



City of Glendale, Arizona

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2014



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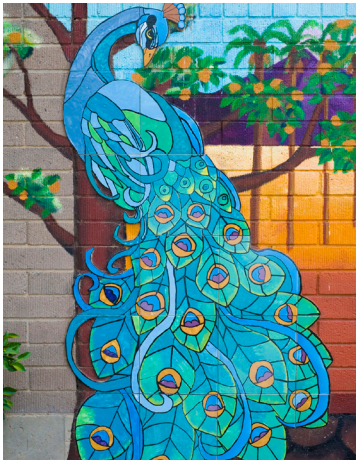
City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

INTRODUCTORY SECTION

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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City of Glendale, Arizona

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2014

Mayor Jerry Weiers

Councilmembers

Yvonne J. Knaack, Vice Mayor - Barrel District

Manuel D. Martinez - Cholla District

Norma Alvarez - Ocotillo District

Ian Hugh - Cactus District

Samuel U. Chavira - Yucca District

Gary D. Sherwood - Sahuaro District

Management Staff

Brenda Fischer - City Manager

Tom Duensing,
Director of Finance and Technology

Prepared by Finance
Vicki Rios, Assistant Finance Director

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**City of Glendale, Arizona
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2014**

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December 10, 2014

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

The Finance Division of the Finance and Technology Department is pleased to submit the City of Glendale, Arizona's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2014. The City publishes the CAFR annually after the close of each fiscal year. 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 completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, Management has established a comprehensive internal control framework that is designed to both protect the government's assets from loss, theft, or misuse; and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. To the best of our knowledge and belief, this financial report is complete and reliable in all material respects and is designed to fairly represent the financial position of the operations of the various funds of the City.

This letter of transmittal is best reviewed in conjunction with the Management's Discussion and Analysis (MD&A) beginning on page 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, 2014, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City's separately issued Single Audit reporting package.

City of Glendale Profile

The City of Glendale, Arizona is the fifth largest city in the state with a population of approximately 231,000 people. Located in the northwestern part of the metropolitan Phoenix area and occupying approximately 59 square miles of land, the City is home to the Arizona Cardinals 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, and Municipal Judge. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments. The Council is elected on a non-partisan basis. Council members serve four-year terms, with three Council members elected every two years. The Mayor is elected to serve a four-year term.

The City provides a full range of services including: police and fire protection; water, sewer, and sanitation services; the construction and maintenance of highways, streets, public facilities, and other infrastructure; and recreational activities and cultural events. Certain housing services are provided by the City's public housing authority, which functions, in essence, as a department of the City and therefore has been included as an integral part of the City's financial statements. The City also is financially accountable for two legally separate entities - the Municipal Property Corporation and Western Loop 101 Public Facilities Corporation, which are reported within the City's financial statements.

The annual budget serves as the foundation for the City's financial planning and control. All agencies of the City are required to submit requests for appropriation to the City Manager on or before the last week in December each year. Management uses these requests to develop a budget to propose to City Council for review and adoption. The Council is required to hold public hearings on the proposed budget and adopt the final budget by the first Monday in August. Department heads may request transfers of appropriations within the same fund for his/her department. However, transfers of appropriations between funds require approval of the City Council and can only occur in the last quarter of the fiscal year. Budget-to-actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted.

Economic Conditions and Strategies

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

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. In June 2012, the City Council approved a temporary sales tax rate increase of .7% effective August 1, 2012, through August 1, 2017. On June 24, 2014, an ordinance was passed eliminating the August 1, 2017 end date of the .7% increase in sales tax. This fiscal year saw a 6.7% increase in the sales tax over last year, primarily due to the sales tax rate increase which was effective for the entire year. In addition, there was a 7.7% increase in state shared revenue over last year.

Workforce and Unemployment

Glendale's unemployment rate for the month of June 2014 was 6.5% which is lower than the statewide unemployment rate of 6.9%. Glendale's workforce is concentrated in the following nonfarm sectors: education and health services (24.78%); trade, transportation, and utilities (22.46%); government (12.45%); construction (8.71%); and leisure and hospitality (8.66%). Glendale's nonfarm employment grew 2.1% over last year with leisure and hospitality, educational and health services and financial activities leading the growth. The government sector saw a decline of 1.4% in nonfarm employment. The Arizona Department of Administration projects that in 2015, Arizona nonfarm employment will grow by 2.4%; Glendale is expected to grow faster than the State at 2.6%.

Economic Development

Job creation, business retention and expansion, redevelopment, and small business assistance comprise the major programs of Glendale's economic development strategy. Continuing its efforts in Fiscal Year 2014, the city welcomed thirteen new companies to Glendale and assisted with three business expansions resulting in the creation and retention of over 2,700 new jobs for Glendale and the addition of over 1.7 million square feet of office, industrial, and retail space. The major projects include American Lifestyle Furniture, Emperon-Constar, Aspera, Tanger Outlet expansion, and Midwestern University expansion.

Financial Strategy

Before the economic downturn in 2008, the City had built a healthy General Fund balance. The General Fund balance was systematically used in the City's operating budget over the past several fiscal years to offset drastic reductions in revenues due to the economic downturn. This decision was made in an effort to maintain the level and quality of services to citizens. In order to reduce the operating budget, the City eliminated vacant positions and made reductions to operating budgets. This year the economy showed modest signs of improvement. However, this improvement has not been significant enough to prevent the need to further assess the City's finances by looking at new revenue streams and the possible adjustment of existing revenues and expenditures in all funds with an emphasis on the General Fund. In December 2013, a comprehensive Five-Year Financial Forecast was developed and presented to Council. Based on this forecast, a structural annual deficit was identified. A dual approach was used to address the deficit, implementing short-term and long-term solutions with a strategic approach that focused on financial sustainability of the City. Based on significant measures taken as a result of presenting this five-year forecast, a balanced budget for FY14-15 was adopted by the Council and the General Fund outlook is stable for the foreseeable future.

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, 2013. This was the twenty-sixth consecutive year the City has received this prestigious award, and the twenty-seventh year overall. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated 2013-14. This was the twenty-seventh year in a row that the City has received the highest form of recognition in governmental budgeting.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Division. I would like to express appreciation to all members of the division who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor, Council, and City Manager for their unflinching support in maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



Tom Duensing
Director of Finance and Technology

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Government Finance Officers Association

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

Presented to

**City of Glendale
Arizona**

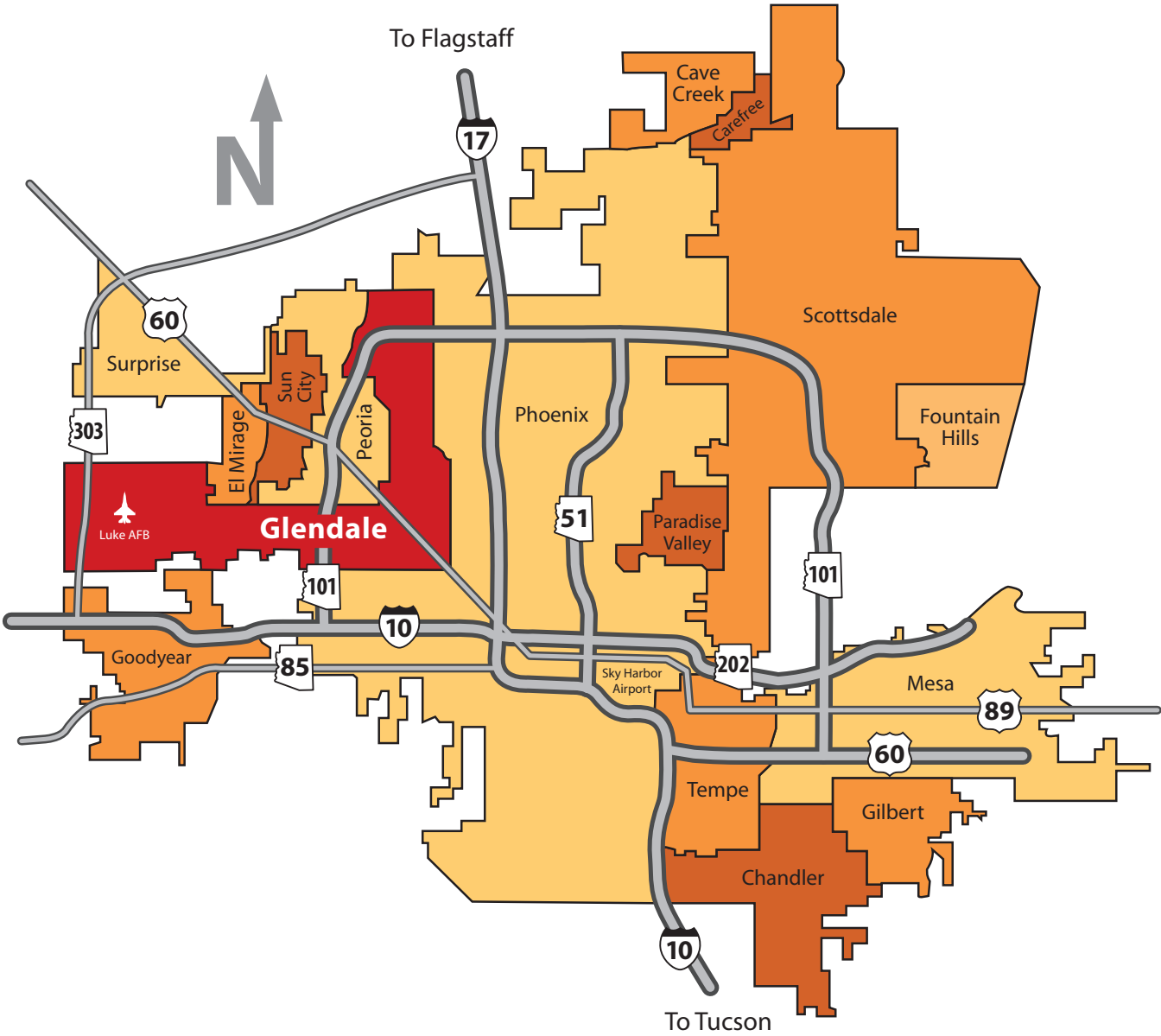
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO



Glendale, Arizona & Neighboring Communities



Glendale City Officials



Jerry Weiers
Mayor



Yvonne J. Knaack
Vice Mayor/
Councilmember
Barrel District



Manuel D. Martinez
Councilmember
Cholla District



Norma Alvarez
Councilmember
Ocotillo District



Ian Hugh
Councilmember
Cactus District



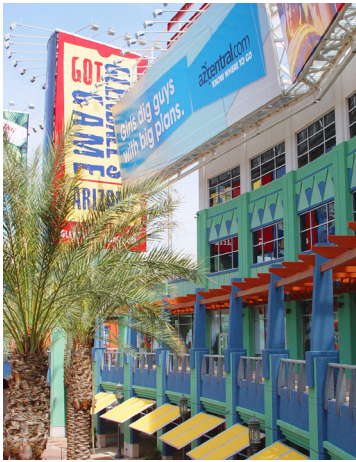
Samuel U. Chavira
Councilmember
Yucca District



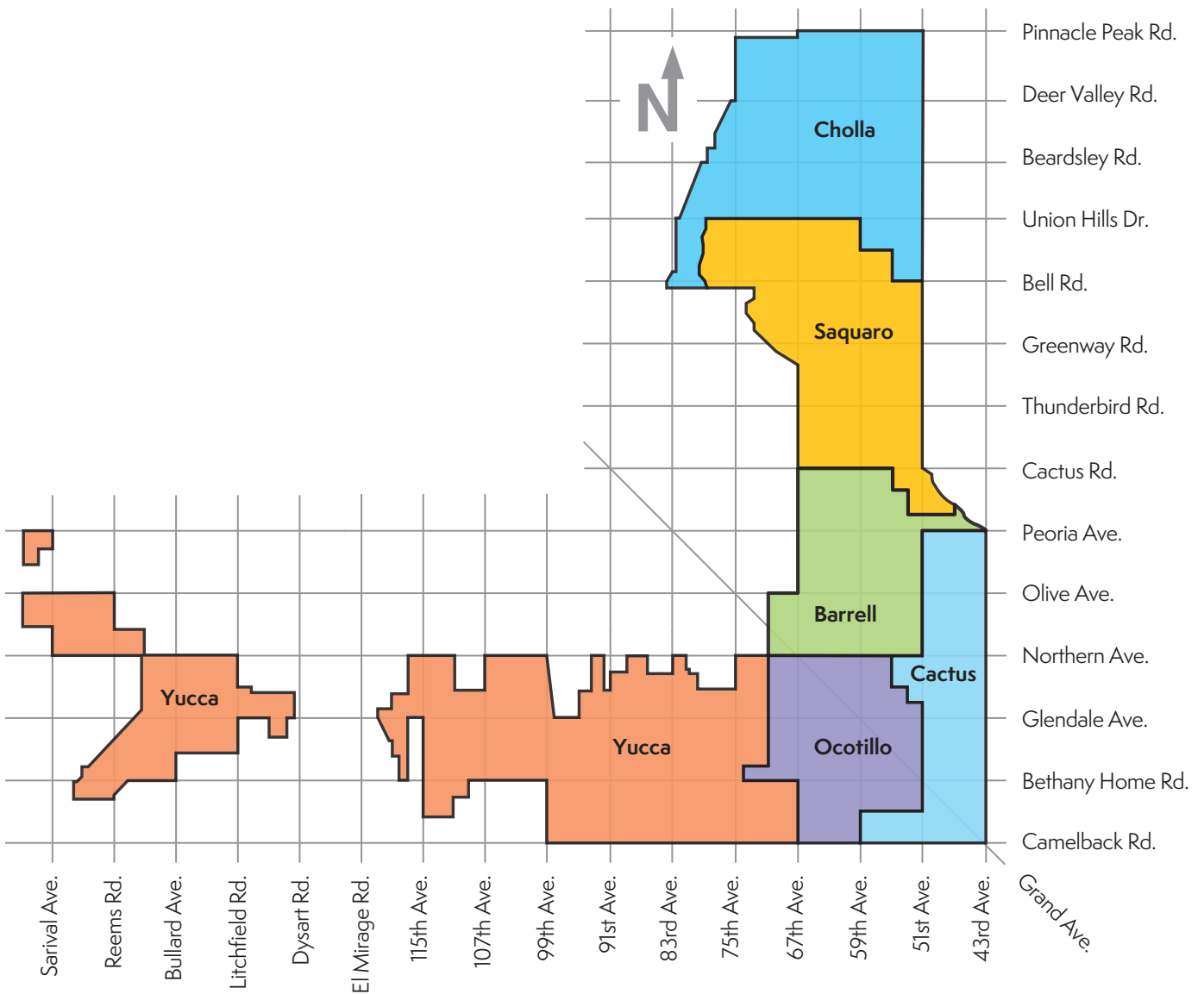
Gary D. Sherwood
Councilmember
Sahuaro District



Brenda Fischer
City Manager



Glendale Council District Boundaries



CITIZENS OF GLENDALE

Mayor & Council

Boards & Commissions

City Attorney
Michael D. Bailey

City Manager
Brenda S. Fischer

City Clerk
Pam Hanna

Presiding City Judge
Elizabeth Finn

Police Department
Debora Black
Police Chief

Fire Department
Mark Burdick
Fire Chief

Assistant City Manager
Jennifer Campbell

Assistant City Manager
Julie Frisoni

Human Resources
Jim Brown
Executive Director

Financial Services
Tom Duensing
Executive Director

City Auditor
Candace MacLeod

Public Works
Stuart Kent
Executive Director

Transportation
Cathy Cobath
Interim Executive Director

Water Services
Craig Johnson
Executive Director

**Technology/
Innovation**
Chuck Murphy
Executive Director

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

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

**Community/
Economic Dev.**
Brian Friedman
Executive Director

Communications
Julie Watters
Executive Director

**Intergovernmental
Programs**
Brent Stoddard
Director

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City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FINANCIAL SECTION

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Glendale, Arizona (City), as of and for the year ended June 30, 2014, 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, 2014, 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 on pages 15 – 28, the schedule of funding progress for the public safety personnel retirement system pension plan and other postemployment benefits on pages 81 – 82 and the budgetary comparison schedules for the general fund and major special revenue funds on pages 83 – 85 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

The combining and individual nonmajor fund financial statements and the supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

The Honorable Mayor and Members of City of 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 10, 2014, on our consideration of the City of Glendale, Arizona's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Glendale, Arizona's internal control over financial reporting and compliance.



Phoenix, Arizona
December 10, 2014

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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, 2014

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Management's Discussion and Analysis

The following discussion and analysis is provided to readers of the City's financial statements as a narrative overview of the financial activities of the City for the fiscal year ended June 30, 2014. This discussion and analysis is designed to assist the reader in focusing on significant financial highlights; provide an overview of the City's financial activity; identify changes in the City's financial position; identify material deviations from the financial plan (the approved annual budget); and identify individual fund issues or concerns.

The Management's Discussion and Analysis (MD&A) has a different focus and purpose than the letter of transmittal presented on pages 1-3. It is designed to be read in conjunction with the transmittal letter, the financial statements beginning on page 29, and the accompanying notes to the financial statements.

Significant Financial Highlights

The financial statements illustrate the following significant financial highlights for FY 2013-14:

- The City's total net position decreased \$17,060 or 1.7%. The governmental net position decreased by \$25,296 or 4.5%, and the business-type net position increased by \$8,236 or 1.9%.
- General revenues from governmental activities increased \$5,160 or 2.5% and comprised 74.6% of all revenues from governmental activities. The primary reason for this increase was an increase in state shared sales tax and income tax revenues.
- Governmental activities program specific revenues in the form of charges for services, grants, and contributions increased \$8,053 or 12.7%; this increase can be primarily attributed to the additional revenues received under the new arena management agreement starting in August 2013.
- The total cost of all City programs increased by \$32,667 or 11.9% for the governmental activities. A significant portion of the increase in expenses was related to the City recording an allowance for doubtful accounts on an outstanding note receivable from the Arizona Sports and Tourism Authority (AZSTA) on the baseball spring training facility. (See note IV on page 52 for additional information.)
- A major governmental fund, the General Fund, collected \$182,322 in revenues which is an increase of \$17,895 or 10.9% from the prior year. This increase was due primarily to the .7% sales tax increase which was received for a full fiscal year and the opening of an additional retail outlet mall. The total expenditures of the General Fund were \$142,116, which is an increase of \$14,789 or 11.6%. A significant portion of this increase was due to the management fees paid to run the City owned arena.
- The General Fund balance increased \$9,808 or 83.1%. This increase was primarily due to the .7% sales tax rate increase being in effect for a full year.

Overview of the Financial Statements

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

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

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 29, provides information on all of the City's assets, deferred outflows of resources and liabilities 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 30, presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

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

Fund Financial Statements

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

Governmental Funds

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

The City maintains 18 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 4 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.

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

Proprietary Funds

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

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

Additional Required Supplementary Information

Following the basic financial statements is Required Supplementary Information (RSI) that further explains and supports the financial information in the financial statements. RSI presents the budgetary comparison schedules for the general fund and the transportation special revenue fund, as well as other required supplementary information related to the City's public safety personnel retirement system and other post-employment benefits.

Other

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

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a City's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities by \$973,643 as of June 30, 2014.

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

The City's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets. At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the City as a whole, as well as for its separate governmental and business-type activities, with the exception of unrestricted net position for governmental activities which saw a decline by \$9,934 from prior year. The City is addressing the negative unrestricted net position for government activities by actively forecasting revenues and expenses in a five year plan. In addition, on June 24, 2014, an ordinance was passed by Council that effectively made a .7% sales tax rate increase permanent.

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

The chart below is a comparison of the City's net position for fiscal years 2014 and 2013:

Condensed Statement of Net Position
As of June 30, 2014, and 2013
(in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 250,073	\$ 233,041	\$ 223,733	\$ 215,370	\$ 473,806	\$ 448,411
Capital assets, net	1,169,316	1,205,209	527,551	542,902	1,696,867	1,748,111
Total assets	<u>1,419,389</u>	<u>1,438,250</u>	<u>751,284</u>	<u>758,272</u>	<u>2,170,673</u>	<u>2,196,522</u>
Deferred Outflows of Resources	14,235	14,996	3,443	3,689	17,678	18,685
Current liabilities	134,221	66,884	39,143	25,485	173,364	92,369
Noncurrent liabilities	760,024	821,687	281,320	310,448	1,041,344	1,132,135
Total liabilities	<u>894,245</u>	<u>888,571</u>	<u>320,463</u>	<u>335,933</u>	<u>1,214,708</u>	<u>1,224,504</u>
Net position:						
Net investment						
in capital assets	448,083	438,366	256,164	251,765	704,247	735,669
Restricted	161,027	186,106	22,300	12,264	183,327	234,633
Unrestricted	(69,731)	(59,797)	155,800	161,999	86,069	89,791
Total net position	<u>\$ 539,379</u>	<u>\$ 564,675</u>	<u>\$ 434,264</u>	<u>\$ 426,028</u>	<u>\$ 973,643</u>	<u>\$ 990,703</u>

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2014
(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, 2014, and 2013
(in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 35,647	\$ 30,450	\$ 108,051	\$ 108,885	\$ 143,698	\$ 139,335
Operating grants and contributions	25,168	25,156	9,357	9,376	34,525	34,532
Capital grants and contributions	10,748	7,904	2,423	831	13,171	8,735
Total program revenues	71,563	63,510	119,831	119,092	191,394	182,602
General revenues:						
Property taxes	23,577	21,372	-	-	23,577	21,372
Sales taxes	131,983	132,872	-	-	131,983	132,872
State shared sales tax	19,734	18,558	-	-	19,734	18,558
Urban revenue sharing (state shared income tax)	25,271	23,159	-	-	25,271	23,159
Auto in-lieu taxes	8,086	7,586	-	-	8,086	7,586
Investment earnings, unrestricted	726	716	463	1,878	1,189	2,594
Gain on disposal of capital assets	78	353	167	43	245	396
Miscellaneous	687	367	67	70	754	437
Total revenues	281,705	268,493	120,528	121,083	402,233	389,576
Expenses:						
General government	73,637	37,447	-	-	73,637	37,447
Public safety	116,070	115,694	-	-	116,070	115,694
Public works	20,524	19,230	-	-	20,524	19,230
Community services	30,796	33,831	-	-	30,796	33,831
Community environment	5,895	5,655	-	-	5,895	5,655
Street maintenance	25,207	20,000	-	-	25,207	20,000
Interest on long-term debt	34,808	42,413	-	-	34,808	42,413
Water and sewer	-	-	77,243	73,460	77,243	73,460
Landfill	-	-	7,554	7,486	7,554	7,486
Sanitation	-	-	14,471	16,122	14,471	16,122
Housing	-	-	13,088	14,037	13,088	14,037
Total expenses	306,937	274,270	112,356	111,105	419,293	385,375
Excess before transfers	(25,232)	(5,777)	8,172	9,978	(17,060)	4,201
Transfers in (out)	(64)	(641)	64	641	-	-
Increase (decrease) in net position	(25,296)	(6,418)	8,236	10,619	(17,060)	4,201
Net position beginning	564,675	571,093	426,028	415,409	990,703	986,502
Net position ending	\$ 539,379	\$ 564,675	\$ 434,264	\$ 426,028	\$ 973,643	\$ 990,703

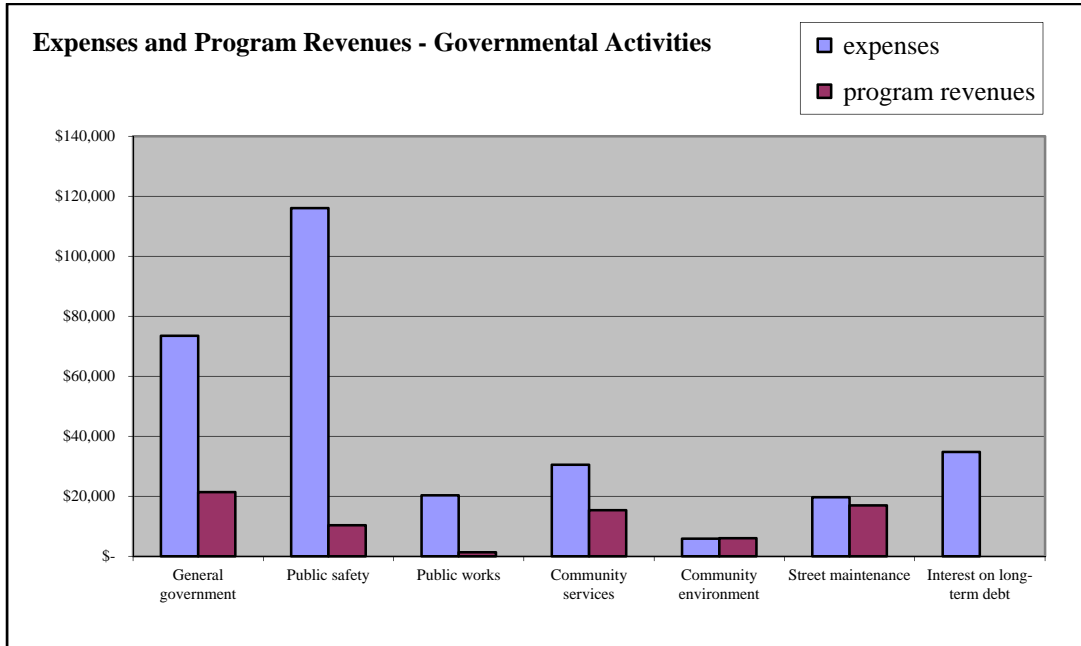
Changes in Net Position

There was a decrease of \$25,296 in net position of the governmental activities. The most notable difference is due to recording an allowance for doubtful accounts on the outstanding note receivable from AZSTA for the baseball spring training facility. (See Note IV on page 52 for additional information.) The increase in net position of the business type-activities of \$8,236 was primarily due to increases in water and sewer revenue and efforts to control expenses during the year.

CITY OF GLENDALE, ARIZONA
 Management's Discussion and Analysis (MD&A)
 For the Fiscal Year Ended June 30, 2014
 (amounts expressed in thousands)

Revenues and Expenditures

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



The City's total revenue from governmental activities for the fiscal year ended June 30, 2014, was \$281,705.

The cost of programs and services for governmental activities was \$306,937.

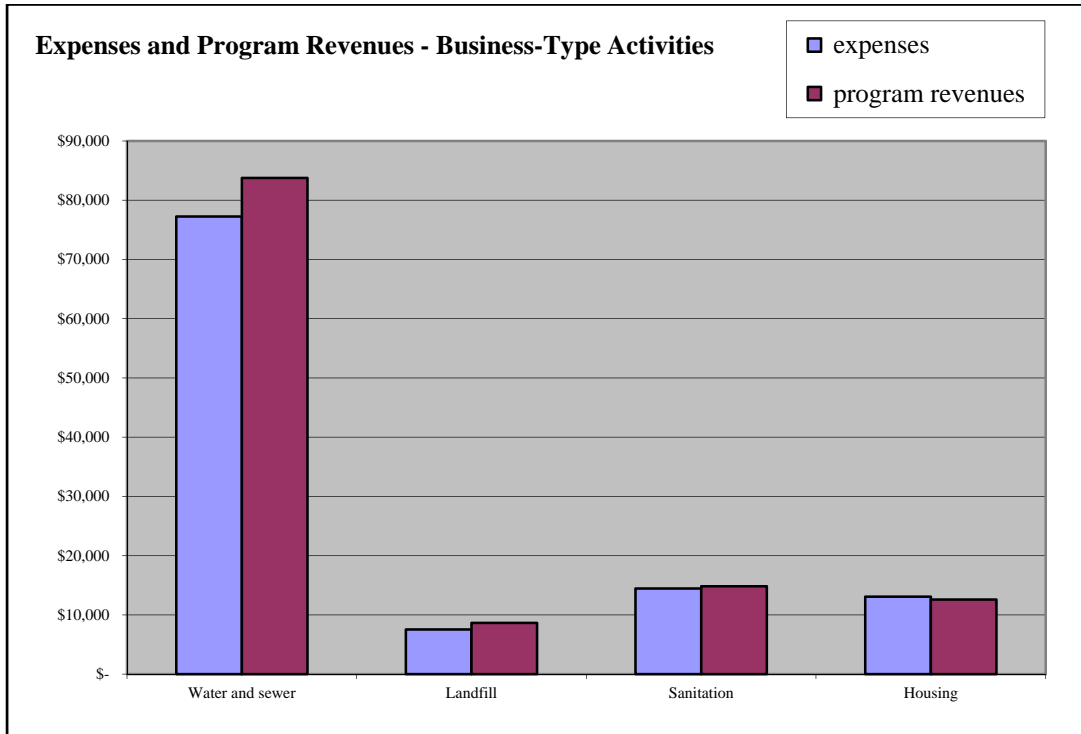
The increase in charges for services of \$5,197 is largely due to the increase in arena revenues received under the new arena management agreement.

The increase in general government expenses by \$36,190 is mainly attributed to a combination of the increase in bad debt expense of \$25,800 due to recording of the allowance on the note receivable from AZSTA and recording management fees of \$14,002 from the arena management agreement.

The decrease in the interest expense on long term debt of \$7,605 is due to three factors: 1) savings from refunding of excise tax revenue debt by the Municipal Property Corporation, 2) savings from refunding of excise tax revenue debt by the Western Loop 101 Public Facilities Corporation, and 3) restructuring of internal loan repayment terms.

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

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

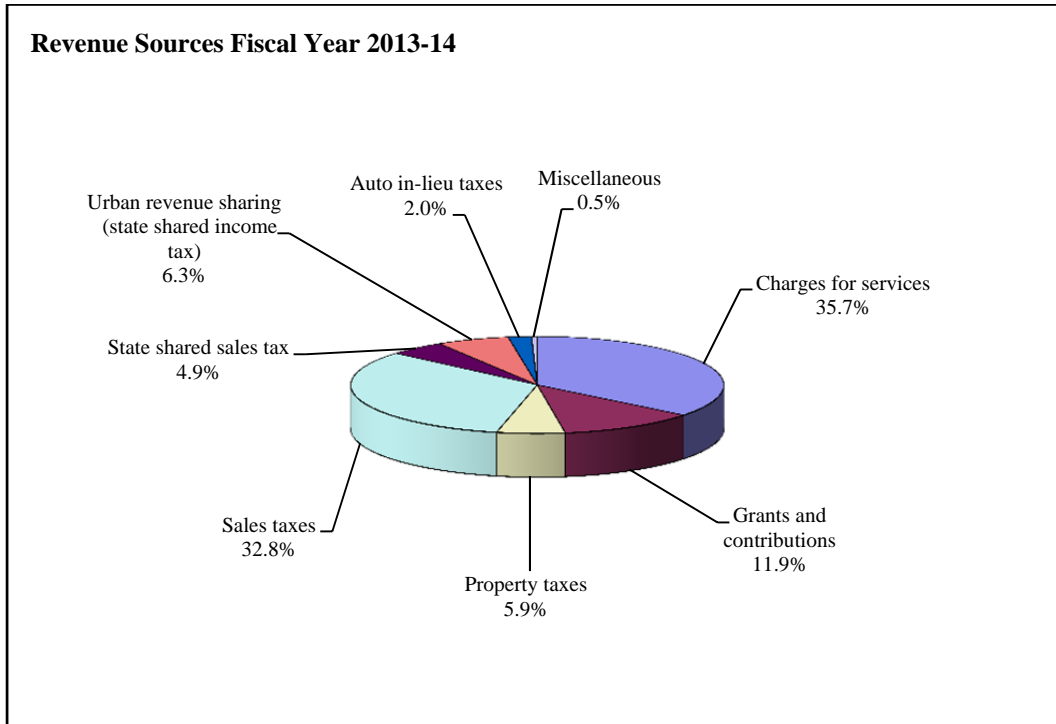


The City's revenue from business-type activities for the fiscal year ended June 30, 2014, was \$120,528.

