



Comprehensive Annual Financial Report

City of Glendale, Arizona

For the Fiscal Year Ended
June 30, 2018



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City of Glendale, Arizona
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2018



Prepared by:
Department of Budget and Finance

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City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

INTRODUCTORY SECTION

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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City of Glendale, Arizona

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2018

Mayor Jerry Weiers

Councilmembers

Lauren Tolmachoff - Vice Mayor, Cholla District

Bart Turner - Barrel District

Ian Hugh – Cactus District

Jamie Aldama - Ocotillo District

Ray Malnar - Sahuaro District

Joyce Clark - Yucca District

Management Staff

Kevin Phelps - City Manager

Tom Duensing - Assistant City Manager

Jack Friedline - Assistant City Manager

Prepared by Budget and Finance Department

Vicki L. Rios, Director

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**City of Glendale, Arizona
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2018**

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December 21, 2018

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

The Budget and Finance Department is pleased to submit the City of Glendale, Arizona's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2018. 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, 2018, 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 FY17-18 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 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 240,000 people. Located in the northwestern part of the metropolitan Phoenix area and occupying approximately 62 square miles of land, the City is home to the Arizona Cardinals and the Arizona Coyotes. The City is also the owner of Camelback Ranch, the spring training facility for the Los Angeles Dodgers and the Chicago White Sox.

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

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

Economic Conditions and Strategies

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

Primary Revenue Sources

The City relies on local and state shared sales tax as well as state shared income tax as primary revenue sources for the City's operating budget. Local sales tax revenues increased 4.2% this fiscal year when compared to the last fiscal year. The growth can be attributed to the improving economy and economic development activities which generated additional construction sales tax revenue. The city's state shared sales tax revenues also increased 7.3% compared to last fiscal year.

Workforce and Unemployment

Glendale's unemployment rate for the month of June 2018 was 4.3% which is lower than the statewide unemployment rate of 4.7%. Glendale's workforce is concentrated in the following nonfarm sectors: retail (14.85%), health care services (15.15%), consumer services (11.10%), government and social advocacy services (15.76%), education (9.47%), construction (7.52%), finance, insurance and real estate (6.34%), business services (6.51%), and transportation and distribution (4.29%). Arizona's nonfarm employment grew 2.6% over the last year with education and health services, construction, professional & business services, manufacturing, and leisure & hospitality leading the growth.

Economic Development

Business attraction, business retention & expansion, redevelopment and business assistance (ombudsman), comprise the four pillars of Glendale's economic development program. In 2018, the City was awarded its third Super Bowl which will be hosted in 2023 at the newly renamed State Farm Stadium. Glendale was also awarded the NCAA Final Four tournament for 2024. These mega events bring millions of dollars in revenue to the City of Glendale. Recently, economic development efforts have been focused on adding hotel rooms in the Sports & Entertainment District that would increase accommodations for visitors during these and other large events. Major business attraction and retention projects include Topgolf, Holiday Inn, Aloft, Avanti Windows and Bechtel. Swire Coca-Cola is planning an expansion of more than 12,000 square feet in the Yucca District. Alaska USA Federal Credit Union expanded their corporate foot print in Glendale's Talavi Business Park with their \$17 million purchase of the 185,000 square feet Talavi Tech building which opened in October of 2018. This new facility along with their existing data center and newly acquired branch location will provide hundreds of new finance, IT, and customer service positions. Downtown Glendale has seen a surge in vegan options available. Veggie Rebellion, the first vegan grocery store in Arizona opened in February of 2018 and has surpassed everyone's expectations. In addition to the foot traffic they bring, other local eateries took notice of the market void and as many as seven of the small businesses in Downtown Glendale have added vegan options to their menu. Downtown now has its very own vegan Mexican restaurant. This movement has organically added new life to Downtown which continues to grow. Glendale truly is a major-league city that continues to attract high-quality development and amenities to the region to further support the growing West Valley.

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 provides 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 \$3.8 million in fiscal year 2018.

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, 2017. This was the thirtieth consecutive year the City has received this prestigious award, and the thirty-second 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, 2017. This was the thirty-first 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 Budget and Finance Department. I would like to express appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor, Council, and City Manager for their unfailing support in maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

A handwritten signature in black ink that reads "Vicki L. Rios". The signature is written in a cursive style with a horizontal line through the middle of the letters.

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

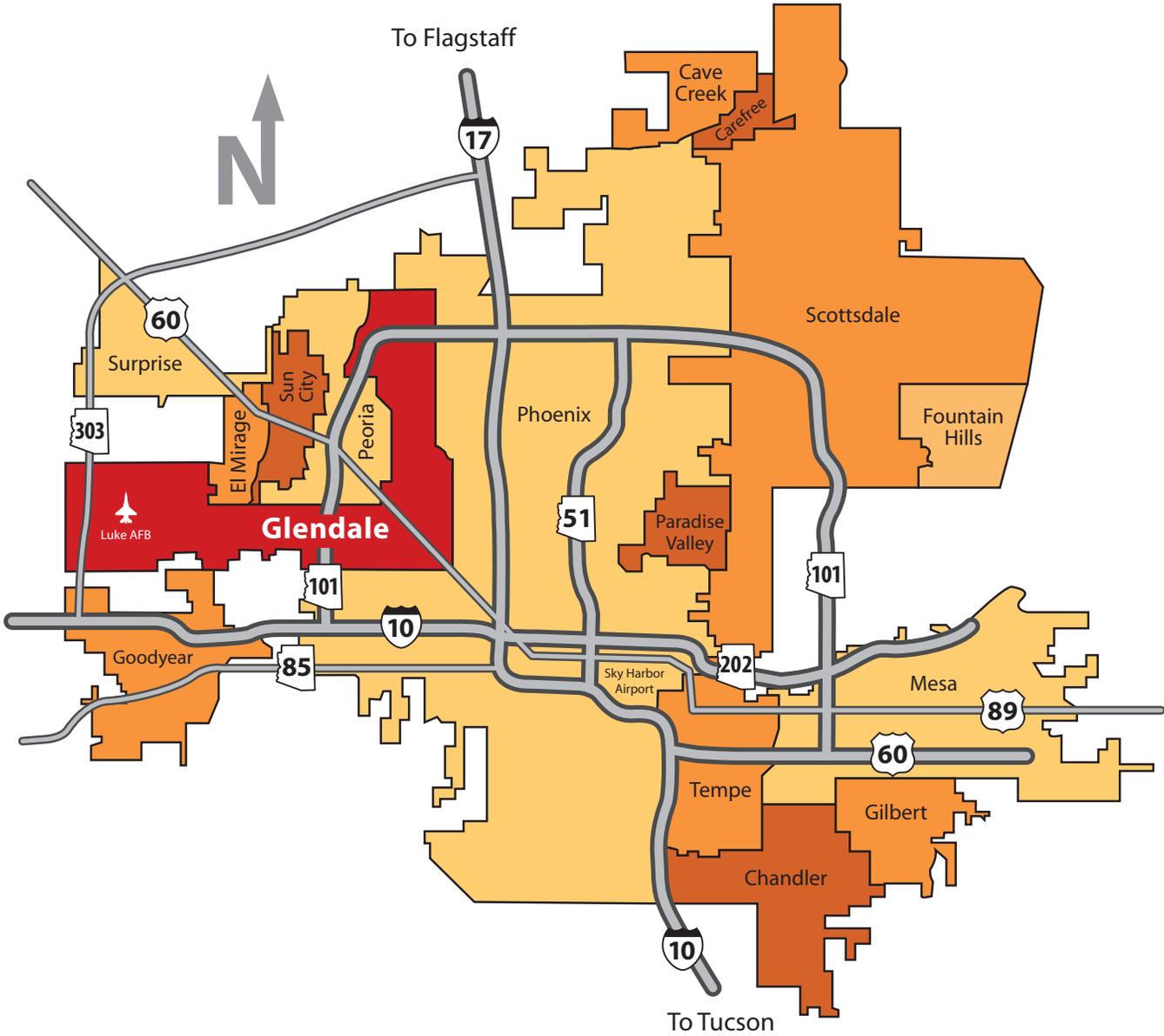
June 30, 2017

Christopher P. Morill

Executive Director/CEO



Glendale, Arizona & Neighboring Communities



GLENDALE CITY OFFICIALS



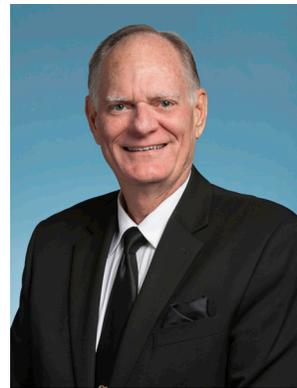
Jerry Weiers
Mayor



Lauren Tolmachoff
Vice Mayor/Councilmember
Cholla District



Bart Turner
Councilmember
Barrel District



Ian Hugh
Councilmember
Cactus District



Jamie Aldama
Councilmember
Ocotillo District



Ray Malnar
Councilmember
Sahuaro District



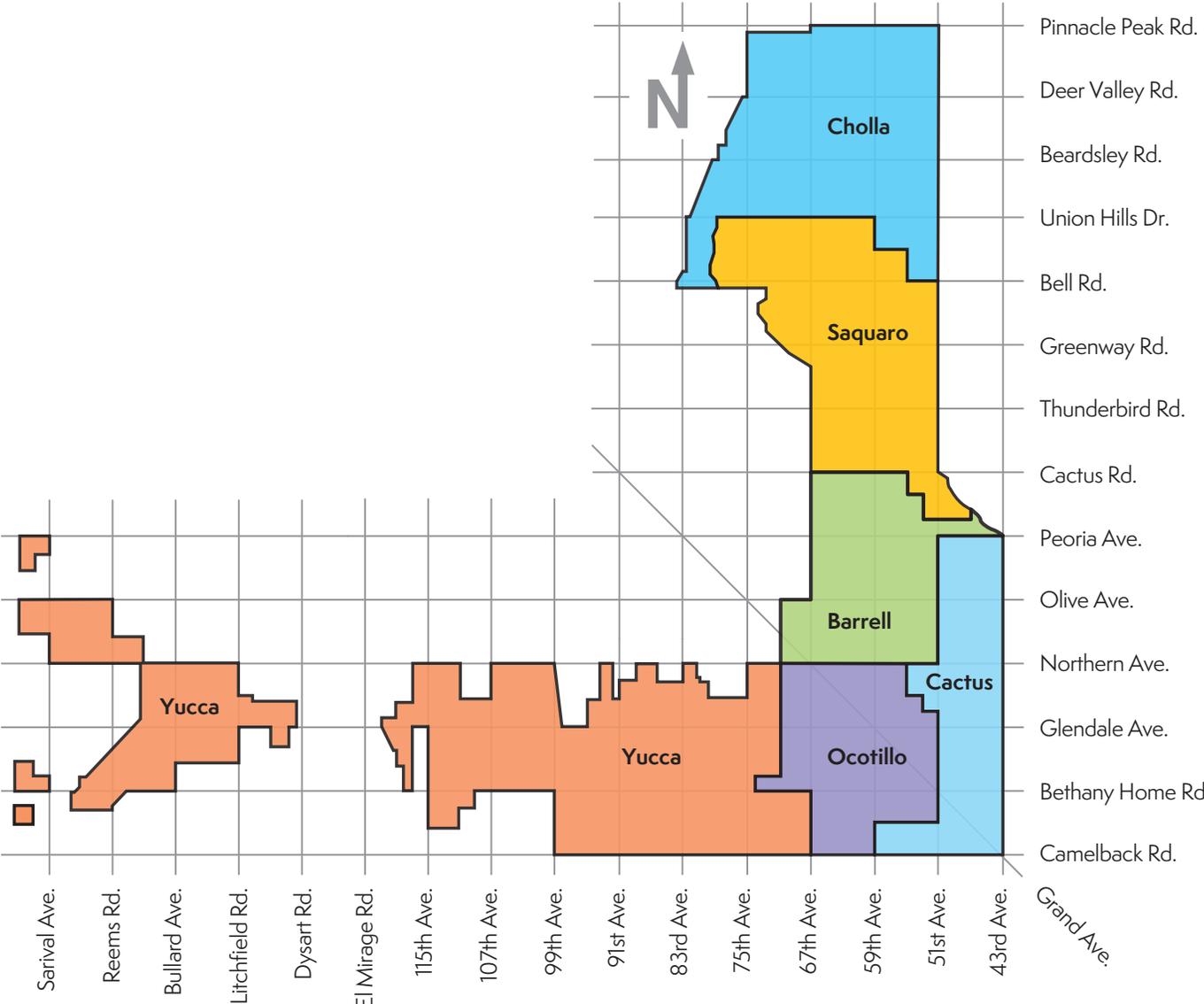
Joyce Clark
Councilmember
Yucca District



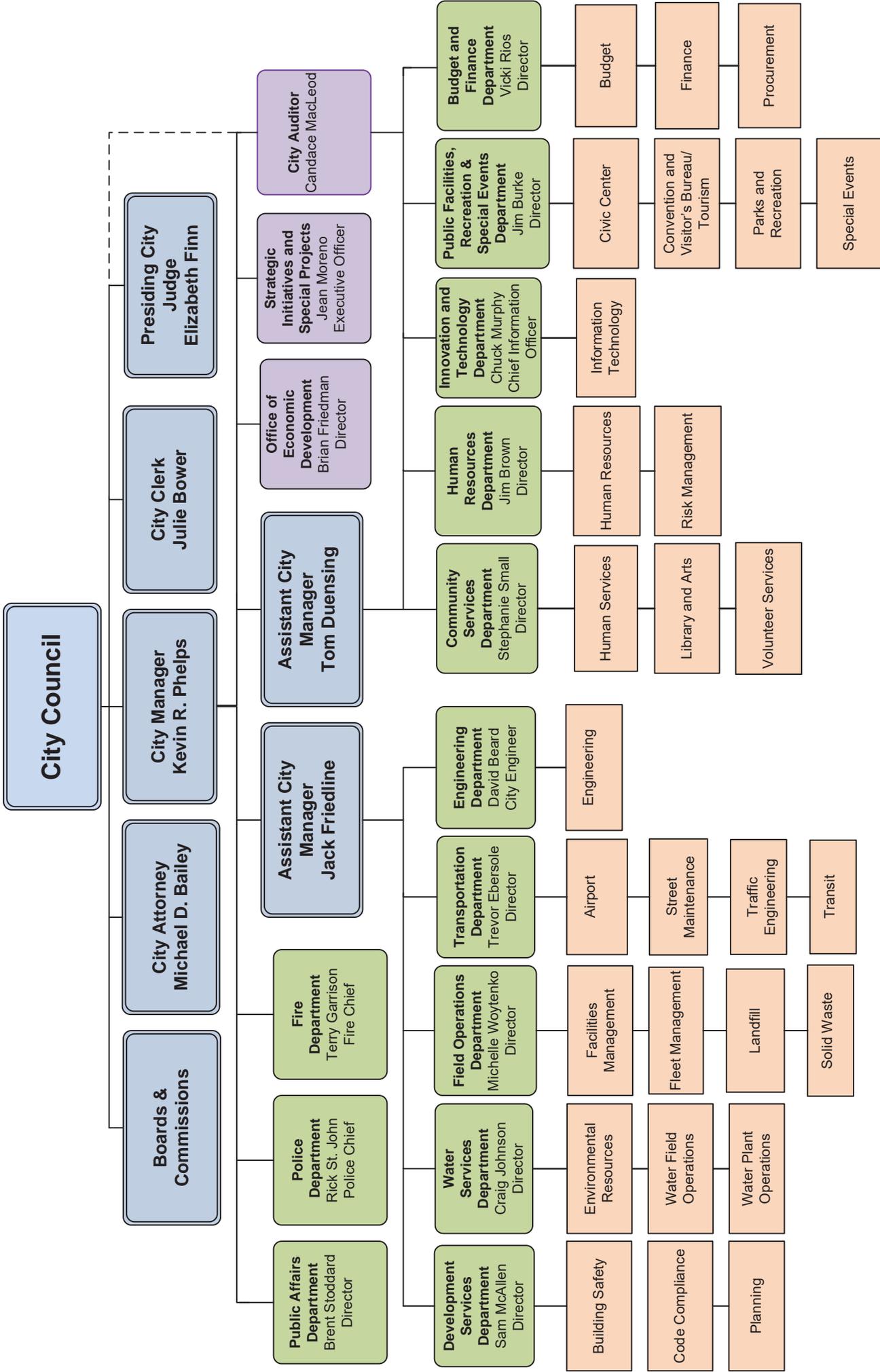
Kevin Phelps
City Manager



Glendale Council District Boundaries



CITIZENS OF GLENDALE



COMMUNITY INTEGRITY EXCELLENCE INNOVATION LEARNING

We improve the lives of the people we serve every day.

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City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FINANCIAL SECTION

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Glendale, Arizona (City), as of and for the year ended June 30, 2018, 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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Phoenix, Arizona
December 21, 2018

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City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

MANAGEMENT'S DISCUSSION & ANALYSIS

(Required Supplementary Information)

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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CITY OF GLENDALE, ARIZONA

Management's Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2018

(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, 2018. 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 2017-18:

- The City's total net position increased by \$52,876 or 7.3%. The governmental net position increased by \$40,062 or 11.4%, and the business-type net position increased by \$12,814 or 3.4%. The increase in total net position is primarily due to a decrease in other post-employment benefit (OPEB) liability. The city closed its post-retirement health care plan to new retirees effective July 1, 2018. Only those who retired prior to July 1, 2018 are eligible to continue to receive coverage under the OPEB plan.
- The City's total revenues increased by \$21,782 or 5.0%. Program revenues in the form of charges for services, grants, and contributions increased by \$8,661 or 4.6%. General revenues increased by \$13,121 or 5.4%.
- Program revenues from governmental activities increased \$2,237 or 3.2%. Program revenues for business-type activities increased \$6,424 or 5.3%. This increase is primarily due to an increase in water, sewer, and solid waste rates that became effective in January 2018.
- Capital grants and contributions from governmental activities increased \$5,713 or 85.7%. This increase was due to \$2,219 in additional contributed capital of right-of way, public utility easements, and landscape easements for roadways, and \$3,414 for a capital grant to rehabilitate the North Apron at the Airport.
- General revenues from governmental activities increased \$10,028 or 4.2%. The primary reason for this increase was an increase of \$6,520 or 4.2% in sales tax revenues. In addition, state shared sales tax increased \$1,603 or 7.3%, and state shared income tax increased \$1,078 or 3.7%.
- The total cost of all City programs decreased by \$60,990 or 13.2%. The decrease to a majority of the City programs is primarily due to the decrease in other post-employment benefit (OPEB) liability.
- The General Fund, a major governmental fund, collected \$232,104 in revenues which is an increase of \$7,290 or 3.2% from the prior year. This increase was primarily due to an increase in taxes and intergovernmental revenues. The total expenditures of the General Fund were \$202,303, which is an increase of \$8,328 or 4.3%. A significant portion of this increase is related to an increase in public safety retirement expenditures.

CITY OF GLENDALE, ARIZONA

Management's Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2018

(amounts expressed in thousands)

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

The Fund Financial Statements found on page 30, provide more detailed information about the major funds within the City. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds

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

CITY OF GLENDALE, ARIZONA

Management's Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2018

(amounts expressed in thousands)

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

Proprietary Funds

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

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

Notes to the Financial Statements

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

Additional Required Supplementary Information

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

Other

The Combining Statements and Individual Fund Statements and Schedules section presents combining statements for non-major governmental funds, non-major enterprise funds, and 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 \$777,267 as of June 30, 2018.

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, 2018
(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 categories of net investment in capital assets and restricted net position. Unrestricted net position for the governmental activities increased by \$32,070 or 11.5% over the prior year. The City is addressing the negative unrestricted net position for the governmental activities by holding the line on expenditures and decreasing debt service payments as a result of bond refundings in fiscal years 2015, 2016, 2017, and 2018.

The chart below is a comparison of the City's net position for fiscal years 2018 and 2017:

Condensed Statement of Net Position
As of June 30, 2018, and 2017
(in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 336,914	\$ 299,556	\$ 130,092	\$ 137,420	\$ 467,006	\$ 436,976
Capital Assets:						
Non-depreciable	146,500	132,255	45,278	42,145	191,778	174,400
Depreciable (net)	986,646	1,007,060	462,806	463,149	1,449,452	1,470,209
Non-current OPEB assets	1,340	-	109	-	1,449	-
Equity in joint venture	3,142	3,359	46,363	48,448	49,505	51,807
Total assets	1,474,542	1,442,230	684,648	691,162	2,159,190	2,133,392
Deferred Outflows of Resources	89,547	101,981	13,698	15,849	103,245	117,830
Current liabilities	64,706	75,389	32,019	29,134	96,725	104,523
Noncurrent liabilities	1,087,076	1,098,558	274,839	298,691	1,361,915	1,397,249
Total liabilities	1,151,782	1,173,947	306,858	327,825	1,458,640	1,501,772
Deferred Inflows of Resources	21,782	19,801	4,746	5,258	26,528	25,059
Net position:						
Net investment						
in capital assets	451,826	471,979	280,920	267,111	732,746	739,090
Restricted	185,396	157,251	27,550	22,897	212,946	180,148
Unrestricted	(246,697)	(278,767)	78,272	83,920	(168,425)	(194,847)
Total net position	\$ 390,525	\$ 350,463	\$ 386,742	\$ 373,928	\$ 777,267	\$ 724,391

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2018
(amounts expressed in thousands)

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

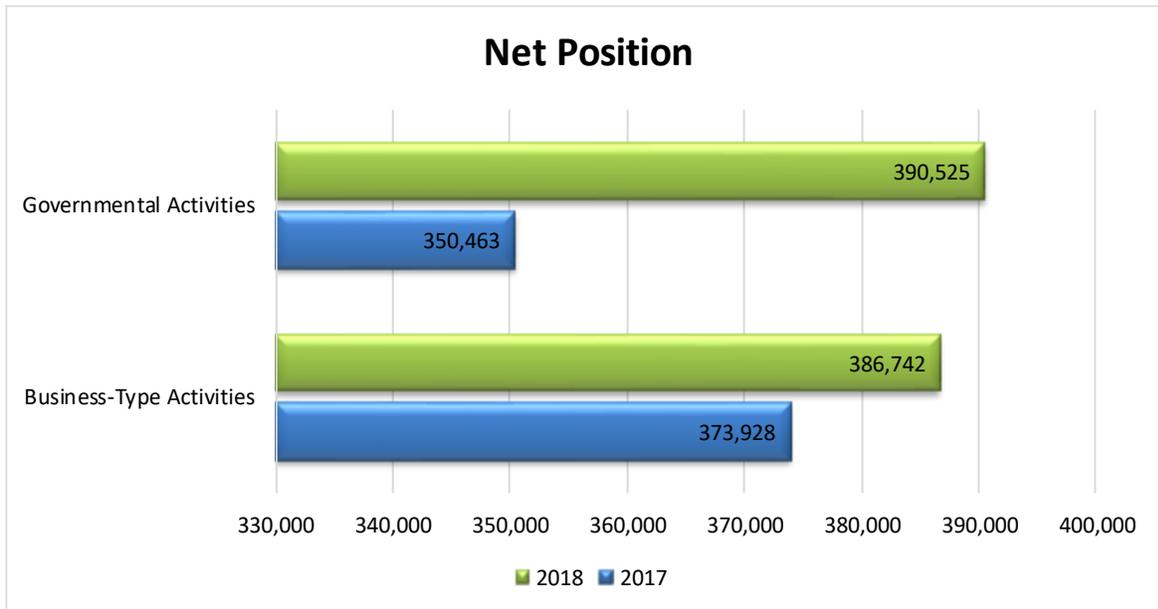
Changes in Net Position
As of June 30, 2018, and 2017
(in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 32,683	\$ 35,163	\$ 115,135	\$ 107,402	\$ 147,818	\$ 142,565
Operating grants and contributions	26,523	27,519	9,682	10,230	36,205	37,749
Capital grants and contributions	12,382	6,669	2,054	2,815	14,436	9,484
Total program revenues	71,588	69,351	126,871	120,447	198,459	189,798
General revenues:						
Property taxes	25,519	24,955	-	-	25,519	24,955
Sales taxes	162,299	155,779	-	-	162,299	155,779
State shared sales tax	23,627	22,024	-	-	23,627	22,024
Urban revenue sharing (state shared income tax)	30,456	29,378	-	-	30,456	29,378
Auto in-lieu taxes	10,166	9,458	-	-	10,166	9,458
Investment earnings, unrestricted	(694)	(253)	1,368	883	674	630
Miscellaneous	1,490	1,400	2,628	114	4,118	1,514
Total revenues	324,451	312,092	130,867	121,444	455,318	433,536
Expenses:						
General government	42,915	61,373	-	-	42,915	61,373
Public safety	134,977	166,790	-	-	134,977	166,790
Public works	25,072	24,768	-	-	25,072	24,768
Community services	30,885	33,752	-	-	30,885	33,752
Community environment	3,290	3,930	-	-	3,290	3,930
Street maintenance	20,976	21,848	-	-	20,976	21,848
Interest on long-term debt	24,916	27,827	-	-	24,916	27,827
Water and sewer	-	-	81,911	83,500	81,911	83,500
Landfill	-	-	9,852	11,302	9,852	11,302
Solid Waste	-	-	15,150	15,698	15,150	15,698
Housing	-	-	12,498	12,644	12,498	12,644
Total expenses	283,031	340,288	119,411	123,144	402,442	463,432
Excess before transfers	41,420	(28,196)	11,456	(1,700)	52,876	(29,896)
Transfers in (out)	(1,358)	(1,264)	1,358	1,264	-	-
Increase (decrease) in net position	40,062	(29,460)	12,814	(436)	52,876	(29,896)
Net position beginning	350,463	379,923	373,928	374,364	724,391	754,287
Net position ending	\$ 390,525	\$ 350,463	\$ 386,742	\$ 373,928	\$ 777,267	\$ 724,391

CITY OF GLENDALE, ARIZONA
 Management's Discussion and Analysis (MD&A)
 For the Fiscal Year Ended June 30, 2018
 (amounts expressed in thousands)

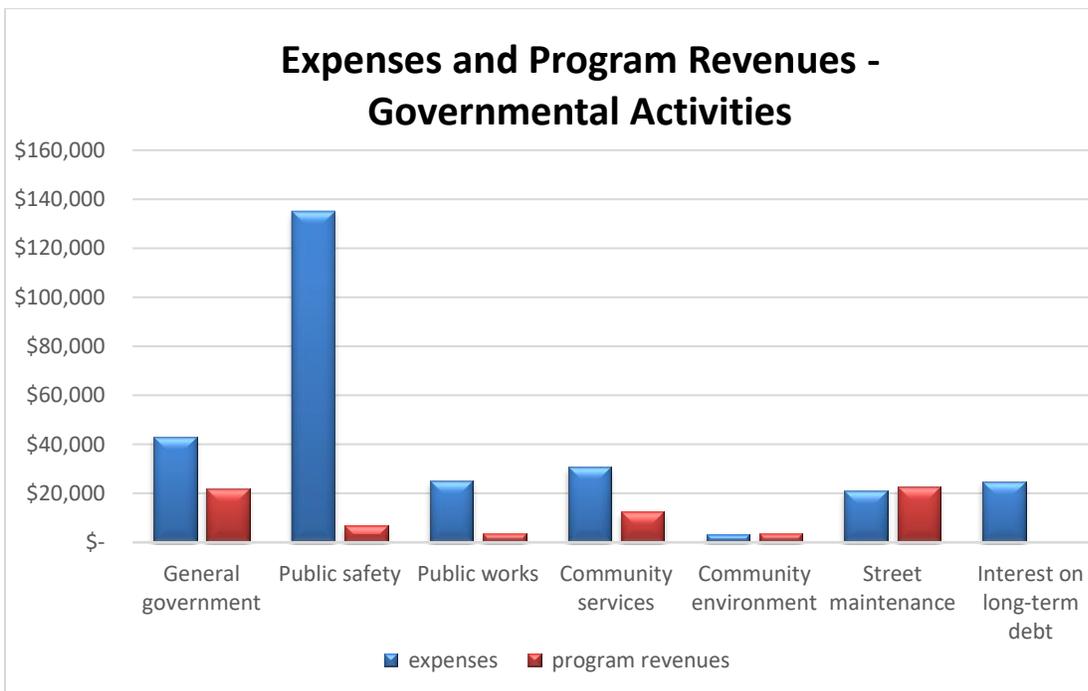
Changes in Net Position

The net position of the governmental activities increased by \$40,062 and business-type activities' net position increased by \$12,814.



