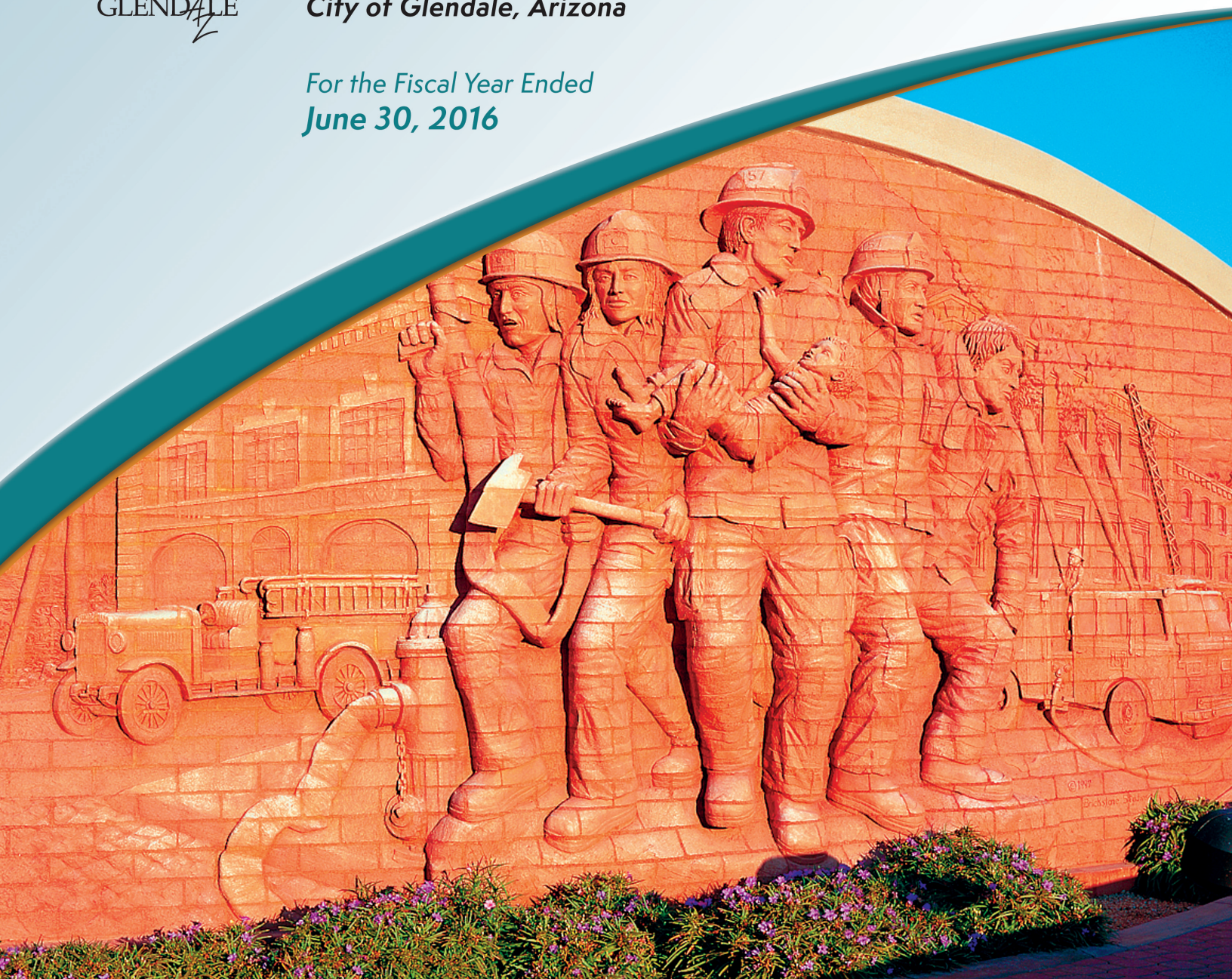




Comprehensive Annual Financial Report

City of Glendale, Arizona

For the Fiscal Year Ended
June 30, 2016



This page left blank intentionally.



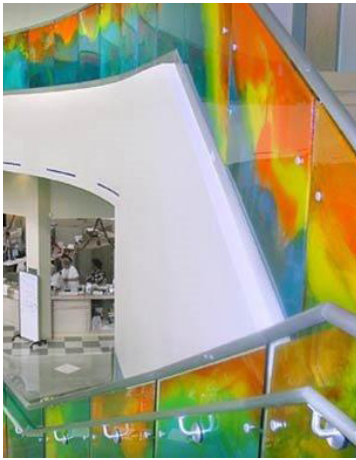
City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

INTRODUCTORY SECTION

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

This page left blank intentionally.



City of Glendale, Arizona

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2016

Mayor Jerry Weiers

Councilmembers

Ian Hugh - Vice Mayor, Cactus District

Bart Turner - Barrel District

Lauren Tolmachoff - Cholla District

Jamie Aldama - Ocotillo District

Ray Malnar - Sahuaro District

Samuel U. Chavira - Yucca District

Management Staff

Kevin Phelps - City Manager

Tom Duensing - Assistant City Manager

Prepared by Finance

Vicki Rios, Budget and Finance Director

This page left blank intentionally.

**City of Glendale, Arizona
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2016**

TABLE OF CONTENTS

	<u>Page</u>
I. INTRODUCTORY SECTION	
Title Page	i
Table of Contents	iii
Letter of Transmittal	1
GFOA Certificate of Achievement.....	5
Glendale, Arizona and Neighboring Communities	6
Glendale City Officials	7
Glendale Council District Boundaries.....	8
Organization Chart	9
 II. FINANCIAL SECTION	
Independent Auditors' Report	11
A. MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)	15
 B. BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position.....	27
Statement of Activities	28
 Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	30
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	31
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	32
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	33
Statement of Net Position – Proprietary Funds	34
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	35
Statement of Cash Flows – Proprietary Funds	36
 Notes to the Financial Statements	 38
 C. REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Pension Liability	97

**City of Glendale, Arizona
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2016**

TABLE OF CONTENTS

Schedule of OPEB Liability	100
Schedule of Pension Contributions	102
Schedule of Funding Progress	104
Notes to Pension Liability and Contributions	105
Budgetary Comparison Schedule – General Fund	106
Notes to Required Supplementary Information.....	108

D. COMBINING STATEMENTS

Budgetary Comparison Schedule – Municipal Property Corporation Debt Service Fund	111
--	-----

Non-Major Governmental Funds

Combining Balance Sheet.....	114
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	118
Budgetary Comparison Schedules	
Transportation Fund.....	121
Community Development Block Grants Fund	122
Highway Users Gas Tax Fund	123
Police and Fire Sales Tax Fund.....	124
Other Special Revenue Fund.....	125
Highway User Debt Service Fund.....	127
Transportation Debt Service Fund	128
Excise Tax Revenue Debt Service Fund	129
General Obligation Debt Service Fund	130
Cemetery Perpetual Care Fund	131
Development Impact Fees Fund.....	132
Streets Construction Fund	133
Fire and Police Construction Fund.....	134
Parks Bond Construction Fund	135
Other Construction Fund.....	136

Non-Major Proprietary Funds – Business-Type Activities

Combining Statement of Net Position	138
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	139
Combining Statement of Cash Flows	140
Budgetary Comparison Schedules	
Water and Sewer Fund (a Major Fund).....	142
Landfill Fund	144
Sanitation Fund	145

**City of Glendale, Arizona
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2016**

TABLE OF CONTENTS

Housing Fund..... 146

Internal Service Funds

Combining Statement of Net Position 147
 Combining Statement of Revenues, Expenses, and Changes in Fund Net Position 148
 Combining Statement of Cash Flows 149

Budgetary Comparison Schedules

Risk Management Fund 150
 Workers' Compensation Fund 151
 Employee Benefits Fund 152
 Fleet Services Fund 153
 Technology Fund 154

E. SUPPLEMENTARY INFORMATION

Federal Financial Data Schedule..... 155

III. STATISTICAL SECTION

	<u>Schedule</u>	<u>Page</u>
Net Position by Component	1	162
Changes in Net Position	2	164
Fund Balances – Governmental Funds	3	167
Changes in Fund Balances – Governmental Funds	4	168
Assessed and Estimated Actual Value of Taxable Property	5	170
Direct and Overlapping Governments Property Tax Rates	6	171
Principal Property Taxpayers	7	172
Property Tax Levies and Collections	8	173
City Transaction Privilege Taxes (Sales Tax) by Category	9	175
Ratio of Outstanding Debt by Type.....	10	176
Ratios of Net General Bonded Debt Outstanding.....	11	178
Net Direct and Overlapping Governmental Activities Debt.....	12	179
Legal Debt Margin Information	13	180
Pledged-Revenue Coverage	14	182
Demographic and Economical Statistics	15	184
Principal Employers	16	185
Full-Time Equivalent City Government Employees by Function/Program	17	186
Operating Indicators by Function/Program	18	187
Capital Asset Statistics by Function/Program	19	188
Miscellaneous Water and Sewer Rate Statistics	20	189
Miscellaneous Water and Sewer Statistics	21	190

This page left blank intentionally.



December 12, 2016

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, 2016. The CAFR includes a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP). The financial statements are audited by a firm of licensed certified public accountants in accordance with generally accepted auditing standards (GAAS).

City Management assumes full responsibility for the accuracy and completeness of the data, including all disclosures presented in this report. To provide a reasonable basis for making these representations, Management has established a comprehensive internal control framework that is designed to both protect the government's assets from loss, theft, or misuse; and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements are free of material misstatement. To the best of our knowledge and belief, this financial report is complete and reliable in all material respects and is designed to fairly represent the financial position of the operations of the various funds of the City.

This letter of transmittal is best reviewed in conjunction with the Management's Discussion and Analysis (MD&A) beginning on page 15. The MD&A provides a narrative introduction, overview, and analysis of the basic financial statements of the City.

Independent Audit

The City's financial statements have been audited by CliftonLarsonAllen LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

The City's independent auditors also perform the Single Audit of the City's federal grant programs. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements involving the administration of federal awards. The Single Audit Reporting Package is issued separately from this financial report and is available upon request.

Budgetary Controls

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

the City Council. For budget administrative purposes, the City maintains budgetary controls at the fund and department level. Department Heads may request transfers of appropriations within the same fund for his/her department. However, transfers of appropriations between funds and departments require approval of the City Council and can only occur in the last quarter of the fiscal year. Budget-to-actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted.

Arizona state law and Glendale City financial policies require that each annual city budget be a balanced budget. A balanced budget means the total expenditures cannot exceed the budgeted period's total financial resources available. The adopted FY15-16 budget complies with the balanced budget requirement in all City funds. Additionally, the State of Arizona sets a limit on the expenditures of local jurisdictions. Compliance with these expenditure limitations is required. The City submits an audited expenditure limitation report as defined by the Uniform Expenditure Reporting System (A.R.S. Section 41-1279.07) along with audited financial statements to the State Auditor General within the required timeframe.

City of Glendale Profile

The City of Glendale, Arizona is the fifth largest city in the state with a population of approximately 235,000 people. Located in the northwestern part of the metropolitan Phoenix area and occupying approximately 60 square miles of land, the City is home to the Arizona Cardinals and the Arizona Coyotes. The City is also the owner of Camelback Ranch, the spring training facility for the Los Angeles Dodgers and the Chicago White Sox.

The City was incorporated in 1910 and has operated under the council-manager form of government since its incorporation. Policy-making and legislative authority are vested in the City Council which consists of the Mayor and six other members. The City Council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring the City Manager, Clerk, Attorney, Municipal Judge and City Auditor (Internal). The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments. The Council is elected on a non-partisan basis. Council members serve four-year terms, with three Council members elected every two years. The Mayor is elected to serve a four-year term.

The City provides a full range of services including: police and fire 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 the Municipal Property Corporation, a legally separate entity, that is reported within the City's financial statements.

Economic Conditions and Strategies

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

Primary Revenue Sources

The City relies on local and state shared sales tax as well as state shared income tax as primary revenue sources for the City's operating budget. Local sales tax revenues increased 2.1% this fiscal year when compared to the last fiscal year. The growth can be attributed to the improving economy and economic development activities which are expected to generate additional construction sales tax revenue. In addition, as the jobless claims continue to decline and the overall economy continues to improve, rising consumer confidence is expected to lead to increased spending, especially in retail sales. The city's state shared sales tax revenues also increased 3.8% compared to last fiscal year.

Workforce and Unemployment

Glendale's unemployment rate for the month of June 2016 was 5.3% which is lower than the statewide unemployment rate of 5.8%. Year over year 2,845 more people joined the labor force and 3,828 more people were employed in Glendale. Glendale's workforce is concentrated in the following nonfarm sectors: retail (18.2%), consumer services (16.4%), health care services (13.2%) construction (10.9%), business services (9.1%), finance, insurance and real estate (7.5%), government and social advocacy services (7.1%) and transportation and distribution (5.6%); Glendale's nonfarm employment grew 3.5% over last year with construction, information, financial activities, and education and health services leading the growth. The Arizona Department of Administration projects an annual growth rate of 2.8% for nonfarm employment in Arizona for 2017; Glendale's employment expected to grow faster than the State at 3.2%.

Economic Development

Business attraction, business retention & expansion, redevelopment, business assistance, and major events comprise the five pillars of Glendale's economic development program. Business attraction is focused on five targeted industries: aerospace & defense, manufacturing, signature retail & entertainment, medical technology, and advanced business services. In fiscal year 2016, the City successfully hosted the 2016 College Football Playoff national championship game which was reported by the Arizona State University WP Carey School of Business as having a \$273.6 million economic impact for Arizona. Major business attraction projects in representative target industries include One Step Beyond, Redflex, Dashmesh Global, Davis Research, Mobile-Logix, and Iron Factory. In addition, the City of Glendale and Cardon Development Group were honored by Westmarc with the 2015 West Valley Economic Engine Award for the Aspera project located in north Glendale which is estimated to create 1,700 permanent jobs and generate \$137 million of annual economic impact for Glendale at full build-out. Dr. John Simon, founder of SimonMed Imaging, broke ground on Westgate Healthcare Campus this year. At full build-out, this \$30 million project will offer more than 200,000 square feet of medical space and will create approximately 1,500 jobs further anchoring Glendale's western Loop 101 area as an employment corridor. Finally, downtown Glendale welcomed a significant adaptive re-use project representing a \$3 million private capital investment. The Desert Rose project converted a former industrial property on 2.5 acres, creating a 21,000 square foot development that includes three up-scale dining and entertainment amenities. The owner-operator developed this visionary project utilizing the existing buildings and industrial canopy and incorporated design features that pay homage to the rich history of the community including a mural recreating historic Glendale photos and the display of original adobe building materials.

Financial Strategy

As part of the annual budget process, the city prepares a five-year financial forecast for each of the City's major operating funds. The forecast provides a long-term view of current year budget decisions affecting the City and provide an estimate of fund balance and sensitivity to revenue and expenditure changes over the forecast period. Through sound financial planning and positive economic conditions, the City's General Fund balance continues to improve and increased \$12.9 million in fiscal year 2016. The City's bond ratings were upgraded by Moody's Investor Services and Standard & Poor's Ratings Services in January 2016 and March 2016, respectively. The key financial measures that were taken to improve the City's financial position are as follows:

The City and Ice Arizona amended the Arena Professional Management Service and Lease Agreement which removed the surcharge revenues received by the City from the original agreement and reduced the arena management fees paid by the City from \$15 million to \$6.5 million.

The City issued \$27.3 million in general obligation bonds to provide funding for acquisition of land, constructing infrastructure and other improvements to the property to improve local streets and parking within the City and to promote new private sector job creation.

The City refinanced \$38.2 million in bonds which resulted in \$4.3 million in net present value savings over the term of the bonds. The debt restructuring provides savings to the General Fund.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2015. This was the twenty-eighth consecutive year the City has received this prestigious award, and the thirtieth year overall. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its fiscal year beginning July 1, 2015. This was the twenty-ninth consecutive year that the City has received the highest form of recognition in governmental budgeting.

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

Respectfully submitted,

A handwritten signature in cursive script that reads "Vicki L. Rios".

Vicki L. Rios, CPA
Budget and Finance Director



Government Finance Officers Association

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

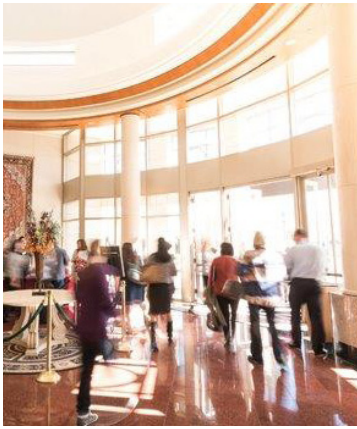
Presented to

**City of Glendale
Arizona**

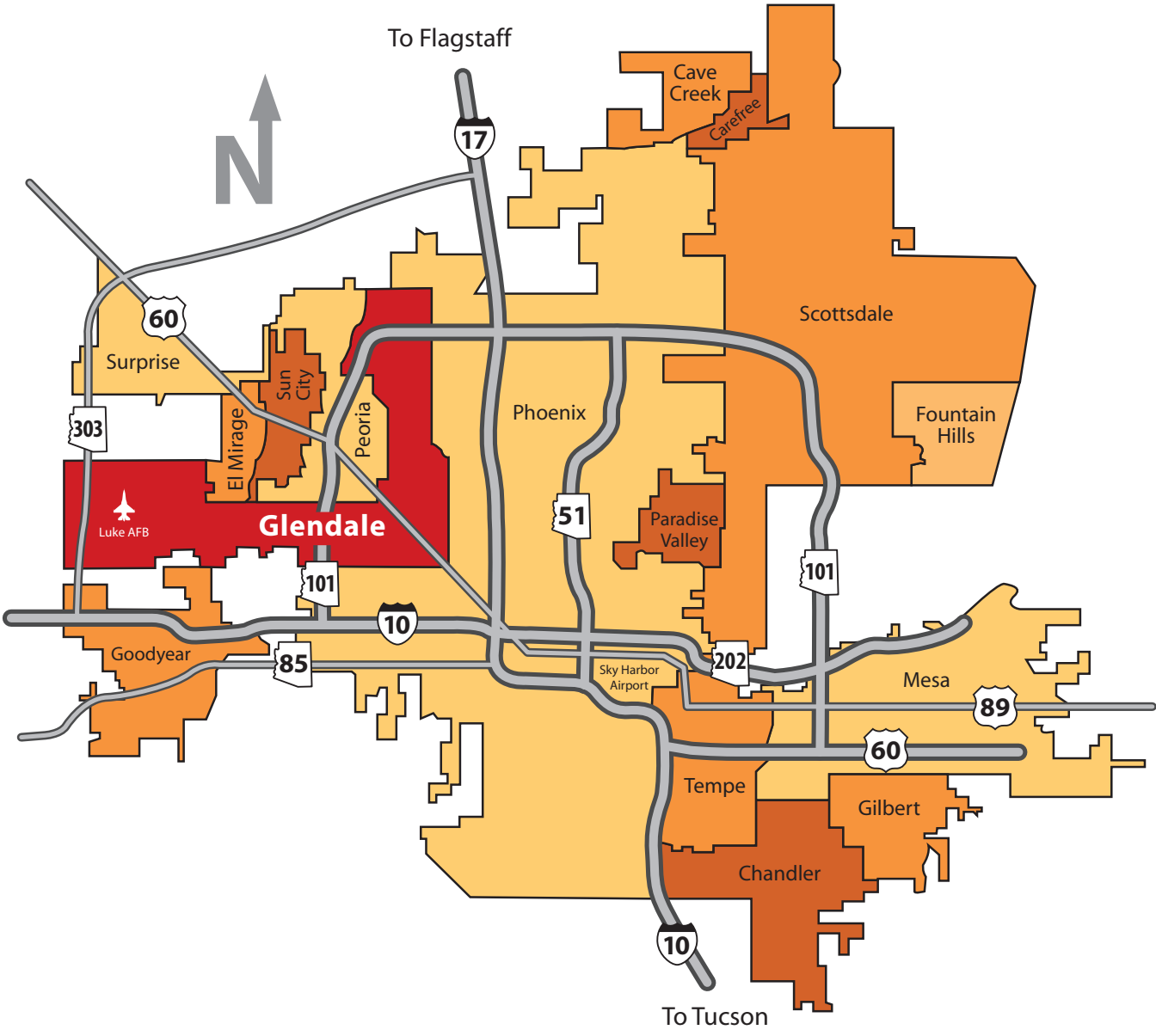
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO



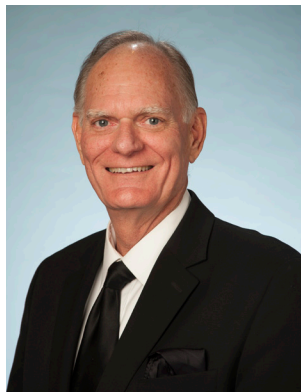
Glendale, Arizona & Neighboring Communities



Glendale City Officials



Jerry Weiers
Mayor



Ian Hugh
Vice Mayor/
Councilmember
Cactus District



Bart Turner
Councilmember
Barrel District



Lauren Tolmachoff
Councilmember
Cholla District



Jamie Aldama
Councilmember
Ocotillo District



Ray Malnar
Councilmember
Sahuaro District



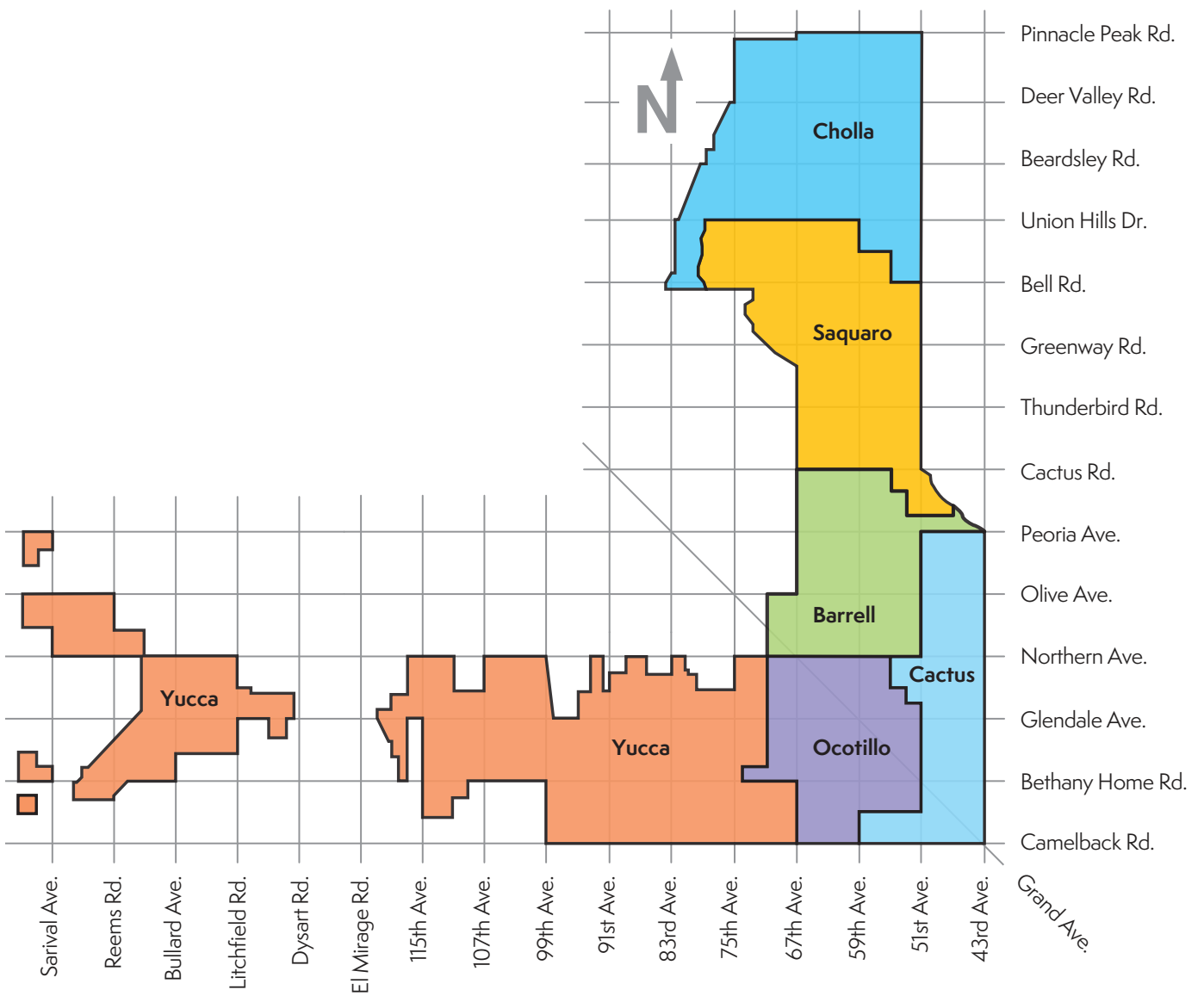
Samuel U. Chavira
Councilmember
Yucca District



Kevin Phelps
City Manager



Glendale Council District Boundaries



Effective July 1, 2016

CITIZENS OF GLENDALE

Mayor & Council

Boards & Commissions

City Attorney
Michael D. Bailey

City Manager
Kevin R. Phelps

City Clerk
Pam Hanna

Presiding City Judge
Elizabeth Finn

Police Department
Debora Black
Police Chief

Fire Department
Terry Garrison
Fire Chief

Strategic Initiatives and Special Projects
Jean Moreno
Executive Officer

Office of Economic Development
Brian Friedman
Director

City Auditor
Candace MacLeod

Assistant City Manager
Tom Duensing

Development Services Department
Sam McAllen
Director

Water Services Department
Craig Johnson
Director

Public Works Department
Jack Friedline
Director

Public Facilities, Recreation & Special Events Department
Erik Strunk
Director

Building Safety

Code Compliance

Planning

Environmental Resources

Utilities

Engineering

Field Operations

Transportation

Civic Center

Convention and Visitor's Bureau/ Tourism

Parks and Recreation

Special Events

Community Services Department
Elaine Adamczyk
Interim Director

Human Services

Library and Arts

Volunteer Services

Human Resources Department
Jim Brown
Director

Human Resources

Risk Management

Innovation and Technology Department
Chuck Murphy
Chief Information Officer

Information Technology

Public Affairs Department
Brent Stoddard
Director

Cable Communications

Creative Services

Council Administration

Digital Services

Intergovernmental Programs

Public Information Office

Budget and Finance Department
Vicki Rios
Director

Budget

Finance

Procurement

This page left blank intentionally.



City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FINANCIAL SECTION

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

This page left blank intentionally.



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, 2016, 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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

During the fiscal year ended June 30, 2016, the City adopted Governmental Accounting Standards Board Statement (GASBS) No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions* and reclassified certain funds previously reported in the General and Other Governmental Funds as Internal Service Funds. As a result of the implementation of GASBS No. 75 and the reclassification of funds to the internal service fund, the City reported a restatement for the change in accounting principle (see Note XVII). Our auditors' opinion was not modified with respect to the restatements.

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 – 26, the required supplementary information for the City's pension plans and other postemployment benefits on pages 97 – 104 and the budgetary comparison schedule for the general fund on pages 106 – 107 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2016, 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.



CliftonLarsonAllen LLP

Phoenix, Arizona
December 12, 2016

This page left blank intentionally.



City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

MANAGEMENT'S DISCUSSION & ANALYSIS

(Required Supplementary Information)

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

This page left blank intentionally.

CITY OF GLENDALE, ARIZONA

Management's Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2016

(amounts expressed in thousands)

Management's Discussion and Analysis

The following discussion and analysis is provided to readers of the City's financial statements as a narrative overview of the financial activities of the City for the fiscal year ended June 30, 2016. This discussion and analysis is designed to assist the reader in focusing on significant financial highlights; provide an overview of the City's financial activity; identify changes in the City's financial position; identify material deviations from the financial plan (the approved annual budget); and identify individual fund issues or concerns.

The Management's Discussion and Analysis (MD&A) has a different focus and purpose than the letter of transmittal presented on pages 1-4. It is designed to be read in conjunction with the transmittal letter, the financial statements beginning on page 27, and the accompanying notes to the financial statements.

Significant Financial Highlights

The financial statements illustrate the following significant financial highlights for FY 2015-16:

- The City's total net position decreased \$157 or 0.02%. The governmental net position decreased by \$4,939 or 1.3%, and the business-type net position increased by \$4,782 or 1.3%. The decrease in net position in the governmental activities is primarily attributed to the settlement agreement with the Arizona Sports and Tourism Authority, The Arizona Cardinals Football Club, LLC, The New Cardinals Stadium LLC, and the Stadium Development LLC. The settlement amount of \$14,100, to be paid over four years, was recorded as a settlement obligation liability at June 30, 2016. Excluding the settlement obligation, the governmental net position increased by \$9,161 or 2.4%. The increase in the business-type net position is primarily attributed to an increase in program revenues of \$2,548 or 2.2%.
- General revenues from governmental activities increased \$8,053 or 3.5%. The primary reason for this increase was an increase of \$2,897 or 557% in miscellaneous revenues. In addition, sales tax revenue increased \$3,026 or 2.1% from the College Football Playoff national championship game and positive economic trends.
- Governmental activities program specific revenues in the form of charges for services, grants, and contributions decreased \$8,165 or 11%. In addition, charges for services revenue decreased \$3,925 or 10.5%. This decrease can be primarily attributed to the amendment to the arena management agreement which deleted the surcharge revenues received by the City from the original agreement. The amendment also reduced the management fee paid by the City to the arena manager.
- The total cost of all City programs increased by \$12,776 or 3.1%. The increase is attributed to an increase of \$3,050 or 5% in general government, \$4,628 or 3.6% in public safety, \$3,377 or 15.7% in public works and \$2,039 or 10.6% in street maintenance expenses in the governmental activities and an increase of \$2,239 or 2.9% in water and sewer and \$1,322 or 17.2% in landfill expenses for the business-type activities.
- In January 2016 and March 2016, the City's bond ratings were upgraded by Moody's Investor Services and Standard & Poor's Rating Services, respectively.
- The General Fund, a major governmental fund, collected \$219,992 in revenues which is an increase of \$1,102 or .5% from the prior year. This increase was primarily due to an increase in sales taxes and special assessments revenue of \$4,293 from the major events at Westgate and positive economic trends. The total expenditures of the General Fund were \$185,439, which is a decrease of \$2,131 or 1.1%. A significant portion of this decrease is related to a reduction in lease payments that resulted from paying in full the City's lease purchase agreement related to the Regional Public Safety Training Center in fiscal year 2015.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information intended to provide additional detail to support the basic financial statements.

Government-Wide Financial Statements

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

The Statement of Net Position presented on page 27, provides information on all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Net position is categorized as net investment in capital assets, restricted by an outside party, and unrestricted. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities found on page 28, presents information that illustrates how the City's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as revenues pertaining to uncollected taxes and expenses pertaining to earned but unused compensated absences.

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

CITY OF GLENDALE, ARIZONA

Management's Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2016

(amounts expressed in thousands)

The City maintains 16 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the 2 major funds. Data from the other 14 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules.

Proprietary Funds

The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer, landfill, 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 fleet, technology, risk management, workers' compensation and employee benefit activities. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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

Notes to the Financial Statements

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

Additional Required Supplementary Information

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

Other

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

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a City's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$754,287 as of June 30, 2016.

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

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2016
(amounts expressed in thousands)

The City's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets. At the end of the current fiscal year, the City is able to report positive balances in the three categories of net position with the exception of unrestricted net position for the governmental activities which increased \$1,079 over the prior year. The City is addressing the negative unrestricted net position for the governmental activities by holding the line on expenditures and decreased debt service payments as a result of the bond refunding in fiscal years 2015 and 2016.