The cost of programs and services was \$112,356.

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

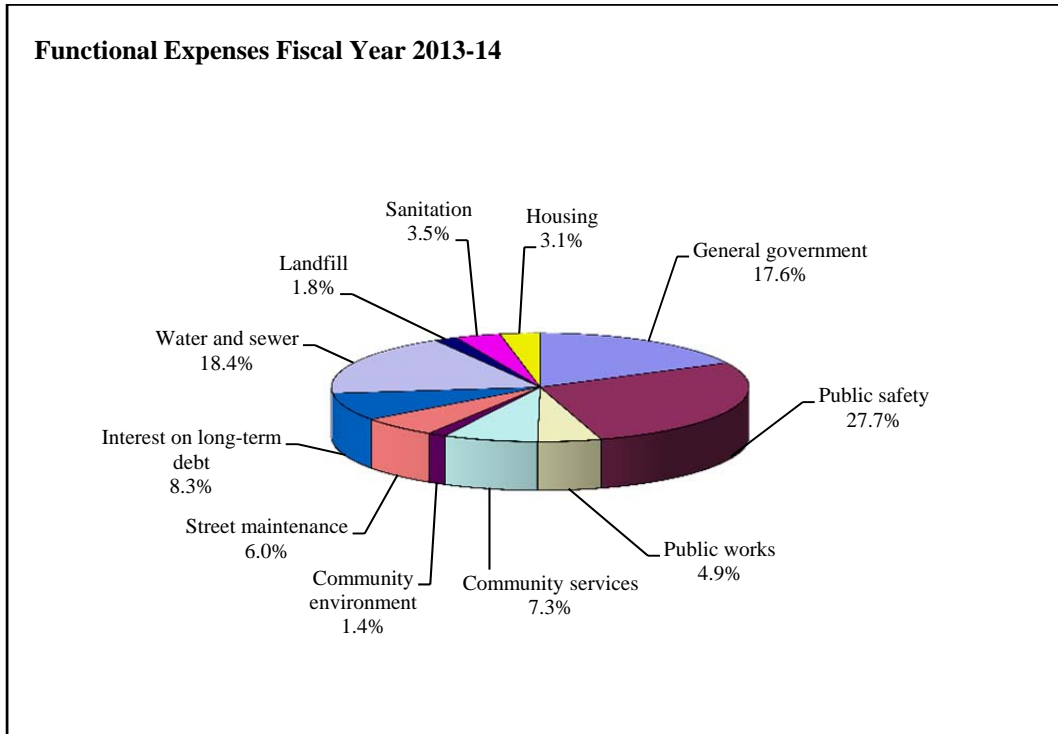
City Revenue Categories



The pie chart above shows the different types of revenue the City receives and the proportion of each. The majority (68.5%) of the total revenue the City receives comes from charges for services and sales tax. The second most significant source is grants and contributions.

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

City Expense Categories



The majority of the City's expenses (46.1%) 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. Public Safety expenses 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.

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 \$106,374, an increase of \$8,370 or 8.5% in comparison with the prior year.

The City implemented Governmental Accounting Standards Board Statement (GASB) 54 during the 2012 fiscal year which impacted the presentation of fund balance components by more accurately classifying the fund balances into five categories: nonspendable, restricted, committed, assigned and unassigned; Note I. K. in the summary of significant accounting policies addresses this in greater detail. In fiscal year 2014 and 2013, a negative \$4,835 and \$14,438, respectively, of the total fund balance constituted unassigned fund balance.

Revenues for governmental functions overall totaled \$276,148 in fiscal year 2014, an increase of 7.6% from the previous year total of \$256,583. This increase reflects changes in the city sales tax rate for a full fiscal year. Expenditures for governmental functions totaled \$267,896 in fiscal year 2014, an increase of 4.1% from the previous year total of \$257,435. This decrease is primarily due to the prior year one-time purchase of airport land.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the General Fund was (\$4,835), while total fund balance was (\$1,993). The General Fund also has \$600 of its fund balance as nonspendable; \$688 as restricted; and \$1,554 as committed.

The factors that make up the increases in the General Fund revenues from the prior year are:

- Increases in sales tax activity due to a new major retail outlet mall.
- A full year of collection at the increased the sales tax rate.

Overall, the General Fund's performance resulted in revenues over expenditures of \$40,206 in fiscal year 2014. In the prior year, revenues exceeded expenditures by \$37,100.

The transportation fund accounts for the City's public transit program and transportation improvement projects. The fund saw an increase in fund balance of \$1,372 for the fiscal year ended June 30, 2014. This increase is due to an effort to contain costs and improve the fund balance.

The Western Loop 101 Public Facilities Corporation (PFC) debt service fund was established to account for the debt service payments on the bonds issued to finance the spring training baseball facility and the note receivable from AZSTA. Subsequently all of the debt held by the PFC was refunded. The remaining activity in the PFC fund is for the note receivable from the AZSTA (See note IV on page 52 for additional information).

The general obligation debt service fund accounts for the resources received from a secondary property tax levy used to repay general obligation debt. The fund had a balance of \$9,310 at June 30, 2014. This represents a decrease of \$3,331 due to the decrease in secondary property tax received as result of declining home values.

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For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

Proprietary Funds

Net position of the enterprise funds increased \$8,400 or 2.0%. The enterprise funds' total net position was \$22,300 restricted, \$158,508 unrestricted, and \$256,164 invested in capital assets.

The water and sewer fund accounts for operations, maintenance and construction projects of city-owned water and sewer systems. The fund saw an increase in net position of \$6,866 for the fiscal year ended June 30, 2014. This increase is due to increases in water and sewer revenue and a concerted effort at controlling expenses during the year.

The internal service fund accounts for risk management, workers' compensation, and employee benefits provided to other departments. The funds saw an increase of \$576 for the fiscal year ended June 30, 2014. Internal service funds were 100% unrestricted. The policy of the City is to fund the worker's compensation and risk management funds at a 55% confidence level based on the most recent actuarial valuations.

General Fund Budgetary Highlights

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

- The City's budgeted revenues exceeded expectations even after factoring in the sales tax rate increase and were \$12,817 higher than the final budgeted amounts.
- General Fund expenditures were less than the final budget by \$10,592 or 6.1%. The most significant reduction was in the debt service due to savings from refunding bonds and revising the terms of payment of internal loans. In addition, budgeted equipment purchases did not occur during the fiscal year resulting in general fund capital outlay expenditures that were \$2,747 or 55.0% less than the final budget.
- General Fund budgetary fund balance increased by \$9,202 or 27.6% as a result of increased revenues.

Capital Asset and Debt Administration

Capital Assets

The City's investment in capital assets (net of accumulated depreciation) as of June 30, 2014, for its governmental-type activities was \$1,169,316 and for the business-type activities was \$527,551. 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.

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For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

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

- Zone 4 Groundwater Treatment Plant \$44,794
- Street Improvements \$17,828
- Glendale On Board Transportation \$16,986
- Bethany Home Outfall Channel \$16,506

The following table is a summary of capital assets reflected in the June 30, 2014, 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	
	2014	2013	2014	2013	2014	2013
Construction in progress	\$ 30,972	\$ 98,177	\$ 12,371	\$ 61,066	\$ 43,343	\$ 159,243
Land	90,338	90,307	26,299	26,299	116,637	116,606
Water storage rights	-	-	7,759	7,938	7,759	7,938
Artwork	2,378	2,378	-	-	2,378	2,378
Buildings	281,629	291,926	7,600	8,140	289,229	300,066
Improvements other than buildings	146,341	152,488	47,584	44,970	193,925	197,458
Infrastructure-streets	464,492	432,348	-	-	464,492	432,348
Infrastructure-parks	56,692	55,742	-	-	56,692	55,742
Infrastructure-airport	5,931	6,399	-	-	5,931	6,399
Infrastructure-flood/storm drains	69,618	52,679	-	-	69,618	52,679
Water lines	-	-	73,880	74,735	73,880	74,735
Sewer lines	-	-	71,814	73,829	71,814	73,829
Water treatment plant	-	-	160,254	122,214	160,254	122,214
Sewer treatment plant	-	-	95,263	99,047	95,263	99,047
Meters and services	-	-	14,998	14,872	14,998	14,872
Fire hydrants	-	-	2,764	2,868	2,764	2,868
Machinery and equipment	7,008	9,042	2,691	1,730	9,699	10,772
Computer equipment	690	299	193	194	883	493
Software	2,383	1,988	-	-	2,383	1,988
Automotive equipment	10,844	11,436	4,081	5,000	14,925	16,436
Total	\$ 1,169,316	\$ 1,205,209	\$ 527,551	\$ 542,902	\$ 1,696,867	\$ 1,748,111

The construction commitments at June 30, 2014, were \$9,039. Additional information on capital assets can be found in Note V of the financial statements.

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

Long-Term Debt

At the end of the current fiscal year, the City had total debt outstanding of \$962,586 compared to \$1,020,889 last year, a 5.7% net decrease.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
General obligation	\$ 147,810	\$ 163,130	\$ -	\$ 5,515	\$ 147,810	\$ 168,645
Transportation revenue bond	88,015	91,140	-	-	88,015	91,140
Highway users revenue bonds	3,700	8,055	-	-	3,700	8,055
Municipal Property Corporation revenue bonds	459,585	468,875	-	-	459,585	468,875
Capital lease obligation	10,361	11,094	-	-	10,361	11,094
Water and sewer revenue bonds/obligations	-	-	253,115	273,080	253,115	273,080
Total	\$ 709,471	\$ 742,294	\$ 253,115	\$ 278,595	\$ 962,586	\$ 1,020,889

The City received a "BBB+-" underlying rating from Standard & Poor's and an "A3" underlying rating from Moody's for general obligation debt. The senior excise tax bonds are rated "AA" by Standard and Poor's and an "A3" 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 "A3" by Moody's. Street and highway user revenue bonds are rated "AA" by Standard & Poor's and "A3" by Moody's.

The Arizona Constitution provides that the general obligation bonded indebtedness for a city for general municipal purposes may not exceed 6% of the secondary assessed valuation of the taxable property in that city. In addition to the 6% limitation for general municipal purpose bonds, cities may issue general obligation bonds up to 20% of the secondary assessed valuation for supplying 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, 2014, was \$66,471 and \$93,537, respectively. Additional information on long-term debt can be found in Notes VIII and X of the financial statements.

Economic Factors and Next Year's Budgets and Rates

The adopted fiscal year 2014-15 budget is \$642,000 (up 11.5% from 2013-14), including a \$368,512 operating budget (an increase of 6.4% from 2014) and \$144,471 in capital outlay (up 45.1% from 2014). The fiscal year 2014-15 budget includes \$36,697 contingency appropriation to cover emergency expenses or revenue shortages. For the first time in six years, non-represented employees were budgeted to receive a 2.5% salary increase. Glendale is also proud to be the host City for the Super Bowl XLIX which will be played on February 1, 2015. Although a variety of City services are needed to put on a mega event, the one-time costs have been budgeted and absorbed in the 2014-15 general fund budget.

The economic climate has impacted the City's revenue streams, including excise taxes, for the past several fiscal years. Total revenues in the General Fund were \$166,963 in fiscal year 2008 and fell to \$135,653 in fiscal year 2012 but increased to \$182,322 in fiscal year 2014 primarily due to the sales tax rate increase. To offset the reduction in revenues, the City had been reducing expenditures through mandatory furloughs, leaving vacant positions open and reducing non-personnel expenses. Since fiscal year 2009, the number of full-time equivalent employees Citywide has decreased by 368 positions, a decrease of 18.8% of the workforce. The City has also reduced department budgets, merged departments to cut additional costs and streamlined operations. Total expenditures in the General Fund were \$157,217 in fiscal year 2008 and were reduced to \$126,020 in fiscal year 2012 and increased to \$142,116 for fiscal year 2014. The General Fund balance decreased from \$66,388 in fiscal year 2008 to a June 30, 2014, fund balance of deficit \$1,993. The decrease in general fund

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

balance was the result of the City Council's decision to use fund balance rather than reduce services to its citizens.

For fiscal year 2014, the City's annual average unemployment rate is 6.5%; this represents an improvement from last calendar year's average of 7.2%.

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 Finance and Technology, 5850 West Glendale Avenue, Suite 302, Glendale, Arizona 85301.

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City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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City of Glendale, Arizona
Statement of Net Position
June 30, 2014
(amounts expressed in thousands)

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Equity in pooled cash and investments	\$ 153,072	98,083	\$ 251,155
Receivables (net of allowance for uncollectibles)			
Property taxes	751	-	751
Accounts	21,328	12,766	34,094
Note	51,308	-	51,308
Accrued interest	320	-	320
Intergovernmental receivable	5,879	9	5,888
Internal balances	(36,775)	36,775	-
Inventories and prepaid items	823	751	1,574
Restricted deposits	-	3,014	3,014
Restricted cash and investments	53,367	15,060	68,427
Capital assets:			
Non-depreciable	123,688	38,670	162,358
Depreciable (net)	1,045,628	488,881	1,534,509
Equity in joint venture	-	57,275	57,275
Total assets	<u>1,419,389</u>	<u>751,284</u>	<u>2,170,673</u>
DEFERRED OUTFLOWS OF RESOURCES			
Debit amounts resulting from refunded debt	<u>14,235</u>	<u>3,443</u>	<u>17,678</u>
LIABILITIES			
Vouchers payable	12,324	2,155	14,479
Accounts payable	1,293	38	1,331
Contract payable	5,000	-	5,000
Retainage payable	3	6	9
Accrued expenses	106	107	213
Matured bonds payable	29,300	10,210	39,510
Accrued interest payable	17,431	6,353	23,784
Intergovernmental payable	177	313	490
Deposits payable	2,445	3,924	6,369
Unearned revenue	6,835	6	6,841
Noncurrent liabilities:			
Due within one year	59,307	16,031	75,338
Due in more than one year	760,024	281,320	1,041,344
Total liabilities	<u>894,245</u>	<u>320,463</u>	<u>1,214,708</u>
NET POSITION			
Net investment in capital assets	448,083	256,164	704,247
Restricted for:			
Capital projects	25,988	-	25,988
Debt service	62,206	10,210	72,416
Transportation	31,917	-	31,917
Highway and streets	19,645	-	19,645
Revenue bond retirement, replacement, and extension	-	10,404	10,404
Perpetual care - nonexpendable	5,637	-	5,637
Police and Fire	11,372	-	11,372
Other purposes	4,262	1,686	5,948
Unrestricted	(69,731)	155,800	86,069
Total net position	<u>\$ 539,379</u>	<u>\$ 434,264</u>	<u>\$ 973,643</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, 2014
(amounts expressed in thousands)

<u>Functions/Programs</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Primary government:				
Governmental activities:				
General government	\$ 73,637	17,666	660	3,089
Public safety	116,070	6,369	3,999	5
Public works	20,524	1,126	211	-
Community services	30,796	10,486	1,457	3,451
Community environment	5,895	-	6,046	-
Street maintenance	25,207	-	12,795	4,203
Interest on long-term debt	34,808	-	-	-
Total governmental activities	<u>306,937</u>	<u>35,647</u>	<u>25,168</u>	<u>10,748</u>
Business-type activities:				
Water and sewer	77,243	81,065	267	2,423
Landfill	7,554	8,646	-	-
Sanitation	14,471	14,836	-	-
Housing	13,088	3,504	9,090	-
Total business-type activities	<u>112,356</u>	<u>108,051</u>	<u>9,357</u>	<u>2,423</u>
Total primary government	<u>\$ 419,293</u>	<u>\$ 143,698</u>	<u>\$ 34,525</u>	<u>\$ 13,171</u>

General revenues:

Taxes:

Property taxes levied for:

General purposes

Debt service

Sales taxes

State shared sales tax

Urban revenue sharing (state shared income tax)

Auto in-lieu taxes

Investment earnings, unrestricted

Gain on disposal of capital assets

Miscellaneous

Transfers

Total general revenues, special items, and transfers

Change in net position

Net position - beginning - restated

Net position - ending

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

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (52,222)	\$ -	\$ (52,222)
(105,697)	-	(105,697)
(19,187)	-	(19,187)
(15,402)	-	(15,402)
151	-	151
(8,209)	-	(8,209)
(34,808)	-	(34,808)
<u>(235,374)</u>	<u>-</u>	<u>(235,374)</u>
-	6,512	6,512
-	1,092	1,092
-	365	365
-	(494)	(494)
<u>-</u>	<u>7,475</u>	<u>7,475</u>
<u>(235,374)</u>	<u>7,475</u>	<u>(227,899)</u>
5,129	-	5,129
18,448	-	18,448
131,983	-	131,983
19,734	-	19,734
25,271	-	25,271
8,086	-	8,086
726	463	1,189
78	167	245
687	67	754
(64)	64	-
<u>210,078</u>	<u>761</u>	<u>210,839</u>
(25,296)	8,236	(17,060)
564,675	426,028	990,703
<u>\$ 539,379</u>	<u>\$ 434,264</u>	<u>\$ 973,643</u>

City of Glendale, Arizona
Balance Sheet
Governmental Funds
June 30, 2014
(amounts expressed in thousands)

	Major Funds					Total Governmental Funds
	General	Transportation	Western Loop 101 Public Facilities Corporation Debt Service	General Obligation Debt Service	Other Non-Major Governmental Funds	
ASSETS						
Assets:						
Equity in pooled cash and investments	\$ 39,768	\$ 29,274	\$ 58	\$ 9,453	\$ 64,430	\$ 142,983
Receivables, net of allowance for doubtful accounts:						
Property taxes	154	-	-	597	-	751
Accounts	12,640	2,333	-	-	6,352	21,325
Note	-	-	51,308	-	-	51,308
Accrued interest	320	-	-	-	-	320
Due from other funds	2,492	-	-	-	-	2,492
Intergovernmental receivable	2,022	649	-	-	3,208	5,879
Inventories and prepaid items	600	61	-	-	103	764
Restricted cash and investments	70	-	40	18,710	32,762	51,582
Total assets	<u>58,066</u>	<u>32,317</u>	<u>51,406</u>	<u>28,760</u>	<u>106,855</u>	<u>277,404</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Vouchers payable	8,005	255	-	-	2,238	10,498
Accounts payable	1,264	-	-	-	29	1,293
Contract Payable	5,000	-	-	-	-	5,000
Retainage payable	-	-	-	-	3	3
Compensated absences - current	1,135	20	-	-	32	1,187
Accrued expenses	106	-	-	-	-	106
Intergovernmental payable	176	-	-	-	1	177
Due to other funds	-	-	-	-	2,490	2,490
Deposits	2,436	-	-	-	9	2,445
Unearned revenue	92	125	-	-	6,618	6,835
Advance from other funds	39,485	-	-	-	-	39,485
Matured interest payable	-	-	-	3,690	13,741	17,431
Matured bonds payable	-	-	-	15,320	13,980	29,300
Total liabilities	<u>57,699</u>	<u>400</u>	<u>-</u>	<u>19,010</u>	<u>39,141</u>	<u>116,250</u>
Deferred Inflows of Resources	<u>2,360</u>	<u>277</u>	<u>51,308</u>	<u>440</u>	<u>395</u>	<u>54,780</u>
Fund Balances:						
Nonspendable	600	61	-	-	5,740	6,401
Restricted	688	31,579	98	9,310	61,254	102,929
Committed	1,554	-	-	-	123	1,677
Assigned	-	-	-	-	202	202
Unassigned	(4,835)	-	-	-	-	(4,835)
Total fund balances	<u>(1,993)</u>	<u>31,640</u>	<u>98</u>	<u>9,310</u>	<u>67,319</u>	<u>106,374</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 58,066</u>	<u>\$ 32,317</u>	<u>\$ 51,406</u>	<u>\$ 28,760</u>	<u>\$ 106,855</u>	<u>\$ 277,404</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, 2014
(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	\$	106,374	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			
Governmental capital assets	\$	1,772,545	
Less accumulated depreciation		<u>(603,229)</u>	
			1,169,316
The reacquisition price of refunding outstanding debt is a deferred outflow of resources in the statement of net position and is amortized over the lesser of the refunded bonds or refunding bonds and represents a reconciling item between the government-wide and fund financial statements.			14,235
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds and shown as an internal balance item.			2,708
Internal service funds are used by management to charge the costs of workers' compensation, risk management, and employee benefits to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.			(913)
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		(699,110)	
Capital lease obligations		(10,361)	
Developer payable obligations		(3,112)	
Compensated absences		(17,964)	
Bond discount		1,464	
OPEB obligations		(53,689)	
Unamortized premium on debt issuance		<u>(24,349)</u>	
			(807,121)
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>54,780</u>
Net position of governmental activities	\$		<u><u>539,379</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, 2014
(amounts expressed in thousands)

	Major Funds					Total Governmental Funds
	General	Transportation	Western Loop 101 Public Facilities Corporation Debt Service	General Obligation Debt Service	Other Non-Major Governmental Funds	
REVENUES						
Taxes and special assessments	\$ 97,675	\$ 23,112	\$ -	\$ 18,775	\$ 19,766	\$ 159,328
Licenses and permits	9,833	-	-	-	1,689	11,522
Intergovernmental	54,005	3,958	-	601	22,800	81,364
Local	-	-	-	-	18	18
Charges for services	13,642	119	-	-	1,020	14,781
Fines and forfeitures	3,735	-	-	-	-	3,735
Investment income	692	114	-	-	94	900
Miscellaneous	2,740	59	-	-	1,701	4,500
Total revenues	<u>182,322</u>	<u>27,362</u>	<u>-</u>	<u>19,376</u>	<u>47,088</u>	<u>276,148</u>
EXPENDITURES						
Current:						
General government	29,445	-	-	-	221	29,666
Public safety	85,029	-	-	-	23,368	108,397
Public works	7,444	-	-	-	19	7,463
Community services	13,438	9,804	-	-	2,294	25,536
Community environment	11	-	-	-	5,815	5,826
Street maintenance	437	-	-	-	7,915	8,352
Miscellaneous	2,264	-	-	7	52	2,323
Debt service:						
Principal	743	-	-	15,320	13,980	30,043
Interest	765	-	-	7,380	27,483	35,628
Capital outlay	2,540	2,995	-	-	9,127	14,662
Total expenditures	<u>142,116</u>	<u>12,799</u>	<u>-</u>	<u>22,707</u>	<u>90,274</u>	<u>267,896</u>
Excess (deficiency) of revenues over (under) expenditures	<u>40,206</u>	<u>14,563</u>	<u>-</u>	<u>(3,331)</u>	<u>(43,186)</u>	<u>8,252</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from equipment disposal	140	14	-	-	20	174
Capital lease proceeds	-	-	-	-	8	8
Transfers in	340	900	-	-	47,464	48,704
Transfers out	(30,878)	(14,105)	-	-	(3,785)	(48,768)
Total other financing sources and uses	<u>(30,398)</u>	<u>(13,191)</u>	<u>-</u>	<u>-</u>	<u>43,707</u>	<u>118</u>
Net change in fund balances	<u>9,808</u>	<u>1,372</u>	<u>-</u>	<u>(3,331)</u>	<u>521</u>	<u>8,370</u>
Fund balances, July 1	<u>(11,801)</u>	<u>30,268</u>	<u>98</u>	<u>12,641</u>	<u>66,798</u>	<u>98,004</u>
Fund balances, June 30	<u>\$ (1,993)</u>	<u>\$ 31,640</u>	<u>\$ 98</u>	<u>\$ 9,310</u>	<u>\$ 67,319</u>	<u>\$ 106,374</u>

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

City of Glendale, Arizona

**Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities**

For the Fiscal Year Ended June 30, 2014

(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	\$	8,370	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation. This is the amount by which capital outlays of \$14,662 did not exceed depreciation of \$54,640 for the current period.			(39,978)
The net effect of various transactions involving capital is to increase net assets.			
Capital contributions	\$	4,203	
Insurance reimbursement miscellaneous		(22)	
Disposals		(174)	
Gain (loss) on sales		78	
		<u>4,085</u>	4,085
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.			(229)
The net effect of long-term debt issuance and the related transactions is to increase net assets.			
Capital lease issued		(8)	
Bonds discount amortized		(62)	
Bond premium amortized		1,643	
Amortization of amounts resulting from refunding		(762)	
Principal paid		30,043	
		<u>30,043</u>	30,854
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.			(403)
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.			(2,696)
Internal service funds are used by management to charge the costs of workers' compensation, risk management, and employee benefits to individual funds.			740
Expenses on the statement of activities differ from governmental funds because of the portion not accrued on the governmental funds.			<u>(26,039)</u>
Change in net position of governmental activities	\$	<u><u>(25,296)</u></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, 2014
(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Major Funds	Other Proprietary Funds	Total	
	Water and Sewer			
ASSETS				
Current assets:				
Equity in pooled cash and investments	\$ 80,888	\$ 17,195	\$ 98,083	\$ 10,089
Receivables:				
Accounts	12,013	2,659	14,672	3
Allowance for uncollectibles	(1,547)	(359)	(1,906)	-
Intergovernment receivable	-	9	9	-
Inventories and prepaid items	730	21	751	59
Total current assets	<u>92,084</u>	<u>19,525</u>	<u>111,609</u>	<u>10,151</u>
Noncurrent assets:				
Restricted deposits	3,014	-	3,014	1,785
Restricted cash and investments	14,967	93	15,060	-
Advance to other funds	14,850	24,635	39,485	-
Capital assets:				
Capital assets	776,283	52,934	829,217	-
Accumulated depreciation	(270,174)	(31,492)	(301,666)	-
Capital assets, net	<u>506,109</u>	<u>21,442</u>	<u>527,551</u>	<u>-</u>
Equity in joint venture	57,275	-	57,275	-
Total noncurrent assets	<u>596,215</u>	<u>46,170</u>	<u>642,385</u>	<u>1,785</u>
Total assets	<u>688,299</u>	<u>65,695</u>	<u>753,994</u>	<u>11,936</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>3,443</u>	<u>-</u>	<u>3,443</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Vouchers payable	1,358	797	2,155	1,826
Accounts payable	-	38	38	-
Retainage payable	6	-	6	-
Compensated absences	1,198	627	1,825	-
Accrued expenses	99	8	107	-
Due to other funds	-	2	2	-
Matured bonds payable	10,210	-	10,210	-
Intergovernmental payable	298	15	313	-
Deposits	3,692	232	3,924	-
Unearned rent	-	6	6	-
Estimated claims payable	-	-	-	11,022
Current portion of long-term debt:				
Unamortized premium on debt issuance	1,036	-	1,036	-
Revenue bonds/obligations payable	13,170	-	13,170	-
Interest payable	6,353	-	6,353	-
Total current liabilities	<u>37,420</u>	<u>1,725</u>	<u>39,145</u>	<u>12,848</u>
Noncurrent liabilities:				
Compensated absences	504	420	924	1
Unamortized premium on debt issuance	13,103	-	13,103	-
Revenue bonds/obligations payable	239,945	-	239,945	-
OPEB long-term obligations	7,468	4,621	12,089	-
Other long-term debt	-	93	93	-
Estimated closure and post-closure costs	-	15,166	15,166	-
Total noncurrent liabilities	<u>261,020</u>	<u>20,300</u>	<u>281,320</u>	<u>1</u>
Total liabilities	<u>298,440</u>	<u>22,025</u>	<u>320,465</u>	<u>12,849</u>
NET POSITION				
Net investment in capital assets	234,722	21,442	256,164	-
Restricted for:				
Debt service	10,210	-	10,210	-
Revenue bond retirement, replacement and extension	10,404	-	10,404	-
Other purposes	-	1,686	1,686	-
Unrestricted	137,966	20,542	158,508	(913)
Total net position	<u>\$ 393,302</u>	<u>\$ 43,670</u>	<u>436,972</u>	<u>\$ (913)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			(2,708)	
Net position of business-type activities			<u>\$ 434,264</u>	

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

City of Glendale, Arizona
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Major Funds	Other	Total	
	Water and Sewer	Proprietary Funds		
Operating revenues:				
Intergovernmental	\$ 283	\$ 9,090	\$ 9,373	\$ -
Metered water sales	45,514	-	45,514	-
Sewer service charges	32,451	-	32,451	-
Container service	-	4,127	4,127	-
Curb service	-	10,725	10,725	-
Landfill user fees	-	6,792	6,792	-
Self-insurance premium	-	-	-	27,507
Recycling sales	-	1,719	1,719	-
Other fees	2,358	3,737	6,095	1,611
Total operating revenues	<u>80,606</u>	<u>36,190</u>	<u>116,796</u>	<u>29,118</u>
Operating expenses:				
Water	17,989	-	17,989	-
Sewer	12,779	-	12,779	-
Landfill	-	6,514	6,514	-
Housing	-	12,602	12,602	-
Closure/post-closure care adjustment	-	213	213	-
Sanitation	-	12,924	12,924	-
Administrative and general	11,777	-	11,777	47
Insurance claims and premiums	-	-	-	28,527
Amortization and depreciation	20,226	2,681	22,907	-
Total operating expenses	<u>62,771</u>	<u>34,934</u>	<u>97,705</u>	<u>28,574</u>
Operating income (loss)	<u>17,835</u>	<u>1,256</u>	<u>19,091</u>	<u>544</u>
Nonoperating revenues (expenses):				
Impact fees	811	-	811	-
Investment income	316	147	463	32
Interest expense	(10,186)	(3)	(10,189)	-
Net loss from joint venture	(3,764)	-	(3,764)	-
Gain on disposal of assets	-	167	167	-
OPEB expense	(408)	(242)	(650)	-
Total nonoperating revenues (expenses)	<u>(13,231)</u>	<u>69</u>	<u>(13,162)</u>	<u>32</u>
Income (loss) before contributions and transfers	4,604	1,325	5,929	576
Capital contributions	2,407	-	2,407	-
Transfers in	-	274	274	-
Transfers out	(145)	(65)	(210)	-
Change in net position	<u>6,866</u>	<u>1,534</u>	<u>8,400</u>	<u>576</u>
Total net position - beginning	386,436	42,136		(1,489)
Total net position - ending	<u>\$ 393,302</u>	<u>\$ 43,670</u>		<u>\$ (913)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			(164)	
Change in net position of business-type activities			<u>\$ 8,236</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, 2014