Revenues and Expenditures

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



CITY OF GLENDALE, ARIZONA

Management’s Discussion and Analysis (MD&A)

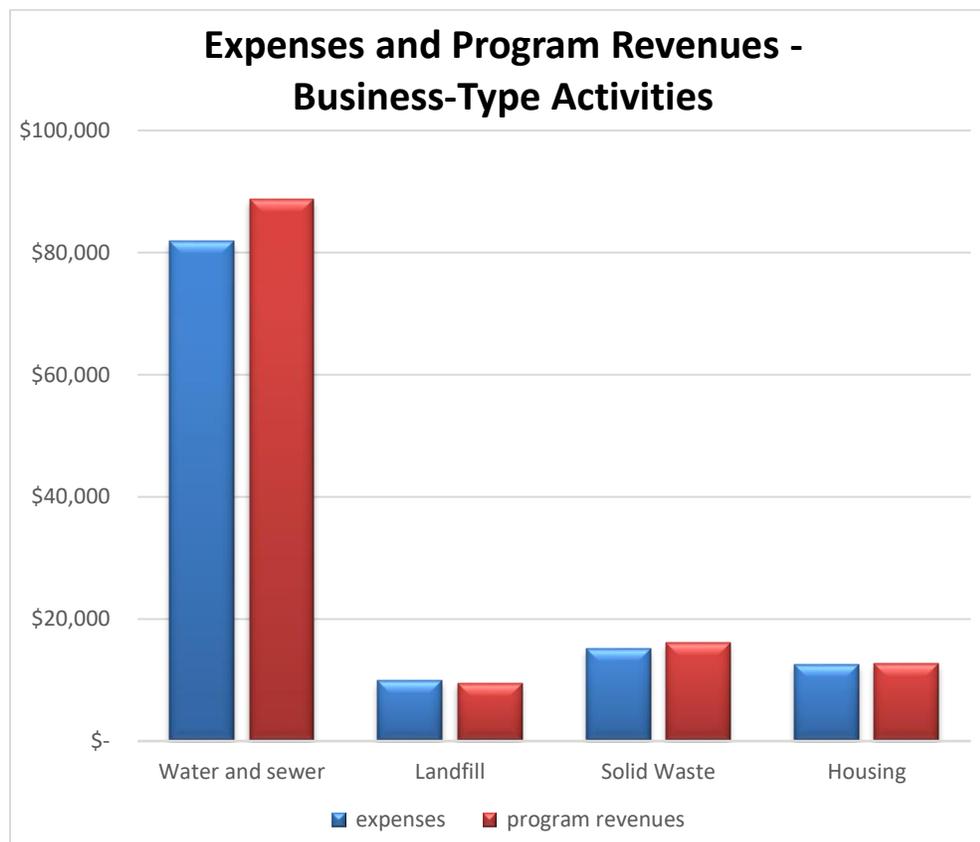
For the Fiscal Year Ended June 30, 2018

(amounts expressed in thousands)

The City’s total revenues from governmental activities for the fiscal year ended June 30, 2018 increased \$12,359 or 4.0%. The increase in revenues is due to an increase of \$5,713 in capital grants and contributions, \$6,520 in local sales tax, \$1,603 in state shared sales tax, and \$1,078 in state shared income taxes. The increase to capital grants and contributions was primarily due to \$2,219 in additional contributed capital of right-of way, public utility easements, and landscape easements for roadways, and \$3,414 for a capital grant to rehabilitate the North Apron at the Airport. The increases to tax revenue reflect the continuing economic growth the City and State of Arizona have experienced over the past several years.

The cost of programs and services for governmental activities decreased \$57,257 or 16.8%. The decrease is primarily due to the decrease in other post-employment benefit (OPEB) liability.

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

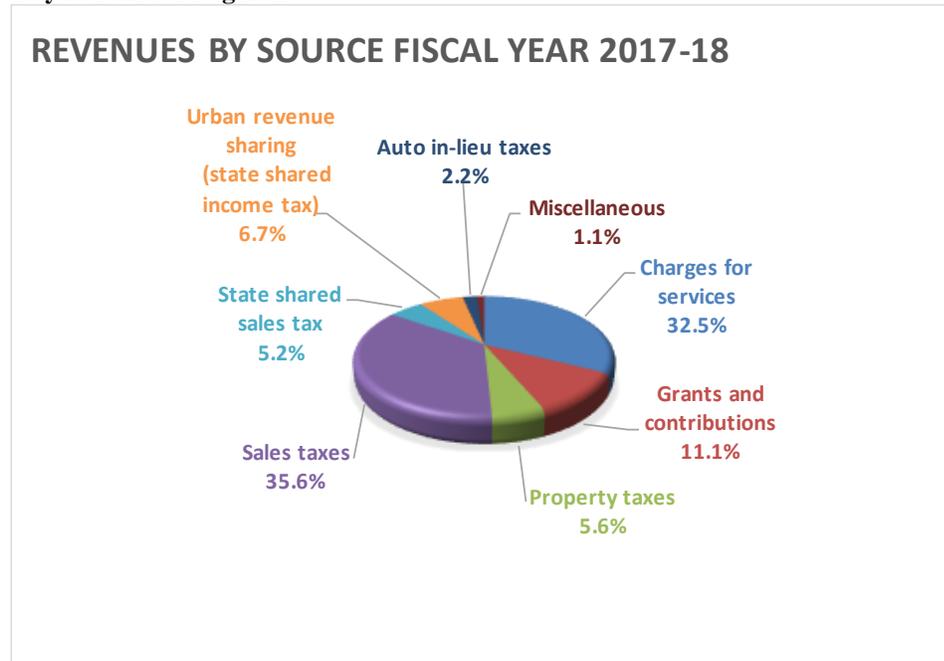


The City’s total revenues from business-type activities for the fiscal year ended June 30, 2018 increased \$9,423 or 7.8%. These increases are primarily due to an increase in water, sewer, and solid waste rates that became effective in January 2018.

The cost of programs and services decreased \$3,733 or 3.0%. Water and sewer expenses decreased \$1,589 or 1.9% and landfill expenses decreased \$1,450 or 12.8%. The decrease in cost of programs and services for business-type activities is mainly contributable to the change in other post-employment benefit (OPEB) liability.

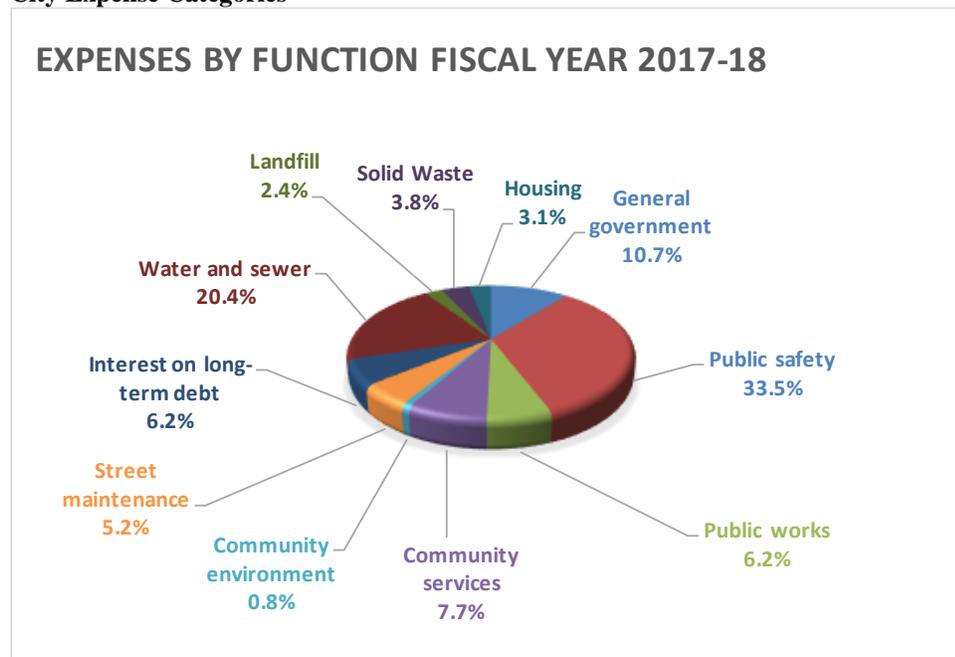
CITY OF GLENDALE, ARIZONA
 Management's Discussion and Analysis (MD&A)
 For the Fiscal Year Ended June 30, 2018
 (amounts expressed in thousands)

City Revenue Categories



The pie chart above shows the different types of revenue the City receives and the proportion of each. The majority (68.1%) 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 (11.1%).

City Expense Categories



The majority of the City's expenses (53.9%) are incurred in the public safety and water and sewer categories. Public safety expenses include those related to police and fire protection services provided to the community and are funded by the general fund. Water and sewer expenses are paid by the enterprise fund which is funded primarily through user paid fees for services.

CITY OF GLENDALE, ARIZONA

Management's Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2018

(amounts expressed in thousands)

Financial Analysis of the City's Funds

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

Governmental Funds

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$192,471, an increase of \$34,424 or 21.8% in comparison with the prior year.

The City implemented Governmental Accounting Standards Board Statement (GASB) 54 during the 2011 fiscal year which impacted the presentation of fund balance components by more accurately classifying the fund balances into five categories: non-spendable, restricted, committed, assigned and unassigned; Note K in the summary of significant accounting policies addresses this in greater detail. In fiscal year 2018 and 2017, \$42,821 and \$36,789 respectively, of the total fund balance constituted unassigned fund balance.

Revenues for governmental functions overall totaled \$315,542 in fiscal year 2018, an increase of \$9,039 or 2.9% from the previous years' total of \$306,503. The increase is primarily due to an increase in taxes and special assessments revenue of \$6,977 or 3.8% and an increase in intergovernmental revenue of \$4,507 or 5.0%.

Expenditures for governmental functions totaled \$328,395 in fiscal year 2018, a decrease of \$4,242 or 1.3% from the previous year total of \$332,637. The decrease is primarily due to a decrease in debt service payments of \$19,501 or 25.3%.

The General Fund is the main operating fund of the City. The General Fund balance increased \$3,762 or 6.1%. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$43,474 while total fund balance was \$65,345. The General Fund has \$2,919 of its fund balance as non-spendable; \$6,274 as restricted; and \$12,678 assigned. Per the City's adopted financial policies, 10% of the general fund operating revenue which totals \$23,210 has been earmarked as the Budget Stabilization Reserve and \$20,264 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, 2018 to commit these funds; therefore, the funds are reported as unassigned.

Overall, the General Fund's performance resulted in revenues over expenditures of \$29,801 in fiscal year 2018. In the prior year, revenues exceeded expenditures by \$30,839.

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 \$3,606 at the end of the fiscal year.

Proprietary Funds

Net position of the enterprise funds increased \$12,154 or 3.2%. The enterprise funds' total net position was \$27,550 restricted, \$78,799 unrestricted, and \$280,920 invested in capital assets. This increase is primarily due to an increase in water, sewer, and solid waste rates that became effective in January 2018.

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 \$9,988 or 2.7% for the fiscal year ended June 30, 2018. 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 \$121 for the fiscal year ended June 30, 2018. The City's policy is to fund the worker's compensation and risk management funds at a 55% confidence level based on the most recent actuarial valuations.

CITY OF GLENDALE, ARIZONA

Management's Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2018

(amounts expressed in thousands)

General Fund Budgetary Highlights

- The City's budgeted revenues exceeded expectations and were \$6,450 higher than the final budgeted amounts. Positive economic trends resulted in taxes and intergovernmental revenues that were \$2,338 and \$1,123 greater than the final budget, respectively. Fines and forfeitures were \$307 lower than the final budget. Miscellaneous revenues were \$81 lower than the final budget.
- General Fund expenditures were lower than the final budget by \$6,272. The most significant reduction was in capital outlay which was \$3,240 lower than the budgeted amount due to capital project expenditures that did not occur during the fiscal year.
- General Fund budgetary fund balance increased by \$7,725 or 13.8%. This increase is due to tax revenues, intergovernmental revenues, and proceeds from disposal of assets being higher than originally expected.

Capital Asset and Debt Administration

Capital Assets

The City's investment in capital assets (net of accumulated depreciation) as of June 30, 2018, for its governmental-type activities was \$1,133,146 and for the business-type activities was \$508,084. 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:

- Streetlighting LED conversion \$4,626
- PMP Mill & Overlay \$3,431
- Airport North Apron \$2,603
- Northern Parkway Erosion Prevention \$451
- Thunderbird Reservoir Improvement \$1,461
- City Wide Manhole Rehabilitation \$2,639
- Water Line Improvements \$3,072
- Water Line Extension Loop 101 and Beardsley \$1,524

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2018
(amounts expressed in thousands)

The following table is a summary of capital assets reflected in the June 30, 2018, financial statements as compared to last year's financial statements.

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

	Governmental		Business-Type		Total	
	Activities		Activities		Primary	
	2018	2017	2018	2017	2018	2017
Construction in progress	\$ 23,481	\$ 10,459	\$ 27,538	\$ 15,846	\$ 51,019	\$ 26,305
Land	120,604	119,381	17,740	26,299	138,344	145,680
Water storage rights	-	-	7,043	7,222	7,043	7,222
Artwork	2,415	2,415	-	-	2,415	2,415
Buildings	242,217	252,074	5,795	6,219	248,012	258,293
Improvements other than buildings	131,109	141,294	47,532	45,644	178,641	186,938
Infrastructure-streets	457,515	457,766	-	-	457,515	457,766
Infrastructure-parks	45,126	48,003	-	-	45,126	48,003
Infrastructure-flood/storm drains	66,464	67,439	-	-	66,464	67,439
Infrastructure-airport	10,843	8,628	-	-	10,843	8,628
Water lines	-	-	82,814	79,463	82,814	79,463
Sewer lines	-	-	74,909	75,133	74,909	75,133
Water treatment plant	-	-	132,903	138,830	132,903	138,830
Sewer treatment plant	-	-	84,196	85,028	84,196	85,028
Meters and services	-	-	16,287	14,073	16,287	14,073
Fire hydrants	-	-	2,364	2,463	2,364	2,463
Machinery and equipment	11,665	10,599	1,027	790	12,692	11,389
Computer equipment	1,562	1,142	185	71	1,747	1,213
System Purchase	-	-	337	477	337	477
Software	2,699	3,253	-	-	2,699	3,253
Automotive equipment	17,446	16,862	7,414	7,736	24,860	24,598
Total	<u>\$ 1,133,146</u>	<u>\$ 1,139,315</u>	<u>\$ 508,084</u>	<u>\$ 505,294</u>	<u>\$ 1,641,230</u>	<u>\$ 1,644,609</u>

The construction commitments at June 30, 2018 were \$63,191. Additional information on capital assets can be found in Note V of the financial statements.

Long-Term Debt

At the end of the current fiscal year, the City had total debt outstanding of \$844,802 compared to \$857,921 last year, a 1.5% net decrease.

	Governmental		Business-Type		Total	
	Activities		Activities		Primary	
	2018	2017	2018	2017	2018	2017
General obligation	\$ 146,985	\$ 120,000	\$ -	\$ -	\$ 146,985	\$ 120,000
Transportation revenue bond	70,745	74,670	-	-	70,745	74,670
Excise tax revenue bonds	211,755	147,960	-	-	211,755	147,960
Municipal Property						
revenue bonds	203,365	283,515	-	-	203,365	283,515
Capital lease obligation	2,278	4,484	-	-	2,278	4,484
Note payable	1,839	3,677	-	-	1,839	3,677
Settlement obligation	8,100	11,100	-	-	8,100	11,100
Water and sewer						
revenue bonds/obligations	-	-	199,735	212,515	199,735	212,515
Total	<u>\$ 645,067</u>	<u>\$ 645,406</u>	<u>\$ 199,735</u>	<u>\$ 212,515</u>	<u>\$ 844,802</u>	<u>\$ 857,921</u>

CITY OF GLENDALE, ARIZONA

Management's Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2018

(amounts expressed in thousands)

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

The Arizona Constitution provides that the general obligation bonded indebtedness for a city for general municipal purposes, libraries, economic development, historic preservation, and cultural facilities may not exceed 6% of the total limited property value of the taxable property in that city. Cities may also issue general obligation bonds up to 20% of the total limited property value for supplying water, sewer, artificial light, public safety, law enforcement, fire and emergency services, streets and transportation facilities, and for the acquisition and development of land for open space preserves, parks, playgrounds and recreational facilities. The City's current unused 6% and 20% debt limitation on June 30, 2018, were \$78,417 and \$146,583, respectively. Additional information on long-term debt can be found in Note X of the financial statements.

Next Year's Budget and Economic Factors

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

The adopted fiscal year 2018-19 budget is \$689,000, an increase of 2.5% from 2017-18. The increase is mainly attributable to an increase in debt service payments and Public Safety Personnel Retirement contribution costs. Overall, the goal of the FY18-19 budget is to continue to improve the city's financial position while maintaining a high quality of service delivery, improving public safety, encouraging development, maintaining neighborhoods and continuing progress toward the development of a strategic plan to ensure service delivery and resource allocation is aligned with City Council policy throughout the entire organization.

Total revenues for fiscal year 2018-19 are projected at \$557,625. The major sources of revenue for the City continue to be sales tax, property taxes, and state shared revenues with projected revenues of \$111,207, \$5,760, and \$66,319 respectively. For fiscal year 2018-19, City sales tax is expected to grow by 4.5%. This expectation is based on the continued expansion of Glendale's sports, entertainment, office and retail destination area, continued attraction of diverse job growth industries to the city, and modest but sustainable economic recovery.

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, 2018

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City of Glendale, Arizona
Statement of Net Position
June 30, 2018
(amounts expressed in thousands)

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Equity in pooled cash and investments	\$ 178,533	\$ 95,384	\$ 273,917
Receivables (net of allowance for uncollectibles)			
Property taxes	709	-	709
Accounts	9,191	14,812	24,003
Note	51,308	-	51,308
Accrued interest	587	-	587
Intergovernmental receivable	27,510	938	28,448
Internal balances	527	(527)	-
Inventories and prepaid items	3,113	3,484	6,597
Restricted deposits	-	3,350	3,350
Restricted cash and investments	65,436	12,651	78,087
Capital assets:			
Non-depreciable	146,500	45,278	191,778
Depreciable (net)	986,646	462,806	1,449,452
Non current OPEB assets	1,340	109	1,449
Equity in joint venture	3,142	46,363	49,505
Total assets	<u>1,474,542</u>	<u>684,648</u>	<u>2,159,190</u>
DEFERRED OUTFLOWS OF RESOURCES			
Debit amounts related to pensions and OPEB	73,161	5,763	78,924
Debit amounts resulting from refunded debt	16,386	7,935	24,321
Total deferred outflows of resources	<u>89,547</u>	<u>13,698</u>	<u>103,245</u>
LIABILITIES			
Vouchers payable	14,326	8,240	22,566
Accounts payable	1,101	97	1,198
Retainage payable	1,025	102	1,127
Matured bonds payable	25,315	12,780	38,095
Accrued interest payable	14,707	4,930	19,637
Intergovernmental payable	482	318	800
Deposits payable	2,883	5,531	8,414
Unearned revenue	4,867	21	4,888
Noncurrent liabilities:			
Due within one year	78,243	20,576	98,819
Due in more than one year	1,008,833	254,263	1,263,096
Total liabilities	<u>1,151,782</u>	<u>306,858</u>	<u>1,458,640</u>
DEFERRED INFLOW OF RESOURCES			
Credit amounts related to pensions and OPEB	21,782	4,746	26,528
Total deferred inflows of resources	<u>21,782</u>	<u>4,746</u>	<u>26,528</u>
NET POSITION			
Net investment in capital assets	451,826	280,920	732,746
Restricted for:			
Capital projects	24,260	-	24,260
Debt service	87,909	12,780	100,689
Transportation	48,936	-	48,936
Highway and streets	7,160	-	7,160
Revenue bond retirement, replacement, and extension	-	9,538	9,538
Perpetual care - nonexpendable	5,861	-	5,861
Police and Fire	6,289	-	6,289
OPEB benefits	1,340	109	1,449
Other purposes	3,641	5,123	8,764
Unrestricted	(246,697)	78,272	(168,425)
Total net position	<u>\$ 390,525</u>	<u>\$ 386,742</u>	<u>\$ 777,267</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, 2018
(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	\$ 42,915	\$ 17,847	\$ 629	\$ 3,614
Public safety	134,977	2,295	4,671	43
Public works	25,072	651	70	2,908
Community services	30,885	10,890	880	691
Community environment	3,290	338	3,329	-
Street maintenance	20,976	662	16,944	5,126
Interest on long-term debt	24,916	-	-	-
Total governmental activities	<u>283,031</u>	<u>32,683</u>	<u>26,523</u>	<u>12,382</u>
Business-type activities:				
Water and sewer	81,911	86,288	536	1,921
Landfill	9,852	9,444	-	-
Solid Waste	15,150	16,048	-	-
Housing	12,498	3,355	9,146	133
Total business-type activities	<u>119,411</u>	<u>115,135</u>	<u>9,682</u>	<u>2,054</u>
Total primary government	<u>\$ 402,442</u>	<u>\$ 147,818</u>	<u>\$ 36,205</u>	<u>\$ 14,436</u>
General revenues:				
Taxes:				
Property taxes levied for:				
General purposes				
Debt service				
Sales taxes				
State shared sales tax				
Urban revenue sharing (state shared income tax)				
Auto in-lieu taxes				
Investment earnings, unrestricted				
Miscellaneous				
Transfers				
Total general revenues, special items, and transfers				
Change in net position				
Net position - beginning				
Net position - ending				

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

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (20,825)	\$ -	\$ (20,825)
(127,968)	-	(127,968)
(21,443)	-	(21,443)
(18,424)	-	(18,424)
377	-	377
1,756	-	1,756
(24,916)	-	(24,916)
<u>(211,443)</u>	<u>-</u>	<u>(211,443)</u>
-	6,834	6,834
-	(408)	(408)
-	898	898
-	136	136
-	<u>7,460</u>	<u>7,460</u>
<u>(211,443)</u>	<u>7,460</u>	<u>(203,983)</u>
5,686	-	5,686
19,833	-	19,833
162,299	-	162,299
23,627	-	23,627
30,456	-	30,456
10,166	-	10,166
(694)	1,368	674
1,490	2,628	4,118
(1,358)	1,358	-
<u>251,505</u>	<u>5,354</u>	<u>256,859</u>
40,062	12,814	52,876
350,463	373,928	724,391
<u>\$ 390,525</u>	<u>\$ 386,742</u>	<u>\$ 777,267</u>