The chart below is a comparison of the City's net position for fiscal years 2016 and 2015:

Condensed Statement of Net Position
As of June 30, 2016, and 2015
(in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2016	2015 restated	2016	2015 restated	2016	2015 restated
Current and other assets	\$ 310,629	\$ 301,454	\$ 141,397	\$ 190,402	\$ 452,026	\$ 491,856
Capital assets, net	1,153,079	1,142,283	556,476	516,534	1,709,555	1,658,817
Total assets	<u>1,463,708</u>	<u>1,443,737</u>	<u>697,873</u>	<u>706,936</u>	<u>2,161,581</u>	<u>2,150,673</u>
Deferred Outflows of Resources	81,535	72,423	12,594	14,054	94,129	86,477
Current liabilities	132,360	131,428	38,501	40,117	170,861	171,545
Noncurrent liabilities	1,017,733	978,028	293,892	304,974	1,311,625	1,283,002
Total liabilities	<u>1,150,093</u>	<u>1,109,456</u>	<u>332,393</u>	<u>345,091</u>	<u>1,482,486</u>	<u>1,454,547</u>
Deferred Inflows of Resources	15,227	21,842	3,710	6,317	18,937	28,159
Net position:						
Net investment						
in capital assets	456,001	456,897	256,488	253,134	712,489	710,031
Restricted	163,592	168,714	21,576	24,090	185,168	192,804
Unrestricted	(239,670)	(240,749)	96,300	92,358	(143,370)	(148,391)
Total net position	<u>\$ 379,923</u>	<u>\$ 384,862</u>	<u>\$ 374,364</u>	<u>\$ 369,582</u>	<u>\$ 754,287</u>	<u>\$ 754,444</u>

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2016
(amounts expressed in thousands)

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

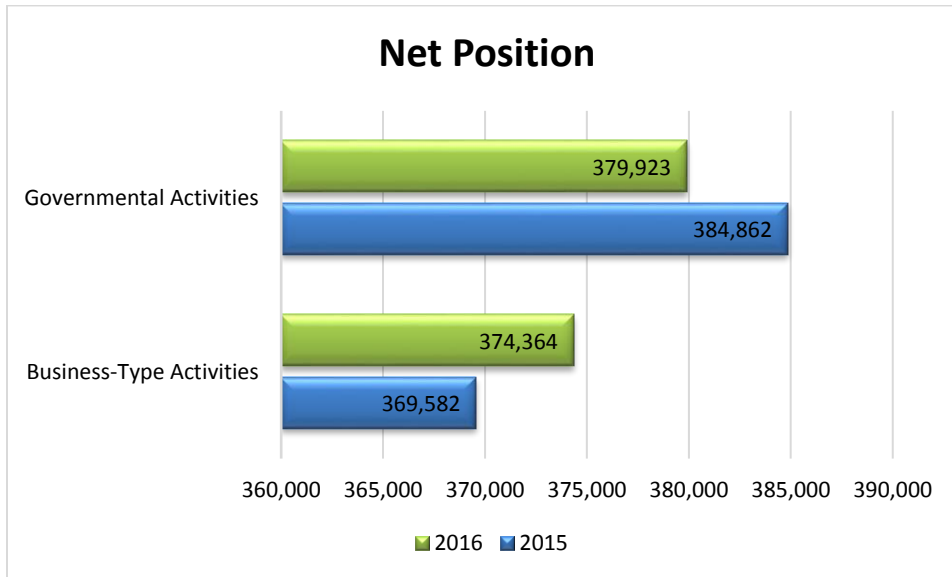
Changes in Net Position
As of June 30, 2016, and 2015
(in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015		2015		2015	
	2016	restated	2016	restated	2016	restated
Revenues:						
Program revenues:						
Charges for services	\$ 33,326	\$ 37,251	\$ 109,848	\$ 106,507	\$ 143,174	\$ 143,758
Operating grants and contributions	26,225	25,665	9,809	8,855	36,034	34,520
Capital grants and contributions	6,603	11,403	815	2,562	7,418	13,965
Total program revenues	66,154	74,319	120,472	117,924	186,626	192,243
General revenues:						
Property taxes	24,531	23,881	-	-	24,531	23,881
Sales taxes	150,201	147,175	-	-	150,201	147,175
State shared sales tax	21,482	20,695	-	-	21,482	20,695
Urban revenue sharing (state shared income tax)	27,297	27,446	-	-	27,297	27,446
Auto in-lieu taxes	9,351	8,664	-	-	9,351	8,664
Investment earnings, unrestricted	1,225	1,070	614	643	1,839	1,713
Gain on disposal of capital assets	-	-	-	127	-	127
Loss on joint venture	-	-	-	-	-	-
Miscellaneous	3,417	520	63	86	3,480	606
Total revenues	303,658	303,770	121,149	118,780	424,807	422,550
Expenses:						
General government	64,228	61,178	-	-	64,228	61,178
Public safety	132,498	127,870	-	-	132,498	127,870
Public works	24,859	21,482	-	-	24,859	21,482
Community services	32,796	31,311	-	-	32,796	31,311
Community environment	4,262	4,980	-	-	4,262	4,980
Street maintenance	21,219	19,180	-	-	21,219	19,180
Interest on long-term debt	27,932	32,106	-	-	27,932	32,106
Water and sewer	-	-	80,375	78,136	80,375	78,136
Landfill	-	-	9,049	7,727	9,049	7,727
Sanitation	-	-	15,016	15,059	15,016	15,059
Housing	-	-	12,730	13,159	12,730	13,159
Total expenses	307,794	298,107	117,170	114,081	424,964	412,188
Excess before transfers	(4,136)	5,663	3,979	4,699	(157)	10,362
Transfers in (out)	(803)	39,198	803	(39,198)	-	-
Increase (decrease) in net position	(4,939)	44,861	4,782	(34,499)	(157)	10,362
Net position beginning - restated	384,862	340,001	369,582	404,081	754,444	744,082
Net position ending	\$ 379,923	\$ 384,862	\$ 374,364	\$ 369,582	\$ 754,287	\$ 754,444

CITY OF GLENDALE, ARIZONA
 Management's Discussion and Analysis (MD&A)
 For the Fiscal Year Ended June 30, 2016
 (amounts expressed in thousands)

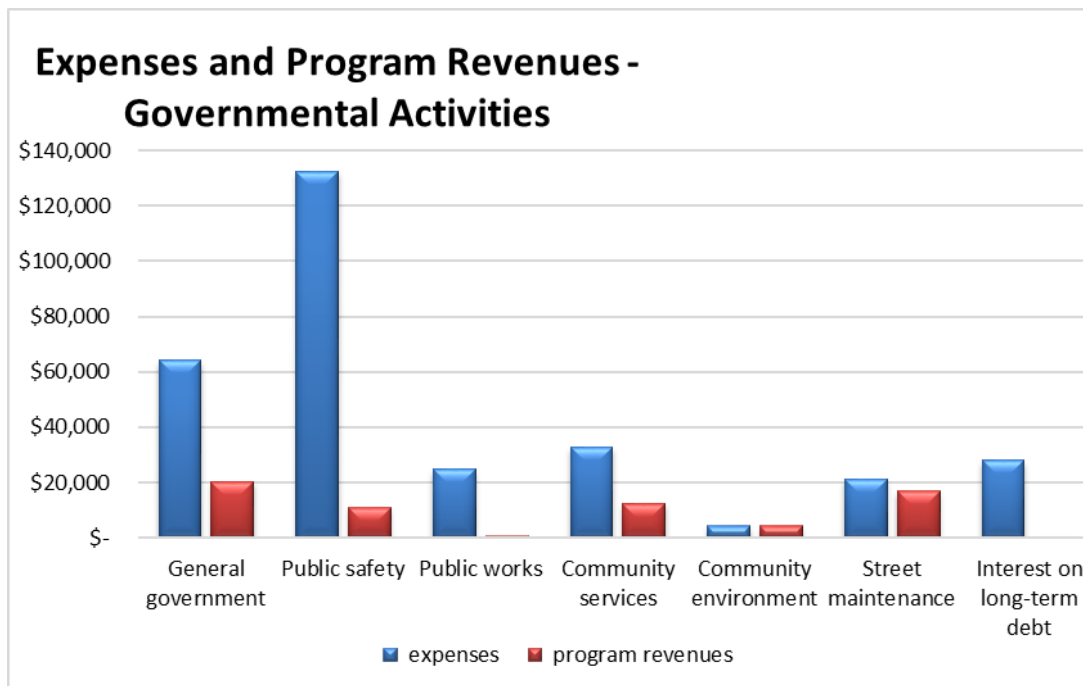
Changes in Net Position

The net position of the governmental activities decreased by \$4,939 while business-type activities' net position increased by \$4,782.



Revenues and Expenditures

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

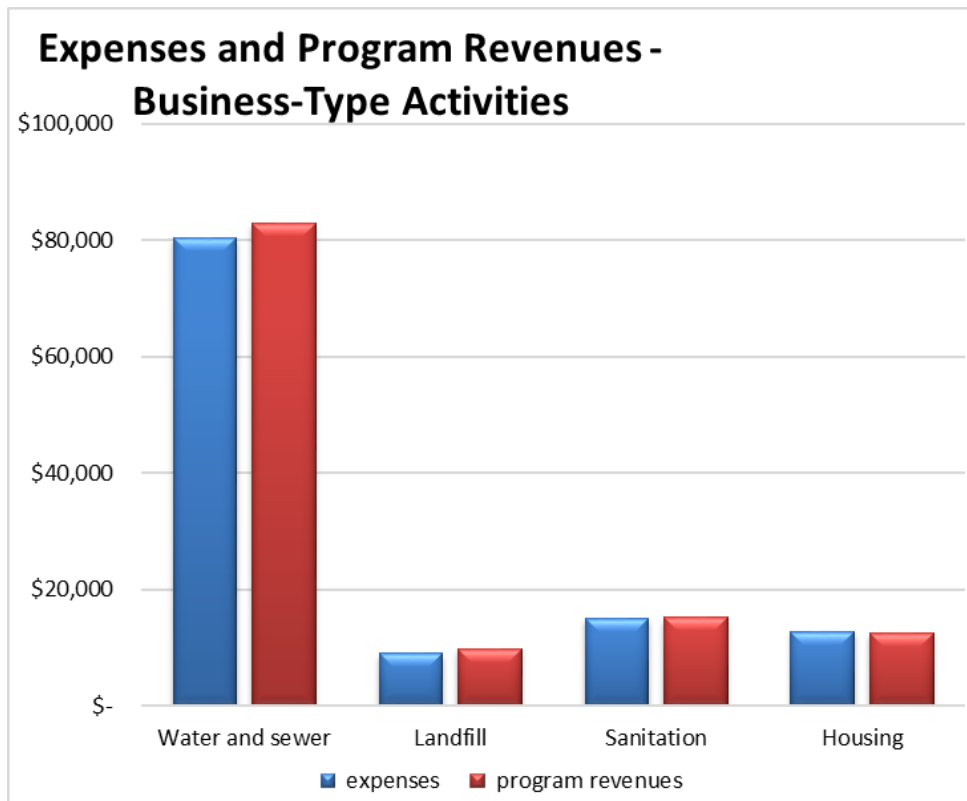


The City's total revenues from governmental activities for the fiscal year ended June 30, 2016 were essentially the same as the prior year at \$303,658. The cost of programs and services for governmental activities was \$307,794, an

CITY OF GLENDALE, ARIZONA
 Management's Discussion and Analysis (MD&A)
 For the Fiscal Year Ended June 30, 2016
 (amounts expressed in thousands)

increase of \$9,687 or 3.3%. General government and public safety expenses increased 5.0% and 3.6% respectively. The increase in general government expenses is due to the settlement agreement with the Arizona Sports and Tourism Authority, The Arizona Cardinals Football Club, LLC, The New Cardinals Stadium LLC, and the Stadium Development LLC of \$14,100. The increase in public safety expenses is due to an increase in staffing levels in fiscal year 2016. The \$3,377 or 15.7% increase in public works expense is primarily due to an increase in depreciation expense for public works capital assets. The decrease in the interest expense on long term debt of \$4,174 is due to the refunding of the transportation excise tax revenue bonds, general obligation bonds, and Municipal Property Corporation bonds in fiscal years 2015 and 2016.

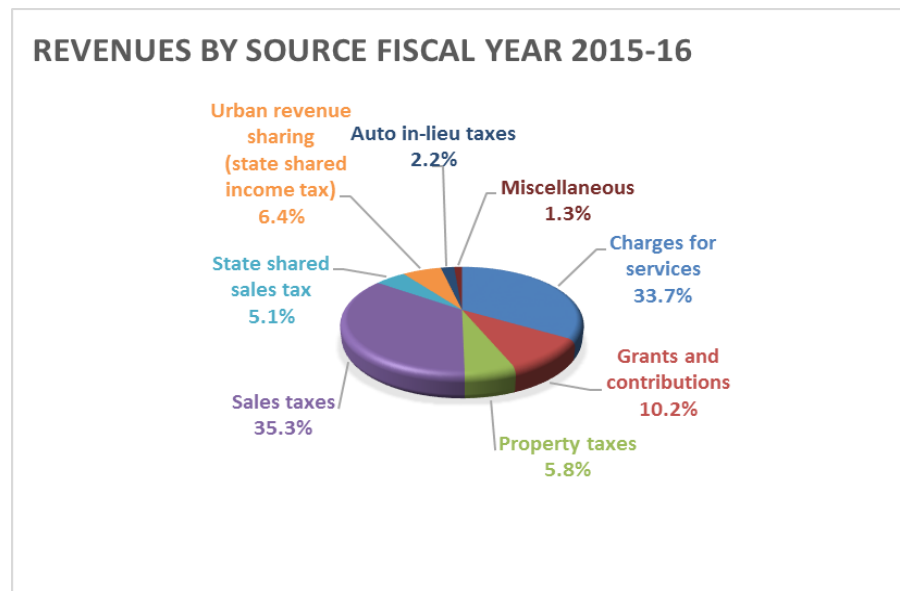
The chart below shows the performance of the expenses and revenues in the business-type activities:



The City's total revenues from business-type activities for the fiscal year ended June 30, 2016 were \$121,149, an increase of \$2,369 or 2.0%. The most significant increase was in charges for services revenue which increased \$3,341 or 3.1%. The increase in charges for services revenue was due to an increase in water sales and development impact fee revenues. The cost of programs and services was \$117,170, an increase of \$3,089 or 2.7%. Water and sewer expenses increased 2.9% and landfill expenses increased 17.1%. This increase in water and sewer is due to an increase in water storage expense and city-wide distribution system improvements. The increase in landfill expense is due to an increase in professional and contractual expenses.

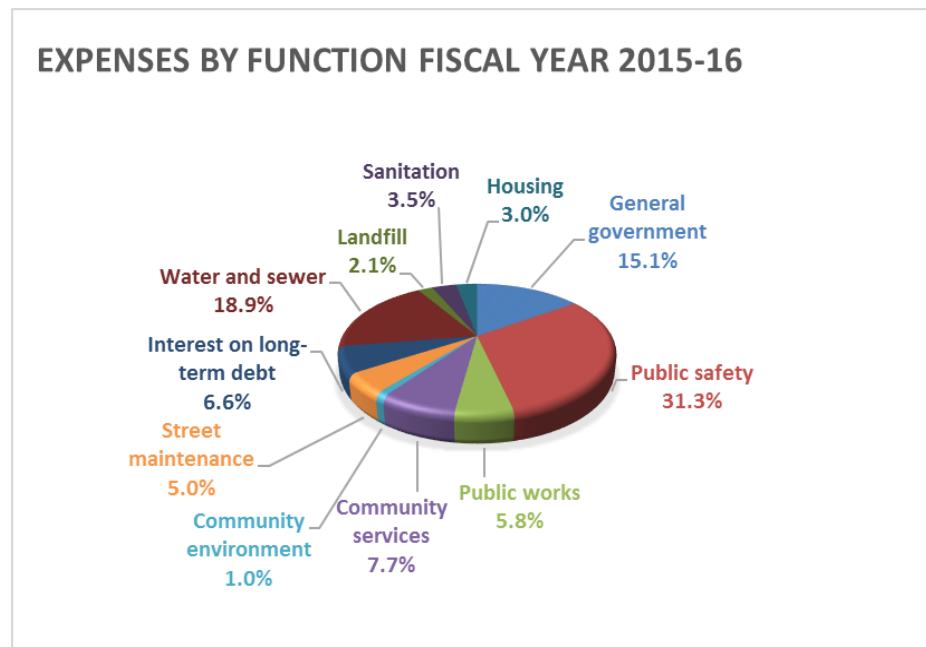
CITY OF GLENDALE, ARIZONA
 Management's Discussion and Analysis (MD&A)
 For the Fiscal Year Ended June 30, 2016
 (amounts expressed in thousands)

City Revenue Categories



The pie chart above shows the different types of revenue the City receives and the proportion of each. The majority (69.0%) of the total revenue the City receives comes from charges for services and local sales tax. The second most significant source is grants and contributions (10.2%).

City Expense Categories



The majority of the City's expenses (50.2%) are incurred in the public safety and water and sewer categories. Public safety expenses include those related to police and fire protection services provided to the community. 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 \$163,724, an increase of \$9,802 or 6.4% 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: non-spendable, restricted, committed, assigned and unassigned; Note I. K. in the summary of significant accounting policies addresses this in greater detail. In fiscal year 2016 and 2015, \$35,226 and \$28,409, respectively, of the total fund balance constituted unassigned fund balance.

Revenues for governmental functions overall totaled \$299,567 in fiscal year 2016, an increase of 0.9% from the previous years' total of \$297,013. Expenditures for governmental functions totaled \$338,852 in fiscal year 2016, an increase of 15.9% from the previous year total of \$292,478.

The General Fund is the main operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$35,226 while total fund balance was \$59,144. The General Fund has \$2,940 of its fund balance as non-spendable; \$8,495 as restricted; and \$12,483 assigned. Per the City's adopted financial policies, 10% of the general fund operating revenue which totals \$21,999 has been earmarked as the Budget Stabilization Reserve and \$13,227 has been earmarked as the Operating Reserve. Consistent with the requirements of GASB Statement No. 54, formal Council action was not taken prior to June 30, 2016 to commit these funds; therefore, the funds are reported as unassigned.

The major factors which increased the General Fund balance from the prior year include:

- The General Fund balance increased \$12,905 or 27.9%. This increase was primarily due to an increase in General Fund revenues and a decrease in expenditures as a result of the City's continued effort in making sound financial decisions and prudent budget management.
- Increase in sales tax revenue from the 2016 College Football Playoff.
- A reduction in lease payments as a result of paying in full the City's lease purchase agreement related to the Regional Public Safety Training Center in fiscal year 2015.

Overall, the General Fund's performance resulted in revenues over expenditures of \$34,553 in fiscal year 2016. In the prior year, revenues exceeded expenditures by \$31,320.

The Municipal Property Corporation (MPC) debt service fund was established to account for the debt service payments on the bonds that were issued to finance the construction of a new municipal office complex, hockey arena, public safety training center, parking garage, media center, and convention center. The fund had a balance of \$3,367 at the end of the fiscal year. In April 2016, senior excise tax revenue bonds were issued to refund MPC bond series 2003D in full as well as several maturities of MPC bond series 2008A.

Proprietary Funds

Net position of the enterprise funds increased \$3,901 or 1.0%. The enterprise funds' total net position was \$21,576 restricted, \$97,901 unrestricted, and \$257,562 invested in capital assets. This increase in net position is primarily due to an increase in intergovernmental, water sales and impact fees revenues.

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 \$2,553 or .7% for the fiscal year ended June 30, 2016.

CITY OF GLENDALE, ARIZONA

Management's Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2016

(amounts expressed in thousands)

The internal service funds account for fleet, technology, risk management, workers' compensation, and employee benefits provided to other departments. The funds saw an increase in fund balance of \$6,487 for the fiscal year ended June 30, 2016. Internal service funds were 100% unrestricted. The City's policy is to fund the worker's compensation and risk management funds at a 55% confidence level based on the most recent actuarial valuations.

General Fund Budgetary Highlights

- The City's budgeted revenues exceeded expectations and were \$2,443 higher than the final budgeted amounts. The College Football Playoff national championship game and positive economic trends resulted in taxes and license and permits revenues that were \$2,394 and \$1,349 greater than the final budget. Charges for services revenue was \$4,153 lower than the final budgeted amounts. This is due to the amendment to the arena management agreement which deleted the budgeted surcharge revenues received by the City from the original agreement.
- General Fund expenditures were less than the final budget by \$15,949 or 7.6%. The most significant reduction was in general government and public safety. Expenditures for general government were \$6,933 lower than the budgeted amount. This is due to the amendment to the arena management agreement which reduced the budgeted arena management fee paid by the City from \$15,000 to \$6,500. Expenditures for public safety were \$1,777 lower than the budgeted amount due to significant savings in overtime expenditures. In addition, budgeted equipment purchases did not occur during the fiscal year resulting in general fund capital outlay expenditures that were \$4,236 less than the final budget. As a result, General Fund budgetary fund balance increased by \$13,729 or 3.3%.
- The final budgets for the public safety and capital outlay expenditures were \$1,547 and \$1,609 higher than the original budgets. The variance is primarily due to an increase in budgeted equipment and capital asset expenditures.

Capital Asset and Debt Administration

Capital Assets

The City's investment in capital assets (net of accumulated depreciation) as of June 30, 2016, for its governmental-type activities was \$1,153,079 and for the business-type activities was \$505,402. The investment in governmental and business-type capital assets consisted of land, buildings, machinery and equipment, and infrastructure for streets, parks, airport and street lighting, water, and wastewater treatment plants.

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

- Mill & Overlay Improvements \$7,468
- New River Multi Use Pathway \$1,419
- Tenant Improvements on the City Owned Bank of America Building \$842
- North Glendale Transit Center \$1,209
- Sewer & Manhole Rehabilitation \$1,072
- Sweetwater Lift Station \$1,767
- Street Slurry Project - Phase I \$2,333
- 99th Avenue Sewer Interceptor Line \$4,356

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2016
(amounts expressed in thousands)

The following table is a summary of capital assets reflected in the June 30, 2016, 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	
	2016	2015	2016	2015	2016	2015
Construction in progress	\$ 11,680	\$ 19,208	\$ 17,543	\$ 14,289	\$ 29,223	\$ 33,497
Land	119,941	90,237	26,299	26,299	146,240	116,536
Water storage rights	-	-	7,401	7,580	7,401	7,580
Artwork	2,395	2,378	-	-	2,395	2,378
Buildings	261,992	271,426	6,644	7,213	268,636	278,639
Improvements other than buildings	144,723	147,706	42,384	44,750	187,107	192,456
Infrastructure-streets	456,425	460,829	-	-	456,425	460,829
Infrastructure-parks	50,601	52,204	-	-	50,601	52,204
Infrastructure-airport	7,888	5,440	-	-	7,888	5,440
Infrastructure-flood/storm drains	67,551	68,626	-	-	67,551	68,626
Water lines	-	-	70,821	73,023	70,821	73,023
Sewer lines	-	-	74,169	69,932	74,169	69,932
Water treatment plant	-	-	146,624	155,624	146,624	155,624
Sewer treatment plant	-	-	88,599	91,930	88,599	91,930
Meters and services	-	-	14,839	14,265	14,839	14,265
Fire hydrants	-	-	2,562	2,661	2,562	2,661
Machinery and equipment	11,954	6,349	1,395	1,483	13,349	7,832
Computer equipment	1,089	1,054	323	192	1,412	1,246
System Purchase	-	-	883	1,023	883	1,023
Software	3,039	2,993	-	-	3,039	2,993
Automotive equipment	13,801	13,833	4,916	6,270	18,717	20,103
Total	<u>\$ 1,153,079</u>	<u>\$ 1,142,283</u>	<u>\$ 505,402</u>	<u>\$ 516,534</u>	<u>\$ 1,658,481</u>	<u>\$ 1,658,817</u>

The construction commitments at June 30, 2016 were \$29,097. Additional information on capital assets can be found in Note VI of the financial statements.

Long-Term Debt

At the end of the current fiscal year, the City had total debt outstanding of \$897,850 compared to \$881,492 last year, a 1.9% net increase.

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2016
(amounts expressed in thousands)

	Governmental		Business-Type		Total	
	Activities		Activities		Primary	
	2016	2015	2016	2015	2016	2015
General obligation	\$ 135,130	\$ 126,305	\$ -	\$ -	\$ 135,130	\$ 126,305
Transportation revenue bond	77,615	80,995	-	-	77,615	80,995
Highway users revenue bonds	-	1,895	-	-	-	1,895
Excise tax revenue bonds	147,960	114,130	-	-	147,960	114,130
Municipal Property						
revenue bonds	288,590	326,375	-	-	288,590	326,375
Capital lease obligation	6,620	57	-	-	6,620	57
Note payable	5,515	-	-	-	5,515	-
Settlement obligation	14,100	-	-	-	14,100	-
Water and sewer						
revenue bonds/obligations	-	-	222,320	231,735	222,320	231,735
Total	\$ 675,530	\$ 649,757	\$ 222,320	\$ 231,735	\$ 897,850	\$ 881,492

The City received a "A+" underlying rating from Standard & Poor's and an "A2" underlying rating from Moody's Investor Services for its general obligation debt. The senior excise tax bonds are rated "AA+" by Standard and Poor's and an "A2" by Moody's. The subordinate lien water and sewer revenue bonds are rated "A1" by Moody's and "AA" by Standard & Poor's. Transportation bonds were assigned an underlying rating of "AA" by Standard & Poor's and "A2" by Moody's. Street and highway user revenue bonds are rated "AA" by Standard & Poor's and "A2" by Moody's.

The Arizona Constitution provides that the general obligation bonded indebtedness for a city for general municipal purposes, libraries, economic development, historic preservation, and cultural facilities may not exceed 6% of the total limited property value of the taxable property in that city. Cities may also issue general obligation bonds up to 20% of the total limited property value for supplying water, sewer, artificial light, public safety, law enforcement, fire and emergency services, streets and transportation facilities, and for the acquisition and development of land for open space preserves, parks, playgrounds and recreational facilities. The City's current unused 6% and 20% debt limitation on June 30, 2016, was \$70,496 and \$104,367, respectively. Additional information on long-term debt can be found in Notes VIII and X of the financial statements.

Next Year's Budget and Economic Factors

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

The adopted fiscal year 2016-17 budget is \$693,000, an increase of 9.7% from 2015-16. The increase is primarily attributed to growth in the Capital Improvement Plan. The major sources of revenue for the City continue to be sales tax, state shared revenues and property taxes. For fiscal year 2016-17, City sales tax is expected to grow by 4.6% as the jobless claims continue to decline and the overall economy continues to improve and rising consumer confidence is expected to lead to increased spending, especially in retail sales. Total revenues for fiscal year 2016-17 are projected at \$537,705.

Request for information

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



City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

This page left blank intentionally.

City of Glendale, Arizona
Statement of Net Position
June 30, 2016
(amounts expressed in thousands)

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Equity in pooled cash and investments	\$ 177,828	\$ 111,795	\$ 289,623
Receivables (net of allowance for uncollectibles)			
Property taxes	809	-	809
Accounts	22,557	13,730	36,287
Note	51,308	-	51,308
Accrued interest	484	-	484
Intergovernmental receivable	6,072	47	6,119
Internal balances	1,601	(1,601)	-
Inventories and prepaid items	3,124	2,185	5,309
Restricted deposits	-	2,844	2,844
Restricted cash and investments	46,846	12,397	59,243
Capital assets:			
Non-depreciable	134,016	43,842	177,858
Depreciable (net)	1,019,063	461,560	1,480,623
Equity in joint venture	-	51,074	51,074
Total assets	<u>1,463,708</u>	<u>697,873</u>	<u>2,161,581</u>
DEFERRED OUTFLOWS OF RESOURCES			
Debit amounts related to pensions	58,337	2,791	61,128
Debit amounts resulting from refunded debt	23,198	9,803	33,001
Total deferred outflows of resources	<u>81,535</u>	<u>12,594</u>	<u>94,129</u>
LIABILITIES			
Vouchers payable	17,705	4,175	21,880
Accounts payable	123	63	186
Contract payable	5,815	-	5,815
Retainage payable	199	121	320
Due to other funds	-	6	6
Matured bonds payable	26,510	9,415	35,925
Accrued interest payable	14,806	5,359	20,165
Intergovernmental payable	493	367	860
Deposits payable	2,466	4,805	7,271
Unearned revenue	5,683	8	5,691
Noncurrent liabilities:			
Due within one year	58,560	14,182	72,742
Due in more than one year	1,017,733	293,892	1,311,625
Total liabilities	<u>1,150,093</u>	<u>332,393</u>	<u>1,482,486</u>
DEFERRED INFLOW OF RESOURCES	15,227	3,710	18,937
NET POSITION			
Net investment in capital assets	456,001	256,488	712,489
Restricted for:			
Capital projects	24,964	-	24,964
Debt service	59,890	9,415	69,305
Transportation	41,058	-	41,058
Highway and streets	19,312	-	19,312
Revenue bond retirement, replacement, and extension	-	9,842	9,842
Perpetual care - nonexpendable	5,760	-	5,760
Police and Fire	8,514	-	8,514
Other purposes	4,094	2,319	6,413
Unrestricted	(239,670)	96,300	(143,370)
Total net position	<u>\$ 379,923</u>	<u>\$ 374,364</u>	<u>\$ 754,287</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, 2016
(amounts expressed in thousands)

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<u>Functions/Programs</u>				
Primary government:				
Governmental activities:				
General government	\$ 64,228	\$ 16,381	\$ 655	\$ 3,330
Public safety	132,498	6,148	4,984	5
Public works	24,859	650	37	154
Community services	32,796	9,649	1,373	1,538
Community environment	4,262	305	4,114	-
Street maintenance	21,219	193	15,062	1,576
Interest on long-term debt	27,932	-	-	-
Total governmental activities	<u>307,794</u>	<u>33,326</u>	<u>26,225</u>	<u>6,603</u>
Business-type activities:				
Water and sewer	80,375	81,829	532	515
Landfill	9,049	9,858	-	-
Sanitation	15,016	15,181	-	-
Housing	12,730	2,980	9,277	300
Total business-type activities	<u>117,170</u>	<u>109,848</u>	<u>9,809</u>	<u>815</u>
Total primary government	<u>\$ 424,964</u>	<u>\$ 143,174</u>	<u>\$ 36,034</u>	<u>\$ 7,418</u>

General revenues:

Taxes:

Property taxes levied for:

General purposes

Debt service

Sales taxes

State shared sales tax

Urban revenue sharing (state shared income tax)

Auto in-lieu taxes

Investment earnings, unrestricted

Miscellaneous

Transfers

Total general revenues, special items, and transfers

Change in net position

Net position - beginning - 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
\$ (43,862)	\$ -	\$ (43,862)
(121,361)	-	(121,361)
(24,018)	-	(24,018)
(20,236)	-	(20,236)
157	-	157
(4,388)	-	(4,388)
(27,932)	-	(27,932)
<u>(241,640)</u>	<u>-</u>	<u>(241,640)</u>
-	2,501	2,501
-	809	809
-	165	165
-	(173)	(173)
-	<u>3,302</u>	<u>3,302</u>
<u>(241,640)</u>	<u>3,302</u>	<u>(238,338)</u>
5,467	-	5,467
19,064	-	19,064
150,201	-	150,201
21,482	-	21,482
27,297	-	27,297
9,351	-	9,351
1,225	614	1,839
3,417	63	3,480
(803)	803	-
<u>236,701</u>	<u>1,480</u>	<u>238,181</u>
(4,939)	4,782	(157)
<u>384,862</u>	<u>369,582</u>	<u>754,444</u>
<u>\$ 379,923</u>	<u>\$ 374,364</u>	<u>\$ 754,287</u>

City of Glendale, Arizona
Balance Sheet
Governmental Funds
June 30, 2016
(amounts expressed in thousands)

	Major Funds			Total Governmental Funds
	General	Municipal Property Corporation Debt Service	Other Non-Major Governmental Funds	
ASSETS				
Assets:				
Equity in pooled cash and investments	\$ 60,603	\$ 856	\$ 98,987	\$ 160,446
Receivables, net of allowance for doubtful accounts:				
Property taxes	174	-	635	809
Accounts	15,516	-	7,031	22,547
Note	-	51,308	-	51,308
Accrued interest	484	-	-	484
Due from other funds	1,206	-	-	1,206
Intergovernmental receivable	456	-	5,616	6,072
Inventories and prepaid items	2,940	-	125	3,065
Restricted cash and investments	1,157	12,499	31,615	45,271
Total assets	<u>\$ 82,536</u>	<u>\$ 64,663</u>	<u>\$ 144,009</u>	<u>\$ 291,208</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Vouchers payable	\$ 11,364	\$ -	\$ 3,358	\$ 14,722
Accounts payable	56	-	67	123
Contract Payable	5,815	-	-	5,815
Retainage payable	-	-	199	199
Compensated absences - current	1,378	-	120	1,498
Intergovernmental payable	492	-	1	493
Due to other funds	-	-	1,200	1,200
Deposits	2,408	-	58	2,466
Unearned revenue	-	-	5,683	5,683
Matured interest payable	-	7,213	7,593	14,806
Matured bonds payable	-	2,775	23,735	26,510
Total liabilities	<u>21,513</u>	<u>9,988</u>	<u>42,014</u>	<u>73,515</u>
Deferred Inflows of Resources	<u>1,879</u>	<u>51,308</u>	<u>782</u>	<u>53,969</u>
Fund Balances:				
Nonspendable	2,940	-	5,818	8,758
Restricted	8,495	3,367	93,803	105,665
Committed	-	-	1,273	1,273
Assigned	12,483	-	319	12,802
Unassigned	35,226	-	-	35,226
Total fund balances	<u>59,144</u>	<u>3,367</u>	<u>101,213</u>	<u>163,724</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 82,536</u>	<u>\$ 64,663</u>	<u>\$ 144,009</u>	<u>\$ 291,208</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, 2016

(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		\$	163,724
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			
Governmental capital assets	\$	1,841,341	
Less accumulated depreciation		<u>(689,336)</u>	
			1,152,005
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.			23,198
Deferred outflow of resources related to pensions			57,129
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds and shown as an internal balance item.			1,601
Internal service funds are used by management to charge the costs of workers' compensation, risk management, employee benefits, fleet services and IT projects to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the statement of net position.			5,070
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		(649,295)	
Net pension obligation		(254,700)	
Capital lease obligations		(6,620)	
Developer payable obligations		(3,639)	
Compensated absences		(21,257)	
Bond discount		1,340	
OPEB obligations		(52,298)	
Settlement Obligation		(14,100)	
Unamortized premium on debt issuance		(56,547)	
Note payable		<u>(5,515)</u>	
			(1,062,631)
Deferred inflows of resources related to pensions			(14,136)
Deferred inflows of resources is unavailable revenue that is measurable but not yet available for governmental fund activities is recognized as revenue for governmental-wide activities.			<u>53,963</u>
Net position of governmental activities		\$	<u><u>379,923</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, 2016
(amounts expressed in thousands)