(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Major Funds	Other Proprietary	Total	
	Water and Sewer	Funds		
Cash flows from operating activities:				
Cash received from customers	\$ 82,050	\$ 27,123	\$ 109,173	\$ 29,115
Cash received from federal operating grants	-	9,164	9,164	-
Cash paid to suppliers:				
Internal city departments	(7,304)	(8,908)	(16,212)	-
External vendors	(19,904)	(14,861)	(34,765)	-
Cash paid for insurance and in settlement of claims	-	-	-	(26,657)
Cash paid to employees for services	(15,213)	(8,141)	(23,354)	(46)
Net cash provided (used) by operating activities	<u>39,629</u>	<u>4,377</u>	<u>44,006</u>	<u>2,412</u>
Cash flows from noncapital financing activities:				
Transfers in	-	274	274	-
Transfers out	(145)	(65)	(210)	-
Advances to/due from other funds	75	371	446	-
Advances from/due to other funds	-	(247)	(247)	-
Net cash provided (used) by noncapital financing activities	<u>(70)</u>	<u>333</u>	<u>263</u>	<u>-</u>
Cash flows from capital and related financing activities:				
Principal payments on obligations	(15,270)	16	(15,254)	-
Acquisition of capital assets and rights	(3,815)	(1,401)	(5,216)	-
Impact fees	811	-	811	-
Interest payments on obligations	(11,199)	(3)	(11,202)	-
Contributions to Joint Venture	(650)	-	(650)	-
Net cash (used) by capital and related financing activities	<u>(30,123)</u>	<u>(1,388)</u>	<u>(31,511)</u>	<u>-</u>
Cash flows from investing activities:				
Interest received from investments	<u>316</u>	<u>147</u>	<u>463</u>	<u>32</u>
Net cash provided by investing activities	<u>316</u>	<u>147</u>	<u>463</u>	<u>32</u>
Net increase (decrease) in cash and cash equivalents during fiscal year	9,752	3,469	13,221	2,444
Cash and cash equivalents, July 1	<u>86,103</u>	<u>13,819</u>	<u>99,922</u>	<u>9,430</u>
Cash and cash equivalents, June 30	<u>\$ 95,855</u>	<u>\$ 17,288</u>	<u>\$ 113,143</u>	<u>\$ 11,874</u>

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

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Major Funds	Other Proprietary	Total	
	Water and Sewer	Funds		
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 17,835	\$ 1,256	\$ 19,091	\$ 544
Adjustments to reconcile operating income (loss) to net cash provided (used) by operations:				
Amortization and depreciation	20,226	2,681	22,907	-
Changes in assets and liabilities:				
Accounts receivable	930	77	1,007	(3)
Intergovernmental receivable	-	62	62	-
Inventories and prepaid items	(59)	20	(39)	(25)
Restricted deposits	351	-	351	-
Vouchers and accounts payable	(94)	164	70	280
Accrued expenses	105	8	113	-
Intergovernmental payable	-	15	15	-
Deposits	513	(41)	472	-
Unearned rent	-	(142)	(142)	-
Compensated absences	(178)	(65)	(243)	1
Claims payable	-	-	-	1,615
Proceeds from disposal of assets	-	129	129	-
Estimated closure and post-closure costs	-	213	213	-
Net cash provided (used) by operating activities	<u>\$ 39,629</u>	<u>\$ 4,377</u>	<u>\$ 44,006</u>	<u>\$ 2,412</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	\$ 80,888	\$ 17,195	\$ 98,083	\$ 10,089
Restricted cash and investments	14,967	93	15,060	1,785
Total cash and cash equivalents	<u>\$ 95,855</u>	<u>\$ 17,288</u>	<u>\$ 113,143</u>	<u>\$ 11,874</u>
Noncash investing, capital, and financing activities:				
Contributions of capital assets	\$ 2,407	\$ -	\$ 2,407	\$ -
Loss on joint venture	(3,764)	-	(3,764)	-
Amortization of bond premium/discount	1,036	-	1,036	-
Amortization of debit amounts resulting from refunded debt	246	-	246	-

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2014

(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, 2014

(amounts expressed in thousands)

I. Summary of significant accounting policies

A. Reporting entity

The City of Glendale, Arizona (City) was incorporated June 18, 1910, under the provisions of Article 13, Sections 1 through 6 of the Constitution of Arizona and Title 9 of the Arizona Revised Statutes. It is governed by a Mayor elected at large, and six district council members. The City operates under a Council-Manager government. The major operations of the City include providing police and fire services to citizens as well as water and sewer. As required by GAAP, these financial statements present the government and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of a government's operations, so data from these units are combined with data of the primary government. A discretely presented component unit, on the other hand, is reported in a separate column in combined financial statements to emphasize that it is legally separate from the government. The City has no discretely presented component units.

Blended component units

City of Glendale, Arizona, Municipal Property Corporation (MPC) is a non-profit corporation organized under the laws of the State of Arizona to assist the City in the acquisition and financing of municipal projects and facilities. MPC is governed by a board of directors who are responsible for approving the corporation's bond sales. Bond sales must also be approved by the City Council. Although it is legally separate from the City, MPC is reported as if it is part of the primary government because its sole purpose is to finance and construct public facilities for the City. MPC does not issue separate audited financial statements. However, it does file a tax return with the Internal Revenue Service. Copies of the tax return are available from the City's Finance Division.

City of Glendale, Arizona, Western Loop 101 Public Facilities Corporation (PFC) is a non-profit corporation organized under the laws of the State of Arizona to assist the City to finance, construct and equip a spring training baseball facility for two major league teams and all other related infrastructure. The Board of Directors of the PFC, appointed by the City Council, consists of four City employees and one private citizen. The Board of Directors is responsible for authorizing debt (obligations) of the PFC. The City Council also approves the debt of the PFC. Although the PFC is a legally separate entity from the City, the PFC is reported as if it is part of the primary government because its sole purpose is to finance and construct public facilities for the City. The PFC does not issue separate audited financial statements. The PFC does file a tax return with the Internal Revenue Service. Copies of the tax return are available from the City's Finance Division.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

There are several types of transactions that are reported in the financial statements as interfund items. Transactions that would be treated as revenue, expenditures or expenses if they involved organizations external to the governmental unit, like the sale of water from the water and sewer fund to various functions of the general fund, are accounted for as revenue and expenditures or expenses in the funds involved. Transactions that constitute reimbursement to a fund for expenditures or expenses initially made from that fund, which are properly applicable to another fund, are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditure or expense in the fund that is being

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reimbursed. Governmental Accounting Standards Board (GASB) Statement 34 also requires that administrative service fees charged to other operating funds to support general services used by the other operating funds (like purchasing, accounting and administration) should be treated as reimbursement transactions and the revenue and expenditures/expenses reduced in the allocating fund. Transfers between funds are included in the results of both governmental and proprietary funds (as other sources/uses in governmental funds).

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are reported in the fund financial statements as “due to/from other funds.”

Certain transactions occurring between funds that are combined within the same fund type or displayed in the same financial statement column for presentation in these annual financial statements have been eliminated from the financial statements. These transactions include transfers between funds and interdepartmental service charges. In the government-wide financial statements, only the net interfund activity and balances between governmental activities and business-type activities are shown (reported as “internal balances”).

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

C. Form of presentation – fund financial statements

The City reports the following major governmental funds:

The *general fund* is the City’s primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.

The *transportation special revenue fund* accounts for the City’s public transit program including activities funded by federal grants and distributions received from the Arizona State Lottery. Additionally, on November 6, 2001, Glendale voters authorized a new half-cent sales tax to pay for transportation projects and programs for all modes of transportation.

The *Western Loop 101 Public Facilities Corporation (PFC) debt service fund* was established to account for the debt service payments on the bonds issued to finance the spring training baseball facility and the note receivable from AZSTA. Subsequently all of the debt held by the PFC was refunded. The remaining activity in the PFC fund is for the note receivable from the AZSTA.

The *general obligation debt service fund* accounts for the resources accumulated through a secondary property tax levy and payments made for principal and interest on long-term general obligation debt of governmental funds.

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The City reports the following major proprietary fund:

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

Additionally, the City reports the following internal service funds:

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

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures/expenses, as appropriate. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following funds are presented in the accompanying financial statements:

Governmental funds

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

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

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

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

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

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

Proprietary funds

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

Enterprise funds: Enterprise funds are used to account for operations, including debt service, 1) that are financed and operated in a manner similar to private business enterprises where the intent of the

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

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

D. Measurement focus and basis of accounting

The City-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available except as described below in relation to grants. Revenues are considered to be *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the related debt service fund for payments to be made shortly after fiscal year-end.

Revenues susceptible to accrual because of their availability include property tax, sales tax, highway user's tax, state shared sales tax, vehicle license tax, and interest earned on investments. Licenses and permits, charges for services, fines and forfeitures, and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received.

In applying the *susceptible to accrual* concept to intergovernmental revenues, the decision to accrue depends on the terms of the arrangement or agreement. Generally, these resources are reflected as revenue at the time of receipt or earlier if they meet the available criterion. Certain grant revenues are recognized based on expenditures recorded.

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

E. Statement of cash flows

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

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F. Interfund transactions

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

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

G. Inventories and prepaid items

Inventories of the governmental and enterprise funds consist primarily of expendable supplies held for consumption. These inventories are maintained on a perpetual system verified through cyclical physical counts and are valued using a weighted average cost. Generally, expenditures are recorded at the time inventories are used (i.e., the consumption method) for both GAAP reporting and budgetary purposes. However, the City postage inventory is recorded as expenditure at time of purchase (i.e., the purchase method) for budgetary purposes. At June 30, 2014, the postage portion of the general fund supplies inventory was \$16. 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 the estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred by the enterprise funds during the current fiscal year was \$10,189. In addition, \$1,764 was included as part of the cost of capital assets under construction in connection with water and sewer projects.

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

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

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

J. Water 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, 2014, is \$1,715. 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, 2014, 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, 2014, is \$4,017.

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, 2014, costing \$2,027, are a permanent right and are considered to have an indefinite useful life. As such, they are not amortized; therefore, cost and net book value are equal to \$2,027.

K. Governmental fund balance components

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

Non-spendable amounts are portion of net resources that cannot be spent because of their form such as inventories and prepaid items. Also included are portion of net resources that cannot be spent because

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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 fund other than the general fund. Therefore, only the general fund can report a 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, unrestricted resources are considered spent before restricted resources. Within unrestricted resources, committed and assigned are considered spent (if available) before unassigned amounts. On the government-wide financial statements, only restrictions imposed by external sources are shown as restricted net 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

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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, 2013
Levy (assessment) date (third Monday in August)	August 19, 2013
Due dates:	
First half of assessment	October 1, 2013
Second half of assessment	March 1, 2014

Penalties and interest added (collection dates):

First half of assessment	November 1, 2013
Second half of assessment	May 1, 2014

The City currently levies less than the maximum allowed by State Statutes for primary property taxes. The City is permitted to levy an increase of two percent over the previous year's maximum allowable primary levy plus an increased dollar amount due to a net gain in property not taxed the previous year. The secondary property tax levy is made for the purpose of retiring the principal, interest and servicing fees on bonded indebtedness. The City may levy the amount deemed necessary to meet its bonded debt service requirements. Assessed values are established by the Maricopa County Tax Assessor each year on a uniform basis ratio to full cash value of each property class as required by State Statutes.

The distribution of the City's levy (tax rate per \$100 assessed value) to its funds for the year ended June 30, 2014, is as follows:

<u>Fund</u>	<u>Rate</u>
General fund	\$ 0.50
General obligation debt service fund	1.79
Total	<u>\$ 2.29</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

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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, 2014, and 2) sick leave, taken and paid for illness during that period, paid to terminating employees or paid under the optional annual declaration. Long-term liabilities of governmental funds are not shown on the fund financial statements. All of the outstanding vacation, compensatory time, and sick leave are recorded as a liability on the government-wide financial statements, and the proprietary fund financial statements, according to payment policy.

O. Deferred outflow and deferred inflow of resources

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

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

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

P. Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are reported as 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 *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and the City's internal service funds are charges to customers for sales and services, or housing operational grants from a federal agency. The water and sewer fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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R. Deferred compensation

Voluntary Deferred Compensation Plan for Employees of the City of Glendale, State of Arizona; Restated Plan Document (the "Plan document") was adopted by the Mayor and City Council on November 10, 1998, and amended on January 8, 2002, to incorporate the Federal Economic Growth and Tax Relief Reconciliation Act of 2001. In addition, the Mayor and City Council adopted a defined contribution deferred compensation plan document on April 9, 2002, under the Internal Revenue Code Section 401(a). Also, during the fiscal year 2011, the employees had available to them the option of deferring compensation in a Roth IRA administered by ICMA Retirement Corporation (ICMA RC). On February 12, 2013 the adoption of a new contract was approved by the Mayor and City Council which allowed the plan to be administered solely by the third-party administrator GREAT WEST LIFE & ANNUITY INSURANCE CO (Great West). Through the Plan document, the City offers its employees a deferred compensation plan that permits them to defer a portion of their current salary until future years. Any contributions made to the deferred compensation plan, in compliance with Section 457 and 401(a) of the Internal Revenue Code, are not available to employees until termination of employment, retirement, death or an unforeseen emergency. Contributions to the plan are administered by the third-party administrator, Great West. In compliance with the provisions of the U.S. Internal Revenue Code Sections 457(g) and 401(a), the plan assets are in custodial or trust accounts for the exclusive benefit of the plans' participants and beneficiaries.

The City provides neither administrative services nor investment advice to the plans; therefore, no fiduciary relationship exists between the City and the deferred compensation pension plan. 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.

S. 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

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Commission as investment companies. The State Board of Deposits provides oversight, and the Local Government Investment Pool Advisory Committee provides consultation and advice to the LGIP. There is no regulatory oversight of the County Treasurer's operations. The net increase in the fair value of investments during the fiscal year ended June 30, 2014, was \$231.

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

The City ended the fiscal year June 30, 2014, with a deficit fund balance/net position in the following funds:

General fund

Deficit will be funded with council operating expenditure reductions
over the next five fiscal years. \$ 1,993

Employee benefits internal service fund

Deficit will be funded by an increase in premiums for fiscal year 2015 and next
fiscal year. 4,076

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 \$38,591 and the bank balances were \$39,837. The difference of \$1,246 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, 2014, was \$77,161 and were uncollateralized.

Investments

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

As of June 30, 2014, the City had the following investments:

Investment Type	Investment Maturities (in years)			Fair Value
	0 - 1	1 - 2	2 - 3	
Commercial paper	\$ 9,991	\$ -	\$ -	\$ 9,991
Corporate bonds	15,103	13,059	12,050	40,212
U.S. Agencies	18,022	25,063	40,359	83,444
U.S. Treasuries	5,011	20,018	10,014	35,043
Arizona LGIP - State Pool	38,154	-	-	38,154
Grand total investments	<u>\$ 86,281</u>	<u>\$ 58,140</u>	<u>\$ 62,423</u>	<u>\$ 206,844</u>
Cash deposits				38,591
Cash with fiscal agents				77,161
Total deposits and investments				<u>\$ 322,596</u>

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

Credit risk: 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, 2014, the City's investments were rated by Moody's Investor Service and Standard & Poor's as follows:

<u>Investment Type</u>	<u>S&P Rating</u>	<u>Moody's Rating</u>	<u>% of Total Investments</u>	<u>Weighted Average Maturity (Years)</u>
U.S. Agencies	AA+	Aaa	40.33%	1.16
Arizona LGIP	NR	NR	18.45%	0.00
U.S. Treasury	AA+	Aaa	16.94%	1.89
Corporate	AA-	Aa3	10.27%	1.40
Corporate	A+	A1	2.43%	0.55
Corporate	AA+	Aaa	2.42%	1.06
Commercial Paper	A-1	P-1	2.42%	0.00
Commercial Paper	A-1+	P-1	2.41%	0.00
Corporate	AA+	A1	2.38%	1.75
Corporate	A+	A2	1.95%	0.62

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>
State Pool	Arizona LGIP	\$ 38,154
T-Note Total	U.S. Treasury	35,043
FHLB Total	U.S. Agencies	26,808
FFCB Total	U.S. Agencies	25,066
FHLMC Total	U.S. Agencies	21,513

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

IV. Note receivable

On October 22, 2008, the Western Loop 101 Public Facilities Corporation, a blended component of the City, issued \$199,750 in third lien excise tax revenue bonds to construct a baseball spring training facility. On October 1, 2009, the City finalized an Intergovernmental Agreement with the Arizona Sports and Tourism Authority (AZSTA) for the Glendale Spring Training Facility Project. The AZSTA agreed to contribute to the City \$60,000 for the construction costs plus interest at 4.13% per annum payable semi-annually. A note receivable for the agreed upon contribution amount plus accrued interest on the note in the amount of \$17,108 less an allowance for doubtful accounts in the amount of \$25,800 has been recorded at June 30, 2014. No payments have been received by the City on the note as of June 30, 2014. 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, a blended component unit of the City, issued subordinate excise tax revenue bonds to refund the \$199,750 third lien excise tax revenue bonds. The issuance of \$183,405 in tax-exempt bonds and

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\$16,850 in taxable bonds achieved debt service savings and lowered the next five fiscal years' annual rental payments under the Lease Agreement.

V. Capital assets

A summary of capital asset activity, for the government-wide financial statements, for the year ended June 30, 2014, is as follows:

	Balances June 30, 2013	Increase	Decrease	Balances June 30, 2014
Governmental activities				
Non-depreciable assets:				
Construction in progress	\$ 98,177	\$ 9,878	\$ (77,083)	\$ 30,972
Land	90,307	31	-	90,338
Artwork	2,378	-	-	2,378
Total non-depreciable assets	<u>190,862</u>	<u>9,909</u>	<u>(77,083)</u>	<u>123,688</u>
Depreciable assets:				
Buildings	387,023	-	-	387,023
Improvements other than buildings	259,453	3,899	-	263,352
Infrastructure - streets	666,031	54,885	-	720,916
Infrastructure - parks	86,552	4,569	-	91,121
Infrastructure - flood/storm drains	59,546	17,942	-	77,488
Infrastructure - airport	14,688	22	-	14,710
Machinery and equipment	44,375	481	(808)	44,048
Computer equipment	4,229	529	-	4,758
Software	3,221	908	-	4,129
Automotive equipment	39,658	2,804	(1,150)	41,312
Total depreciable assets at historical cost	<u>1,564,776</u>	<u>86,039</u>	<u>(1,958)</u>	<u>1,648,857</u>
Less accumulated depreciation for:				
Buildings	(95,097)	(10,297)	-	(105,394)
Improvements other than buildings	(106,965)	(10,046)	-	(117,011)
Infrastructure - streets	(233,683)	(22,741)	-	(256,424)
Infrastructure - parks	(30,810)	(3,619)	-	(34,429)
Infrastructure - flood/storm drains	(6,867)	(1,003)	-	(7,870)
Infrastructure - airport	(8,289)	(490)	-	(8,779)
Machinery and equipment	(35,333)	(2,515)	808	(37,040)
Computer equipment	(3,930)	(138)	-	(4,068)
Software	(1,233)	(513)	-	(1,746)
Automotive equipment	(28,222)	(3,278)	1,032	(30,468)
Total accumulated depreciation	<u>(550,429)</u>	<u>(54,640)</u>	<u>1,840</u>	<u>(603,229)</u>
Total depreciable assets, net	<u>1,014,347</u>	<u>31,399</u>	<u>(118)</u>	<u>1,045,628</u>
Governmental activities capital assets, net	<u>\$ 1,205,209</u>	<u>\$ 41,308</u>	<u>\$ (77,201)</u>	<u>\$ 1,169,316</u>

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	Balances June 30, 2013	Increase	Decrease	Balances June 30, 2014
Business-Type activities:				
Non-depreciable assets:				
Construction in progress - water and sewer	\$ 60,451	\$ 3,599	\$ (52,408)	\$ 11,642
Construction in progress - landfill	319	446	(269)	496
Construction in progress - sanitation	165	-	(165)	-
Construction in progress - housing authority	131	102	-	233
Land	26,299	-	-	26,299
Total non-depreciable assets	<u>87,365</u>	<u>4,147</u>	<u>(52,842)</u>	<u>38,670</u>
Depreciable assets:				
Buildings	16,696	-	-	16,696
Water rights	9,183	-	-	9,183
Improvements other than buildings	65,363	5,470	-	70,833
Water lines	114,831	1,655	-	116,486
Sewer lines	127,848	995	-	128,843
Water treatment plant	204,078	45,071	-	249,149
Sewer treatment plant	137,658	202	-	137,860
Meters and services	27,609	831	-	28,440
Fire hydrants	5,187	-	-	5,187
Machinery and equipment	5,203	1,248	-	6,451
Computer equipment	925	-	-	925
Automotive equipment	20,503	798	(807)	20,494
Total depreciable assets at historical cost	<u>735,084</u>	<u>56,270</u>	<u>(807)</u>	<u>790,547</u>
Less accumulated depreciation for:				
Buildings	(8,556)	(540)	-	(9,096)
Water rights	(1,245)	(179)	-	(1,424)
Improvements other than buildings	(20,393)	(2,856)	-	(23,249)
Water lines	(40,096)	(2,510)	-	(42,606)
Sewer lines	(54,019)	(3,010)	-	(57,029)
Water treatment plant	(81,864)	(7,031)	-	(88,895)
Sewer treatment plant	(38,611)	(3,986)	-	(42,597)
Meters and services	(12,737)	(705)	-	(13,442)
Fire hydrants	(2,319)	(104)	-	(2,423)
Machinery and equipment	(3,473)	(287)	-	(3,760)
Computer equipment	(731)	(1)	-	(732)
Automotive equipment	(15,503)	(1,698)	788	(16,413)
Total accumulated depreciation	<u>(279,547)</u>	<u>(22,907)</u>	<u>788</u>	<u>(301,666)</u>
Total depreciable assets, net	<u>455,537</u>	<u>33,363</u>	<u>(19)</u>	<u>488,881</u>
Business-Type activities capital assets, net	<u>\$ 542,902</u>	<u>\$ 37,510</u>	<u>\$ (52,861)</u>	<u>\$ 527,551</u>

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Depreciation was charged to functions/programs as follows:

Governmental activities:

General	\$ 15,612
Public safety	4,832
Public works	12,310
Street maintenance	16,807
Community services	5,068
Community environment	11
Total depreciation expense	<u>\$ 54,640</u>

Business-Type activities:

Water and sewer	\$ 20,226
Landfill	832
Sanitation	1,398
Housing	451
Total depreciation expense	<u>\$ 22,907</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, 2014. The projects include street construction, park facilities, and the construction of additional water and sewer facilities. At year-end the government's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Construction Commitment</u>
General government	\$ 1,957	\$ 638
Community services	318	-
Public safety	285	-
Public works	69	65
Street maintenance	28,343	1,620
Water and sewer facilities	11,642	6,643
Landfill	496	73
Housing	233	-
Total primary government	<u>\$ 43,343</u>	<u>\$ 9,039</u>

VII. Self-insurance funds

The City is exposed to various risks of loss. Certain of these risks are accounted for within the internal service fund type.

A. Risk management

On January 1, 1987, the City established a risk management fund for torts, and loss and destruction of assets. The City's risk management fund purchases excess or commercial insurance as follows: automobile, general and aviation liability, property damage liability, errors and omissions, employment practices liability, employee benefit liability, employee benefits wrongful acts, products completed

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operations hazards, crime coverage with limits up to \$10,000, fiduciary liability covering Deferred Compensation Plan and public employees blanket bond covering the Risk Management and Workers' Compensation Trust Fund Board. Property coverage for damage or destruction of city assets up to \$1,000,000 includes builders risk, automobile physical damage, boiler and machinery and cyber. The risk management fund was fully self-insured through June 30, 1998, for tort liability loss. Effective July 1, 1998, the City purchased excess insurance. Currently the excess insurance liability coverage has a \$1,000 of self-insured retention.

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 are made directly from the risk management fund. Insurance coverage has not been significantly reduced in recent years.

B. Workers' compensation

On July 1, 1994, the City established a workers' compensation fund for work-related injuries to employees. The workers' compensation fund provides coverage up to a maximum of \$850 for each workers' compensation claim and purchases commercial insurance for claims in excess of \$850.

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, and the National Council on Compensation insurance workers' compensation manual rates.

Premium payments to insurance carriers are made directly from the workers' compensation fund. There have been no settlements paid in excess of insurance in any of the past three years.

C. Employee benefits

On July 1, 2000, the City established an employee benefits fund to meet future cost increases for health-related insurance.

Premiums are collected through contributions from employee paychecks and department budgets. Retirees contribute 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 by estimating the costs of claims and administration of the plan based on a variety of factors including: the demographics of the group, previous claims history, plan design changes and any new mandated benefits. These insurance benefits are provided through minimum premium and self-insured insurance plans. The City is responsible for the first \$200 in medical claims per individual per plan year. Claims exceeding \$200 for an individual are paid by the reinsurance plan.

Premiums for the minimum premium medical plan are set prior to the beginning of each plan year equal to 105% of the expected claims liability.

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

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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 \$11,022 as of June 30, 2014. Changes in the balances of claims liabilities during the past two years are as follows:

	Risk Management		Workers' Compensation		Employee Benefits	
	2014	2013	2014	2013	2014	2013
Unpaid claims, beginning of fiscal year	\$ 4,261	\$ 2,108	\$ 3,151	\$ 4,139	\$ 1,995	\$ 2,269
Current year claims and changes in estimate	(655)	3,877	2,054	(74)	24,333	22,922
Claims payments	(439)	(1,724)	(1,499)	(914)	(22,179)	(23,196)
Balance at fiscal year end	<u>\$ 3,167</u>	<u>\$ 4,261</u>	<u>\$ 3,706</u>	<u>\$ 3,151</u>	<u>\$ 4,149</u>	<u>\$ 1,995</u>

VIII. Leases**A. Capital leases**

The City's capital lease activity consists principally of leasing various types of heavy equipment for the Fire Department. Additionally, the City has entered into capital leases involving real property for the general fund. The City pledged the Glendale Regional Public Safety Training Facility as collateral for \$11,503 in capital leases in May, 2011. Leases vary in terms from 7 to 9 years for fire trucks to 10 years for real property. Current year principal expenditures are \$741 for governmental activities. The future minimum lease obligation and net present value of lease payments at June 30, 2014, are as follows:

Year Ending June 30	Governmental Activities
2015	\$ 1,804
2016	3,359
2017	3,307
2018	3,307
2019	1
Total minimum lease payments	11,778
Less: Amount representing interest	(1,417)
Present value of net minimum lease payments	<u>\$ 10,361</u>

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The assets acquired through capital leases are as follows:

Class of Property	Governmental Activities
Equipment	\$ 185
Automotive equipment	2,367
Building	197
Other	15,395
	18,144
Less: Accumulated depreciation	(7,291)
Total	\$ 10,853

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 2013-14 were \$178.

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 2014 and beyond. The carrying value of leased assets is \$335,872 (cost of \$484,264 less accumulated depreciation of \$148,392). The leased properties and buildings are included as capital assets in the government-wide financial statements. Certain leases contain provisions for future increased revenues based upon changes in the Consumer Price Index.

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

Fiscal Year	Total Revenues
2015	\$ 2,342
2016	2,318
2017	2,327
2018	2,139
2019	2,275
2020 and beyond	52,479
Total	\$ 63,880

IX. Short-term debt

The City did not issue short-term debt for the year ended June 30, 2014.

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.

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B. Revenue bonds

Highway User Revenue Fund (HURF) bonds are used to construct street and highway projects. The \$3,700 HURF bonds outstanding are special obligations of the City and are secured by taxes, fees, charges or other monies collected by the state and returned to the City pursuant to Title 28, Chapter 18, Article 2, A.R.S. as amended. A special revenue fund called highway user gas tax fund has been set up by the City to collect HURF revenues from the state and transferred to the debt service fund to pay for HURF principal and interest. The total principal and interest remaining on the bonds to be paid is \$3,924. The current year principal and interest amounts of \$4,355 and \$331, respectively, were funded with transfers of \$3,696 from HURF fund; and \$1,000 from transportation fund. The State Legislature has in the past and may in the future alter the type and/or rate of taxes, fees, and charges as well as allocation of such monies.

The transportation revenue bonds are special revenue obligations of the City and are used to construct various transportation projects such as roadway widening, intersection improvements, and right-of-way acquisitions. The \$88,015 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 \$131,901. The current year revenues of \$23,115 collected in the transportation special revenue fund paid the current year principal and interest amounts of \$3,125 and \$4,201, 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 \$253,115 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 \$361,138. The current year principal and interest on the bonds were \$22,917 and net revenues of the system were \$39,189.

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

C. Municipal Property Corporation (MPC) bonds

In 1982, 2002, 2003, 2006 and 2008 the MPC, a non-profit corporation, issued bonds to finance the construction of a new municipal office complex, hockey arena, public safety training center, parking garage, media center, convention center and city infrastructure, respectively. On October 19, 1982, July 31, 2002, May 1, 2003, and June 1, 2006, the City entered into a lease purchase agreement with MPC, whereby, the City is purchasing the constructed municipal office complex, hockey arena, public safety training center, parking garage, media center, convention center and city infrastructure, respectively, from MPC. In addition, on April 1, 2004, the City entered into a lease agreement with the MPC to issue 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

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partially refund outstanding maturities of the bond series 2003, 2004, and 2006. In December 2012, the City entered into a lease agreement with the MPC to issue bonds to partially refund outstanding maturities of the bond series 2003 and 2004, and to fully refund outstanding maturities of the Western Loop 101 Public Facilities Corporation bond series 2008. An amount equal to the MPC debt service and related miscellaneous fees, is payable to the MPC in monthly installments by the City.

Under the provisions of the purchase agreement, the City has pledged for the payment of the purchase price: 1) all net revenues derived by it from the municipal office complex and arena, and 2) all excise, transaction, privilege and franchise taxes which it currently collects, which it may collect or which are allocated to it by any other governmental unit or municipal corporation, except its share of such amounts which by state law, rule or regulation must be expended for other purposes. However, under no circumstances shall such pledge constitute a general obligation of the City or will the purchase price be payable from the proceeds of ad valorem taxes. The total principal and interest remaining to be paid is \$782,482 and the transfers of the MPC debt service fund were \$29,496. Excise tax revenues pledged for repayment of MPC was \$141,674. The current year principal and interest paid was \$29,451.