City of Glendale, Arizona

Balance Sheet

Governmental Funds

June 30, 2018

(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	\$ 44,806	\$ 3,208	\$ 105,385	\$ 153,399
Receivables, net of allowance for doubtful accounts:				
Property taxes	154	-	555	709
Accounts	4,662	-	4,529	9,191
Note	-	51,308	-	51,308
Accrued interest	587	-	-	587
Due from other funds	3,619	-	-	3,619
Intergovernmental receivable	21,485	-	6,016	27,501
Inventories and prepaid items	2,919	-	136	3,055
Restricted cash and investments	1,040	10,489	52,330	63,859
Total assets	<u>\$ 79,272</u>	<u>\$ 65,005</u>	<u>\$ 168,951</u>	<u>\$ 313,228</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Vouchers payable	\$ 6,921	\$ -	\$ 5,117	\$ 12,038
Accounts payable	803	-	68	871
Retainage payable	-	-	1,025	1,025
Compensated absences - current	1,435	-	136	1,571
Intergovernmental payable	481	-	1	482
Due to other funds	-	-	3,619	3,619
Deposits	2,816	-	67	2,883
Unearned revenue	33	-	4,834	4,867
Matured interest payable	-	5,101	9,606	14,707
Matured bonds payable	-	4,990	20,325	25,315
Total liabilities	<u>12,489</u>	<u>10,091</u>	<u>44,798</u>	<u>67,378</u>
Deferred Inflows of Resources - Unavailable Revenue	<u>1,438</u>	<u>51,308</u>	<u>633</u>	<u>53,379</u>
Fund Balances:				
Nonspendable	2,919	-	5,810	8,729
Restricted	6,274	3,606	115,385	125,265
Committed	-	-	2,548	2,548
Assigned	12,678	-	430	13,108
Unassigned	43,474	-	(653)	42,821
Total fund balances	<u>65,345</u>	<u>3,606</u>	<u>123,520</u>	<u>192,471</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 79,272</u>	<u>\$ 65,005</u>	<u>\$ 168,951</u>	<u>\$ 313,228</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, 2018
(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	\$	192,471
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	\$	1,915,389
Less accumulated depreciation		<u>(783,999)</u>
		1,131,390
Net OPEB asset		1,316
Adjustment to reflect the government joint venture		3,142
Deferred outflow of resources related to pensions and OPEB		71,363
Deferred outflow reacquisition price of refunding outstanding debt		16,386
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds and shown as an internal balance item.		527
Internal service funds are used by management to charge the costs of workers' compensation, risk management, employee benefits, fleet services and IT projects to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the statement of net position.		7,932
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	(632,850)	
Net pension liability	(329,878)	
Net OPEB liability	(6,351)	
Capital lease obligations	(2,278)	
Developer payable obligations	(4,126)	
Compensated absences	(25,304)	
Bond discount	504	
Settlement obligation	(8,100)	
Unamortized premium on debt issuance	(56,573)	
Note payable	<u>(1,839)</u>	
		(1,066,795)
Deferred inflows of resources related pensions and OPEB		(20,586)
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		53,379
Net position of governmental activities	<u>\$</u>	<u>390,525</u>

City of Glendale, Arizona
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2018
(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	\$ 141,091	\$ -	\$ 47,462	\$ 188,553
Licenses and permits	10,267	-	2,267	12,534
Intergovernmental	64,370	-	29,821	94,191
Local	53	-	5	58
Charges for services	9,824	-	426	10,250
Fines and forfeitures	2,965	-	372	3,337
Investment income(loss)	(811)	81	859	129
Miscellaneous	4,345	-	2,145	6,490
Total revenues	<u>232,104</u>	<u>81</u>	<u>83,357</u>	<u>315,542</u>
EXPENDITURES				
Current:				
General government	29,634	11	1,316	30,961
Public safety	133,113	-	6,174	139,287
Public works	11,369	-	31	11,400
Community services	17,546	-	14,408	31,954
Community environment	-	-	3,621	3,621
Street maintenance	763	-	10,098	10,861
Debt service:				
Principal	-	4,990	24,369	29,359
Interest	-	10,202	18,098	28,300
Capital outlay	9,878	-	32,774	42,652
Total expenditures	<u>202,303</u>	<u>15,203</u>	<u>110,889</u>	<u>328,395</u>
Excess (deficiency) of revenues over (under) expenditures	<u>29,801</u>	<u>(15,122)</u>	<u>(27,532)</u>	<u>(12,853)</u>
OTHER FINANCING SOURCES (USES)				
Payment to refunded bonds escrow agent	-	-	(77,139)	(77,139)
Refunding bonds issued	-	-	91,940	91,940
Loan proceeds	-	-	15,240	15,240
Premium on long-term debt issued	-	-	15,686	15,686
Proceeds from equipment disposal	2,831	-	79	2,910
Transfers in	600	18,180	43,147	61,927
Transfers out	(29,470)	(2,894)	(30,923)	(63,287)
Total other financing sources and uses	<u>(26,039)</u>	<u>15,286</u>	<u>58,030</u>	<u>47,277</u>
Net change in fund balances	<u>3,762</u>	<u>164</u>	<u>30,498</u>	<u>34,424</u>
Fund balances, July 1	<u>61,583</u>	<u>3,442</u>	<u>93,022</u>	<u>158,047</u>
Fund balances, June 30	<u>\$ 65,345</u>	<u>\$ 3,606</u>	<u>\$ 123,520</u>	<u>\$ 192,471</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, 2018
(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		\$ 34,424
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Expenditures for capitalized assets	\$ 42,652	
Less current year depreciation	<u>(51,623)</u>	(8,971)
The net effect of various transactions involving capital is to increase net position.		
Capital contributions	4,971	
Disposals	(2,910)	
Gain (loss) on sales	<u>(419)</u>	1,642
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		4,160
The net effect of long-term obligations and the related transactions is to increase net assets.		
Long term debt issued	(107,180)	
Net bond premium and discount amortized	4,753	
Net bond premium	(15,686)	
Payment to refunded bonds escrow agent	77,139	
Principal paid on bonds and notes	<u>29,359</u>	(11,615)
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.		(2,381)
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.		35,743
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.		(10,440)
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.		(539)
Expenses on the statement of activities differ from governmental funds because of the portion not accrued on the governmental funds.		<u>(1,961)</u>
Change in net position of governmental activities		<u>\$ 40,062</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, 2018
(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	\$ 84,084	\$ 11,300	\$ 95,384	\$ 25,134
Receivables:				
Accounts	14,475	3,132	17,607	-
Allowance for uncollectibles	(2,286)	(509)	(2,795)	-
Intergovernmental receivable	917	21	938	9
Inventories and prepaid items	3,464	20	3,484	59
Total current assets	<u>100,654</u>	<u>13,964</u>	<u>114,618</u>	<u>25,202</u>
Noncurrent assets:				
Restricted deposits	3,350	-	3,350	1,575
Restricted cash and investments	12,651	-	12,651	-
OPEB assets	72	37	109	24
Capital assets:				
Capital assets	841,634	62,147	903,781	5,397
Accumulated depreciation	(360,572)	(35,125)	(395,697)	(3,641)
Capital assets, net	<u>481,062</u>	<u>27,022</u>	<u>508,084</u>	<u>1,756</u>
Equity in joint venture	46,363	-	46,363	-
Total noncurrent assets	<u>543,498</u>	<u>27,059</u>	<u>570,557</u>	<u>3,355</u>
Total assets	<u>644,152</u>	<u>41,023</u>	<u>685,175</u>	<u>28,557</u>
DEFERRED OUTFLOWS OF RESOURCES				
Debit amounts related to pensions and OPEB	3,787	1,976	5,763	1,798
Debit amounts resulting from refunded debt	7,935	-	7,935	-
Total deferred outflows of resources	<u>11,722</u>	<u>1,976</u>	<u>13,698</u>	<u>1,798</u>
LIABILITIES				
Current liabilities:				
Vouchers payable	7,106	1,134	8,240	2,285
Accounts payable	63	34	97	230
Retainage payable	102	-	102	-
Compensated absences	1,654	622	2,276	582
Matured bonds payable	12,780	-	12,780	-
Intergovernmental payable	308	10	318	-
Deposits	5,233	298	5,531	-
Unearned revenue	11	-	11	-
Unearned rent	-	10	10	-
Estimated claims payable	-	-	-	13,915
Bonds payable-current	18,300	-	18,300	-
Interest payable	4,930	-	4,930	-
Total current liabilities	<u>50,487</u>	<u>2,108</u>	<u>52,595</u>	<u>17,012</u>
Noncurrent liabilities:				
Compensated absences	982	535	1,517	369
Bonds payable	203,917	-	203,917	-
Net pension liability	21,032	11,278	32,310	3,463
Net OPEB liability	440	815	1,255	383
Other long-term debt	-	29	29	-
Estimated closure and post-closure costs	-	15,235	15,235	-
Total noncurrent liabilities	<u>226,371</u>	<u>27,892</u>	<u>254,263</u>	<u>4,215</u>
Total liabilities	<u>276,858</u>	<u>30,000</u>	<u>306,858</u>	<u>21,227</u>
DEFERRED INFLOWS				
Credit amounts related to pensions and OPEB	3,068	1,678	4,746	1,196
Total deferred inflows of resources	<u>3,068</u>	<u>1,678</u>	<u>4,746</u>	<u>1,196</u>
NET POSITION				
Net investment in capital assets	253,898	27,022	280,920	1,756
Restricted for:				
Debt service	12,780	-	12,780	-
Revenue bond retirement, replacement and extension	9,538	-	9,538	-
OPEB benefits	72	37	109	24
Other purposes	5,123	-	5,123	-
Unrestricted	94,537	(15,738)	78,799	6,152
Total net position	<u>\$ 375,948</u>	<u>\$ 11,321</u>	<u>387,269</u>	<u>\$ 7,932</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			(527)	
Net position of business-type activities			<u>\$ 386,742</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, 2018
(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Major Funds	Other	Total	
	Water and Sewer	Proprietary Funds		
Operating revenues:				
Intergovernmental	\$ 536	\$ 9,146	\$ 9,682	\$ -
Metered water sales	49,082	-	49,082	-
Sewer service charges	33,465	-	33,465	-
Container service	-	4,016	4,016	-
Curb service	-	12,032	12,032	-
Landfill user fees	-	8,241	8,241	-
Self-insurance premium	-	-	-	34,860
Charges for Services	-	-	-	21,353
Recycling sales	-	1,099	1,099	-
Other fees	4,939	3,458	8,397	205
Total operating revenues	<u>88,022</u>	<u>37,992</u>	<u>126,014</u>	<u>56,418</u>
Operating expenses:				
Water	23,933	-	23,933	-
Sewer	12,732	-	12,732	-
Landfill	-	9,112	9,112	-
Housing	-	12,669	12,669	-
Closure/post-closure care adjustment	-	538	538	-
Solid Waste	-	15,291	15,291	-
Administrative and general	14,297	-	14,297	17,953
Insurance claims and premiums	-	-	-	37,426
Amortization and depreciation	23,305	2,606	25,911	563
Total operating expenses	<u>74,267</u>	<u>40,216</u>	<u>114,483</u>	<u>55,942</u>
Operating income (loss)	<u>13,755</u>	<u>(2,224)</u>	<u>11,531</u>	<u>476</u>
Nonoperating revenues (expenses):				
Impact fees	1,558	-	1,558	-
Investment income	1,264	104	1,368	263
Interest expense	(8,544)	-	(8,544)	-
Net loss from joint venture	(2,627)	-	(2,627)	-
Gain/(loss) on disposal of assets	(2,847)	43	(2,804)	(6)
OPEB income (expense)	5,334	2,924	8,258	(612)
Total nonoperating revenues (expenses)	<u>(5,862)</u>	<u>3,071</u>	<u>(2,791)</u>	<u>(355)</u>
Income (loss) before contributions and transfers	7,893	847	8,740	121
Capital contributions	1,921	133	2,054	-
Transfers in	420	1,191	1,611	-
Transfers out	(246)	(5)	(251)	-
Change in net position	<u>9,988</u>	<u>2,166</u>	<u>12,154</u>	<u>121</u>
Total net position - beginning	<u>365,960</u>	<u>9,155</u>		<u>7,811</u>
Total net position - ending	<u>\$ 375,948</u>	<u>\$ 11,321</u>		<u>\$ 7,932</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			660	
Change in net position of business-type activities			<u>\$ 12,814</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, 2018
(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Major Funds	Other	Total	
	Water and Sewer	Proprietary Funds		
Cash flows from operating activities:				
Cash received from customers	\$ 86,547	\$ 28,761	\$ 115,308	\$ 56,419
Cash received from federal operating grants	-	9,151	9,151	-
Cash paid to suppliers:				
Internal city departments	(9,741)	(10,190)	(19,931)	(303)
External vendors	(24,223)	(16,841)	(41,064)	(11,698)
Cash paid for insurance and in settlement of claims	-	-	-	(33,616)
Cash paid to employees for services	(19,084)	(10,028)	(29,112)	(6,015)
Net cash provided (used) by operating activities	<u>33,499</u>	<u>853</u>	<u>34,352</u>	<u>4,787</u>
Cash flows from noncapital financing activities:				
Transfers in	420	1,191	1,611	-
Transfers out	(246)	(5)	(251)	-
Net cash provided (used) by noncapital financing activities	<u>174</u>	<u>1,186</u>	<u>1,360</u>	<u>-</u>
Cash flows from capital and related financing activities:				
Proceeds from sale of capital assets	-	37	37	-
Principal payments on obligations	(9,805)	-	(9,805)	-
Acquisition of capital assets and rights	(28,831)	(1,096)	(29,927)	(1,058)
Impact fees	1,558	-	1,558	-
Interest payments on obligations	(10,090)	-	(10,090)	-
Contributions to Joint Venture	(542)	-	(542)	-
Net cash (used) by capital and related financing activities	<u>(47,710)</u>	<u>(1,059)</u>	<u>(48,769)</u>	<u>(1,058)</u>
Cash flows from investing activities:				
Interest received from investments	1,264	95	1,359	263
Net cash provided by investing activities	<u>1,264</u>	<u>95</u>	<u>1,359</u>	<u>263</u>
Net increase (decrease) in cash and cash equivalents during fiscal year	(12,773)	1,075	(11,698)	3,992
Cash and cash equivalents, July 1	109,508	10,225	119,733	21,142
Cash and cash equivalents, June 30	<u>\$ 96,735</u>	<u>\$ 11,300</u>	<u>\$ 108,035</u>	<u>\$ 25,134</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	Total	
	Water and Sewer	Proprietary Funds		
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 13,755	\$ (2,224)	\$ 11,531	\$ 476
Adjustments to reconcile operating income (loss) to net cash provided (used) by operations:				
Amortization and depreciation	23,305	2,606	25,911	563
Net pension and OPEB contributions	6,320	3,441	9,761	(292)
Change in net OPEB asset	(71)	(38)	(109)	(23)
Change in net pension and OPEB liability	(7,140)	(3,882)	(11,022)	76
Net change in deferred outflows related to pensions and OPEB	799	420	1,219	259
Net change in deferred inflows related to pensions and OPEB	(350)	(162)	(512)	(164)
Changes in assets and liabilities:				
Accounts receivable	(1,410)	(88)	(1,498)	1
Intergovernmental receivable	(917)	10	(907)	-
Inventories and prepaid items	(903)	(2)	(905)	50
Restricted deposits	(402)	-	(402)	-
Vouchers and accounts payable	33	268	301	(339)
Intergovernmental payable	(33)	(24)	(57)	-
Deposits	326	1	327	-
Unearned rent	-	(4)	(4)	-
Unearned revenue	11	-	11	-
Compensated absences	176	(7)	169	105
Claims payable	-	-	-	4,075
Estimated closure and post-closure costs	-	538	538	-
Net cash provided (used) by operating activities	<u>\$ 33,499</u>	<u>\$ 853</u>	<u>\$ 34,352</u>	<u>\$ 4,787</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	\$ 84,084	\$ 11,300	\$ 95,384	\$ 25,134
Restricted cash and investments	12,651	-	12,651	-
Total cash and cash equivalents	<u>\$ 96,735</u>	<u>\$ 11,300</u>	<u>\$ 108,035</u>	<u>\$ 25,134</u>

**Noncash investing, capital,
and financing activities:**

Contributions of capital assets	\$ 1,921	\$ 133	\$ 2,054	\$ -
Loss on joint venture	(2,627)	-	(2,627)	-
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, 2018

(amounts expressed in thousands)

Notes to the Financial Statements

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

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CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2018

(amounts expressed in thousands)

I. Summary of significant accounting policies

A. Reporting entity

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

Blended component units

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

B. Government-wide and fund financial statements

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

There are several types of transactions that are reported in the financial statements as inter-fund items. Transactions that would be treated as revenue, expenditures or expenses if they involved organizations external to the governmental unit, like the sale of water from the water & sewer fund to various functions of the general fund, are accounted for as revenue & expenditures or expenses in the funds involved. These revenue & expense transactions are reflected in the appropriate functional activity on the government-wide statement of activities and are not eliminated in consolidation. 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 & administration) should be treated as reimbursement transactions and the revenue & expenditures/expenses reduced in the allocating fund. The costs of these services are reflected in the appropriate functional activity within the government-wide statement of activities and the revenues & expenses are eliminated from the government-wide financial statements to avoid any doubling up effect of these revenues & expenses. Transfers between funds are included in the results of both governmental & proprietary funds (as other sources/uses in governmental funds).

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

Certain transactions occurring between funds that are combined within the same fund type or displayed in the same financial statement column for presentation in these annual financial statements have been eliminated from the financial statements. These transactions include transfers between funds and interdepartmental service charges. All internal balances in the statement of net position have been eliminated, with the exception of those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total governmental column.

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

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

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

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

Proprietary funds

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

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

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

D. Measurement focus and basis of accounting

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

CITY OF GLENDALE, ARIZONA

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(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 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

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inventories are used (i.e., the consumption method) for both GAAP reporting and budgetary purposes. However, the City postage inventory is recorded as expenditure at time of purchase (i.e., the purchase method) for budgetary purposes. At June 30, 2018, the postage portion of the general fund supplies inventory was \$9. Certain expenditures are recorded for financial reporting purposes as prepaid items.

Special reporting treatment is applied to governmental fund inventories and prepaid items to indicate that they represent amounts that are not in spendable form, even though they are a component of current assets. Such amounts are presented as a component of non-spendable fund balance.

H. Restricted assets

Certain proceeds of the City's bonds, as well as certain resources set aside for their repayment, are classified as restricted on the balance sheet, or statement of net position, because they are maintained in separate bank accounts and their use is limited by applicable debt covenants and the escrow agreement. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources, as they are needed.

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

I. Capital assets

The City has chosen not to apply the modified approach to any networks or subsystems of infrastructure assets. No long-term assets or depreciation are shown in the governmental fund financial statements.

Capital assets, including public domain infrastructure (e.g., roads, bridges, sidewalks and other assets that are immovable and of value only to the City) are defined as assets with an initial, individual cost of more than \$5 and an estimated useful life greater than three years. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

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

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

CITY OF GLENDALE, ARIZONA

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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 \$2,694, 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, 2018, is \$1,447. 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, 2018, 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, 2018, is \$3,570.

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, 2018, costing \$2,026, 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 \$2,026.

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 has been given authority to assign funds as needed through the financial policies adopted in the annual Budget Book approved by Mayor and Council. An example of assigned fund balance are amounts for equipment replacement or general government capital projects.

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

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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 2, 2017
Levy (assessment) date (third Monday in August)	August 21, 2017
Due dates:	
First half of assessment	October 2, 2017
Second half of assessment	March 1, 2018
Penalties and interest added (collection dates):	
First half of assessment	November 1, 2017
Second half of assessment	May 1, 2018

The City currently levies less than the maximum allowed by State Statutes for primary property taxes. The City is permitted to levy an increase of two percent over the previous year's maximum allowable primary levy plus an increased dollar amount due to a net gain in property not taxed the previous year. The secondary property tax levy is made for the purpose of retiring the principal, interest and servicing fees on bonded indebtedness. The City may levy the amount deemed necessary to meet its bonded debt service requirements. The debt service fund balance cannot exceed 10% of the next year's debt service payment. 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.

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The distribution of the City's levy (tax rate per \$100 assessed value) to its funds for the year ended June 30, 2018, is as follows:

Fund	Rate
General fund	\$ 0.46
General obligation debt service fund	1.61
Total	\$ 2.07

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, 2018, and 2) sick leave, taken and paid for illness during that period, paid to terminating employees or paid under the optional annual declaration. Long-term liabilities of governmental funds are not shown on the fund financial statements. All of the outstanding vacation, compensatory time, and sick leave are recorded as a liability on the government-wide financial statements, and the proprietary fund financial statements, according to payment policy.

O. Deferred outflow and deferred inflow of resources

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

In addition to liabilities, the statement of net position will report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government only has two items that qualify for reporting in this category. It is unavailable revenue, which arises only under a modified accrual basis of accounting, and the deferred inflow related to pensions and other post-employment benefits.

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

P. Long-term obligations

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

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

Q. Operating revenues and expenses

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

R. Postemployment benefits

For purposes of measuring the net pension and other postemployment benefits (OPEB) assets and liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the 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 plans. 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

The 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

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a portion of their current salary until future years. Any contributions made to the deferred compensation plan, in compliance with Section 457 and 401(a) of the Internal Revenue Code, are not available to employees until termination of employment, retirement, death or an unforeseen emergency. The plan assets are in custodial or trust accounts for the exclusive benefit of the plans' participants and beneficiaries.

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

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

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

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

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

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

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

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

U. Investments

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

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

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

The City's investment in LGIP represents shares of the pool's portfolio. The fair value of each share in the LGIP is one dollar. These shares are not identified with specific investments and are not subject to custodial credit risk. Neither the County nor LGIP are registered with the Securities and Exchange Commission as investment companies. The State Board of Deposits provides oversight, and the Local Government Investment Pool Advisory Committee provides consultation and advice to the LGIP. There is no regulatory oversight of the County Treasurer's operations. The net decrease in the fair value of investments during the fiscal year ended June 30, 2018, was \$1,490.

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

The City ended the fiscal year June 30, 2018, with a deficit fund balance/net position in the following funds:

Fire and Police construction fund

The deficit fund will be funded by bond proceeds in 2019 \$ 653

Fleet services internal service fund

Deficit will be funded by increases in user premium charges in next fiscal year. 3,124

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2018

(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 \$68,711 and the bank balances were \$72,727. The difference of \$4,016 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, 2018, were \$101,207 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 valued using net asset value (NAV) per share (or its equivalent), which approximates the fair value of the holdings provided by the Arizona State Treasurer's Office at June 30, 2018. Unlike more traditional investments, the City's holdings in the LGIP, measured at a NAV approximately \$1 per share (or equivalent) are not individually identifiable.

As of June 30, 2018, the City had the following investments:

Investment Type	Investment Maturities (in years)				Fair Value
	0 - 1	1 - 2	2 - 3	Over 3	
Corporate bonds	\$ 4,992	\$ 10,838	\$ 5,021	\$ -	\$ 20,851
U.S. Agencies	19,905	39,498	2,481	-	61,884
U.S. Treasuries	42,301	9,846	16,724	-	68,871
Arizona LGIP - State Pool	33,830	-	-	-	33,830
Grand total investments	<u>\$ 101,028</u>	<u>\$ 60,182</u>	<u>\$ 24,226</u>	<u>\$ -</u>	<u>\$ 185,436</u>
Cash deposits					68,711
Cash with fiscal agents					101,207
Total deposits and investments					<u>\$ 355,354</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

Debt securities classified in Level 2 are valued using quoted prices for similar securities in active markets.

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CITY OF GLENDALE, ARIZONA

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June 30, 2018

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The City's investments are classified as follows:

Investment at fair value level	Fair Value Measurements Using Levels			
	Level 1	Level 2	Level 3	Totals
Corporate Bonds	\$ -	\$ 20,851	\$ -	\$ 20,851
U.S. Agencies	-	61,884	-	61,884
U.S. Treasury	-	68,871	-	68,871
Total Investments at fair value level	<u>\$ -</u>	<u>\$ 151,606</u>	<u>\$ -</u>	<u>151,606</u>
External Investment Pools Measured at Fair Value				
State Treasurer's Investment Pool				<u>33,830</u>
Total Investments				<u>\$ 185,436</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, 2018, 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	AA+	Aaa	34.45%	2.30
U.S. Agencies	AA+	Aaa	30.71%	1.23
Arizona LGIP	NR	NR	18.24%	0.10
Corporate	A+	A2	3.16%	1.93
Corporate	AAA	Aaa	2.71%	2.47
U.S. Treasury	A-1+	P-1	2.70%	0.42
Corporate	AA-	Aa3	2.69%	0.32
Corporate	AA	Aa2	2.68%	1.12
U.S. Agencies	AA+	WR	2.66%	1.09

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

<u>Issuer</u>	<u>Investment Type</u>	<u>Amount</u>
United States Treasury Total	U.S. Treasury	\$ 68,871
FNMA Total	U.S. Agencies	34,657
Arizona LGIP Total	Arizona LGIP	33,830
Freddie Mac Total	U.S. Agencies	19,755

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

IV. Note receivable

On October 22, 2008, the Western Loop 101 Public Facilities Corporation (PFC), a blended component of the City dissolved in fiscal year 2016, issued \$199,750 in third lien excise tax revenue bonds to construct a baseball spring training facility. On October 1, 2009, the City finalized an Intergovernmental Agreement with the Arizona Sports and Tourism Authority (AZSTA) for the Glendale Spring Training Facility Project. The AZSTA agreed to contribute to the City \$60,000 for the construction costs plus interest at 4.13% per annum payable semi-annually. A note receivable for the agreed upon contribution amount plus accrued interest on the note in the amount of \$30,668 less an allowance for doubtful accounts in the amount of \$39,360 has been recorded at June 30, 2018. No payments have been received by the City on the note as of June 30, 2018. At the Glendale City Council workshop session held on August 5, 2014, the AZSTA presentation included projections for the AZSTA to begin making payments to the City in the year 2021. On December 27, 2012, the City of Glendale Municipal Property Corporation (MPC), a blended component unit of the City, issued subordinate excise tax revenue bonds to refund the \$199,750 third lien excise tax revenue bonds that were previously issued by the Western Loop 101 Public Facilities Corporation (PFC). The issuance of \$183,405 in tax-exempt bonds and \$16,850 in taxable bonds achieved debt service savings and lowered the next five fiscal years' annual rental payments under the Lease Agreement. In fiscal year 2016, the AZSTA receivable was recorded in the MPC debt service fund.