	Major Funds			Total Governmental Funds
	General	Municipal Property Corporation Debt Service	Other Non-Major Governmental Funds	
REVENUES				
Taxes and special assessments	\$ 131,590	\$ -	\$ 44,899	\$ 176,489
Licenses and permits	10,171	-	1,780	11,951
Intergovernmental	58,228	-	28,045	86,273
Local	-	-	17	17
Charges for services	10,397	-	2,216	12,613
Fines and forfeitures	3,417	-	440	3,857
Investment income	1,149	-	368	1,517
Miscellaneous	5,040	-	1,810	6,850
Total revenues	<u>219,992</u>	<u>-</u>	<u>79,575</u>	<u>299,567</u>
EXPENDITURES				
Current:				
General government	33,475	358	838	34,671
Public safety	120,293	-	6,205	126,498
Public works	9,395	-	34	9,429
Community services	14,597	-	13,864	28,461
Community environment	-	-	4,285	4,285
Street maintenance	779	-	9,481	10,260
Miscellaneous	-	12	15	27
Debt service:				
Principal	50	10,025	25,575	35,650
Interest	2	15,306	15,074	30,382
Capital outlay	6,848	-	52,341	59,189
Total expenditures	<u>185,439</u>	<u>25,701</u>	<u>127,712</u>	<u>338,852</u>
Excess (deficiency) of revenues over (under) expenditures	<u>34,553</u>	<u>(25,701)</u>	<u>(48,137)</u>	<u>(39,285)</u>
OTHER FINANCING SOURCES (USES)				
Payment to refunded bonds escrow agent	-	(30,470)	-	(30,470)
Refunding bonds issued	-	-	33,830	33,830
Loan proceeds	-	-	7,353	7,353
Long-term debt issued	-	-	27,285	27,285
Premium on long-term debt issued	-	-	4,948	4,948
Proceeds from equipment disposal	175	-	154	329
Capital lease proceeds	-	-	6,615	6,615
Transfers in	-	52,489	31,971	84,460
Transfers out	(21,823)	(112)	(63,328)	(85,263)
Total other financing sources and uses	<u>(21,648)</u>	<u>21,907</u>	<u>48,828</u>	<u>49,087</u>
Net change in fund balances	<u>12,905</u>	<u>(3,794)</u>	<u>691</u>	<u>9,802</u>
Fund balances, July 1 - restated	46,239	7,161	100,522	153,922
Fund balances, June 30	<u>\$ 59,144</u>	<u>\$ 3,367</u>	<u>\$ 101,213</u>	<u>\$ 163,724</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, 2016
(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	\$	9,802
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 \$59,195 exceeded depreciation of \$49,456 for the current period.		9,739
The net effect of various transactions involving capital is to increase net position.		
Capital contributions	\$	1,198
Disposals		<u>(303)</u>
		895
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		2,382
The net effect of long-term debt issuance and the related transactions is to increase net assets.		
Bond premium		(4,948)
Long term debt issued		(27,285)
Loan proceeds		(7,353)
Capital lease proceeds		(6,615)
Settlement obligation		(14,100)
Bond premium amortized		3,911
Bond discount amortized		(62)
Payment to refunded bonds escrow agent		30,470
Principal paid		35,650
Refunding bonds issued		<u>(33,830)</u>
		(24,162)
Compensated absences reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(1,174)
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.		(3,668)
Pension contributions 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.		25,195
Net pension expense reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.		(24,038)
Internal service funds are used by management to charge the costs of workers' compensation, risk management, employee benefits, fleet services, and technology projects to individual funds.		5,070
Expenses on the statement of activities differ from governmental funds because of the portion not accrued on the governmental funds.		<u>(4,980)</u>
Change in net position of governmental activities	<u>\$</u>	<u>(4,939)</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, 2016
(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Major Funds	Other Proprietary	Total	
	Water and Sewer	Funds		
ASSETS				
Current assets:				
Equity in pooled cash and investments	\$ 97,224	\$ 14,571	\$ 111,795	\$ 17,382
Receivables:				
Accounts	13,337	2,864	16,201	10
Allowance for uncollectibles	(2,041)	(430)	(2,471)	-
Intergovernmental receivable	-	47	47	-
Inventories and prepaid items	2,167	18	2,185	59
Total current assets	<u>110,687</u>	<u>17,070</u>	<u>127,757</u>	<u>17,451</u>
Noncurrent assets:				
Restricted deposits	2,844	-	2,844	1,575
Restricted cash and investments	12,397	-	12,397	-
Capital assets:				
Capital assets	793,920	59,470	853,390	4,490
Accumulated depreciation	(314,980)	(33,008)	(347,988)	(3,416)
Capital assets, net	<u>478,940</u>	<u>26,462</u>	<u>505,402</u>	<u>1,074</u>
Equity in joint venture	51,074	-	51,074	-
Total noncurrent assets	<u>545,255</u>	<u>26,462</u>	<u>571,717</u>	<u>2,649</u>
Total assets	<u>655,942</u>	<u>43,532</u>	<u>699,474</u>	<u>20,100</u>
DEFERRED OUTFLOWS OF RESOURCES				
Debit amounts related to pensions	1,812	979	2,791	1,208
Debit amounts resulting from refunded debt	9,803	-	9,803	-
Total deferred outflows of resources	<u>11,615</u>	<u>979</u>	<u>12,594</u>	<u>1,208</u>
LIABILITIES				
Current liabilities:				
Vouchers payable	2,858	1,317	4,175	2,983
Accounts payable	22	41	63	-
Retainage payable	50	71	121	-
Compensated absences	1,477	650	2,127	483
Due to other funds	-	6	6	-
Matured bonds payable	9,415	-	9,415	-
Intergovernmental payable	323	44	367	-
Deposits	4,480	325	4,805	-
Unearned rent	-	8	8	-
Estimated claims payable	-	-	-	8,555
Current portion of long-term debt:				
Unamortized premium on debt issuance	2,250	-	2,250	-
Revenue bonds/obligations payable	9,805	-	9,805	-
Interest payable	5,359	-	5,359	-
Total current liabilities	<u>36,039</u>	<u>2,462</u>	<u>38,501</u>	<u>12,021</u>
Noncurrent liabilities:				
Compensated absences	714	531	1,245	264
Unamortized premium on debt issuance	24,732	-	24,732	-
Revenue bonds/obligations payable	212,515	-	212,515	-
Pension obligations	19,074	10,276	29,350	2,862
OPEB long-term obligations	7,229	4,525	11,754	-
Other long-term debt	-	37	37	-
Estimated closure and post-closure costs	-	14,259	14,259	-
Total noncurrent liabilities	<u>264,264</u>	<u>29,628</u>	<u>293,892</u>	<u>3,126</u>
Total liabilities	<u>300,303</u>	<u>32,090</u>	<u>332,393</u>	<u>15,147</u>
DEFERRED INFLOWS	<u>2,400</u>	<u>1,310</u>	<u>3,710</u>	<u>1,091</u>
NET POSITION				
Net investment in capital assets	230,026	26,462	256,488	1,074
Restricted for:				
Debt service	9,415	-	9,415	-
Revenue bond retirement, replacement and extension	9,842	-	9,842	-
Other purposes	2,319	-	2,319	-
Unrestricted	113,252	(15,351)	97,901	3,996
Total net position	<u>\$ 364,854</u>	<u>\$ 11,111</u>	<u>375,965</u>	<u>\$ 5,070</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			(1,601)	
Net position of business-type activities			<u>\$ 374,364</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, 2016
(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Major Funds	Other Proprietary	Total	
	Water and Sewer	Funds		
Operating revenues:				
Intergovernmental	\$ 532	\$ 9,277	\$ 9,809	\$ -
Metered water sales	45,801	-	45,801	-
Sewer service charges	32,183	-	32,183	-
Container service	-	4,353	4,353	-
Curb service	-	10,828	10,828	-
Landfill user fees	-	8,332	8,332	-
Self-insurance premium	-	-	-	50,113
Recycling sales	-	1,403	1,403	-
Other fees	2,519	3,102	5,621	661
Total operating revenues	<u>81,035</u>	<u>37,295</u>	<u>118,330</u>	<u>50,774</u>
Operating expenses:				
Water	20,851	-	20,851	-
Sewer	12,409	-	12,409	-
Landfill	-	8,922	8,922	-
Housing	-	12,260	12,260	-
Closure/post-closure care adjustment	-	(701)	(701)	-
Sanitation	-	13,563	13,563	-
Administrative and general	12,171	-	12,171	15,068
Insurance claims and premiums	-	-	-	29,063
Amortization and depreciation	22,587	2,738	25,325	232
Total operating expenses	<u>68,018</u>	<u>36,782</u>	<u>104,800</u>	<u>44,363</u>
Operating income (loss)	<u>13,017</u>	<u>513</u>	<u>13,530</u>	<u>6,411</u>
Nonoperating revenues (expenses):				
Impact fees	1,512	-	1,512	-
Investment income	540	73	613	71
Interest expense	(9,152)	-	(9,152)	-
Net loss from joint venture	(3,402)	-	(3,402)	-
Gain on disposal of assets	25	38	63	5
OPEB expense	(569)	(312)	(881)	-
Total nonoperating revenues (expenses)	<u>(11,046)</u>	<u>(201)</u>	<u>(11,247)</u>	<u>76</u>
Income (loss) before contributions and transfers	1,971	312	2,283	6,487
Capital contributions	515	300	815	-
Transfers in	225	774	999	-
Transfers out	(158)	(38)	(196)	-
Change in net position	<u>2,553</u>	<u>1,348</u>	<u>3,901</u>	<u>6,487</u>
Total net position - beginning - restated	362,301	9,763		(1,417)
Total net position - ending	<u>\$ 364,854</u>	<u>\$ 11,111</u>		<u>\$ 5,070</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			881	
Change in net position of business-type activities			<u>\$ 4,782</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, 2016
(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Major Funds Water and Sewer	Other Proprietary Funds	Total	
Cash flows from operating activities:				
Cash received from customers	\$ 79,726	\$ 27,998	\$ 107,724	\$ 50,782
Cash received from federal operating grants	-	9,269	9,269	-
Cash paid to suppliers:				
Internal city departments	(7,184)	(8,981)	(16,165)	(83)
External vendors	(22,228)	(16,671)	(38,899)	(9,496)
Cash paid for insurance and in settlement of claims	-	-	-	(30,698)
Cash paid to employees for services	(17,403)	(8,932)	(26,335)	(5,058)
Net cash provided (used) by operating activities	<u>32,911</u>	<u>2,683</u>	<u>35,594</u>	<u>5,447</u>
Cash flows from noncapital financing activities:				
Transfers in	225	774	999	-
Transfers out	(158)	(38)	(196)	-
Due to / from other funds	-	6	6	-
Net cash provided (used) by noncapital financing activities	<u>67</u>	<u>742</u>	<u>809</u>	<u>-</u>
Cash flows from capital and related financing activities:				
Principal payments on obligations	(13,170)	(61)	(13,231)	-
Acquisition of capital assets and rights	(8,651)	(4,462)	(13,113)	(394)
Impact fees	1,512	-	1,512	-
Interest payments on obligations	(10,136)	-	(10,136)	-
Contributions to Joint Venture	(350)	-	(350)	-
Net cash (used) by capital and related financing activities	<u>(30,795)</u>	<u>(4,523)</u>	<u>(35,318)</u>	<u>(394)</u>
Cash flows from investing activities:				
Interest received from investments	<u>541</u>	<u>73</u>	<u>614</u>	<u>71</u>
Net cash provided by investing activities	<u>541</u>	<u>73</u>	<u>614</u>	<u>71</u>
Net increase (decrease) in cash and cash equivalents during fiscal year	2,724	(1,025)	1,699	5,124
Cash and cash equivalents, July 1	<u>106,897</u>	<u>15,596</u>	<u>122,493</u>	<u>12,258</u>
Cash and cash equivalents, June 30	<u>\$ 109,621</u>	<u>\$ 14,571</u>	<u>\$ 124,192</u>	<u>\$ 17,382</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	
	<u>Water and Sewer</u>	<u>Funds</u>		
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 13,017	\$ 513	\$ 13,530	\$ 6,411
Adjustments to reconcile operating income (loss) to net cash provided (used) by operations:				
Amortization and depreciation	22,587	2,738	25,325	232
Net pension expense and contribution	(830)	(440)	(1,270)	(241)
Changes in assets and liabilities:				
Accounts receivable	(1,770)	(113)	(1,883)	7
Intergovernmental receivable	-	(45)	(45)	-
Inventories and prepaid items	(678)	(1)	(679)	111
Restricted deposits	67	-	67	-
Vouchers and accounts payable	(65)	527	462	425
Intergovernmental payable	35	40	75	-
Due to other funds	-	-	-	-
Deposits	394	90	484	-
Unearned rent	-	3	3	-
Compensated absences	154	72	226	316
Claims payable	-	-	-	(1,814)
Estimated closure and post-closure costs	-	(701)	(701)	-
Net cash provided (used) by operating activities	<u>\$ 32,911</u>	<u>\$ 2,683</u>	<u>\$ 35,594</u>	<u>\$ 5,447</u>
Reconciliation of statement of net position cash and investments to the statement of cash flows:				
Per combined statement of net position:				
Equity in pooled cash and investments	\$ 97,224	\$ 14,571	\$ 111,795	\$ 17,382
Restricted cash and investments	12,397	-	12,397	-
Total cash and cash equivalents	<u>\$ 109,621</u>	<u>\$ 14,571</u>	<u>\$ 124,192</u>	<u>\$ 17,382</u>
Noncash investing, capital, and financing activities:				
Contributions of capital assets	\$ 515	\$ 300	\$ 815	\$ -
Loss on joint venture	(3,402)	-	(3,402)	-
Amortization of bond premium/discount	2,250	-	2,250	-
Amortization of debit amounts resulting from refunded debt	934	-	934	-

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(amounts expressed in thousands)

Notes to the Financial Statements

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

Index

	<u>Note</u>	<u>Page</u>
Summary of Significant Accounting Policies	I	39
Compliance – Excess of Expenditures Over Appropriations/Deficits in Fund Equity	II	49
Deposits and Investments	III	50
Note Receivable.....	IV	52
Capital Assets	V	53
Construction Commitments	VI	55
Self-Insurance Funds	VII	55
Leases	VIII	58
Short-Term Debt.....	IX	59
Long-Term Debt.....	X	59
Landfill Obligations.....	XI	69
Inter-fund Transactions.....	XII	70
Encumbrances.....	XIII	71
Equity in Joint Venture.....	XIV	72
Jointly Governed Organizations	XV	73
Governmental Fund Balance Components and Fund Type Definitions	XVI	73
Change in Accounting Principle	XVII	75
Employee Retirement Systems and Pension Plans	XVIII	76
Other Post-Employment Benefits (OPEB)	XIX	92
Contingent Liabilities and Commitments	XX	95
Implementation of New Accounting Principles.....	XXI	95
Subsequent Events.....	XXII	96

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(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, fire and water and sewer services to citizens. As required by GAAP, these financial statements present the government and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of a government's operations, so data from these units are combined with data of the primary government. A discretely presented component unit, on the other hand, is reported in a separate column in combined financial statements to emphasize that it is legally separate from the government. The City has no discretely presented component units.

Blended component units

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

B. Government-wide and fund financial statements

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

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

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

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(amounts expressed in thousands)

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

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

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

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

C. Form of presentation – fund financial statements

The City reports the following major governmental funds:

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

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

The City reports the following major proprietary fund:

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

Additionally, the City reports internal service funds.

Internal service funds account for risk management, workers’ compensation, employee benefits, fleet and technology services provided to other departments.

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

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(amounts expressed in thousands)

Governmental funds

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

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

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

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

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

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

Proprietary funds

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

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

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

D. Measurement focus and basis of accounting

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

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(amounts expressed in thousands)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available except as described below in relation to grants. Revenues are considered to be *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the related debt service fund for payments to be made shortly after fiscal year-end.

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

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

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

E. Statement of cash flows

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

F. Inter-fund transactions

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

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

G. Inventories and prepaid items

Inventories of the governmental and enterprise funds consist primarily of expendable supplies held for consumption. These inventories are maintained on a perpetual system verified through cyclical physical counts and are valued using a weighted average cost. Generally, expenditures are recorded at the time

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(amounts expressed in thousands)

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, 2016, the postage portion of the general fund supplies inventory was \$22. 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.

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 \$9,154. In addition, \$248 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

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(amounts expressed in thousands)

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, 2016, is \$1,581. 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, 2016, 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, 2016, is \$3,793.

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, 2016, costing \$2,027, are a permanent right and are considered to have an indefinite useful life. As such, they are not amortized; therefore, cost and net book value are equal to \$2,027.

K. Governmental fund balance components

The components of governmental fund balance consist of the following:

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

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

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

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

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

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(amounts expressed in thousands)

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

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

L. Net position

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

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

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

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

M. Property tax

The City levies taxes on real and personal property located within its boundaries. Property values are assessed by the Maricopa County Tax Assessor. The tax levy is then approved by the State of Arizona Property Tax Oversight Commission. The County Treasurer bills and collects property taxes and remits them to the City monthly. City property tax revenues are recognized when levied to the extent that they are received within the current period, or soon enough thereafter (within 30 days of year-end), to pay liabilities of the current period. Remaining collectible taxes are accrued and reflected as deferred inflows of resources.

Property Tax Calendar

Lien date	January 1, 2015
Levy (assessment) date (third Monday in August)	August 17, 2015
Due dates:	
First half of assessment	October 1, 2015
Second half of assessment	March 1, 2016
Penalties and interest added (collection dates):	
First half of assessment	November 2, 2015
Second half of assessment	May 2, 2016

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

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(amounts expressed in thousands)

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, 2016, is as follows:

Fund	Rate
General fund	\$ 0.49
General obligation debt service fund	1.71
Total	\$ 2.20

N. Compensated absences

Vacation time is accumulated up to a maximum of 10 workweeks and compensatory time is earned in lieu of cash payment for overtime. Both vacation and compensatory time can either be taken as time off from work, within certain limitations, or may be payable to employees upon termination or retirement. Employees who have ten or more years of service will receive upon retirement 100% of up to 160 hours of vacation accrued. Any remaining vacation time above 160 hours will be 100% contributed to a mandatory Retiree Health Savings plan for the employee. Employees separating from the City receive 100% of accrued vacation time. Sick leave is accumulated without limit and can be used in the event of an illness of the employee or their immediate family. Accumulated sick leave can be converted to a cash benefit on a biannual basis for employees based on one-third of the average hourly rate the last 36 months. Employees must maintain a minimum sick leave balance on the books. Employees who retire and have ten or more years of service will have 50% of their accrued sick time contributed to a mandatory Retiree Health Savings plan based on their average hourly wage over the last 36 months. Employees who separate from service and have five or more years of service will receive one-third of their sick leave balance based on their average hourly wage over the last 36 months in a cash payout.

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

The current portion of the liability for compensated absences recorded in the governmental fund is equal to: 1) vacation and compensatory time taken and paid during the thirty days following the year ended June 30, 2016, 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.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(amounts expressed in thousands)

P. Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are reported as a long-term liability and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

Q. Operating revenues and expenses

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

R. Pensions

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

S. Deferred compensation

Voluntary Deferred Compensation Plan for Employees of the City of Glendale, State of Arizona; Restated Plan Document (the "Plan document") was adopted by the Mayor and City Council on November 10, 1998, and amended on January 8, 2002 to incorporate the Federal Economic Growth and Tax Relief Reconciliation Act of 2001. In addition, the Mayor and City Council adopted a defined contribution deferred compensation plan document on April 9, 2002, under the Internal Revenue Code Section 401(a). On February 12, 2013 the adoption of a new contract was approved by the Mayor and City Council which allowed the plan to be administered solely by the third-party administrator Empower Retirement (Empower) a division of Great West Life & Annuity Insurance Co (Great West). Through the Plan document, the City offers its employees a deferred compensation plan that permits them to defer a portion of their current salary until future years. Any contributions made to the deferred compensation plan, in compliance with Section 457 and 401(a) of the Internal Revenue Code, are not available to employees until termination of employment, retirement, death or an unforeseen emergency. Contributions to the plan are administered by the third-party administrator, Empower Retirement. In compliance with the provisions of the U.S. Internal Revenue Code Sections 457(g) and 401(a), the plan

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(amounts expressed in thousands)

assets are in custodial or trust accounts for the exclusive benefit of the plans' participants and beneficiaries.

The City provides neither administrative services nor investment advice to the plans; therefore, no fiduciary relationship exists between the City and the deferred compensation pension plan. In addition, the plan assets are not included as a fund of the City.

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

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

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

As prescribed in ARS § 38-727, if a person is appointed, elected, or hired on or after January 1, 2014 and does not have money on account with the EORP, but has money on account with the ASRS, that person has the option to return to the ASRS. The member has the option to participate in either the EODCRS or the ASRS Plan with each term. That decision is irrevocable during the term in which that election was made. Additionally, the elected official will contribute to and participate in the Long-Term Disability Program administered by ASRS. To choose the ASRS, the person must fill out a form provided by PSPRS opting out of the EODCRS. This election must be made within 30 days after that person's term begins and returned to PSPRS. The City was required by statute to contribution 12.15 percent of elected officials participating as an ASRS members' annual covered payroll to the ASRS Legacy

As of January 1, 2014, the employer rate for all employers contributing on behalf of their elected officials, regardless of what plan they are in, will be 23.5%. However, pursuant to ARS § 38-810, subsection C, and as described above, that rate may be split a number of ways depending on which plan (or path) your elected official will belong to. Employee rates will vary, also dependent upon the path your elected official is on, and all are pre-tax contributions. The rates for the respective disability programs are separate from the 23.5% employer rate and are contributed on an after-tax basis. The 23.5% employer rate is set by statute; however, the Board of Trustees of PSPRS is required to monitor this rate to inform the Legislature annually of its continued ability to pay the unfunded liability of the EORP legacy costs, so there is the possibility of this rate changing from time-to-time. Additionally, the rate for the disability program will also be reviewed and revised annually to meet its actuarially determined costs.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(amounts expressed in thousands)

For the year ended June 30, 2016 active EODCRS members were required by statute to contribute at the rate of 8.125 percent (8 percent to the DC plan and .125 percent for the disability program) of the members' annual covered payroll. The City was required by statute to contribute at the rate 6.125 percent (6 percent to the DC plan and .125 percent for the disability program) of the active members' annual covered payroll. The maximum annual contribution limits are in accordance with the IRS regulation for defined contribution plans. Employee and employer contributions are immediately vested. In addition, the City was required by statute to contribution 17.50 percent of the EODC members' annual covered payroll to the EORP Legacy.

U. Investments

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

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

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

The City's investment in LGIP represents shares of the pool's portfolio. The fair value of each share in the LGIP is one dollar. These shares are not identified with specific investments and are not subject to custodial credit risk. Neither the County nor LGIP are registered with the Securities and Exchange Commission as investment companies. The State Board of Deposits provides oversight, and the Local Government Investment Pool Advisory Committee provides consultation and advice to the LGIP. There is no regulatory oversight of the County Treasurer's operations. The net increase in the fair value of investments during the fiscal year ended June 30, 2016, was \$436.

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

The City ended the fiscal year June 30, 2016, with a deficit fund balance/net position in the following funds:

Employee benefits internal service fund	
Expenditures exceeded appropriation in fiscal year 2016	\$ 504
The deficit fund will be funded by premiums in 2017.	1,049
Fleet services internal service fund	
Deficit will be funded by increase in user premium charges in next fiscal year.	2,804
Sanitation fund	
A rate study is expected to be completed in fiscal year 2017 to resolve the deficit.	496
Excise tax revenue debt service fund	
Expenditures exceeded appropriation in fiscal year 2016	105

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(amounts expressed in thousands)

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 \$36,741 and the bank balances were \$39,132. The difference of \$2,373 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, 2016, were \$67,233 and were uncollateralized.

Investments

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

As of June 30, 2016, the City had the following investments:

<u>Investment Type</u>	<u>Investment Maturities (in years)</u>				<u>Fair Value</u>
	<u>0 - 1</u>	<u>1 - 2</u>	<u>2 - 3</u>	<u>Over 3</u>	
Corporate bonds	\$ 30,322	\$ 13,063	\$ 5,097	\$ -	\$ 48,482
U.S. Agencies	30,077	15,112	15,338	5,138	65,665
U.S. Treasuries	45,063	30,131	10,113	-	85,307
Arizona LGIP - State Pool	48,282	-	-	-	48,282
Grand total investments	<u>\$ 153,744</u>	<u>\$ 58,306</u>	<u>\$ 30,548</u>	<u>\$ 5,138</u>	<u>\$ 247,736</u>
Cash deposits					36,741
Cash with fiscal agents					67,233
Total deposits and investments					<u>\$ 351,710</u>

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

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

The remainder of this page left blank intentionally.
--

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(amounts expressed in thousands)

The City's investments are classified as follows:

Investment at fair value level	Fair Value Measurements Using			Totals
	Level 1	Level 2	Level 3	
Corporate Bonds	\$ -	\$ 48,482	\$ -	\$ 48,482
U.S. Agencies	-	65,665	-	65,665
U.S. Treasury	-	85,307	-	85,307
Total Investments at fair value level	<u>\$ -</u>	<u>\$ 199,454</u>	<u>\$ -</u>	<u>199,454</u>
External Investment Pools Measured at Fair Value				
State Treasurer's Investment Pool				<u>48,282</u>
Total Investments				<u>\$ 247,736</u>

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

Credit risk: The City's investment policy requires commercial paper to have a rating of at least A-1 by Standard and Poor's, P-1 by Moody's, or F1 by Fitch. Corporate bonds must have a rating of at least A or better by Standard and Poor's, A2 by Moody's, or A by Fitch. As of June 30, 2016, the City's investments were rated by Moody's Investor Service and Standard & Poor's as follows:

Investment Type	S&P Rating	Moody's Rating	% of Total Investments	Weighted Average Maturity (Years)
U.S. Treasury	N/A	N/A	34.43%	1.21
U.S. Agencies	N/A	N/A	26.51%	1.51
Arizona LGIP	NR	NR	19.49%	0.00
Corporate	AA-	Aa3	6.10%	1.22
Corporate	A+	A1	2.03%	0.79
Corporate	AA-	Aa2	2.03%	1.38
Corporate	AA-	A1	2.02%	0.59
Corporate	AA	A1	1.90%	0.87
Corporate	AA+	A1	1.84%	0.45
Corporate	AA+	Aaa	1.49%	0.71
Corporate	A	A2	1.22%	1.55
Corporate	AA+	Aa1	0.94%	0.85

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:

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(amounts expressed in thousands)

<u>Issuer</u>	<u>Investment Type</u>	<u>Amount</u>
United States Treasury Total	U.S. Treasury	\$ 85,307
Arizona LGIP Total	Arizona LGIP	48,282
FNMA Total	U.S. Agencies	27,870
FFCBF Corp Total	U.S. Agencies	15,049
Freddie Mac Total	U.S. Agencies	12,662

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

IV. Note receivable

On October 22, 2008, the Western Loop 101 Public Facilities Corporation (PFC), a blended component of the City, 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 \$23,618 less an allowance for doubtful accounts in the amount of \$32,310 has been recorded at June 30, 2016. No payments have been received by the City on the note as of June 30, 2016. At the Glendale City Council workshop session held on August 5, 2014, the AZSTA presentation included projections for the AZSTA to begin making payments to the City in the year 2021. On December 27, 2012, the City of Glendale Municipal Property Corporation (MPC), a blended component unit of the City, issued subordinate excise tax revenue bonds to refund the \$199,750 third lien excise tax revenue bonds. The issuance of \$183,405 in tax-exempt bonds and \$16,850 in taxable bonds achieved debt service savings and lowered the next five fiscal years' annual rental payments under the Lease Agreement. In fiscal year 2016, the AZSTA receivable was recorded in the MPC debt service fund.

The remainder of this page left blank intentionally.
--

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(amounts expressed in thousands)

V. Capital assets

A summary of capital asset activity, for the government-wide financial statements, for the year ended June 30, 2016, is as follows:

	Balances June 30, 2015	Increase	Decrease	Balances June 30, 2016
Governmental activities				
Non-depreciable assets:				
Construction in progress	\$ 19,208	\$ 18,888	\$ (26,416)	\$ 11,680
Land	90,237	29,704	-	119,941
Artwork	2,378	17	-	2,395
Total non-depreciable assets	<u>111,823</u>	<u>48,609</u>	<u>(26,416)</u>	<u>134,016</u>
Depreciable assets:				
Buildings	387,023	842	-	387,865
Improvements other than buildings	273,974	7,056	(143)	280,887
Infrastructure - streets	736,138	14,702		750,840
Infrastructure - parks	88,964	1,586		90,550
Infrastructure - flood/storm drains	77,594	24	-	77,618
Infrastructure - airport	14,710	2,836	-	17,546
Machinery and equipment	44,354	7,197	(367)	51,184
Computer equipment	5,178	322	(982)	4,518
Software	5,299	672	-	5,971
Automotive equipment	44,264	3,357	(2,785)	44,836
Total depreciable assets at historical cost	<u>1,677,498</u>	<u>38,594</u>	<u>(4,277)</u>	<u>1,711,815</u>
Less accumulated depreciation for:				
Buildings	(115,597)	(10,276)	-	(125,873)
Improvements other than buildings	(126,268)	(10,040)	143	(136,165)
Infrastructure - streets	(275,309)	(19,106)	-	(294,415)
Infrastructure - parks	(36,760)	(3,189)	-	(39,949)
Infrastructure - flood/storm drains	(8,968)	(1,099)	-	(10,067)
Infrastructure - airport	(9,270)	(388)	-	(9,658)
Machinery and equipment	(38,005)	(1,562)	339	(39,228)
Computer equipment	(4,124)	(288)	982	(3,430)
Software	(2,306)	(626)	-	(2,932)
Automotive equipment	(30,431)	(3,114)	2,510	(31,035)
Total accumulated depreciation	<u>(647,038)</u>	<u>(49,688)</u>	<u>3,974</u>	<u>(692,752)</u>
Total depreciable assets, net	<u>1,030,460</u>	<u>(11,094)</u>	<u>(303)</u>	<u>1,019,063</u>
Governmental activities capital assets, net	<u>\$ 1,142,283</u>	<u>\$ 37,515</u>	<u>\$ (26,719)</u>	<u>\$ 1,153,079</u>

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(amounts expressed in thousands)

	Balances June 30, 2015	Increase	Decrease	Balances June 30, 2016
Business-Type activities:				
Non-depreciable assets:				
Construction in progress - water and sewer	\$ 12,016	\$ 8,834	\$ (9,196)	\$ 11,654
Construction in progress - landfill	2,116	3,873	(543)	5,446
Construction in progress - housing authority	157	286	-	443
Land	26,299	-	-	26,299
Total non-depreciable assets	<u>40,588</u>	<u>12,993</u>	<u>(9,739)</u>	<u>43,842</u>
Depreciable assets:				
Buildings	16,857	-	(11)	16,846
Water rights	9,183	-	-	9,183
Improvements other than buildings	70,962	549	-	71,511
Water lines	118,194	391	-	118,585
Sewer lines	130,004	7,320	-	137,324
Water treatment plant	253,364	10	-	253,374
Sewer treatment plant	138,521	681	-	139,202
Meters and services	28,440	1,294	-	29,734
Fire hydrants	5,187	-	-	5,187
Machinery and equipment	5,462	96	(81)	5,477
Computer equipment	925	-	-	925
System Purchase	1,163	-	-	1,163
Automotive equipment	22,133	667	(1,760)	21,040
Total depreciable assets at historical cost	<u>800,395</u>	<u>11,008</u>	<u>(1,852)</u>	<u>809,551</u>
Less accumulated depreciation for:				
Buildings	(9,644)	(569)	11	(10,202)
Water rights	(1,603)	(179)	-	(1,782)
Improvements other than buildings	(26,212)	(2,915)	-	(29,127)
Water lines	(45,171)	(2,593)	-	(47,764)
Sewer lines	(60,073)	(3,082)	-	(63,155)
Water treatment plant	(97,740)	(9,010)	-	(106,750)
Sewer treatment plant	(46,592)	(4,011)	-	(50,603)
Meters and services	(14,170)	(725)	-	(14,895)
Fire hydrants	(2,526)	(99)	-	(2,625)
Machinery and equipment	(3,980)	(179)	81	(4,078)
Computer equipment	(733)	127	-	(606)
System Purchase	(140)	(140)	-	(280)
Automotive equipment	(15,865)	(1,950)	1,691	(16,124)
Total accumulated depreciation	<u>(324,449)</u>	<u>(25,325)</u>	<u>1,783</u>	<u>(347,991)</u>
Total depreciable assets, net	<u>475,946</u>	<u>(14,317)</u>	<u>(69)</u>	<u>461,560</u>
Business-Type activities capital assets, net	<u>\$ 516,534</u>	<u>\$ (1,324)</u>	<u>\$ (9,808)</u>	<u>\$ 505,402</u>

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(amounts expressed in thousands)

Depreciation was charged to functions/programs as follows:

Governmental activities:

General	\$ 14,355
Public safety	4,788
Public works	15,114
Street maintenance	11,010
Community services	4,413
Community environment	8
Total depreciation expense	<u>\$ 49,688</u>

Business-Type activities:

Water and sewer	\$ 22,587
Landfill	802
Sanitation	1,485
Housing	451
Total depreciation expense	<u>\$ 25,325</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, 2016. 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	\$ 119	\$ 1,451
Community services	5,960	2,538
Public safety	1,366	-
Public works	682	871
Street maintenance	3,553	7,519
Water and sewer facilities	11,654	16,073
Landfill	5,446	645
Housing	443	-
Total primary government	<u>\$ 29,223</u>	<u>\$ 29,097</u>

VII. Internal service funds

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

A. Risk management

On January 1, 1987, the City established a risk management fund for torts, and loss and destruction of assets. The City's risk management fund purchases excess or commercial insurance as follows: automobile and general liability, errors and omissions, employment practices liability, employee benefit liability, employee benefits wrongful acts, and products completed operations hazards with limits up to \$50,000. The risk management fund was fully self-insured through June 30, 1998, for tort liability losses. Effective July 1, 1998, the City purchased excess insurance. Currently the excess insurance

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(amounts expressed in thousands)

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

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

Premium payments to insurance carriers, loss control, and risk management expenses are made directly from the risk management fund. Insurance coverage has not been significantly reduced in recent years.

B. Workers' compensation

On July 1, 1994, the City established a workers' compensation fund for work-related injuries to employees. The workers' compensation fund provides coverage up to a maximum of \$2,000 for each workers' compensation claim with an \$800 self-insured retention.

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

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

C. Employee benefits

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

Premiums are collected through contributions from employee paychecks and department budgets. Retirees contribute 100% and COBRA participants contribute 100% of premiums for their insurance benefit coverage. Premiums for the medical, vision, dental, and life insurance plans are determined prior to each renewal period 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 fully insured and self-insured insurance plans. The City is responsible for the first \$200 in medical claims per individual per plan year. Claims exceeding \$200 for an individual are paid by the reinsurance plan.

Premiums for the self-insured medical plan are set prior to the beginning of each plan year equal to 125% of the expected claims liability.

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

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(amounts expressed in thousands)

D. Estimated liability

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

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

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

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

The City reports the estimated liability in net present value dollars using a future investment yield assumption of .51%. These liabilities are reported in the internal service funds at their actuarial determined liability of \$8,555 as of June 30, 2016. Changes in the balances of claims liabilities during the past two years are as follows:

	<u>Risk Management</u>		<u>Workers' Compensation</u>		<u>Employee Benefits</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Unpaid claims, beginning of fiscal year	\$ 2,857	\$ 3,167	\$ 3,518	\$ 3,706	\$ 3,994	\$ 4,149
Current year claims and changes in estimate	2,284	910	1,374	734	22,785	21,714
Claims payments	<u>(2,331)</u>	<u>(1,220)</u>	<u>(1,061)</u>	<u>(922)</u>	<u>(24,865)</u>	<u>(21,869)</u>
Balance at fiscal year end	<u>\$ 2,810</u>	<u>\$ 2,857</u>	<u>\$ 3,831</u>	<u>\$ 3,518</u>	<u>\$ 1,914</u>	<u>\$ 3,994</u>

E. Fleet Services

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

F. Technology

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

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(amounts expressed in thousands)

VIII. Leases**A. Capital leases**

The City's capital lease activity consists principally of leasing various types of heavy equipment and light equipment such as photocopiers for the Fire Department. Leases vary in terms of 6 to 9 years for photocopiers and for fire trucks. Current year principal expenditures are \$52 for governmental activities. The future minimum lease obligation and net present value of lease payments at June 30, 2016, are as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2017	\$ 2,353
2018	2,353
2019	<u>2,353</u>
Total minimum lease payments	7,059
Less: Amount representing interest	<u>(439)</u>
Present value of net minimum lease payments	<u><u>\$ 6,620</u></u>

The assets acquired through capital leases are as follows:

<u>Class of Property</u>	<u>Governmental Activities</u>
Equipment	\$ 6,624
Less: Accumulated depreciation	<u>(2)</u>
Total	<u><u>\$ 6,622</u></u>

B. Operating lease expenditures

The City leases office space and vehicles under various cancelable operating lease agreements expiring at various dates. Certain leases contain provisions for possible future increased rentals based upon changes in the Consumer Price Index. Combined annual rental payments in fiscal year 2015-16 were \$153.

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 2016 and beyond. The carrying value of leased assets is \$311,041 (cost of \$493,254 less accumulated depreciation of \$182,213). 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.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(amounts expressed in thousands)

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

Fiscal Year	Total Revenues
2017	\$ 3,011
2018	2,293
2019	2,272
2020	2,273
2021	1,662
2022 and beyond	43,248
Total	\$ 54,759

IX. Short-term debt

The City did not issue short-term debt for the year ended June 30, 2016.

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

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

B. Revenue bonds

Highway User Revenue Fund (HURF) bonds are used to construct street and highway projects. The City paid off the remaining \$1,895 HURF bonds outstanding which were special obligations of the City and secured by taxes, fees, charges or other monies collected by the state and returned to the City pursuant to Title 28, Chapter 18, Article 2, A.R.S. as amended. A special revenue fund called highway user gas tax fund has been set up by the City to collect HURF revenues from the state and transferred to the debt service fund to pay for HURF principal and interest. The remaining principal and interest on the HURF bonds were paid off in fiscal year 2016. The current year principal and interest amounts of \$1,895 and \$76, respectively, were funded with transfers of \$976 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 \$77,615 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 \$110,804. The current year revenues of \$25,803 collected in the transportation special revenue fund paid the current year principal and interest amounts of \$3,380 and \$3,763, 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.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(amounts expressed in thousands)

The Excise Tax Revenue Refunding bonds are special obligations of the City and are not a general obligation of the City. Under a purchase agreement the City makes monthly payments to a trustee. The payments are secured by a senior claim and pledge by the City of all of the City's unrestricted excise tax revenues which comprise of all excise tax, transaction privilege, franchise and income tax which it collects or is apportioned by the State or political subdivision of the State. The \$147,960 in bonds outstanding was issued to refund senior and subordinate excise tax revenue bonds issued by the MPC. The total principal and interest remaining on the bonds to be paid is \$219,020. The current year interest amount of \$5,678 was funded with a transfer from the General fund.

The \$222,320 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 \$302,075. The current year principal and interest on the bonds were \$20,134 and net revenues of the system were \$37,657.