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

D. 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, 2014:

	June 30, 2013	Increases	Decreases	June 30, 2014	Amounts Due Within One Year
General obligation (GO) bonds	\$ 163,130	\$ -	\$ (15,320)	\$ 147,810	\$ 19,010
Revenue bonds:					
Highway user revenue	8,055	-	(4,355)	3,700	1,805
Transportation bonds	91,140	-	(3,125)	88,015	3,250
Municipal Property Corporation	468,875	-	(9,290)	459,585	8,745
Total bonds payable	<u>731,200</u>	<u>-</u>	<u>(32,090)</u>	<u>699,110</u>	<u>32,810</u>
Other long-term obligations:					
Capital lease obligations	11,094	8	(741)	10,361	1,262
OPEB obligations	50,993	2,696	-	53,689	-
Compensated absences	18,690	12,916	(12,454)	19,152	12,576
Claims and judgments	9,407	25,732	(24,117)	11,022	11,022
Unamortized premium on debt issuance	25,992	-	(1,643)	24,349	1,637
Discount on debt issuance	(1,526)	-	62	(1,464)	-
Developer payable obligations	2,873	239	-	3,112	-
Total other long-term obligations	<u>117,523</u>	<u>41,591</u>	<u>(38,893)</u>	<u>120,221</u>	<u>26,497</u>
Total	<u>\$ 848,723</u>	<u>\$ 41,591</u>	<u>\$ (70,983)</u>	<u>\$ 819,331</u>	<u>\$ 59,307</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 \$819,331 in the total liabilities, \$735,468 is related to net position for the City's net investment in

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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 34.3% 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.

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, 2014:

	June 30, 2013	Additions	Reductions	June 30, 2014	Amounts Due Within One Year
Water and sewer GO bonds	\$ 5,515	\$ -	\$ (5,515)	\$ -	\$ -
Water and sewer revenue/obligation bonds	273,080	-	(19,965)	253,115	13,170
Total bonds payable	<u>278,595</u>	<u>-</u>	<u>(25,480)</u>	<u>253,115</u>	<u>13,170</u>
Other long-term obligations:					
Estimated closure and post-closure costs	14,953	213	-	15,166	-
Unamortized premium on debt issuance	15,175	-	(1,036)	14,139	1,036
OPEB obligations	11,439	650	-	12,089	-
Compensated absences	2,992	1,749	(1,992)	2,749	1,825
Housing noncurrent liabilities	77	16	-	93	-
Total other long-term obligations	<u>44,636</u>	<u>2,628</u>	<u>(3,028)</u>	<u>44,236</u>	<u>2,861</u>
Total	<u>\$ 323,231</u>	<u>\$ 2,628</u>	<u>\$ (28,508)</u>	<u>\$ 297,351</u>	<u>\$ 16,031</u>

Of the \$297,351 in total liabilities, \$267,254 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. The enterprise funds had unspent bond proceeds at year end in the amount of \$2,634.

E. 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.

Issue Refunded	Date Refunded	Remaining Balance
Municipal Property Corporation Bonds Series 2004A	December 27, 2012	\$1,865
Western Loop 101 Public Facilities Corporation Bonds Series 2008C	December 27, 2012	\$13,585

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F. Bonds payable

Bonds payable at June 30, 2014, 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, 2014
<u>GO bonds payable from secondary assessed property taxes</u>					
Various	1.50-5.00	2003	2018	\$ 52,525	\$ 4,335
Various	3.00-5.00	2004	2019	36,645	14,615
Various	3.50-4.00	2005	2015	11,960	1,395
Refunding	5.00-5.00	2006	2015	9,065	2,010
Various	4.00-5.00	2006	2021	29,365	15,985
Various	4.00-5.00	2007	2022	61,000	37,155
Various	1.50-5.63	2010	2030	41,650	36,490
Refunding	4.00-5.00	2011	2022	38,300	35,825
Total					<u>147,810</u>
<u>Revenue bonds payable from highway user revenue funds</u>					
Streets	2.50-4.00	2004	2014	14,655	-
Streets	4.00-5.00	2006	2016	15,745	3,700
Total					<u>3,700</u>
<u>Revenue bonds payable from the 0.5% transportation sales tax</u>					
Transportation excise tax	4.00-5.00	2008	2032	109,110	88,015
<u>Municipal Property Corporation payable from general fund lease payments</u>					
MPC excise tax	5.00-5.38	2003	2033	5,055	5,055
MPC excise tax 2003B	1.46-5.58	2003	2033	105,260	94,620
MPC refunding	4.70-4.70	2004	2033	7,250	7,250
MPC excise tax 2006A	4.00-5.00	2006	2026	33,250	24,145
MPC excise tax 2008A	3.00-5.00	2008	2032	32,315	32,220
MPC excise tax 2008B	5.45-6.16	2008	2033	52,780	48,835
MPC excise tax 2008C	4.00-5.02	2008	2015	9,140	1,000
MPC refunding 2012A	3.00-5.00	2012	2021	8,665	8,665
MPC refunding 2012B	5.00	2013	2033	39,620	39,620
MPC refunding 2012C	5.00	2013	2038	183,405	183,405
MPC refunding 2012D	1.30-3.125	2013	2020	16,850	14,770
Total					<u>459,585</u>
Total bonds payable recorded in governmental activities					699,110
Less current portion					<u>(32,810)</u>
Long-term portion of bonds payable recorded in governmental activities					<u>\$ 666,300</u>

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2014

(amounts expressed in thousands)

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

<u>Purpose</u>	<u>Interest Rate</u>	<u>Issued Fiscal Year Ending June 30</u>	<u>Year Series Matures</u>	<u>Amount of Original Issue</u>	<u>Bonds Outstanding June 30, 2014</u>
<u>Revenue bonds/obligations payable from water and sewer fund</u>					
Various	4.00-5.00	2004	2014	80,000	\$ -
Various	4.00-5.25	2006	2026	80,000	65,285
Various	4.25-5.00	2007	2028	44,500	35,305
Various	3.00-5.00	2008	2028	65,500	50,930
Various	6.20-6.55	2011	2030	25,685	25,685
Various refunding	2.00-5.00	2012	2028	77,635	75,910
Total					<u>253,115</u>
Total bonds payable recorded in business-type activities					253,115
Less current portion					<u>(13,170)</u>
Long-term portion of bonds payable recorded in business-type activities					<u>\$ 239,945</u>

The Arizona Constitution provides that the general obligation bonded indebtedness for a city for general municipal purposes may not exceed 6% of the secondary assessed valuation of the taxable property in that city. In addition to the 6% limitation for general municipal purpose bonds, cities may issue general obligation bonds up to 20% of the secondary assessed valuation for supplying such city with water, sewer, artificial light, public safety, law enforcement, fire and emergency services, streets and transportation facilities, and for the acquisition and development of land for open space preserves, parks, playgrounds and recreational facilities.

The City's unused bonded debt borrowing capacity as of June 30, 2014, is as follows:

	<u>6%</u>	<u>20%</u>
Capacity to incur bonded debt	\$ 68,886	\$ 229,622
Less: Bonded debt applicable to limit	<u>(2,415)</u>	<u>(136,085)</u>
Unused bonded debt capacity	<u>\$ 66,471</u>	<u>\$ 93,537</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, 2014

(amounts expressed in thousands)

G. Bonds authorized, issued and unissued

Bonds authorized but not fully issued as of June 30, 2014, are shown below:

GO bonds	Authorized Amount	Issued through June 30, 2014	Authorized but Unissued
<u>Voter authorized October 20, 1981</u>			
Operations center	\$ 6,750	\$ 550	\$ 6,200
<u>Voter authorized March 10, 1987</u>			
Library	9,698	8,000	1,698
<u>Voter authorized November 2, 1999</u>			
Cultural facility ⁽¹⁾	18,215	4,494	13,721
Economic development	50,500	17,873	32,627
Governmental facilities ⁽¹⁾	40,910	16,910	24,000
Landfill development ⁽¹⁾	17,000	1,460	15,540
Library	15,398	-	15,398
Open spaces	53,700	3,175	50,525
Public safety	64,801	62,966	1,835
Transit ⁽¹⁾	6,935	185	6,750
<u>Voter authorized May 15, 2007</u>			
Flood control	20,554	10,522	10,032
Parks and recreation	16,155	1,518	14,637
Public safety	102,638	-	102,638
Streets and parking	79,065	11,827	67,238
Total GO bonds	\$ 502,319	\$ 139,480	\$ 362,839
<u>Revenue bonds</u>			
<u>Voter authorized November 2, 1999</u>			
Water and sewer ⁽¹⁾	\$ 10,000	\$ -	\$ 10,000
Total revenue bonds	10,000	-	10,000
Total bonds	\$ 512,319	\$ 139,480	\$ 372,839

(1) Certain general obligation bonds or revenue bonds can be issued as general obligation bonds, revenue bonds or a combination thereof.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2014

(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.

\$ 3,112

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CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2014

(amounts expressed in thousands)

I. Future year debt service requirements

Fiscal Year Ending	HURF Bonds	Trans- portation Bonds	MPC Bonds	Various	Water and	Total
				Purposes	Sewer	
				G.O.	Revenue	
				Bonds	Bonds/ Obligations	
2015	\$ 1,953	\$ 7,326	\$ 31,444	\$ 25,738	\$ 25,453	\$ 91,914
2016	1,971	7,326	31,948	23,318	25,455	90,018
2017	-	7,327	31,430	23,260	25,444	87,461
2018	-	7,330	31,195	22,639	25,455	86,619
2019	-	7,328	33,560	20,283	25,450	86,621
2020	-	7,326	34,657	16,372	25,083	83,438
2021	-	7,329	36,581	15,445	24,413	83,768
2022	-	7,329	36,583	12,675	24,081	80,668
2023	-	7,328	36,585	3,444	25,293	72,650
2024	-	7,328	36,584	3,407	25,292	72,611
2025	-	7,327	36,585	3,370	25,285	72,567
2026	-	7,330	36,586	3,328	25,289	72,533
2027	-	7,329	36,581	3,282	24,165	71,357
2028	-	7,331	36,581	3,234	20,302	67,448
2029	-	7,328	36,585	3,184	7,411	54,508
2030	-	7,326	36,585	3,136	7,267	54,314
2031	-	7,328	36,585	-	-	43,913
2032	-	7,325	36,583	-	-	43,908
2033	-	-	36,583	-	-	36,583
2034	-	-	22,533	-	-	22,533
2035	-	-	22,532	-	-	22,532
2036	-	-	22,532	-	-	22,532
2037	-	-	22,532	-	-	22,532
2038	-	-	22,532	-	-	22,532
Total	3,924	131,901	782,482	186,115	361,138	1,465,560
Less interest	224	43,886	322,897	38,305	108,023	513,335
Principal	\$ 3,700	\$88,015	\$459,585	\$147,810	\$253,115	\$ 952,225

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2014

(amounts expressed in thousands)

The following table discloses the debt service requirements as of June 30, 2014, 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>
2015	\$ 45,980	\$ 45,934	\$ 91,914
2016	45,975	44,043	90,018
2017	45,345	42,116	87,461
2018	46,570	40,049	86,619
2019	48,560	38,061	86,621
2020-2024	236,485	156,650	393,135
2025-2029	241,280	97,133	338,413
2030-2034	161,260	39,991	201,251
2035-2038	80,770	9,358	90,128
Total	<u>\$ 952,225</u>	<u>\$ 513,335</u>	<u>\$ 1,465,560</u>

J. New bonds

The City did not issue new bonds in the current fiscal year ending June 30, 2014.

XI. Landfill obligations

The City operates a municipal sanitary landfill under an Aquifer Protection Permit and Solid Waste Facility Plan approval issued by the Arizona Department of Environmental Quality requiring future closure work and post-closure monitoring. The permit meets federal and state regulations. These laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and post-closure care costs will not be paid until near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and post-closure costs as an operating expense in each period based on landfill capacity used.

The landfill closure and post-closure care liability at June 30, 2014, calculated below, represents the cumulative amount reported to date based on the use of estimated capacity of the landfill.

	<u>North Cell</u>	<u>South Cell</u>
Capacity (cubic yards)	31,127	21,493
Capacity used to date	-	19,220
Percentage of capacity used	-	89%
Total closure and post-closure costs in present dollars:		
as of June 30, 2014	\$ 18,059	\$ 16,959
as of June 30, 2013	\$ 17,925	\$ 16,833
Closure and post-closure care costs:		
Amount remaining to be recognized		
as of June 30, 2014	\$ 18,059	\$ 1,793
Liability recognized as of June 30, 2014	\$ -	\$ 15,166

These amounts are based on what it would cost to perform all closure and post-closure care in fiscal year 2013-14. The estimated costs are subject to changes due to inflation, deflation, new technology, and

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2014

(amounts expressed in thousands)

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. Interfund transactions

Interfund balances at June 30, 2014, consisted of the following:

A. Due to/due from

Due to general fund from:

Other non-major governmental funds	
Community development block grant	\$ 455
Municipal Property Corporation debt service	1,064
Other special revenue	971
Other proprietary funds	
Housing	<u>2</u>
Total due to general fund	<u>\$ 2,492</u>

The interfund balances at June 30, 2014, include short-term loans to cover temporary cash deficits in various funds. This occasionally occurs prior to bond sales or grant reimbursements. All interfund balances outstanding at June 30, 2014, are expected to be repaid within one year.

B. Advance to/advance from

Advance to general fund from:

Water and sewer	\$14,850
Landfill	20,694
Sanitation	<u>3,941</u>
Total advance to general fund	<u>\$39,485</u>

The sanitation, landfill and water and sewer interfund advances to the general fund were \$3,941, \$20,694, and \$14,850, respectively. The sanitation and landfill portions of the interfund advances are expected to be repaid over 22 years. The water and sewer interfund advance is expected to be repaid over 23 years. The interest rate on the interfund advances is a variable interest rate based on the City's rate of return on investments.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2014

(amounts expressed in thousands)

C. Interfund transfers

Interfund transfers for the year ended June 30, 2014, consisted of the following:

Transfers to general fund from:	
Transportation fund	\$ 41
Special Revenue Funds	
Highway Users Gas Tax	20
Other Special Revenue Funds	6
Capital projects funds	
Park Bond Construction	1
Streets construction fund	62
Enterprise funds	
Water and sewer enterprise fund	145
Non-major proprietary fund	65
Total transfers to general fund	<u>340</u>
Transfers to transportation fund from:	
General fund	900
Total transfers to transportation fund	<u>900</u>
Transfers to non-major special revenue fund from:	
General fund	208
Total transfers to non-major special revenue fund	<u>208</u>
Transfers to non-major debt service funds from:	
General fund	29,496
Transportation fund	8,331
Highway users gas tax	3,696
Total transfers to non-major debt service funds	<u>41,523</u>
Transfers to non-major capital projects fund from:	
Transportation fund	5,733
Total transfers to capital projects fund	<u>5,733</u>
Transfers to housing, other non-major proprietary fund from:	
General fund	274
Total transfers to housing, other non-major proprietary fund	<u>274</u>
Grand total all transfers	<u>\$48,978</u>

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

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

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2014

(amounts expressed in thousands)

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, 2014, the City intended to honor \$346 of outstanding encumbrances in the new fiscal year.

Fund

Major:

General	\$	24
Transportation		61
Water and sewer		71

Non-Major:

Highway Users Gas Tax		30
Police and Fire Sales Tax		8
Other special Revenue		31
Streets Capital		105
Landfill		9
Sanitation		7
Total	\$	<u>346</u>

XIV. Equity in joint venture

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

Each participant pays for its costs of operation and maintenance based on relative sewage flows and strengths and for purchased capacity in plant and related transportation facilities based on ownership. The latest available audited financial information on the joint venture is as of and for the fiscal year ended June 30, 2013. The City accounts for its approximate 8.59% investment using the equity method in the water and sewer fund. For the year ended June 30, 2013, the City recognized no change in the joint venture. 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, 2014

(amounts expressed in thousands)

Summary of audited financial information on the joint venture as of and for the fiscal year ended June 30, 2013, is as follows:

Assets	
Current assets	\$ 46,822
Capital assets, net of accumulated depreciation	<u>821,837</u>
Total assets	<u>868,659</u>
Liabilities	
	<u>37,272</u>
Net assets	<u>\$ 831,387</u>
Total revenues	\$ 51,566
Total expenses	<u>(98,061)</u>
Decrease in net assets	<u>\$ (46,495)</u>

Copies of separate financial statements of the joint venture can be obtained from Arizona Municipal Water Users Association, 4041 North Central Avenue, Phoenix, Arizona 85012.

XV. Jointly governed organizations

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

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

XVI. Governmental fund balance components and fund type definitions

The City has a formally adopted minimum fund balance policy for the general fund. This policy was adopted through the annual budget process. The policy states that the general fund should maintain a minimum unassigned fund balance between 5% and 10% of general fund revenues received less revenues associated with the sporting facilities, certain rental revenues, replacement fund revenues and monies set aside for library, court, art commission, marketing self-sustaining and employee groups divisions. The City has not complied with the minimum fund balance requirement at the end of June 30, 2014, primarily due to the NHL payment of \$50 million expensed in the prior years. According to the policy, the deficiency will be replenished over a period not to exceed five years.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

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(amounts expressed in thousands)

	Western Loop 101					
	General	Transportation	Public Facilities Corporation Debt Service	General Obligation Debt Service	Other Non-Major Governmental Funds	Total Governmental Funds
Nonspendable						
Inventories and prepaid items	\$ 600	\$ 61	\$ -	\$ -	\$ 103	\$ 764
Cemetery perpetual care	-	-	-	-	5,637	5,637
Total Nonspendable	<u>600</u>	<u>61</u>	<u>-</u>	<u>-</u>	<u>5,740</u>	<u>6,401</u>
Restricted						
Public transit	-	31,579	-	-	-	31,579
State drug enforcement	-	-	-	-	2,888	2,888
U.S. drug enforcement	-	-	-	-	245	245
Debt service	-	-	98	9,310	1,050	10,458
Court security	40	-	-	-	-	40
Court time payments	138	-	-	-	-	138
Court computer upgrade	101	-	-	-	-	101
HOME program	-	-	-	-	81	81
Highway user gas tax	-	-	-	-	19,542	19,542
Police activities	-	-	-	-	9,571	9,571
Fire activities	-	-	-	-	1,529	1,529
Federal stimulus activities	-	-	-	-	34	34
Development impact fees	-	-	-	-	12,747	12,747
Street G.O. bond projects	-	-	-	-	2,704	2,704
HURF bond projects	-	-	-	-	305	305
Fire and police construction	-	-	-	-	1,929	1,929
Park bond construction	-	-	-	-	154	154
Economic development	-	-	-	-	1,123	1,123
Open space/trails	-	-	-	-	588	588
Cultural and historical projects	-	-	-	-	262	262
Government facilities	-	-	-	-	69	69
Flood control construction	-	-	-	-	6,164	6,164
Tourism promotion initiatives	409	-	-	-	-	409
Other	-	-	-	-	269	269
Total restricted	<u>688</u>	<u>31,579</u>	<u>98</u>	<u>9,310</u>	<u>61,254</u>	<u>102,929</u>
Committed						
Arena/stadium activities	29	-	-	-	-	29
Artwork	1,058	-	-	-	-	1,058
Pool/park repair	-	-	-	-	123	123
Other	467	-	-	-	-	467
Total committed	<u>1,554</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>123</u>	<u>1,677</u>
Assigned						
Other	-	-	-	-	202	202
Total assigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>202</u>	<u>202</u>
Unassigned fund balance	<u>(4,835)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,835)</u>
	<u>\$ (1,993)</u>	<u>\$ 31,640</u>	<u>\$ 98</u>	<u>\$ 9,310</u>	<u>\$ 67,319</u>	<u>\$ 106,374</u>

Enterprise Fund Type
WATER AND SEWER FUND

Restricted for debt service \$ 10,210

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. 10,404

Total restricted for water and sewer \$ 20,614

NON-MAJOR PROPRIETARY FUNDS

Net position held by the housing fund may only be used for that purpose. 1,686

Total restricted for enterprise fund types \$ 12,090

XVII. Employee retirement systems and pension plans

A. Plan descriptions

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

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

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

Deferred Retirement Option Plan (DROP) is a voluntary benefit program of the PSPRS that provides employees access to a lump sum benefit in addition to their monthly retirement benefit when they terminate employment and retire. Employees who became members of the system before January 1, 2012, are eligible to participate once they have 20 years of credited service. Employees who became members of the system on or after January 1, 2012, are not eligible to participate.

A member must voluntarily and irrevocably elect to enter into the program with their employer for a period of up to 60 months. During the DROP period, the member must remain as an employee of the

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

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(amounts expressed in thousands)

employer as a full-time paid firefighter or full-time paid certified peace officer. A member cannot transfer to a non-PSPRS position or change employers while in DROP. No member or employer contributions are made to the system for members who have twenty (20) years of credited service prior to January 1, 2012; therefore, no additional years of credited service are accrued on the member's behalf. Members who have twenty (20) years of credited service on or after January 1, 2012, must continue to contribute while in DROP. Effective August 2, 2012, these contributions, along with a possible 2% interest as provided for in 38-844.08 paragraph A.3, will be refunded to the member and included with the DROP payment.

The *Elected Officials Retirement Plan* (EORP) is a cost-sharing multiple-employer defined benefit pension plan and a cost-sharing multiple-employer defined benefit health insurance premium plan that covers State of Arizona and City elected officials and judges, and elected officials of participating cities. The EORP is administered by The Fund Manager of PSPRS according to the provisions of ARS Title 38, Chapter 5, Article 3. Because the health insurance premium plan benefit of the EORP is not established as a formal trust, it is reported in accordance with GASB Statement No. 45 as an agent multiple-employer plan. Accordingly, the disclosures that follow reflect the EORP as if it were an agent multiple-employer plan.

SB 1609 makes change to the existing contributions and benefits structures for the ASRS, PSPRS, and EORP plans. Beginning on July 1, 2012, employers are required to pay an Alternate Contribution Rate (ACR) for retired member who perform services that would otherwise be performed by an employee of the employer. The ACR percentage is calculated as the greater of 2% or two times the "deficit" payment, and calculates the ACR by adding the employer ASRS Contribution Rate to the employer LTD Contribution Rate, and then subtracting the normal cost. The cap for this rate cannot be higher than the employer's portion of the total ASRS Contribution Rate which is the Defined Benefit plus LTD.

HB 2608 closes 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).

HB 2122, changes some of the provisions of the Elected Officials' Defined Contribution Retirement System established with HB 2608. This bill was introduced to address previously unforeseen IRS issues with the current provisions of the EODCRS. This bill eliminates the ability of an elected official to choose between the ASRS and the EODCRS. If the elected official is able to return to the ASRS, they are required to return. There is also a retroactivity clause on this bill back to January 1, 2014.

The City of Glendale current elected officials were all appointed prior to January 1, 2014, so they remain on the existing EORP plan. The City of Glendale did not have any employees affected by HB 2608 or HB 2122 during fiscal year 2014.

HB 2050 eliminates the Arizona State Retirement System eligibility requirements that an employee must be covered by the State's 218 agreement and repeals the defined contribution retirement plan for those members ineligible for the Arizona State Retirement System or the Public Safety Personnel Retirement System. The City of Glendale has only fire employees that are excluded from coverage under its 218 Agreement.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

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(amounts expressed in thousands)

B. Financial reports

Each plan issues a publicly available financial report that includes its financial statements and required supplementary information. A report may be obtained by writing or calling the applicable plan.

ASRS

3300 North Central Avenue
Phoenix, Arizona 85012-0250

(602) 240-2000 or (800) 621-3778
www.azasrs.gov

PSPRS or EORP

3010 East Camelback Road #200
Phoenix, Arizona 85016

(602) 255-5575 or (877) 925-5575
www.psprs.com

C. Funding policy

The Arizona State Legislature establishes and may amend contribution rates for active plan members and the City.

Cost Sharing Plans. For the year ended June 30, 2014, active ASRS members and the City were each required by statute to contribute at the actuarially determined rate of 11.54% (10.70% for retirement, 0.60% for health insurance premiums, and 0.24% long-term disability) of the members' annual covered payroll. The ASRS ACR rate was 9.20%. The City's employer contributions to ASRS for the years ended June 30, 2014, 2013, and 2012 were \$6,307, \$6,346, and \$6,876, respectively, which were equal to the required contributions for the year. The City's employee contributions to ASRS were equal to the employers required contributions.

Agent Plans. For the year ended June 30, 2014, PSPRS members were required by statute to contribute 10.35% of the members' annual covered payroll, and the City was required to contribute at the actuarially determined rate of 24.54% and 27.98% for Fire and Police, respectively. PSPRS members that have elected to participate in the DROP program contribute 0% for both employee and employer contributions. Members who have elected to participate in the DROP program who have twenty (20) years of credited service on or after January 1, 2012, must continue to contribute 10.35% for the employee contributions with the employer contributing 0%. The PSPRS ACR rates for both Fire and Police were 17.07%. The health insurance premium portion of the contribution for fire and police members was computed as \$125 and \$280 for the year ended June 30, 2013, respectively.

In addition, active EORP members were required by statute to contribute 13.00% of the members' annual covered payroll. The City was required to remit contributions of 39.62% of the members' annual covered payroll from July 1 to December 31, 2013, and 23.50% from January 1 to June 30, 2014, as determined by actuarial valuation. The City's employer contributions to EORP for the years ended June 30, 2014, 2013, and 2012, were \$80, \$60, and \$57, respectively, which were equal to the required contributions for the year. The City's employee contributions to EORP are determined by actuarial valuations reported to the employer and the local board by the board of trustees.

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

Projections of benefits are based on 1) the plans as understood by the City and plans' members and include the types of benefits in force at the valuation date, and 2) the pattern of sharing benefit costs

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2014

(amounts expressed in thousands)

between the City and plans' members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The City's pension cost for Fire and Police for the year ended June 30, 2013, the date of the most recent available actuarial valuation, and related information follow.

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

	Fire	Police
Contribution rates:		
City	22.06%	24.84%
Plan members	9.55%	9.55%
Annual pension cost	\$3,863	\$7,111
Actuarial cost method**	Entry age normal	Entry age normal
Actuarial assumptions**:		
Investment rate of return	7.85%	7.85%
Projected salary increases*	4.50% - 8.50%	4.50% - 8.50%
Includes inflation at*	4.50%	4.50%
Amortization method**	Level percent-of-pay, closed	Level percent-of-pay, closed
Remaining amortization period**	23 years for unfunded actuarial accrued liability, 20 years for excess	23 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method**	7-year smoothed market 80%/120% market	7-year smoothed market value 80%/120% market

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

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

D. Three-year trend information for PSPRS

Information for the agent plan for PSPRS for Glendale Fire and Police as of the most recent available actuarial valuations for June 30, 2013, follows.

Contributions required and contributions made

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

Includes insurance premium tax, where applicable.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2014

(amounts expressed in thousands)

E. Schedule of funding progress

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

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

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

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

XVIII. Other Post-Employment Benefits (OPEB)

A. Plan description

The City of Glendale post-employment healthcare plan is a single-employer defined benefit plan administered by the City of Glendale. The plan provides medical, dental, and vision coverage for eligible retirees and their dependents. Retirees can also continue their basic life insurance benefit. Retirees pay their own insurance premiums. In order for employees to be eligible for this benefit, they need 5 years of service if they were hired prior to July 1, 2005, and 10 years of service if they were hired after July 1, 2005. The Mayor and Council have authority each budget year to establish, eliminate, or amend benefit provisions through the annual budget process. A separate report is not provided as the plan financial information is included in the governmental-wide basis and proprietary funds as part of the City of Glendale reporting entity.

B. Funding policy

The City pays for and reports retiree health care benefits on a pay-as-you-go basis, which is the practice of paying for these benefits as they become due each year. Contributions to the plan by retirees are established at the beginning of each fiscal year through the annual budget process. The City makes no contribution to the retirees' premiums other than allowing them to participate through the City's pooled benefits. By providing retirees with access to the City's healthcare plans based on the same rates it charges to active employees, the City is in effect providing a subsidy to retirees.

For the fiscal year ending June 30, 2014, the amount of \$4,152 was contributed to the plan by active retirees, in the form of current premiums and the City contributed \$1,748 (implied subsidy). The required contribution was 4.34% of covered payroll.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2014

(amounts expressed in thousands)

C. Annual OPEB cost and net OPEB obligation

The City of Glendale's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), and the amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The City had 1,583 active and 633 retiree members for the plan year ending June 30, 2014. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and any changes in the net OPEB obligation as of June 30, 2014.

Normal cost	\$ 2,677
Minimum amortization of unfunded actuarial liability (UAL)	<u>2,315</u>
Annual required contribution	<u>4,992</u>
ARC adjustment	(2,083)
Interest adjustment to net obligation	<u>2,185</u>
OPEB cost	<u>5,094</u>
Contributions made	(1,748)
Net OPEB obligation beginning of year	<u>62,432</u>
Net OPEB obligation end of year	<u>\$ 65,778</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 is as follows:

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2014	\$ 5,094	34.3%	\$ 65,778
2013	16,106	12.0	62,432
2012	12,676	21.2	48,268

D. Funding status

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

	<u>June 30, 2014</u>	<u>June 30, 2012</u>	<u>July 1, 2009</u>
Actuarial valuation date			
Actuarial value of assets	\$ -	\$ -	\$ -
Actuarial accrued liability	\$ 69,463	\$ 152,974	\$ 106,578
Unfunded Actuarial Liability (UAL)	\$ 69,463	\$ 152,974	\$ 106,578
Funded ratio	- %	- %	- %
Annual covered payroll	\$ 95,562	\$ 105,550	\$ 109,704
Ratio of UAL to annual covered payroll	72.7%	144.9%	97.2%

Multi-year trend information regarding the actuarial value of plan assets increasing or decreasing over time relative to the actuarial accrued liability is available in the Required Supplementary Information on page 82.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2014

(amounts expressed in thousands)

E. Actuarial methods and assumptions

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

For June 30, 2014, the last actuarial valuation, the actuarial cost method used is the entry age normal method. A 3.50% pay as you go discount/investment rate was used. No actuarial valuation of assets was done as there were no assets at the valuation date. The amortization method is level percent of payroll amortized over 30 years and the period is open. The healthcare cost trend rate used in the actuarial assumptions averaged 6.5% for the medical and dental plans in fiscal year 2013-2014. No salary or post-retirement benefit increases were projected.

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.

XX. Implementation of new accounting principles

GASB statement No. 67, Financial Reporting for Pension Plans, An Amendment of GASB Statement No.25, improves financial reporting by state and local governmental pension plans. This statement replaces the requirements of Statements No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, and No. 50, Pension Disclosures, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria.