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CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2018

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V. Capital assets

A summary of capital asset activity, for the government-wide financial statements, for the year ended June 30, 2018, is as follows:

	Balances June 30, 2017	Increase	Decrease	Balances June 30, 2018
Governmental activities				
Non-depreciable assets:				
Construction in progress	\$ 10,459	\$ 19,769	\$ (6,747)	\$ 23,481
Land	119,381	3,631	(2,408)	120,604
Artwork	2,415	-	-	2,415
Total non-depreciable assets	<u>132,255</u>	<u>23,400</u>	<u>(9,155)</u>	<u>146,500</u>
Depreciable assets:				
Buildings	387,865	-	-	387,865
Improvements other than buildings	287,649	1,695	(1,338)	288,006
Infrastructure - streets	771,592	19,792	-	791,384
Infrastructure - parks	91,088	241	-	91,329
Infrastructure - flood/storm drains	78,606	138	-	78,744
Infrastructure - airport	18,726	2,613	-	21,339
Machinery and equipment	51,471	3,686	(1,017)	54,140
Computer equipment	4,563	981	(118)	5,426
Software	6,086	39	-	6,125
Automotive equipment	48,434	4,066	(2,574)	49,926
Total depreciable assets at historical cost	<u>1,746,080</u>	<u>33,251</u>	<u>(5,047)</u>	<u>1,774,284</u>
Less accumulated depreciation for:				
Buildings	(135,791)	(9,857)	-	(145,648)
Improvements other than buildings	(146,355)	(10,542)	-	(156,897)
Infrastructure - streets	(313,826)	(20,043)	-	(333,869)
Infrastructure - parks	(43,085)	(3,118)	-	(46,203)
Infrastructure - flood/storm drains	(11,167)	(1,113)	-	(12,280)
Infrastructure - airport	(10,098)	(398)	-	(10,496)
Machinery and equipment	(40,872)	(2,588)	985	(42,475)
Computer equipment	(3,421)	(553)	110	(3,864)
Software	(2,833)	(593)	-	(3,426)
Automotive equipment	(31,572)	(3,381)	2,473	(32,480)
Total accumulated depreciation	<u>(739,020)</u>	<u>(52,186)</u>	<u>3,568</u>	<u>(787,638)</u>
Total depreciable assets, net	<u>1,007,060</u>	<u>(18,935)</u>	<u>(1,479)</u>	<u>986,646</u>
Governmental activities capital assets, net	<u>\$ 1,139,315</u>	<u>\$ 4,465</u>	<u>\$ (10,634)</u>	<u>\$ 1,133,146</u>

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2018

(amounts expressed in thousands)

	Balances <u>June 30, 2017</u>	<u>Increase</u>	<u>Decrease</u>	Balances <u>June 30, 2018</u>
Business-Type activities:				
Non-depreciable assets:				
Construction in progress - water and sewer	\$ 14,882	\$ 23,331	\$ (12,239)	\$ 25,974
Construction in progress - landfill	357	634	(158)	833
Construction in progress - solid waste	35		(35)	-
Construction in progress - housing authority	572	159		731
Land	26,299	-	(8,559)	17,740
Total non-depreciable assets	<u>42,145</u>	<u>24,124</u>	<u>(20,991)</u>	<u>45,278</u>
Depreciable assets:				
Buildings	16,914		-	16,914
Water rights	9,183	-	-	9,183
Improvements other than buildings	77,676	5,129	-	82,805
Water lines	129,847	6,346	-	136,193
Sewer lines	141,615	3,179	-	144,794
Water treatment plant	254,747	2,875	-	257,622
Sewer treatment plant	139,234	3,216	-	142,450
Meters and services	29,734	3,021	-	32,755
Fire hydrants	5,187	-	-	5,187
Machinery and equipment	4,034	520	(450)	4,104
Computer equipment	1,003	130	-	1,133
System Purchase	1,163	-	-	1,163
Automotive equipment	23,409	1,337	(546)	24,200
Total depreciable assets at historical cost	<u>833,746</u>	<u>25,753</u>	<u>(996)</u>	<u>858,503</u>
Less accumulated depreciation for:				
Buildings	(10,695)	(424)	-	(11,119)
Water rights	(1,961)	(179)	-	(2,140)
Improvements other than buildings	(32,032)	(3,241)	-	(35,273)
Water lines	(50,384)	(2,995)	-	(53,379)
Sewer lines	(66,482)	(3,403)	-	(69,885)
Water treatment plant	(115,917)	(8,802)	-	(124,719)
Sewer treatment plant	(54,206)	(4,048)	-	(58,254)
Meters and services	(15,661)	(807)	-	(16,468)
Fire hydrants	(2,724)	(99)	-	(2,823)
Machinery and equipment	(3,244)	(240)	407	(3,077)
Computer equipment	(932)	(16)	-	(948)
System Purchase	(686)	(140)	-	(826)
Automotive equipment	(15,673)	(1,517)	404	(16,786)
Total accumulated depreciation	<u>(370,597)</u>	<u>(25,911)</u>	<u>811</u>	<u>(395,697)</u>
Total depreciable assets, net	<u>463,149</u>	<u>(158)</u>	<u>(185)</u>	<u>462,806</u>
Business-Type activities capital assets, net	<u>\$ 505,294</u>	<u>\$ 23,966</u>	<u>\$ (21,176)</u>	<u>\$ 508,084</u>

CITY OF GLENDALE, ARIZONA

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Depreciation was charged to functions/programs as follows:

Governmental activities:

General	\$ 16,066
Public safety	5,912
Public works	14,686
Street maintenance	10,976
Community services	4,546
Total depreciation expense	<u>\$ 52,186</u>

Business-Type activities:

Water and sewer	\$ 23,305
Landfill	1,086
Solid Waste	1,207
Housing	313
Total depreciation expense	<u>\$ 25,911</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, 2018. 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	\$ -	\$ 55
Community services	8,940	1,166
Public safety	18	
Public works	3,322	8,149
Street maintenance	10,719	21,376
Water and sewer facilities	25,974	31,669
Landfill	833	776
Housing	731	-
ISF	481	
Total primary government	<u>\$ 51,018</u>	<u>\$ 63,191</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

CITY OF GLENDALE, ARIZONA

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losses. Effective July 1, 1998, the City purchased excess insurance. Currently the excess insurance liability coverage has a \$1,000 self-insured retention. The fund also purchased commercial insurance for airport owners and operators' liability with limits up to \$20 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. An excess cyber liability policy was also purchased with limits up to \$5,000 and a \$25 deductible or 100 notified individuals.

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

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

B. Workers' compensation

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

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

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

C. Employee benefits

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

For active employees' premiums are collected through contributions from employee paychecks and department budgets. Retirees contribute anywhere from 75% to 100% of the premiums, depending on the plan and coverage level they enroll in, and the city subsidizes the remainder. COBRA participants contribute 100% of premiums plus 2% administration fee for their insurance benefit coverage. Premiums for the medical, vision, dental, and life insurance plans are determined prior to each renewal period based on the actuarial valuation of the costs of claims, administration of the plan, demographics of the group, plan design changes and any new mandated benefits. These insurance benefits are provided through fully insured and self-insured insurance plans. The City is responsible for the first \$200 in medical claims per individual per plan year. Claims exceeding \$200 for an individual are paid by the reinsurance plan.

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

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

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(amounts expressed in thousands)

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

D. Estimated liability

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

Liabilities include an amount for claims that have been incurred but not reported, the effects of specific, incremental claim adjustment expenses, and other allocated claim adjustment expenses. The City's workers' compensation self-insurance program liability includes recoveries related to subrogation. Salvage and subrogation are immaterial to both risk management and employee benefits self-insurance programs and are not incorporated into the liability. The 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 \$13,915 as of June 30, 2018. 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>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Unpaid claims, beginning of fiscal year	\$ 2,758	\$ 2,810	\$ 5,021	\$ 3,831	\$ 2,061	\$ 1,914
Current year claims and changes in estimate	3,143	1,096	2,828	2,548	29,499	27,266
Claims payments	<u>(1,858)</u>	<u>(1,148)</u>	<u>(1,518)</u>	<u>(1,358)</u>	<u>(28,019)</u>	<u>(27,119)</u>
Balance at fiscal year end	<u>\$ 4,043</u>	<u>\$ 2,758</u>	<u>\$ 6,331</u>	<u>\$ 5,021</u>	<u>\$ 3,541</u>	<u>\$ 2,061</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, 2018

(amounts expressed in thousands)

VIII. Leases

A. Capital leases

The City's capital lease activity consists principally of leasing various types of light equipment such as radios for the Police Department and a photocopier for the Fire Department. Leases vary in terms of 3 to 5 years for photocopier and radios. Current year principal expenditures are \$2,206 for governmental activities. The future minimum lease obligation and net present value of lease payments at June 30, 2018, are as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2019	2,353
Total minimum lease payments	2,353
Less: Amount representing interest	(75)
Present value of net minimum lease payments	<u>\$ 2,278</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	(1,331)
Total	<u>\$ 5,293</u>

B. 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 2018 and beyond. The carrying value of leased assets is \$286,176 (cost of \$501,299 less accumulated depreciation of \$215,123). The leased properties and buildings are included as capital assets in the government-wide financial statements. Certain leases contain provisions for future increased revenues based upon changes in the Consumer Price Index.

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CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2018

(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
2019	\$ 2,676
2020	2,672
2021	2,042
2022	1,687
2023	1,395
2024 and beyond	32,052
Total	\$ 42,524

IX. Short-term debt

The City did not issue short-term debt for the year ended June 30, 2018.

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

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 \$70,745 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 \$94,970. The current year revenues of \$27,571 collected in the transportation special revenue fund paid the current year principal and interest amounts of \$3,925 and \$3,114 respectively.

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

The Excise Tax Revenue Refunding bonds are special obligations of the City and are not a general obligation of the City. Under a purchase agreement the City makes monthly payments to a trustee. The payments are secured by a senior claim and pledge by the City of all of the City's unrestricted excise tax 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 \$211,755 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 \$300,032. The current year principal and interest amount of \$1,590 and \$9,340 were funded with a transfer from the General fund.

CITY OF GLENDALE, ARIZONA

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June 30, 2018

(amounts expressed in thousands)

The \$199,735 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 \$259,310. The current year principal and interest on the bonds were \$22,640 and net revenues of the system were \$39,882.

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 \$337,675. Excise tax revenues pledged for repayment of MPC was \$168,214. The current year principal and interest paid was \$15,192.

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

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Notes to the Financial Statements

June 30, 2018

(amounts expressed in thousands)

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, 2018:

	June 30, 2017	Increases	Decreases	June 30, 2018	Amounts Due Within One Year
General obligation (GO) bonds	\$ 120,000	\$ 41,795	\$ (14,810)	\$ 146,985	\$ 18,910
Revenue bonds:					
Excise Tax Revenue bonds	147,960	65,385	(1,590)	211,755	6,700
Transportation bonds	74,670	-	(3,925)	70,745	4,035
Municipal Property Corporation	283,515	-	(80,150)	203,365	5,945
Total bonds payable	<u>626,145</u>	<u>107,180</u>	<u>(100,475)</u>	<u>632,850</u>	<u>35,590</u>
Other long-term obligations:					
Capital lease obligations	4,484	-	(2,206)	2,278	2,278
Note payable	3,677	-	(1,838)	1,839	1,839
Net OPEB liabilities	49,542	-	(42,808)	6,734	-
Settlement obligations	11,100	-	(3,000)	8,100	3,000
Compensated absences	25,183	9,207	(6,566)	27,824	16,775
Claims and judgments	9,840	35,382	(31,307)	13,915	13,915
Unamortized premium on debt issuance	52,066	15,686	(11,179)	56,573	4,846
Discount on debt issuance	(1,277)	-	773	(504)	-
Net pension liabilities	313,900	19,441	-	333,341	-
Developer payable obligations	3,898	228	-	4,126	-
Total other long-term obligations	<u>472,413</u>	<u>79,944</u>	<u>(98,131)</u>	<u>454,226</u>	<u>42,653</u>
Total	<u>\$ 1,098,558</u>	<u>\$ 187,124</u>	<u>\$ (198,606)</u>	<u>\$ 1,087,076</u>	<u>\$ 78,243</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 \$1,087,076 in the total liabilities, 697,162 is related to net position for the City's net investment in capital assets. Other obligations not included in the calculation of net position for the City's net investment in capital assets are OPEB obligations, compensated absences, and claims and judgments. No governmental funds cash has been used to fund the net other post-employment benefit obligation (OPEB). The net annual OPEB cost for the current fiscal year was funded by the employee benefits internal service fund. This fund receives money from employee contributions as well as general and water and sewer fund contributions.

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CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2018

(amounts expressed in thousands)

The following is a summary of changes in long-term liabilities reported in the business-type activities financial statements for the year ended June 30, 2018:

	June 30, 2017	Additions	Reductions	June 30, 2018	Amounts Due Within One Year
Water and sewer revenue/obligation bonds	\$ 212,515	\$ -	\$ (12,780)	\$ 199,735	\$ 16,050
Total bonds payable	<u>212,515</u>	<u>-</u>	<u>(12,780)</u>	<u>199,735</u>	<u>16,050</u>
Other long-term obligations:					
Estimated closure and post-closure costs	14,697	538	-	15,235	-
Unamortized premium on debt issuance	24,732	-	(2,250)	22,482	2,250
Net pension liabilities	32,015	295	-	32,310	-
Net OPEB liabilities	11,083	-	(9,828)	1,255	-
Compensated absences	3,624	1,192	(1,023)	3,793	2,276
Housing noncurrent liabilities	25	4	-	29	-
Total other long-term obligations	<u>86,176</u>	<u>2,029</u>	<u>(13,101)</u>	<u>75,104</u>	<u>4,526</u>
Total	<u>\$ 298,691</u>	<u>\$ 2,029</u>	<u>\$ (25,881)</u>	<u>\$ 274,839</u>	<u>\$ 20,576</u>

Of the \$274,839 in total liabilities, \$222,217 (including matured bonds payable) is included in the calculation of net position for the City's net investment in capital assets. Other obligations not included in the calculation of net position for the City's net investment in capital assets are estimated landfill closure and post-closure costs, OPEB obligations, compensated absences, and housing noncurrent liabilities.

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CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2018

(amounts expressed in thousands)

E. Current and advance refunded bonds

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

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

<u>Issue Refunded</u>	<u>Date Refunded</u>	<u>Remaining Balance</u>
Municipal Property Corporation Bonds Series 2008A	June 1, 2016	1,530

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CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2018

(amounts expressed in thousands)

F. Bonds payable

Bonds payable at June 30, 2018, 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, 2018
<u>GO bonds payable from secondary assessed property taxes</u>					
Various Taxable Direct Pay BAB	1.50-5.63	2010	2030	41,650	29,385
Refunding Tax-Exempt	4.00-5.00	2011	2022	38,300	14,830
Refunding Tax-Exempt	2.00-5.00	2015	2022	39,490	34,510
Various Tax-Exempt(A), Taxable(B)	1.54-4.00	2016	2036	27,285	26,465
Refunding Taxable BAB 2017	3.16	2018	2030	26,555	26,555
Various Tax-Exempt 2018	5.00	2018	2037	15,240	15,240
Total					146,985
<u>Revenue bonds payable from the 0.5% transportation sales tax</u>					
Refunding Tax-Exempt Excise Tax Rev	2.00-5.00	2015	2032	55,635	55,340
Refunding Tax-Exempt Excise Tax Rev	2.62	2017	2032	19,330	15,405
Total					70,745
<u>Excise Tax bonds payable from general fund sales tax</u>					
Refunding Tax-Exempt 2015A	5.00	2015	2031	100,430	99,315
Refunding Taxable 2015B	3.93-4.03	2015	2033	13,700	13,700
Refunding Tax-Exempt 2016	3.00-5.00	2016	2033	33,830	33,830
Sub Refunding Tax-Exempt 2017	5.00	2018	2032	65,385	64,910
Total					211,755
<u>Municipal Property Corporation payable from general fund lease payments</u>					
MPC Taxable excise tax 2003B	1.46-5.58	2003	2033	105,260	1,480
MPC Taxable excise tax 2008B	5.45-6.16	2008	2033	52,780	42,995
MPC Tax-Exempt refunding 2012A	3.00-5.00	2012	2021	8,665	4,540
MPC Tax-Exempt refunding 2012B	5.00	2013	2033	39,620	39,620
MPC Tax-Exempt refunding 2012C	5.00	2013	2038	183,405	108,245
MPC Taxable refunding 2012D	1.30-3.125	2013	2020	16,850	6,485
Total					203,365
Total bonds payable recorded in governmental activities					632,850
Less current portion					(35,590)
Long-term portion of bonds payable recorded in governmental activities					\$ 597,260

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2018

(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, 2018</u>
<u>Revenue bonds/obligations payable from water and sewer fund</u>					
Various	6.20-6.55	2011	2030	25,685	25,685
Various refunding	2.00-5.00	2012	2028	77,635	57,640
Various refunding	2.50-5.00	2015	2028	121,245	<u>116,410</u>
Total					<u>199,735</u>
Total bonds payable recorded in business-type activities					199,735
Less current portion					<u>(16,050)</u>
Long-term portion of bonds payable recorded in business-type activities					<u>\$ 183,685</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, 2018, is as follows:

	<u>6%</u>	<u>20%</u>
Capacity to incur bonded debt	\$ 78,417	\$ 261,389
Less: Bonded debt applicable to limit	<u>-</u>	<u>(114,807)</u>
Unused bonded debt capacity	<u>\$ 78,417</u>	<u>\$ 146,582</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, 2018

(amounts expressed in thousands)

G. Bonds authorized, issued and unissued

Bonds authorized but not fully issued as of June 30, 2018, are shown below:

GO bonds	Authorized Amount	Issued through June 30, 2018	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	64,414	387
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	44,188	34,877
Total GO bonds	\$ 502,319	\$ 183,869	\$ 318,450
<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	\$ 183,869	\$ 328,450

(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, 2018

(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.

\$ 4,126

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.

\$1,839

Less current portion

(\$1,839)

Note payable long-term portion

\$0

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.

\$8,100

Total settlement obligation

8,100

Less current portion

(3,000)

Settlement obligation long-term portion

\$ 5,100

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2018

(amounts expressed in thousands)

I. Future year debt service requirements

Fiscal Year Ending	Trans- portation Bonds	MPC Bonds	Excise Tax Bonds	G.O. Bonds	Water and Sewer Revenue Bonds/ Obligations	Total
2019	7,034	15,944	16,805	25,209	25,448	90,440
2020	7,033	16,950	16,901	22,603	25,080	88,567
2021	6,700	14,844	20,292	22,619	24,409	88,864
2022	6,699	14,476	20,658	20,740	24,079	86,652
2023	6,694	13,150	21,987	9,513	25,290	76,634
2024	6,699	13,134	22,000	9,470	25,288	76,591
2025	6,703	13,096	22,033	9,439	25,285	76,556
2026	6,700	13,092	22,049	9,407	25,289	76,537
2027	6,701	13,090	22,041	9,358	24,162	75,352
2028	6,699	13,074	22,059	9,309	20,302	71,443
2029	6,699	13,836	21,300	9,444	7,411	58,690
2030	6,696	13,799	21,338	9,208	7,267	58,308
2031	6,699	13,792	21,342	3,164	-	44,997
2032	7,214	14,915	20,224	3,168	-	45,521
2033	-	27,821	9,003	3,171	-	39,995
2034	-	22,533	-	3,175	-	25,708
2035	-	22,533	-	3,164	-	25,697
2036	-	22,532	-	3,164	-	25,696
2037	-	22,532	-	1,013	-	23,545
2038	-	22,532	-	-	-	22,532
Total	94,970	337,675	300,032	186,338	259,310	1,178,325
Less interest	24,225	134,310	88,277	39,353	59,575	345,740
Principal	<u>\$ 70,745</u>	<u>\$ 203,365</u>	<u>\$ 211,755</u>	<u>\$ 146,985</u>	<u>\$ 199,735</u>	<u>\$ 832,585</u>

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CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2018

(amounts expressed in thousands)

The following table discloses the debt service requirements as of June 30, 2018, 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>
2019	51,640	38,800	\$ 90,440
2020	52,205	36,362	88,567
2021	54,760	34,103	88,863
2022	55,115	31,537	86,652
2023	47,725	28,909	76,634
2024-2028	265,415	111,063	376,478
2029-2033	197,225	50,289	247,514
2034-2038	108,500	14,677	123,177
Total	<u>\$ 832,585</u>	<u>\$ 345,740</u>	<u>\$ 1,178,325</u>

J. New bonds

On October 4, 2017, the City issued \$65,385 in Subordinate Excise Tax revenue refunding obligations. Proceeds of the bonds current refunded \$75,160 of Municipal Property Corporation Subordinate Excise Tax revenue refunding bonds, series 2012C, with bonds maturing in 2021-2032. The 2017 bonds mature on various dates starting 2018 to 2032 with a fixed interest rate of 5.00%. The refunding resulted in a deferred outflow of \$984 and will be amortized over the life of the new refunding bonds. The City realized a future cash flow savings of \$15,761. The bonds are not a general obligation of the City but are a limited obligation of the City and are payable from and secured by a subordinate lien pledge of the city's Unrestricted Excise Taxes.

On December 27, 2017, the City issued \$26,555 in General Obligation refunding bonds. Proceeds of the bonds advance refunded \$27,360 of General Obligation Taxable Direct-Pay Build America Bonds, series 2009B, with bonds maturing 2020-30. The 2017 bonds mature on various dates starting 2020 to 2030 with a fixed interest rate of 3.157%. The bonds have a crossover date of January 1, 2020. The City realized a future cash flow savings of \$1,855. The bonds were purchased as a single obligation by Texas Capital Bank, N.A, a wholly owned subsidiary of TCBI. 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.

On April 3, 2018, the City issued \$15,240 in General Obligation bonds to fund streets and parking construction, reconstruction or other improvements and to construct or reconstruct public safety facilities. The 2018 bonds mature on various dates starting 2019 to 2037 with a fixed interest rate of 5.00%. 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, 2018

(amounts expressed in thousands)

The landfill closure and post-closure care liability at June 30, 2018, 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	-	20,964
Percentage of capacity used	-	87%
Total closure and post-closure costs in present dollars:		
as of June 30, 2018	\$ 18,739	\$ 17,598
as of June 30, 2017	\$ 18,419	\$ 17,297
Closure and post-closure care costs:		
Amount remaining to be recognized as of June 30, 2018	\$ 18,739	\$ 2,363
Liability recognized as of June 30, 2018	\$ -	\$ 15,235

These amounts are based on what it would cost to perform all closure and post-closure care in fiscal year 2017-18. The estimated costs are subject to changes due to inflation, deflation, new technology, and applicable laws and regulations. Assets are not restricted to fund the obligations. The estimated remaining life of the landfill is approximately 50 years.

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

XII. Inter-fund transactions

Inter-fund balances at June 30, 2018, consisted of the following:

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

Other non-major governmental funds	
Community development block grant	\$ 859
Other special revenue	1,856
Capital Project Fire and Police Construction	<u>904</u>
Total due to general fund	<u>\$ 3,619</u>

The inter-fund balances at June 30, 2018, 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, 2018, are expected to be repaid within one year.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2018

(amounts expressed in thousands)

B. Inter-fund transfers

Inter-fund transfers for the year ended June 30, 2018, consisted of the following:

Transfers to general fund from:

Street Construction Fund	600
Total transfers to general fund	<u>600</u>

Transfers to Municipal Property Corporation debt service fund from:

General fund	18,180
Total transfers to Municipal Property Corporation debt service fund	<u>18,180</u>

Transfers to non-major special revenue fund from:

General fund	1,639
Street Construction Fund	227
Other Construction Fund	3
Water and Sewer	246
Other Non-Major Proprietary Funds	<u>5</u>
Total transfers to non-major special revenue fund	<u>2,120</u>

Transfers to non-major debt service funds from:

General fund	8,040
MPC Special Revenue Fund	2,894
Transportation Special Revenue Fund	<u>7,147</u>
Total transfers to non-major debt service funds	<u>18,081</u>

Transfers to non-major capital projects fund from:

Transportation Special Revenue Fund	5,411
Highway users gas tax	<u>17,535</u>
Total transfers to non-major capital projects fund	<u>22,946</u>

Transfers to Water and Sewer Proprietary Fund from:

General Fund	420
Total transfers to water and Sewer proprietary fund	<u>420</u>

Transfers to non-major proprietary funds from:

General fund	1,191
Total transfers to other non-major proprietary fund	<u>1,191</u>

Grand total all transfers	<u><u>\$ 63,538</u></u>
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CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2018

(amounts expressed in thousands)

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

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

XIII. Encumbrances

The Arizona Revised Statutes allow cities to encumber unused appropriations for up to sixty days after the end of the fiscal year. However, effective July 1, 1987, the City adopted a policy of not recognizing encumbrances at year-end. All appropriations lapse on the last day of the fiscal year. Any outstanding commitments that the City intends to honor are budgeted in the new fiscal year. At June 30, 2018, the City intended to honor \$4,037 of outstanding encumbrances in the new fiscal year.