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

C. Municipal Property Corporation (MPC) bonds

In 1982, 2002, 2003, 2006 and 2008 the MPC, a non-profit corporation, issued bonds to finance the construction of a new municipal office complex, hockey arena, public safety training center, parking garage, media center, convention center and city infrastructure, respectively. On October 19, 1982, July 31, 2002, May 1, 2003, and June 1, 2006, the City entered into a lease purchase agreement with MPC, whereby, the City purchased the constructed municipal office complex, hockey arena, public safety training center, parking garage, media center, convention center and city infrastructure, respectively, from MPC. In addition, on April 1, 2004, the City entered into a lease agreement with the MPC to issue bonds to finance an escrow account to refund certain outstanding City improvement district bonds. In June 2008, the City entered into a lease agreement with the MPC to issue bonds to refund outstanding 2006B bonds. In February 2012, the City entered into a lease agreement with the MPC to issue bonds to partially refund outstanding maturities of the bond series 2003, 2004, and 2006. In December 2012, the City entered into a lease agreement with the MPC to issue bonds to partially refund outstanding maturities of the bond series 2003 and 2004, and to fully refund outstanding maturities of the Western Loop 101 Public Facilities Corporation bond series 2008. In March 2015, senior excise tax revenue bonds were issued to refund MPC bonds series 2002B, 2003B, 2006A, and series 2012D, respectively. In April 2016, senior excise tax revenue bonds were issued to refund MPC bond series 2003 D in full as well as several maturities of the MPC bond series 2008A. An amount equal to the MPC debt service and related miscellaneous fees, is payable to the MPC in monthly installments by the City.

Under the provisions of the purchase agreement, the City has pledged for the payment of the purchase price: 1) all net revenues derived from the municipal office complex and arena, and 2) all excise, transaction, privilege and franchise taxes which the City currently collects, may collect or are allocated to the City by any other governmental unit or municipal corporation, except the City's share of such amounts which by state law, rule or regulation must be expended for other purposes. However, under no circumstances shall such pledge constitute a general obligation of the City nor will the purchase price be payable from the proceeds of ad valorem taxes. The total principal and interest remaining to be paid is

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(amounts expressed in thousands)

\$ 486,737. Excise tax revenues pledged for repayment of MPC was \$156,210. The current year principal and interest paid was \$25,331.

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, 2016:

	June 30, 2015	Increases	Decreases	June 30, 2016	Amounts Due Within One Year
General obligation (GO) bonds	\$ 126,305	\$ 27,285	\$ (18,460)	\$ 135,130	\$ 15,130
Revenue bonds:					
Highway user revenue	1,895	-	(1,895)	-	-
Excise Tax Revenue bonds	114,130	33,830	-	147,960	-
Transportation bonds	80,995	-	(3,380)	77,615	3,550
Municipal Property Corporation	326,375	-	(37,785)	288,590	5,075
Total bonds payable	<u>649,700</u>	<u>61,115</u>	<u>(61,520)</u>	<u>649,295</u>	<u>23,755</u>
Other long-term obligations:					
Capital lease obligations	57	6,615	(52)	6,620	2,135
Note payable	-	7,353	(1,838)	5,515	1,838
OPEB obligations	48,630	3,668	-	52,298	-
Settlement obligations	-	14,100	-	14,100	3,000
Compensated absences	21,708	10,746	(8,952)	23,502	15,127
Claims and judgments	10,369	26,443	(28,257)	8,555	8,555
Unamortized premium on debt issuance	55,577	4,948	(3,978)	56,547	4,150
Discount on debt issuance	(1,402)	-	62	(1,340)	-
Net pension obligation	244,485	13,077	-	257,562	-
Developer payable obligations	3,406	233	-	3,639	-
Total other long-term obligations	<u>382,830</u>	<u>87,183</u>	<u>(43,015)</u>	<u>426,998</u>	<u>34,805</u>
Total	<u>\$ 1,032,530</u>	<u>\$ 148,298</u>	<u>\$ (104,535)</u>	<u>\$ 1,076,293</u>	<u>\$ 58,560</u>

General, transportation, and police and fire sales tax special revenue funds typically have been used to liquidate compensated absences in prior years, since most employees engaged in governmental activities are paid from those funds. Paychecks include payment for leave taken during the current pay period. Of the \$1,076,293 in the total liabilities, \$720,276 is related to net position for the City's net investment in capital assets. Other obligations not included in the calculation of net position for the City's net investment in capital assets are OPEB obligations, compensated absences, and claims and judgments. No governmental funds cash has been used to fund the net other post-employment benefit obligation (OPEB). The net annual OPEB cost for the current fiscal year was 20.0% funded by the employee

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(amounts expressed in thousands)

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, 2016:

	June 30, 2015	Additions	Reductions	June 30, 2016	Amounts Due Within One Year
Water and sewer revenue/obligation bonds	\$ 231,735	\$ -	\$ (9,415)	\$ 222,320	\$ 9,805
Total bonds payable	<u>231,735</u>	<u>-</u>	<u>(9,415)</u>	<u>222,320</u>	<u>9,805</u>
Other long-term obligations:					
Estimated closure and post-closure costs	14,960	-	(701)	14,259	-
Unamortized premium on debt issuance	29,232	-	(2,250)	26,982	2,250
Net Pension obligations	28,539	811	-	29,350	-
OPEB obligations	10,873	881	-	11,754	-
Compensated absences	3,146	1,926	(1,700)	3,372	2,127
Housing noncurrent liabilities	98	-	(61)	37	-
Total other long-term obligations	<u>86,848</u>	<u>3,618</u>	<u>(4,712)</u>	<u>85,754</u>	<u>4,377</u>
Total	<u>\$ 318,583</u>	<u>\$ 3,618</u>	<u>\$ (14,127)</u>	<u>\$ 308,074</u>	<u>\$ 14,182</u>

Of the \$308,074 in total liabilities, \$258,717 (including matured bonds payable) is included in the calculation of net position for the City's net investment in capital assets. Other obligations not included in the calculation of net position for the City's net investment in capital assets are estimated landfill closure and post-closure costs, OPEB obligations, compensated absences, and housing noncurrent liabilities.

E. Current and advance refunded bonds

The City issued refunding bonds to defease certain outstanding bonds, thus achieving debt service savings. The City has placed the proceeds from the refunding issues in an irrevocable escrow account with a trust agent, which will provide amounts sufficient for future payment of principal and interest of the issue refunded.

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

The remainder of this page left blank intentionally.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(amounts expressed in thousands)

<u>Issue Refunded</u>	<u>Date Refunded</u>	<u>Remaining Balance</u>
Western Loop 101 Public Facilities Corporation Bonds Series 2008C	December 27, 2012	\$ 5,670
Transportation Excise Tax Bonds 2007	February 25, 2015	59,110
Water and Sewer Revenue Bonds 2007	March 3, 2015	28,970
Water and Sewer Revenue Bonds 2008	March 3, 2015	39,340
Municipal Property Corporation Bonds Series 2006A	March 5, 2015	22,605
Municipal Property Corporation Bonds Series 2012D	March 5, 2015	4,365
General Obligation Bonds 2006A	March 10, 2015	9,735
General Obligation Bonds 2007	March 10, 2015	20,300
Municipal Property Corporation Bonds Series 2008A	April 25, 2016	27,760

The remainder of this page left blank intentionally.
--

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(amounts expressed in thousands)

F. Bonds payable

Bonds payable at June 30, 2016, 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, 2016
<u>GO bonds payable from secondary assessed property taxes</u>					
Various	1.50-5.00	2003	2018	\$ 52,525	\$ 4,335
Various	4.00-5.00	2006	2021	29,365	2,170
Various	4.00-5.00	2007	2022	61,000	8,775
Various	1.50-5.63	2010	2030	41,650	33,275
Refunding	4.00-5.00	2011	2022	38,300	23,680
Refunding	2.00-5.00	2015	2022	39,490	35,610
Various	1.54-4.00	2016	2036	27,285	27,285
Total					135,130
<u>Revenue bonds payable from the 0.5% transportation sales tax</u>					
Transportation excise tax	4.00-5.00	2008	2032	109,110	22,275
Refunding	2.00-5.00	2015	2032	55,635	55,340
Total					77,615
<u>Excise Tax bonds payable from general fund sales tax</u>					
Refunding 2015A	5.00	2015	2031	100,430	100,430
Refunding 2015B	3.93-4.03	2015	2033	13,700	13,700
Refunding 2016	3.00-5.00	2016	2033	33,830	33,830
Total					147,960
<u>Municipal Property Corporation payable from general fund lease payments</u>					
MPC excise tax 2003B	1.46-5.58	2003	2033	105,260	1,480
MPC excise tax 2008A	3.00-5.00	2008	2032	32,315	2,870
MPC excise tax 2008B	5.45-6.16	2008	2033	52,780	46,065
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	6,485
Total					288,590
Total bonds payable recorded in governmental activities					649,295
Less current portion					(23,755)
Long-term portion of bonds payable recorded in governmental activities					\$ 625,540

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(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, 2016</u>
<u>Revenue bonds/obligations payable from water and sewer fund</u>					
Various	4.25-5.00	2007	2017	44,500	\$ 2,215
Various	3.00-5.00	2008	2018	65,500	6,020
Various	6.20-6.55	2011	2030	25,685	25,685
Various refunding	2.00-5.00	2012	2028	77,635	67,155
Various refunding	2.50-5.00	2015	2028	121,245	121,245
Total					<u>222,320</u>
Total bonds payable recorded in business-type activities					222,320
Less current portion					<u>(9,805)</u>
Long-term portion of bonds payable recorded in business-type activities					<u>\$ 212,515</u>

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

The City's unused bonded debt borrowing capacity as of June 30, 2016, is as follows:

	<u>6%</u>	<u>20%</u>
Capacity to incur bonded debt	\$ 70,496	\$ 234,986
Less: Bonded debt applicable to limit	<u>-</u>	<u>(130,619)</u>
Unused bonded debt capacity	<u>\$ 70,496</u>	<u>\$ 104,367</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, 2016

(amounts expressed in thousands)

G. Bonds authorized, issued and unissued

Bonds authorized but not fully issued as of June 30, 2016, are shown below:

GO bonds	Authorized Amount	Issued through June 30, 2016	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	28,453	22,047
Governmental facilities ⁽¹⁾	40,910	16,910	24,000
Landfill development ⁽¹⁾	17,000	1,460	15,540
Library	15,398	-	15,398
Open spaces	53,700	3,175	50,525
Public safety	64,801	62,966	1,835
Transit ⁽¹⁾	6,935	185	6,750
<u>Voter authorized May 15, 2007</u>			
Flood control	20,554	10,522	10,032
Parks and recreation	16,155	1,518	14,637
Public safety	102,638	-	102,638
Streets and parking	79,065	28,532	50,533
Total GO bonds	\$ 502,319	\$ 166,765	\$ 335,554
<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	\$ 166,765	\$ 345,554

(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, 2016

(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.

\$ 3,639

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

\$5,515

Total note payable obligation

\$5,515

Less current portion

(\$1,838)

Note payable long-term portion

\$3,677

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

\$14,100

Total settlement obligation

14,100

Less current portion

(3,000)

Settlement obligation long-term portion

\$ 11,100

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(amounts expressed in thousands)

I. Future year debt service requirements

Fiscal Year Ending	Trans- portation Bonds	MPC Bonds	Excise Tax Bonds	G.O. Bonds	Water and Sewer	Total
					Revenue Bonds/ Obligations	
2017	7,144	19,251	6,916	20,991	20,126	74,428
2018	7,147	18,950	8,031	19,878	22,640	76,646
2019	7,145	19,702	13,560	19,202	25,448	85,057
2020	7,143	20,708	13,655	19,199	25,080	85,785
2021	6,811	22,562	13,731	19,178	24,409	86,691
2022	6,811	22,506	13,783	16,831	24,079	84,010
2023	6,806	21,121	15,172	5,596	25,290	73,985
2024	6,811	20,459	15,832	5,559	25,288	73,949
2025	6,810	20,370	15,918	5,523	25,285	73,906
2026	6,808	20,306	15,988	5,483	25,289	73,874
2027	6,810	22,898	13,392	5,436	24,162	72,698
2028	6,808	22,824	13,465	5,388	20,302	68,787
2029	6,809	23,488	12,804	5,518	7,410	56,029
2030	6,806	23,392	12,902	5,286	7,267	55,653
2031	6,810	23,326	12,966	2,150	-	45,252
2032	7,325	24,391	11,902	2,150	-	45,768
2033	-	27,821	9,003	2,151	-	38,975
2034	-	22,533	-	2,155	-	24,688
2035	-	22,533	-	2,151	-	24,684
2036	-	22,532	-	2,150	-	24,682
2037	-	22,532	-	-	-	22,532
2038	-	22,532	-	-	-	22,532
2039	-	-	-	-	-	-
Total	110,804	486,737	219,020	171,975	302,075	1,290,611
Less interest	<u>33,189</u>	<u>198,147</u>	<u>71,060</u>	<u>36,845</u>	<u>79,755</u>	<u>418,996</u>
Principal	<u>\$ 77,615</u>	<u>\$ 288,590</u>	<u>\$ 147,960</u>	<u>\$ 135,130</u>	<u>\$ 222,320</u>	<u>\$ 871,615</u>

The remainder of this page left blank intentionally.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(amounts expressed in thousands)

The following table discloses the debt service requirements as of June 30, 2016, 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>
2017	\$ 33,560	\$ 40,868	\$ 74,428
2018	37,425	39,221	76,646
2019	47,300	37,757	85,057
2020	50,120	35,665	85,785
2021	53,275	33,416	86,691
2022-2026	247,725	131,999	379,724
2027-2031	226,685	71,734	298,419
2032-2036	133,350	25,447	158,797
2037-2038	42,175	2,889	45,064
Total	<u>\$ 871,615</u>	<u>\$ 418,996</u>	<u>\$ 1,290,611</u>

J. New bonds

On April 25, 2016, the City issued \$33,830 in Senior Excise Tax revenue refunding obligations to current refund the MPC subordinate bond series 2003D with bonds maturing in 2033 and to advance refund the MPC senior bond series 2008A with bonds maturing in 2019-2032. The 2016 bonds mature on various dates starting 2019 to 2033 with various interest rates of 3.00% to 5.00%. The refunding resulted in a deferred outflow of \$2,645 and will be amortized over the life of the new refunding bonds. The City realized a future cash flow savings in the amount of \$5,062. The bonds are not a general obligation of the City, but are a limited obligation of the City and are payable from and secured by a senior lien pledge of the city's Unrestricted Excise Taxes.

On April 25, 2016, the City issued \$27,285 in General Obligation bonds to fund the purchase of land and related infrastructure improvements. The 2016 bonds mature on various dates starting 2018 to 2036 with various interest rates of 1.54-4.00%. The bonds are a direct general obligation of the City and pledged by the full faith and credit of the City. They are repaid through the levying of property taxes by the City.

XI. Landfill obligations

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

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(amounts expressed in thousands)

The landfill closure and post-closure care liability at June 30, 2016, calculated below, represents the cumulative amount reported to date based on the use of estimated capacity of the landfill.

	<u>North Cell</u>	<u>South Cell</u>
Capacity (cubic yards)	29,598	24,215
Capacity used to date	-	20,137
Percentage of capacity used	-	83%
Total closure and post-closure costs in present dollars:		
as of June 30, 2016	\$ 18,258	\$ 17,146
as of June 30, 2015	\$ 18,148	\$ 17,043
Closure and post-closure care costs:		
Amount remaining to be recognized as of June 30, 2016	\$ 18,258	\$ 2,887
Liability recognized as of June 30, 2016	\$ -	\$ 14,259

These amounts are based on what it would cost to perform all closure and post-closure care in fiscal year 2015-16. The estimated costs are subject to changes due to inflation, deflation, new technology, and applicable laws and regulations. Assets are not restricted to fund the obligations. The estimated remaining life of the landfill is approximately 51 years. The increase from 46 years to 51 years remaining is a result of updating the soil-to-waste ratio from 3:1 to 5:1 in order to more closely represent trending data from recent years and the stated goal of 5:1.

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

XII. Inter-fund transactions

Inter-fund balances at June 30, 2016, consisted of the following:

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

Other non-major governmental funds	
Community development block grant	\$ 918
Other special revenue	282
Other enterprise funds	
Housing	<u>6</u>
Total due to general fund	<u>\$ 1,206</u>

The inter-fund balances at June 30, 2016, include short-term loans to cover temporary cash deficits in various funds. This occasionally occurs prior to bond sales or grant reimbursements. All inter-fund balances outstanding at June 30, 2016, are expected to be repaid within one year.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(amounts expressed in thousands)

B. Inter-fund transfers

Inter-fund transfers for the year ended June 30, 2015, consisted of the following:

Transfers to municipal property corporation debt service from:

Debt service funds	
Excise tax revenue	38,201
General fund	14,288
Total transfers to municipal property corporation debt service	<u>52,489</u>

Transfers to non-major special revenue fund from:

General fund	1,025
Streets construction	127
Water and sewer	69
Other proprietary funds	38
Total transfers to non-major special revenue fund	<u>1,259</u>

Transfers to non-major debt service funds from:

Municipal property corporation	112
General fund	5,600
Development impact fees	210
Transportation fund	8,148
Highway users gas tax	976
Total transfers to non-major debt service funds	<u>15,046</u>

Transfers to non-major capital projects fund from:

Transportation fund	6,277
Highway users gas tax	9,389
Total transfers to capital projects fund	<u>15,666</u>

Transfers to non-major proprietary funds from:

General fund	685
Water and sewer	89
Total transfers to housing, other non-major proprietary fund	<u>774</u>

Transfers to water and Sewer, major proprietary fund

General fund	225
Total transfers to proprietary fund	<u>225</u>

Grand total all transfers	<u>\$ 85,459</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 inter-fund transfers are all classified as transfers and are included in the results of operations of both governmental and proprietary funds.

XIII. Encumbrances

The Arizona Revised Statutes allow cities to encumber unused appropriations for up to sixty days after the end of the fiscal year. However, effective July 1, 1987, the City adopted a policy of not recognizing

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(amounts expressed in thousands)

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, 2016, the City intended to honor \$12,911 of outstanding encumbrances in the new fiscal year.

Fund

Major:

General	\$	271
Water and sewer		8,907

Non-Major:

Transportation		141
Other special revenue		453
Streets capital		2,521
Other capital		61
Landfill		542
Sanitation		15
Total	\$	<u>12,911</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 the plant and related transportation facilities based on ownership. The latest available audited financial information on the joint venture is as of and for the fiscal year ended June 30, 2015. The City accounts for its approximate 6.8% investment using the equity method in the water and sewer fund. For the year ended June 30, 2015, the City recognized a loss in the joint venture of \$3,329. 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.

A summary of the audited financial information on the joint venture as of and for the fiscal year ended June 30, 2015, is as follows:

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(amounts expressed in thousands)

Assets	
Current assets	\$ 47,312
Capital assets, net of accumulated depreciation	<u>744,444</u>
Total assets	<u>791,756</u>
Liabilities	
	<u>32,813</u>
Net assets	<u><u>\$ 758,943</u></u>
Total revenues	\$ 44,140
Total expenses	<u>(85,010)</u>
Decrease in net assets	<u><u>\$ (40,870)</u></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 court, art commission, and employee groups divisions.

The City's general fund, unassigned fund balance at June 30, 2016 is \$35,226. Per the City's adopted financial policies, 10% of the general fund operating revenue which totals \$21,999 has been earmarked as the Budget Stabilization Reserve and \$13,227 has been earmarked as the Operating Reserve. Consistent with the requirements of GASB Statement No. 54, formal Council action was not taken prior to June 30, 2016 to commit these funds; therefore, the funds are reported as unassigned.

The remainder of this page left blank intentionally.
--

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(amounts expressed in thousands)

	General	Municipal Property Corporation Debt Service	Other Non-Major Governmental Funds	Total Governmental Funds
Nonspendable				
Inventories and prepaid items	\$ 2,940	\$ -	\$ 125	\$ 3,065
Cemetery perpetual care	-	-	5,693	5,693
Total Nonspendable	<u>2,940</u>	<u>-</u>	<u>5,818</u>	<u>8,758</u>
Restricted				
Public transit	-	-	42,760	42,760
State drug enforcement	-	-	2,149	2,149
U.S. drug enforcement	-	-	249	249
Debt service	-	3,367	4,794	8,161
Court security	-	-	237	237
Court time payments	-	-	104	104
Court computer upgrade	-	-	85	85
HOME program	-	-	101	101
Highway user gas tax	-	-	19,312	19,312
Police activities	7,336	-	-	7,336
Fire activities	1,159	-	-	1,159
Development impact fees	-	-	14,862	14,862
HURF bond projects	-	-	2,554	2,554
Fire and police construction	-	-	1,560	1,560
Park bond construction	-	-	122	122
Economic development	-	-	1,113	1,113
Open space/trails	-	-	227	227
Cultural and historical projects	-	-	262	262
Government facilities	-	-	36	36
Garden for visually impaired	-	-	67	67
Neighborhood stabilization	-	-	200	200
Flood control construction	-	-	2,233	2,233
Other	-	-	776	776
Total restricted	<u>8,495</u>	<u>3,367</u>	<u>93,803</u>	<u>105,665</u>
Committed				
Artwork	-	-	1,057	1,057
Pool/park repair	-	-	132	132
Other	-	-	84	84
Total committed	<u>-</u>	<u>-</u>	<u>1,273</u>	<u>1,273</u>
Assigned				
Equipment replacement	2,946	-	-	2,946
General government capital projects	8,240	-	-	8,240
Bed tax/tourism	1,178	-	-	1,178
Health center	119	-	-	119
Public safety training facility	-	-	203	203
Other	-	-	116	116
Total assigned	<u>12,483</u>	<u>-</u>	<u>319</u>	<u>12,802</u>
Unassigned fund balance	<u>35,226</u>	<u>-</u>	<u>-</u>	<u>35,226</u>
	<u>\$ 59,144</u>	<u>\$ 3,367</u>	<u>\$ 101,213</u>	<u>\$ 163,724</u>

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(amounts expressed in thousands)

Enterprise Fund Type
Water and Sewer Fund

Restricted for debt service	\$ 9,415
Restricted for revenue bond retirement/replacement and extension	
Two percent of net water revenues must be, by bond ordinance, reserved for the replacement and extension of the City's water distribution system, or for the retirement of water revenue bonds. The reservation is only required to the extent that the reserve equals two percent of the value of net capital assets of the water and sewer fund.	9,842
Restricted for other purposes	<u>2,319</u>
Total restricted for water and sewer	<u>\$ 21,576</u>
Total restricted for enterprise fund types	<u>\$ 21,576</u>

XVII. Change in accounting principle

Net position and fund balance at June 30, 2015 were restated for two changes in accounting principles: 1) the City implemented the provisions of Governmental Accounting Standards Board (GASB) Statement 75, Accounting and Reporting for Postemployment Benefits Other than Pensions and 2) reclassified two funds previously reported in the General Fund and Other Non-major Governmental Special Revenue Funds as Internal service funds.

The reclassification of the internal service funds represented a change in accounting principle because all assets, deferred outflows of resources, liabilities, deferred inflows of resources and fund balance were restated to report as an internal service fund. This represented a change in accounting principle for accounting for activity of funds providing services to other funds. The adjustment resulted in a restatement of the governmental funds in the amount of \$708 and a restatement of the internal service fund of \$1,758. The difference is due to long-term assets and liabilities that were previously not reported in the governmental funds, being reported in the internal service funds. The adjustment had no effect on the governmental activities as all activity of the internal service fund restatement was consolidated with the governmental activities.

The remainder of this page left blank intentionally.
--

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(amounts expressed in thousands)

The following reconciliations are provided to reconcile the beginning net position/fund balance as restated to previously issued financial statements.

	Government Activities	Business Activities	Total	
Net Position - beginning	\$ 376,878	\$ 367,664	\$ 744,542	
Change as a result of implementing GASB statement 75	7,984	1,918	9,902	
Net Position - restated	<u>\$ 384,862</u>	<u>\$ 369,582</u>	<u>\$ 754,444</u>	

	Major Funds General	Municipal Property Corporation Debt Service	Other-Non Major Governmental Funds	Total
Fund Balance - beginning	\$ 48,615	\$ 7,161	98,854	\$ 154,630
Change as a result of reclassification of Internal Service Funds	(2,376)	-	1,668	(708)
Fund Balance beginning - restated	<u>\$ 46,239</u>	<u>\$ 7,161</u>	<u>\$ 100,522</u>	<u>\$ 153,922</u>

	Major Fund Water and Sewer	Other Proprietary Funds	Total	Internal Service Funds
Net position - beginning	\$ 361,063	\$ 9,083	\$ 370,146	\$ 341
GASB statement 75 change	1,238	680	1,918	0
Implementation of Internal Service Funds reclassification	-	-	-	(1,758)
Net position beginning - restated	<u>\$ 362,301</u>	<u>\$ 9,763</u>	<u>\$ 372,064</u>	<u>\$ (1,417)</u>

XVIII. Employee retirement systems and pension plans

The City contributes to the Arizona State Retirement System (ASRS), the Public Safety Personnel Retirement System (PSPRS) for police officers and fire fighters, and the Elected Officials Retirement Plan (EORP) for City elected officials who are elected, appointed, or hired prior to January 1, 2014.

At June 30, 2016, the City reported the following aggregate amounts related to pensions for all plans to which it contributes:

Statement of Net Position and Statement of Activities	Governmental Activities	Business-Type Activities	Total	
Net pension liabilities	\$ 257,562	\$ 29,350	\$ 286,912	
Deferred outflows of resources	58,337	2,791	61,128	
Deferred inflows of resources	15,227	3,710	18,937	
Pension expense	24,566	756	25,322	

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(amounts expressed in thousands)

A. Arizona State Retirement System (ASRS)

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

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

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

**With actuarially reduced benefits*

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

Contributions - In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2016, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.47 percent (11.35 percent for retirement and 0.12 percent for long-term disability) of the members' annual covered payroll. The City was required by statute to contribute at the actuarially determined rate of 11.47 percent (10.85 percent for retirement, 0.50 percent for health insurance premium benefit, and 0.12 percent for long-term disability) of the active members' annual covered payroll. In addition, the City was required by statute to contribute at the actuarially determined rate of 9.36 percent (9.17 percent for retirement, 0.13 percent for health insurance premium benefit and 0.06 percent for long-

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(amounts expressed in thousands)

term disability) of annual covered payroll of retired members who worked for the city in positions that would typically be filled by an employee who contributes to the ASRS. Contributions to the pension plan for the year ended June 30, 2016, were \$6,413. The City's contributions for the current and two preceding years for OPEB, all of which were equal to the required contributions, were as follows:

<u>Year Ended June 30,</u>	<u>Health Benefit Supplement Fund</u>	<u>Long-Term Disability Fund</u>
2016	\$ 298	\$ 71
2015	325	66
2014	335	134

Pension Liability - At June 30, 2016, the City reported a liability of \$94,278 for its proportionate share of the net pension liability of the ASRS. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using generally accepted actuarial procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015.

The City's reported liability at June 30, 2016, increased by \$2,576 from the City's prior year liability of \$91,702 because of changes in the ASRS' net pension liability and the City's proportionate share of that liability. The ASRS' publicly available financial report provides details on the change in the net pension liability.

The City's proportionate share of the net pension liability was based on the City's fiscal year 2015 contributions. The City's proportion measured as of June 30, 2015, was 0.605260 percent, which was a decrease of 0.014489 from its proportion measured as of June 30, 2014.

Pension Expense and Deferred Outflows/Inflows of Resources - For the year ended June 30, 2016, the City recognized pension expense for ASRS of \$2,394. At June 30, 2016 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,573	\$ 4,940
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	-	3,021
Changes in proportion and differences between City contributions and proportionate share of contributions	-	4,076
City contributions subsequent to the measurement date	6,413	-
Total	<u>\$ 8,986</u>	<u>\$ 12,037</u>

The \$6,413 reported as deferred outflows of resources related to ASRS pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(amounts expressed in thousands)

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

<u>Year Ended June 30,</u>	
2017	\$ (4,612)
2018	(4,699)
2019	(2,334)
2020	2,181
Thereafter	-

Actuarial Assumptions – The total pension liability was determined by an actuarial valuation as of June 30, 2014 and rolled forward using generally accepted actuarial procedures to June 30, 2015. The significant actuarial assumptions used to measure the total pension liability are as follows:

Actuarial valuation date	June 30, 2014
Actuarial roll forward date	June 30, 2015
Actuarial cost method	Entry age normal
Amortization method:	
Plan amendments	Immediate
Investment gain/loss	5 Years
Assumption gain/loss	Average future service life
Experience gain/loss	Average future service life
Asset valuation	Fair value
Investment rate of return	8%
Projected salary increases	3 - 6.75%
Inflation	3%
Permanent benefit increase	Included
Mortality rates	1994 GAM Scale BB

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

The long-term expected rate of return on ASRS pension plan investments was determined to be 8.79 percent using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Actual returns may be lower due to the volatility of returns.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(amounts expressed in thousands)

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

Asset Class	Target Allocation	Real Return Arithmetic Basis
Equity	58%	6.79%
Fixed income	25%	3.70%
Real estate	10%	4.25%
Multi-asset class	5%	3.41%
Commodities	2%	3.93%
Total	100%	

Discount Rate - The discount rate used to measure the ASRS total pension liability was 8 percent, which is less than the long-term expected rate of return of 8.79 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statutes. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (7%)	Current Discount Rate (8%)	1% Increase (9%)
City's proportionate share of the net pension liability	\$ 123,536	\$ 94,278	\$ 74,226

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

B. Elected Officials’ Retirement Plan (EORP)

Plan Description - EORP, a pension trust fund of the State of Arizona, is a cost sharing multiple-employer public employee retirement plan established by Title 38, Chapter 5, Article 3 of the Arizona Revised Statutes, to provide benefits for elected officials who are elected, appointed, or hired prior to January 1, 2014 and judges of certain state, county and local governments. The Board of Trustees (formerly Fund Manager) of the Public Safety Personnel Retirement System (PSPRS) administers the EORP Plan.

Prior to January 1, 2014, the health insurance premium subsidy was considered an agency fund; provided by A.R.S 38-817. The law was amended so all health insurance premium subsidies would be

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(amounts expressed in thousands)

separated from the benefits. The contributions for the health insurance can only be used to pay health insurance benefits.

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

	Retirement initial membership date:	
	Before January 1, 2012	On or after January 1, 2012
Years of service and age required to receive benefit	5 or more years age 65 10 or more years age 62 20 or more years any age	5 or more years age 65 10 or more years age 62
Final average salary is based on	Highest 36 consecutive months of last 120 months	Highest 60 consecutive months of last 120 months
Benefit percent per year of service	4%	3%

A retired member or survivor of a retired member, who retired prior to July 1, 2011, may be entitled to a permanent benefit increase in their base benefit contingent upon the balance in the Future Benefit Increase Reserve balance. The maximum amount of the increase is 4% of the benefit being received on the preceding June 30.

A retired member or survivor of a retired member, who retired on or after August 1, 2011, may receive a benefit increase when the annual return on the market value of assets of the prior fiscal year exceeds 10.5 percent and the plan is at least 60 percent funded. However, effective July 1, 2013, and each July 1 thereafter, a benefit increase will be issued as long as the following criteria have been met:

Permanent Benefit Increase (PBI)	
Initial Membership Date	
Before January 2012	On or After January 1, 2012
<p>A. Retired member/survivor was receiving benefits on/before July 31 of two (2) previous years.</p> <p>B. Retired member/survivor was age 55 on July 1 and receiving benefits on/before July 31 of previous year.</p>	<p>A. Age 55 on July 1 and is receiving benefits.</p> <p>B. Under age 55 on July 1 and was receiving an accidental disability and was receiving benefits on/before July 31 of two (2) previous years.</p> <p>C. Survivor under 55 on July 1, is survivor of KIA and receiving benefits on/before July 31 of two (2) previous years.</p>

Contributions - Prior to January 1, 2014, the EORPS' funding policy provided for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, designed to accumulate sufficient assets to pay benefits when due. The normal cost and actuarial accrued liability are determined using the Entry Age Normal method. Unfunded actuarial accrued

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(amounts expressed in thousands)

liabilities and assets in excess of actuarial accrued liabilities are being amortized as a level percent of payroll over a closed period 30-year period. Employer contributions including court fees represented 39.62 percent of covered payroll [18.31 percent for normal costs (17.73 percent pension and 0.58 percent health insurance) and 21.31 percent for amortization of the unfunded actuarial accrued liability in aggregate (20.33 percent pension and 0.98 percent health insurance subsidy)].

As of January 1, 2014, the Arizona State Legislature closed the Elected Official's Retirement Plan and set the employer contribution rate to 25.06 percent of covered payroll (23.50 percent for pension and 1.56 percent for health insurance) with an additional five million dollars appropriated from the Arizona State Budget (Section 133 of Fiscal Year General Appropriation Act). The five million dollars from the State of Arizona is considered a non-employer contributing entity and is listed separately on the Schedule.

Starting in fiscal year 2014 and ending in fiscal year 2043, the Legislature will appropriate five million dollars each year to supplement the Normal Cost an amount to amortize the unfunded accrued liability. The City's proportionate share of the non-employer contributing entity pension expense as of the measurement date of June 30, 2015 is \$150.

The City's contributions to the pension plan for the year ended June 30, 2016, were \$53. The City's contributions for the current and two preceding years for OPEB, all of which were equal to the required contributions, were as follows:

<u>Year Ended June 30,</u>	<u>Health Insurance</u>
2016	\$ 3
2015	4
2014	4

Pension Liability - At June 30, 2016, the City reported a liability of \$2,049 for its proportionate share of the EORPS' net pension liability. The net pension liability was measured as of June 30, 2015. The City's proportion of the net pension liability was based on the City's FY 2015 contributions. The City's proportion measured as of June 30, 2015, was 0.2622295 percent.

The City's reported liability at June 30, 2015, decreased by \$298 from the City's prior year liability of \$2,347 because of changes in the EORPS' net pension liability and the City's proportionate share of that liability. The EORPS' publicly available financial report provides details on the change in the net pension liability.

Pension Expense and Deferred Outflows/Inflows of Resources - For the year ended June 30, 2016; the City recognized pension expense for EORP of \$672. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(amounts expressed in thousands)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 3	\$ 23
Changes of assumptions or other inputs	343	-
Net difference between projected and actual earnings on pension plan investments	13	-
Changes in proportion and differences between City contributions and proportionate share of contributions		266
City contributions subsequent to the measurement date	53	-
Total	<u>\$ 412</u>	<u>\$ 289</u>

The \$55 reported as deferred outflows of resources related to EORP pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to EORP pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	
2017	\$ 111
2018	(51)
2019	1
2020	9
Thereafter	-

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

Actuarial valuation date	June 30, 2015
Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Asset valuation	Fair value
Investment rate of return	4.86%
Projected salary increases	4.25%
Inflation	3.00%
Permanent benefit increase	Included
Mortality rates	RP-2000 mortality table (unadjusted males and females)

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

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(amounts expressed in thousands)

Asset Class	Target Allocation	Real Return Geometric Basis
Short term investments	2%	0.75%
Absolute return	5%	4.11%
Risk parity	4%	5.13%
Fixed income	7%	2.92%
Real assets	8%	4.77%
GTAA	10%	4.38%
Private equity	11%	9.50%
Real estate	10%	4.48%
Credit opportunities	13%	7.08%
Non-U.S. equity	14%	8.25%
U.S. equity	16%	6.23%
Total	100%	

Discount Rate - A single discount rate of 4.86 percent was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 7.85 percent and a municipal bond rate of 3.80 percent (20-year Bond Buyer Index as published by the Federal Reserve, as of June 30, 2015). The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates set by statute and non-employer contributions. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2028. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2028, and the municipal bond rate was applied to all benefit payments after that date.