GASB statement No. 69, Government Combinations and Disposals of Government Operations, provides specific accounting and financial reporting guidance for combinations in the governmental environment. This statement requires the use of carrying values to measure the assets and liabilities in a government merger and requires measurements of assets acquired and liabilities assumed generally to be based upon

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2014

(amounts expressed in thousands)

their acquisition values. This statement also provides guidance for transfers of operations that do not constitute entire legally separate entities and in which no significant consideration is exchanged.

GASB statement No. 70, Accounting and Reporting for Nonexchange Financial Guarantees, improves financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. This statement also requires a government that has issued an obligation guaranteed in a nonexchange transaction to recognize revenue to the extent of the reduction in its guaranteed liabilities. In addition, this statement requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor.

XXI. Subsequent events

On October 14, 2014, the Mayor and City Council approved an amendment to an intergovernmental agreement with the City of Phoenix whereby the City of Glendale agrees to purchase 14.2 acres of land near the Camelback Ranch development used for baseball spring training. The total payments will be \$3,091 with the last payment being made no later than October 19, 2019.

On November 24, 2014, the Mayor and City Council adopted an ordinance to authorize the City Manager or the Chief Financial Officer to refinance the City's various outstanding excise tax revenue bonds, general obligation bonds, water and sewer revenue bonds, and transportation excise tax revenue bonds. The refinancing must generate a minimum savings, net of all issuance cost, of 2.5%. The refunding bonds are estimated to be sold in January 2015.

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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, 2014

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CITY OF GLENDALE, ARIZONA
Schedule of Funding Progress
June 30, 2014
(amounts expressed in thousands)

Three-Year Trend Information for PSPRS

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

Valuation Date June 30	Actuarial Value of Plan Assets	Actuarial Accrued Liability	Funding Liability (Excess)	Funded Ratio	Annual Covered Payroll	Unfunded Liability as Percentage of Covered Payroll
Fire						
2013	\$ 88,686	\$ 124,713	\$ 36,027	71.1 %	\$ 18,548	194.2 %
2012	84,891	119,523	34,631	71.0	18,406	188.2
2011	77,133	104,035	26,902	74.1	16,811	160.0

Valuation Date June 30	Actuarial Value of Plan Assets	Actuarial Accrued Liability	Funding Liability (Excess)	Funded Ratio	Annual Covered Payroll	Unfunded Liability as Percentage of Covered Payroll
Police						
2013	\$ 108,107	\$ 192,310	\$ 84,203	56.2 %	\$ 28,336	297.2 %
2012	102,979	182,264	79,285	56.5	29,356	270.1
2011	96,829	157,063	60,234	61.6	27,576	218.4

GASB Statement No. 45 Supplementary Information

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

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						
2013	\$ -	\$ 2,942	\$ 2,942	0.0 %	\$ 18,548	15.86 %
2012	-	2,902	2,902	0.0	18,406	15.77
2011	-	2,900	2,900	0.0	16,811	17.25
Police						
2013	\$ -	\$ 5,603	\$ 5,603	0.0 %	\$ 28,336	19.77 %
2012	-	5,437	5,437	0.0	29,356	18.52
2011	-	5,397	5,397	0.0	27,576	19.57

CITY OF GLENDALE, ARIZONA
 Schedule of Funding Progress (continued)
 June 30, 2014
 (amounts expressed in thousands)

Other Post-Employment Benefits (OPEB)

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfund AAL (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a % of Covered Payroll
7/1/2009	\$ -	\$ 106,578	\$ 106,578	0.0 %	\$ 109,704	97.2 %
6/30/2012	-	152,974	152,974	0.0	105,550	144.9
6/30/2014	-	69,463	69,463	0.0	95,562	72.7

The actuarial accrued liability and OPEB cost are significantly lower than the prior valuation. The large increase in retiree contributions have decreased the City's cost of providing the benefits to the retirees and have reduced current and expected future retiree participation in the plan. In fiscal year 2014 the retiree contributions increased an average of 58% for medical coverage and 48% for dental. Due to the increase in retiree contributions, the assumption for participation rate was also decreased.

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City of Glendale, Arizona
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2013	\$ 20,713	\$ 20,713	\$ 33,348	\$ 12,635
RESOURCES (INFLOWS):				
Taxes	91,030	91,030	96,943	5,913
Licenses and permits	8,672	8,672	9,833	1,161
Intergovernmental	52,460	52,460	54,005	1,545
Charges for services	31,243	31,243	35,881	4,638
Fines and forfeitures	3,336	3,336	3,735	399
Investment income (loss)	274	274	444	170
Proceeds from disposal of assets	250	250	140	(110)
Loan proceeds	-	-	25	25
Miscellaneous	3,466	3,467	2,543	(924)
Total revenues	<u>190,731</u>	<u>190,732</u>	<u>203,549</u>	<u>12,817</u>
Add: Transfers in	13,859	14,687	340	(14,347)
Less: Transfers out	<u>(44,788)</u>	<u>(45,361)</u>	<u>(30,878)</u>	<u>14,483</u>
Amounts available for appropriation	<u>180,515</u>	<u>180,771</u>	<u>206,359</u>	<u>25,588</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General government	33,152	39,795	39,090	705
Public safety	84,658	86,035	84,565	1,470
Public works	21,221	21,221	19,878	1,343
Community services	14,545	14,608	13,586	1,022
Community environment	20	20	11	9
Street maintenance	938	937	437	500
Contingencies	8,045	-	-	-
Miscellaneous	2,464	2,463	2,264	199
Debt service:				
Principal	2,127	2,124	968	1,156
Interest	2,206	2,206	765	1,441
Capital outlay	4,715	4,992	2,245	2,747
Total charges to appropriations	<u>174,091</u>	<u>174,401</u>	<u>163,809</u>	<u>10,592</u>
Budgetary fund balance, June 30, 2014	<u>\$ 6,424</u>	<u>\$ 6,370</u>	<u>\$ 42,550</u>	<u>\$ 36,180</u>

(Continued)

City of Glendale, Arizona
Budgetary Comparison Schedule (continued)
General Fund
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 206,359
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.	(33,348)
Indirect cost allocation	(9,200)
Interest earned on restricted investments not available for appropriation	248
Internal charges for services provided.	(13,039)
Proceeds from disposal of assets.	(140)
Interfund loan from water and sewer	(25)
Revenue reported on a GAAP basis.	929
Less: Transfers in.	(340)
Add: Transfers out.	30,878
Total revenues as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 182,322</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 163,809
Differences - budget to GAAP:	
Principal retirement.	(225)
Capital outlay funded by long-term debt.	295
Internal charges for services provided.	(21,763)
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 142,116</u>

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

City of Glendale, Arizona
Budgetary Comparison Schedule
Transportation Fund
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2013	\$ 29,929	\$ 29,929	\$ 30,306	\$ 377
RESOURCES (INFLOWS):				
Taxes	22,358	22,358	22,919	561
Intergovernmental	6,490	6,490	3,958	(2,532)
Charges for services	139	140	119	(21)
Investments	80	80	114	34
Proceeds from disposal of assets	-	-	14	14
Miscellaneous revenues	2,000	2,000	59	(1,941)
Total revenues	<u>31,067</u>	<u>31,068</u>	<u>27,183</u>	<u>(3,885)</u>
Add: Transfers in	1,567	1,567	900	(667)
Less: Transfers out	<u>(31,808)</u>	<u>(31,849)</u>	<u>(14,105)</u>	<u>17,744</u>
Amounts available for appropriation	<u>30,755</u>	<u>30,715</u>	<u>44,284</u>	<u>13,569</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Community services	13,755	14,207	9,810	4,397
Capital outlay	6,460	5,694	2,995	2,699
Total charges to appropriations	<u>20,215</u>	<u>19,901</u>	<u>12,805</u>	<u>7,096</u>
Budgetary fund balance, June 30, 2014	<u>\$ 10,540</u>	<u>\$ 10,814</u>	<u>\$ 31,479</u>	<u>\$ 20,665</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.	\$ 44,284
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.	(30,306)
Proceeds from disposal of assets.	(14)
Revenue reported on a GAAP basis	193
Less: Transfers in.	(900)
Add: Transfers out.	14,105
Total revenues as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 27,362</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 12,805
Differences - budget to GAAP:	
Internal charges for services provided.	(6)
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 12,799</u>

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

CITY OF GLENDALE, ARIZONA

Notes to Required Supplementary Information

June 30, 2014

(amounts expressed in thousands)

I. Budgetary basis of accounting

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

II. Budgetary information

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

1. Prior to the first of June of each year, the City Manager submits to the Mayor and Council a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed operating, capital and debt service expenditures and the means of financing them.
2. The projected beginning budgeted fund balances for each fund are based on preliminary estimates of the June 30th ending actual budget basis fund balances rather than the June 30th ending budgeted fund balances. These two amounts will differ because of differences in actual results for the year versus planned results and by unused contingency appropriations.
3. Prior to July 1, after receiving comments in a public hearing, a tentative budget is adopted by the City Council, which sets an upper-dollar limit for all funds combined, beyond which the City may not increase appropriations. After two weeks of legal advertising, the City Council legally adopts a final budget ordinance, which sets appropriations for each fund.
4. Budget basis expenditures may not exceed appropriations for each fund, except in conjunction with the transfer of contingency funds and/or unused appropriation authority from another fund that is backed by additional revenue or fund balance in the fund receiving the appropriation. Contingency funds are appropriated for several funds as identified in the budget basis schedules and may only be transferred with City Council approval. The City Council may reallocate appropriations through budget amendments, but may not increase total appropriations above the total budget, which was legally adopted for the fiscal year.
5. The City Council may authorize a transfer of unencumbered appropriation balanced within an individual city office, department or agency at any time during the fiscal year. During the last three months of the fiscal year, the City Council may approve transfers among city offices, departments, and agencies as necessary. Interfund transfers (i.e., transfers between funds) must be specifically approved by City Council. Procedures for requesting City Council approval of appropriation transfers and delegation of budget responsibility will be set by the City Manager.
6. Budgetary authorization and spending management controls are employed during the year for all funds.

III. Contingency appropriation

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

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



City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

COMBINING STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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City of Glendale, Arizona
Budgetary Comparison Schedule
Western Loop 101 Public Facilities Corporation Debt Service Fund
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2013	\$ -	\$ -	\$ 58	\$ 58
RESOURCES (INFLOWS):				
Miscellaneous revenues	-	-	40	40
Total revenues	-	-	40	40
Amounts available for appropriation	-	-	98	98
Budgetary fund balance, June 30, 2014	\$ -	\$ -	\$ 98	\$ 98

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. \$ 98

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. (58)

Miscellaneous. (40)

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

City of Glendale, Arizona
Budgetary Comparison Schedule
General Obligation Debt Service Fund
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2013	\$ 12,746	\$ 12,746	\$ 12,641	\$ (105)
RESOURCES (INFLOWS):				
Taxes	18,977	18,978	18,775	(203)
Intergovernmental	648	648	601	(47)
Total inflows	<u>19,625</u>	<u>19,626</u>	<u>19,376</u>	<u>(250)</u>
Add: Transfers in	209	209	-	(209)
Amounts available for appropriation	<u>32,580</u>	<u>32,581</u>	<u>32,017</u>	<u>(564)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Miscellaneous	30	30	7	23
Debt service:				
Principal	15,320	15,320	15,320	-
Interest	7,380	7,380	7,380	-
Total charges to appropriations	<u>22,730</u>	<u>22,730</u>	<u>22,707</u>	<u>23</u>
Budgetary fund balance, June 30, 2014	<u>\$ 9,850</u>	<u>\$ 9,851</u>	<u>\$ 9,310</u>	<u>\$ (541)</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.	\$ 32,017
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.	<u>(12,641)</u>
Total revenues as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 19,376</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 22,707
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 22,707</u>

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NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

Community Development Block Grants Fund

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

Highway User Gas Tax Fund

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

Police and Fire Sales Tax Fund

This fund accounts for police and fire activities funded by a .5 percent sales tax levied directly by voter initiative.

Federal Stimulus Fund

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

Other Special Revenue Fund

This fund accounts for various activities, including the airport, miscellaneous grants, and other recreation programs.

Debt Service Funds

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Highway User Debt Service Fund

This fund accumulates monies for payment of all street and highway revenue bonds of the City. Highway user fuel taxes are transferred from other funds to fund this debt.

Municipal Property Corporation Debt Service

This fund accounts for building lease payments received from the general fund and subsequently paid as debt service to Municipal Property Corporation bondholders.

Transportation Debt Service

This fund accumulates monies for payment of the transportation revenue bonds. Transportation excise taxes are transferred from a special revenue fund to fund this debt.

Capital Projects Funds

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

Development Impact Fees Fund

This fund accounts for fees covered by Chapter 28, Article VI of the Municipal Code and is restricted in use by ARS 9-463.05. The fees are used exclusively to provide the necessary public facilities and services for development. Residential development impact fees may be spent only in the district (residential development district, not political district) in which they are collected.

Streets Construction Fund

This fund accounts for the construction of streets, sidewalks, streetlights, traffic signals, and street landscaping funded through GO and revenue bonds issued under authorizations approved by voters on March 10, 1987, and November 2, 1999. In addition, this fund accounts for transportation projects funded by transportation excise tax revenue bonds issued on October 27, 2007.

Fire and Police Construction Fund

This fund accounts for the construction of fire and police department facilities. Funding is provided through GO bonds issued under authorizations approved by voters on March 10, 1987, and November 2, 1999.

Parks Bond Construction Fund

This fund accounts for the construction of parks and recreation improvements.

Other Construction Fund

This fund accounts for the construction of various City projects. Funding is provided through GO bonds issued under authorizations approved by voters on March 10, 1987, and November 2, 1999, and the Federal Aviation Administration.

- Flood control facilities
- Library
- Transit projects
- Economic development
- Open space/trails
- Government facilities
- Cultural facilities

Permanent Fund

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting City's programs.

Cemetery Perpetual Care Fund

This fund is used to account for the revenues received by the City from the sale of cemetery lots and other related services.

City of Glendale, Arizona
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2014
(amounts expressed in thousands)

	Special Revenue Funds				
	Community Development Block Grants	Highway User Gas Tax	Police and Fire Sales Tax	Federal Stimulus	Other
ASSETS					
Assets:					
Equity in pooled cash and investments	\$ -	\$ 18,603	\$ 10,130	\$ 145	\$ 1,232
Receivables, net of allowance for doubtful accounts					
Accounts	4,066	-	2,163	-	-
Intergovernmental receivable	814	1,204	-	-	1,190
Inventories and prepaid items	-	103	-	-	-
Restricted cash and investments	-	-	-	-	4,993
Total assets	<u>4,880</u>	<u>19,910</u>	<u>12,293</u>	<u>145</u>	<u>7,415</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Vouchers payable	251	247	921	-	626
Accounts payable	28	-	-	-	1
Retainage payable	-	-	-	-	-
Compensated absences - current	4	18	-	-	10
Intergovernmental payable	-	-	-	-	1
Due to other funds	455	-	-	-	971
Deposits	-	-	-	-	9
Unearned revenue	4,061	-	-	111	2,013
Matured interest payable	-	-	-	-	-
Matured bonds payable	-	-	-	-	-
Total liabilities	<u>4,799</u>	<u>265</u>	<u>921</u>	<u>111</u>	<u>3,631</u>
Deferred Inflows of Resources	-	-	272	-	-
Fund balances:					
Nonspendable	-	103	-	-	-
Restricted	81	19,542	11,100	34	3,459
Committed	-	-	-	-	123
Assigned	-	-	-	-	202
Total fund balances	<u>81</u>	<u>19,645</u>	<u>11,100</u>	<u>34</u>	<u>3,784</u>
Total liabilities, deferred outflows of resources and fund balances	<u>\$ 4,880</u>	<u>\$ 19,910</u>	<u>\$ 12,293</u>	<u>\$ 145</u>	<u>\$ 7,415</u>

Debt Service Funds			Capital Project Funds					Permanent Fund	Total Non-Major Governmental Funds
Highway User	Municipal Property Corporation Debt Service	Transportation	Development Impact Fees	Streets Construction	Fire and Police Construction	Parks Bond Construction	Other Construction	Cemetery Perpetual Care	
\$ 35	\$ 2,025	\$ 6	\$ 12,750	\$ 3,520	\$ 1,929	\$ 160	\$ 8,258	\$ 5,637	\$ 64,430
-	-	-	-	-	-	-	-	123	6,352
-	-	-	-	-	-	-	-	-	3,208
-	-	-	-	-	-	-	-	-	103
4,520	18,024	5,225	-	-	-	-	-	-	32,762
<u>4,555</u>	<u>20,049</u>	<u>5,231</u>	<u>12,750</u>	<u>3,520</u>	<u>1,929</u>	<u>160</u>	<u>8,258</u>	<u>5,760</u>	<u>106,855</u>
-	-	-	3	158	-	6	26	-	2,238
-	-	-	-	-	-	-	-	-	29
-	-	-	-	-	-	-	3	-	3
-	-	-	-	-	-	-	-	-	32
-	-	-	-	-	-	-	-	-	1
-	1,064	-	-	-	-	-	-	-	2,490
-	-	-	-	-	-	-	-	-	9
-	-	-	-	410	-	-	23	-	6,618
165	11,476	2,100	-	-	-	-	-	-	13,741
4,355	6,500	3,125	-	-	-	-	-	-	13,980
<u>4,520</u>	<u>19,040</u>	<u>5,225</u>	<u>3</u>	<u>568</u>	<u>-</u>	<u>6</u>	<u>52</u>	<u>-</u>	<u>39,141</u>
-	-	-	-	-	-	-	-	123	395
-	-	-	-	-	-	-	-	5,637	5,740
35	1,009	6	12,747	2,952	1,929	154	8,206	-	61,254
-	-	-	-	-	-	-	-	-	123
-	-	-	-	-	-	-	-	-	202
<u>35</u>	<u>1,009</u>	<u>6</u>	<u>12,747</u>	<u>2,952</u>	<u>1,929</u>	<u>154</u>	<u>8,206</u>	<u>5,637</u>	<u>67,319</u>
<u>\$ 4,555</u>	<u>\$ 20,049</u>	<u>\$ 5,231</u>	<u>\$ 12,750</u>	<u>\$ 3,520</u>	<u>\$ 1,929</u>	<u>\$ 160</u>	<u>\$ 8,258</u>	<u>\$ 5,760</u>	<u>\$ 106,855</u>

City of Glendale, Arizona
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	Special Revenue Funds				
	Community Development Block Grants	Highway User Gas Tax	Police and Fire Sales Tax	Federal Stimulus	Other
REVENUES					
Taxes and special assessments	\$ -	\$ -	\$ 19,766	\$ -	\$ -
Licenses and permits	-	-	-	-	1
Intergovernmental	4,079	12,790	-	257	5,674
Charges for services	-	-	-	-	1,020
Investments	-	-	-	-	22
Local	-	-	-	-	18
Miscellaneous	735	1	194	-	664
Total revenues	<u>4,814</u>	<u>12,791</u>	<u>19,960</u>	<u>257</u>	<u>7,399</u>
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Public safety	-	-	19,546	-	3,822
Public works	-	-	-	-	7
Community services	-	-	-	149	1,914
Community environment	4,582	-	-	-	1,233
Street maintenance	-	7,883	-	-	-
Miscellaneous	-	-	-	23	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay	217	15	259	75	1,587
Total expenditures	<u>4,799</u>	<u>7,898</u>	<u>19,805</u>	<u>247</u>	<u>8,563</u>
Excess (deficiency) of revenues over expenditures	<u>15</u>	<u>4,893</u>	<u>155</u>	<u>10</u>	<u>(1,164)</u>
OTHER FINANCING SOURCES (USES)					
Capital lease proceeds	8	-	-	-	-
Proceeds from equipment disposal	-	-	-	-	12
Transfers in	-	15	-	-	193
Transfers out	-	(3,716)	-	-	(6)
Total other financing sources and uses	<u>8</u>	<u>(3,701)</u>	<u>-</u>	<u>-</u>	<u>199</u>
Net change in fund balances	23	1,192	155	10	(965)
Fund balances, July 1	58	18,453	10,945	24	4,749
Fund balances, June 30	<u>\$ 81</u>	<u>\$ 19,645</u>	<u>\$ 11,100</u>	<u>\$ 34</u>	<u>\$ 3,784</u>

Debt Service Funds			Capital Projects Funds					Permanent Fund		Total Non-Major Governmental Funds
Highway User	Municipal Property Corporation Debt Service	Transportation	Development Impact Fees	Streets Construction	Fire and Police Construction	Parks Bond Construction	Other Construction	Cemetery Perpetual Care		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,766
-	-	-	1,688	-	-	-	-	-	-	1,689
-	-	-	-	-	-	-	-	-	-	22,800
-	-	-	-	-	-	-	-	-	-	1,020
-	-	-	44	5	-	-	2	21	-	94
-	-	-	-	-	-	-	-	-	-	18
-	31	-	60	16	-	-	-	-	-	1,701
-	31	-	1,792	21	-	-	2	21	-	47,088
-	-	-	49	26	-	4	142	-	-	221
-	-	-	-	-	-	-	-	-	-	23,368
-	-	-	-	-	-	9	3	-	-	19
-	-	-	156	75	-	-	-	-	-	2,294
-	-	-	-	-	-	-	-	-	-	5,815
-	-	-	-	32	-	-	-	-	-	7,915
-	27	2	-	-	-	-	-	-	-	52
4,355	6,500	3,125	-	-	-	-	-	-	-	13,980
331	22,951	4,201	-	-	-	-	-	-	-	27,483
-	-	-	-	6,567	254	115	38	-	-	9,127
4,686	29,478	7,328	205	6,700	254	128	183	-	-	90,274
(4,686)	(29,447)	(7,328)	1,587	(6,679)	(254)	(128)	(181)	21	-	(43,186)
-	-	-	-	-	-	-	-	-	-	8
-	8	-	-	-	-	-	-	-	-	20
4,696	29,496	7,331	-	5,733	-	-	-	-	-	47,464
-	-	-	-	(62)	-	(1)	-	-	-	(3,785)
4,696	29,504	7,331	-	5,671	-	(1)	-	-	-	43,707
10	57	3	1,587	(1,008)	(254)	(129)	(181)	21	-	521
25	952	3	11,160	3,960	2,183	283	8,387	5,616	-	66,798
\$ 35	\$ 1,009	\$ 6	\$ 12,747	\$ 2,952	\$ 1,929	\$ 154	\$ 8,206	\$ 5,637	-	\$ 67,319

City of Glendale, Arizona
Budgetary Comparison Schedule
Community Development Block Grants Fund
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2013	\$ -	\$ -	\$ 64	\$ 64
RESOURCES (INFLOWS):				
Intergovernmental	6,328	6,328	4,079	(2,249)
Miscellaneous	1,413	1,413	735	(678)
Total revenues	<u>7,741</u>	<u>7,741</u>	<u>4,814</u>	<u>(2,927)</u>
Amounts available for appropriation	<u>7,741</u>	<u>7,741</u>	<u>4,878</u>	<u>(2,863)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Community environment	7,741	7,741	4,585	3,156
Capital Outlay	-	-	208	(208)
Total charges to appropriations	<u>7,741</u>	<u>7,741</u>	<u>4,793</u>	<u>2,948</u>
Budgetary fund balance, June 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 85</u>	<u>\$ 85</u>
Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures				
Sources/inflows of resources:				
Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule.				\$ 4,878
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.				(64)
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balance - governmental funds.				<u>\$ 4,814</u>
Uses/outflows of resources:				
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.				\$ 4,793
Differences - budget to GAAP:				
Community environment.				(3)
Capital outlay.				9
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.				<u>\$ 4,799</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Highway Users Gas Tax Fund
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2013	\$ 18,751	\$ 18,751	\$ 18,528	\$ (223)
RESOURCES (INFLOWS):				
Intergovernmental	12,791	12,791	12,790	(1)
Miscellaneous	-	-	1	1
Total revenues	12,791	12,791	12,791	-
Add: Transfers in	-	-	15	15
Amounts available for appropriation	31,542	31,542	31,334	(208)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Street maintenance	11,746	9,072	7,880	1,192
Capital outlay	29	28	15	13
Transfers out	3,696	3,716	3,716	-
Total charges to appropriations	15,471	12,816	11,611	1,205
Budgetary fund balance, June 30, 2014	\$ 16,071	\$ 18,726	\$ 19,723	\$ 997

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.	\$ 31,334
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(18,528)
Less: Transfers in.	(15)
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 12,791

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 11,611
Differences - budget to GAAP:	
Street maintenance.	3
Transfers out	(3,716)
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 7,898

City of Glendale, Arizona
Budgetary Comparison Schedule
Police and Fire Sales Tax Fund
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2013	\$ 6,995	\$ 6,995	\$ 11,104	\$ 4,109
RESOURCES (INFLOWS):				
Taxes	19,914	19,914	19,573	(341)
Miscellaneous	234	235	176	(59)
Total revenues	<u>20,148</u>	<u>20,149</u>	<u>19,749</u>	<u>(400)</u>
Amounts available for appropriation	<u>27,143</u>	<u>27,144</u>	<u>30,853</u>	<u>3,709</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Public safety	22,421	22,421	19,687	2,734
Capital outlay	120	120	259	(139)
Total charges to appropriations	<u>22,541</u>	<u>22,541</u>	<u>19,946</u>	<u>2,595</u>
Budgetary fund balance, June 30, 2014	<u>\$ 4,602</u>	<u>\$ 4,603</u>	<u>\$ 10,907</u>	<u>\$ 6,304</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.	\$ 30,853
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(11,104)
Revenue reported on a GAAP basis.	193
Miscellaneous.	18
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 19,960</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 19,946
Differences - budget to GAAP:	
Salaries payable.	(141)
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 19,805</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Federal Stimulus Fund
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2013	\$ 17	\$ 17	\$ 24	\$ 7
RESOURCES (INFLOWS):				
Intergovernmental	33	33	233	200
Total revenues	33	33	233	200
Amounts available for appropriation	50	50	257	207
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Community services	50	270	149	121
Capital outlay	-	-	75	(75)
Total charges to appropriations	50	270	224	46
Budgetary fund balance, June 30, 2014	\$ -	\$ (220)	\$ 33	\$ 253
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.				\$ 257
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.				\$ 257
Uses/outflows or resources:				
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.				\$ 224
Differences - budget to GAAP:				
Miscellaneous.				23
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.				\$ 247

City of Glendale, Arizona
Budgetary Comparison Schedule
Other Special Revenue Fund
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2013	\$ 3,382	\$ 3,382	\$ 4,766	\$ 1,384
RESOURCES (INFLOWS):				
Licenses and permits			1	1
Intergovernmental	16,961	16,941	5,674	(11,267)
Charges for services	1,116	1,116	993	(123)
Investments	8	8	22	14
Proceeds from equipment disposal	-	-	12	12
Local	-	-	18	18
Miscellaneous	8,199	8,199	664	(7,535)
Total revenues	26,284	26,264	7,384	(18,880)
Add: Transfers in	251	251	193	(58)
Less: Transfers out	-	(6)	(6)	-
Amounts available for appropriation	29,917	29,891	12,337	(17,554)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Public safety	10,886	10,666	3,821	6,845
Public works	97	97	7	90
Community services	2,313	2,585	1,888	697
Community environment	1,328	1,328	1,233	95
Capital outlay	15,082	14,810	-	14,810
Capital outlay	-	-	1,587	(1,587)
Total charges to appropriations	29,706	29,486	8,536	20,950
Budgetary fund balance, June 30, 2014	\$ 211	\$ 405	\$ 3,801	\$ 3,396

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.	\$ 12,337
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.	(4,766)
Proceeds from equipment disposal.	(12)
Charges for services.	27
Less: Transfers in.	(193)
Add: Transfers out.	6
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 7,399

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 8,536
Differences - budget to GAAP:	
Salaries payable.	27
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 8,563

City of Glendale, Arizona
Budgetary Comparison Schedule
Highway User Debt Service Fund
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2013	\$ -	\$ -	\$ 25	\$ 25
RESOURCES (INFLOWS):				
Add: Transfers in	4,696	4,696	4,696	-
Amounts available for appropriation	<u>4,696</u>	<u>4,696</u>	<u>4,721</u>	<u>25</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Miscellaneous	10	10	-	10
Debt service:				
Principal	4,355	4,355	4,355	-
Interest	331	331	331	-
Total charges to appropriations	<u>4,696</u>	<u>4,696</u>	<u>4,686</u>	<u>10</u>
Budgetary fund balance, June 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35</u>	<u>\$ 35</u>

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 4,721
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(25)
Less: Transfers in.	<u>(4,696)</u>
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ -</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 4,686
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 4,686</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Municipal Property Corporation Debt Service Fund
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2013	\$ 2,111	\$ 2,111	\$ 952	\$ (1,159)
RESOURCES (INFLOWS):				
Proceeds from equipment disposal	-	-	8	8
Miscellaneous revenues	-	-	31	31
Total revenues	-	-	39	39
Add: Transfers in	29,496	29,496	29,496	-
Amounts available for appropriation	<u>31,607</u>	<u>31,607</u>	<u>30,487</u>	<u>(1,120)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General administration	-	-	9	(9)
Miscellaneous	45	44	18	26
Debt service:				
Principal	6,500	6,500	6,500	-
Interest	22,951	22,951	22,951	-
Total charges to appropriations	<u>29,496</u>	<u>29,495</u>	<u>29,478</u>	<u>17</u>
Budgetary fund balance, June 30, 2014	<u>\$ 2,111</u>	<u>\$ 2,112</u>	<u>\$ 1,009</u>	<u>\$ (1,103)</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.	\$ 30,487
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.	(952)
Less: Transfers in.	(29,496)
Less: Proceeds from equipment disposal.	(8)
Total revenues as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 31</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 29,478
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 29,478</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Transportation Debt Service Fund
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2013	\$ -	\$ -	\$ 3	\$ 3
RESOURCES (INFLOWS):				
Total revenues	-	-	-	-
Add: Transfers in	7,331	7,331	7,331	-
Amounts available for appropriation	<u>7,331</u>	<u>7,331</u>	<u>7,334</u>	<u>3</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Miscellaneous	5	5	2	3
Debt service:				
Principal	3,125	3,125	3,125	-
Interest	4,201	4,201	4,201	-
Total charges to appropriations	<u>7,331</u>	<u>7,331</u>	<u>7,328</u>	<u>3</u>
Budgetary fund balance, June 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6</u>	<u>\$ 6</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.	\$ 7,334
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)
Less: Transfers in.	<u>(7,331)</u>
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ -</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 7,328
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 7,328</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Development Impact Fees Fund
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2013	\$ 10,805	\$ 10,805	\$ 11,162	\$ 357
RESOURCES (INFLOWS):				
Licenses and permits	706	706	1,688	982
Investments	39	39	44	5
Miscellaneous	-	-	60	60
Total revenues	<u>745</u>	<u>745</u>	<u>1,792</u>	<u>1,047</u>
Less: Transfers out	<u>(212)</u>	<u>(212)</u>		<u>212</u>
Amounts available for appropriation	<u>11,338</u>	<u>11,338</u>	<u>12,954</u>	<u>1,616</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
General administration	195	197	49	148
Public safety	1,747	1,750	-	1,750
Community services	8,123	8,134	156	7,978
Capital outlay	<u>1,273</u>	<u>1,257</u>	<u>-</u>	<u>1,257</u>
Total charges to appropriations	<u>11,338</u>	<u>11,338</u>	<u>205</u>	<u>11,133</u>
Budgetary fund balance, June 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,749</u>	<u>\$ 12,749</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.	\$ 12,954
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>(11,162)</u>
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 1,792</u>

Uses/outflows or resources:

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

City of Glendale, Arizona
Budgetary Comparison Schedule
Streets Construction Fund
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2013	\$ 3,425	\$ 3,425	\$ 3,960	\$ 535
RESOURCES (INFLOWS):				
Investments	1	1	5	4
Miscellaneous	-	-	16	16
Long-term debt issued	15,000	15,000	-	(15,000)
Total revenues	15,001	15,001	21	(14,980)
Add: Transfers in	22,810	22,810	5,733	(17,077)
Less: Transfers out	(81)	(80)	(62)	18
Amounts available for appropriation	41,155	41,156	9,652	(31,504)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General administration	702	655	26	629
Community services	916	964	75	889
Street maintenance	281	281	32	249
Capital outlay	39,256	41,167	6,567	34,600
Total charges to appropriations	41,155	43,067	6,700	36,367
Budgetary fund balance, June 30, 2014	\$ -	\$ (1,911)	\$ 2,952	\$ 4,863

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule	\$ 9,652
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.	(3,960)
Less: Transfers In.	(5,733)
Add: Transfers out.	62
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 21

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 6,700
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 6,700

City of Glendale, Arizona
Budgetary Comparison Schedule
Fire and Police Construction Fund
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2013	\$ 2,069	\$ 2,069	\$ 2,183	\$ 114
RESOURCES (INFLOWS):				
Investments	1	1	-	(1)
Total revenues	1	1	-	(1)
Amounts available for appropriation	2,070	2,070	2,183	113
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Public safety	1,747	1,747	-	1,747
Capital outlay	323	323	254	69
Total charges to appropriations	2,070	2,070	254	1,816
Budgetary fund balance, June 30, 2014	\$ -	\$ -	\$ 1,929	\$ 1,929

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule.	\$ 2,183
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.	(2,183)
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ -

Uses/outflows or resources:

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

City of Glendale, Arizona
Budgetary Comparison Schedule
Parks Bond Construction Fund
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2013	\$ 279	\$ 279	\$ 283	\$ 4
RESOURCES (INFLOWS):				
Less: Transfers out	-	-	(1)	(1)
Amounts available for appropriation	<u>279</u>	<u>279</u>	<u>282</u>	<u>3</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General administration	152	16	4	12
Public works	-	-	9	(9)
Capital outlay	<u>127</u>	<u>263</u>	<u>115</u>	<u>148</u>
Total charges to appropriations	<u>279</u>	<u>279</u>	<u>128</u>	<u>151</u>
Budgetary fund balance, June 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 154</u>	<u>\$ 154</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.