Fund

Major:

General	\$ 104
Water and sewer	2,161

Non-Major:

Other special revenue	58
Streets capital	1,204
Other capital	50
Landfill	435
Sanitation	25
Total	<u>\$ 4,037</u>

XIV. Equity in joint ventures

A. Sub-Regional Operating Group (SROG)

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

Each participant pays for its costs of operation and maintenance based on relative sewage flows and strengths and for purchased capacity in the plant and related transportation facilities based on ownership. The latest available audited financial information on the joint venture is as of and for the fiscal year ended June 30, 2017. The City accounts for its approximate 6.7% investment using the equity method in the water and sewer fund. For the year ended June 30, 2018, the City recognized a loss in the joint venture of \$2,627. The City has financed its share of construction costs through the issuance of revenue bonds, development fees and grants. The bonds are collateralized by a pledge of water revenues and are reflected in the financial statements of the water and sewer fund. The joint venture itself has not issued any debt.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2018

(amounts expressed in thousands)

A summary of the audited financial information on the joint venture as of and for the fiscal year ended June 30, 2017, is as follows:

Assets	
Current assets	\$ 48,390
Capital assets, net of accumulated depreciation	<u>680,953</u>
Total assets	<u>729,343</u>
Liabilities	
	<u>33,872</u>
Net assets	<u>\$ 695,471</u>
Total revenues	\$ 57,599
Total expenses	<u>(84,032)</u>
Decrease in net assets	<u>\$ (26,433)</u>

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

B. Regional Wireless Cooperative (RWC)

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

The City has an ongoing financial responsibility as a result of the agreement to participate in the cost to construct, operate and maintain the network. The city's share of costs is determined based on the proportionate number of subscriber units in use at the time of assessment. The latest available audited financial information on the joint venture is as of and for the fiscal year ended June 30, 2017. The equity interest for the City at June 30, 2017, was \$3,142. The City accounts for its approximate 3.8% investment using the equity method in the Public Safety fund. For the year ended June 30, 2018, the City recognized a loss in the joint venture of \$265.

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CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2018

(amounts expressed in thousands)

A summary of the audited financial information on the joint venture as of and for the fiscal year ended June 30, 2017, is as follows:

Assets	
Current assets	\$ 6,998
Capital assets, net of accumulated depreciation	<u>80,098</u>
Total assets	<u>87,096</u>
Liabilities and Deferred Inflows of Resources	
	<u>5,418</u>
Net assets	<u><u>\$ 81,678</u></u>
Total revenues	\$ 9,333
Total expenses	<u>(16,307)</u>
Decrease in net assets	<u><u>\$ (6,974)</u></u>

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

XV. Jointly governed organizations

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

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

XVI. Governmental fund balance components and fund type definitions

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

The City's general fund, unassigned fund balance at June 30, 2018 is \$43,474. Per the City's adopted financial policies, 10% of the general fund operating revenue which totals \$23,210 has been earmarked as the Budget Stabilization Reserve and \$20,264 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, 2018 to commit these funds; therefore, the funds are reported as unassigned.

CITY OF GLENDALE, ARIZONA

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	General	Municipal Property Corporation Debt Service	Other Non-Major Governmental Funds	Total Governmental Funds
Nonspendable				
Inventories and prepaid items	\$ 2,919	\$ -	\$ -	\$ 2,919
Cemetery perpetual care	-	-	5,810	5,810
Total Nonspendable	<u>2,919</u>	<u>-</u>	<u>5,810</u>	<u>8,729</u>
Restricted				
Public transit	-	-	54,098	54,098
State drug enforcement	-	-	2,348	2,348
U.S. drug enforcement	-	-	269	269
Debt service	-	3,606	32,610	36,216
Court security	-	-	256	256
Court time payments	-	-	19	19
Court computer upgrade	-	-	98	98
HOME program	-	-	151	151
Highway user gas tax	-	-	7,160	7,160
Police activities	5,354	-	-	5,354
Fire activities	920	-	-	920
Development impact fees	-	-	15,908	15,908
Park bond construction	-	-	115	115
Economic development	-	-	1,007	1,007
Open space/trails	-	-	227	227
Cultural and historical projects	-	-	189	189
Government facilities	-	-	36	36
Garden for visually impaired	-	-	50	50
Neighborhood stabilization	-	-	273	273
Flood control construction	-	-	571	571
Total restricted	<u>6,274</u>	<u>3,606</u>	<u>115,385</u>	<u>125,265</u>
Committed				
Artwork	-	-	1,390	1,390
Pool/park repair	-	-	150	150
Other	-	-	1,008	1,008
Total committed	<u>-</u>	<u>-</u>	<u>2,548</u>	<u>2,548</u>
Assigned				
Equipment replacement	595	-	-	595
General government capital projects	10,394	-	-	10,394
Bed tax/tourism	1,689	-	-	1,689
Public safety training facility	-	-	430	430
Total assigned	<u>12,678</u>	<u>-</u>	<u>430</u>	<u>13,108</u>
Unassigned fund balance				
	<u>43,474</u>	<u>-</u>	<u>(653)</u>	<u>42,821</u>
	<u>\$ 65,345</u>	<u>\$ 3,606</u>	<u>\$ 123,520</u>	<u>\$ 192,471</u>

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Enterprise Fund Type
Water and Sewer Fund

Restricted for debt service	\$ 12,780
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.	9,538
Restricted for OPEB benefits	72
Restricted for other purposes	<u>5,123</u>
Total restricted for water and sewer	<u>\$ 27,513</u>
 Other Enterprise Funds	
Restricted for OPEB benefits	\$ 37
Total restricted for other enterprise funds	<u>37</u>
Total restricted for enterprise fund types	<u><u>\$ 27,550</u></u>

XVII. Pensions and other postemployment benefits

The City contributes to the Arizona State Retirement System (ASRS) and the Public Safety Personnel Retirement System (PSPRS) for police officers and fire fighters. The plans are component units of the State of Arizona.

At June 30, 2018, the City reported the following aggregate amounts related to pensions and other postemployment benefits (OPEB) for all plans to which it contributes:

<u>Statement of net position and statement of activities</u>	<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Total</u>
Net pension and OPEB asset	\$ 1,340	\$ 109	\$ 1,449
Net pension and OPEB liability	340,075	33,565	373,640
Deferred outflows of resources to pensions and OPEB	73,161	5,763	78,924
Deferred inflows of resources related to pensions and OPEB	21,782	4,746	26,528
Pension and OPEB expense (income)	5,560	(5,584)	(24)

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. The ASRS issues a

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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, 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.

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. For members with 10 or more years of service, benefits range from \$150 per month to \$260 per month depending on the age of the member and dependents. For members with 5 to 9 years of service, the benefits are the same dollar amounts as above multiplied by a vesting fraction based on completed years of service.

Active members are eligible for a monthly long-term disability benefit equal to two-thirds of monthly earnings. Members receiving benefits continue to earn service credit up to their normal retirement dates. Members with long-term disability commencement dates after June 30, 1999, are limited to 30 years of service or the service on record as of the effective disability date if their service is greater than 30 years.

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, 2018, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.5 percent (11.34 percent for retirement and 0.16 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 11.5 percent (10.9 percent for retirement, 0.44 percent for health insurance premium benefit, and 0.16 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 9.49 percent (9.26 percent for retirement, 0.1 percent for health insurance premium benefit and 0.13 percent for long-term disability)

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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. The City's contributions to the pension, health insurance premium benefit, and long-term disability plans for the year ended June 30, 2018, were \$7,414, \$385, and \$96, respectively.

During fiscal year 2018, the City paid for ASRS pension and OPEB contributions as follows: 64% from the governmental funds and 36% from the enterprise funds.

Liability – At June 30, 2018, the City reported the following asset and liabilities for its proportionate share of the ASRS' net pension/OPEB asset or liability:

<u>ASRS</u>	<u>Net pension/OPEB (asset) liability</u>
Pension	103,812
Health insurance premium benefit	(365)
Long-term disability	242

The net asset and net liabilities were measured as of June 30, 2017. The total liability used to calculate the net asset or net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2016, to the measurement date of June 30, 2017. The total pension liability as of June 30, 2017, reflects a change in actuarial assumption related to changes in loads for future potential permanent benefit increases.

The City's proportionate share of the net asset or net liability was based on the City's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2017. The City's proportions measured as of June 30, 2017, and the change from its proportions measured as of June 30, 2016 were:

<u>ASRS</u>	<u>Proportion June 30, 2017</u>	<u>Increase from June 30, 2016</u>
Pension	0.66640%	0.02934
Health insurance premium benefit	0.67058%	-
Long-term disability	0.66674%	-

The net asset and net liabilities measured as of June 30, 2018, will reflect changes of actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2016. The change in the City's net asset and net liabilities as a result of these changes is not known.

Expense - For the year ended June 30, 2018, the City recognized the following pension and OPEB expense:

<u>ASRS</u>	<u>Pension/OPEB expense</u>
Pension	5,326
Health insurance premium benefit	46
Long-term disability	278

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Deferred outflows/inflows of resources - At June 30, 2018 the City reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension		Health insurance premium benefit		Long-term disability	
	Deferred outflows of resources	Deferred inflows of resources	Deferred outflows of resources	Deferred inflows of resources	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ -	\$ 3,113	\$ -	\$ -	\$ -	\$ -
Changes of assumptions or other inputs	4,509	3,104	-	-	-	-
Net difference between projected and actual earnings on pension plan investments	745	-	-	411	-	36
Changes in proportion and differences between City contributions and proportionate share of contributions	5,235	151	-	1	-	-
City contributions subsequent to the measurement date	7,414		385	-	96	-
Total	\$ 17,903	\$ 6,368	\$ 385	\$ 412	\$ 96	\$ 36

The amounts reported as deferred outflows of resources related to ASRS pensions and OPEB resulting from city contributions subsequent to the measurement date will be recognized as an increase of the net asset or a reduction of the net liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions and OPEB will be recognized as expenses as follows:

<u>Year Ended June 30,</u>	Pension	Health insurance premium benefit	Long-term disability
2019	\$ (1,195)	\$ (103)	\$ (9)
2020	6,134	(103)	(9)
2021	1,569	(103)	(9)
2022	(2,387)	(103)	(9)

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

Actuarial valuation date	June 30, 2016
Actuarial roll forward date	June 30, 2017
Actuarial cost method	Entry age normal
Investment rate of return	8%
Projected salary increases	3 - 6.75% for pensions/not applicable for OPEB
Inflation	3%
Permanent benefit increase	Included for pensions/not applicable for OPEB
Mortality rates	1994 GAM Scale BB
Healthcare cost trend rate	Not applicable

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

The long-term expected rate of return on ASRS plan investments was determined to be 8.7 percent using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term expected arithmetic real rate of return
Equity	58%	6.73%
Fixed income	25%	3.70%
Real estate	10%	4.25%
Multi-asset	5%	3.41%
Commodities	2%	3.84%
Total	100%	

Discount Rate - The discount rate used to measure the ASRS total pension/OPEB liability was 8 percent, which is less than the long-term expected rate of return of 8.7 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 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 plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

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Sensitivity of the City’s proportionate share of the ASRS net pension/OPEB (asset) liability to changes in the discount rate - The following table presents the City’s proportionate share of the net pension/OPEB (asset) liability calculated using the discount rate of 8 percent, as well as what the City’s proportionate share of the net pension/OPEB (asset) 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.

ASRS	1% Decrease (7%)	Current Discount Rate (8%)	1% Increase (9%)
City’s proportionate share of the Net pension liability	\$ 133,245	\$ 103,812	\$ 79,219
Net insurance premium benefit liability (asset)	606	(365)	(1,191)
Net long-term disability liability	289	242	202

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

B. Public Safety Personnel Retirement System (PSPRS)

Plan Description - City public safety personnel who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS). The PSPRS administers an agent and cost sharing multiple-employer defined benefit pension plans and an agent and cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plans. A nine-member board known as the Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 4.

The PSPRS issues a publicly available financial report that includes their financial statements and required supplementary information. The reports are available on the PSPRS website at www.psprs.com.

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

	Initial Membership Date	
	Before January 1, 2012	On or after January 1, 2012 and before July 1, 2017
Retirement and Disability		
Years of service and age required to receive benefit	20 years of service, any age 15 years of service, age 62	25 years of service or 15 years of credited service, 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%	1.5% to 2.5% for each year of credited service, not to exceed 80%
Accidental Disability Retirement	50% or normal retirement, whichever is greater	
Catastrophic Disability Retirement	90% for the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater	
Ordinary Disability Retirement	Normal retirement calculated with actual years of credited service or 20 years of credited service, whichever is greater, multiplied by years of credited service (not to exceed 20 years) divided by 20	
Survivor Benefit		
Retired Members	80% to 100% of retired member's pension benefit	
Active Members	80% to 100% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job	

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

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Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. Benefits range from \$150 per month to \$260 per month depending on the age of the member and dependents.

Employees Covered by Benefit Terms - At June 30, 2018, the following employees were covered by the agent plans' benefit terms:

	PSPRS Police		PSPRS Firefighters	
	Pension	Health	Pension	Health
Inactive employees or beneficiaries currently receiving benefits	197	197	93	93
Inactive employees entitled to but not yet receiving benefits	57	25	35	30
Active employees	394	394	220	220
Total	648	616	348	343

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, 2018, are indicated below. Rates are a percentage of active members' annual covered payroll.

	Active member- pension	Active member- health insurance premium benefit	City-pension	City-health insurance premium benefit
PSPRS Police	7.14%-7.65%	0%-0.17%	36.56%-44.82%	0.41%-0.56%
PSPRS Firefighters	7.14%-7.65%	0%-0.17%	32.58%-42.08%	0.0%-0.17%

The City's contributions to the plans for the year ended June 30, 2018, were:

	Pension	Health insurance premium benefit
PSPRS-Police	\$ 10,828	\$ 135
PSPRS-Fire	5,607	-

During fiscal year 2018, the City paid for PSPRS pension and OPEB contributions 100 percent from the General Fund.

Liability - At June 30, 2018, the City reported the following assets and liabilities:

	Net pension (asset) liability	Net OPEB (asset) liability
PSPRS Police	\$ 173,223	\$ 1,371
PSPRS Firefighters	88,615	(1,084)

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The net assets and net liabilities were measured as of June 30, 2017, and the total liability used to calculate the net asset or liability was determined by an actuarial valuation as of that date. The total liabilities as of June 30, 2017, reflect changes of actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2016, including decreasing the investment rate of return from 7.5 percent to 7.4 percent, decreasing the wage inflation from 4 percent to 3.5 percent, and updating mortality, withdrawal, disability, and retirement assumptions. The total pension liabilities for PSPRS also reflect changes of benefit terms for legislation that changed benefit eligibility and multipliers for employees who became members on or after January 1, 2012, and before July 1, 2017, and a court decision that decreased the contribution rates for employees who became members before July 20, 2011. The court decision will also affect the PSPRS net pension liabilities measured as of June 30, 2018, because of refunds of excess member contributions. The change in the City's PSPRS net pension liabilities as a result of the refunds is not known.

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

Actuarial valuation date	June 30, 2017
Actuarial cost method	Entry age normal
Investment rate of return	7.4%
Wage inflation	3.5% for pensions/not applicable for OPEB
Price inflation	2.5% for pensions/not applicable for OPEB
Permanent benefit increase	Included for pensions/not applicable for OPEB
Mortality rates	RP-2014 tables using MP-2016 improvement scale with adjustments to match current experience
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2017, valuation was based on the results of an actuarial experience study for the 5-year period ended June 30, 2016.

The long-term expected rate of return on PSPRS plan investments was determined to be 7.40 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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:

Asset class	Target allocation	Long-term expected geometric real rate of return
Short term investments	2%	0.25%
Absolute return	2%	3.75%
Risk parity	4%	5.00%
Fixed income	5%	1.25%
Real assets	9%	4.52%
GTAA	10%	3.96%
Real estate	10%	3.75%
Private equity	12%	6.75%
Non-U.S. equity	14%	8.70%
U.S. equity	16%	7.60%
Private credit	16%	5.83%
Total	100%	

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Discount Rate – At June 30, 2017, the discount rate used to measure the PSPRS total pension/OPEB liability was 7.4 percent, which was a decrease of 0.1 from the discount rate used as of June 30, 2016. The projection of cash flows used to determine the discount rate 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 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 plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

Changes in the net pension/OPEB liability - The following tables present changes in the City’s net pension/OPEB liability for the PSPRS pension plans (Police and Firefighters):

PSPRS - Police	Pension			Health insurance premium benefit		
	Increase (decrease)			Increase (decrease)		
	Total	Plan	Net	Total	Plan	Net
	pension liability (asset)	fiduciary net position	pension liability (asset)	OPEB liability (asset)	fiduciary net position	OPEB liability (asset)
	(a)	(b)	(a) - (b)	(a)	(b)	(a) - (b)
Balance at June 30, 2017	\$ 282,017	\$ 122,409	\$ 159,608	\$ 6,312	\$ 4,649	\$ 1,663
Changes for the year:						
Service cost	8,582	-	8,582	119	-	119
Interest on the total liability	20,971	-	20,971	464	-	464
Changes of benefit terms	2,583	-	2,583	11	-	11
Differences between expected and actual experience in the measurement of the liability	6,973	-	6,973	211	-	211
Changes of assumptions or other inputs	8,114	-	8,114	(359)	-	(359)
Contributions - employer	-	13,678	(13,678)	-	202	(202)
Contributions - employee	-	4,549	(4,549)	-	-	-
Net investment income	-	15,468	(15,468)	-	541	(541)
Benefit payments, including refunds of employee contributions	(13,390)	(13,390)	-	(359)	(359)	-
Administrative expenses	-	(137)	137	-	(5)	5
Other changes	-	50	(50)	-	-	-
Net changes	33,833	20,218	13,615	87	379	(292)
Balance as of June 30, 2018	\$ 315,850	\$ 142,627	\$ 173,223	\$ 6,399	\$ 5,028	\$ 1,371

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PSPRS - Firefighters	Pension			Health insurance premium benefit		
	Increase (decrease)			Increase (decrease)		
	Total pension liability (asset)	Plan fiduciary net position	Net pension liability (asset)	Total OPEB liability (asset)	Plan fiduciary net position	Net OPEB liability (asset)
Balance at June 30, 2017	\$ 175,978	\$ 92,501	\$ 83,477	\$ 3,285	\$ 4,026	\$ (741)
Changes for the year:						
Service cost	5,062	-	5,062	56	-	56
Interest on the total liability	13,114	-	13,114	243	-	243
Changes of benefit terms	1,055	-	1,055	3	-	3
Differences between expected and actual experience in the measurement of the liability	787	-	787	(39)	-	(39)
Changes of assumptions or other inputs	5,437	-	5,437	(145)	-	(145)
Contributions - employer	-	6,578	(6,578)	-	-	-
Contributions - employee	-	2,604	(2,604)	-	-	-
Net investment income	-	11,234	(11,234)	-	465	(465)
Benefit payments, including refunds of employee contributions	(7,304)	(7,304)	-	(153)	(153)	-
Administrative expenses	-	(100)	100	-	(4)	4
Other changes	-	1	(1)	-	-	-
Net changes	<u>18,151</u>	<u>13,013</u>	<u>5,138</u>	<u>(35)</u>	<u>308</u>	<u>(343)</u>
Balance as of June 30, 2018	<u>\$ 194,129</u>	<u>\$ 105,514</u>	<u>\$ 88,615</u>	<u>\$ 3,250</u>	<u>\$ 4,334</u>	<u>\$ (1,084)</u>

Sensitivity of the City's net pension/OPEB (asset) liability to changes in the discount rate - The following table presents the City's net pension/OPEB (assets) liabilities calculated using the discount rate of 7.4 percent, as well as what the City's net pension/OPEB (asset) 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 (6.4%)	rate (7.4%)	1% Increase (8.4%)
PSPRS Police			
Net pension (asset) liability	\$ 219,046	\$ 173,223	\$ 136,085
Net OPEB (asset) liability	2,135	1,371	734
PSPRS Firefighters			
Net pension (asset) liability	116,127	88,615	66,186
Net OPEB (asset) liability	(679)	(1,084)	(1,421)

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

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2018

(amounts expressed in thousands)

Expense - For the year ended June 30, 2018, the City recognized the following pension and OPEB expense:

	Pension Expense	OPEB Expense (Income)
PSPRS Police	\$ 25,957	\$ 1,651
PSPRS Firefighters	12,750	(787)

Deferred outflows/inflows of resources - At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension		Health insurance premium benefit	
	Deferred outflow of resources	Deferred inflows of resources	Deferred outflow of resources	Deferred inflows of resources
	Differences between expected and actual experience	\$ 7,046	\$ 2,403	\$ 174
Changes of assumptions or other inputs	19,321	-	-	295
Net difference between projected and actual earnings on plan investments	1,038	-	-	158
City contributions subsequent to the measurement date	10,828	-	135	-
Total	\$ 38,233	\$ 2,403	\$ 309	\$ 453

	Pension		Health insurance premium benefit	
	Deferred outflow of resources	Deferred inflows of resources	Deferred outflow of resources	Deferred inflows of resources
	Differences between expected and actual experience	\$ 1,347	\$ 2,750	\$ -
Changes of assumptions or other inputs	13,863	-	-	127
Net difference between projected and actual earnings on plan investments	1,181	-	-	136
City contributions subsequent to the measurement date	5,607	-	-	-
Total	\$ 21,998	\$ 2,750	\$ -	\$ 297

The amounts reported as deferred outflows of resources related to pensions and OPEB resulting from City contributions subsequent to the measurement date will be recognized as an increase in the net asset or a reduction of the net liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized as expenses as follows:

Year Ending June 30,	PSPRS Police		PSPRS Firefighters	
	Pension	Health	Pension	Health
2019	\$ 8,395	\$ (66)	\$ 2,889	\$ (56)
2020	8,515	(66)	3,813	(56)
2021	4,633	(66)	3,087	(56)
2022	2,359	(66)	724	(56)
2023	1,100	(15)	1,137	(22)
Thereafter	-	-	1,991	(51)

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2018

(amounts expressed in thousands)

C. City of Glendale post-employment healthcare plan

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 contribute anywhere from 75% to 100% of the premiums, depending on the plan and coverage level they enroll in, and the city subsidizes the remainder. 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. Effective July 1, 2018 the plan is closed to new retirees. Only those who retired prior to July 1, 2018 are eligible to continue coverage under the City of Glendale OPEB plan. The Mayor and Council have authority each budget year to establish, eliminate, or amend benefit provisions through the annual budget process. A separate report is not provided as the plan financial information is included in the governmental-wide basis and proprietary funds as part of the City of Glendale reporting entity.

Funding policy and employees covered

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

For the fiscal year ending June 30, 2018, the number of employees covered by the plan totaled 614.

Inactive employees or beneficiaries currently receiving benefits	614
Active employees	-
Total	<u>614</u>

Actuarial methods and assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and actuarial value of assets, consistent with the long-term perspective of the calculations. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Healthcare costs were derived from age-neutral premiums, trended to the valuation date and adjusted for the risk characteristics of the group. Medical healthcare trends were projected at 7.50%, decreasing annually by 0.25%, down to an ultimate rate of 5.0%.

Effective July 1, 2018, the city discontinued benefits for any future retirees. Only those already retired as of June 30, 2018 are eligible for OPEB benefits. In 2017, amounts reflect updated mortality improvement assumptions and adjustments to assumptions regarding future retiree participation and spousal coverage to better reflect plan experience. In 2018, amounts reflect updated mortality.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2018

(amounts expressed in thousands)

For June 30, 2018, the last actuarial valuation, the actuarial cost method used is the entry age normal method. A 3.62% pay as you go discount/investment rate was used.

	<u>Discount rate</u>
2016	2.85%
2017	3.43%
2018	3.62%

No actuarial valuation of assets was done as there were no assets at the valuation date and the plan does not have a trust established to hold assets. The amortization method is level percent of payroll amortized over 30 years and the period is open.

Actuarial valuation date	June 30, 2018
Inflation	2.4%
Salary Increases	3.5% including inflation
Discount rate	3.62%
Mortality rates	
Pre-retirement	RPH-2014 employee mortality table, generational with projection scale MP-2017
Post-retirement	RPH-2014 healthy annuitant mortality table, generational with projection scale MP-2017
Health care cost trend rates	5.0%-7.0%

Change in total OPEB liability

A change in the net OPEB liability was determined by an actuarial valuation as of June 30, 2018. The following table shows the changes in OPEB liability as of June 30, 2018.