Sensitivity of the City's Proportionate Share of the EORP Net Pension Liability to Changes in the Discount Rate - The following table presents the City's proportionate share of the net pension liability calculated using the discount rate of 4.86 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.86 percent) or 1 percentage point higher (5.86 percent) than the current rate.

	1% Decrease (3.86%)	Current Discount Rate (4.86%)	1% Increase (5.86%)
City's proportionate share of the net pension liability	\$ 2,386	\$ 2,049	\$ 1,766

C. Public Safety Personnel Retirement System (PSPRS)

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

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(amounts expressed in thousands)

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

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

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on excess investment earning. PSPRS also provides temporary disability benefits of 50 percent of the member's compensation for up to 12 months.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(amounts expressed in thousands)

Employees Covered by Benefit Terms - At June 30, 2016, the following employees were covered by the agent pension plans' benefit terms:

	PSPRS Police	PSPRS Firefighters
Inactive employees or beneficiaries currently receiving benefits	176	82
Inactive employees entitled to but not yet receiving benefits	44	25
Active employees	388	219
Total	<u>608</u>	<u>326</u>

Contributions and Annual OPEB Cost - State statutes establish the pension contribution requirements for active PSPRS employees. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for PSPRS pension and health insurance premium benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contribution rates for the year ended June 30, 2016, are indicated below. Rates are a percentage of active members' annual covered payroll.

	PSPRS Police	PSPRS Firefighters
Active Members - Pension	7.65%	7.65%
City:		
Pension	35.90%	31.45%
Health Insurance Premium Benefit	0.57%	0.00%

For the agent plans, the City's contributions to the pension plan and annual OPEB cost and contributions for the health insurance premium benefit which equaled required contributions for the year ended June 30, 2016, were:

	PSPRS Police	PSPRS Firefighters
Contributions Made:		
Pension	\$ 13,997	\$ 7,537
Health Insurance Premium Benefit	222	-

During fiscal year 2016, the City paid for PSPRS pension and OPEB contributions 100 percent from the General Fund.

Pension Liability - At June 30, 2016, the City reported the following net pension liabilities:

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(amounts expressed in thousands)

	<u>Liability</u>
PSPRS Police	\$ 128,669
PSPRS Firefighters	61,916

The net pension liabilities were measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liabilities as of June 30, 2015, reflect the following changes of benefit terms and actuarial assumptions.

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

Actuarial valuation date	June 30, 2015
Actuarial cost method	Individual entry age normal
Discount rate	7.85%
Projected salary increases	4.5% - 8.5% including inflation
Inflation	3.0% - 4.0%
Permanent benefit increase	No explicit assumed PBI
Mortality rates	RP-2000 mortality table (adjusted by 105% for both males and females)

Actuarial assumptions used in the June 30, 2015, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2011.

The long-term expected rate of return on PSPRS pension plan investments was determined to be 7.85 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

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

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(amounts expressed in thousands)

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

	PSPRS Police	PSPRS Firefighters
Discount rates	7.85%	7.85%

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

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

PSPRS - Police	Total Pension Liability (Asset) (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance at June 30, 2015	\$ 230,012	\$ 108,732	\$ 121,280
Changes for the year:			
Service cost	6,083	-	6,083
Interest on the total pension liability	17,857	-	17,857
Changes of benefit terms	-	-	-
Differences between expected and actual experience in the measurement of the pension liability	1,067	-	1,067
Changes of assumptions or other inputs	-	-	-
Contributions - employer	-	9,691	(9,691)
Contributions - employee	-	4,009	(4,009)
Net investment income	-	4,023	(4,023)
Benefit payments, including refunds of employee contributions	(11,143)	(11,143)	-
Administrative expenses	-	(99)	99
Other changes	-	(6)	6
Net changes	13,864	6,475	7,389
Balance as of June 30, 2016	\$ 243,876	\$ 115,207	\$ 128,669

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(amounts expressed in thousands)

PSPRS - Firefighters	Total Pension Liability (Asset)	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balance at June 30, 2015	\$ 144,123	\$ 86,428	\$ 57,695
Changes for the year:			
Service cost	3,858	-	3,858
Interest on the total pension liability	11,230	-	11,230
Changes of benefit terms	-	-	-
Differences between expected and actual experience in the measurement of the pension liability	(823)	-	(823)
Changes of assumptions or other inputs	-	-	-
Contributions - employer	-	4,942	(4,942)
Contributions - employee	-	2,380	(2,380)
Net investment income	-	3,189	(3,189)
Benefit payments, including refunds of employee contributions	(5,996)	(5,996)	-
Administrative expenses	-	(78)	78
Other changes	-	(389)	389
Net changes	8,269	4,048	4,221
Balance as of June 30, 2016	\$ 152,392	\$ 90,476	\$ 61,916

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

	Current Discount		
	1% Decrease	Rate	1% Increase
PSPRS Police			
Rate	6.85%	7.85%	8.85%
Net Pension Liability	\$ 159,514	\$ 128,669	\$ 103,067
PSPRS Firefighters			
Rate	6.85%	7.85%	8.85%
Net Pension Liability	80,565	61,916	46,238

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

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

	Pension Expense
PSPRS Police	\$ 15,382
PSPRS Firefighters	6,874

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(amounts expressed in thousands)

Pension Deferred Outflows/Inflows of Resources - At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PSPRS - Police	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,733	\$ -
Changes of assumptions or other inputs	12,826	-
Net difference between projected and actual earnings on pension plan investments	3,687	3,263
City contributions subsequent to the measurement date	13,997	-
Total	\$ 33,243	\$ 3,263

PSPRS - Firefighters	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,055	\$ 715
Changes of assumptions or other inputs	6,991	-
Net difference between projected and actual earnings on pension plan investments	2,904	2,633
City contributions subsequent to the measurement date	7,537	-
Total	\$ 18,487	\$ 3,348

The amounts reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	PSPRS Police	PSPRS Firefighters
2017	\$ 3,954	\$ 1,260
2018	3,954	1,260
2019	3,954	1,260
2020	3,991	2,116
2021	130	1,406
Thereafter	-	300

Agent Plan OPEB Actuarial Assumptions - The health insurance premium benefit contribution requirements for the year ended June 30, 2016, were established by the June 30, 2014 actuarial valuations, and those actuarial valuations were based on the following actuarial methods and assumptions.

Actuarial valuations involve estimates of the reported amounts' value and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plans and the annual required contributions are subject to continual revision as actual results are compared to past expectations and new estimates are made. The required schedule of funding progress for the health insurance premium benefit presented as required supplementary information provides multiyear

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(amounts expressed in thousands)

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

Projections of benefits are based on (1) the plans as understood by the City and the plans' members and include the types of benefits in force at the valuation date, and (2) the pattern of sharing benefit costs between the City and the plans' members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The significant actuarial methods and assumptions used are the same for all PSPRS plans and related benefits (unless noted), and the actuarial methods and assumptions used to establish the fiscal year 2015, contribution requirements, are as follows:

PSPRS - OPEB Contribution Requirements

Actuarial Valuation Date	June 30, 2015
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	22 years for unfunded actuarial accrued liability, 20 years for excess
Asset Valuation Method	7-year smoothed market value; 80%/120% market
Actuarial Assumptions:	
Investment Rate of Return	7.9%
Inflation	3.0%
Projected Salary Increases	4.0% - 8.0%
Wage Growth	4.00%

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

<u>Year Ended June 30</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Obligation</u>
PSPRS Police			
2016	\$ 222	100.00%	\$ -
2015	488	100.00	-
2014	401	100.00	-
PSPRS Firefighters			
2016	\$ -	100.00%	\$ -
2015	223	100.00	-
2014	213	100.00	-

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(amounts expressed in thousands)

Agent Plan OPEB Funded Status - The funded status of the health insurance premium benefit plans as of the most recent valuation date, June 30, 2015 is as follows:

	PSPRS	
	Police	Firefighters
Actuarial Value of Assets (a)	\$ 4,799	\$ 4,219
Actuarial Accrued Liability (b)	6,034	3,108
Unfunded Actuarial Accrued Liability (Funding Excess) (b) - (a)	\$ 1,235	\$ (1,111)
Funded Ratio (a) / (b)	79.5%	135.8%
Annual Covered Payroll (c)	\$ 33,350	\$ 20,570
Unfunded Actuarial Accrued Liability (Funding Excess) as a Percentage of Covered Payroll (b) - (a) / (c)	3.70%	0.00%

The funded status of the all the PSPRS health insurance premium benefit plans in the June 30, 2014, actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement:

PSPRS - OPEB Funded Status

Actuarial Valuation Date	June 30, 2015
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	22 years for unfunded actuarial accrued liability, 20 years for excess
Asset Valuation Method	7-year smoothed market value; 80%/120% market
Actuarial Assumptions:	
Investment Rate of Return	7.85%
Inflation	3.0%
Projected Salary Increases	4.0% - 8.0%
Wage Growth	4.0%

XIX. Other Post-Employment Benefits (OPEB)**A. Plan description**

The City of Glendale post-employment healthcare plan is a single-employer defined benefit plan administered by the City of Glendale. The plan provides medical, dental, and vision coverage for eligible retirees and their dependents through the City's group health insurance plans. By continuing to provide eligible retirees with access to the City's healthcare plans based on the same rates it charges to active employees, the City is in effect providing a blended rate to eligible retirees. This blended rate or implicit rate exists because on average retiree healthcare costs are higher than active employee healthcare costs. Retirees can also continue their basic life insurance benefit. Retirees pay 100% their own insurance premiums. In order for employees to be eligible for this benefit, they need 5 years of service if they were hired prior to July 1, 2005, and 10 years of service if they were hired after July 1, 2005. The Mayor and Council have authority each budget year to establish, eliminate, or amend

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(amounts expressed in thousands)

benefit provisions through the annual budget process. A separate report is not provided as the plan financial information is included in the governmental-wide basis and proprietary funds as part of the City of Glendale reporting entity.

B. Funding policy and employees covered

The City pays for and reports retiree health care benefits on a pay-as-you-go basis, which is the practice of paying for these benefits as they become due each year. Contributions to the plan by retirees are established at the beginning of each fiscal year through the annual budget process. The City makes no contribution to the retirees' premiums other than allowing them to participate through the City's pooled benefits. 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, 2016, the number of employees covered by the plan totaled 2,327.

Inactive employees or beneficiaries currently receiving benefits	665
Inactive employees entitled to but not yet receiving benefits	893
Active employees	<u>769</u>
Total	<u><u>2,327</u></u>

C. Actuarial methods and assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and actuarial value of assets, consistent with the long-term perspective of the calculations. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Healthcare costs were derived from age-neutral premiums, trended to the valuation date and adjusted for the risk characteristics of the group. Medical healthcare trends were projected at 8%, decreasing annually by 0.25%, down to an ultimate rate of 5.0%.

For June 30, 2016, the last actuarial valuation, the actuarial cost method used is the entry age normal method. A 2.85% 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.

Actuarial valuation date	June 30, 2016
Inflation	2.4%
Salary Increases	3.5% including inflation
Discount rate	2.85%
Mortality rates	RPH-2014 employee mortality table & RPH-2015 healthy annuitant table (for both males and females)

D. Change in total OPEB liability

Total OPEB Liability balance at June 30, 2015	<u>\$ 59,504</u>
Changes for the Year	
Service Cost	3,376
Interest	1,792
Changes of benefit terms	-
Differences between expected and actual experience	\$ -
Changes in assumptions or other inputs	-
Benefit payments	<u>(620)</u>
Net Changes	<u>4,548</u>
Total OPEB Liability balance at June 30, 2016	<u><u>\$ 64,052</u></u>

E. Discount rate sensitivity

The discount rate of 2.85% was used to measure the total OPEB liability. This discount rate is the average of the S&P Municipal Bond 20 Year High Grade Rate Index of 2.71% and the Fidelity General Obligation AA 20 Year Yield of 2.92% as of June 30, 2016. The following table presents the City's net OPEB liabilities calculated using the discount rate noted above, as well as what the City's OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate following table shows the components of the City's annual OPEB expense for the year.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Discount Rate	1.85%	2.85%	3.85%
Total OPEB Liability	\$ 77,143	\$ 64,052	\$ 50,815
Healthcare Cost Trend Rates	\$ 53,466	\$ 64,052	\$ 74,574

F. Deferred outflows/inflows of resources

At June 30, 2016, the City did not report any deferred outflows of resources and deferred inflows of resources related to OPEB. Multi-year schedule of changes in the net OPEB liability is available in the Required Supplementary Information.

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

Service Cost	\$ 3,376
Interest	1,792
Benefit payments	<u>(620)</u>
Total FY16 OPEB Expense	<u><u>\$ 4,548</u></u>

A change in the net OPEB liability was determined by an actuarial valuation as of June 30, 2016.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(amounts expressed in thousands)

XX. Contingent liabilities and commitments

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

The City is subject to claims and litigation, which arise in the ordinary course of its operations. In the opinion of City management, based on the advice of the City attorney, the resolution of such claims and litigation are believed to 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.

XXI. Implementation of new accounting principles

GASB statement No. 72, Fair Value Measurement and Application, addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes and provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. This Statement requires a government to use valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value. This Statement also establishes a hierarchy of inputs to valuation techniques used to measure fair value.

GASB statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, Accounting and Financial Reporting for Pensions, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, Financial Reporting for Pension Plans, and Statement 68 for pension plans and pensions that are within their respective scopes. The city does not have a pension plan that are not within the scope of GASB 68.

GASB statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed.

GASB statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments, identifies, in the context of the current governmental financial reporting environment, the

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2016

(amounts expressed in thousands)

hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

GASB statement No. 79, Certain External Investment Pools and Pool Participants, addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. If an external investment pool meets the criteria in this Statement and measures all of its investments at amortized cost, the pool’s participants also should measure their investments in that external investment pool at amortized cost for financial reporting purposes. If an external investment pool does not meet the criteria in this Statement, the pool’s participants should measure their investments in that pool at fair value, as provided in paragraph 11 of Statement 31, as amended.

GASB statement No. 82, Pension Issues, An Amendment of GASB Statement No. 67, No. 68, and No.73, addresses certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. Specifically, this statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

XXII. Subsequent events

On November 14, 2016, the Mayor and City Council approved the authorization to enter into a settlement agreement with the Arizona Sports and Tourism Authority, The Arizona Cardinals Football Club, LLC, The New Cardinals Stadium LLC, and the Stadium Development LLC. This settlement resolves the parking dispute between the respective parties surrounding the Cardinal Football Stadium. The settlement amount of \$14,100, to be paid over four years, was recorded as a settlement obligation liability at June 30, 2016 in the Statement of Net Position. In addition, the City has committed to fund \$3,100 into an escrow account by July 1, 2017 for the construction of future Pedestrian Infrastructure Improvements. The City is also committed to extend and improve 95th Ave. infrastructure.

The remainder of this page left blank intentionally.
--



City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

REQUIRED SUPPLEMENTARY INFORMATION

(other than MD&A)

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

This page left blank intentionally.

CITY OF GLENDALE, ARIZONA

Schedule of Pension Liability

June 30, 2016

(amounts expressed in thousands)

	Reporting Fiscal Year (Measurement Date)			
	2016 (2015)	2015 (2014)	2014 (2013)	2013 - 2005 (2012 - 2004)
Arizona State Retirement System:				
City's Proportion of the Net Pension Liability	0.605260%	0.619749%	0.656524%	Information
City's Proportionate Share of the Net Pension Liability	\$ 94,278	\$ 91,702	\$ 109,143	Not Available
City's Covered-Employee Payroll	\$ 54,853	\$ 54,523	\$ 57,475	
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered -Employee Payroll	171.87%	168.19%	189.90%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.35%	69.49%	NA	

	Reporting Fiscal Year (Measurement Date)		
	2016 (2015)	2015 (2014)	2014 - 2007 (2013 - 2006)
Elected Officials Plan:			
City's Proportion of the Net Pension Liability	0.262230%	0.350038%	Information
City's Proportionate Share of the Net Pension Liability	\$ 2,049	\$ 2,347	Not Available
City's Covered-Employee Payroll	\$ 131	\$ 252	
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered -Employee Payroll	1564.12%	931.35%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	38.80%	31.91%	

The remainder of this page left blank intentionally.
--

CITY OF GLENDALE, ARIZONA

Schedule of Pension Liability

June 30, 2016

(amounts expressed in thousands)

Public Safety Personnel Retirement System - Police:

	Reporting Fiscal Year (Measurement Date)		
	2016 (2015)	2015 (2014)	2014 - 2007 (2013 - 2006)
Total Pension Liability:			
Service Cost	\$ 6,083	\$ 5,483	Information
Interest on the Total Pension Liability	17,857	14,973	Not Available
Changes of Benefit Terms	-	3,331	
Differences Between Expected and Actual Experience in the Measurement of the Pension Liability	1,067	2,845	
Changes of Assumptions or Other Inputs	-	19,686	
Benefit Payments, Including Refunds of Employee Contributions	(11,143)	(8,616)	
Net Change in Total Pension Liability	13,864	37,702	
Total Pension Liability - Beginning	230,012	192,310	
Total Pension Liability - Ending (a)	<u>\$ 243,876</u>	<u>\$ 230,012</u>	
Plan Fiduciary Net Position:			
Contributions - Employer	\$ 9,691	\$ 8,221	
Contributions - Employee	4,009	3,432	
Net Investment Income	4,023	12,960	
Benefit Payments, Including Refunds of Employee Contributions	(11,143)	(8,616)	
Administrative Expenses	(99)	(104)	
Other Changes	(6)	(124)	
Net Change in Plan Fiduciary Net Position	6,475	15,769	
Plan Fiduciary Net Position - Beginning	108,732	92,963	
Plan Fiduciary Net Position - Ending (b)	<u>\$ 115,207</u>	<u>\$ 108,732</u>	
City's Net Pension Liability (Asset) - Ending (a) - (b)	128,669	121,280	
Plan Fiduciary Net Position as a Percentage of the Total Pension	47.24%	47.27%	
Covered-employee Payroll	33,350	31,815	
City's Net Pension Liability (Asset) as a Percentage of Covered-employee Payroll	385.81%	381.20%	

CITY OF GLENDALE, ARIZONA

Schedule of Pension Liability

June 30, 2016

(amounts expressed in thousands)

Public Safety Personnel Retirement System - Fire:

	Reporting Fiscal Year		
	(Measurement Date)		
Total Pension Liability:	2016	2015	2014 - 2007
	(2015)	(2014)	(2013 - 2006)
Service Cost	\$ 3,858	\$ 3,805	Information
Interest on the Total Pension Liability	11,230	9,672	Not Available
Changes of Benefit Terms	-	1,658	
Differences Between Expected and Actual Experience in the Measurement of the Pension Liability	(823)	1,452	
Changes of Assumptions or Other Inputs	-	9,623	
Benefit Payments, Including Refunds of Employee Contributions	(5,996)	(6,800)	
Net Change in Total Pension Liability	8,269	19,410	
Total Pension Liability - Beginning	144,123	124,713	
Total Pension Liability - Ending (a)	<u>\$ 152,392</u>	<u>\$ 144,123</u>	
Plan Fiduciary Net Position:			
Contributions - Employer	\$ 4,942	\$ 4,630	
Contributions - Employee	2,380	2,265	
Net Investment Income	3,189	10,457	
Benefit Payments, Including Refunds of Employee Contributions	(5,996)	(6,800)	
Administrative Expenses	(78)	(84)	
Other Changes	(389)	-	
Net Change in Plan Fiduciary Net Position	4,048	10,468	
Plan Fiduciary Net Position - Beginning	86,428	75,960	
Plan Fiduciary Net Position - Ending (b)	<u>\$ 90,476</u>	<u>\$ 86,428</u>	
City's Net Pension Liability (Asset) - Ending (a) - (b)	61,916	57,695	
Plan Fiduciary Net Position as a Percentage of the Total Pension	59.37%	59.97%	
Covered-employee Payroll	20,570	19,291	
City's Net Pension Liability (Asset) as a Percentage of Covered-employee Payroll	301.00%	299.08%	

CITY OF GLENDALE, ARIZONA
 Schedule of OPEB Liability
 June 30, 2016
 (amounts expressed in thousands)

	<u>June 30, 2016</u>	<u>2015 - 2007</u>
Total OPEB Liability		
Service Cost	\$ 3,376	Information
Interest	1,792	Not Available
Benefit payments	(620)	
Net Changes	<u>4,548</u>	
Total OPEB Liability balance at June 30, 2015	<u>\$ 59,504</u>	
Total OPEB Liability balance at June 30, 2016	<u>\$ 64,052</u>	
Covered Employee Payroll	\$ 93,944	
Total OPEB Liability as a percentage of covered employee payroll	68.2%	
Discount Rate	2.85%	

The remainder of this page left blank intentionally.
--

This page left blank intentionally.

CITY OF GLENDALE, ARIZONA

Schedule of Pension Contributions

June 30, 2016

(amounts expressed in thousands)

Arizona State Retirement System:

	2016	2015	2014
Statutorily Required Contribution	\$ 6,413	\$ 6,071	\$ 5,978
City's Contribution in Relation to the Statutorily Required Contribution	6,413	6,071	5,978
City's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
City's Covered-Employee Payroll	\$ 59,158	\$ 54,853	\$ 54,523
City's Contributions as a Percentage of Covered- Employee Payroll	10.84%	11.07%	10.96%

Elected's Official Retirement Plan:

	Reporting Fiscal Year		
	2016	2015	2014
Statutorily Required Contribution	\$ 53	\$ 55	\$ 75
City's Contribution in Relation to the Statutorily Required Contribution	53	55	75
City's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
City's Covered-Employee Payroll	\$ 129	\$ 197	\$ 252
City's Contributions as a Percentage of Covered- Employee Payroll	41.09%	27.92%	29.76%

Public Safety Personnel Retirement System - Police:

	2016	2015	2014
Statutorily Required Contribution	\$ 13,997	\$ 9,691	\$ 8,221
City's Contribution in Relation to the Statutorily Required Contribution	13,997	9,691	8,221
City's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
City's Covered-Employee Payroll	\$ 35,277	\$ 33,350	\$ 31,815
City's Contributions as a Percentage of Covered- Employee Payroll	39.68%	29.06%	25.84%

Public Safety Personnel Retirement System - Fire:

	2016	2015	2014
Statutorily Required Contribution	\$ 7,537	\$ 4,942	\$ 4,630
City's Contribution in Relation to the Statutorily Required Contribution	7,537	4,942	4,630
City's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
City's Covered-Employee Payroll	\$ 21,195	\$ 20,570	\$ 19,291
City's Contributions as a Percentage of Covered- Employee Payroll	35.56%	24.03%	24.00%

Reporting Fiscal Year						
2013	2012	2011	2010	2009	2008	2007
\$ 5,971	\$ 5,743	\$ 5,685	\$ 6,479	\$ 6,045	\$ 5,269	\$ 3,628
5,971	5,743	5,685	6,479	6,045	5,269	3,628
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 57,475	\$ 65,443	\$ 65,143	\$ 71,338	\$ 81,655	\$ 79,680	\$ 74,388
10.39%	8.77%	8.73%	9.08%	7.40%	6.61%	4.88%

2013 -2007
Information
Not Available

Reporting Fiscal Year			
2013	2012	2011	2010 - 2007
\$ 6,787	\$ 5,907	\$ 5,248	Information Not Available
6,787	5,907	5,248	
\$ -	\$ -	\$ -	
\$ 28,336	\$ 29,356	\$ 27,576	
23.95%	20.12%	19.03%	

Reporting Fiscal Year			
2013	2012	2011	2010 - 2007
\$ 3,454	\$ 2,828	\$ 2,546	Information Not Available
3,454	2,828	2,546	
\$ -	\$ -	\$ -	
\$ 18,547	\$ 18,406	\$ 16,811	
18.62%	15.36%	15.14%	

CITY OF GLENDALE, ARIZONA
 Schedule of Funding Progress
 June 30, 2016
 (amounts expressed in thousands)

GASB Statement No. 45 Supplementary Information

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

Valuation Date June 30	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfund AAL (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a % of Covered Payroll
Fire						
2015	\$ 4,219	\$ 3,108	\$ (1,111)	135.8 %	\$ 20,570	0.00 %
2014	3,916	3,104	(812)	126.2 %	19,291	0.00
2013	-	2,942	2,942	0.0 %	18,548	15.86
Police						
2015	\$ 4,799	\$ 6,034	\$ 1,235	79.5 %	\$ 33,350	3.70 %
2014	4,369	5,928	1,559	73.7 %	31,816	4.90
2013	-	5,603	5,603	0.0 %	28,336	19.77

The remainder of this page left blank intentionally.

CITY OF GLENDALE, ARIZONA
Notes to Pension Liability and Contributions
June 30, 2016
(amounts expressed in thousands)

PSPRS Actuarial Methods and Assumptions:

Actuarial Cost Method	Entry age normal
Amortization Level	Level percentage of payroll, closed
Remaining Amortization Period as of the 2015 Actuarial Valuation	22 years for unfunded actuarial accrued liability, 20 years for excess
Asset Valuation Method	7-year smoothed market value; 80%/120% market
Actuarial Assumptions: Investment Rate of Return	7.85%; net of investment and administrative expense
Projected Salary Increases	4.0% to 8.0% including inflation
Wage Growth	4.0%
Retirement Age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006 - June 30, 2011
Mortality	RP-2000 mortality table (adjusted by 105% for both males and females)

The remainder of this page left blank intentionally.
--

City of Glendale, Arizona
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2015-restated	\$ 34,999	\$ 34,999	\$ 41,792	\$ 6,793
RESOURCES (INFLOWS):				
Taxes	105,253	105,253	107,647	2,394
Licenses and permits	8,822	8,822	10,171	1,349
Intergovernmental	58,020	58,020	58,228	208
Charges for services	24,249	24,249	20,096	(4,153)
Fines and forfeitures	2,972	2,972	3,417	445
Investment income (loss)	402	402	699	297
Proceeds from disposal of assets	250	250	175	(75)
Miscellaneous	3,031	3,031	5,009	1,978
Total revenues	<u>202,999</u>	<u>202,999</u>	<u>205,442</u>	<u>2,443</u>
Add: Transfers in	24,144	24,144	32,177	8,033
Less: Transfers out	<u>(21,817)</u>	<u>(21,817)</u>	<u>(29,856)</u>	<u>(8,039)</u>
Amounts available for appropriation	<u>240,325</u>	<u>240,325</u>	<u>249,555</u>	<u>9,230</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General government	46,245	46,905	39,972	6,933
Public safety	119,624	121,171	119,394	1,777
Public works	12,006	12,307	12,328	(21)
Community services	15,231	15,216	14,810	406
Street maintenance	902	902	777	125
Contingencies	5,000	2,493	-	2,493
Debt service:				
Principal	50	50	50	-
Interest	1	1	1	-
Capital outlay	<u>9,329</u>	<u>10,938</u>	<u>6,702</u>	<u>4,236</u>
Total charges to appropriations	<u>208,388</u>	<u>209,983</u>	<u>194,034</u>	<u>15,949</u>
Budgetary fund balance, June 30, 2016	<u>\$ 31,937</u>	<u>\$ 30,342</u>	<u>\$ 55,521</u>	<u>\$ 25,179</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.	\$ 249,555
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.	(44,177)
Beginning of the year fund balance restated	2,385
Indirect cost allocation	(9,700)
Interest earned on restricted investments not available for appropriation	450
Proceeds from disposal of assets.	(175)
Revenue reported on a GAAP basis.	595
Police and fire sales tax revenue.	23,380
Less: Transfers in.	(32,177)
Add: Transfers out.	29,856
Total revenues as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 219,992</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 194,034
Differences - budget to GAAP:	
Capital outlay funded by long-term debt.	133
Salaries payable.	(8,728)
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 185,439</u>

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

I. Basis of accounting

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

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

II. Budgetary information

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

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

III. Contingency appropriation

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

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.

IV. Implementation of new accounting principle

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, addresses accounting and financial reporting for other postemployment benefits or OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures.

The remainder of this page left blank intentionally.
--

This page left blank intentionally.



City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

COMBINING STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

This page left blank intentionally.

City of Glendale, Arizona

Budgetary Comparison Schedule

Municipal Property Corporation Debt Service Fund

For the Fiscal Year Ended June 30, 2016

(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2015	\$ 7,049	\$ 7,049	\$ 7,161	\$ 112
RESOURCES (INFLOWS):				
Add: Transfers in	14,288	14,288	14,415	127
Less: Transfers out	-	-	(112)	(112)
Amounts available for appropriation	<u>21,337</u>	<u>21,337</u>	<u>21,464</u>	<u>127</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General administration	-	-	4	(4)
Miscellaneous	30	30	12	18
Debt service:				
Principal	2,775	2,775	2,775	-
Interest	15,932	15,932	15,306	626
Total charges to appropriations	<u>18,737</u>	<u>18,737</u>	<u>18,097</u>	<u>640</u>
Budgetary fund balance, June 30, 2016	<u>\$ 2,600</u>	<u>\$ 2,600</u>	<u>\$ 3,367</u>	<u>\$ 767</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.	\$ 21,464
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(7,161)
Less: Transfers in.	(14,415)
Add: Transfers out.	112
Total revenues as reported in the 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.	\$ 18,097
Differences - budget to GAAP:	
Expenditures reported on a GAAP basis.	354
Principal - current bond refunding.	7,250
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 25,701</u>

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

Transportation Fund

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

Community Development Block Grants Fund

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

Highway User Gas Tax Fund

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

Other Special Revenue Fund

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

Debt Service Funds

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

Highway User Debt Service Fund

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

Transportation Debt Service Fund

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

Excise Tax Revenue Debt Service Fund

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

General Obligation Debt Service Fund

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

Permanent Fund

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

Cemetery Perpetual Care Fund

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

Capital Projects Funds

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

Development Impact Fees Fund

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

Streets Construction Fund

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

Fire and Police Construction Fund

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

Parks Bond Construction Fund

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

Other Construction Fund

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

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

City of Glendale, Arizona
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2016
(amounts expressed in thousands)

	Special Revenue Funds			
	Transportation	Community Development Block Grants	Highway User Gas Tax	Other
ASSETS				
Assets:				
Equity in pooled cash and investments	\$ 37,617	\$ 197	\$ 18,472	\$ 2,259
Receivables, net of allowance for doubtful accounts:				
Property taxes	-	-	-	-
Accounts	2,371	4,415	-	178
Intergovernmental receivable	1,492	1,147	1,321	1,656
Inventories and prepaid items	125	-	-	-
Restricted cash and investments	-	-	-	3,182
Total assets	<u>\$ 41,605</u>	<u>\$ 5,759</u>	<u>\$ 19,793</u>	<u>\$ 7,275</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Vouchers payable	\$ 504	\$ 84	\$ 437	\$ 662
Accounts payable	-	37	-	-
Retainage payable	-	-	-	-
Compensated absences - current	28	3	44	45
Intergovernmental payable	-	-	-	1
Due to other funds	-	918	-	282
Deposits	-	-	-	58
Unearned revenue	15	4,409	-	849
Matured interest payable	-	-	-	-
Matured bonds payable	-	-	-	-
Total liabilities	<u>547</u>	<u>5,451</u>	<u>481</u>	<u>1,897</u>
Deferred Inflows of Resources	<u>168</u>	<u>-</u>	<u>-</u>	<u>126</u>
Fund balances:				
Nonspendable	125	-	-	-
Restricted	40,765	308	19,312	3,660
Committed	-	-	-	1,273
Assigned	-	-	-	319
Total fund balances	<u>40,890</u>	<u>308</u>	<u>19,312</u>	<u>5,252</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 41,605</u>	<u>\$ 5,759</u>	<u>\$ 19,793</u>	<u>\$ 7,275</u>

Debt Service Funds				Permanent Fund
Highway User	Transportation	Excise Tax Revenue	General Obligation	Cemetery Perpetual Care
\$ 43	\$ 200	\$ 2,946	\$ 4,305	\$ 5,693
-	-	-	635	-
-	-	-	-	67
-	-	-	-	-
-	-	-	-	-
1,933	5,261	-	21,239	-
<u>\$ 1,976</u>	<u>\$ 5,461</u>	<u>\$ 2,946</u>	<u>\$ 26,179</u>	<u>\$ 5,760</u>
\$ -	\$ -	\$ 11	\$ -	\$ -
-	-	-	8	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
38	1,881	2,895	2,779	-
1,895	3,380	-	18,460	-
<u>1,933</u>	<u>5,261</u>	<u>2,906</u>	<u>21,247</u>	<u>-</u>
-	-	-	421	67
-	-	-	-	5,693
43	200	40	4,511	-
-	-	-	-	-
-	-	-	-	-
<u>43</u>	<u>200</u>	<u>40</u>	<u>4,511</u>	<u>5,693</u>
<u>\$ 1,976</u>	<u>\$ 5,461</u>	<u>\$ 2,946</u>	<u>\$ 26,179</u>	<u>\$ 5,760</u>

(Continued)

City of Glendale, Arizona
Combining Balance Sheet (continued)
Non-Major Governmental Funds
June 30, 2016
(amounts expressed in thousands)

	<u>Capital Project Funds</u>					Total Non-Major Governmental Funds
	Development Impact Fees	Streets Construction	Fire and Police Construction	Parks Bond Construction	Other Construction	
ASSETS						
Assets:						
Equity in pooled cash and investments	\$ 15,143	\$ 6,559	\$ 1,560	\$ 122	\$ 3,871	\$ 98,987
Receivables, net of allowance for doubtful accounts:						
Property taxes	-	-	-	-	-	635
Accounts	-	-	-	-	-	7,031
Intergovernmental receivable	-	-	-	-	-	5,616
Inventories and prepaid items	-	-	-	-	-	125
Restricted cash and investments	-	-	-	-	-	31,615
Total assets	<u>\$ 15,143</u>	<u>\$ 6,559</u>	<u>\$ 1,560</u>	<u>\$ 122</u>	<u>\$ 3,871</u>	<u>\$ 144,009</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Vouchers payable	\$ 259	\$ 1,401	\$ -	\$ -	\$ -	\$ 3,358
Accounts payable	22	-	-	-	-	67
Retainage payable	-	199	-	-	-	199
Compensated absences - current	-	-	-	-	-	120
Intergovernmental payable	-	-	-	-	-	1
Due to other funds	-	-	-	-	-	1,200
Deposits	-	-	-	-	-	58
Unearned revenue	-	410	-	-	-	5,683
Matured interest payable	-	-	-	-	-	7,593
Matured bonds payable	-	-	-	-	-	23,735
Total liabilities	<u>281</u>	<u>2,010</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,014</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>782</u>
Fund balances:						
Nonspendable	-	-	-	-	-	5,818
Restricted	14,862	4,549	1,560	122	3,871	93,803
Committed	-	-	-	-	-	1,273
Assigned	-	-	-	-	-	319
Total fund balances	<u>14,862</u>	<u>4,549</u>	<u>1,560</u>	<u>122</u>	<u>3,871</u>	<u>101,213</u>
Total liabilities, deferred outflows of resources and fund balances	<u>\$ 15,143</u>	<u>\$ 6,559</u>	<u>\$ 1,560</u>	<u>\$ 122</u>	<u>\$ 3,871</u>	<u>\$ 144,009</u>

This page left blank intentionally.