\$ 282

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.

(283)

Add: Transfers out.

1

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

\$ -

Uses/outflows or resources:

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

\$ 128

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

\$ 128

City of Glendale, Arizona
Budgetary Comparison Schedule
Other Construction Fund
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2013	\$ 7,222	\$ 7,222	\$ 8,384	\$ 1,162
RESOURCES (INFLOWS):				
Investments	3	3	2	(1)
Total revenues	3	3	2	(1)
Less: Transfers out	(26)	(26)	-	26
Amounts available for appropriation	7,199	7,199	8,386	1,187
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General administration	-	-	142	(142)
Community services	4,724	4,913	-	4,913
Public Works	5	5	3	2
Capital outlay	2,470	2,281	38	2,243
Total charges to appropriations	7,199	7,199	183	7,016
Budgetary fund balance, June 30, 2014	\$ -	\$ -	\$ 8,203	\$ 8,203
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.				\$ 8,386
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.				(8,384)
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.				\$ 2
Uses/outflows or resources:				
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.				\$ 183
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.				\$ 183

City of Glendale, Arizona
Budgetary Comparison Schedule
Cemetery Perpetual Care Fund
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2013	\$ 5,618	\$ 5,618	\$ 5,616	\$ (2)
RESOURCES (INFLOWS):				
Investments	20	20	21	1
Total revenues	20	20	21	1
Amounts available for appropriation	5,638	5,638	5,637	(1)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Public works	5,638	5,638	-	5,638
Total charges to appropriations	5,638	5,638	-	5,638
Budgetary fund balance, June 30, 2014	\$ -	\$ -	\$ 5,637	\$ 5,637

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.

\$ 5,637

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.

(5,616)

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

\$ 21

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NON-MAJOR PROPRIETARY FUNDS – BUSINESS-TYPE ACTIVITIES

Proprietary funds are used to account for City operations that are run like a business. These funds are responsible for providing enough operational revenue to cover all expenses.

Landfill

This fund accounts for the operation of the City owned landfill and recycling operations. Fees charged for the use of the landfill are used to maintain and improve the landfill operations as well as fund future closure costs.

Sanitation

This fund accounts for the City's trash collection services including curb, roll-off, bulk, and front-load services to individuals and businesses. Revenues collected are used to keep the City clean.

Housing

This fund accounts for operations to provide affordable housing to those who cannot afford it in the private market. This is done through administration of Federal Section 8 Housing Choice and Conventional Public Housing programs.

City of Glendale, Arizona
Combining Statement of Net Position
Non-Major Proprietary Funds - Business-Type Activities
June 30, 2014
(amounts expressed in thousands)

	<u>Landfill</u>	<u>Sanitation</u>	<u>Housing</u>	<u>Total</u>
ASSETS				
Current assets:				
Equity in pooled cash and investments	\$ 12,167	\$ 2,369	\$ 2,659	\$ 17,195
Receivables:				
Accounts	570	2,088	1	2,659
Allowance for uncollectibles	(3)	(356)	-	(359)
Intergovernmental receivable	-	-	9	9
Inventories and prepaid items	-	-	21	21
Total current assets	<u>12,734</u>	<u>4,101</u>	<u>2,690</u>	<u>19,525</u>
Noncurrent assets:				
Restricted cash and investments	-	-	93	93
Advance to other funds	20,694	3,941	-	24,635
Capital assets:				
Capital assets	25,093	13,827	14,014	52,934
Accumulated depreciation	<u>(12,825)</u>	<u>(9,681)</u>	<u>(8,986)</u>	<u>(31,492)</u>
Capital assets, net	<u>12,268</u>	<u>4,146</u>	<u>5,028</u>	<u>21,442</u>
Total noncurrent assets	<u>32,962</u>	<u>8,087</u>	<u>5,121</u>	<u>46,170</u>
Total assets	<u>45,696</u>	<u>12,188</u>	<u>7,811</u>	<u>65,695</u>
LIABILITIES				
Current liabilities:				
Vouchers payable	625	172	-	797
Accounts payable	-	-	38	38
Compensated absences	348	262	17	627
Accrued expenses	8	-	-	8
Due to other funds	-	-	2	2
Intergovernmental payable	-	3	12	15
Deposits	79	113	40	232
Unearned Rent	-	-	6	6
Total current liabilities	<u>1,060</u>	<u>550</u>	<u>115</u>	<u>1,725</u>
Noncurrent liabilities:				
Compensated absences	173	102	145	420
OPEB long-term obligations	1,282	2,595	744	4,621
Other long-term debt	-	-	93	93
Estimated closure and post-closure costs	<u>15,166</u>	<u>-</u>	<u>-</u>	<u>15,166</u>
Total noncurrent liabilities	<u>16,621</u>	<u>2,697</u>	<u>982</u>	<u>20,300</u>
Total liabilities	<u>17,681</u>	<u>3,247</u>	<u>1,097</u>	<u>22,025</u>
NET POSITION				
Net investment in capital assets	12,268	4,146	5,028	21,442
Restricted for:				
Other purposes	-	-	1,686	1,686
Unrestricted	<u>15,747</u>	<u>4,795</u>	<u>-</u>	<u>20,542</u>
Total net position	<u>\$ 28,015</u>	<u>\$ 8,941</u>	<u>\$ 6,714</u>	<u>\$ 43,670</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, 2014

(amounts expressed in thousands)

	Business-Type Activities Enterprise Funds			
	Landfill	Sanitation	Housing	Total
Operating revenues:				
Intergovernmental	\$ -	\$ -	\$ 9,090	\$ 9,090
Container service	-	4,127	-	4,127
Curb service	-	10,725	-	10,725
Landfill user fees	6,792	-	-	6,792
Recycling sales	1,719	-	-	1,719
Other fees	235	-	3,502	3,737
Total operating revenues	<u>8,746</u>	<u>14,852</u>	<u>12,592</u>	<u>36,190</u>
Operating expenses:				
Landfill	6,514	-	-	6,514
Housing	-	-	12,602	12,602
Closure/post-closure care adjustment	213	-	-	213
Sanitation	-	12,924	-	12,924
Depreciation	832	1,398	451	2,681
Total operating expenses	<u>7,559</u>	<u>14,322</u>	<u>13,053</u>	<u>34,934</u>
Operating income (loss)	<u>1,187</u>	<u>530</u>	<u>(461)</u>	<u>1,256</u>
Nonoperating revenues (expenses):				
Investment income	126	20	1	147
Interest expense	-	(3)	-	(3)
Gain (loss) on disposal of assets	19	148	-	167
OPEB expense	(69)	(134)	(39)	(242)
Total nonoperating revenue (expenses)	<u>76</u>	<u>31</u>	<u>(38)</u>	<u>69</u>
Income (loss) before contributions and transfers	1,263	561	(499)	1,325
Transfers in	-	-	274	274
Transfers out	(25)	(40)	-	(65)
Change in net position	<u>1,238</u>	<u>521</u>	<u>(225)</u>	<u>1,534</u>
Total net position - beginning	26,777	8,420	6,939	42,136
Total net position - ending	<u>\$ 28,015</u>	<u>\$ 8,941</u>	<u>\$ 6,714</u>	<u>\$ 43,670</u>

City of Glendale, Arizona

Combining Statement of Cash Flows

Non-Major Proprietary Funds - Business-Type Activities

For the Fiscal Year Ended June 30, 2014

(amounts expressed in thousands)

	Landfill	Sanitation	Housing	Total
Cash flows from operating activities:				
Cash received from customers	\$ 8,672	\$ 15,086	\$ 3,365	\$ 27,123
Cash received from federal operating grants	-	-	9,164	9,164
Cash paid to suppliers:				
Internal city departments	(1,229)	(7,679)	-	(8,908)
External vendors	(2,217)	(1,142)	(11,502)	(14,861)
Cash paid to employees for services	(2,674)	(4,299)	(1,168)	(8,141)
Net cash provided (used) by operating activities	<u>2,552</u>	<u>1,966</u>	<u>(141)</u>	<u>4,377</u>
Cash flows from noncapital financing activities:				
Transfers in	-	-	274	274
Transfers out	(25)	(40)	-	(65)
Advances to/due from other funds	351	20	-	371
Advances from/due to other funds	-	(246)	(1)	(247)
Net cash provided by (used) noncapital financing activities	<u>326</u>	<u>(266)</u>	<u>273</u>	<u>333</u>
Cash flows from capital and related financing activities:				
Increase principal obligations	-	-	16	16
Acquisition of capital assets and rights	(506)	(777)	(118)	(1,401)
Interest payments on obligations	-	(3)	-	(3)
Net cash (used) capital and related financing activities	<u>(506)</u>	<u>(780)</u>	<u>(102)</u>	<u>(1,388)</u>
Cash flows from investing activities:				
Interest received from investments	126	20	1	147
Net cash provided by investing activities	<u>126</u>	<u>20</u>	<u>1</u>	<u>147</u>
Net increase (decrease) in cash and cash equivalents during fiscal year	2,498	940	31	3,469
Cash and cash equivalents, July 1	9,669	1,429	2,721	13,819
Cash and cash equivalents, June 30	<u>\$ 12,167</u>	<u>\$ 2,369</u>	<u>\$ 2,752</u>	<u>\$ 17,288</u>

	<u>Landfill</u>	<u>Sanitation</u>	<u>Housing</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 1,187	\$ 530	\$ (461)	\$ 1,256
Adjustments to reconcile operating income (loss) to net cash provided (used) by operations:				
Depreciation	832	1,398	451	2,681
Changes in assets and liabilities:				
Accounts receivable	(9)	82	4	77
Intergovernmental receivable	-	-	62	62
Inventories and prepaid items	-	-	20	20
Vouchers payable	287	(96)	-	191
Accounts payable	-	-	(27)	(27)
Accrued expenses	8	-	-	8
Intergovernmental payable	-	3	12	15
Deposits	(46)	4	1	(41)
Unearned rent	-	-	(142)	(142)
Compensated absences	99	(103)	(61)	(65)
Proceeds from disposal of assets	(19)	148	-	129
Estimated closure and post-closure costs	213	-	-	213
Net cash provided by (used) operating activities	<u>\$ 2,552</u>	<u>\$ 1,966</u>	<u>\$ (141)</u>	<u>\$ 4,377</u>
Reconciliation of statement of net position cash and investments to the statement of cash flows:				
Per combined statement of net assets:				
Equity in pooled cash and investments	\$ 12,167	\$ 2,369	\$ 2,659	\$ 17,195
Restricted cash and investments	-	-	93	93
Total cash and cash equivalents	<u>\$ 12,167</u>	<u>\$ 2,369</u>	<u>\$ 2,752</u>	<u>\$ 17,288</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Water and Sewer Fund
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2013	\$ 70,476	\$ 70,476	\$ 76,483	\$ 6,007
RESOURCES (INFLOWS):				
Intergovernmental	-	-	283	283
Charges for services:				
Metered water sales	43,555	43,555	45,196	1,641
Sewer service charges	31,108	31,109	32,451	1,342
Impact fees	1,115	1,115	811	(304)
Other fees	1,729	1,729	1,715	(14)
Investments	120	120	316	196
Miscellaneous	65	65	724	659
Proceeds from loan	559	559	75	(484)
Proceeds from equipment disposal	10	10	-	(10)
Total revenues	<u>78,261</u>	<u>78,262</u>	<u>81,571</u>	<u>3,309</u>
Less: Transfers out	<u>(83)</u>	<u>(214)</u>	<u>(145)</u>	<u>69</u>
Amounts available for appropriation	<u>148,654</u>	<u>148,524</u>	<u>157,909</u>	<u>9,385</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General administration	12,617	12,517	11,843	674
Water	21,768	21,767	17,843	3,924
Sewer	14,588	14,587	12,753	1,834
Contingencies	5,000	5,000	-	5,000
Capital outlay	17,546	17,640	2,254	15,386
Debt service:				
Principal	11,230	11,230	15,725	(4,495)
Interest	<u>12,947</u>	<u>12,947</u>	<u>12,739</u>	<u>208</u>
Total charges to appropriations	<u>95,696</u>	<u>95,688</u>	<u>73,157</u>	<u>22,531</u>
Budgetary fund balance, June 30, 2014	<u>\$ 52,958</u>	<u>\$ 52,836</u>	<u>\$ 84,752</u>	<u>\$ 31,916</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.	\$	157,909
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.		(76,483)
Revenues offset directly by bad debt expense on budgetary basis.		319
Proceeds from loan.		(75)
Internal staff and administrative charges reported as revenue only on budgetary basis.		(82)
Add: Transfers out.		145
Total revenues as reported on the statement of revenues, expenses, and changes in fund net position, excluding capital contributions.	\$	<u>81,733</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$	73,157
Differences - budget to GAAP:		
Capital outlay expenditure.		(2,254)
Change in compensated absences liability.		171
Amortization and depreciation expense.		20,226
Loss on Joint Venture		3,764
Principal payments on long-term obligations.		(15,725)
OPEB expense.		409
Interest expense.		(2,553)
Change in accrued payroll.		(66)
Total expenses as reported in the statement of revenues, expenses, and changes in fund net position, excluding loss from joint venture.	\$	<u>77,129</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Landfill Fund
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2013	\$ 8,709	\$ 8,709	\$ 9,834	\$ 1,125
RESOURCES (INFLOWS):				
Charges for services:				
Landfill user fees	6,260	6,260	7,325	1,065
Recycling fees	1,400	1,400	1,719	319
Other fees	126	126	135	9
Proceeds from equipment disposal	5	5	19	14
Proceeds from interfund loan	9,096	9,096	352	(8,744)
Investments	970	971	126	(845)
Total revenues	<u>17,857</u>	<u>17,858</u>	<u>9,676</u>	<u>(8,182)</u>
Less: Transfers out	<u>(78)</u>	<u>(98)</u>	<u>(25)</u>	<u>73</u>
Amounts available for appropriation	<u>26,488</u>	<u>26,469</u>	<u>19,485</u>	<u>(6,984)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Contingencies	2,000	2,000	-	2,000
General administration	5	5	-	5
Landfill	7,092	7,171	6,664	507
Capital outlay	11,133	11,124	719	10,405
Debt service:				
Principal	458	457	-	457
Interest	306	315	-	315
Total charges to appropriations	<u>20,994</u>	<u>21,072</u>	<u>7,383</u>	<u>13,689</u>
Budgetary fund balance, June 30, 2014	<u>\$ 5,494</u>	<u>\$ 5,397</u>	<u>\$ 12,102</u>	<u>\$ 6,705</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.	\$ 19,485
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.	(9,834)
Internal staff and administrative charges reported as revenue only on budgetary basis.	(431)
Revenues offset directly by bad debt expense on budgetary basis.	(2)
Proceeds from loan.	(352)
Add: Transfers out.	25
Total revenues as reported in the combining statement of revenues, expenses, and changes in fund net position.	<u>\$ 8,891</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 7,383
Differences - budget to GAAP:	
Capital outlay expenditures.	(719)
Change in compensated absences liability.	(150)
Change in estimated landfill post-closure liability.	212
Depreciation expense.	832
OPEB expense.	70
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net position.	<u>\$ 7,628</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Sanitation Fund
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2013	\$ 3,095	\$ 3,095	\$ 3,111	\$ 16
RESOURCES (INFLOWS):				
Charges for services:				
Container service	4,275	4,275	4,127	(148)
Curb service	10,431	10,431	10,640	209
Investments	179	180	20	(160)
Proceeds from equipment disposal	30	30	148	118
Proceeds from interfund loan	-	-	20	20
Total revenues	<u>14,915</u>	<u>14,916</u>	<u>14,955</u>	<u>39</u>
Less: Transfers out	-	(40)	(40)	-
Amounts available for appropriation	<u>18,010</u>	<u>17,971</u>	<u>18,026</u>	<u>55</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Sanitation	13,936	13,857	12,931	926
Capital outlay	2,282	2,282	777	1,505
Debt service:				
Principal	247	246	246	-
Interest	3	3	3	-
Total charges to appropriations	<u>16,468</u>	<u>16,388</u>	<u>13,957</u>	<u>2,431</u>
Budgetary fund balance, June 30, 2014	<u>\$ 1,542</u>	<u>\$ 1,583</u>	<u>\$ 4,069</u>	<u>\$ 2,486</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.	\$ 18,026
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.	(3,111)
Revenues offset directly by bad debt expense on budgetary basis.	85
Proceeds from interfund loan.	(20)
Add: Transfers out.	40
Total revenues as reported in the combining statement of revenues, expenses, and changes in fund net position	<u>\$ 15,020</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 13,957
Differences - budget to GAAP:	
Bad debt expense.	85
Capital outlay.	(777)
Change in compensated absences liability.	(103)
Depreciation expense.	1,398
OPEB expense.	135
Principal payments on long-term obligations.	(246)
Accrued payroll.	10
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net position	<u>\$ 14,459</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Housing Fund
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2013	\$ 4,301	\$ 4,301	\$ 2,185	\$ (2,116)
RESOURCES (INFLOWS):				
Intergovernmental	10,814	10,814	9,090	(1,724)
Miscellaneous	4,564	4,564	3,389	(1,175)
Other fees	-	-	113	113
Investments	-	-	1	1
Total revenues	15,378	15,378	12,593	(2,785)
Add: Transfers in	274	274	274	-
Amounts available for appropriation	19,953	19,953	15,052	(4,901)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Housing	15,721	15,721	12,604	3,117
Capital outlay	190	190	15	175
Total charges to appropriations	15,911	15,911	12,619	3,292
Budgetary fund balance, June 30, 2014	\$ 4,042	\$ 4,042	\$ 2,433	\$ (1,609)

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	\$ 15,052
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.	(2,185)
Less: Transfers in.	(274)
Total revenues as reported in the combining statement of revenues, expenses, and changes in fund net position, excluding capital grant proceeds.	\$ 12,593

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 12,619
Differences - budget to GAAP:	
Depreciation expense.	451
Capital outlay.	(15)
OPEB expense.	37
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net position.	\$ 13,092



City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

INTERNAL SERVICE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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City of Glendale, Arizona
Combining Statement of Net Position
Internal Service Funds
June 30, 2014
(amounts expressed in thousands)

	<u>Risk Management</u>	<u>Workers' Compensation</u>	<u>Employee Benefits</u>	<u>Total</u>
ASSETS				
Current assets:				
Equity in pooled				
cash and investments	\$ 3,397	\$ 6,530	\$ 162	\$ 10,089
Accounts receivable, net	-	-	3	3
Inventories and prepaid items	59	-	-	59
Total current assets	<u>3,456</u>	<u>6,530</u>	<u>165</u>	<u>10,151</u>
Noncurrent assets:				
Restricted deposits	<u>-</u>	<u>360</u>	<u>1,425</u>	<u>1,785</u>
Total assets	<u>3,456</u>	<u>6,890</u>	<u>1,590</u>	<u>11,936</u>
LIABILITIES				
Current liabilities:				
Vouchers payable	154	156	1,516	1,826
Estimated claims payable	<u>3,167</u>	<u>3,706</u>	<u>4,149</u>	<u>11,022</u>
Total current liabilities	<u>3,321</u>	<u>3,862</u>	<u>5,665</u>	<u>12,848</u>
Noncurrent liabilities:				
Compensated absences	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Total liabilities	<u>3,321</u>	<u>3,862</u>	<u>5,666</u>	<u>12,849</u>
NET POSITION				
Unrestricted	<u>135</u>	<u>3,028</u>	<u>(4,076)</u>	<u>(913)</u>
Total net position	<u>\$ 135</u>	<u>\$ 3,028</u>	<u>\$ (4,076)</u>	<u>\$ (913)</u>

City of Glendale, Arizona

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

Internal Service Funds

For the Fiscal Year Ended June 30, 2014

(amounts expressed in thousands)

	<u>Risk Management</u>	<u>Workers' Compensation</u>	<u>Employee Benefits</u>	<u>Total</u>
Operating revenues:				
Self-insurance premiums	\$ 2,472	\$ 1,894	\$ 23,141	\$ 27,507
Other	30	1,530	51	1,611
Total operating revenues	<u>2,502</u>	<u>3,424</u>	<u>23,192</u>	<u>29,118</u>
Operating expenses:				
Administrative and general	-	-	47	47
Insurance claims and premiums	1,448	1,853	25,226	28,527
Total operating expenses	<u>1,448</u>	<u>1,853</u>	<u>25,273</u>	<u>28,574</u>
Operating income (loss)	1,054	1,571	(2,081)	544
Nonoperating revenues:				
Investment income (loss)	<u>11</u>	<u>20</u>	<u>1</u>	<u>32</u>
Change in net position	1,065	1,591	(2,080)	576
Net position - beginning	<u>(930)</u>	<u>1,437</u>	<u>(1,996)</u>	<u>(1,489)</u>
Net position - ending	<u>\$ 135</u>	<u>\$ 3,028</u>	<u>\$ (4,076)</u>	<u>\$ (913)</u>

City of Glendale, Arizona
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	Risk Management	Workers' Compensation	Employee Benefits	Total
Cash flows from operating activities:				
Cash received from customers	\$ 2,502	\$ 3,424	\$ 23,189	\$ 29,115
Cash paid for insurance and in settlement of claims	(2,446)	(1,174)	(23,037)	(26,657)
Cash paid to employees for services	-	-	(46)	(46)
Net cash provided by (used for) operating activities	56	2,250	106	2,412
Cash flows from investing activities:				
Interest received	11	20	1	32
Net increase (decrease) in cash during fiscal year	67	2,270	107	2,444
Cash and cash equivalents, July 1	3,330	4,620	1,480	9,430
Cash and cash equivalents, June 30	<u>\$ 3,397</u>	<u>\$ 6,890</u>	<u>\$ 1,587</u>	<u>\$ 11,874</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ 1,054	\$ 1,571	\$ (2,081)	\$ 544
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operations:				
Change in accounts receivable	-	-	(3)	(3)
Change in inventories and prepaid items	(25)	-	-	(25)
Change in vouchers payable	121	124	35	280
Change in compensated absences	-	-	1	1
Change in claims payable	(1,094)	555	2,154	1,615
Net cash provided by (used for) operating activities	<u>\$ 56</u>	<u>\$ 2,250</u>	<u>\$ 106</u>	<u>\$ 2,412</u>
Reconciliation of statement of net assets cash and investments to the statement of cash flows:				
Per combined statement of net assets:				
Equity in pooled cash and investments	\$ 3,397	\$ 6,530	\$ 162	\$ 10,089
Restricted cash and investments	-	360	1,425	1,785
Total cash and cash equivalents	<u>\$ 3,397</u>	<u>\$ 6,890</u>	<u>\$ 1,587</u>	<u>\$ 11,874</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Risk Management Fund
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2013	\$ 3,469	\$ 3,469	\$ 3,300	\$ (169)
RESOURCES (INFLOWS):				
Self-insurance premiums	2,472	2,472	2,472	-
Investments	-	-	11	11
Other	30	30	30	-
Total revenues	<u>2,502</u>	<u>2,502</u>	<u>2,513</u>	<u>11</u>
Amounts available for appropriation	<u>5,971</u>	<u>5,971</u>	<u>5,813</u>	<u>(158)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General Administration	2,000	2,000	-	2,000
Insurance and claims	<u>2,758</u>	<u>2,758</u>	<u>2,568</u>	<u>190</u>
Total charges to appropriations	<u>4,758</u>	<u>4,758</u>	<u>2,568</u>	<u>2,190</u>
Budgetary fund balance, June 30, 2014	<u>\$ 1,213</u>	<u>\$ 1,213</u>	<u>\$ 3,245</u>	<u>\$ 2,032</u>

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 5,813
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>(3,300)</u>
Total revenues as reported on the combining statement of revenues, expenses, and changes in fund net position.	<u>\$ 2,513</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 2,568
Differences - budget to GAAP:	
Insurance and claims recorded gaap basis only.	<u>(1,120)</u>
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net position.	<u>\$ 1,448</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Workers' Compensation Fund
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2013	\$ 4,419	\$ 4,419	\$ 4,558	\$ 139
RESOURCES (INFLOWS):				
Self-insurance premiums	1,894	1,894	1,894	-
Miscellaneous	-	-	1,500	1,500
Investments	9	9	20	11
Other	30	30	30	-
Total revenues	<u>1,933</u>	<u>1,933</u>	<u>3,444</u>	<u>1,511</u>
Amounts available for appropriation	<u>6,352</u>	<u>6,352</u>	<u>8,002</u>	<u>1,650</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Insurance and claims	<u>1,407</u>	<u>1,407</u>	<u>1,298</u>	<u>109</u>
Total charges to appropriations	<u>1,407</u>	<u>1,407</u>	<u>1,298</u>	<u>109</u>
Budgetary fund balance, June 30, 2014	<u>\$ 4,945</u>	<u>\$ 4,945</u>	<u>\$ 6,704</u>	<u>\$ 1,759</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. \$ 8,002

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. (4,558)

Total revenues as reported in the combining statement of revenues, expenses, and changes in fund net position. \$ 3,444

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule. \$ 1,298

Differences - budget to GAAP:

Insurance and claims recorded gaap basis only. 555

Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net position. \$ 1,853

City of Glendale, Arizona
Budgetary Comparison Schedule
Employee Benefits Fund
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2013	\$ (1,999)	\$ (1,999)	\$ -	\$ 1,999
RESOURCES (INFLOWS):				
Self-insurance premiums	24,366	24,367	23,141	(1,226)
Miscellaneous	-	-	51	51
Investments	18	18	1	(17)
Total revenues	<u>24,384</u>	<u>24,385</u>	<u>23,193</u>	<u>(1,192)</u>
Amounts available for appropriation	<u>22,385</u>	<u>22,386</u>	<u>23,193</u>	<u>807</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General Administration	-	40	47	(7)
Insurance and claims	<u>22,348</u>	<u>23,072</u>	<u>23,071</u>	<u>1</u>
Total charges to appropriations	<u>22,348</u>	<u>23,112</u>	<u>23,118</u>	<u>(6)</u>
Budgetary fund balance, June 30, 2014	<u>\$ 37</u>	<u>\$ (726)</u>	<u>\$ 75</u>	<u>\$ 801</u>

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule.	\$ 23,193
Total revenues as reported in the combining statement of revenues, expenses, and changes in fund net position.	<u>\$ 23,193</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 23,118
Differences - budget to GAAP:	
Insurance and claims recorded gaap basis only.	<u>2,155</u>
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net position.	<u>\$ 25,273</u>



City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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Federal Financial Data Schedule (PHA: AZ003)

For the Fiscal Year Ended June 30, 2014

(rounded to nearest dollar)