Total OPEB Liability balance at June 30, 2017	<u>\$ 60,625</u>
Changes for the Year	
Service Cost	3,083
Interest	2,183
Changes of benefit terms	(47,511)
Differences between expected and actual experience	(11,823)
Changes in assumptions or other inputs	(174)
Benefit payments	<u>(6)</u>
Net Changes	<u>(54,248)</u>
Total OPEB Liability balance at June 30, 2018	<u><u>\$ 6,377</u></u>

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

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2018

(amounts expressed in thousands)

Discount rate sensitivity

The discount rate of 3.62% was used to measure the total OPEB liability. This discount rate is the Fidelity General Obligation AA 20 Year Yield as of June 30, 2018. The following table presents the City's net OPEB liability calculated using the discount rate noted above, as well as what the City's OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Discount Rate	2.62%	3.62%	4.62%
Total OPEB Liability	\$ 6,820	\$ 6,377	\$ 6,019

Healthcare cost trend rate sensitivity

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

	<u>Healthcare Cost Trend Rates</u>		
	<u>6.50%</u>	<u>7.50%</u>	<u>8.50%</u>
Total OPEB Liability	\$ 6,110	\$ 6,377	\$ 6,701

OPEB expense

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

Service Cost	\$ 3,083
Interest	2,183
Difference between Actual and Expected Experience	(2,638)
Changes in Assumptions/Inputs	(362)
Change in Benefit Terms	<u>(47,511)</u>
Total FY18 OPEB Expense	<u>\$ (45,245)</u>

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CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2018

(amounts expressed in thousands)

Deferred outflows/inflows of resources

At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB as shown in the following table.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 11,374
Changes of assumptions or other inputs	-	2,435
Total	<u>\$ -</u>	<u>\$ 13,809</u>

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

Year Ending June 30,	<u>OPEB Expense</u>
2019	\$ (3,001)
2020	(3,001)
2021	(3,001)
2022	(3,001)
2023	(1,805)
	<u>\$ (13,809)</u>

XVIII. 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.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2018

(amounts expressed in thousands)

XIX. Tax Abatement

The City implemented GASB Statement No. 77. This statement requires government's that enter into tax abatement agreements to disclose information about the agreements. The tax abatement is listed by program for the year ended June 30,2018.

Primary Government

City of Glendale, AZ

Purpose of Program	Economic Development
Tax being abated	Sales tax reimbursements
Authority under which the abatement agreement is entered	The City is authorized pursuant to Article 1, Section 3 of its Charter and ARS 9-500.05 and 9-500.11, ARS 11-952 to enter into economic development agreements with businesses located in the City and to appropriate and spend public monies for and in conjunction with economic development activities.
Criteria to be eligible to receive abatement	The City analyses the economic development benefits and determines that such public benefits support and justify the economic development incentives provided by each agreement. The public benefits anticipated are indirect economic and non-economic benefits such as increasing City's residents access to goods and services, enhancing public infrastructure, increasing the City's employment base, increasing the City's assessed property valuation and increasing the City's general tax revenues.
Mechanism by which the taxes are abated	The City shall make periodic payments based on a percentage of transaction privilege taxes received by the City for a certain length of time as entered into the agreement after occupancy.
How amount of abatement is determined	Based on a percentage of transaction privilege taxes received by the City for a certain length of time as entered into the agreement or capped at a certain dollar amount.
Types of commitments made by the City other than to reduce taxes	City will abandon real property adjacent to the property for right of way , modifying and rezoning use permit of property.
Amount of sales tax reimbursements for the fiscal year ended June 30,2018	\$ 1,398

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2018

(amounts expressed in thousands)

XX. Implementation of new accounting principles

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. 89, Accounting for Interest Cost Incurred before the End of a Construction Period. The objectives of GASB 89 are to enhance the relevance and comparability of information about capital assets and cost of borrowing for a reporting period and to simplify accounting for certain interest costs by requiring interest costs incurred before the end of a construction period to be recognized as an expense/expenditure in governmental fund and government-wide financial statements. The requirements of GASB 89 are effective for fiscal years beginning after December 15, 2019. The City has elected early application of GASB 89 for the fiscal year ended June 30, 2018. The requirements will be applied prospectively.

XXI. Subsequent events

On October 23, 2018 the Mayor and City Council approved the authorization to enter into a settlement agreement with Traverse Bay Properties, LLC. This agreement supersedes Development Agreement C-4857 for amounts due to Traverse Bay Properties, L.L.C. The agreement was approved for the amount of \$7,500. This payment will be reflected in the fiscal year ending June 30, 2019.

On June 26, 2018 the Mayor and City Council approved an ordinance authorizing the sale of land by the city to the Tohono O'odham Nation for the amount of \$3,100. The closing on the sale of the land and proceeds were received in November 2018.

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City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

REQUIRED SUPPLEMENTARY INFORMATION

(other than MD&A)

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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REQUIRED SUPPLEMENTARY INFORMATION SECTION

This part of the City of Glendale's comprehensive annual financial report presents detailed information for pension plans, OPEB plans, and the general fund budgetary schedule as a context for understanding the information presented in the financial statements and note disclosures.

Contents

	<u>Pages</u>
Schedule of the City's Proportionate Share of the Net Pension/OPEB (Asset)/Liability Cost-Sharing Plans	97-98
Schedule of Changes in the City's Net Pension/OPEB (Asset)/Liability and Related Ratios Agent Plans	99-105
Schedule of OPEB Liability-City Plan	106
Schedule of City Pension/OPEB Contributions	107-110
Notes to Pension/OPEB Plan Schedules	111-112
Budgetary Comparison Schedule-General Fund	113-114
Notes to Budgetary Comparison Schedule-General Fund	115-116

CITY OF GLENDALE, ARIZONA

Schedule of the City's proportionate share of the net pension/OPEB (asset)/liability

Cost-sharing plans

June 30, 2018

(amounts expressed in thousands)

ASRS-Pension	2018 <u>(2017)</u>	2017 <u>(2016)</u>	2016 <u>(2015)</u>
City's proportion of the net pension liability	0.666400%	0.637060%	0.605260%
City's proportionate share of the net pension liability	\$ 103,812	\$ 102,830	\$ 94,278
City's covered payroll	\$ 64,059	\$ 58,301	\$ 54,853
City's proportionate share of the net pension liability as a percentage of its covered payroll	162.06%	176.38%	171.87%
Plan fiduciary net position as a percentage of the total pension liability	69.92%	67.06%	68.35%

	Reporting Fiscal Year (Measurement Date)	
ASRS-Health insurance premium benefit	2018 <u>(2017)</u>	2017 - 2009 <u>(2016 - 2008)</u>
City's proportion of the net OPEB (asset)	0.67058%	Information
City's proportionate share of the net OPEB (asset)	\$ (365)	Not Available
City's covered payroll	\$ 64,059	
City's proportionate share of the net OPEB (asset) as a percentage of its covered payroll	(0.57%)	
Plan fiduciary net position as a percentage of the total OPEB liability	103.57%	

	Reporting Fiscal Year (Measurement Date)	
ASRS-Long-term disability	2018 <u>(2017)</u>	2017 - 2009 <u>(2016 - 2008)</u>
City's proportion of the net OPEB liability	0.66674%	Information
City's proportionate share of the net OPEB liability	\$ 242	Not Available
City's covered payroll	\$ 64,059	
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.38%	
Plan fiduciary net position as a percentage of the total OPEB liability	84.44%	

The notes to pension/OPEB plan schedules are an integral part of this schedule.

Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

Reporting fiscal year
(measurement date)

2015 (2014)	2014 (2013)	2013 - 2009 (2012 - 2008)
0.619749%	0.656524%	Information
\$ 91,702	\$ 109,143	Not Available
\$ 54,523	\$ 57,475	
168.19%	189.90%	
69.49%	N/A	

CITY OF GLENDALE, ARIZONA

Schedule of changes in the City's net pension/OPEB (assets)/liability and related ratios

Agent plans

June 30, 2018

(amounts expressed in thousands)

Public Safety Personnel Retirement System - Police:**Pension****Total pension liability:**

	2018 <u>(2017)</u>	2017 <u>(2016)</u>
Service cost	\$ 8,582	\$ 6,644
Interest on the total pension liability	20,971	18,964
Changes of benefit terms	2,583	16,926
Differences between expected and actual experience in the measurement of the pension liability	6,973	(3,593)
Changes of assumptions or other inputs	8,114	10,446
Benefit payments, including refunds of employee contributions	<u>(13,390)</u>	<u>(11,246)</u>
Net change in total pension liability	33,833	38,139
Total pension liability - beginning	282,017	243,876
Total pension liability - ending (a)	<u><u>\$ 315,850</u></u>	<u><u>\$ 282,015</u></u>

Plan fiduciary net position:

Contributions - employer	\$ 13,678	\$ 13,527
Contributions - employee	4,549	4,299
Net investment income	15,468	729
Benefit payments, including refunds of employee contributions	(13,390)	(11,246)
Administrative expenses	(137)	(105)
Other changes	<u>50</u>	<u>(2)</u>
Net change in plan fiduciary net position	20,218	7,202
Plan fiduciary net position - beginning	<u>122,409</u>	<u>115,207</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 142,627</u></u>	<u><u>\$ 122,409</u></u>

City's net pension liability (asset) - ending (a) - (b)	173,223	159,606
Plan fiduciary net position as a percentage of the total pension liability	45.16%	43.40%
Covered payroll	37,234	34,196
City's net pension liability (asset) as a percentage of covered payroll	465.22%	466.74%

The notes to pension/OPEB plan schedules are an integral part of this schedule.

Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

Reporting fiscal year (measurement date)		
2016 (2015)	2015 (2014)	2014 - 2009 (2013 - 2008)
\$ 6,083	\$ 5,483	Information not available
17,857	14,973	
-	3,331	
1,067	2,845	
-	19,686	
(11,143)	(8,616)	
13,864	37,702	
230,012	192,310	
<u>\$ 243,876</u>	<u>\$ 230,012</u>	

\$ 9,691	\$ 8,221
4,009	3,432
4,023	12,960
(11,143)	(8,616)
(99)	(104)
(6)	(124)
6,475	15,769
108,732	92,963
<u>\$ 115,207</u>	<u>\$ 108,732</u>

128,669	121,280
---------	---------

47.24%	47.27%
--------	--------

33,350	31,815
--------	--------

385.81%	381.20%
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CITY OF GLENDALE, ARIZONA

Schedule of changes in the City's net pension/OPEB (assets)/liability and related ratios
 Agent plans
 June 30, 2018
 (amounts expressed in thousands)

Public Safety Personnel Retirement System - Police:
OPEB

	Reporting fiscal year	
	(measurement date)	
Total OPEB Liability:	<u>2018</u>	<u>2017 - 2009</u>
	<u>(2017)</u>	<u>(2016 - 2008)</u>
Service cost	\$ 119	Information
Interest on the total OPEB liability	464	not available
Changes of benefit terms	11	
Differences between expected and actual experience in the measurement of the OPEB liability	211	
Changes of assumptions or other inputs	(359)	
Benefit payments, including refunds of employee contributions	(359)	
Net change in total OPEB liability	<u>87</u>	
Total OPEB liability - beginning	<u>6,312</u>	
Total OPEB liability - ending (a)	<u>\$ 6,399</u>	
Plan fiduciary net position:		
Contributions - employer	\$ 202	
Contributions - employee	-	
Net investment income	541	
Benefit payments	(359)	
Administrative expenses	(5)	
Other changes	-	
Net change in plan fiduciary net position	<u>379</u>	
Plan fiduciary net position - beginning	<u>4,649</u>	
Plan fiduciary net position - ending (b)	<u>\$ 5,028</u>	
City's net OPEB liability (asset) - ending (a) - (b)	1,371	
Plan fiduciary net position as a percentage of the total OPEB liability	78.58%	
Covered payroll	37,234	
City's net OPEB liability (asset) as a percentage of covered payroll	3.68%	

The notes to pension/OPEB plan schedules are an integral part of this schedule.

Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

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CITY OF GLENDALE, ARIZONA

Schedule of changes in the City's net pension/OPEB (asset)/liability and related ratios

Agent plans

June 30, 2018

(amounts expressed in thousands)

Public Safety Personnel Retirement System - Fire:

Pension

Total pension liability:

	2018 (2017)	2017 (2016)
Service cost	\$ 5,062	\$ 4,065
Interest on the total pension liability	13,114	11,801
Changes of benefit terms	1,055	12,497
Differences between expected and actual experience in the measurement of the pension liability	787	(2,923)
Changes of assumptions or other inputs	5,437	6,345
Benefit payments, including refunds of employee contributions	(7,304)	(8,199)
Net change in total pension liability	18,151	23,586
Total pension liability - beginning	175,978	152,392
Total pension liability - ending (a)	<u>\$ 194,129</u>	<u>\$ 175,978</u>

Plan fiduciary net position:

Contributions - employer	\$ 6,578	\$ 7,339
Contributions - employee	2,604	2,649
Net investment income	11,234	547
Benefit payments, including refunds of employee contributions	(7,304)	(8,199)
Administrative expenses	(100)	(79)
Other changes	1	(232)
Net change in plan fiduciary net position	13,013	2,025
Plan fiduciary net position - beginning	92,501	90,476
Plan fiduciary net position - ending (b)	<u>\$ 105,514</u>	<u>\$ 92,501</u>

City's net pension liability (asset) - ending (a) - (b)	88,615	83,477
Plan fiduciary net position as a percentage of the total pension liability	54.35%	52.56%
Covered payroll	20,840	20,296
City's net pension liability (asset) as a percentage of covered payroll	425.22%	411.30%

The notes to pension/OPEB plan schedules are an integral part of this schedule.

Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

Reporting fiscal year
(measurement date)

2016 (2015)	2015 (2014)	2014 - 2009 (2013 - 2008)
\$ 3,858	\$ 3,805	Information
11,230	9,672	not available
-	1,658	
(823)	1,452	
-	9,623	
(5,996)	(6,800)	
8,269	19,410	
144,123	124,713	
<u>\$ 152,392</u>	<u>\$ 144,123</u>	

\$ 4,942	\$ 4,630
2,380	2,265
3,189	10,457
(5,996)	(6,800)
(78)	(84)
(389)	-
<u>4,048</u>	<u>10,468</u>
<u>86,428</u>	<u>75,960</u>
<u>\$ 90,476</u>	<u>\$ 86,428</u>

61,916 57,695

59.37% 59.97%

20,570 19,291

301.00% 299.08%

CITY OF GLENDALE, ARIZONA

Schedule of changes in the City's net pension/OPEB (asset)/liability and related ratios

Agent plans

June 30, 2018

(amounts expressed in thousands)

Public Safety Personnel Retirement System - Fire:**OPEB**

	Reporting fiscal year	
	(measurement date)	
Total OPEB Liability:	2018	2017 - 2009
	(2017)	(2016 - 2008)
Service cost	\$ 56	Information
Interest on the total OPEB liability	243	not available
Changes of benefit terms	3	
Differences between expected and actual experience in the measurement of the OPEB liability	(39)	
Changes of assumptions or other inputs	(145)	
Benefit payments, including refunds of employee contributions	(153)	
Net change in total OPEB liability	(35)	
Total OPEB liability - beginning	3,285	
Total OPEB liability - ending (a)	<u>\$ 3,250</u>	
Plan fiduciary net position:		
Contributions - employer	\$ -	
Contributions - employee	-	
Net investment income	465	
Benefit payments	(153)	
Administrative expenses	(4)	
Other changes	-	
Net change in plan fiduciary net position	308	
Plan fiduciary net position - beginning	4,026	
Plan fiduciary net position - ending (b)	<u>\$ 4,334</u>	
City's net OPEB liability (asset) - ending (a) - (b)	(1,084)	
Plan fiduciary net position as a percentage of the total OPEB liability	133.36%	
Covered payroll	20,840	
City's net OPEB liability (asset) as a percentage of covered payroll	-5.20%	

The notes to pension/OPEB plan schedules are an integral part of this schedule.

Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

CITY OF GLENDALE, ARIZONA
Schedule of OPEB Liability-City Plan
June 30, 2018
(amounts expressed in thousands)

	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>2015 - 2009</u>
Total OPEB Liability-City Plan				
Service Cost	\$ 3,083	\$ 3,494	\$ 3,376	Information Not Available
Interest	2,183	2,311	1,792	
Changes of benefit terms	(47,511)	(3,580)	-	
Differences between expected and actual experience	(11,823)	(2,463)	-	
Changes in assumptions or other inputs	(174)	(2,952)	-	
Benefit payments	(6)	(237)	(620)	
Net Changes	<u>(54,248)</u>	<u>(3,427)</u>	<u>4,548</u>	
Total OPEB Liability balance at June 30, 2017	<u>\$ 60,625</u>	<u>\$ 64,052</u>	<u>\$ 59,504</u>	
Total OPEB Liability balance at June 30, 2018	<u>\$ 6,377</u>	<u>\$ 60,625</u>	<u>\$ 64,052</u>	
Covered Employee Payroll	\$ -	\$ 113,677	\$ 93,944	
Total OPEB Liability as a percentage of covered employee payroll	N/A	53.3%	68.2%	
Discount Rate	3.62%	3.43%	2.85%	

The notes to pension/OPEB plan schedules are an integral part of this schedule.

Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

CITY OF GLENDALE, ARIZONA
Schedule of city pension/OPEB contributions
June 30, 2018
(amounts expressed in thousands)

	2018	2017	2016
ASRS-Pension:			
Statutorily required contribution	\$ 7,414	\$ 7,007	\$ 6,472
City's contribution in relation to the statutorily required contribution	7,414	7,007	6,472
City's contribution deficiency (excess)	\$ -	\$ -	\$ -
City's covered payroll	\$ 67,340	\$ 64,059	\$ 58,301
City's contributions as a percentage of covered-payroll	11.01%	10.94%	11.10%

	Reporting fiscal year		
	2018	2017	2016-2009
ASRS-Health insurance premium benefit:			
Statutorily required contribution	\$ 385	\$ 361	Information not available
City's contribution in relation to the statutorily required contribution	385	361	
City's contribution deficiency (excess)	\$ -	\$ -	
City's covered payroll	\$ 67,340	\$ 64,059	
City's contributions as a percentage of covered-payroll	0.57%	0.56%	

	Reporting fiscal year		
	2018	2017	2016-2009
ASRS-Long-term disability:			
Statutorily required contribution	\$ 96	\$ 91	Information not available
City's contribution in relation to the statutorily required contribution	96	91	
City's contribution deficiency (excess)	\$ -	\$ -	
City's covered payroll	\$ 67,340	\$ 64,059	
City's contributions as a percentage of covered-payroll	0.14%	0.14%	

The notes to pension/OPEB plan schedules are an integral part of this schedule.

Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

Reporting fiscal year						
2015	2014	2013	2012	2011	2010	2009
\$ 6,071	\$ 5,978	\$ 5,971	\$ 5,743	\$ 5,685	\$ 6,479	\$ 6,045
6,071	5,978	5,971	5,743	5,685	6,479	6,045
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 54,853	\$ 54,523	\$ 57,475	\$ 65,443	\$ 65,143	\$ 71,338	\$ 81,655
11.07%	10.96%	10.39%	8.77%	8.73%	9.08%	7.40%

CITY OF GLENDALE, ARIZONA
Schedule of city pension/OPEB contributions
June 30, 2018
(amounts expressed in thousands)

PSPRS Police-Pension:

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 16,296	\$ 13,678	\$ 13,527
City's contribution in relation to the actuarially determined contribution	<u>10,828</u>	<u>13,678</u>	<u>13,527</u>
City's contribution deficiency (excess)	<u>\$ 5,468</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 36,201	\$ 37,234	\$ 34,196
City's contributions as a percentage of covered payroll	29.91%	36.74%	39.56%

PSPRS Police-OPEB:

	Reporting fiscal year		
	<u>2018</u>	<u>2017</u>	<u>2016-2009</u>
Actuarially determined contribution	\$ 204	\$ 202	Information not available
City's contribution in relation to the actuarially determined contribution	<u>135</u>	<u>202</u>	
City's contribution deficiency (excess)	<u>\$ 69</u>	<u>\$ -</u>	
City's covered payroll	\$ 36,201	\$ 37,234	
City's contributions as a percentage of covered payroll	0.37%	0.54%	

PSPRS Fire-Pension:

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 9,127	\$ 6,578	\$ 7,339
City's contribution in relation to the actuarially determined contribution	<u>5,607</u>	<u>6,578</u>	<u>7,339</u>
City's contribution deficiency (excess)	<u>\$ 3,520</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 21,360	\$ 20,840	\$ 20,296
City's contributions as a percentage of covered payroll	26.25%	31.56%	36.16%

PSPRS Fire-OPEB:

	Reporting fiscal year		
	<u>2018</u>	<u>2017</u>	<u>2016-2009</u>
Actuarially determined contribution	\$ -	\$ -	Information not available
City's contribution in relation to the actuarially determined contribution	<u>-</u>	<u>-</u>	
City's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	
City's covered payroll	\$ 21,360	\$ 20,840	
City's contributions as a percentage of covered payroll	0.00%	0.00%	

The notes to pension/OPEB plan schedules are an integral part of this schedule.

Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

Reporting fiscal year					2010 - 2009 Information Not Available
2015	2014	2013	2012	2011	
\$ 9,691	\$ 8,221	\$ 6,787	\$ 5,907	\$ 5,248	
9,691	8,221	6,787	5,907	5,248	
\$ -	\$ -	\$ -	\$ -	\$ -	
\$ 33,350	\$ 31,815	\$ 28,336	\$ 29,356	\$ 27,576	
29.06%	25.84%	23.95%	20.12%	19.03%	

Reporting fiscal year					2010 - 2009 Information Not Available
2015	2014	2013	2012	2011	
\$ 4,942	\$ 4,630	\$ 3,454	\$ 2,828	\$ 2,546	
4,942	4,630	3,454	2,828	2,546	
\$ -	\$ -	\$ -	\$ -	\$ -	
\$ 20,570	\$ 19,291	\$ 18,547	\$ 18,406	\$ 16,811	
24.03%	24.00%	18.62%	15.36%	15.14%	

CITY OF GLENDALE, ARIZONA

Notes to pension/OPEB (assets)/liability and contributions

June 30, 2018

(amounts expressed in thousands)

I. Actuarially determined contribution rates

Actuarial determined contribution rates for PSPRS are calculated as of June 30 two years prior to the end of the fiscal year in which contributions are made. The actuarial methods and assumptions used to establish the contribution requirements are as follows:

PSPRS Actuarial Methods and Assumptions:

Actuarial Cost Method	Entry age normal
Amortization Level	Level percent-of-pay, closed
Remaining Amortization Period as of the 2016 Actuarial Valuation	20 years for unfunded actuarial accrued liability, 20 years for excess
Asset Valuation Method	7-year smoothed market value; 80%/120% market corridor
Actuarial Assumptions: Investment Rate of Return	Members with initial membership date before July 1, 2017: In the 2016 actuarial valuation, the investment rate of return was decreased from 7.85% to 7.5%. In the 2013 actuarial valuation, the investment rate of return was decreased from 8.0% to 7.85%. Members with initial membership on or after July 1, 2017: 7%
Projected Salary Increases	In the 2014 actuarial valuation, projected salary increases were decreased from 4.5%–8.5% to 4.0%–8.0%. In the 2013 actuarial valuation, projected salary increases were decreased from 5.0%–9.0% to 4.5%–8.5%.
Wage Growth	In the 2014 actuarial valuation, wage growth was decreased from 4.5% to 4.0%. In the 2013 actuarial valuation, wage growth was decreased from 5.0% to 4.5%.
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)

CITY OF GLENDALE, ARIZONA

Notes to pension/OPEB (assets)/liability and contributions

June 30, 2018

(amounts expressed in thousands)

II. Factors that affect trends

Arizona courts have ruled that provisions of a 2011 law that changed the mechanism for funding permanent pension benefit increases and increased employee pension contribution rates were unconstitutional or a breach of contract because those provisions apply to individuals who were members as of the law's effective date. As a result, the PSPRS changed benefit terms to reflect the prior mechanism for funding permanent benefit increases for those members and revised actuarial assumptions to explicitly value future permanent benefit increases. PSPRS also reduced those members' employee contribution rates. These changes are reflected in the plans' pension liabilities for fiscal year 2015 (measurement date 2014) for members who were retired as of the law's effective date and fiscal year 2018 (measurement date 2017) for members who retired or will retire after the law's effective date. These changes also increased the PSPRS-required pension contributions beginning in fiscal year 2016 for members who were retired as of the law's effective date. These changes will increase the PSPRS-required contributions beginning in fiscal year 2019 for members who retired or will retire after the law's effective date. Also, the City refunded excess employee contributions to PSPRS members. PSPRS allowed the City to reduce its actual employer contributions for the refund amounts. As a result, the City's pension contributions were less than the actuarially or statutorily determined contributions for 2018.

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City of Glendale, Arizona
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2018
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2017	\$ 49,337	\$ 49,337	\$ 56,164	\$ 6,827
RESOURCES (INFLOWS):				
Taxes	113,630	113,630	115,968	2,338
Licenses and permits	9,618	9,618	10,267	649
Intergovernmental	63,247	63,247	64,370	1,123
Charges for services	19,786	19,786	19,957	171
Fines and forfeitures	3,272	3,272	2,965	(307)
Investment income (loss)	462	462	572	110
Proceeds from disposal of assets	250	250	2,644	2,394
Local revenue	-	-	53	53
Miscellaneous	4,426	4,426	4,345	(81)
Total revenues	214,691	214,691	221,141	6,450
Add: Transfers in	33,109	33,109	34,444	1,335
Less: Transfers out	(37,469)	(37,469)	(36,910)	559
Amounts available for appropriation	259,668	259,668	274,839	15,171
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General government	37,204	37,204	36,404	800
Public safety	131,528	132,799	132,757	42
Public works	13,122	14,409	14,408	1
Community services	18,099	18,195	17,836	359
Street maintenance	873	860	763	97
Contingencies	2,000	1,733	-	1,733
Capital outlay	14,396	12,022	8,782	3,240
Total charges to appropriations	217,222	217,222	210,950	6,272
Budgetary fund balance, June 30, 2018	\$ 42,446	\$ 42,446	\$ 63,889	\$ 21,443

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.	\$ 274,839
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.	(56,164)
Indirect cost allocation	(10,000)
Interest earned on restricted investments not available for appropriation	(1,383)
Proceeds from disposal of assets.	(2,644)
Revenue reported on a GAAP basis.	(245)
Police and fire sales tax revenue.	25,235
Less: Transfers in.	(34,444)
Add: Transfers out.	36,910
Total revenues as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 232,104</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 210,950
Differences - budget to GAAP:	
Capital outlay funded by long-term debt.	1,096
Salaries payable.	(9,743)
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 202,303</u>

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

CITY OF GLENDALE, ARIZONA

Notes to Required Supplementary Information

June 30, 2018

(amounts expressed in thousands)

I. Basis of accounting

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

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

II. Budgetary information

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

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

CITY OF GLENDALE, ARIZONA

Notes to Required Supplementary Information

June 30, 2018

(amounts expressed in thousands)

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.

