources.

SEWERAGE ACCOUNTS BILLED AND SEWAGE TREATED

Fiscal Year Ending June 30	No. of Sewer ⁽¹⁾ Accounts Billed	91st Ave WWTP ⁽²⁾ (MGD) Actual	Arrowhead (MGD)	West (MGD)	Total Treated
2008	54,662	7.8	2.9	9.1	19.8
2009	54,936	6.8	2.8	8.6	18.2
2010	56,709	6.8	2.8	8.4	18.0
2011	56,868	8.3	2.3	5.4	16.0
2012	57,087	7.9	2.3	4.4	14.6
2013	57,300	7.3	2.5	5.8	15.6
2014	57,385	8.4	2.7	6.0	17.1
2015	57,588	6.9	2.7	7.2	16.8
2016	57,089	7.5	2.7	6.9	17.1
2017	57,953	7.4	2.7	7.2	17.3

(1) The number of billed accounts is less than the number of connections due to vacant properties.

(2) The 91st Avenue Wastewater Treatment Plant is a regional plant servicing five cities. Previously listed as "Multi-City Plant" (SROG).

SOURCE: City of Glendale Water Services Department

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