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

Line	Balance Sheet						
Item No.	Account Description	Project Total	Housing Choice Vouchers	Disaster Voucher Program	Disaster Housing Assistance Grants	Eliminations	Total
ASSETS:							
Current assets:							
Cash:							
111	Cash - unrestricted	\$ 921,921	\$ 1,087,318	\$ -	\$ -	\$ -	\$ 2,009,239
112	Cash - restricted - modernization and development	-	-	-	-	-	-
113	Cash - other restricted	-	610,410	-	-	-	610,410
114	Cash - tenant security deposits	39,855	-	-	-	-	39,855
115	Cash - restricted for payment of current liability	-	-	-	-	-	-
100	Total cash	<u>961,776</u>	<u>1,697,728</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,659,504</u>
Accounts receivables:							
121	Accounts receivable - PHA projects	-	-	-	-	-	-
122	Accounts receivable - HUD other projects	8,715	-	-	-	-	8,715
124	Accounts receivable - other government	-	-	-	-	-	-
125	Accounts receivable - miscellaneous	-	-	-	-	-	-
126	Accounts receivable - tenants	665	-	-	-	-	665
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>9,380</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,380</u>
Current investments:							
131	Investments - unrestricted	-	-	-	-	-	-
132	Investments - restricted	-	93,376	-	-	-	93,376
135	Investments - restricted for payment of current liability	-	-	-	-	-	-
142	Prepaid expenses and other assets	-	-	-	-	-	-
143	Inventories	22,104	-	-	-	-	22,104
143.1	Allowance for obsolete inventories	(1,105)	-	-	-	-	(1,105)
144	Inter program - due from	-	22,948	24,536	18,025	(65,509)	-
145	Assets held for sale	-	-	-	-	-	-
150	Total current assets	<u>992,155</u>	<u>1,814,052</u>	<u>24,536</u>	<u>18,025</u>	<u>(65,509)</u>	<u>2,783,259</u>
Non-current assets:							
Capital assets:							
161	Land	135,533	-	-	-	-	135,533
162	Buildings	10,417,083	149,998	-	-	-	10,567,081
163	Furniture, equipment & machinery - dwellings	531,311	-	-	-	-	531,311
164	Furniture, equipment & machinery - administration	186,097	102,908	-	-	-	289,005
165	Leasehold improvements	2,257,869	-	-	-	-	2,257,869
166	Accumulated depreciation	(8,819,244)	(166,629)	-	-	-	(8,985,873)
167	Construction in progress	233,073	-	-	-	-	233,073
168	Infrastructure	-	-	-	-	-	-
160	Total capital assets, net of accumulated depreciation	<u>4,941,722</u>	<u>86,277</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,027,999</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>4,941,722</u>	<u>86,277</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,027,999</u>
190	Total assets	<u>5,933,877</u>	<u>1,900,329</u>	<u>24,536</u>	<u>18,025</u>	<u>(65,509)</u>	<u>7,811,258</u>
200	Deferred outflow of resources	-	-	-	-	-	-
290	Total assets and deferred outflow of resource:	<u>\$ 5,933,877</u>	<u>\$ 1,900,329</u>	<u>\$ 24,536</u>	<u>\$ 18,025</u>	<u>\$ (65,509)</u>	<u>\$ 7,811,258</u>

(continued)

City of Glendale, Arizona
Federal Financial Data Schedule (PHA: AZ003)
For the Fiscal Year Ended June 30, 2014
(rounded to nearest dollar)

(continued)

Line	Balance Sheet						
Item No.	Account Description	Project Total	Housing Choice Vouchers	Disaster Voucher Program	Disaster Housing Assistance Grants	Eliminations	Total
LIABILITIES AND EQUITY-NET ASSETS/POSITION:							
LIABILITIES:							
Current liabilities:							
311	Bank Overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
312	Accounts payable <= 90 days	13,417	10,825	-	-	-	24,242
313	Accounts payable > 90 days past due	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	-	-	-	-	-	-
322	Accrued compensated absences - current portion	7,322	8,780	-	-	-	16,102
324	Accrued contingency liability	-	-	-	-	-	-
325	Accrued interest payable	-	-	-	-	-	-
331	Accounts payable - HUD PHA Programs	-	3,403	-	2,761	-	6,164
332	Accounts payable - PHA projects	-	12,600	-	-	-	12,600
333	Accounts payable - other government	-	-	-	-	-	-
341	Tenant security deposits	39,855	-	-	-	-	39,855
342	Unearned revenues	5,931	-	-	-	-	5,931
343	Total Current portion of L/T debt - capital pjts/mortgage revenu	-	-	-	-	-	-
344	Current portion of L/T debt - operating borrowings	-	-	-	-	-	-
345	Other current liabilities	10,802	-	-	-	-	10,802
346	Accrued liabilities - other	-	-	-	-	-	-
347	Inter program - due to	44,103	-	14,623	6,783	(65,509)	-
348	Loan liability - current	-	-	-	-	-	-
310	Total current liabilities	<u>121,430</u>	<u>35,608</u>	<u>14,623</u>	<u>9,544</u>	<u>(65,509)</u>	<u>115,696</u>
Noncurrent liabilities:							
351	Long-term debt, net of current- capital pjts/mortgage revenu	-	-	-	-	-	-
352	Long-term debt, net of current- operating borrowings	-	-	-	-	-	-
353	Noncurrent liabilities- other	-	93,376	-	-	-	93,376
354	Accrued compensated absences - noncurrent	65,901	79,023	-	-	-	144,924
355	Loan Liability - noncurrent	-	-	-	-	-	-
356	FASB 5 liabilities	-	-	-	-	-	-
357	Accrued pension and OPEB liability:	<u>414,224</u>	<u>329,287</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>743,511</u>
350	Total noncurrent liabilities	<u>480,125</u>	<u>501,686</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>981,811</u>
300	Total liabilities	<u>601,555</u>	<u>537,294</u>	<u>14,623</u>	<u>9,544</u>	<u>(65,509)</u>	<u>1,097,507</u>
400	Deferred inflow of resources	-	-	-	-	-	-
EQUITY - NET ASSETS/POSITION:							
508.4	Net investment in capital assets	4,941,722	86,277	-	-	-	5,027,999
511.4	Restricted net position	-	610,410	-	-	-	610,410
512.4	Unrestricted net positior	<u>390,600</u>	<u>666,348</u>	<u>9,913</u>	<u>8,481</u>	<u>-</u>	<u>1,075,342</u>
513	Total equity - net assets / positior	<u>5,332,322</u>	<u>1,363,035</u>	<u>9,913</u>	<u>8,481</u>	<u>-</u>	<u>6,713,751</u>
600	Total liabilities, deferred inflow of resources and equity - net assets/position	<u>\$ 5,933,877</u>	<u>\$ 1,900,329</u>	<u>\$ 24,536</u>	<u>\$ 18,025</u>	<u>\$ (65,509)</u>	<u>\$ 7,811,258</u>

(continued)

Federal Financial Data Schedule (PHA: AZ003)

For the Fiscal Year Ended June 30, 2014

(rounded to nearest dollar)

(continued)

Line	Income Statement						
Item No.	Account Description	Project Total	Housing Choice Vouchers	Disaster Voucher Program	Disaster Housing Assistance Grants	Eliminations	Total
REVENUE:							
70300	Net tenant rental revenue	\$ 300,237	\$ -	\$ -	\$ -	\$ -	\$ 300,237
70400	Tenant revenue - other	8,663	-	-	-	-	8,663
70500	Total tenant revenue	<u>308,900</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>308,900</u>
70600	HUD PHA operating grants	574,586	8,403,414	-	-	-	8,978,000
70610	Capital grants	113,095	-	-	-	-	113,095
70710	Management fee	-	-	-	-	-	-
70720	Asset management fee	-	-	-	-	-	-
70730	Bookkeeping fee	-	-	-	-	-	-
70740	Front line service fee	-	-	-	-	-	-
70750	Other fees	-	-	-	-	-	-
70700	Total fee revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
70800	Other government grants	-	-	-	-	-	-
71100	Investment income - unrestricted	517	939	-	-	-	1,456
71200	Mortgage interest income	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-
71310	Cost of sale of assets	-	-	-	-	-	-
71400	Fraud recovery	1,573	10,658	-	-	-	12,231
71500	Other revenue	24,042	3,043,807	-	-	-	3,067,849
71600	Gain or loss on sale of capital assets	-	-	-	-	-	-
72000	Investment income - restricted	-	-	-	-	-	-
70000	Total revenue	<u>\$ 1,022,713</u>	<u>\$ 11,458,818</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,481,531</u>

(continued)

Federal Financial Data Schedule (PHA: AZ003)

For the Fiscal Year Ended June 30, 2014

(rounded to nearest dollar)

(continued)

Line	Income Statement						
Item No.	Account Description	Project Total	Housing Choice Vouchers	Disaster Voucher Program	Disaster Housing Assistance Grants	Eliminations	Total
EXPENSES:							
91100	Administrative salaries	\$ 209,185	\$ 487,378	\$ -	\$ -	\$ -	\$ 696,563
91200	Auditing fees	-	-	-	-	-	-
91300	Management fee	-	-	-	-	-	-
91310	Bookkeeping fee	-	-	-	-	-	-
91400	Advertising and marketing	-	-	-	-	-	-
91500	Employee benefit contributions - administrative	76,813	213,293	-	-	-	290,106
91600	Office expenses	28,169	35,277	-	-	-	63,446
91700	Legal expense	130	600	-	-	-	730
91800	Travel	54	-	-	-	-	54
91810	Allocated overhead	-	-	-	-	-	-
91900	Other	23,714	16,044	-	-	-	39,758
91000	Total operating - administrative	<u>338,065</u>	<u>752,592</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,090,657</u>
92000	Asset management fee	-	-	-	-	-	-
92100	Tenant services - salaries	-	-	-	-	-	-
92200	Relocation costs	-	-	-	-	-	-
92300	Employee benefit contributions - tenant services	-	-	-	-	-	-
92400	Tenant services - other	12,000	-	-	-	-	12,000
92500	Total Tenant services	<u>12,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,000</u>
93100	Water	42,856	-	-	-	-	42,856
93200	Electricity	25,837	-	-	-	-	25,837
93300	Gas	3,139	-	-	-	-	3,139
93400	Fuel	-	-	-	-	-	-
93500	Labor	-	-	-	-	-	-
93600	Sewer	34,157	-	-	-	-	34,157
93700	Employee benefit contributions- utilities	-	-	-	-	-	-
93800	Other utilities expense	-	-	-	-	-	-
93000	Total utilities	<u>105,989</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,989</u>
94100	Ordinary maintenance and operations - labor	247,064	-	-	-	-	247,064
94200	Ordinary maintenance and operations - materials & other	83,265	16,833	-	-	-	100,098
94300	Ordinary maintenance and operations - contract costs	146,320	-	-	-	-	146,320
94500	Employee benefit contributions - ordinary maintenance	94,327	-	-	-	-	94,327
94000	Total maintenance	<u>\$ 570,976</u>	<u>\$ 16,833</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 587,809</u>

(continued)

City of Glendale, Arizona
Federal Financial Data Schedule (PHA: AZ003)
For the Fiscal Year Ended June 30, 2014
(rounded to nearest dollar)

(continued)

Line	Income Statement						
Item No.	Account Description	Project Total	Housing Choice Vouchers	Disaster Voucher Program	Disaster Housing Assistance Grants	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	43,304	28,870	-	-	-	72,174
96120	Liability insurance	-	-	-	-	-	-
96130	Workmen's compensation	2,968	1,979	-	-	-	4,947
96140	All other insurance	-	-	-	-	-	-
96100	Total insurance premiums	46,272	30,849	-	-	-	77,121
96200	Other general expenses	-	26,952	-	-	-	26,952
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	-	26,952	-	-	-	26,952
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	1,073,302	827,226	-	-	-	1,900,528
97000	Excess of operating revenue over operating expenses	(50,589)	10,631,592	-	-	-	10,581,003
97100	Extraordinary maintenance	-	-	-	-	-	-
97200	Casualty losses - non-capitalized	-	-	-	-	-	-
97300	Housing assistance payments	-	7,866,838	-	-	-	7,866,838
97350	HAP Portability-in	-	2,875,064	-	-	-	2,875,064
97400	Depreciation expense	446,703	4,061	-	-	-	450,764
97500	Fraud losses	-	-	-	-	-	-
97600	Capital outlays - governmental funds	-	-	-	-	-	-
97700	Debt principal payment - governmental fund	-	-	-	-	-	-
97800	Dwelling units rent expense	-	-	-	-	-	-
90000	Total expenses	\$ 1,520,005	\$ 11,573,189	\$ -	\$ -	\$ -	\$ 13,093,194

(continued)

City of Glendale, Arizona
Federal Financial Data Schedule (PHA: AZ003)
For the Fiscal Year Ended June 30, 2014
(rounded to nearest dollar)

(continued)

Line	Income Statement						
Item No.	Account Description	Project Total	Housing Choice Vouchers	Disaster Voucher Program	Disaster Housing Assistance Grants	Eliminations	Total
	OTHER FINANCING SOURCES (USES)						
10010	Operating transfers in	\$ 34,559	\$ -	\$ -	\$ -	\$ (34,559)	\$ -
10020	Operating transfers out	(34,559)	-	-	-	34,559	-
10030	Operating transfers from/to primary government	274,269	-	-	-	-	274,269
10040	Operating transfers from/to component unit	-	-	-	-	-	-
10050	Proceeds from notes, loans and bond	-	-	-	-	-	-
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>274,269</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>274,269</u>
10000	Excess (deficiency) of total revenues over (under) total expenses	<u>\$ (223,023)</u>	<u>\$ (114,371)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (337,394)</u>
	MEMO ACCOUNT INFORMATION						
11020	Required annual debt principal payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11030	Beginning equity	5,555,345	1,365,017	9,913	8,481	-	6,938,756
11040	Prior period adjustments, equity transfers & correction of errors	-	112,389	-	-	-	112,389
11050	Changes in compensated absence balance	-	-	-	-	-	-
11060	Changes in contingent liability balance	-	-	-	-	-	-
11070	Changes in unrecognized pension transition liability	-	-	-	-	-	-
11080	Changes in special term/severance benefits liability	-	-	-	-	-	-
11090	Changes in allowance for doubtful accounts - dwelling rent	-	-	-	-	-	-
11100	Changes in allowance for doubtful accounts - othe	-	-	-	-	-	-
11170	Administrative fee equity	-	752,625	-	-	-	752,625
11180	Housing assistance payments equity	-	610,410	-	-	-	610,410
11190	Unit months available	1,723	12,648	-	-	-	14,371
11210	Unit months leased	1,709	12,583	-	-	-	14,292
11270	Excess cash	745,633	-	-	-	-	745,633
11610	Land purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11620	Building purchases	93,256	-	-	-	-	93,256
11630	Furniture & equipment - dwelling purchases	7,429	-	-	-	-	7,429
11640	Furniture & equipment - administrative purchases	7,415	-	-	-	-	7,415
11650	Leasehold improvements purchases	4,995	-	-	-	-	4,995
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, 2014

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STATISTICAL SECTION

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

Contents

	<u>Pages</u>
Financial Trends These schedules contain trend information to help the reader understand how the city’s financial performance and well-being have changed over time.	134-141
Revenue Capacity These schedules contain information to help the reader assess the city’s local revenue source, the property tax and sales tax.	142-147
Debt Capacity These schedules present information to help the reader assess the affordability of the city’s current levels of outstanding debt and the city’s ability to issue additional debt in the future.	148-155
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the city’s financial activities take place.	156-157
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the city’s financial report relates to the services the city provides and the activities it performs.	158-162

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

	<u>2014</u>	<u>2013</u>	<u>2012, restated</u>	<u>2011</u>
Government activities				
Net investment in				
capital assets	\$ 448,083	\$ 438,366	\$ 460,639	\$ 463,961
Restricted	161,027	186,106	183,829	204,645
Unrestricted	<u>(69,731)</u>	<u>(59,797)</u>	<u>(73,375)</u>	<u>(22,532)</u>
Total governmental activities net position	<u>539,379</u>	<u>564,675</u>	<u>571,093</u>	<u>646,074</u>
Business-type activities				
Net investment in				
capital assets	256,164	251,765	262,554	271,708
Restricted	22,300	12,264	12,921	29,988
Unrestricted	<u>155,800</u>	<u>161,999</u>	<u>139,934</u>	<u>112,323</u>
Total business-type activities net position	<u>434,264</u>	<u>426,028</u>	<u>415,409</u>	<u>414,019</u>
Primary government				
Net investment in				
capital assets	704,247	690,131	723,193	735,669
Restricted	183,327	198,370	196,750	234,633
Unrestricted	<u>86,069</u>	<u>102,202</u>	<u>66,559</u>	<u>89,791</u>
Total primary government net position	<u>\$ 973,643</u>	<u>\$ 990,703</u>	<u>\$ 986,502</u>	<u>\$ 1,060,093</u>

Schedule 1

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 457,773	\$ 471,484	\$ 499,322	\$ 446,828	\$ 398,517	\$ 372,778
176,400	144,422	133,695	180,303	155,163	179,434
<u>11,684</u>	<u>51,500</u>	<u>51,850</u>	<u>44,573</u>	<u>75,417</u>	<u>40,641</u>
<u>645,857</u>	<u>667,406</u>	<u>684,867</u>	<u>671,704</u>	<u>629,097</u>	<u>592,853</u>
271,969	286,452	297,329	249,569	233,387	274,620
13,988	13,249	12,836	11,881	12,437	11,249
<u>124,550</u>	<u>114,814</u>	<u>107,384</u>	<u>155,325</u>	<u>158,753</u>	<u>108,604</u>
<u>410,507</u>	<u>414,515</u>	<u>417,549</u>	<u>416,775</u>	<u>404,577</u>	<u>394,473</u>
729,742	757,936	796,651	696,397	631,904	647,398
190,388	157,671	146,531	192,184	167,600	190,683
<u>136,234</u>	<u>166,314</u>	<u>159,234</u>	<u>199,898</u>	<u>234,170</u>	<u>149,245</u>
<u>\$ 1,056,364</u>	<u>\$ 1,081,921</u>	<u>\$ 1,102,416</u>	<u>\$ 1,088,479</u>	<u>\$ 1,033,674</u>	<u>\$ 987,326</u>

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

Schedule 2

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Expenses										
Governmental activities:										
General government	\$ 73,637	\$ 37,447	\$ 35,962	\$ 46,233	\$ 42,530	\$ 39,545	\$ 39,998	\$ 37,992	\$ 33,329	\$ 31,603
Public safety	116,070	115,694	112,689	111,217	108,308	109,136	113,285	92,405	75,277	64,277
Public works	20,524	19,230	18,435	20,099	16,627	15,040	16,006	14,816	13,995	14,309
Community services	30,796	33,831	39,478	41,136	44,524	48,143	52,185	45,481	40,275	37,394
Community environment	5,895	5,655	6,828	7,061	6,316	3,539	5,164	4,698	4,125	3,236
Street maintenance	25,207	20,000	20,045	21,721	23,058	23,978	26,175	24,906	22,720	21,355
Other	-	-	-	-	-	-	-	-	3,020	238
Interest on long-term debt	34,808	42,413	41,913	41,967	42,286	38,982	28,475	23,551	16,883	16,986
Total governmental activities expenses	<u>306,937</u>	<u>274,270</u>	<u>275,350</u>	<u>289,434</u>	<u>283,649</u>	<u>278,363</u>	<u>281,288</u>	<u>243,849</u>	<u>209,624</u>	<u>189,398</u>
Business-type activities:										
Water and sewer	77,243	73,460	78,917	79,444	81,910	74,424	74,581	63,289	55,607	50,190
Landfill	7,554	7,486	7,602	7,280	8,454	8,045	8,067	8,264	7,950	7,431
Sanitation	14,471	16,122	15,437	14,814	14,093	14,039	15,209	13,847	13,257	12,287
Housing	13,088	14,037	14,827	14,687	14,180	11,840	9,862	8,951	9,466	9,278
Total business-type activities expenses	<u>112,356</u>	<u>111,105</u>	<u>116,783</u>	<u>116,225</u>	<u>118,637</u>	<u>108,348</u>	<u>107,719</u>	<u>94,351</u>	<u>86,280</u>	<u>79,186</u>
Total primary government expenses	<u>\$ 419,293</u>	<u>\$ 385,375</u>	<u>\$ 392,133</u>	<u>\$ 405,659</u>	<u>\$ 402,286</u>	<u>\$ 386,711</u>	<u>\$ 389,007</u>	<u>\$ 338,200</u>	<u>\$ 295,904</u>	<u>\$ 268,584</u>
Program revenues										
Governmental activities:										
Charges for services:										
General government	\$ 17,666	\$ 12,520	\$ 12,334	\$ 24,822	\$ 14,232	\$ 11,879	\$ 12,132	\$ 11,610	\$ 10,726	\$ 9,075
Public safety	6,369	5,778	5,624	5,094	5,824	4,670	5,744	1,964	1,375	1,200
Public works	1,126	1,149	512	495	7,447	588	543	531	516	506
Community services	10,486	11,003	17,910	11,733	11,918	15,661	22,859	22,285	20,121	16,871
Community environment	-	-	-	-	-	3,045	-	-	31	-
Street maintenance	-	-	-	-	2	36	-	48	-	-
Operating grants and contributions	25,168	25,156	27,636	27,137	29,596	24,146	33,191	36,566	31,973	26,535
Capital grants and contributions	10,748	7,904	5,274	70,552	3,755	2,600	14,491	26,247	6,406	1,407
Total governmental activities program revenues	<u>71,563</u>	<u>63,510</u>	<u>69,290</u>	<u>139,833</u>	<u>72,774</u>	<u>62,625</u>	<u>88,960</u>	<u>99,251</u>	<u>71,148</u>	<u>55,594</u>

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Business-type activities:										
Charges for services:										
Water and sewer	81,065	81,963	82,730	80,513	76,603	67,810	66,316	62,125	56,153	54,295
Landfill	8,646	7,994	7,185	8,027	6,987	7,304	9,196	9,742	8,362	8,961
Sanitation	14,836	14,791	14,562	14,733	15,048	15,258	14,684	14,653	14,167	13,624
Housing	3,504	4,137	4,886	4,829	4,870	2,042	816	662	569	542
Operating grants and contributions	9,357	9,376	9,423	9,342	9,331	8,701	8,348	8,254	8,020	8,027
Capital grants and contributions	2,423	831	705	1,155	690	1,207	4,346	5,125	5,403	242
Total business-type activities program revenues	119,831	119,092	119,491	118,599	113,529	102,322	103,706	100,561	92,674	85,691
Total primary government program revenues	191,394	182,602	188,781	258,432	186,303	164,947	192,666	199,812	163,822	141,285
Net (expense)/revenue										
Governmental activities	(235,374)	(210,760)	(206,060)	(149,601)	(210,875)	(215,738)	(192,328)	(144,598)	(138,476)	(133,804)
Business-type activities	7,475	7,987	2,708	2,374	(5,108)	(6,026)	(4,013)	6,210	6,394	6,505
Total primary government net expense	<u>\$ (227,899)</u>	<u>\$ (202,773)</u>	<u>\$ (203,352)</u>	<u>\$ (147,227)</u>	<u>\$ (215,983)</u>	<u>\$ (221,764)</u>	<u>\$ (196,341)</u>	<u>\$ (138,388)</u>	<u>\$ (132,082)</u>	<u>\$ (127,299)</u>
General revenues and other changes in net position										
Governmental activities:										
Taxes:										
Property taxes	\$ 23,577	\$ 21,372	\$ 20,232	\$ 27,189	\$ 33,749	\$ 32,890	\$ 28,826	\$ 23,085	\$ 21,386	\$ 19,422
Sales taxes	131,983	132,872	97,451	93,260	92,717	97,054	105,175	97,825	90,968	77,166
Unrestricted state shared sales tax	19,734	18,558	17,716	18,438	17,786	19,321	22,237	23,037	23,298	20,271
Unrestricted urban revenue sharing (state shared income tax)	25,271	23,159	19,135	23,590	31,292	36,267	34,109	27,518	22,909	20,115
Auto in-lieu taxes	8,086	7,586	7,277	7,917	8,130	8,808	9,730	10,044	10,444	9,414
Investment earnings, unrestricted	726	716	975	1,482	286	1,668	4,742	5,557	4,395	2,654
Gain (loss) on disposal of capital assets	78	353	56	(677)	330	(52)	879	202	348	225
Miscellaneous	687	367	489	3,936	5,406	2,872	302	301	272	275
Capital contributions	-	-	-	-	-	-	-	-	-	4,794
Transfers	(64)	(641)	(307)	(317)	(370)	(551)	(509)	(364)	700	(164)
Special item	-	-	(25,000)	(25,000)	-	-	-	-	-	-
Total governmental activities	210,078	204,342	138,024	149,818	189,326	198,277	205,491	187,205	174,720	154,172
Business-type activities:										
Investment earnings, unrestricted	463	1,878	1,126	614	460	2,069	4,044	5,381	3,466	2,065
Gain (loss) on disposal of capital assets	167	43	(40)	137	187	282	126	103	844	-
Miscellaneous	67	70	72	70	83	90	108	140	100	202
Capital contributions	-	-	-	-	-	-	-	-	-	5,712
Transfers	64	641	307	317	370	551	509	364	(700)	164
Total business-type activities	761	2,632	1,465	1,138	1,100	2,992	4,787	5,988	3,710	8,143
Total primary government	<u>\$ 210,839</u>	<u>\$ 206,974</u>	<u>\$ 139,489</u>	<u>\$ 150,956</u>	<u>\$ 190,426</u>	<u>\$ 201,269</u>	<u>\$ 210,278</u>	<u>\$ 193,193</u>	<u>\$ 178,430</u>	<u>\$ 162,315</u>
Changes in net position										
Governmental activities	\$ (25,296)	\$ (6,418)	\$ (68,036)	\$ 217	\$ (21,549)	\$ (17,461)	\$ 13,163	\$ 42,607	\$ 36,244	\$ 20,368
Business-type activities	8,236	10,619	4,173	3,512	(4,008)	(3,034)	774	12,198	10,104	14,648
Total primary government	<u>\$ (17,060)</u>	<u>\$ 4,201</u>	<u>\$ (63,863)</u>	<u>\$ 3,729</u>	<u>\$ (25,557)</u>	<u>\$ (20,495)</u>	<u>\$ 13,937</u>	<u>\$ 54,805</u>	<u>\$ 46,348</u>	<u>\$ 35,016</u>

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

Schedule 3

	2014 ⁽¹⁾	2013 ⁽¹⁾	2012 ⁽¹⁾	2011 ⁽¹⁾	2010	2009	2008	2007	2006	2005
General fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ 9,383	\$ 10,450	\$ 9,271	\$ 10,500	\$ 10,287	\$ 9,377
Unreserved	-	-	-	-	29,463	42,180	57,117	50,880	62,166	56,661
Total general fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,846</u>	<u>\$ 52,630</u>	<u>\$ 66,388</u>	<u>\$ 61,380</u>	<u>\$ 72,453</u>	<u>\$ 66,038</u>
General fund										
Nonspendable	\$ 600	\$ 650	\$ 197	\$ 463	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	688	311	368	5,403	-	-	-	-	-	-
Committed	1,554	1,676	2,351	1,965	-	-	-	-	-	-
Assigned	-	-	-	9,253	-	-	-	-	-	-
Unassigned	(4,835)	(14,438)	(29,565)	(5,414)	-	-	-	-	-	-
Total general fund	<u>\$ (1,993)</u>	<u>\$ (11,801)</u>	<u>\$ (26,649)</u>	<u>\$ 11,670</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
All other governmental funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ 76,055	\$ 83,966	\$ 58,146	\$ 45,029	\$ 42,910	\$ 39,014
Unreserved, report in:	-	-	-	-	-	-	-	-	-	-
Special revenue funds	-	-	-	-	50,478	57,555	76,493	34,369	30,584	34,867
Capital projects funds	-	-	-	-	41,046	27,474	18,436	68,932	64,106	61,765
Total all other governmental funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 167,579</u>	<u>\$ 168,995</u>	<u>\$ 153,075</u>	<u>\$ 148,330</u>	<u>\$ 137,600</u>	<u>\$ 135,646</u>
All other governmental funds										
Nonspendable	\$ 5,801	\$ 5,774	\$ 5,829	\$ 5,822	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	102,241	103,772	117,964	129,635	-	-	-	-	-	-
Committed	123	115	129	11,464	-	-	-	-	-	-
Assigned	202	144	82	199	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 108,367</u>	<u>\$ 109,805</u>	<u>\$ 124,004</u>	<u>\$ 147,120</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

Schedule 4

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Revenues										
Taxes and special assessments	\$ 159,328	\$ 149,705	\$ 118,218	\$ 120,974	\$ 126,291	\$ 130,119	\$ 133,746	\$ 121,122	\$ 112,576	\$ 96,812
Licenses and permits	11,522	10,373	10,798	9,367	9,734	10,503	17,385	17,839	16,039	15,497
Intergovernmental	81,364	76,520	73,009	79,760	90,047	91,642	101,821	107,699	86,994	75,691
Local revenues	18	36	-	-	-	-	-	-	-	-
Charges for services	14,781	11,896	11,487	10,461	13,640	9,881	14,125	10,086	8,838	5,681
Fines and forfeitures	3,735	3,469	3,374	3,806	4,052	4,064	4,507	3,932	3,564	3,247
Investment income (loss)	900	762	1,180	1,841	774	3,805	9,986	10,905	7,825	4,762
Miscellaneous	4,500	3,822	11,700	22,054	18,000	9,346	4,915	4,212	4,136	3,335
Total revenues	276,148	256,583	229,766	248,263	262,538	259,360	286,485	275,795	239,972	205,025
Expenditures										
General government	29,666	16,065	18,147	19,668	23,085	26,048	25,364	24,524	21,868	20,892
Public safety	108,397	103,610	100,368	95,270	96,161	103,624	100,384	86,753	72,745	61,366
Public works	7,463	7,859	7,709	8,859	11,569	11,072	11,743	12,155	12,252	12,081
Community services	25,536	27,966	33,597	33,887	37,518	42,294	44,767	39,150	35,604	32,627
Community environment	5,826	5,554	6,703	6,853	6,160	3,478	4,972	4,657	3,978	3,082
Street maintenance	8,352	8,305	8,311	9,038	10,388	11,901	13,045	13,372	11,609	10,534
Miscellaneous	2,323	4,617	1,782	1,577	2,026	1,666	1,629	3,059	2,918	55
Capital outlay	14,662	13,980	19,634	22,093	63,529	186,175	141,060	179,421	131,243	47,283
Debt service:										
Principal	30,043	26,441	24,947	31,640	29,451	29,670	32,151	28,096	20,328	18,899
Interest	35,628	43,038	42,515	42,593	42,913	39,571	32,294	20,630	17,222	17,231
Total expenditures	267,896	257,435	263,713	271,478	322,800	455,499	407,409	411,817	329,767	224,050
Excess of revenues over (under) expenditures	8,252	(852)	(33,947)	(23,215)	(60,262)	(196,139)	(120,924)	(136,022)	(89,795)	(19,025)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Other financing sources (uses)										
Refunding lease issued	-	-	-	11,503	-	-	-	-	-	-
Discount on long-term debt	-	(1,557)	-	-	-	(3,136)	-	-	-	-
Long-term debt issued	-	-	8,665	38,300	41,650	199,750	109,986	133,327	93,033	16,075
Refunding bonds issued	-	239,875	-	-	-	-	93,815	-	9,065	-
Payment to redeem lease	-	-	-	(11,355)	-	-	-	-	-	-
Premium on long-term debt issued	-	19,779	898	3,369	10	1,894	2,192	1,198	1,782	230
Proceeds from equipment disposal	174	589	546	331	482	344	8,714	850	3,166	1,342
Capital lease proceeds	8	-	-	-	44	-	-	668	-	-
Payment to redeem/refunded bonds escrow agent	-	(256,054)	(9,320)	(41,251)	-	-	(83,521)	-	(9,582)	-
Transfers in	48,704	52,136	32,977	38,728	36,306	21,914	51,626	24,945	20,014	15,800
Transfers out	(48,768)	(53,267)	(33,919)	(39,045)	(33,430)	(22,465)	(52,135)	(25,309)	(19,314)	(15,964)
Special item	-	-	(25,000)	(25,000)	-	-	-	-	-	-
Total other financing sources (uses)	118	1,501	(25,153)	(24,420)	45,062	198,301	130,677	135,679	98,164	17,483
Net change in fund balances	<u>\$ 8,370</u>	<u>\$ 649</u>	<u>\$ (59,100)</u>	<u>\$ (47,635)</u>	<u>\$ (15,200)</u>	<u>\$ 2,162</u>	<u>\$ 9,753</u>	<u>\$ (343)</u>	<u>\$ 8,369</u>	<u>\$ (1,542)</u>
Debt service as a percentage of noncapital expenditures	25.93%	28.54%	27.64%	29.77%	27.91%	25.71%	24.20%	20.97%	18.91%	20.44%

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

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

Schedule 5

Fiscal Year	Major Components				Less: Tax Exempt Property	Net Assessed Value ⁽¹⁾	Total Direct Tax Rate	Estimated Actual Value ⁽¹⁾	Assessed Value as a Percentage of Actual Value ⁽²⁾
	Real Estate	Improvements	Personal ⁽³⁾	Utilities Rails and Wires					
2004-05	\$ 342,689	\$ 893,850	\$ 45,245	\$ 56,582	\$ 193,816	\$ 1,144,550	1.72	\$ 10,065,003	13.297
2005-06	368,181	989,418	46,475	58,101	192,607	1,269,568	1.72	11,296,734	12.943
2006-07	463,560	1,033,129	47,129	58,111	230,940	1,370,989	1.72	12,107,926	13.230
2007-08	593,311	1,406,513	51,889	60,680	285,374	1,827,019	1.62	16,733,846	12.624
2008-09	739,936	1,821,057	56,528	61,347	485,193	2,193,675	1.59	21,034,639	12.736
2009-10	739,388	1,844,506	60,888	62,176	576,051	2,130,907	1.59	20,635,557	13.118
2010-11	654,550	1,593,536	59,049	56,217	609,782	1,753,570	1.59	17,333,074	13.635
2011-12	330,057	1,189,718	49,391	53,746	473,388	1,149,524	1.59	12,040,482	13.479
2012-13	304,041	1,130,460	45,507	53,158	485,894	1,047,273	1.90	11,471,039	13.366
2013-14	316,206	1,213,829	41,750	53,581	477,258	1,148,108	2.29	12,489,163	13.014

Source: Maricopa County Assessor's Office

- Notes:
- (1) Assessed values are established each year by the County. The tax rate is \$100 per assessed value (reference note I. L).
 - (2) The assessed value as a percentage of actual value does not include tax exempt property.
 - (3) The Assessor's Office no longer breaks down the secured and unsecured personal property as of 2013. All prior years secured and unsecured have been combined.