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City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

COMBINING STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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City of Glendale, Arizona
Budgetary Comparison Schedule
Municipal Property Corporation Debt Service Fund
For the Fiscal Year Ended June 30, 2018
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2017	\$ 2,624	\$ 2,624	\$ 3,442	\$ 818
RESOURCES (INFLOWS):				
Investments	-	-	81	81
Add: Transfers in	18,180	18,180	18,180	-
Less: Transfers out	-	(2,900)	(2,894)	6
Amounts available for appropriation	<u>20,804</u>	<u>17,904</u>	<u>18,809</u>	<u>905</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General administration	30	30	11	19
Debt service:				
Principal	4,990	4,990	4,990	-
Interest	<u>13,960</u>	<u>13,960</u>	<u>10,202</u>	<u>3,758</u>
Total charges to appropriations	<u>18,980</u>	<u>18,980</u>	<u>15,203</u>	<u>3,777</u>
Budgetary fund balance, June 30, 2018	<u>\$ 1,824</u>	<u>\$ (1,076)</u>	<u>\$ 3,606</u>	<u>\$ 4,682</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.	\$ 18,809
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.	(3,442)
Plus: Transfer out.	2,894
Less: Transfers in.	(18,180)
Total revenues as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 81</u>

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 15,203
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 15,203</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, 2018
(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	\$ 48,876	\$ 272	\$ 6,166	\$ 2,740
Receivables, net of allowance for doubtful accounts:				
Property taxes	-	-	-	-
Accounts	20	4,270	-	188
Intergovernmental receivable	411	1,287	1,431	2,887
Inventories and prepaid items	136	-	-	-
Restricted cash and investments	-	-	-	3,337
Total assets	<u>\$ 49,443</u>	<u>\$ 5,829</u>	<u>\$ 7,597</u>	<u>\$ 9,152</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Vouchers payable	\$ 457	\$ 276	\$ 396	\$ 437
Accounts payable	-	-	-	8
Retainage payable	-	-	-	-
Compensated absences - current	35	3	41	57
Intergovernmental payable	-	-	-	1
Due to other funds	-	859	-	1,856
Deposits	-	-	-	67
Unearned revenue	15	4,270	-	528
Matured interest payable	-	-	-	-
Matured bonds payable	-	-	-	-
Total liabilities	<u>507</u>	<u>5,408</u>	<u>437</u>	<u>2,954</u>
Deferred Inflows of Resources	<u>20</u>	<u>-</u>	<u>-</u>	<u>177</u>
Fund balances:				
Nonspendable	-	-	-	-
Restricted	48,916	421	7,160	3,043
Committed	-	-	-	2,548
Assigned	-	-	-	430
Unassigned	-	-	-	-
Total fund balances	<u>48,916</u>	<u>421</u>	<u>7,160</u>	<u>6,021</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 49,443</u>	<u>\$ 5,829</u>	<u>\$ 7,597</u>	<u>\$ 9,152</u>

Debt Service Funds				Permanent Fund
Western Loop 101				Cemetery Perpetual Care
Highway User	Transportation	Excise Tax Revenue	General Obligation	
\$ 43	\$ 2,023	\$ 4,539	\$ 6,775	\$ 5,810
-	-	-	555	-
-	-	-	-	51
-	-	-	-	-
-	-	-	-	-
-	4,178	2,237	42,578	-
<u>\$ 43</u>	<u>\$ 6,201</u>	<u>\$ 6,776</u>	<u>\$ 49,908</u>	<u>\$ 5,861</u>
\$ -	\$ 1	\$ 1	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	1,551	5,092	2,963	-
-	3,925	1,590	14,810	-
<u>-</u>	<u>5,477</u>	<u>6,683</u>	<u>17,773</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>385</u>	<u>51</u>
-	-	-	-	5,810
43	724	93	31,750	-
-	-	-	-	-
-	-	-	-	-
<u>43</u>	<u>724</u>	<u>93</u>	<u>31,750</u>	<u>5,810</u>
<u>\$ 43</u>	<u>\$ 6,201</u>	<u>\$ 6,776</u>	<u>\$ 49,908</u>	<u>\$ 5,861</u>

(Continued)

City of Glendale, Arizona
Combining Balance Sheet (continued)
Non-Major Governmental Funds
June 30, 2018
(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	\$ 16,486	\$ 9,230	\$ 251	\$ 115	\$ 2,059	\$ 105,385
Receivables, net of allowance for doubtful accounts:						
Property taxes	-	-	-	-	-	555
Accounts	-	-	-	-	-	4,529
Intergovernmental receivable	-	-	-	-	-	6,016
Inventories and prepaid items	-	-	-	-	-	136
Restricted cash and investments	-	-	-	-	-	52,330
Total assets	<u>\$ 16,486</u>	<u>\$ 9,230</u>	<u>\$ 251</u>	<u>\$ 115</u>	<u>\$ 2,059</u>	<u>\$ 168,951</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Vouchers payable	\$ 457	\$ 3,063	\$ -	\$ -	\$ 29	\$ 5,117
Accounts payable	60	-	-	-	-	68
Retainage payable	61	964	-	-	-	1,025
Compensated absences - current	-	-	-	-	-	136
Intergovernmental payable	-	-	-	-	-	1
Due to other funds	-	-	904	-	-	3,619
Deposits	-	-	-	-	-	67
Unearned revenue	-	21	-	-	-	4,834
Matured interest payable	-	-	-	-	-	9,606
Matured bonds payable	-	-	-	-	-	20,325
Total liabilities	<u>578</u>	<u>4,048</u>	<u>904</u>	<u>-</u>	<u>29</u>	<u>44,798</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>633</u>
Fund balances:						
Nonspendable	-	-	-	-	-	5,810
Restricted	15,908	5,182	-	115	2,030	115,385
Committed	-	-	-	-	-	2,548
Assigned	-	-	-	-	-	430
Unassigned	-	-	(653)	-	-	(653)
Total fund balances	<u>15,908</u>	<u>5,182</u>	<u>(653)</u>	<u>115</u>	<u>2,030</u>	<u>123,520</u>
Total liabilities, deferred outflows of resources and fund balances	<u>\$ 16,486</u>	<u>\$ 9,230</u>	<u>\$ 251</u>	<u>\$ 115</u>	<u>\$ 2,059</u>	<u>\$ 168,951</u>

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

Non-Major Governmental Funds

For the Fiscal Year Ended June 30, 2018

(amounts expressed in thousands)

	Special Revenue Funds			
	Transportation	Community Development Block Grants	Highway User Gas Tax	Other
REVENUES				
Taxes and special assessments	\$ 27,571	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	3
Intergovernmental	1,553	1,990	16,003	9,746
Local	-	-	-	5
Charges for services	136	-	-	290
Fines and forfeitures	-	-	-	372
Investment income	507	-	-	54
Miscellaneous	93	262	589	802
Total revenues	29,860	2,252	16,592	11,272
EXPENDITURES				
Current:				
General government	-	-	-	523
Public safety	-	-	-	6,174
Public works	-	-	-	11
Community services	13,022	40	-	1,315
Community environment	-	2,170	-	1,451
Street maintenance	303	-	9,670	-
Debt service:				
Principal	-	2	-	-
Interest	-	-	-	-
Capital outlay:	2	6	172	3,400
Total expenditures	13,327	2,218	9,842	12,874
Excess (deficiency) of revenues over expenditures	16,533	34	6,750	(1,602)
OTHER FINANCING SOURCES (USES)				
Payment to refunded bonds escrow agent	-	-	-	-
Refunding bonds issued	-	-	-	-
Long-term debt issued	-	-	-	-
Premium on long-term debt issued	-	-	-	-
Proceeds from equipment disposal	2	-	-	77
Transfers in	-	-	-	2,120
Transfers out	(12,558)	-	(17,535)	-
Total other financing sources and uses	(12,556)	-	(17,535)	2,197
Net change in fund balances	3,977	34	(10,785)	595
Fund balances, July 1	44,939	387	17,945	5,426
Fund balances, June 30	\$ 48,916	\$ 421	\$ 7,160	\$ 6,021

Debt Service Funds				Permanent Fund
Highway User	Transportation	Excise Tax Revenue	General Obligation	Cemetery Perpetual Care
\$ -	\$ -	\$ -	\$ 19,891	\$ -
-	-	-	-	-
-	-	-	529	-
-	-	-	-	-
-	-	-	-	-
-	5	29	-	70
-	6	8	-	-
-	11	37	20,420	70
-	3	489	33	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	3,925	1,590	14,810	-
-	3,114	9,340	5,497	-
-	-	-	-	-
-	7,042	11,419	20,340	-
-	(7,031)	(11,382)	80	70
-	-	(76,909)	(230)	-
-	-	65,385	26,555	-
-	-	-	-	-
-	-	12,010	1,688	-
-	-	-	-	-
-	7,147	10,934	-	-
-	-	-	-	-
-	7,147	11,420	28,013	-
-	116	38	28,093	70
43	608	55	3,657	5,740
\$ 43	\$ 724	\$ 93	\$ 31,750	\$ 5,810

(Continued)

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

Non-Major Governmental Funds

For the Fiscal Year Ended June 30, 2018

(amounts expressed in thousands)

	Capital Projects Funds					Total Non-Major Governmental Funds
	Development Impact Fees	Streets Construction	Fire and Police Construction	Parks Bond Construction	Other Construction	
REVENUES						
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,462
Licenses and permits	2,264	-	-	-	-	2,267
Intergovernmental	-	-	-	-	-	29,821
Local	-	-	-	-	-	5
Charges for services	-	-	-	-	-	426
Fines and forfeitures	-	-	-	-	-	372
Investments	194	-	-	-	-	859
Miscellaneous	-	385	-	-	-	2,145
Total revenues	2,458	385	-	-	-	83,357
EXPENDITURES						
Current:						
General government	4	216	17	6	25	1,316
Public safety	-	-	-	-	-	6,174
Public works	20	-	-	-	-	31
Community services	25	6	-	-	-	14,408
Community environment	-	-	-	-	-	3,621
Street maintenance	-	125	-	-	-	10,098
Debt service:						
Principal	-	1,838	2,204	-	-	24,369
Interest	-	-	147	-	-	18,098
Capital outlay:	1,475	27,137	-	1	581	32,774
Total expenditures	1,524	29,322	2,368	7	606	110,889
Excess (deficiency) of revenues over expenditures	934	(28,937)	(2,368)	(7)	(606)	(27,532)
OTHER FINANCING SOURCES (USES)						
Payment to refunded bonds escrow agent	-	-	-	-	-	(77,139)
Refunding bonds issued	-	-	-	-	-	91,940
Long-term debt issued	-	13,950	1,290	-	-	15,240
Premium on long-term debt issued	-	1,820	168	-	-	15,686
Proceeds from equipment disposal	-	-	-	-	-	79
Transfers in	-	22,946	-	-	-	43,147
Transfers out	-	(827)	-	-	(3)	(30,923)
Total other financing sources and uses	-	37,889	1,458	-	(3)	58,030
Net change in fund balances	934	8,952	(910)	(7)	(609)	30,498
Fund balances, July 1	14,974	(3,770)	257	122	2,639	93,022
Fund balances, June 30	\$ 15,908	\$ 5,182	\$ (653)	\$ 115	\$ 2,030	\$ 123,520

City of Glendale, Arizona
Budgetary Comparison Schedule
Transportation Fund
For the Fiscal Year Ended June 30, 2018
(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, 2017	\$ 30,471	\$ 30,471	\$ 44,873	\$ 14,402
RESOURCES (INFLOWS):				
Taxes	25,930	25,930	27,600	1,670
Intergovernmental	1,000	1,000	1,553	553
Charges for services	124	124	136	12
Investments	140	140	507	367
Miscellaneous revenues	218	218	93	(125)
Total revenues	<u>27,412</u>	<u>27,412</u>	<u>29,889</u>	<u>2,477</u>
Less: Transfers out	<u>(23,672)</u>	<u>(23,672)</u>	<u>(12,558)</u>	<u>11,114</u>
Amounts available for appropriation	<u>34,211</u>	<u>34,211</u>	<u>62,204</u>	<u>27,993</u>

CHARGES TO APPROPRIATIONS (OUTFLOWS):

Current:				
Community services	15,523	15,493	13,014	2,479
Street maintenance	568	761	303	458
Capital outlay	1,150	957	2	955
Total charges to appropriations	<u>17,241</u>	<u>17,211</u>	<u>13,319</u>	<u>3,892</u>
Budgetary fund balance, June 30, 2018	<u>\$ 16,970</u>	<u>\$ 17,000</u>	<u>\$ 48,885</u>	<u>\$ 31,885</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.	\$ 62,204
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.	(44,873)
Revenue reported on a GAAP basis.	(29)
Add: Transfers out.	<u>12,558</u>
Total revenues as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 29,860</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 13,319
Differences - budget to GAAP:	
Internal charges for services provided.	<u>8</u>
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 13,327</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Community Development Block Grants Fund
For the Fiscal Year Ended June 30, 2018
(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></u>
Budgetary fund balance, July 1, 2017	\$ 303	\$ 303	\$ 392	\$ 89
RESOURCES (INFLOWS):				
Intergovernmental	6,308	6,308	1,990	(4,318)
Miscellaneous	<u>142</u>	<u>142</u>	<u>262</u>	<u>120</u>
Total revenues	<u>6,450</u>	<u>6,450</u>	<u>2,252</u>	<u>(4,198)</u>
Amounts available for appropriation	<u>6,753</u>	<u>6,753</u>	<u>2,644</u>	<u>(4,109)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Community environment	6,344	6,344	2,173	4,171
Community services	-	-	40	(40)
Principal paid	3	3	2	1
Interest expense	1	1	-	1
Capital Outlay	<u>-</u>	<u>-</u>	<u>5</u>	<u>(5)</u>
Total charges to appropriations	<u>6,348</u>	<u>6,348</u>	<u>2,220</u>	<u>4,128</u>
Budgetary fund balance, June 30, 2018	<u>\$ 405</u>	<u>\$ 405</u>	<u>\$ 424</u>	<u>\$ 19</u>

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule.	\$ 2,644
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	<u>(392)</u>
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fundbalance - governmental funds.	<u>\$ 2,252</u>

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 2,220
Differences - budget to GAAP:	
Community environment.	(3)
Capital outlay.	<u>1</u>
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 2,218</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Highway Users Gas Tax Fund
For the Fiscal Year Ended June 30, 2018
(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, 2017	\$ 18,901	\$ 18,901	\$ 18,089	\$ (812)
RESOURCES (INFLOWS):				
Intergovernmental	15,609	15,609	16,003	394
Miscellaneous	<u>8</u>	<u>8</u>	<u>589</u>	<u>581</u>
Total revenues	<u>15,617</u>	<u>15,617</u>	<u>16,592</u>	<u>975</u>
Amounts available for appropriation	<u>34,518</u>	<u>34,518</u>	<u>34,681</u>	<u>163</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Street maintenance	11,184	10,733	9,617	1,116
Capital outlay	133	184	173	11
Transfers out	<u>17,535</u>	<u>17,535</u>	<u>17,535</u>	<u>-</u>
Total charges to appropriations	<u>28,852</u>	<u>28,452</u>	<u>27,325</u>	<u>1,127</u>
Budgetary fund balance, June 30, 2018	<u>\$ 5,666</u>	<u>\$ 6,066</u>	<u>\$ 7,356</u>	<u>\$ 1,290</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.	\$ 34,681
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>(18,089)</u>
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 16,592</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 27,325
Differences - budget to GAAP: Street maintenance.	53
Capital outlay.	(1)
Transfers out	<u>(17,535)</u>
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 9,842</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Police and Fire Sales Tax Fund
For the Fiscal Year Ended June 30, 2018
(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, 2017	\$ 7,220	\$ 7,220	\$ 7,291	\$ 71
RESOURCES (INFLOWS):				
Taxes	<u>25,033</u>	<u>25,033</u>	<u>25,263</u>	<u>230</u>
Total revenues	<u>25,033</u>	<u>25,033</u>	<u>25,263</u>	<u>230</u>
Less: Transfers out	<u>(26,403)</u>	<u>(26,403)</u>	<u>(26,404)</u>	<u>(1)</u>
Amounts available for appropriation	<u>5,850</u>	<u>5,850</u>	<u>6,150</u>	<u>300</u>
Budgetary fund balance, June 30, 2018	<u>\$ 5,850</u>	<u>\$ 5,850</u>	<u>\$ 6,150</u>	<u>\$ 300</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.	\$ 6,150
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.	(7,291)
Revenue reported on a GAAP basis.	(28)
Add: Transfers out.	<u>26,404</u>
Total revenues of the police and fire sales tax fund included in the general fund.	<u>\$ 25,235</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	<u>\$ -</u>
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, 2018
(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, 2017	\$ 6,316	\$ 6,316	\$ 4,759	\$ (1,557)
RESOURCES (INFLOWS):				
Licenses and permits	5	5	3	(2)
Intergovernmental	9,744	9,744	9,774	30
Charges for services	114	114	290	176
Fines and Forfeitures	417	417	372	(45)
Investments	7	7	54	47
Local	-	-	1	1
Miscellaneous	<u>16,922</u>	<u>16,922</u>	<u>808</u>	<u>(16,114)</u>
Total revenues	<u>27,209</u>	<u>27,209</u>	<u>11,302</u>	<u>(15,907)</u>
Add: Transfers in	<u>1,967</u>	<u>1,967</u>	<u>2,120</u>	<u>153</u>
Amounts available for appropriation	<u>35,492</u>	<u>35,492</u>	<u>18,181</u>	<u>(17,311)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General government	656	699	528	171
Public safety	19,368	21,818	6,185	15,633
Public works	44	44	11	33
Community services	1,866	1,849	1,315	534
Community environment	1,533	1,533	1,438	95
Capital outlay	<u>10,098</u>	<u>10,801</u>	<u>3,321</u>	<u>7,480</u>
Total charges to appropriations	<u>33,565</u>	<u>36,744</u>	<u>12,798</u>	<u>23,946</u>
Budgetary fund balance, June 30, 2018	<u>\$ 1,927</u>	<u>\$ (1,252)</u>	<u>\$ 5,383</u>	<u>\$ 6,635</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.	\$ 18,181
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(4,759)
Intergovernmental.	45
Local	(4)
Proceeds from equipment disposal.	(77)
Miscellaneous.	6
Less: Transfers in.	<u>(2,120)</u>
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u><u>\$ 11,272</u></u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 12,798
Differences - budget to GAAP:	
Capital outlay	<u>76</u>
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u><u>\$ 12,874</u></u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Highway User Debt Service Fund
For the Fiscal Year Ended June 30, 2018
(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, 2017	\$ -	\$ -	\$ 43	\$ 43
RESOURCES (INFLOWS):				
Add: Transfers in	-	-	-	-
Amounts available for appropriation	-	-	43	43
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Miscellaneous	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total charges to appropriations	-	-	-	-
Budgetary fund balance, June 30, 2018	\$ -	\$ -	\$ 43	\$ 43

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

Sources/inflows of resources:

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

Uses/outflows of resources:

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

City of Glendale, Arizona
Budgetary Comparison Schedule
Transportation Debt Service Fund
For the Fiscal Year Ended June 30, 2018
(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></u>
Budgetary fund balance, July 1, 2017	\$ 194	\$ 194	\$ 608	\$ 414
RESOURCES (INFLOWS):				
Investments	-	-	5	5
Miscellaneous	-	-	6	6
Total revenues	-	-	11	11
Add: Transfers in	7,147	7,147	7,147	-
Amounts available for appropriation	7,341	7,341	7,766	425
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General government	5	5	3	2
Debt service:				
Principal	3,730	3,730	3,925	(195)
Interest	3,417	3,417	3,114	303
Total charges to appropriations	7,152	7,152	7,042	110
Budgetary fund balance, June 30, 2018	\$ 189	\$ 189	\$ 724	\$ 535

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.	\$ 7,766
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.	(608)
Less: Transfers in.	(7,147)
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 11

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 7,042
Differences - budget to GAAP:	
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 7,042

City of Glendale, Arizona
Budgetary Comparison Schedule
Excise Tax Revenue Debt Service Fund
For the Fiscal Year Ended June 30, 2018
(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, 2017	\$ 23	\$ 23	\$ 55	\$ 32
RESOURCES (INFLOWS):				
Investments	-	-	29	29
Miscellaneous revenue	-	-	8	8
Total revenues	-	-	37	37
Add: Transfers in	8,041	10,941	10,934	(7)
Amounts available for appropriation	8,064	10,964	11,026	62
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General government	10	10	4	6
Debt service:				
Principal	1,115	1,590	1,590	-
Interest	6,916	9,341	9,340	1
Total charges to appropriations	8,041	10,941	10,934	7
Budgetary fund balance, June 30, 2018	<u>\$ 23</u>	<u>\$ 23</u>	<u>\$ 92</u>	<u>\$ 69</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.	\$ 11,026
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(55)
Less: Transfers in.	(10,934)
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 37</u>

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 10,934
Differences - budget to GAAP:	
Difference in general government recognized on a GAAP basis	485
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 11,419</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
General Obligation Debt Service Fund
For the Fiscal Year Ended June 30, 2018
(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, 2017	\$ 3,040	\$ 3,040	\$ 3,656	\$ 616
RESOURCES (INFLOWS):				
Taxes	19,807	19,807	19,891	84
Intergovernmental	<u>570</u>	<u>570</u>	<u>529</u>	<u>(41)</u>
Total inflows	<u>20,377</u>	<u>20,377</u>	<u>20,420</u>	<u>43</u>
Add: Transfers in	-	-	-	-
Amounts available for appropriation	<u>23,417</u>	<u>23,417</u>	<u>24,076</u>	<u>659</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General government	325	325	33	292
Debt service:				
Principal	14,810	14,810	14,810	-
Interest	<u>5,068</u>	<u>5,068</u>	<u>5,068</u>	<u>-</u>
Total charges to appropriations	<u>20,203</u>	<u>20,203</u>	<u>19,911</u>	<u>292</u>
Budgetary fund balance, June 30, 2018	<u>\$ 3,214</u>	<u>\$ 3,214</u>	<u>\$ 4,165</u>	<u>\$ 951</u>

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule.	\$ 24,076
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>(3,656)</u>
Total revenues as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 20,420</u>

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 19,911
Differences - budget to GAAP:	
Other financing uses on bond refunding.	
Interest - current bond refunding.	<u>429</u>
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 20,340</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Cemetery Perpetual Care Fund
For the Fiscal Year Ended June 30, 2018
(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></u>
Budgetary fund balance, July 1, 2017	\$ 5,710	\$ 5,710	\$ 5,740	\$ 30
RESOURCES (INFLOWS):				
Investments	<u>26</u>	<u>26</u>	<u>70</u>	<u>44</u>
Total revenues	<u>26</u>	<u>26</u>	<u>70</u>	<u>44</u>
Amounts available for appropriation	<u>5,736</u>	<u>5,736</u>	<u>5,810</u>	<u>74</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Public works	<u>5,736</u>	<u>5,736</u>	<u>-</u>	<u>5,736</u>
Total charges to appropriations	<u>5,736</u>	<u>5,736</u>	<u>-</u>	<u>5,736</u>
Budgetary fund balance, June 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,810</u>	<u>\$ 5,810</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. \$ 5,810

Differences - budget to GAAP:

The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes. (5,740)

Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds. \$ 70

City of Glendale, Arizona
Budgetary Comparison Schedule
Development Impact Fees Fund
For the Fiscal Year Ended June 30, 2018
(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, 2017	\$ 14,026	\$ 14,026	\$ 14,973	\$ 947
RESOURCES (INFLOWS):				
Licenses and permits	1,304	1,304	2,264	960
Investments	<u>68</u>	<u>68</u>	<u>194</u>	<u>126</u>
Total revenues	<u>1,372</u>	<u>1,372</u>	<u>2,458</u>	<u>1,086</u>
Less: Transfers out	<u>(44)</u>	<u>(44)</u>	<u>-</u>	<u>44</u>
Amounts available for appropriation	<u>15,354</u>	<u>15,354</u>	<u>17,431</u>	<u>2,077</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
General administration	177	177	4	173
Public safety	2,539	2,539	-	2,539
Street maintenance			20	(20)
Public works	3,623	3,584	25	3,559
Capital outlay	<u>9,015</u>	<u>8,559</u>	<u>1,475</u>	<u>7,084</u>
Total charges to appropriations	<u>15,354</u>	<u>14,859</u>	<u>1,524</u>	<u>13,335</u>
Budgetary fund balance, June 30, 2018	<u>\$ -</u>	<u>\$ 495</u>	<u>\$ 15,907</u>	<u>\$ 15,412</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.	\$ 17,431
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>(14,973)</u>
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 2,458</u>