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Non-Major Governmental Funds

For the Fiscal Year Ended June 30, 2016

(amounts expressed is thousands)

	Special Revenue Funds			
	Transportation	Community Development Block Grants	Highway User Gas Tax	Other
REVENUES				
Taxes and special assessments	\$ 25,803	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	4
Intergovernmental	2,921	2,841	14,625	7,076
Local	-	-	-	17
Charges for services	112	-	-	2,104
Fines and forfeitures	-	-	-	440
Investment income	223	-	-	26
Miscellaneous	437	274	196	894
Total revenues	<u>29,496</u>	<u>3,115</u>	<u>14,821</u>	<u>10,561</u>
EXPENDITURES				
Current:				
General government	-	-	-	360
Public safety	-	-	-	6,205
Public works	-	-	-	34
Community services	10,779	5	-	2,506
Community environment	-	3,027	-	1,258
Street maintenance	511	-	8,736	-
Miscellaneous	-	-	-	-
Debt service:				
Principal	-	2	-	-
Interest	-	-	-	-
Capital outlay:	434	-	71	660
Total expenditures	<u>11,724</u>	<u>3,034</u>	<u>8,807</u>	<u>11,023</u>
Excess (deficiency) of revenues over expenditures	<u>17,772</u>	<u>81</u>	<u>6,014</u>	<u>(462)</u>
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	-	-	-	-
Long-term debt issued	-	-	-	-
Loan Proceeds	-	-	-	-
Premium on long-term debt issued	-	-	-	-
Proceeds from equipment disposal	48	-	-	106
Capital lease proceeds	-	-	-	-
Transfers in	900	-	-	359
Transfers out	(14,425)	-	(10,365)	-
Total other financing sources and uses	<u>(13,477)</u>	<u>-</u>	<u>(10,365)</u>	<u>465</u>
Net change in fund balances	4,295	81	(4,351)	3
Fund balances, July 1 - restated	36,595	227	23,663	5,249
Fund balances, June 30	<u>\$ 40,890</u>	<u>\$ 308</u>	<u>\$ 19,312</u>	<u>\$ 5,252</u>

Debt Service Funds				Permanent Fund
Highway User	Transportation	Excise Tax Revenue	General Obligation	Cemetery Perpetual Care
\$ -	\$ -	\$ -	\$ 19,096	\$ -
-	-	-	-	-
-	-	-	576	-
-	-	-	-	-
-	-	-	-	-
-	-	1	-	32
-	-	-	8	-
-	-	<u>1</u>	<u>19,680</u>	<u>32</u>
-	-	3	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
1	4	-	10	-
1,895	3,380	-	18,460	-
76	3,763	5,678	5,557	-
-	-	-	-	-
<u>1,972</u>	<u>7,147</u>	<u>5,681</u>	<u>24,027</u>	<u>-</u>
<u>(1,972)</u>	<u>(7,147)</u>	<u>(5,680)</u>	<u>(4,347)</u>	<u>32</u>
-	-	33,830	-	-
-	-	-	378	-
-	-	-	-	-
-	-	4,371	-	-
-	-	-	-	-
-	-	-	-	-
1,976	7,148	5,712	210	-
-	-	(38,201)	-	-
<u>1,976</u>	<u>7,148</u>	<u>5,712</u>	<u>588</u>	<u>-</u>
4	1	32	(3,759)	32
39	199	8	8,270	5,661
<u>\$ 43</u>	<u>\$ 200</u>	<u>\$ 40</u>	<u>\$ 4,511</u>	<u>\$ 5,693</u>

(Continued)

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)

Non-Major Governmental Funds

For the Fiscal Year Ended June 30, 2016

(amounts expressed is thousands)

	Capital Projects Funds					Total Non-Major Governmental Funds
	Development Impact Fees	Streets Construction	Fire and Police Construction	Parks Bond Construction	Other Construction	
REVENUES						
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,899
Licenses and permits	1,776	-	-	-	-	1,780
Intergovernmental	-	6	-	-	-	28,045
Local	-	-	-	-	-	17
Charges for services	-	-	-	-	-	2,216
Fines and forfeitures	-	-	-	-	-	440
Investments	85	1	-	-	-	368
Miscellaneous	-	1	-	-	-	1,810
Total revenues	<u>1,861</u>	<u>8</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>79,575</u>
EXPENDITURES						
Current:						
General government	-	183	-	-	292	838
Public safety	-	-	-	-	-	6,205
Public works	-	-	-	-	-	34
Community services	485	89	-	-	-	13,864
Community environment	-	-	-	-	-	4,285
Street maintenance	-	234	-	-	-	9,481
Miscellaneous	-	-	-	-	-	15
Debt service:						
Principal	-	1,838	-	-	-	25,575
Interest	-	-	-	-	-	15,074
Capital outlay:	479	28,357	6,615	21	15,704	52,341
Total expenditures	<u>964</u>	<u>30,701</u>	<u>6,615</u>	<u>21</u>	<u>15,996</u>	<u>127,712</u>
Excess (deficiency) of revenues over expenditures	<u>897</u>	<u>(30,693)</u>	<u>(6,615)</u>	<u>(21)</u>	<u>(15,996)</u>	<u>(48,137)</u>
OTHER FINANCING SOURCES (USES)						
Refunding bonds issued	-	-	-	-	-	33,830
Long-term debt issued	-	10,369	-	-	16,538	27,285
Loan Proceeds	-	7,353	-	-	-	7,353
Premium on long-term debt issued	-	222	-	-	355	4,948
Proceeds from equipment disposal	-	-	-	-	-	154
Capital lease proceeds	-	-	6,615	-	-	6,615
Transfers in	-	15,666	-	-	-	31,971
Transfers out	(210)	(127)	-	-	-	(63,328)
Total other financing sources and uses	<u>(210)</u>	<u>33,483</u>	<u>6,615</u>	<u>-</u>	<u>16,893</u>	<u>48,828</u>
Net change in fund balances	687	2,790	-	(21)	897	691
Fund balances, July 1 - restated	14,175	1,759	1,560	143	2,974	100,522
Fund balances, June 30	<u>\$ 14,862</u>	<u>\$ 4,549</u>	<u>\$ 1,560</u>	<u>\$ 122</u>	<u>\$ 3,871</u>	<u>\$ 101,213</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Transportation Fund
For the Fiscal Year Ended June 30, 2016
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2015	\$ 28,133	\$ 28,133	\$ 36,383	\$ 8,250
RESOURCES (INFLOWS):				
Taxes	24,206	24,206	25,686	1,480
Intergovernmental	13,797	13,797	2,962	(10,835)
Charges for services	124	122	112	(10)
Investments	140	140	223	83
Proceeds from disposal of assets	-	-	49	49
Miscellaneous revenues	5,338	5,338	437	(4,901)
Total revenues	<u>43,605</u>	<u>43,603</u>	<u>29,469</u>	<u>(14,134)</u>
Add: Transfers in	900	900	900	-
Less: Transfers out	<u>(32,795)</u>	<u>(32,795)</u>	<u>(14,425)</u>	<u>18,370</u>
Amounts available for appropriation	<u>39,843</u>	<u>39,841</u>	<u>52,327</u>	<u>12,486</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Community services	13,545	19,423	10,749	8,674
Street maintenance	715	900	506	394
Capital outlay	<u>18,387</u>	<u>18,278</u>	<u>416</u>	<u>17,862</u>
Total charges to appropriations	<u>32,647</u>	<u>38,601</u>	<u>11,671</u>	<u>26,930</u>
Budgetary fund balance, June 30, 2016	<u>\$ 7,196</u>	<u>\$ 1,240</u>	<u>\$ 40,656</u>	<u>\$ 39,416</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.	\$ 52,327
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.	(36,383)
Proceeds from disposal of assets.	(49)
Revenue reported on a GAAP basis.	76
Less: Transfers in.	(900)
Add: Transfers out.	<u>14,425</u>
Total revenues as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 29,496</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 11,671
Differences - budget to GAAP:	
Internal charges for services provided.	35
Capital outlay.	<u>18</u>
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 11,724</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Community Development Block Grants Fund
For the Fiscal Year Ended June 30, 2016
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Budgetary fund balance, July 1, 2015	\$ -	\$ -	\$ 232	\$ 232
RESOURCES (INFLOWS):				
Intergovernmental	6,369	6,369	2,841	(3,528)
Miscellaneous	969	969	274	(695)
Total revenues	<u>7,338</u>	<u>7,338</u>	<u>3,115</u>	<u>(4,223)</u>
Amounts available for appropriation	<u>7,338</u>	<u>7,338</u>	<u>3,347</u>	<u>(3,991)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Community environment	7,161	7,123	3,027	4,096
Community services	-	37	5	32
Principal paid	-	1	2	(1)
Capital Outlay	177	177	-	177
Total charges to appropriations	<u>7,338</u>	<u>7,338</u>	<u>3,034</u>	<u>4,304</u>
Budgetary fund balance, June 30, 2016	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 313</u>	<u>\$ 313</u>

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule.	\$ 3,347
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>(232)</u>
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balance - governmental funds.	<u>\$ 3,115</u>

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 3,034
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 3,034</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Highway Users Gas Tax Fund
For the Fiscal Year Ended June 30, 2016
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance, July 1, 2015	\$ 23,058	\$ 23,058	\$ 23,741	\$ 683
RESOURCES (INFLOWS):				
Intergovernmental	14,147	14,147	14,625	478
Miscellaneous	<u>22</u>	<u>22</u>	<u>196</u>	<u>174</u>
Total revenues	<u>14,169</u>	<u>14,169</u>	<u>14,821</u>	<u>652</u>
Amounts available for appropriation	<u>37,227</u>	<u>37,227</u>	<u>38,562</u>	<u>1,335</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Community Services	12	12	-	12
Street maintenance	9,929	9,929	8,670	1,259
Capital outlay	66	66	71	(5)
Transfers out	<u>21,610</u>	<u>21,610</u>	<u>10,365</u>	<u>11,245</u>
Total charges to appropriations	<u>31,617</u>	<u>31,617</u>	<u>19,106</u>	<u>12,511</u>
Budgetary fund balance, June 30, 2016	<u>\$ 5,610</u>	<u>\$ 5,610</u>	<u>\$ 19,456</u>	<u>\$ 13,846</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.	\$ 38,562
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>(23,741)</u>
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 14,821</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 19,106
Differences - budget to GAAP:	
Street maintenance.	66
Transfers out	<u>(10,365)</u>
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 8,807</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Police and Fire Sales Tax Fund
For the Fiscal Year Ended June 30, 2016
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Budgetary fund balance, July 1, 2015	\$ 7,892	\$ 7,892	\$ 8,984	\$ 1,092
RESOURCES (INFLOWS):				
Taxes	22,622	22,622	23,380	758
Proceeds from disposal of assets	-	-	-	-
Total revenues	<u>22,622</u>	<u>22,622</u>	<u>23,380</u>	<u>758</u>
Less: Transfers out	<u>(24,144)</u>	<u>(24,144)</u>	<u>(24,144)</u>	<u>-</u>
Amounts available for appropriation	<u>6,370</u>	<u>6,370</u>	<u>8,220</u>	<u>1,850</u>
Budgetary fund balance, June 30, 2016	<u>\$ 6,370</u>	<u>\$ 6,370</u>	<u>\$ 8,220</u>	<u>\$ 1,850</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.	\$ 8,220
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.	(8,984)
Revenue reported on a GAAP basis.	(117)
Proceeds from disposal of assets.	-
Add: Transfers out.	<u>24,144</u>
Total revenues of the police and fire sales tax fund included in the general fund.	<u>\$ 23,263</u>

Uses/outflows or resources:

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

City of Glendale, Arizona
Budgetary Comparison Schedule
Other Special Revenue Fund
For the Fiscal Year Ended June 30, 2016
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Budgetary fund balance, July 1, 2015-restated	\$ 3,233	\$ 3,233	\$ 4,824	\$ 1,591
RESOURCES (INFLOWS):				
Licenses and permits	5	5	4	(1)
Intergovernmental	6,646	6,646	6,987	341
Charges for services	2,442	2,442	1,994	(448)
Fines and Forfeitures	698	698	440	(258)
Investments	5	5	26	21
Proceeds from equipment disposal	-	-	106	106
Local	-	-	4	4
Miscellaneous	18,507	18,507	865	(17,642)
Total revenues	<u>28,303</u>	<u>28,303</u>	<u>10,426</u>	<u>(17,877)</u>
Add: Transfers in	<u>397</u>	<u>397</u>	<u>359</u>	<u>(38)</u>
Amounts available for appropriation	<u>31,933</u>	<u>31,933</u>	<u>15,609</u>	<u>(16,324)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General government	587	555	360	195
Public safety	18,009	11,328	6,179	5,149
Public works	63	63	34	29
Community services	2,771	2,803	2,396	407
Community environment	1,513	1,513	1,258	255
Capital outlay	7,304	4,946	589	4,357
Total charges to appropriations	<u>30,247</u>	<u>21,208</u>	<u>10,816</u>	<u>10,392</u>
Budgetary fund balance, June 30, 2016	<u>\$ 1,686</u>	<u>\$ 10,725</u>	<u>\$ 4,793</u>	<u>\$ (5,932)</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.	\$ 15,609
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.	(3,137)
Beginning fund balance restated	(1,687)
Intergovernmental.	110
Charges for services.	103
Proceeds from equipment disposal.	(106)
Miscellaneous.	28
Less: Transfers in.	(359)
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 10,561</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 10,816
Differences - budget to GAAP:	
Capital outlay	73
Salaries payable	134
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 11,023</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Highway User Debt Service Fund
For the Fiscal Year Ended June 30, 2016
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance, July 1, 2015	\$ 35	\$ 35	\$ 39	\$ 4
RESOURCES (INFLOWS):				
Add: Transfers in	<u>1,976</u>	<u>1,976</u>	<u>1,976</u>	<u>-</u>
Amounts available for appropriation	<u>2,011</u>	<u>2,011</u>	<u>2,015</u>	<u>4</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Miscellaneous	5	5	1	4
Debt service:				
Principal	1,895	1,895	1,895	-
Interest	<u>76</u>	<u>76</u>	<u>76</u>	<u>-</u>
Total charges to appropriations	<u>1,976</u>	<u>1,976</u>	<u>1,972</u>	<u>4</u>
Budgetary fund balance, June 30, 2016	<u>\$ 35</u>	<u>\$ 35</u>	<u>\$ 43</u>	<u>\$ 8</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.	\$ 2,015
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.	(39)
Less: Transfers in.	<u>(1,976)</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.	\$ 1,972
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 1,972</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Transportation Debt Service Fund
For the Fiscal Year Ended June 30, 2016
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Budgetary fund balance, July 1, 2015	\$ 6	\$ 6	\$ 199	\$ 193
RESOURCES (INFLOWS):				
Add: Transfers in	<u>7,148</u>	<u>7,148</u>	<u>7,148</u>	<u>-</u>
Amounts available for appropriation	<u>7,154</u>	<u>7,154</u>	<u>7,347</u>	<u>193</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Miscellaneous	5	5	4	1
Debt service:				
Principal	3,380	3,380	3,380	-
Interest	<u>3,763</u>	<u>3,763</u>	<u>3,763</u>	<u>-</u>
Total charges to appropriations	<u>7,148</u>	<u>7,148</u>	<u>7,147</u>	<u>1</u>
Budgetary fund balance, June 30, 2016	<u>\$ 6</u>	<u>\$ 6</u>	<u>\$ 200</u>	<u>\$ 194</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.	\$ 7,347
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.	(199)
Less: Transfers in.	<u>(7,148)</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.	\$ 7,147
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 7,147</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Excise Tax Revenue Debt Service Fund
For the Fiscal Year Ended June 30, 2016
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Budgetary fund balance, July 1, 2015	\$ 7	\$ 7	\$ 8	\$ 1
RESOURCES (INFLOWS):				
Investments	-	-	1	1
Long term debt issued	-	-	127	127
Miscellaneous revenue	-	-	-	-
Total revenues	-	-	128	128
Add: Transfers in	5,600	5,600	5,712	112
Less: Transfers out	-	-	(127)	(127)
Amounts available for appropriation	<u>5,607</u>	<u>5,607</u>	<u>5,721</u>	<u>114</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General administration	10	10	3	7
Debt service:				
Interest	5,566	5,566	5,678	(112)
Total charges to appropriations	<u>5,576</u>	<u>5,576</u>	<u>5,681</u>	<u>(105)</u>
Budgetary fund balance, June 30, 2016	<u>\$ 31</u>	<u>\$ 31</u>	<u>\$ 40</u>	<u>\$ 9</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.	\$ 5,721
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.	(8)
Long term debt issued	(127)
Add: Transfers out.	127
Less: Transfers in.	(5,712)
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 1</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 5,681
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 5,681</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
General Obligation Debt Service Fund
For the Fiscal Year Ended June 30, 2016
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance, July 1, 2015	\$ 9,448	\$ 9,448	\$ 8,269	\$ (1,179)
RESOURCES (INFLOWS):				
Investments	-	-	-	-
Taxes	19,268	19,268	19,096	(172)
Intergovernmental	573	573	576	3
Refunded bonds issued	-	-	378	378
Miscellaneous	-	-	8	8
Total inflows	<u>19,841</u>	<u>19,841</u>	<u>20,058</u>	<u>217</u>
Add: Transfers in	<u>210</u>	<u>210</u>	<u>210</u>	<u>-</u>
Amounts available for appropriation	<u>29,499</u>	<u>29,499</u>	<u>28,537</u>	<u>(962)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Miscellaneous	320	320	10	310
Debt service:				
Principal	18,460	18,460	18,460	-
Interest	<u>5,557</u>	<u>5,557</u>	<u>5,557</u>	<u>-</u>
Total charges to appropriations	<u>24,337</u>	<u>24,337</u>	<u>24,027</u>	<u>310</u>
Budgetary fund balance, June 30, 2016	<u>\$ 5,162</u>	<u>\$ 5,162</u>	<u>\$ 4,510</u>	<u>\$ (652)</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.	\$ 28,537
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.	(8,269)
Less transfers in.	<u>(210)</u>
Total revenues as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 19,680</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 24,027
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 24,027</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Cemetery Perpetual Care Fund
For the Fiscal Year Ended June 30, 2016
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance, July 1, 2015	\$ 5,648	\$ 5,648	\$ 5,661	\$ 13
RESOURCES (INFLOWS):				
Investments	<u>22</u>	<u>22</u>	<u>32</u>	<u>10</u>
Total revenues	<u>22</u>	<u>22</u>	<u>32</u>	<u>10</u>
Amounts available for appropriation	<u>5,670</u>	<u>5,670</u>	<u>5,693</u>	<u>23</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Public works	<u>5,670</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total charges to appropriations	<u>5,670</u>	<u>-</u>	<u>-</u>	<u>-</u>
Budgetary fund balance, June 30, 2016	<u>\$ -</u>	<u>\$ 5,670</u>	<u>\$ 5,693</u>	<u>\$ 23</u>

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule.	\$ 5,693
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>(5,661)</u>
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 32</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Development Impact Fees Fund
For the Fiscal Year Ended June 30, 2016
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Budgetary fund balance, July 1, 2015	\$ 13,964	\$ 13,964	\$ 14,175	\$ 211
RESOURCES (INFLOWS):				
Licenses and permits	39	39	1,776	1,737
Investments	<u>50</u>	<u>50</u>	<u>85</u>	<u>35</u>
Total revenues	89	89	1,861	1,772
Less: Transfers out	<u>(211)</u>	<u>(211)</u>	<u>(210)</u>	<u>1</u>
Amounts available for appropriation	<u>13,842</u>	<u>13,842</u>	<u>15,826</u>	<u>1,984</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
General administration	186	186	-	186
Public safety	2,444	806	-	806
Community services	8,936	1,765	485	1,280
Capital outlay	<u>2,276</u>	<u>2,267</u>	<u>479</u>	<u>1,788</u>
Total charges to appropriations	<u>13,842</u>	<u>5,024</u>	<u>964</u>	<u>4,060</u>
Budgetary fund balance, June 30, 2016	<u>\$ -</u>	<u>\$ 8,818</u>	<u>\$ 14,862</u>	<u>\$ 6,044</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.	\$ 15,826
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>(14,175)</u>
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 1,861</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 964
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 964</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Streets Construction Fund
For the Fiscal Year Ended June 30, 2016
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2015	\$ 2,717	\$ 2,717	\$ 1,759	\$ (958)
RESOURCES (INFLOWS):				
Investments	2	2	1	(1)
Intergovernmental	-	-	6	6
Miscellaneous	1	2	1	(1)
Long-term debt issued	-	-	10,369	10,369
Premium on long-term debt issued	-	-	222	222
Total revenues	<u>3</u>	<u>4</u>	<u>10,599</u>	<u>10,595</u>
Add: Transfers in	45,281	45,281	15,666	(29,615)
Less: Transfers out	<u>(89)</u>	<u>(89)</u>	<u>(127)</u>	<u>(38)</u>
Amounts available for appropriation	<u>47,912</u>	<u>47,913</u>	<u>27,897</u>	<u>(20,016)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General administration	628	628	183	445
Community services	44	44	89	(45)
Street maintenance	-	589	234	355
Capital outlay	<u>47,240</u>	<u>50,484</u>	<u>22,902</u>	<u>27,582</u>
Total charges to appropriations	<u>47,912</u>	<u>51,745</u>	<u>23,408</u>	<u>28,337</u>
Budgetary fund balance, June 30, 2016	<u>\$ -</u>	<u>\$ (3,832)</u>	<u>\$ 4,489</u>	<u>\$ 8,321</u>

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule.	\$ 27,897
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(1,759)
Less: Transfers In.	(15,666)
Add: Transfers out.	127
Long-term debt issued.	(10,369)
Premium on long-term debt issued.	<u>(222)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 8</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 23,408
Differences - budget to GAAP:	
Principal retirement.	1,838
Expenditures reported on a GAAP basis.	<u>5,455</u>
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 30,701</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Fire and Police Construction Fund
For the Fiscal Year Ended June 30, 2016
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Budgetary fund balance, July 1, 2015	\$ 1,929	\$ 1,929	\$ 1,560	\$ (369)
RESOURCES (INFLOWS):				
Amounts available for appropriation	<u>1,929</u>	<u>1,929</u>	<u>1,560</u>	<u>(369)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Capital outlay	<u>1,929</u>	<u>1,929</u>	<u>-</u>	<u>1,929</u>
Total charges to appropriations	<u>1,929</u>	<u>1,929</u>	<u>-</u>	<u>1,929</u>
Budgetary fund balance, June 30, 2016	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,560</u>	<u>\$ 1,560</u>

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule.	\$ 1,560
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	<u>(1,560)</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.	\$ -
Differences - budget to GAAP:	
Capital outlay reported on a GAAP basis.	<u>6,615</u>
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 6,615</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Parks Bond Construction Fund
For the Fiscal Year Ended June 30, 2016
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts (budgetary basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance, July 1, 2015	\$ -	\$ -	\$ 143	\$ 143
RESOURCES (INFLOWS):				
Amounts available for appropriation	<u>-</u>	<u>-</u>	<u>143</u>	<u>143</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Capital outlay	<u>-</u>	<u>21</u>	<u>21</u>	<u>-</u>
Total charges to appropriations	<u>-</u>	<u>21</u>	<u>21</u>	<u>-</u>
Budgetary fund balance, June 30, 2016	<u>\$ -</u>	<u>\$ (21)</u>	<u>\$ 122</u>	<u>\$ 143</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.	\$ 143
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>(143)</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.	\$ 21
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 21</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Other Construction Fund
For the Fiscal Year Ended June 30, 2016
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2015	\$ 2,553	\$ 2,553	\$ 2,974	\$ 421
RESOURCES (INFLOWS):				
Long-term debt issued	-	-	16,538	16,538
Premium on long-term debt issued	-	-	355	355
Total revenues	-	-	16,893	16,893
Less: Transfers out	(16)	(16)	-	16
Amounts available for appropriation	<u>2,537</u>	<u>2,537</u>	<u>19,867</u>	<u>17,330</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General administration	-	292	292	-
Community services	873	873	-	873
Public Works	2	2	-	2
Capital outlay	1,662	17,195	15,704	1,491
Total charges to appropriations	<u>2,537</u>	<u>18,362</u>	<u>15,996</u>	<u>2,366</u>
Budgetary fund balance, June 30, 2016	<u>\$ -</u>	<u>\$ (15,825)</u>	<u>\$ 3,871</u>	<u>\$ 19,696</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.	\$ 19,867
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.	(2,974)
Long-term debt issued.	(16,538)
Premium on long-term debt issued	(355)
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.	\$ 15,996
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 15,996</u>

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, 2016
(amounts expressed in thousands)

	<u>Landfill</u>	<u>Sanitation</u>	<u>Housing</u>	<u>Total</u>
ASSETS				
Current assets:				
Equity in pooled cash and investments	\$ 9,376	\$ 2,780	\$ 2,415	\$ 14,571
Receivables:				
Accounts	597	2,267	-	2,864
Allowance for uncollectibles	(5)	(425)	-	(430)
Intergovernmental receivable	-	-	47	47
Inventories and prepaid items	-	-	18	18
Total current assets	<u>9,968</u>	<u>4,622</u>	<u>2,480</u>	<u>17,070</u>
Noncurrent assets:				
Capital assets:				
Capital assets	31,499	13,550	14,421	59,470
Accumulated depreciation	<u>(13,521)</u>	<u>(9,597)</u>	<u>(9,890)</u>	<u>(33,008)</u>
Capital assets, net	<u>17,978</u>	<u>3,953</u>	<u>4,531</u>	<u>26,462</u>
Total noncurrent assets	<u>17,978</u>	<u>3,953</u>	<u>4,531</u>	<u>26,462</u>
Total assets	<u>27,946</u>	<u>8,575</u>	<u>7,011</u>	<u>43,532</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>311</u>	<u>507</u>	<u>161</u>	<u>979</u>
LIABILITIES				
Current liabilities:				
Vouchers payable	790	527	-	1,317
Accounts payable	-	-	41	41
Retainage payable	71	-	-	71
Compensated absences	349	280	21	650
Due to other funds	-	-	6	6
Intergovernmental payable	-	7	37	44
Deposits	168	112	45	325
Unearned Rent	-	-	8	8
Total current liabilities	<u>1,378</u>	<u>926</u>	<u>158</u>	<u>2,462</u>
Noncurrent liabilities:				
Compensated absences	203	137	191	531
Pension obligations	3,359	5,262	1,655	10,276
OPEB long-term obligations	1,244	2,556	725	4,525
Other long-term debt	-	-	37	37
Estimated closure and post-closure costs	<u>14,259</u>	<u>-</u>	<u>-</u>	<u>14,259</u>
Total noncurrent liabilities	<u>19,065</u>	<u>7,955</u>	<u>2,608</u>	<u>29,628</u>
Total liabilities	<u>20,443</u>	<u>8,881</u>	<u>2,766</u>	<u>32,090</u>
DEFERRED INFLOWS OF RESOURCES	<u>389</u>	<u>697</u>	<u>224</u>	<u>1,310</u>
NET POSITION				
Net investment in capital assets	17,978	3,953	4,531	26,462
Unrestricted	<u>(10,553)</u>	<u>(4,449)</u>	<u>(349)</u>	<u>(15,351)</u>
Total net position	<u>\$ 7,425</u>	<u>\$ (496)</u>	<u>\$ 4,182</u>	<u>\$ 11,111</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, 2016

(amounts expressed in thousands)

	Business-Type Activities			Total
	Enterprise Funds			
	<u>Landfill</u>	<u>Sanitation</u>	<u>Housing</u>	
Operating revenues:				
Intergovernmental	\$ -	\$ -	\$ 9,277	\$ 9,277
Container service	-	4,353	-	4,353
Curb service	-	10,828	-	10,828
Landfill user fees	8,332	-	-	8,332
Recycling sales	1,403	-	-	1,403
Other fees	122	-	2,980	3,102
Total operating revenues	<u>9,857</u>	<u>15,181</u>	<u>12,257</u>	<u>37,295</u>
Operating expenses:				
Landfill	8,922	-	-	8,922
Housing	-	-	12,260	12,260
Closure/post-closure care adjustment	(701)	-	-	(701)
Sanitation	-	13,563	-	13,563
Depreciation	802	1,485	451	2,738
Total operating expenses	<u>9,023</u>	<u>15,048</u>	<u>12,711</u>	<u>36,782</u>
Operating income (loss)	<u>834</u>	<u>133</u>	<u>(454)</u>	<u>513</u>
Nonoperating revenues (expenses):				
Investment income	62	10	1	73
Gain (loss) on disposal of assets	45	(7)	-	38
OPEB expense	(90)	(171)	(51)	(312)
Total nonoperating revenue (expenses)	<u>17</u>	<u>(168)</u>	<u>(50)</u>	<u>(201)</u>
Income (loss) before contributions and transfers	851	(35)	(504)	312
Capital contributions	-	-	300	300
Transfers in	404	60	310	774
Transfers out	(38)	-	-	(38)
Change in net position	<u>1,217</u>	<u>25</u>	<u>106</u>	<u>1,348</u>
Total net position - beginning - restated	<u>6,208</u>	<u>(521)</u>	<u>4,076</u>	<u>9,763</u>
Total net position - ending	<u>\$ 7,425</u>	<u>\$ (496)</u>	<u>\$ 4,182</u>	<u>\$ 11,111</u>

City of Glendale, Arizona
Combining Statement of Cash Flows
Non-Major Proprietary Funds - Business-Type Activities
For the Fiscal Year Ended June 30, 2016
(amounts expressed in thousands)

	Landfill	Sanitation	Housing	Total
Cash flows from operating activities:				
Cash received from customers	\$ 10,006	\$ 15,005	\$ 2,987	\$ 27,998
Cash received from federal operating grants	-	-	9,269	9,269
Cash paid to suppliers:				
Internal city departments	(1,004)	(7,977)	-	(8,981)
External vendors	(4,632)	(942)	(11,097)	(16,671)
Cash paid to employees for services	(3,189)	(4,514)	(1,229)	(8,932)
Net cash provided (used) by operating activities	<u>1,181</u>	<u>1,572</u>	<u>(70)</u>	<u>2,683</u>
Cash flows from noncapital financing activities:				
Transfers in	404	60	310	774
Transfers out	(38)	-	-	(38)
Due to / from other funds	-	-	6	6
Net cash provided (used) by noncapital financing activities	<u>366</u>	<u>60</u>	<u>316</u>	<u>742</u>
Cash flows from capital and related financing activities:				
Increase principal obligations	-	-	(61)	(61)
Acquisition of capital assets and rights	(4,247)	(215)	-	(4,462)
Net cash used capital and related financing activities	<u>(4,247)</u>	<u>(215)</u>	<u>(61)</u>	<u>(4,523)</u>
Cash flows from investing activities:				
Interest received from investments	62	10	1	73
Net cash provided by investing activities	<u>62</u>	<u>10</u>	<u>1</u>	<u>73</u>
Net increase (decrease) in cash and cash equivalents during fiscal year	(2,638)	1,427	186	(1,025)
Cash and cash equivalents, July 1	12,014	1,353	2,229	15,596
Cash and cash equivalents, June 30	<u>\$ 9,376</u>	<u>\$ 2,780</u>	<u>\$ 2,415</u>	<u>\$ 14,571</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)	\$ 834	\$ 133	\$ (454)	\$ 513
Adjustments to reconcile operating income (loss) to net cash provided (used) by operations:				
Depreciation	802	1,485	451	2,738
Net pension expense and contributions	(162)	(213)	(65)	(440)
Changes in assets and liabilities:				
Accounts receivable	62	(175)	-	(113)
Intergovernmental receivable	-	-	(45)	(45)
Inventories and prepaid items	-	-	(1)	(1)
Vouchers payable	236	314	-	550
Accounts payable	-	-	(23)	(23)
Intergovernmental payable	-	3	37	40
Deposits	87	(1)	4	90
Unearned rent	-	-	3	3
Compensated absences	23	26	23	72
Estimated closure and post-closure costs	(701)	-	-	(701)
Net cash provided by (used) operating activities	<u>\$ 1,181</u>	<u>\$ 1,572</u>	<u>\$ (70)</u>	<u>\$ 2,683</u>
Reconciliation of statement of net position cash and investments to the statement of cash flows:				
Per combining statement of net position:				
Equity in pooled cash and investments	<u>\$ 9,376</u>	<u>\$ 2,780</u>	<u>\$ 2,415</u>	<u>\$ 14,571</u>
Total cash and cash equivalents	<u>\$ 9,376</u>	<u>\$ 2,780</u>	<u>\$ 2,415</u>	<u>\$ 14,571</u>
Noncash investing, capital, and financing activities:				
Contributions of capital assets	\$ -	\$ -	\$ 300	\$ 300

City of Glendale, Arizona
Budgetary Comparison Schedule
Water and Sewer Fund
For the Fiscal Year Ended June 30, 2016
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2015	\$ 71,653	\$ 71,653	\$ 91,553	\$ 19,900
RESOURCES (INFLOWS):				
Intergovernmental	-	-	532	532
Charges for services:				
Metered water sales	45,097	45,097	45,648	551
Sewer service charges	33,070	33,070	32,183	(887)
Impact fees	595	595	1,512	917
Other fees	1,882	1,882	1,746	(136)
Investments	220	220	540	320
Miscellaneous	325	325	855	530
Proceeds from equipment disposal	10	10	25	15
Total revenues	<u>81,199</u>	<u>81,199</u>	<u>83,041</u>	<u>1,842</u>
Add: Transfers in	225	225	225	-
Less: Transfers out	<u>(205)</u>	<u>(294)</u>	<u>(69)</u>	<u>225</u>
Amounts available for appropriation	<u>152,872</u>	<u>152,783</u>	<u>174,750</u>	<u>21,967</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General administration	13,415	13,475	12,590	885
Water	22,913	23,213	21,234	1,979
Sewer	14,272	13,912	12,660	1,252
Contingencies	8,637	-	-	-
Capital outlay	28,813	33,659	9,024	24,635
Debt service:				
Principal	9,415	9,415	9,415	-
Interest	<u>10,719</u>	<u>10,719</u>	<u>10,719</u>	<u>-</u>
Total charges to appropriations	<u>108,184</u>	<u>104,393</u>	<u>75,642</u>	<u>28,751</u>
Budgetary fund balance, June 30, 2016	<u>\$ 44,688</u>	<u>\$ 48,390</u>	<u>\$ 99,108</u>	<u>\$ 50,718</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.	\$ 174,750
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.	(91,553)
Revenues offset directly by bad debt expense on budgetary basis.	154
Internal staff and administrative charges reported as revenue only on budgetary basis.	(82)
Less: Transfers in.	(225)
Add: Transfers out.	69
Total revenues as reported on the statement of revenues, expenses, and changes in fund net position, excluding capital contributions.	<u>\$ 83,113</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 75,642
Differences - budget to GAAP:	
Capital outlay expenditure.	(9,024)
Change in compensated absences liability.	(166)
Amortization and depreciation expense.	22,587
Loss on Joint Venture.	3,402
Principal payments on long-term obligations.	(9,415)
OPEB expense.	569
Interest expense.	(1,565)
Indirect cost allocation.	(889)
Total expenses as reported in the statement of revenues, expenses, and changes in fund net position.	<u>\$ 81,141</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Landfill Fund
For the Fiscal Year Ended June 30, 2016
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2015	\$ 11,028	\$ 11,028	\$ 12,035	\$ 1,007
RESOURCES (INFLOWS):				
Charges for services:				
Landfill user fees	7,415	7,415	8,331	916
Recycling fees	2,688	2,688	1,403	(1,285)
Other fees	639	639	550	(89)
Proceeds from equipment disposal	10	10	45	35
Proceeds from interfund loan	-	-	-	-
Investments	45	45	62	17
Total revenues	10,797	10,797	10,391	(406)
Add: Transfers in	315	315	315	-
Less: Transfers out	(33)	(33)	(38)	(5)
Amounts available for appropriation	<u>22,107</u>	<u>22,107</u>	<u>22,703</u>	<u>596</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Contingencies	600	389	-	389
Landfill	9,579	9,914	9,472	442
Capital outlay	11,106	10,982	4,182	6,800
Total charges to appropriations	<u>21,285</u>	<u>21,285</u>	<u>13,654</u>	<u>7,631</u>
Budgetary fund balance, June 30, 2016	<u>\$ 822</u>	<u>\$ 822</u>	<u>\$ 9,049</u>	<u>\$ 8,227</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.	\$ 22,703
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(12,035)
Internal staff and administrative charges reported as revenue only on budgetary basis.	(430)
Revenues offset directly by bad debt expense on budgetary basis.	2
Proceeds from disposal of capital assets.	(44)
Gain on disposal of assets.	45
Less: Transfers in	(315)
Add: Transfers out.	38
Total revenues as reported in the combining statement of revenues, expenses, and changes in fund net position.	<u>\$ 9,964</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 13,654
Differences - budget to GAAP:	
Bad debt expense.	1
Capital outlay expenditures.	(4,182)
Change in compensated absences liability.	(216)
Change in estimated landfill post-closure liability.	(701)
Depreciation expense.	802
Pension expense.	96
OPEB expense.	90
Internal staff and administrative charges reported as revenue only on budgetary basis.	(431)
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net position.	<u>\$ 9,113</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Sanitation Fund
For the Fiscal Year Ended June 30, 2016
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2015	\$ 2,454	\$ 2,454	\$ 2,963	\$ 509
RESOURCES (INFLOWS):				
Charges for services:				
Container service	4,250	4,250	4,353	103
Curb service	10,664	10,664	10,802	138
Investments	7	7	10	3
Proceeds from equipment disposal	32	32	70	38
Total revenues	<u>14,953</u>	<u>14,953</u>	<u>15,235</u>	<u>282</u>
Add: Transfers in	60	60	60	-
Less: Transfers out	-	-	-	-
Amounts available for appropriation	<u>17,467</u>	<u>17,467</u>	<u>18,258</u>	<u>791</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Sanitation	13,667	13,777	13,694	83
Capital outlay	<u>3,456</u>	<u>3,346</u>	<u>285</u>	<u>3,061</u>
Total charges to appropriations	<u>17,123</u>	<u>17,123</u>	<u>13,979</u>	<u>3,144</u>
Budgetary fund balance, June 30, 2016	<u>\$ 344</u>	<u>\$ 344</u>	<u>\$ 4,279</u>	<u>\$ 3,935</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.	\$ 18,258
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.	(2,963)
Interest earned on restricted assets not available for appropriation.	-
Internal staff and administrative charges reported as revenue only on budgetary basis.	-
Revenues offset directly by bad debt expense on budgetary basis.	26
Proceeds from disposal of capital assets.	(70)
Loss on disposal of assets.	(7)
Less: Transfers in.	<u>(60)</u>
Total revenues as reported in the combining statement of revenues, expenses, and changes in fund net position.	<u>\$ 15,184</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 13,979
Differences - budget to GAAP:	
Bad debt expense.	26
Capital outlay.	(285)
Change in compensated absences liability.	(283)
Depreciation expense.	1,485
Pension expense.	126
OPEB expense.	<u>171</u>
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net position	<u>\$ 15,219</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Housing Fund
For the Fiscal Year Ended June 30, 2016
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2015	\$ 2,400	\$ 2,400	\$ 1,962	\$ (438)
RESOURCES (INFLOWS):				
Intergovernmental	15,495	15,495	9,577	(5,918)
Miscellaneous	-	-	2,980	2,980
Investments	-	-	1	1
Total revenues	<u>15,495</u>	<u>15,495</u>	<u>12,558</u>	<u>(2,937)</u>
Add: Transfers in	310	310	310	-
Amounts available for appropriation	<u>18,205</u>	<u>18,205</u>	<u>14,830</u>	<u>(3,375)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Housing	15,703	15,703	12,325	3,378
Capital outlay	<u>188</u>	<u>188</u>	<u>-</u>	<u>188</u>
Total charges to appropriations	<u>15,891</u>	<u>15,891</u>	<u>12,325</u>	<u>3,566</u>
Budgetary fund balance, June 30, 2016	<u>\$ 2,314</u>	<u>\$ 2,314</u>	<u>\$ 2,505</u>	<u>\$ 191</u>

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 14,830
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(1,962)
Less: Transfers in.	<u>(310)</u>
Total revenues as reported in the combining statement of revenues, expenses, and changes in fund net position, excluding capital grant proceeds.	<u>\$ 12,558</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 12,325
Differences - budget to GAAP:	
Depreciation expense.	451
Pension expense.	(65)
OPEB expense.	<u>51</u>
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net position.	<u>\$ 12,762</u>



City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

INTERNAL SERVICE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

This page left blank intentionally.