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

Schedule 6

Fiscal Year	Basic Rate	General Obligation Debt Service	City of Glendale	Overlapping Rates*		
				Glendale Elementary and High School Districts	Peoria Unified School Districts	Deer Valley Unified School Districts
2004-05	0.33	1.39	1.72	14.88	13.22	11.78
2005-06	0.31	1.41	1.72	20.96	18.45	16.98
2006-07	0.29	1.43	1.72	19.84	17.26	15.34
2007-08	0.27	1.35	1.62	17.74	15.33	13.97
2008-09	0.24	1.35	1.59	15.85	14.09	13.03
2009-10	0.22	1.37	1.59	15.18	13.81	12.74
2010-11	0.22	1.37	1.59	16.35	14.13	14.18
2011-12	0.22	1.37	1.59	20.69	15.54	16.47
2012-13	0.22	1.68	1.90	22.93	18.08	17.75
2013-14	0.50	1.79	2.29	25.06	19.82	18.91

Source: Maricopa County 2013 Tax Rates

Note: The City rounds the rates to two digits from the four presented by the county.

* Overlapping rates are those of local and county governments that apply to property owners within the City of Glendale. Not all overlapping rates apply to all City of Glendale property owners (e.g., the rates for special districts apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district).

City of Glendale, Arizona
Principal Property Taxpayers
 Current Year and Ten Years Ago
 June 30, 2014
 (amounts expressed in thousands)

Schedule 7

Taxpayer	Tax Year 2014			Tax Year 2004		
	Rank	Assessed Valuation	Percentage of Total City Taxable Assessed Value	Rank	Assessed Valuation	Percentage of Total City Taxable Assessed Value
Arizona Public Service Company	1	\$ 17,900	1.56 %	2	\$ 14,716	1.36 %
VHS of Arrowhead, Inc.	2	11,535	1.00			
Arrowhead Towne Center LLC	3	9,625	0.84			
Thunderbird School of Global Management	4	7,588	0.66			
Wal-Mart Stores, Inc.	5	7,180	0.63			
CenturyLink (Qwest Corporation)	6	6,422	0.56	1	16,477	1.53
New Westgate LLC	7	6,079	0.53			
JQH-Glendale Az Development LLC	8	5,700	0.50			
Southwest Gas Corporation	9	4,852	0.42	5	5,318	0.49
Stadium Development LLC	10	4,437	0.39			
Honeywell, Inc.				3	10,708	0.99
New River Associates				4	8,308	0.77
Corning Gilbert, Inc.				6	4,310	0.40
Toys DC South LLC				7	4,101	0.38
Alliance WE Limited Partnership				8	3,754	0.35
Lexington Glendale LLC				9	3,546	0.33
Chase Commercial Mtg.				10	3,435	0.32
Total principal taxpayers		\$ 81,318	7.09 %		\$ 74,673	6.92 %

Source: Maricopa County Treasurer's Office

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

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

Schedule 8

Fiscal Year	Total Tax Levy ⁽¹⁾	Collected within the Fiscal Year of Levy		Collections in Subsequent Years ⁽²⁾	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2004-05	\$ 19,534	\$ 19,011	97.32 %	\$ 427	\$ 19,438	99.51 %
2005-06	21,566	20,980	97.28	494	21,474	99.57
2006-07	23,423	22,721	97.00	409	23,130	98.75
2007-08	28,728	27,823	96.85	551	28,374	98.77
2008-09	33,927	32,411	95.53	1,003	33,414	98.49
2009-10	33,617	32,260	95.96	537	32,797	97.56
2010-11	27,534	26,469	96.13	64	26,533	96.36
2011-12	20,787	20,090	96.65	185	20,275	97.54
2012-13	21,841	21,268	97.38	119	21,387	97.92
2013-14	23,943	23,490	98.11	-	23,490	98.11

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)

Schedule 9

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Retail sales	\$ 73,924	\$ 67,133	\$ 49,686	\$ 48,089	\$ 49,127	\$ 48,353	\$ 54,416	\$ 50,733	\$ 48,743	\$ 41,883
Contracting	7,948	4,721	5,170	6,742	4,458	6,378	9,540	10,483	9,729	7,716
Rentals	14,502	14,182	11,550	11,854	12,729	11,511	12,082	9,895	8,897	8,228
Utilities	8,732	8,028	6,393	6,449	6,829	6,449	5,359	4,724	4,168	1,967
Telecom/cable TV	5,072	5,540	5,144	6,093	6,156	6,722	6,174	5,914	5,300	5,179
Restaurant/bar	15,842	14,284	11,975	11,207	10,791	10,863	10,995	9,335	8,163	7,031
Amusement	2,110	2,154	2,896	1,860	3,697	3,659	3,034	3,288	1,934	1,043
Other	5,808	6,920	3,816	5,568	4,018	4,002	3,575	3,453	4,034	4,119
Total	\$ 133,938	\$ 122,962	\$ 96,630	\$ 97,862	\$ 97,805	\$ 97,937	\$ 105,175	\$ 97,825	\$ 90,968	\$ 77,166
% Growth by year										
Retail sales	10.1 %	35.1 %	3.3 %	(2.0) %	1.6 %	(11.1) %	7.3 %	4.1 %	16.4 %	1.5 %
Contracting	68.4	(8.7)	(23.3)	51.0	(30.1)	(33.1)	(9.0)	7.8	26.1	0.1
Rentals	2.3	22.8	(2.6)	(7.0)	10.6	(4.7)	22.1	11.2	8.1	6.1
Utilities	8.8	25.6	(0.9)	(6.0)	5.9	20.3	13.4	13.3	111.9	(24.5)
Telecom/cable TV	(8.4)	7.7	(15.6)	(1.0)	(8.4)	8.9	4.4	11.6	2.3	20.7
Restaurant/bar	10.9	19.3	6.9	4.0	(0.7)	(1.2)	17.8	14.4	16.1	5.3
Amusement	(2.0)	(25.6)	55.7	(50.0)	1.0	20.6	(7.7)	70.0	85.4	(1.4)
Other	(16.1)	81.3	(31.5)	39.0	0.4	11.9	3.5	(14.5)	(2.1)	20.8
Total	8.9 %	27.3 %	(1.3) %	0.1 %	(0.1) %	(6.9) %	7.5 %	7.5 %	17.9 %	3.2 %

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 & 2014 tax rate for City activities is 2.9% except for telecommunications which is 6.1%, restaurant/bars 3.9%, hotel/motel 7.9%, retail sales food for home consumption 2.5%, and retail sales of individual items over \$5,000 2.2%.
 The amounts represent sales tax dollars collected for the fiscal year presented.

Ratio of Outstanding Debt by Type⁽¹⁾

Last Ten Fiscal Years

(amounts expressed in thousands)

Fiscal Year	Government Activities						
	General Obligation Bonds	Special Assessment Bonds	Street and Highway Revenue Bonds	Excise Tax Revenue Bonds	Transportation Bonds	Capital Leases	Notes Payable
2004-05	157,065	75	22,455	177,950	-	13,704	18,876
2005-06	175,155	39	35,940	223,988	-	12,875	15,689
2006-07	224,234	-	34,065	293,530	-	12,492	6,279
2007-08	212,524	-	30,895	298,050	109,110	10,838	9,045
2008-09	197,738	-	27,480	493,880	105,035	9,076	7,637
2009-10	225,595	-	23,910	487,305	102,490	7,493	6,288
2010-11	194,270 ⁽⁴⁾	-	16,290 ⁽⁴⁾	481,705	99,815	11,833	-
2011-12	179,010 ⁽⁴⁾	-	12,250 ⁽⁴⁾	474,840	97,035	11,667	-
2012-13	163,130 ⁽⁴⁾	-	8,055 ⁽⁴⁾	468,875	91,140	11,094	-
2013-14	151,206 ^{(4) (5)}	-	3,736 ^{(4) (5)}	477,736 ^{(4) (5)}	89,317 ^{(4) (5)}	10,361	-

Fiscal Year	Business Activities					Total Primary Government	Total Debt per Capita ⁽³⁾	Percentage of Personal Income ⁽²⁾
	Water Sewer G.O. Bonds	Landfill G.O. Bonds	Water Sewer Revenue Bonds	Notes Payable	Capital Leases			
2004-05	13,135	870	115,140	13,660	2,676	535,606 ⁽¹⁾	2,270	7.67
2005-06	12,375	700	190,020	12,285	2,613	681,679 ⁽¹⁾	2,794	9.08
2006-07	11,595	520	229,130	10,862	2,349	825,056 ⁽¹⁾	3,354	9.86
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 ⁽⁴⁾	-	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	-	-	267,254 ⁽⁴⁾⁽⁵⁾	-	-	999,610 ⁽⁵⁾	4,327	11.52

(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 ⁽²⁾	Total	Percentage of Net Assessed Value of Property	Per Capita ⁽³⁾
2004-05	\$ 171,070 ⁽¹⁾	\$ 19,472	\$ 151,598	13.25 %	\$ 642.36
2005-06	188,230 ⁽¹⁾	22,507	165,723	13.05	679.19
2006-07	236,349 ⁽¹⁾	24,600	211,749	15.45	859.44
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	180,430	10.29	794.09
2011-12	185,495 ^{(1) (4)}	16,765	168,730	14.68	744.22
2012-13	168,645 ^{(1) (4)}	12,641	156,004	14.90	681.22
2013-14	147,810 ⁽⁴⁾	9,310	138,500	12.06	599.28

Source: Maricopa County - Abstract by tax authority and class
ADOA Office of Employment and Population Statistics - Population estimates for July 1, 2013

Note: (1) Includes general obligation water and sewer bonds.
(2) Includes the current general obligation bond liability plus the general obligation debt service fund balance at June 30.
(3) Per capita is in actual dollars.
(4) Includes the July 1 payment.

City of Glendale, Arizona
Net Direct and Overlapping Governmental Activities Debt
 June 30, 2014
 (amounts expressed in thousands)

Schedule 12

Jurisdiction	Net Debt Outstanding	Percentage Applicable to Glendale	Amount Applicable to Glendale ⁽²⁾
Peoria Unified School District No. 11	\$ 238,910	21.8075 %	\$ 52,100
Glendale Elementary School District No. 40	11,555	99.0268	11,443
Deer Valley Unified School District No. 97	156,175	19.9810	31,205
Alhambra Elementary School District No. 68	80	18.2212	15
Glendale Union High School District No. 205	109,990	20.5827	22,639
Maricopa County			
Maricopa County Community College District	654,190	3.2752	21,426
Phoenix Union High School District No. 210	299,505	1.1376	3,407
Pendergast Elementary School District No. 92	15,915	24.3003	3,867
Tolleson Union High School District No. 214	43,300	6.9055	2,990
Washington Elementary School District No. 6	74,725	2.6640	1,991
Dysart Unified School District No. 89	166,855	0.0648	108
Agua Fria Union High School District No. 216	48,970	0.0716	35
Litchfield Elementary School District No. 79	30,000	0.1071	32
Cartwright Elementary School District No. 83	26,325	-	-
Total Overlapping Debt	1,876,495		151,258
City of Glendale Debt ⁽¹⁾	699,013		699,013
Total	\$ 2,575,508		\$ 850,271

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 and capital leases.
- (2) Calculation based on Net Debt Outstanding multiplied by Percentage Applicable to Glendale, which is determined by dividing the tax area code net secondary assessed value by the tax authority net secondary assessed value.

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

Schedule 13

Legal Debt Margin Calculation for Fiscal Year 2014

	2005	2006	2007	2008	2009	2010	2011 ⁽¹⁾	2012 ⁽¹⁾	2013 ⁽¹⁾	2014 ⁽¹⁾
6% Type Bonds										
Assessed value										\$ 1,148,108
Debt limit (6% of assessed value)										68,886
Debt applicable to limit: General obligation bonds										2,880
Less: Amount set aside for repayment of general obligation debt										(465)
Total net debt applicable to limit										<u>2,415</u>
Legal debt margin										<u>\$ 66,471</u>
Debt limit	\$ 68,673	\$ 76,174	\$ 82,259	\$ 109,621	\$ 131,621	\$ 127,854	\$ 105,214	\$ 68,971	\$ 62,836	\$ 68,886
Total net debt applicable to limit	<u>51,682</u>	<u>52,539</u>	<u>38,998</u>	<u>43,358</u>	<u>32,121</u>	<u>29,010</u>	<u>14,399</u>	<u>11,455</u>	<u>7,309</u>	<u>2,415</u>
Legal debt margin	<u>\$ 16,991</u>	<u>\$ 23,635</u>	<u>\$ 43,261</u>	<u>\$ 66,263</u>	<u>\$ 99,500</u>	<u>\$ 98,844</u>	<u>\$ 90,815</u>	<u>\$ 57,516</u>	<u>\$ 55,527</u>	<u>\$ 66,471</u>
Total net debt applicable to the limit as a percentage of debt limit	75.26%	68.97%	47.41%	39.55%	24.40%	22.69%	13.69%	16.61%	11.63%	3.51%
20% Type Bonds										
Assessed value										\$ 1,148,108
Debt limit (20% of assessed value)										229,622
Debt applicable to limit: General obligation bonds										144,930
Less: Amount set aside for repayment of general obligation debt										(8,845)
Total net debt applicable to limit										<u>136,085</u>
Legal debt margin										<u>\$ 93,537</u>
Debt limit	\$ 228,910	\$ 253,914	\$ 274,198	\$ 365,404	\$ 438,735	\$ 426,181	\$ 350,714	\$ 229,905	\$ 209,455	\$ 229,622
Total net debt applicable to limit	<u>99,340</u>	<u>113,184</u>	<u>172,751</u>	<u>150,157</u>	<u>138,326</u>	<u>163,811</u>	<u>166,031</u>	<u>159,306</u>	<u>148,695</u>	<u>136,085</u>
Legal debt margin	<u>\$ 129,570</u>	<u>\$ 140,730</u>	<u>\$ 101,447</u>	<u>\$ 215,247</u>	<u>\$ 300,409</u>	<u>\$ 262,370</u>	<u>\$ 184,683</u>	<u>\$ 70,599</u>	<u>\$ 60,760</u>	<u>\$ 93,537</u>
Total net debt applicable to the limit as a percentage of debt limit	43.40%	44.58%	63.00%	41.09%	31.53%	38.44%	47.34%	69.29%	70.99%	59.26%

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

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

Schedule 14

Fiscal Year	Water and Sewer Revenue Bonds						Coverage
	Utility Service Charges ⁽¹⁾	Less: Operating Expenses ⁽²⁾	Net Available Revenue	Debt Service			
				Principal	Interest		
2004-05	\$ 56,144	\$ 32,100	\$ 24,044	\$ 6,495 ⁽³⁾	\$ 6,168 ⁽³⁾	1.90	
2005-06	59,426	35,916	23,510	6,813 ⁽³⁾	7,143 ⁽³⁾	1.68	
2006-07	66,646	40,825	25,821	6,303 ⁽³⁾	9,280 ⁽³⁾	1.66	
2007-08	69,490	44,247	25,243	7,252 ⁽³⁾	11,918 ⁽³⁾	1.32	
2008-09	69,300	40,175	29,125	9,876 ⁽³⁾	13,539 ⁽³⁾	1.24	
2009-10	76,987	43,628	33,359	10,347 ⁽³⁾	13,082 ⁽³⁾	1.42	
2010-11	81,127	41,550	39,577	11,107 ⁽³⁾	13,598 ⁽³⁾	1.60	
2011-12	83,496	41,555	41,941	9,545 ⁽⁶⁾	13,306 ⁽³⁾	1.84	
2012-13	83,454	39,203	44,251	9,755	13,152	1.93	
2013-14	81,733	42,544	39,189	10,210	12,706	1.71	

Fiscal Year	Transportation Bonds ⁽⁴⁾				Excise Tax Revenue Bonds ⁽⁵⁾			
	Transportation Sales Tax	Debt Service		Coverage	Excise Tax Revenue	Debt Service		Coverage
		Principal	Interest			Principal	Interest	
2004-05	\$ -	\$ -	\$ -	\$ -	\$ 98,143	\$ 1,885	\$ 9,017	9.00
2005-06	-	-	-	-	114,066	2,785	8,871	9.79
2006-07	-	-	-	-	123,602	2,715	10,343	9.47
2007-08	23,672	4,075	3,255	3.23	127,373	7,399	17,617	5.09
2008-09	20,875	2,545	4,782	2.85	118,277	6,575	24,074	3.86
2009-10	19,488	2,675	4,655	2.66	109,536	5,600	27,812	3.28
2010-11	19,486	2,780	4,548	2.66	102,962	6,585	27,612	3.01
2011-12	20,665	2,890	4,437	2.82	100,081 ⁽⁷⁾	2,590 ⁽⁶⁾	27,279	3.35
2012-13	21,691	3,005	4,321	2.96	131,931 ⁽⁷⁾	2,790 ⁽⁶⁾	30,713 ⁽⁸⁾	3.94
2013-14	23,112	3,125	4,201	3.15	141,674 ⁽⁷⁾	6,500	22,951	4.81

Source: City of Glendale Finance Department

Notes:

(1) Operating revenues and nonoperating revenues excluding non-cash contributions, gains and losses.

(2) Excluding depreciation.

(3) Principal and interest amounts include debt service on the note payable to the Water Infrastructure Financing Authority of Arizona for the 00-01 loan and the 09-10 loan for fiscal years through 2010-11.

(4) FY 2008 is the first year the City of Glendale has issued transportation bonds.

(5) Excise tax revenue bonds include the Municipal Property Corporation and the Western Loop 101 Public Facilities Corporation (through FY 2012-13).

(6) Excluding reductions to principal by refunded bonds - 2011-12 Water & Sewer Revenue Bond \$74,050 and Excise Tax Revenue Bonds \$8,945; and 2012-13 Excise Tax Revenue Bonds \$243,250.

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

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

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
2004-05	236	3,638	\$ 120,716,738	\$ 33,182	3.9 %
2005-06	244	3,793	134,339,487	35,418	3.9
2006-07	246	3,907	139,665,253	35,747	3.1
2007-08	249	3,988	145,880,680	36,580	3.6
2008-09	250	4,116	146,898,132	35,690	8.4
2009-10	250	4,023	140,351,646	34,886	9.1
2010-11	227	3,817	147,724,392 ⁽³⁾	38,701	9.2
2011-12	229 ⁽⁵⁾	3,884	147,724,392 ⁽³⁾	38,034	7.6
2012-13	231 ⁽⁵⁾	3,933 ⁽³⁾	147,724,392 ⁽³⁾	37,560	7.2
2013-14	231 ⁽⁵⁾	3,933 ⁽³⁾	147,724,392 ⁽³⁾	37,560	6.5

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.

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

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

Schedule 16

Employer	2014			2005		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Luke Air Force Base	5,610	1	4.76 %	7,907	1	7.64 %
Banner Thunderbird Health System	2,900	2	2.46	2,036	4	1.97
Arrowhead Towne Center	2,500	3	2.12	2,500	3	2.42
WalMart	2,175	4	1.85			
Glendale Union High School District	1,944	5	1.65	1,862	6	1.80
Glendale Community College	1,790	6	1.52	1,220	9	1.18
Glendale Elementary School District	1,608	7	1.37	1,684	7	1.63
City of Glendale	1,592	8	1.35	2,021	5	1.95
Arrowhead Community Hospital	1,010	9	0.86			
AAA	1,000	10	0.85			
Deer Valley Unified School District				1,432	8	1.38
Honeywell, Inc.				2,762	2	2.67
Schuck and Sons				1,150	10	1.11
Total	22,129		18.79 %	24,574		23.75 %

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

Full-Time Equivalent City Government Employees by Function/Program

Last Ten Fiscal Years

Function/Program	Full-Time Equivalent Employees as of June 30									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General government										
Management services	31.00	34.00	36.00	45.00	43.00	38.00	35.00	35.00	34.00	32.00
Finance	49.00	54.00	57.00	59.00	61.00	69.00	86.75	86.75	86.75	85.75
Planning	10.00	13.00	14.00	15.00	24.00	33.00	28.50	28.50	26.50	26.15
Building	21.00	21.00	24.00	26.00	32.00	43.00	53.75	51.75	55.75	57.75
Legal	69.00	67.00	66.00	70.00	73.00	70.00	78.00	78.00	67.00	67.00
Other	63.00	73.00	77.00	90.00	96.00	104.00	108.50	105.50	101.00	94.50
Police	534.00	505.00	534.00	544.00	554.00	567.00	557.50	543.50	506.50	507.50
Fire	253.00	260.00	269.00	270.00	276.00	278.00	263.50	251.50	237.50	216.00
Homeland security	-	-	-	-	-	6.00	7.00	7.00	-	-
Community service	48.00	56.00	60.00	72.00	72.00	69.00	93.75	87.25	84.25	82.75
Parks and recreation	59.00	75.00	92.00	123.00	122.00	85.00	99.25	98.75	89.75	86.75
Library	32.00	32.00	48.00	56.00	57.00	65.00	87.76	88.76	87.76	87.76
Public works	173.00	165.00	179.00	203.00	225.00	256.00	281.00	271.00	266.00	266.00
Engineering	17.00	18.00	19.00	26.00	27.00	39.00	45.00	45.00	46.00	45.00
Transportation	57.00	60.00	65.00	69.00	63.00	67.00	89.25	88.25	81.25	80.25
Utilities	176.00	172.00	185.00	167.00	170.00	171.00	186.00	165.00	146.00	140.00
Total	1,592.00	1,605.00	1,725.00	1,835.00	1,895.00	1,960.00	2,100.51	2,031.51	1,916.01	1,875.16

Sources:

City Budget Division for 2005-08

City of Glendale Human Resources Department for 2009-14

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

Schedule 18

Function/Program	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Police										
Calls for service	146,538	127,333	127,829	129,161	129,868	137,586	146,489	154,176	148,633	158,507
Bookings	18,939	8,588	7,083	9,902	11,015	11,990	12,902	12,119	8,640	8,138
Criminal offense reports	31,481	34,995	33,938	27,304	29,765	32,599	32,918	35,169	34,271	33,578
Fire										
EMS calls	30,262	30,082	29,321	27,751	26,591	24,419	25,851	25,819	22,284 ⁽¹⁾	18,977 ⁽³⁾
Fire calls	3,461	3,478	3,495	3,573	3,847	3,900	4,216	4,322	5,886 ⁽¹⁾	2,642 ⁽³⁾
Water										
Number of billed accounts	60,932	60,450	60,109	59,732	59,579	59,079	59,807	60,700	60,004	59,630
Water produced (millions gallons)	13,768	13,667	14,064	13,569	14,284	15,375	14,943	16,231	16,075	15,896
Sewer										
Number of billed accounts	56,791	56,357	55,987	55,609	55,439	56,709	54,936	54,662	56,737	55,995
Treated influent (millions gallons)	6,244	6,065	5,970	5,998	6,405	6,570	6,661	7,227	7,410	7,191
Refuse collection										
Residential curb service (tons per year)	45,942	46,833	48,187	49,784	52,634	53,493	58,865	60,914	63,521	57,942
Commercial container service (tons per year)	41,879	40,272	39,722	40,451	41,797	44,600	48,267	51,425	49,517	44,441
Airport										
Departures/arrivals ⁽²⁾	70,679	76,390	80,416	80,291	69,834	91,998	137,762	152,194	143,798	108,887
General government										
Building permits	4,799	6,383	5,304	5,619	5,194	5,289	6,931	6,310	7,888	7,079
Library										
Volumes in collection ⁽⁴⁾	408,516	415,695	446,010	529,113	523,512	540,352	546,136	557,342	596,266	620,130
Transit										
Dial-A-Ride passengers	78,271	85,798	90,577	92,134	89,808	91,841	88,638	84,132	89,055	87,831

Source: Various city departments and FAA ATADS report

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

- (1) Fire department figures are on a calendar year, January 1, 2006, through November 3, 2006.
- (2) Departures/arrivals are based on calendar year prior to 2005-2006. 2005 figures are through October 2005. 2009 figures are through October 30, 2009. 2010 forward are based on fiscal year.
- (3) Amounts based on calendar year: January 1, 2005, through September 30, 2005.
- (4) Includes all formats: books, magazines, CD's, DVD's and electronic/downloadable collection.

City of Glendale, Arizona
Capital Asset Statistics by Function/Program
 Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Police										
Stations	3	3	3	3	3	3	3	3	3	3
Patrol vehicles	176	139	154	174	157	159	158	157	156	156
Fire stations	9	9	9	9	9	9	9	9	9	9
General government										
City square miles	59	59	59	59	59	59	58	57	57	57
Water										
Treatment capacity (millions gallons per day)	104.1	104.1	104.1	104.1	94.1	94.1	81.6	81.6	81.6	81.6
Storage capacity (millions gallons)	67	67	67	67	67	67	62	62	62	62
Miles of water mains	994	994	994	994	994	850	800	750	750	750
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	700	690	680	670	659	659	659	659
Landfill										
Landfill capacity - south cell	21,493	21,218	22,065	21,912	21,666	21,666	22,594	22,594	22,594	22,594
Landfill capacity used - south cell	19,220	18,849	19,257	18,444	18,529	18,126	17,776	17,358	16,790	16,328
Other public works										
Streets (miles)	718	718	717	802	736	736	736	736	733	709
Parks and recreation										
Number of parks/retention basins/facilities	100	100	100	100	100	99	99	95	92	92
Acres of parks	2189	2,189	2,189	2,189	2,189	2,199	2,125	2,125	2,058	2,052
Transit										
Dial-A-Ride minibuses	20	21	21	21	22	23	22	22	25	25

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	\$ 32.48	\$ 41.13
Office Building	53.66	N/A
Apartment - Average 5 units	85.85	78.67
Apartment - Average 35 units	535.50	157.11
Retail/Wholesale	59.05	N/A

(1) Per 1,000 gallons

SOURCE: City of Glendale Finance as of October 2014

HISTORICAL AVERAGE NUMBER OF WATER ACCOUNTS ⁽¹⁾

Fiscal Year Ending June 30	Residential	Multi-Family ⁽²⁾	Commercial	Sprinkler ⁽²⁾	Total
2005	55,139		4,491		59,630
2006	55,354		4,650		60,004
2007	55,395		5,305		60,700
2008	54,396		5,411		59,807
2009 ⁽³⁾	53,523		5,556		59,079
2010 ⁽³⁾	53,522	1,672	4,247	1,647	57,769
2011 ⁽³⁾	53,663	1,674	4,264	1,655	57,927
2012 ⁽⁴⁾	53,858	1,673	4,281	1,666	58,139
2013 ⁽³⁾	54,056	1,680	4,296	1,669	58,352
2014 ⁽³⁾	54,085	1,690	4,336	1,685	58,421

(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.

SOURCE: City of Glendale Water Services Department

WATER DELIVERIES

Acre Feet

Calendar Year	Residential ⁽¹⁾	Commercial	Other ⁽²⁾	Total
2004	34,427	8,382	1,211	44,020
2005	33,567	9,580	5,636	48,783
2006	34,660	10,951	3,730	49,341
2007	34,594	11,281	3,937	49,812
2008	32,278	10,764	2,818	45,860
2009	31,457	10,122	5,606	47,185
2010	27,537	10,482	4,455	42,474
2011	27,409	11,143	9,558	48,110
2012	27,695	11,278	3,683	42,656
2013	26,921	10,634	3,050	40,605

(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
2005	55,670	7.9	3.0	7.0	17.9
2006	55,995	8.2	3.0	8.5	19.7
2007	56,737	8.2	2.9	9.2	20.3
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

(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

City of Glendale
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