City of Glendale, Arizona
Combining Statement of Net Position
Internal Service Funds
June 30, 2016
(amounts expressed in thousands)

	Risk Management	Workers' Compensation	Employee Benefits	Fleet Services	Technology	Total
ASSETS						
Current assets:						
Equity in pooled						
cash and investments	\$ 3,590	\$ 8,050	\$ 1,501	\$ 431	\$ 3,810	\$ 17,382
Accounts receivable, net	-	-	-	10	-	10
Inventories and prepaid items	6	-	-	53	-	59
Total current assets	<u>3,596</u>	<u>8,050</u>	<u>1,501</u>	<u>494</u>	<u>3,810</u>	<u>17,451</u>
Noncurrent assets:						
Restricted deposits	-	150	1,425	-	-	1,575
Capital assets:						
Capital assets	-	-	-	861	3,629	4,490
Accumulated depreciation	-	-	-	(754)	(2,662)	(3,416)
Capital assets, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>107</u>	<u>967</u>	<u>1,074</u>
Total assets	<u>3,596</u>	<u>8,200</u>	<u>2,926</u>	<u>601</u>	<u>4,777</u>	<u>20,100</u>
Deferred Outflows of Resources	<u>41</u>	<u>17</u>	<u>-</u>	<u>670</u>	<u>480</u>	<u>1,208</u>
LIABILITIES						
Current liabilities:						
Vouchers payable	48	43	2,061	385	446	2,983
Compensated absences	17	15	-	228	223	483
Estimated claims payable	2,810	3,831	1,914	-	-	8,555
Total current liabilities	<u>2,875</u>	<u>3,889</u>	<u>3,975</u>	<u>613</u>	<u>669</u>	<u>12,021</u>
Noncurrent liabilities:						
Compensated absences	5	8	-	129	122	264
Pension obligations	25	3	-	2,570	264	2,862
Total noncurrent liabilities	<u>30</u>	<u>11</u>	<u>-</u>	<u>2,699</u>	<u>386</u>	<u>3,126</u>
Total liabilities	<u>2,905</u>	<u>3,900</u>	<u>3,975</u>	<u>3,312</u>	<u>1,055</u>	<u>15,147</u>
Deferred Inflows of Resources	<u>26</u>	<u>9</u>	<u>-</u>	<u>763</u>	<u>293</u>	<u>1,091</u>
NET POSITION						
Net investment in capital assests	-	-	-	107	967	1,074
Unrestricted	<u>706</u>	<u>4,308</u>	<u>(1,049)</u>	<u>(2,911)</u>	<u>2,942</u>	<u>3,996</u>
Total net position	<u>\$ 706</u>	<u>\$ 4,308</u>	<u>\$ (1,049)</u>	<u>\$ (2,804)</u>	<u>\$ 3,909</u>	<u>\$ 5,070</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, 2016

(amounts expressed in thousands)

	Risk Management	Workers' Compensation	Employee Benefits	Fleet Services	Technology	Total
Operating revenues:						
Self-insurance premiums	\$ 2,999	\$ 2,300	\$ 27,024	\$ 7,836	\$ 9,954	\$ 50,113
Other fees	631	12	-	8	10	661
Total operating revenues	<u>3,630</u>	<u>2,312</u>	<u>27,024</u>	<u>7,844</u>	<u>9,964</u>	<u>50,774</u>
Operating expenses:						
Administrative and general	211	107	27	7,648	7,075	15,068
Insurance claims and premiums	3,423	1,794	23,846	-	-	29,063
Amortization and depreciation	-	-	-	8	224	232
Total operating expenses	<u>3,634</u>	<u>1,901</u>	<u>23,873</u>	<u>7,656</u>	<u>7,299</u>	<u>44,363</u>
Operating income (loss)	(4)	411	3,151	188	2,665	6,411
Nonoperating revenues:						
Investment income (loss)	19	44	3	-	5	71
Gain on disposal of assets	-	-	-	-	5	5
Total nonoperating revenues	<u>19</u>	<u>44</u>	<u>3</u>	<u>-</u>	<u>10</u>	<u>76</u>
Income (loss) before transfers	<u>15</u>	<u>455</u>	<u>3,154</u>	<u>188</u>	<u>2,675</u>	<u>6,487</u>
Change in net position	15	455	3,154	188	2,675	6,487
Net position - beginning - restated	691	3,853	(4,203)	(2,992)	1,234	(1,417)
Net position - ending	<u>\$ 706</u>	<u>\$ 4,308</u>	<u>\$ (1,049)</u>	<u>\$ (2,804)</u>	<u>\$ 3,909</u>	<u>\$ 5,070</u>

City of Glendale, Arizona
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2016
(amounts expressed in thousands)

	Risk Management	Workers' Compensation	Employee Benefits	Fleet Services	Technology	Total
Cash flows from operating activities:						
Cash received from customers	\$ 3,630	\$ 2,312	\$ 27,030	\$ 7,846	\$ 9,964	\$ 50,782
Cash paid to suppliers:						
Internal city departments	-	-	-	(34)	(49)	(83)
External vendors	-	-	-	(5,363)	(4,133)	(9,496)
Cash paid for insurance and in settlement of claims	(3,481)	(1,470)	(25,747)	-	-	(30,698)
Cash paid to employees for services	(212)	(89)	-	(2,258)	(2,499)	(5,058)
Net cash provided by (used for) operating activities	(63)	753	1,283	191	3,283	5,447
Cash flows from capital and related financing activities:						
Acquisition of capital assets and rights	-	-	-	(49)	(345)	(394)
Cash flows from investing activities:						
Interest received from investments	19	44	3	-	5	71
Net increase (decrease) in cash during fiscal year	(44)	797	1,286	142	2,943	5,124
Cash and cash equivalents, July 1	3,634	7,253	215	289	867	12,258
Cash and cash equivalents, June 30	<u>\$ 3,590</u>	<u>\$ 8,050</u>	<u>\$ 1,501</u>	<u>\$ 431</u>	<u>\$ 3,810</u>	<u>\$ 17,382</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:						
Operating income (loss)	\$ (4)	\$ 411	\$ 3,151	\$ 188	\$ 2,665	\$ 6,411
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operations:						
Amortization and depreciation	-	-	-	8	224	232
Net pension expense and contribution	(10)	(5)	-	(104)	(122)	(241)
Changes in assets and liabilities:						
Change in accounts receivable	-	-	6	1	-	7
Change in inventories and prepaid items	53	-	-	2	56	111
Change in vouchers payable	(66)	11	206	138	136	425
Change in compensated absences	11	23	-	(42)	324	316
Change in claims payable	(47)	313	(2,080)	-	-	(1,814)
Net cash provided by (used for) operating activities	<u>\$ (63)</u>	<u>\$ 753</u>	<u>\$ 1,283</u>	<u>\$ 191</u>	<u>\$ 3,283</u>	<u>\$ 5,447</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	\$ 3,590	\$ 8,050	\$ 1,501	\$ 431	\$ 3,810	\$ 17,382
Total cash and cash equivalents	<u>\$ 3,590</u>	<u>\$ 8,050</u>	<u>\$ 1,501</u>	<u>\$ 431</u>	<u>\$ 3,810</u>	<u>\$ 17,382</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Risk Management Fund
For the Fiscal Year Ended June 30, 2016
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2015	\$ 1,776	\$ 1,776	\$ 3,524	\$ 1,748
RESOURCES (INFLOWS):				
Self-insurance premiums	3,000	3,000	2,999	(1)
Investments	8	8	19	11
Other	25	25	631	606
Total revenues	<u>3,033</u>	<u>3,033</u>	<u>3,649</u>	<u>616</u>
Amounts available for appropriation	<u>4,809</u>	<u>4,809</u>	<u>7,173</u>	<u>2,364</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General Administration	1,600	730	211	519
Insurance and claims	2,734	3,604	3,416	188
Total charges to appropriations	<u>4,334</u>	<u>4,334</u>	<u>3,627</u>	<u>707</u>
Budgetary fund balance, June 30, 2016	<u>\$ 475</u>	<u>\$ 475</u>	<u>\$ 3,546</u>	<u>\$ 3,071</u>

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 7,173
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>(3,524)</u>
Total revenues as reported on the combining statement of revenues, expenses, and changes in fund net position.	<u>\$ 3,649</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 3,627
Differences - budget to GAAP:	
Insurance and claims recorded gaap basis only.	<u>7</u>
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net position.	<u>\$ 3,634</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Workers' Compensation Fund
For the Fiscal Year Ended June 30, 2016
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2015	\$ 7,025	\$ 7,025	\$ 7,372	\$ 347
RESOURCES (INFLOWS):				
Self-insurance premiums	2,300	2,300	2,300	-
Miscellaneous	-	-	12	12
Investments	11	11	44	33
Other	25	25	-	(25)
Total revenues	<u>2,336</u>	<u>2,336</u>	<u>2,356</u>	<u>20</u>
Amounts available for appropriation	<u>9,361</u>	<u>9,361</u>	<u>9,728</u>	<u>367</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General Administration	98	98	104	(6)
Insurance and claims	<u>2,104</u>	<u>2,104</u>	<u>1,465</u>	<u>639</u>
Total charges to appropriations	<u>2,202</u>	<u>2,202</u>	<u>1,569</u>	<u>633</u>
Budgetary fund balance, June 30, 2016	<u>\$ 7,159</u>	<u>\$ 7,159</u>	<u>\$ 8,159</u>	<u>\$ 1,000</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.	\$ 9,728
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>(7,372)</u>
Total revenues as reported in the combining statement of revenues, expenses, and changes in fund net position.	<u>\$ 2,356</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 1,569
Differences - budget to GAAP:	
Insurance and claims recorded gaap basis only.	329
Change in compensated absences liability.	<u>3</u>
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net position.	<u>\$ 1,901</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Employee Benefits Fund
For the Fiscal Year Ended June 30, 2016
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2015	\$ 211	\$ 211	\$ (208)	\$ (419)
RESOURCES (INFLOWS):				
Self-insurance premiums	25,139	25,139	27,024	1,885
Miscellaneous	100	100	-	(100)
Investments	-	-	3	3
Total revenues	<u>25,239</u>	<u>25,239</u>	<u>27,027</u>	<u>1,788</u>
Amounts available for appropriation	<u>25,450</u>	<u>25,450</u>	<u>26,819</u>	<u>1,369</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General Administration	284	284	27	257
Insurance and claims	<u>25,166</u>	<u>25,166</u>	<u>25,927</u>	<u>(761)</u>
Total charges to appropriations	<u>25,450</u>	<u>25,450</u>	<u>25,954</u>	<u>(504)</u>
Budgetary fund balance, June 30, 2016	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 865</u>	<u>\$ 865</u>

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule.	\$ 26,819
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>208</u>
Total revenues as reported in the combining statement of revenues, expenses, and changes in fund net position.	<u>\$ 27,027</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 25,954
Differences - budget to GAAP:	
Insurance and claims recorded gaap basis only.	<u>(2,081)</u>
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net position.	<u>\$ 23,873</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Fleet Services Fund
For the Fiscal Year Ended June 30, 2016
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2015-restated	\$ 25	\$ 25	\$ 85	\$ 60
RESOURCES (INFLOWS):				
Self-insurance premiums	9,000	9,000	7,836	(1,164)
Miscellaneous	-	-	8	8
Total revenues	<u>9,000</u>	<u>9,000</u>	<u>7,844</u>	<u>(1,156)</u>
Amounts available for appropriation	<u>9,025</u>	<u>9,025</u>	<u>7,929</u>	<u>(1,096)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General Administration	9,008	9,008	7,778	1,230
Capital outlay	-	-	49	(49)
Total charges to appropriations	<u>9,008</u>	<u>9,008</u>	<u>7,827</u>	<u>1,181</u>
Budgetary fund balance, June 30, 2016	<u>\$ 17</u>	<u>\$ 17</u>	<u>\$ 102</u>	<u>\$ 85</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.	\$ 7,929
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource, but is not a current year revenue for financial reporting purposes.	-
Beginning fund balance restated	(85)
Total revenues as reported in the combining statement of revenues, expenses, and changes in fund net position.	<u>\$ 7,844</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 7,827
Differences - budget to GAAP:	
Capital outlay expenditure.	(49)
Amortization and depreciation expense.	8
Pension contributions that were reclassified as deferred outflows of resources.	(102)
Change in compensated absences liability.	(28)
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net position.	<u>\$ 7,656</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Technology Fund
For the Fiscal Year Ended June 30, 2016
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2015-restated	\$ 200	\$ 200	\$ 617	\$ 417
RESOURCES (INFLOWS):				
Self-insurance premiums	9,887	9,887	9,954	67
Miscellaneous	3	3	4	1
Investments	-	-	6	6
Proceeds from equipment disposal	-	-	5	5
Total revenues	<u>9,890</u>	<u>9,890</u>	<u>9,969</u>	<u>79</u>
Amounts available for appropriation	<u>10,090</u>	<u>10,090</u>	<u>10,586</u>	<u>496</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General Administration	9,644	9,644	6,861	2,783
Capital outlay	242	242	351	(109)
Total charges to appropriations	<u>9,886</u>	<u>9,886</u>	<u>7,212</u>	<u>2,674</u>
Budgetary fund balance, June 30, 2016	<u>\$ 204</u>	<u>\$ 204</u>	<u>\$ 3,374</u>	<u>\$ 3,170</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.	\$ 10,586
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource, but is not a current year revenue for financial reporting purposes.	-
Beginning fund balance restated	(617)
Total revenues as reported in the combining statement of revenues, expenses, and changes in fund net position.	<u>\$ 9,969</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 7,212
Differences - budget to GAAP:	
Capital outlay expenditure.	(351)
Amortization and depreciation expense.	224
Pension contributions that were reclassified as deferred outflows of resources.	(124)
Change in compensated absences liability.	338
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net position.	<u>\$ 7,299</u>



City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

This page left blank intentionally.

Federal Financial Data Schedule (PHA: AZ003)

For the Fiscal Year Ended June 30, 2016

(rounded to nearest dollar)

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

Balance Sheet					
Line Item No.	Account Description	Project Total	Housing Choice Vouchers	Eliminations	Total
ASSETS:					
Current assets:					
Cash:					
111	Cash - unrestricted	\$ 1,090,302	\$ 1,141,212	\$ -	\$ 2,231,514
112	Cash - restricted - modernization and development	-	-	-	-
113	Cash - other restricted	-	139,277	-	139,277
114	Cash - tenant security deposits	44,558	-	-	44,558
115	Cash - restricted for payment of current liability	-	-	-	-
100	Total cash	<u>1,134,860</u>	<u>1,280,489</u>	<u>-</u>	<u>2,415,349</u>
Accounts receivables:					
121	Accounts receivable - PHA projects	-	-	-	-
122	Accounts receivable - HUD other projects	46,501	-	-	46,501
124	Accounts receivable - other government	-	-	-	-
125	Accounts receivable - miscellaneous	-	-	-	-
126	Accounts receivable - tenants	283	-	-	283
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>46,784</u>	<u>-</u>	<u>-</u>	<u>46,784</u>
Current investments:					
131	Investments - unrestricted	-	-	-	-
132	Investments - restricted	-	-	-	-
135	Investments - restricted for payment of current liability	-	-	-	-
142	Prepaid expenses and other assets	-	-	-	-
143	Inventories	19,178	-	-	19,178
143.1	Allowance for obsolete inventories	(959)	-	-	(959)
144	Inter program - due from	-	-	-	-
145	Assets held for sale	-	-	-	-
150	Total current assets	<u>1,199,863</u>	<u>1,280,489</u>	<u>-</u>	<u>2,480,352</u>
Non-current assets:					
Capital assets:					
161	Land	135,533	-	-	135,533
162	Buildings	10,578,489	149,998	-	10,728,487
163	Furniture, equipment & machinery - dwellings	542,596	-	-	542,596
164	Furniture, equipment & machinery - administration	196,482	102,908	-	299,390
165	Leasehold improvements	2,271,173	-	-	2,271,173
166	Accumulated depreciation	(9,715,214)	(174,751)	-	(9,889,965)
167	Construction in progress	443,560	-	-	443,560
168	Infrastructure	-	-	-	-
160	Total capital assets, net of accumulated depreciation	<u>4,452,619</u>	<u>78,155</u>	<u>-</u>	<u>4,530,774</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>4,452,619</u>	<u>78,155</u>	<u>-</u>	<u>4,530,774</u>
190	Total assets	<u>5,652,482</u>	<u>1,358,644</u>	<u>-</u>	<u>7,011,126</u>
200	Deferred outflow of resources	72,282	88,345	-	160,627
290	Total assets and deferred outflow of resources	<u>\$ 5,724,764</u>	<u>\$ 1,446,989</u>	<u>\$ -</u>	<u>\$ 7,171,753</u>

(continued)

(continued)

Balance Sheet					
Line Item No.	Account Description	Project Total	Housing Choice Vouchers	Eliminations	Total
LIABILITIES AND EQUITY-NET ASSETS/POSITION:					
LIABILITIES:					
Current liabilities:					
311	Bank Overdraft	\$ -	\$ -	\$ -	\$ -
312	Accounts payable <= 90 days	33,849	12,003	-	45,852
313	Accounts payable > 90 days past due	-	-	-	-
321	Accrued wage/payroll taxes payable	-	-	-	-
322	Accrued compensated absences - current portion	9,548	11,643	-	21,191
324	Accrued contingency liability	-	-	-	-
325	Accrued interest payable	-	-	-	-
331	Accounts payable - HUD PHA Programs	-	-	-	-
332	Accounts payable - PHA projects	-	37,859	-	37,859
333	Accounts payable - other government	-	-	-	-
341	Tenant security deposits	44,558	-	-	44,558
342	Unearned revenues	8,125	-	-	8,125
343	Total Current portion of L/T debt - capital projects/mortgage revenue	-	-	-	-
344	Current portion of L/T debt - operating borrowings	-	-	-	-
345	Other current liabilities	-	-	-	-
346	Accrued liabilities - other	-	-	-	-
347	Inter program - due to	-	-	-	-
348	Loan liability - current	-	-	-	-
310	Total current liabilities	<u>96,080</u>	<u>61,505</u>	<u>-</u>	<u>157,585</u>
Noncurrent liabilities:					
351	Long-term debt, net of current - capital projects/mortgage revenue	-	-	-	-
352	Long-term debt, net of current - operating borrowings	-	-	-	-
353	Noncurrent liabilities - other	-	36,557	-	36,557
354	Accrued compensated absences - noncurrent	85,930	104,790	-	190,720
355	Loan liability - noncurrent	-	-	-	-
356	FASB 5 liabilities	-	-	-	-
357	Accrued pension and OPEB liabilities	1,071,317	1,309,387	-	2,380,704
350	Total noncurrent liabilities	<u>1,157,247</u>	<u>1,450,734</u>	<u>-</u>	<u>2,607,981</u>
300	Total liabilities	<u>1,253,327</u>	<u>1,512,239</u>	<u>-</u>	<u>2,765,566</u>
400	Deferred inflow of resources	100,901	123,323	-	224,224
EQUITY - NET ASSETS/POSITION:					
508.4	Net investment in capital assets	4,452,619	78,155	-	4,530,774
511.4	Restricted net position	-	102,720	-	102,720
512.4	Unrestricted net position	(82,083)	(369,448)	-	(451,531)
513	Total equity - net assets/position	<u>4,370,536</u>	<u>(188,573)</u>	<u>-</u>	<u>4,181,963</u>
600	Total liabilities, deferred inflow of resources and equity - net assets/position	<u>\$ 5,724,764</u>	<u>\$ 1,446,989</u>	<u>\$ -</u>	<u>\$ 7,171,753</u>

(continued)

(continued)

Income Statement					
Line Item No.	Account Description	Project Total	Housing Choice Vouchers	Eliminations	Total
REVENUE:					
70300	Net tenant rental revenue	\$ 319,933	\$ -	\$ -	\$ 319,933
70400	Tenant revenue - other	14,666	-	-	14,666
70500	Total tenant revenue	<u>334,599</u>	<u>-</u>	<u>-</u>	<u>334,599</u>
70600	HUD PHA operating grants	597,432	8,679,717	-	9,277,149
70610	Capital grants	299,970	-	-	299,970
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>
70800	Other government grants	-	-	-	-
71100	Investment income - unrestricted	699	755	-	1,454
71200	Mortgage interest income	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-
71310	Cost of sale of assets	-	-	-	-
71400	Fraud recovery	900	17,226	-	18,126
71500	Other revenue	28,502	2,598,862	-	2,627,364
71600	Gain or loss on sale of capital assets	-	-	-	-
72000	Investment income - restricted	-	-	-	-
70000	Total revenue	<u>\$ 1,262,102</u>	<u>\$ 11,296,560</u>	<u>\$ -</u>	<u>\$ 12,558,662</u>

(continued)

(continued)

Income Statement					
Line Item No.	Account Description	Project Total	Housing Choice Vouchers	Eliminations	Total
EXPENSES:					
91100	Administrative salaries	\$ 284,540	\$ 524,408	\$ -	\$ 808,948
91200	Auditing fees	-	-	-	-
91300	Management fee	-	-	-	-
91310	Bookkeeping fee	-	-	-	-
91400	Advertising and marketing	-	-	-	-
91500	Employee benefit contributions - administrative	69,093	212,405	-	281,498
91600	Office expenses	41,904	46,120	-	88,024
91700	Legal expense	150	750	-	900
91800	Travel	63	-	-	63
91810	Allocated overhead	-	-	-	-
91900	Other	21,434	31,901	-	53,335
91000	Total operating - administrative	<u>417,184</u>	<u>815,584</u>	<u>-</u>	<u>1,232,768</u>
92000	Asset management fee	-	-	-	-
92100	Tenant services - salaries	-	-	-	-
92200	Relocation costs	-	-	-	-
92300	Employee benefit contributions - tenant services	-	-	-	-
92400	Tenant services - other	7,879	-	-	7,879
92500	Total Tenant services	<u>7,879</u>	<u>-</u>	<u>-</u>	<u>7,879</u>
93100	Water	58,655	-	-	58,655
93200	Electricity	23,742	-	-	23,742
93300	Gas	3,814	-	-	3,814
93400	Fuel	-	-	-	-
93500	Labor	-	-	-	-
93600	Sewer	29,881	-	-	29,881
93700	Employee benefit contributions - utilities	-	-	-	-
93800	Other utilities expense	-	-	-	-
93000	Total utilities	<u>116,092</u>	<u>-</u>	<u>-</u>	<u>116,092</u>
94100	Ordinary maintenance and operations - labor	226,582	-	-	226,582
94200	Ordinary maintenance and operations - materials & other	90,990	10,389	-	101,379
94300	Ordinary maintenance and operations - contract costs	179,161	-	-	179,161
94500	Employee benefit contributions - ordinary maintenance	65,807	-	-	65,807
94000	Total maintenance	<u>\$ 562,540</u>	<u>\$ 10,389</u>	<u>\$ -</u>	<u>\$ 572,929</u>

(continued)

(continued)

Income Statement					
Line Item No.	Account Description	Project Total	Housing Choice Vouchers	Eliminations	Total
95100	Protective services - labor	\$ -	\$ -	\$ -	\$ -
95200	Protective services - other contract costs	-	-	-	-
95300	Protective services - other	-	-	-	-
95500	Employee benefit contributions - protective services	-	-	-	-
95000	Total protective services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
96110	Property insurance	12,221	8,147	-	20,368
96120	Liability insurance	-	-	-	-
96130	Workmen's compensation	3,917	2,611	-	6,528
96140	All other insurance	-	-	-	-
96100	Total insurance premiums	<u>16,138</u>	<u>10,758</u>	<u>-</u>	<u>26,896</u>
96200	Other general expenses	-	11,921	-	11,921
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	<u>-</u>	<u>11,921</u>	<u>-</u>	<u>11,921</u>
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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
96900	Total operating expenses	<u>1,119,833</u>	<u>848,652</u>	<u>-</u>	<u>1,968,485</u>
97000	Excess of operating revenue over operating expenses	142,269	10,447,908	-	10,590,177
97100	Extraordinary maintenance	4,999	-	-	4,999
97200	Casualty losses - non-capitalized	-	-	-	-
97300	Housing assistance payments	-	7,920,761	-	7,920,761
97350	HAP Portability-in	-	2,417,230	-	2,417,230
97400	Depreciation expense	447,405	4,061	-	451,466
97500	Fraud losses	-	-	-	-
97600	Capital outlays - governmental funds	-	-	-	-
97700	Debt principal payment - governmental funds	-	-	-	-
97800	Dwelling units rent expense	-	-	-	-
90000	Total expenses	<u>\$ 1,572,237</u>	<u>\$ 11,190,704</u>	<u>\$ -</u>	<u>\$ 12,762,941</u>

(continued)

Income Statement					
Line Item No.	Account Description	Project Total	Housing Choice Vouchers	Eliminations	Total
OTHER FINANCING SOURCES (USES)					
10010	Operating transfers in	\$ 14,660	\$ -	\$ (14,660)	\$ -
10020	Operating transfers out	(14,660)	-	14,660	-
10030	Operating transfers from/to primary government	310,490	-	-	310,490
10040	Operating transfers from/to component unit	-	-	-	-
10050	Proceeds from notes, loans and bonds	-	-	-	-
10060	Proceeds from property sales	-	-	-	-
10070	Extraordinary items, net gain/loss	-	-	-	-
10080	Special items, net gain/loss	-	-	-	-
10091	Inter project excess cash transfer in	-	-	-	-
10092	Inter project excess cash transfer out	-	-	-	-
10093	Transfers between program and project - in	-	-	-	-
10094	Transfers between program and project - out	-	-	-	-
10100	Total other financing sources (uses)	<u>310,490</u>	<u>-</u>	<u>-</u>	<u>310,490</u>
10000	Excess (deficiency) of total revenues over (under) total expenses	<u>\$ 355</u>	<u>\$ 105,856</u>	<u>\$ -</u>	<u>\$ 106,211</u>
MEMO ACCOUNT INFORMATION					
11020	Required annual debt principal payments	\$ -	\$ -	\$ -	\$ -
11030	Beginning equity	4,320,275	(355,426)	-	3,964,849
11040	Prior period adjustments, equity transfers & correction of errors	49,906	60,997	-	110,903
11050	Changes in compensated absence balance	-	-	-	-
11060	Changes in contingent liability balance	-	-	-	-
11070	Changes in unrecognized pension transition liability	-	-	-	-
11080	Changes in special term/severance benefits liability	-	-	-	-
11090	Changes in allowance for doubtful accounts - dwelling rents	-	-	-	-
11100	Changes in allowance for doubtful accounts - other	-	-	-	-
11170	Administrative fee equity	-	(291,293)	-	(291,293)
11180	Housing assistance payments equity	-	102,720	-	102,720
11190	Unit months available	1,728	12,738	-	14,466
11210	Unit months leased	1,694	12,575	-	14,269
11270	Excess cash	994,082	-	-	994,082
11610	Land purchases	-	-	-	-
11620	Building purchases	285,380	-	-	285,380
11630	Furniture & equipment - dwelling purchases	5,821	-	-	5,821
11640	Furniture & equipment - administrative purchases	8,069	-	-	8,069
11650	Leasehold improvements purchases	700	-	-	700
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, 2016

This page left blank intentionally.

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.	162-169
Revenue Capacity These schedules contain information to help the reader assess the city’s local revenue source, the property tax and sales tax.	170-175
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.	176-183
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.	184-186
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.	187-191

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Government activities				
Net investment in				
capital assets	\$ 456,001	\$ 456,897	\$ 448,083	\$ 438,366
Restricted	163,592	168,714	161,027	186,106
Unrestricted	<u>(239,670)</u>	<u>(240,749)</u>	<u>(277,093)</u>	<u>(59,797)</u>
Total governmental activities				
net position	<u>379,923</u>	<u>384,862</u>	<u>332,017</u>	<u>564,675</u>
Business-type activities				
Net investment in				
capital assets	256,488	253,134	256,164	251,765
Restricted	21,576	24,090	22,300	12,264
Unrestricted	<u>96,300</u>	<u>92,357</u>	<u>123,699</u>	<u>161,999</u>
Total business-type activities				
net position	<u>374,364</u>	<u>369,581</u>	<u>402,163</u>	<u>426,028</u>
Primary government				
Net investment in				
capital assets	712,489	710,031	704,247	690,131
Restricted	185,168	192,804	183,327	198,370
Unrestricted	<u>(143,370)</u>	<u>(148,392)</u>	<u>(153,394)</u>	<u>102,202</u>
Total primary government				
net position	<u>\$ 754,287</u>	<u>\$ 754,443</u>	<u>\$ 734,180</u>	<u>\$ 990,703</u>

Schedule 1

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 460,639	\$ 463,961	\$ 457,773	\$ 471,484	\$ 499,322	\$ 446,828
183,829	204,645	176,400	144,422	133,695	180,303
<u>(73,375)</u>	<u>(22,532)</u>	<u>11,684</u>	<u>51,500</u>	<u>51,850</u>	<u>44,573</u>
<u>571,093</u>	<u>646,074</u>	<u>645,857</u>	<u>667,406</u>	<u>684,867</u>	<u>671,704</u>
262,554	271,708	271,969	286,452	297,329	249,569
12,921	29,988	13,988	13,249	12,836	11,881
<u>139,934</u>	<u>112,323</u>	<u>124,550</u>	<u>114,814</u>	<u>107,384</u>	<u>155,325</u>
<u>415,409</u>	<u>414,019</u>	<u>410,507</u>	<u>414,515</u>	<u>417,549</u>	<u>416,775</u>
723,193	735,669	729,742	757,936	796,651	696,397
196,750	234,633	190,388	157,671	146,531	192,184
<u>66,559</u>	<u>89,791</u>	<u>136,234</u>	<u>166,314</u>	<u>159,234</u>	<u>199,898</u>
<u>\$ 986,502</u>	<u>\$ 1,060,093</u>	<u>\$ 1,056,364</u>	<u>\$ 1,081,921</u>	<u>\$ 1,102,416</u>	<u>\$ 1,088,479</u>

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

Schedule 2

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenses										
Governmental activities:										
General government	\$ 64,228	\$ 60,490	\$ 73,637	\$ 37,447	\$ 35,962	\$ 46,233	\$ 42,530	\$ 39,545	\$ 39,998	\$ 37,992
Public safety	132,498	127,870	116,070	115,694	112,689	111,217	108,308	109,136	113,285	92,405
Public works	24,859	21,482	20,524	19,230	18,435	20,099	16,627	15,040	16,006	14,816
Community services	32,796	31,311	30,796	33,831	39,478	41,136	44,524	48,143	52,185	45,481
Community environment	4,262	4,980	5,895	5,655	6,828	7,061	6,316	3,539	5,164	4,698
Street maintenance	21,219	19,180	25,207	20,000	20,045	21,721	23,058	23,978	26,175	24,906
Other	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	27,932	32,106	34,808	42,413	41,913	41,967	42,286	38,982	28,475	23,551
Total governmental activities expenses	<u>307,794</u>	<u>297,419</u>	<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>
Business-type activities:										
Water and sewer	80,375	74,807	77,243	73,460	78,917	79,444	81,910	74,424	74,581	63,289
Landfill	9,049	7,727	7,554	7,486	7,602	7,280	8,454	8,045	8,067	8,264
Sanitation	15,016	15,059	14,471	16,122	15,437	14,814	14,093	14,039	15,209	13,847
Housing	12,730	13,159	13,088	14,037	14,827	14,687	14,180	11,840	9,862	8,951
Total business-type activities expenses	<u>117,170</u>	<u>110,752</u>	<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>
Total primary government expenses	<u>\$ 424,964</u>	<u>\$ 408,171</u>	<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>
Program revenues										
Governmental activities:										
Charges for services:										
General government	\$ 16,381	\$ 18,498	\$ 17,666	\$ 12,520	\$ 12,334	\$ 24,822	\$ 14,232	\$ 11,879	\$ 12,132	\$ 11,610
Public safety	6,148	6,084	6,369	5,778	5,624	5,094	5,824	4,670	5,744	1,964
Public works	650	631	1,126	1,149	512	495	7,447	588	543	531
Community services	9,649	11,704	10,486	11,003	17,910	11,733	11,918	15,661	22,859	22,285
Community environment	305	309	-	-	-	-	-	3,045	-	-
Street maintenance	193	25	-	-	-	-	2	36	-	48
Operating grants and contributions	26,225	25,665	25,168	25,156	27,636	27,137	29,596	24,146	33,191	36,566
Capital grants and contributions	6,603	11,403	10,748	7,904	5,274	70,552	3,755	2,600	14,491	26,247
Total governmental activities program revenues	<u>66,154</u>	<u>74,319</u>	<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>

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Business-type activities:										
Charges for services:										
Water and sewer	81,829	78,541	81,065	81,963	82,730	80,513	76,603	67,810	66,316	62,125
Landfill	9,858	9,757	8,646	7,994	7,185	8,027	6,987	7,304	9,196	9,742
Sanitation	15,181	14,944	14,836	14,791	14,562	14,733	15,048	15,258	14,684	14,653
Housing	2,980	3,265	3,504	4,137	4,886	4,829	4,870	2,042	816	662
Operating grants and contributions	9,809	8,855	9,357	9,376	9,423	9,342	9,331	8,701	8,348	8,254
Capital grants and contributions	815	2,562	2,423	831	705	1,155	690	1,207	4,346	5,125
Total business-type activities program revenues	120,472	117,924	119,831	119,092	119,491	118,599	113,529	102,322	103,706	100,561
Total primary government program revenues	186,626	192,243	191,394	182,602	188,781	258,432	186,303	164,947	192,666	199,812
Net (expense)/revenue										
Governmental activities	(241,640)	(223,100)	(235,374)	(210,760)	(206,060)	(149,601)	(210,875)	(215,738)	(192,328)	(144,598)
Business-type activities	3,302	7,172	7,475	7,987	2,708	2,374	(5,108)	(6,026)	(4,013)	6,210
Total primary government net expense	<u>\$ (238,338)</u>	<u>\$ (215,928)</u>	<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>
General revenues and other changes in net position										
Governmental activities:										
Taxes:										
Property taxes	\$ 24,531	\$ 23,881	\$ 23,577	\$ 21,372	\$ 20,232	\$ 27,189	\$ 33,749	\$ 32,890	\$ 28,826	\$ 23,085
Sales taxes	150,201	147,175	131,983	132,872	97,451	93,260	92,717	97,054	105,175	97,825
Unrestricted state shared sales tax	21,482	20,695	19,734	18,558	17,716	18,438	17,786	19,321	22,237	23,037
Unrestricted urban revenue sharing (state shared income tax)	27,297	27,446	25,271	23,159	19,135	23,590	31,292	36,267	34,109	27,518
Auto in-lieu taxes	9,351	8,664	8,086	7,586	7,277	7,917	8,130	8,808	9,730	10,044
Investment earnings, unrestricted	1,225	1,070	726	716	975	1,482	286	1,668	4,742	5,557
Gain (loss) on disposal of capital assets	-	(688)	78	353	56	(677)	330	(52)	879	202
Miscellaneous	3,417	520	687	367	489	3,936	5,406	2,872	302	301
Capital contributions	-	-	-	-	-	-	-	-	-	-
Transfers	(803)	39,198	(64)	(641)	(307)	(317)	(370)	(551)	(509)	(364)
Special item	-	-	-	-	(25,000)	(25,000)	-	-	-	-
Total governmental activities	236,701	267,961	210,078	204,342	138,024	149,818	189,326	198,277	205,491	187,205
Business-type activities:										
Investment earnings, unrestricted	614	643	463	1,878	1,126	614	460	2,069	4,044	5,381
Gain (loss) on disposal of capital assets	-	127	167	43	(40)	137	187	282	126	103
Loss on joint venture	-	(3,329)	-	-	-	-	-	-	-	-
Miscellaneous	63	86	67	70	72	70	83	90	108	140
Transfers	803	(39,198)	64	641	307	317	370	551	509	364
Total business-type activities	1,480	(41,671)	761	2,632	1,465	1,138	1,100	2,992	4,787	5,988
Total primary government	<u>\$ 238,181</u>	<u>\$ 226,290</u>	<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>
Changes in net position										
Governmental activities	\$ (4,939)	\$ 44,861	\$ (25,296)	\$ (6,418)	\$ (68,036)	\$ 217	\$ (21,549)	\$ (17,461)	\$ 13,163	\$ 42,607
Business-type activities	4,782	(34,499)	8,236	10,619	4,173	3,512	(4,008)	(3,034)	774	12,198
Total primary government	<u>\$ (157)</u>	<u>\$ 10,362</u>	<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>

This page left blank intentionally.

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

Schedule 3

	2016 ⁽¹⁾	2015 ⁽¹⁾	2014 ⁽¹⁾	2013 ⁽¹⁾	2012 ⁽¹⁾	2011 ⁽¹⁾	2010	2009	2008	2007
General fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,383	\$ 10,450	\$ 9,271	\$ 10,500
Unreserved	-	-	-	-	-	-	29,463	42,180	57,117	50,880
Total general fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,846</u>	<u>\$ 52,630</u>	<u>\$ 66,388</u>	<u>\$ 61,380</u>
General fund										
Nonspendable	\$ 2,940	\$ 216	\$ 600	\$ 650	\$ 197	\$ 463	\$ -	\$ -	\$ -	\$ -
Restricted	8,495	10,313	688	311	368	5,403	-	-	-	-
Committed	-	1,114	1,554	1,676	2,351	1,965	-	-	-	-
Assigned	12,483	8,563	-	-	-	9,253	-	-	-	-
Unassigned	35,226	26,033	(4,835)	(14,438)	(29,565)	(5,414)	-	-	-	-
Total general fund	<u>\$ 59,144</u>	<u>\$ 46,239</u>	<u>\$ (1,993)</u>	<u>\$ (11,801)</u>	<u>\$ (26,649)</u>	<u>\$ 11,670</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
All other governmental funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,055	\$ 83,966	\$ 58,146	\$ 45,029
Unreserved, report in:	-	-	-	-	-	-	-	-	-	-
Special revenue funds	-	-	-	-	-	-	50,478	57,555	76,493	34,369
Capital projects funds	-	-	-	-	-	-	41,046	27,474	18,436	68,932
Total all other governmental funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 167,579</u>	<u>\$ 168,995</u>	<u>\$ 153,075</u>	<u>\$ 148,330</u>
All other governmental funds										
Nonspendable	\$ 5,818	\$ 5,768	\$ 5,801	\$ 5,774	\$ 5,829	\$ 5,822	\$ -	\$ -	\$ -	\$ -
Restricted	97,170	99,970	102,241	103,772	117,964	129,635	-	-	-	-
Committed	1,273	-	123	115	129	11,464	-	-	-	-
Assigned	319	1,945	202	144	82	199	-	-	-	-
Total all other governmental funds	<u>\$ 104,580</u>	<u>\$ 107,683</u>	<u>\$ 108,367</u>	<u>\$ 109,805</u>	<u>\$ 124,004</u>	<u>\$ 147,120</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<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

	2016	2015	2013	2013	2011	2011	2010	2009	2008	2007
Revenues										
Taxes and special assessments	\$ 176,489	\$ 170,605	\$ 159,328	\$ 149,705	\$ 118,218	\$ 120,974	\$ 126,291	\$ 130,119	\$ 133,746	\$ 121,122
Licenses and permits	11,951	10,610	11,522	10,373	10,798	9,367	9,734	10,503	17,385	17,839
Intergovernmental	86,273	87,112	81,364	76,520	73,009	79,760	90,047	91,642	101,821	107,699
Local revenues	17	525	18	36	-	-	-	-	-	-
Charges for services	12,613	17,685	14,781	11,896	11,487	10,461	13,640	9,881	14,125	10,086
Fines and forfeitures	3,857	3,556	3,735	3,469	3,374	3,806	4,052	4,064	4,507	3,932
Investment income (loss)	1,517	1,258	900	762	1,180	1,841	774	3,805	9,986	10,905
Miscellaneous	6,850	5,662	4,500	3,822	11,700	22,054	18,000	9,346	4,915	4,212
Total revenues	299,567	297,013	276,148	256,583	229,766	248,263	262,538	259,360	286,485	275,795
Expenditures										
General government	34,671	33,494	29,666	16,065	18,147	19,668	23,085	26,048	25,364	24,524
Public safety	126,498	114,143	108,397	103,610	100,368	95,270	96,161	103,624	100,384	86,753
Public works	9,429	8,673	7,463	7,859	7,709	8,859	11,569	11,072	11,743	12,155
Community services	28,461	26,379	25,536	27,966	33,597	33,887	37,518	42,294	44,767	39,150
Community environment	4,285	4,977	5,826	5,554	6,703	6,853	6,160	3,478	4,972	4,657
Street maintenance	10,260	7,951	8,352	8,305	8,311	9,038	10,388	11,901	13,045	13,372
Miscellaneous	27	5,791	2,323	4,617	1,782	1,577	2,026	1,666	1,629	3,059
Capital outlay	59,189	20,949	14,662	13,980	19,634	22,093	63,529	186,175	141,060	179,421
Debt service:										
Principal	35,650	37,251	30,043	26,441	24,947	31,640	29,451	29,670	32,151	28,096
Interest	30,382	32,870	35,628	43,038	42,515	42,593	42,913	39,571	32,294	20,630
Total expenditures	338,852	292,478	267,896	257,435	263,713	271,478	322,800	455,499	407,409	411,817
Excess of revenues over (under) expenditures	(39,285)	4,535	8,252	(852)	(33,947)	(23,215)	(60,262)	(196,139)	(120,924)	(136,022)

	2016	2015	2013	2013	2011	2011	2010	2009	2008	2007
Other financing sources (uses)										
Refunding lease issued	-	-	-	-	-	11,503	-	-	-	-
Discount on long-term debt	-	-	-	(1,557)	-	-	-	(3,136)	-	-
Long-term debt issued	27,285	-	-	-	8,665	38,300	41,650	199,750	109,986	133,327
Refunding bonds issued	33,830	209,255	-	239,875	-	-	-	-	93,815	-
Payment to redeem lease	-	-	-	-	-	(11,355)	-	-	-	-
Premium on long-term debt issued	4,948	35,751	-	19,779	898	3,369	10	1,894	2,192	1,198
Proceeds from equipment disposal	329	2,650	174	589	546	331	482	344	8,714	850
Capital lease proceeds	6,615	-	8	-	-	-	44	-	-	668
Proceeds from loans	7,353									
Payment to redeem/refunded bonds escrow agent	(30,470)	(131,966)	-	(256,054)	(9,320)	(41,251)	-	-	(83,521)	-
Current bond refunding principal	-	(110,145)	-	-	-	-	-	-	-	-
Current bond refunding interest	-	(1,022)	-	-	-	-	-	-	-	-
Transfers in	84,460	240,694	48,704	52,136	32,977	38,728	36,306	21,914	51,626	24,945
Transfers out	(85,263)	(201,496)	(48,768)	(53,267)	(33,919)	(39,045)	(33,430)	(22,465)	(52,135)	(25,309)
Special item	-	-	-	-	(25,000)	(25,000)	-	-	-	-
Total other financing sources (uses)	<u>49,087</u>	<u>43,721</u>	<u>118</u>	<u>1,501</u>	<u>(25,153)</u>	<u>(10,923)</u>	<u>45,062</u>	<u>198,301</u>	<u>130,677</u>	<u>135,679</u>
Net change in fund balances	<u>\$ 9,802</u>	<u>\$ 48,256</u>	<u>\$ 8,370</u>	<u>\$ 649</u>	<u>\$ (59,100)</u>	<u>\$ (34,138)</u>	<u>\$ (15,200)</u>	<u>\$ 2,162</u>	<u>\$ 9,753</u>	<u>\$ (343)</u>
Debt service as a percentage of noncapital expenditures	23.61%	25.82%	25.93%	28.54%	27.64%	29.77%	27.91%	25.71%	24.20%	20.97%

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					
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
2014-15	379,087	1,451,325	40,191	55,687	518,191	1,408,099	2.15	12,452,875	15.469
2015-16	403,055	1,546,186	40,431	59,918	529,361	1,520,229	2.20	13,046,428	15.708

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

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

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
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
2014-15	0.49	1.66	2.15	23.58	19.64	18.85
2015-16	0.49	1.71	2.20	22.54	20.66	18.86

Source: Maricopa County 2015 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, 2016
 (amounts expressed in thousands)

Schedule 7

Taxpayer	Tax Year 2016			Tax Year 2006		
	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	\$ 17,464	1.15 %	1	\$ 15,546	1.22 %
New Westgate LLC	2	16,546	1.09			
VHS of Arrowhead, Inc.	3	12,966	0.85	7	4,250	0.33
Arrowhead Towne Center LLC	4	10,492	0.69			
Wal-Mart Stores, Inc.	5	8,434	0.55	3	10,526	0.83
American Furniture Warehouse	6	7,738	0.51			
Outlets At Westgate LLC	7	7,261	0.48			
Centurylink (Qwest Corporation)	8	6,405	0.42	2	15,022	1.18
JQH-Glendale Az Development LLC	9	5,220	0.34			
Lexington Glendale LLC	10	5,109	0.34			
New River Associates				4	8,925	0.70
Southwest Gas Corporation				5	6,217	0.49
Toys DC South LLC				6	5,779	0.46
51 Bell Limited Partnership				8	4,000	0.32
Burlington/Santa Fe Railroad				9	3,690	0.29
5353 Bell Road LLC				10	3,668	0.29
Total principal taxpayers		\$ 97,635	6.42 %		\$ 77,623	6.11 %

Source: Maricopa County Treasurer's Office

Notes: The Salt River Project Agriculture Improvement and Power District assessed valuation is not reflected in the total assessed valuation of the City of Glendale. The Project is subject to "voluntary contribution" in lieu of ad valorem taxation. The percentage of Total City Taxable Assessed Value is based on the Net Assessed Value.

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
2006-07	23,423	22,721	97.00	399	23,120	98.71 %
2007-08	28,728	27,823	96.85	546	28,369	98.75
2008-09	33,927	32,411	95.53	997	33,408	98.47
2009-10	33,617	32,260	95.96	533	32,793	97.55
2010-11	27,534	26,469	96.13	62	26,531	96.36
2011-12	20,787	20,090	96.65	63	20,194	97.15
2012-13	21,841	21,268	97.38	(13)	21,255	97.32
2013-14	23,943	23,490	98.11	144	23,634	98.71
2014-15	24,429	23,729	97.13	285	24,014	98.30
2015-16	24,850	24,255	97.61	-	24,255	97.61

Source: Maricopa County Treasurer's Office

(1) Total levy includes only secured property.

(2) Includes collections and resolutions.

This page left blank intentionally.

City Transaction Privilege Taxes (Sales Tax) by Category

Last Ten Fiscal Years

(amounts expressed in thousands)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Retail sales	\$ 84,710	\$ 79,062	\$ 73,924	\$ 67,157	\$ 49,686	\$ 48,089	\$ 49,127	\$ 48,353	\$ 54,416	\$ 50,733
Contracting	4,810	6,457	7,948	5,724	5,170	6,742	4,458	6,378	9,540	10,483
Rentals	16,581	16,146	14,502	14,182	11,550	11,854	12,729	11,511	12,082	9,895
Utilities	8,544	8,678	8,732	8,028	6,393	6,449	6,829	6,449	5,359	4,724
Telecom/cable TV	4,244	4,773	5,072	5,540	5,144	6,093	6,156	6,722	6,174	5,914
Restaurant/bar	18,767	17,651	15,842	14,284	11,975	11,207	10,791	10,863	10,995	9,335
Amusement	4,176	5,673	2,110	2,154	2,896	1,860	3,697	3,659	3,034	3,288
Other	8,802	6,686	5,808	5,917	3,816	5,568	4,018	4,002	3,575	3,453
Total	\$ 150,634	\$ 145,126	\$ 133,938	\$ 122,986	\$ 96,630	\$ 97,862	\$ 97,805	\$ 97,937	\$ 105,175	\$ 97,825
% Growth by year										
Retail sales	7.1 %	7.0 %	10.1 %	35.2 %	3.3 %	(2.0) %	1.6 %	(11.1) %	7.3 %	4.1 %
Contracting	(25.5)	(18.8)	38.9	10.7	(23.3)	51.0	(30.1)	(33.1)	(9.0)	7.8
Rentals	2.7	11.3	2.3	22.8	(2.6)	(7.0)	10.6	(4.7)	22.1	11.2
Utilities	(1.5)	(0.6)	8.8	25.6	(0.9)	(6.0)	5.9	20.3	13.4	13.3
Telecom/cable TV	(11.1)	(5.9)	(8.4)	7.7	(15.6)	(1.0)	(8.4)	8.9	4.4	11.6
Restaurant/bar	6.3	11.4	10.9	19.3	6.9	4.0	(0.7)	(1.2)	17.8	14.4
Amusement	(26.4)	168.9	(2.0)	(25.6)	55.7	(50.0)	1.0	20.6	(7.7)	70.0
Other	31.6	15.1	(1.8)	55.1	(31.5)	39.0	0.4	11.9	3.5	(14.5)
Total	3.8 %	8.4 %	8.9 %	27.3 %	(1.3) %	0.1 %	(0.1) %	(6.9) %	7.5 %	7.5 %

Source: City of Glendale Tax and License Division

Note: The 2012 and prior years tax rate for City activities is 2.2% except for telecommunications which is 5.4%, restaurant bars 3.2%, hotel/motel 5.6%, and retail sales food for home consumption 1.8%. The 2013 and later years tax rate for City activities is 2.9% except for telecommunications which is 6.1%, restaurant/bars 3.9%, hotel/motel 7.9%, retail sales food for home consumption 2.5%, and retail sales of individual items over \$5,000 2.2%

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

Ratio of Outstanding Debt by Type⁽¹⁾

Last Ten Fiscal Years

(amounts expressed in thousands)

Fiscal Year	Government Activities					
	General Obligation Bonds	Street and Highway Revenue Bonds	Excise Tax Revenue Bonds	Transportation Bonds	Capital Leases	Notes Payable
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	-
2014-15	133,168 ^{(4) (5)}	1,912 ^{(4) (5)}	477,747 ^{(4) (5)}	91,047 ^{(4) (5)}	57	-
2015-16	141,553 ^{(4) (5)}	- ^{(4) (5)}	475,918 ^{(4) (5)}	87,031 ^{(4) (5)}	6,620	5,515

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			
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	-	282,625	708	-	1,064,620 ⁽¹⁾	4,694	13.27
2012-13	5,515 ⁽⁴⁾	-	273,080	-	-	1,020,889 ⁽¹⁾	4,471	12.21
2013-14	- ⁽⁴⁾	-	267,254 ⁽⁴⁾⁽⁵⁾	-	-	999,610 ⁽⁵⁾	4,327	11.52
2014-15	-	-	260,967 ⁽⁴⁾⁽⁵⁾	-	-	964,898 ⁽⁵⁾	4,141	10.18
2015-16	-	-	249,302 ⁽⁴⁾⁽⁵⁾	-	-	965,939 ⁽⁵⁾	4,255	10.81

(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.

City of Glendale, Arizona
Ratios of Net General Bonded Debt Outstanding
 Last Ten Fiscal Years
 (amounts expressed in thousands)

Schedule 11

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Funds	Total	Percentage of Net Assessed Value of Property	Per Capita ⁽³⁾
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 ⁽²⁾	180,430	10.29	794.09
2011-12	185,495 ^{(1) (4)}	16,765 ⁽²⁾	168,730	14.68	744.22
2012-13	168,645 ^{(1) (4)}	12,641 ⁽²⁾	156,004	14.90	681.22
2013-14	147,810 ⁽⁴⁾	9,310 ⁽²⁾	138,500	12.06	599.28
2014-15	126,305 ⁽⁴⁾	8,270 ⁽²⁾	118,035	10.43 ⁽⁵⁾	507.29
2015-16	135,130 ⁽⁴⁾	4,511 ⁽²⁾	130,619	11.12 ⁽⁵⁾	556.38

Source: Maricopa County - Abstract by tax authority and class
 ADOA Office of Employment and Population Statistics - Population estimates for July 1, 2015

- Note:
- (1) Includes general obligation water and sewer bonds.
 - (2) Includes the general obligation debt service fund balance at June 30.
 - (3) Per capita is in actual dollars. Population estimates per ADOA.
 - (4) Includes the July 1 payment.
 - (5) Based on limited assessed value beginning in FY 2015 instead of secondary full cash value.

City of Glendale, Arizona
Net Direct and Overlapping Governmental Activities Debt
June 30, 2016
(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	\$ 236,725	27.7473 %	\$ 65,685
Glendale Elementary School District No. 40	27,380	141.2802	38,683
Deer Valley Unified School District No. 97	214,410	23.5154	50,419
Alhambra Elementary School District No. 68	-	22.5619	-
Glendale Union High School District No. 205	117,150	29.3460	34,379
Maricopa County	-	3.8900	-
Maricopa County Community College District	534,225	3.8900	20,781
Phoenix Union High School District No. 210	256,230	1.4811	3,795
Pendergast Elementary School District No. 92	25,350	36.7235	9,309
Tolleson Union High School District No. 214	28,600	10.4621	2,992
Washington Elementary School District No. 6	79,200	4.0466	3,205
Dysart Unified School District No. 89	227,738	0.1046	238
Agua Fria Union High School District No. 216	60,520	0.1944	118
Litchfield Elementary School District No. 79	44,425	0.2852	127
Cartwright Elementary School District No. 83	24,140	-	-
Total Overlapping Debt	1,876,093		229,731
City of Glendale Debt ⁽¹⁾	722,576		722,576
Total	\$ 2,598,669		\$ 952,307

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, capital leases, premiums and discounts.
- (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.

Legal Debt Margin Calculation for Fiscal Year 2016

6% Type Bonds										
					Assessed value					\$ 1,174,931
					Debt limit (6% of assessed value)					70,496
					Debt applicable to limit: General obligation bonds					-
					Less: Amount set aside for repayment of general obligation debt					-
					Total net debt applicable to limit					-
					Legal debt margin					<u>\$ 70,496</u>
	2007	2008	2009	2010	2011 ⁽¹⁾	2012 ⁽¹⁾	2013 ⁽¹⁾	2014 ⁽¹⁾	2015 ⁽¹⁾⁽²⁾	2015 ⁽¹⁾⁽²⁾
Debt limit	\$ 82,259	\$ 109,621	\$ 131,621	\$ 127,854	\$ 105,214	\$ 68,971	\$ 62,836	\$ 68,886	\$ 67,877	\$ 70,496
Total net debt applicable to limit	<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>	<u>(165)</u>	<u>-</u>
Legal debt margin	<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>	<u>\$ 68,042</u>	<u>\$ 70,496</u>
Total net debt applicable to the limit as a percentage of debt limit	47.41%	39.55%	24.40%	22.69%	13.69%	16.61%	11.63%	3.51%	-0.24%	0.00%
20% Type Bonds										
					Assessed value					\$ 1,174,931
					Debt limit (20% of assessed value)					234,986
					Debt applicable to limit: General obligation bonds					135,130
					Less: Amount set aside for repayment of general obligation debt					(4,511)
					Total net debt applicable to limit					<u>130,619</u>
					Legal debt margin					<u>\$ 104,367</u>
	2007	2008	2009	2010	2011 ⁽¹⁾	2012 ⁽¹⁾	2013 ⁽¹⁾	2014 ⁽¹⁾	2015 ⁽¹⁾⁽²⁾	2015 ⁽¹⁾⁽²⁾
Debt limit	\$ 274,198	\$ 365,404	\$ 438,735	\$ 426,181	\$ 350,714	\$ 229,905	\$ 209,455	\$ 229,622	\$ 226,257	\$ 234,986
Total net debt applicable to limit	<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>	<u>118,200</u>	<u>130,619</u>
Legal debt margin	<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>	<u>\$ 108,057</u>	<u>\$ 104,367</u>
Total net debt applicable to the limit as a percentage of debt limit	63.00%	41.09%	31.53%	38.44%	47.34%	69.29%	70.99%	59.26%	52.24%	55.59%

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

(2) Based on limited assessed value beginning in FY 2015 instead of secondary full cash value.

This page left blank intentionally.

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

Schedule 14

Fiscal Year	Water and Sewer Revenue Bonds					
	Utility Service Charges ⁽¹⁾	Less: Operating Expenses ⁽²⁾	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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
2014-15	79,325	41,712	37,613	13,170	10,918	1.56
2015-16	83,088	45,431	37,657	9,415	10,719	1.87

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	
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
2014-15	24,690	3,545	3,597	3.46	151,963 ⁽⁷⁾	2,585	21,175	6.40
2015-16	25,566	3,380	3,763	3.58	156,210 ⁽⁷⁾	10,025	20,984	5.04

Source: City of Glendale Finance Department

Notes:

- (1) Operating revenues and nonoperating revenues excluding non-cash contributions, gains and losses.
- (2) Excluding depreciation.
- (3) Principal and interest amounts include debt service on the note payable to the Water Infrastructure Financing Authority of Arizona for the 00-01 loan and the 09-10 loan for fiscal years through 2011-12.
- (4) 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 (FY 2008-09 to 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
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⁾	3,885 ⁽³⁾	156,763,179 ⁽³⁾	40,351	8.6 ⁽⁵⁾
2012-13	231 ⁽⁵⁾	3,934 ⁽³⁾	160,497,824 ⁽³⁾	40,798	7.6 ⁽⁵⁾
2013-14	233 ⁽⁵⁾	3,945 ⁽³⁾	160,497,824 ⁽³⁾	40,684	6.6 ⁽⁵⁾
2014-15	233 ⁽⁵⁾	4,076 ⁽³⁾	160,497,824 ⁽³⁾	39,376	5.6 ⁽⁵⁾
2015-16	227	4,076	160,497,824	39,376	5.6 ⁽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 for the prior fiscal year.
 (6) Maricopa County population extracted from Maricopa County CAFR statistical section.

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

Schedule 16

Employer	2016			2006		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Luke Air Force Base	5,100	1	4.35 %	8,400	1	8.12 %
Banner Thunderbird Health System	3,000	2	2.56	2,036	3	2.00
Arrowhead Towne Center	2,650	3	2.26	2,500	2	2.42
Walmart	2,175	4	1.85			
Glendale Union High School District	1,974	5	1.68	1,862	5	1.81
Glendale Community College	1,948	6	1.66	1,220	8	1.21
City of Glendale	1,633	7	1.39	2,021	4	2.00
Deer Valley Unified School District	1,594	8	1.36	1,432	7	1.38
Glendale Elementary School District	1,400	9	1.19	1,684	6	1.63
Tanger Outlets	1,200	10	1.02			
Schuck and Sons				1,150	9	1.11
Gilbert Engineering				800	10	0.77
Total	22,674		19.32 %	23,105		22.45 %

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									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General government										
Management services	28.00	24.00	31.00	34.00	36.00	45.00	43.00	38.00	35.00	35.00
Finance	53.00	56.00	49.00	54.00	57.00	59.00	61.00	69.00	86.75	86.75
Planning	13.00	11.00	10.00	13.00	14.00	15.00	24.00	33.00	28.50	28.50
Building	22.00	22.00	21.00	21.00	24.00	26.00	32.00	43.00	53.75	51.75
Legal	67.00	69.00	69.00	67.00	66.00	70.00	73.00	70.00	78.00	78.00
Other	68.00	66.00	63.00	73.00	77.00	90.00	96.00	104.00	108.50	105.50
Police	522.00	517.00	534.00	505.00	534.00	544.00	554.00	567.00	557.50	543.50
Fire	262.00	259.00	253.00	260.00	269.00	270.00	276.00	278.00	263.50	251.50
Homeland security	-	-	-	-	-	-	-	6.00	7.00	7.00
Community service	55.00	57.00	48.00	56.00	60.00	72.00	72.00	69.00	93.75	87.25
Parks and recreation	66.00	58.00	59.00	75.00	92.00	123.00	122.00	85.00	99.25	98.75
Library	34.00	31.00	32.00	32.00	48.00	56.00	57.00	65.00	87.76	88.76
Public works	184.00	180.00	173.00	165.00	179.00	203.00	225.00	256.00	281.00	271.00
Engineering	18.00	19.00	17.00	18.00	19.00	26.00	27.00	39.00	45.00	45.00
Transportation	57.00	56.00	57.00	60.00	65.00	69.00	63.00	67.00	89.25	88.25
Utilities	184.00	185.00	176.00	172.00	185.00	167.00	170.00	171.00	186.00	165.00
Total	1,633.00	1,610.00	1,592.00	1,605.00	1,725.00	1,835.00	1,895.00	1,960.00	2,100.51	2,031.51

Sources:

City Budget Division for 2007-08

City of Glendale Human Resources Department for 2009-16

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

Schedule 18

Function/Program	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Police										
Calls for service	190,074	174,535	146,538	127,333	127,829	129,161	129,868	137,586	146,489	154,176
Bookings	8,445	17,871	18,939	8,588	7,083	9,902	11,015	11,990	12,902	12,119
Criminal offense reports	32,732	31,873	31,481	34,995	33,938	27,304	29,765	32,599	32,918	35,169
Fire										
EMS calls	34,518	32,250	30,262	30,082	29,321	27,751	26,591	24,419	25,851	25,819 ⁽¹⁾
Fire calls	3,371	3,467	3,461	3,478	3,495	3,573	3,847	3,900	4,216	4,322 ⁽¹⁾
Water										
Number of billed accounts	61,329	61,117	60,932	60,450	60,109	59,732	59,579	59,079	59,807	60,700
Water produced (millions gallons)	13,864	12,057	13,768	13,667	14,064	13,569	14,284	15,375	14,943	16,231
Sewer										
Number of billed accounts	57,089	59,960	56,791	56,357	55,987	55,609	55,439	56,709	54,936	54,662
Treated influent (millions gallons)	6,229	6,117	6,244	6,065	5,970	5,998	6,405	6,570	6,661	7,227
Refuse collection										
Residential curb service (tons per year)	48,971	48,993	45,942	46,833	48,187	49,784	52,634	53,493	58,865	60,914
Commercial container service (tons per year)	46,086	45,693	41,879	40,272	39,722	40,451	41,797	44,600	48,267	51,425
Airport										
Departures/arrivals ⁽²⁾	78,977	74,217	70,679	76,390	80,416	80,291	69,834	91,998	137,762	152,194
General government										
Building permits	5,488	5,449	4,799	6,383	5,304	5,619	5,194	5,289	6,931	6,310
Library										
Volumes in collection ⁽³⁾	568,653	528,835	408,516	415,695	446,010	529,113	523,512	540,352	546,136	557,342
Transit										
Dial-A-Ride passengers	74,256	77,318	78,271	85,798	90,577	92,134	89,808	91,841	88,638	84,132

Source: Various city departments and FAA ATADS report

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

(1) Fire department figures are on a calendar year.

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

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

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

Schedule 19

Function/Program	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Police										
Stations	3	3	3	3	3	3	3	3	3	3
Patrol vehicles	193	178	176	139	154	174	157	159	158	157
Fire stations	9	9	9	9	9	9	9	9	9	9
General government										
City square miles	60	59	59	59	59	59	59	59	58	57
Water										
Treatment capacity (millions gallons per day)	104.1	104.1	104.1	104.1	104.1	104.1	94.1	94.1	81.6	81.6
Storage capacity (millions gallons)	67	67	67	67	67	67	67	67	62	62
Miles of water mains	994	994	994	994	994	994	994	850	800	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	707	707	700	690	680	670	659	659
Landfill										
Landfill capacity - south cell	24,215	22,429	21,493	21,218	22,065	21,912	21,666	21,666	22,594	22,594
Landfill capacity used - south cell	20,137	19,687	19,220	18,849	19,257	18,444	18,529	18,126	17,776	17,358
Other public works										
Streets (miles)	718	718	718	718	717	802	736	736	736	736
Parks and recreation										
Number of parks/retention basins/facilities	101	100	100	100	100	100	100	99	99	95
Acres of parks	2,192	2,189	2,189	2,189	2,189	2,189	2,189	2,199	2,125	2,125
Transit										
Dial-A-Ride minibuses	20	22	20	21	21	21	22	23	22	22

Source: Various city departments
 Note: Landfill capacity in thousands

WATER RATES PER METER SIZE

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

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

SEWER SERVICE RATES

Type of Service	Inside City	Outside City
Single Family Dwelling Unit	31.89	46.41
Office Building	51.59	N/A
Apartment - Average 5 units	89.28	70.61
Apartment - Average 35 units	554.11	116.06
Retail/Wholesale	61.98	N/A

(1) Per 1,000 gallons

SOURCE: City of Glendale Finance as of May 2016

City of Glendale, Arizona
Miscellaneous Water and Sewer Statistics
 June 30, 2016

HISTORICAL AVERAGE NUMBER OF WATER ACCOUNTS ⁽¹⁾

Fiscal Year					
Ending June 30	Residential	Multi-Family ⁽²⁾	Commercial	Sprinkler ⁽²⁾	Total
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	61,088
2011 ⁽³⁾	53,663	1,674	4,264	1,655	61,256
2012 ⁽⁴⁾	53,858	1,673	4,281	1,666	61,478
2013 ⁽³⁾	54,056	1,680	4,296	1,669	61,701
2014 ⁽³⁾⁽⁵⁾	53,914	1,799	4,264	1,819	61,796
2015 ⁽³⁾	54,126	1,800	4,379	1,862	62,167
2016 ⁽³⁾	54,266	1,800	4,492	1,885	62,443

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

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

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

(4) As of August 2012.

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

SOURCE: City of Glendale Water Services Department

WATER DELIVERIES

Acre Feet

Calendar Year	Residential ⁽¹⁾	Commercial	Other ⁽²⁾	Total
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
2014	26,946	10,587	2,467	40,000
2015	26,595	11,031	2,092	39,718

(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
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
2015	57,588	6.9	2.7	7.2	16.8
2016	57,089	7.5	2.7	6.9	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

This page left blank intentionally.

City of Glendale
Finance Division
5850 West Glendale Avenue, Suite 302
Glendale, Arizona 85301
(623) 930-2480