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 1,524
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fundbalances - governmental funds.	<u>\$ 1,524</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Streets Construction Fund
For the Fiscal Year Ended June 30, 2018
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2017	\$ 847	\$ 847	\$ (3,830)	\$ (4,677)
RESOURCES (INFLOWS):				
Miscellaneous	-	-	385	385
Long-term debt issued	11,625	11,625	13,950	2,325
Premium on long-term debt issued	-	-	1,820	1,820
Total revenues	<u>11,625</u>	<u>11,625</u>	<u>16,155</u>	<u>4,530</u>
Add: Transfers in	33,766	33,766	22,946	(10,820)
Less: Transfers out	(302)	(302)	(827)	(525)
Amounts available for appropriation	<u>45,936</u>	<u>45,936</u>	<u>34,444</u>	<u>(11,492)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General administration	-	216	216	-
Community services	-	-	6	(6)
Street maintenance	338	304	125	179
Capital outlay	<u>45,598</u>	<u>51,934</u>	<u>28,975</u>	<u>22,959</u>
Total charges to appropriations	<u>45,936</u>	<u>52,454</u>	<u>29,322</u>	<u>23,132</u>
Budgetary fund balance, June 30, 2018	<u>\$ -</u>	<u>\$ (6,518)</u>	<u>\$ 5,122</u>	<u>\$ 11,640</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.	\$ 34,444
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.	3,830
Less: Transfers In.	(22,946)
Add: Transfers out.	<u>827</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 385</u>

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 29,322
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 29,322</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Fire and Police Construction Fund
For the Fiscal Year Ended June 30, 2018
(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, 2017	\$ 358	\$ 358	\$ 257	\$ (101)
RESOURCES (INFLOWS):				
Long-term debt issued	2,351	2,351	1,290	(1,061)
Premium on long-term debt issued			168	168
Total revenues	<u>2,351</u>	<u>2,351</u>	<u>1,458</u>	<u>(893)</u>
Amounts available for appropriation	<u>2,709</u>	<u>2,709</u>	<u>1,715</u>	<u>(994)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
General administration	-	18	18	-
Public safety	358	358	-	358
Capital outlay	<u>2,351</u>	<u>2,351</u>	<u>2,351</u>	<u>-</u>
Total charges to appropriations	<u>2,709</u>	<u>2,727</u>	<u>2,369</u>	<u>358</u>
Budgetary fund balance, June 30, 2018	<u>\$ -</u>	<u>\$ (18)</u>	<u>\$ (654)</u>	<u>\$ (636)</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.	\$ 1,715
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.	(257)
Long-term debt issued.	(1,290)
Premium on long-term debt issued.	<u>(168)</u>
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ -</u>

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 2,369
Differences - budget to GAAP:	
General admin reported on a GAAP basis.	<u>(1)</u>
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 2,368</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Parks Bond Construction Fund
For the Fiscal Year Ended June 30, 2018
(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, 2017	\$ 122	\$ 122	\$ 122	\$ -
RESOURCES (INFLOWS):				
Amounts available for appropriation	<u>122</u>	<u>122</u>	<u>122</u>	<u>-</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General administration	72	72	6	66
Capital outlay	<u>50</u>	<u>50</u>	<u>1</u>	<u>49</u>
Total charges to appropriations	<u>122</u>	<u>122</u>	<u>7</u>	<u>115</u>
Budgetary fund balance, June 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 115</u>	<u>\$ 115</u>

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 122
Differences - budget to GAAP: The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	<u>(122)</u>
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ -</u>

Uses/outflows of resources:

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

City of Glendale, Arizona
Budgetary Comparison Schedule
Other Construction Fund
For the Fiscal Year Ended June 30, 2018
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2017	\$ 2,618	\$ 2,618	\$ 2,640	\$ 22
RESOURCES (INFLOWS):				
Long-term debt issued	7,000	7,000	-	(7,000)
Total revenues	7,000	7,000	-	(7,000)
Less: Transfers out	(148)	(78)	(3)	75
Amounts available for appropriation	9,470	9,540	2,637	(6,903)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General administration	-	-	25	(25)
Community services	239	239	-	239
Capital outlay	9,231	2,194	581	1,613
Total charges to appropriations	9,470	2,433	606	1,827
Budgetary fund balance, June 30, 2018	\$ -	\$ 7,107	\$ 2,031	\$ (5,076)

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.	\$ 2,637
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(2,640)
Add: Transfers out	3
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ -

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 606
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 606

NON-MAJOR PROPRIETARY FUNDS – BUSINESS-TYPE ACTIVITIES

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

Landfill

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

Solid Waste

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

Housing

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

City of Glendale, Arizona
Combining Statement of Net Position
Non-Major Proprietary Funds - Business-Type Activities
June 30, 2018
(amounts expressed in thousands)

	<u>Landfill</u>	<u>Solid Waste</u>	<u>Housing</u>	<u>Total</u>
ASSETS				
Current assets:				
Equity in pooled cash and investments	\$ 8,016	\$ 616	\$ 2,668	\$ 11,300
Receivables:				
Accounts	636	2,494	2	3,132
Allowance for uncollectibles	(6)	(503)	-	(509)
Intergovernmental receivable	-	-	21	21
Inventories and prepaid items	-	-	20	20
Total current assets	<u>8,646</u>	<u>2,607</u>	<u>2,711</u>	<u>13,964</u>
Noncurrent assets:				
OPEB assets	12	20	5	37
Capital assets:				
Capital assets	33,179	14,140	14,828	62,147
Accumulated depreciation	<u>(14,775)</u>	<u>(9,741)</u>	<u>(10,609)</u>	<u>(35,125)</u>
Capital assets, net	<u>18,404</u>	<u>4,399</u>	<u>4,219</u>	<u>27,022</u>
Total noncurrent assets	<u>18,416</u>	<u>4,419</u>	<u>4,224</u>	<u>27,059</u>
Total assets	<u>27,062</u>	<u>7,026</u>	<u>6,935</u>	<u>41,023</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>665</u>	<u>1,002</u>	<u>309</u>	<u>1,976</u>
LIABILITIES				
Current liabilities:				
Vouchers payable	1,017	117	-	1,134
Accounts payable	-	-	34	34
Compensated absences	289	315	18	622
Intergovernmental payable	-	-	10	10
Deposits	142	109	47	298
Unearned Rent	-	-	10	10
Total current liabilities	<u>1,448</u>	<u>541</u>	<u>119</u>	<u>2,108</u>
Noncurrent liabilities:				
Compensated absences	195	178	162	535
Net pension liability	3,699	5,776	1,803	11,278
Net OPEB liability	272	440	103	815
Other long-term debt	-	-	29	29
Estimated closure and post-closure costs	<u>15,235</u>	<u>-</u>	<u>-</u>	<u>15,235</u>
Total noncurrent liabilities	<u>19,401</u>	<u>6,394</u>	<u>2,097</u>	<u>27,892</u>
Total liabilities	<u>20,849</u>	<u>6,935</u>	<u>2,216</u>	<u>30,000</u>
DEFERRED INFLOWS OF RESOURCES				
Credit amounts related to pensions and OPEB	<u>467</u>	<u>912</u>	<u>299</u>	<u>1,678</u>
Total deferred inflows of resources	<u>467</u>	<u>912</u>	<u>299</u>	<u>1,678</u>
NET POSITION				
Net investment in capital assets	18,404	4,399	4,219	27,022
Restricted for:				
OPEB benefits	12	20	5	37
Unrestricted	<u>(12,005)</u>	<u>(4,238)</u>	<u>505</u>	<u>(15,738)</u>
Total net position	<u>\$ 6,411</u>	<u>\$ 181</u>	<u>\$ 4,729</u>	<u>\$ 11,321</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, 2018

(amounts expressed in thousands)

	Business-Type Activities			Total
	Enterprise Funds			
	Landfill	Solid Waste	Housing	
Operating revenues:				
Intergovernmental	\$ -	\$ -	\$ 9,146	\$ 9,146
Container service	-	4,016	-	4,016
Curb service	-	12,032	-	12,032
Landfill user fees	8,241	-	-	8,241
Recycling sales	1,099	-	-	1,099
Other fees	105	-	3,353	3,458
Total operating revenues	<u>9,445</u>	<u>16,048</u>	<u>12,499</u>	<u>37,992</u>
Operating expenses:				
Landfill	9,112	-	-	9,112
Housing	-	-	12,669	12,669
Closure/post-closure care adjustment	538	-	-	538
Solid Waste	-	15,291	-	15,291
Depreciation	1,086	1,207	313	2,606
Total operating expenses	<u>10,736</u>	<u>16,498</u>	<u>12,982</u>	<u>40,216</u>
Operating income (loss)	<u>(1,291)</u>	<u>(450)</u>	<u>(483)</u>	<u>(2,224)</u>
Nonoperating revenues (expenses):				
Investment income	97	(2)	9	104
Gain (loss) on disposal of assets	9	34	-	43
OPEB income (expense)	765	1,670	489	2,924
Total nonoperating revenue (expenses)	<u>871</u>	<u>1,702</u>	<u>498</u>	<u>3,071</u>
Income (loss) before contributions and transfers	(420)	1,252	15	847
Capital contributions	-	-	133	133
Transfers in	675	129	387	1,191
Transfers out	(5)	-	-	(5)
Change in net position	<u>250</u>	<u>1,381</u>	<u>535</u>	<u>2,166</u>
Total net position - beginning	<u>6,161</u>	<u>(1,200)</u>	<u>4,194</u>	<u>9,155</u>
Total net position - ending	<u>\$ 6,411</u>	<u>\$ 181</u>	<u>\$ 4,729</u>	<u>\$ 11,321</u>

City of Glendale, Arizona

Combining Statement of Cash Flows

Non-Major Proprietary Funds - Business-Type Activities

For the Fiscal Year Ended June 30, 2018

(amounts expressed in thousands)

	<u>Landfill</u>	<u>Solid Waste</u>	<u>Housing</u>	<u>Total</u>
Cash flows from operating activities:				
Cash received from customers	\$ 9,622	\$ 15,781	\$ 3,358	\$ 28,761
Cash received from federal operating grants	-	-	9,151	9,151
Cash paid to suppliers:				
Internal city departments	(1,629)	(8,561)	-	(10,190)
External vendors	(4,049)	(1,466)	(11,326)	(16,841)
Cash paid to employees for services	(3,156)	(5,400)	(1,472)	(10,028)
Net cash provided (used) by operating activities	<u>788</u>	<u>354</u>	<u>(289)</u>	<u>853</u>
Cash flows from noncapital financing activities:				
Transfers in	675	129	387	1,191
Transfers out	(5)	-	-	(5)
Net cash provided (used) by noncapital financing activities	<u>670</u>	<u>129</u>	<u>387</u>	<u>1,186</u>
Cash flows from capital and related financing activities:				
Proceeds from sale of capital assets		37	-	37
Acquisition of capital assets and rights	(1,081)	(15)	-	(1,096)
Net cash used capital and related financing activities	<u>(1,081)</u>	<u>22</u>	<u>-</u>	<u>(1,059)</u>
Cash flows from investing activities:				
Interest received from investments	97	(2)	-	95
Net cash provided by investing activities	<u>97</u>	<u>(2)</u>	<u>-</u>	<u>95</u>
Net increase (decrease) in cash and cash equivalents during fiscal year	474	503	98	1,075
Cash and cash equivalents, July 1	7,542	113	2,570	10,225
Cash and cash equivalents, June 30	<u>\$ 8,016</u>	<u>\$ 616</u>	<u>\$ 2,668</u>	<u>\$ 11,300</u>

	<u>Landfill</u>	<u>Solid Waste</u>	<u>Housing</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (1,291)	\$ (450)	\$ (483)	\$ (2,224)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operations:				
Depreciation	1,086	1,207	313	2,606
Net pension and OPEB contributions	928	1,949	564	3,441
Net change in OPEB asset	(12)	(20)	(6)	(38)
Net change in pension and OPEB liability	(1,040)	(2,212)	(630)	(3,882)
Net change in deferred outflows related to pensions and OPEB	132	227	61	420
Net change in deferred inflows related to pensions and OPEB	(82)	(69)	(11)	(162)
Changes in assets and liabilities:				
Accounts receivable	176	(263)	(1)	(88)
Intergovernmental receivable	-	-	10	10
Inventories and prepaid items	-	-	(2)	(2)
Vouchers and accounts payable	349	(63)	(18)	268
Intergovernmental payable	-	(1)	(23)	(24)
Deposits	(3)	(1)	5	1
Unearned rent	-	-	(4)	(4)
Compensated absences	3	54	(64)	(7)
Proceeds from disposal of assets	4	(4)	-	-
Estimated closure and post-closure costs	538	-	-	538
Net cash provided by (used) operating activities	<u>\$ 788</u>	<u>\$ 354</u>	<u>\$ (289)</u>	<u>\$ 853</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	\$ 8,016	\$ 616	\$ 2,668	\$ 11,300
Total cash and cash equivalents	<u>\$ 8,016</u>	<u>\$ 616</u>	<u>\$ 2,668</u>	<u>\$ 11,300</u>
Noncash investing, capital, and financing activities:				
Contributions of capital assets	\$ -	\$ -	\$ 133	\$ 133

City of Glendale, Arizona
Budgetary Comparison Schedule
Water and Sewer Fund
For the Fiscal Year Ended June 30, 2018
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2017	\$ 99,307	\$ 99,307	\$ 93,194	\$ (6,113)
RESOURCES (INFLOWS):				
Intergovernmental	400	400	536	136
Charges for services:				
Metered water sales	43,506	43,506	48,934	5,428
Sewer service charges	31,904	31,904	33,465	1,561
Impact fees	1,820	1,820	1,558	(262)
Other fees	1,690	1,690	1,667	(23)
Investments	254	254	1,264	1,010
Miscellaneous	3,771	3,771	2,437	(1,334)
Proceeds from equipment disposal	10	10	5,715	5,705
Total revenues	83,355	83,355	95,576	12,221
Add: Transfers in	420	420	420	-
Less: Transfers out	(1,886)	(1,876)	(246)	1,630
Amounts available for appropriation	181,196	181,206	188,944	7,738
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General administration	14,889	14,889	14,868	21
Water	23,623	23,623	24,122	(499)
Sewer	14,662	14,662	12,991	1,671
Contingencies	11,236	8,836	-	8,836
Capital outlay	55,672	56,450	35,059	21,391
Debt service:				
Principal	12,780	12,780	12,780	-
Interest	9,860	9,860	9,860	-
Total charges to appropriations	142,722	141,100	109,680	31,420
Budgetary fund balance, June 30, 2018	\$ 38,474	\$ 40,106	\$ 79,264	\$ 39,158

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.	\$ 188,944
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.	(93,194)
Revenues offset directly by bad debt expense on budgetary basis.	148
Revenue reported on a GAAP basis.	917
Proceeds from equipment disposals.	(5,715)
Internal staff and administrative charges reported as revenue only on budgetary basis.	(82)
OPEB income.	5,334
Less: Transfers in.	(420)
Add: Transfers out.	246
Total revenues as reported on the statement of revenues, expenses, and changes in fund net position, excluding capital contributions.	<u>\$ 96,178</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 109,680
Differences - budget to GAAP:	
Bad debt expense.	
Amortization of capitalized bond issuance expense.	
Capital outlay expenditure.	(35,059)
Accrued payroll expense.	(175)
Amortization and depreciation expense.	23,305
Loss on Joint Venture.	2,627
Loss on disposal of assets.	2,847
Principal payments on long-term obligations.	(12,780)
Interest expense.	(1,316)
Indirect cost allocation.	(844)
Total expenses as reported in the statement of revenues, expenses, and changes in fund net position.	<u>\$ 88,285</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Landfill Fund
For the Fiscal Year Ended June 30, 2018
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2017	\$ 9,050	\$ 9,050	\$ 7,653	\$ (1,397)
RESOURCES (INFLOWS):				
Charges for services:				
Landfill user fees	8,001	8,001	8,242	241
Recycling fees	1,581	1,581	1,098	(483)
Other fees	738	738	536	(202)
Proceeds from equipment disposal	19	19	9	(10)
Investments	45	45	97	52
Total revenues	<u>10,384</u>	<u>10,384</u>	<u>9,982</u>	<u>(402)</u>
Add: Transfers in	675	675	675	-
Less: Transfers out	<u>(225)</u>	<u>(225)</u>	<u>(5)</u>	<u>220</u>
Amounts available for appropriation	<u>19,884</u>	<u>19,884</u>	<u>18,305</u>	<u>(1,579)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Contingencies	700	-	-	-
Landfill	10,144	10,330	9,609	721
Capital outlay	<u>7,088</u>	<u>6,850</u>	<u>1,087</u>	<u>5,763</u>
Total charges to appropriations	<u>17,932</u>	<u>17,180</u>	<u>10,696</u>	<u>6,484</u>
Budgetary fund balance, June 30, 2018	<u>\$ 1,952</u>	<u>\$ 2,704</u>	<u>\$ 7,609</u>	<u>\$ 4,905</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.	\$ 18,305
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.	(7,653)
Internal staff and administrative charges reported as revenue only on budgetary basis.	(431)
OPEB income.	765
Less: Transfers in	(675)
Add: Transfers out.	5
Total revenues as reported in the combining statement of revenues, expenses, and changes in fund net position.	<u>\$ 10,316</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 10,696
Differences - budget to GAAP:	
Capital outlay expenditures.	(1,087)
Accrued payroll expense.	(250)
Landfill post-closure expense.	538
Depreciation expense.	1,086
Pension expense.	184
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>\$ 10,736</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Solid Waste Fund
For the Fiscal Year Ended June 30, 2018
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2017	\$ 1,910	\$ 1,910	\$ 1,872	\$ (38)
RESOURCES (INFLOWS):				
Charges for services:				
Container service	3,886	3,886	4,016	130
Curb service	11,415	11,415	11,993	578
Investments	7	7	(2)	(9)
Proceeds from equipment disposal	32	32	34	2
Total revenues	<u>15,340</u>	<u>15,340</u>	<u>16,041</u>	<u>701</u>
Add: Transfers in	128	128	129	1
Amounts available for appropriation	<u>17,378</u>	<u>17,378</u>	<u>18,042</u>	<u>664</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Solid Waste	14,638	14,327	15,315	(988)
Capital outlay	589	1,600	15	1,585
Total charges to appropriations	<u>15,227</u>	<u>15,927</u>	<u>15,330</u>	<u>597</u>
Budgetary fund balance, June 30, 2018	<u>\$ 2,151</u>	<u>\$ 1,451</u>	<u>\$ 2,712</u>	<u>\$ 1,261</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.	\$ 18,042
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.	(1,872)
Revenues offset directly by bad debt expense on budgetary basis.	39
Proceeds from disposal of capital assets.	(34)
OPEB income.	1,670
Gain on disposal of assets.	34
Less: Transfers in.	(129)
Total revenues as reported in the combining statement of revenues, expenses, and changes in fund net position.	<u>\$ 17,750</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 15,330
Differences - budget to GAAP:	
Bad debt expense.	39
Capital outlay.	(15)
Accrued payroll expense.	(379)
Depreciation expense.	1,207
Pension expense.	316
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net position	<u>\$ 16,498</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Housing Fund
For the Fiscal Year Ended June 30, 2018
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2017	\$ -	\$ -	\$ 2,894	\$ 2,894
RESOURCES (INFLOWS):				
Intergovernmental	15,519	15,519	9,279	(6,240)
Miscellaneous	-	-	3,354	3,354
Investments	-	-	8	8
Total revenues	<u>15,519</u>	<u>15,519</u>	<u>12,641</u>	<u>(2,878)</u>
Add: Transfers in	387	387	387	-
Amounts available for appropriation	<u>15,906</u>	<u>15,906</u>	<u>15,922</u>	<u>16</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Housing	15,695	15,695	12,703	2,992
Capital outlay	<u>211</u>	<u>211</u>	<u>-</u>	<u>211</u>
Total charges to appropriations	<u>15,906</u>	<u>15,906</u>	<u>12,703</u>	<u>3,203</u>
Budgetary fund balance, June 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,219</u>	<u>\$ 3,219</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.	\$ 15,922
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.	(2,894)
OPEB income.	489
Capital Contributions	(133)
Less: Transfers in.	<u>(387)</u>
Total revenues as reported in the combining statement of revenues, expenses, and changes in fund net position.	<u>\$ 12,997</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 12,703
Differences - budget to GAAP:	
Depreciation expense.	313
Pension expense.	<u>(34)</u>
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net position.	<u>\$ 12,982</u>



City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

INTERNAL SERVICE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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City of Glendale, Arizona
Combining Statement of Net Position
Internal Service Funds
June 30, 2018
(amounts expressed in thousands)

	Risk Management	Workers' Compensation	Employee Benefits	Fleet Services	Technology	Total
ASSETS						
Current assets:						
Equity in pooled cash and investments	\$ 5,181	\$ 7,810	\$ 4,893	\$ 506	\$ 6,744	\$ 25,134
Intergovernmental Receivable	-	-	-	9	-	9
Inventories and prepaid items	10	-	-	49	-	59
Total current assets	<u>5,191</u>	<u>7,810</u>	<u>4,893</u>	<u>564</u>	<u>6,744</u>	<u>25,202</u>
Noncurrent assets:						
Restricted deposits	-	150	1,425	-	-	1,575
OPEB asset	1	1	-	9	13	24
Capital assets:						
Capital assets	-	-	-	823	4,574	5,397
Accumulated depreciation	-	-	-	(743)	(2,898)	(3,641)
Capital assets, net	-	-	-	80	1,676	1,756
Total assets	<u>5,192</u>	<u>7,961</u>	<u>6,318</u>	<u>653</u>	<u>8,433</u>	<u>28,557</u>
Deferred Outflows of Resources	<u>63</u>	<u>29</u>	<u>-</u>	<u>928</u>	<u>778</u>	<u>1,798</u>
LIABILITIES						
Current liabilities:						
Vouchers payable	39	136	1,747	308	55	2,285
Accounts payable	-	-	-	172	58	230
Compensated absences	23	24	-	232	303	582
Estimated claims payable	4,043	6,331	3,541	-	-	13,915
Total current liabilities	<u>4,105</u>	<u>6,491</u>	<u>5,288</u>	<u>712</u>	<u>416</u>	<u>17,012</u>
Noncurrent liabilities:						
Compensated absences	10	14	-	150	195	369
Net pension liability	48	16	-	2,822	577	3,463
Net OPEB liability	15	11	-	181	176	383
Total noncurrent liabilities	<u>73</u>	<u>41</u>	<u>-</u>	<u>3,153</u>	<u>948</u>	<u>4,215</u>
Total liabilities	<u>4,178</u>	<u>6,532</u>	<u>5,288</u>	<u>3,865</u>	<u>1,364</u>	<u>21,227</u>
DEFERRED INFLOWS						
Amounts related to pensions and OPEB	23	15	-	840	318	1,196
Total deferred inflows of resources	<u>23</u>	<u>15</u>	<u>-</u>	<u>840</u>	<u>318</u>	<u>1,196</u>
NET POSITION						
Net investment in capital assets	-	-	-	80	1,676	1,756
Restricted for:						
OPEB benefits	1	1	-	9	13	24
Unrestricted	<u>1,053</u>	<u>1,442</u>	<u>1,030</u>	<u>(3,213)</u>	<u>5,840</u>	<u>6,152</u>
Total net position	<u>\$ 1,054</u>	<u>\$ 1,443</u>	<u>\$ 1,030</u>	<u>\$ (3,124)</u>	<u>\$ 7,529</u>	<u>\$ 7,932</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, 2018

(amounts expressed in thousands)

	Risk Management	Workers' Compensation	Employee Benefits	Fleet Services	Technology	Total
Operating revenues:						
Self-insurance premiums	\$ 3,845	\$ 1,278	\$ 29,737	\$ -	\$ -	\$ 34,860
Charges for Service	-	-	-	9,232	12,121	21,353
Other fees	177	2	4	2	20	205
Total operating revenues	<u>4,022</u>	<u>1,280</u>	<u>29,741</u>	<u>9,234</u>	<u>12,141</u>	<u>56,418</u>
Operating expenses:						
Administrative and general	234	192	25	9,200	8,302	17,953
Insurance claims and premiums	4,474	3,286	29,666	-	-	37,426
Amortization and depreciation	-	-	-	13	550	563
Total operating expenses	<u>4,708</u>	<u>3,478</u>	<u>29,691</u>	<u>9,213</u>	<u>8,852</u>	<u>55,942</u>
Operating income (loss)	(686)	(2,198)	50	21	3,289	476
Nonoperating revenues (expenses):						
Investment income	57	101	79	-	26	263
Loss on disposal of assets	-	-	-	-	(6)	(6)
OPEB expense	(17)	(18)	-	(278)	(299)	(612)
Total nonoperating revenues and expenses	<u>40</u>	<u>83</u>	<u>79</u>	<u>(278)</u>	<u>(279)</u>	<u>(355)</u>
Change in net position	(646)	(2,115)	129	(257)	3,010	121
Net position - beginning	<u>1,700</u>	<u>3,558</u>	<u>901</u>	<u>(2,867)</u>	<u>4,519</u>	<u>7,811</u>
Net position - ending	<u>\$ 1,054</u>	<u>\$ 1,443</u>	<u>\$ 1,030</u>	<u>\$ (3,124)</u>	<u>\$ 7,529</u>	<u>\$ 7,932</u>

City of Glendale, Arizona
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2018
(amounts expressed in thousands)

	Risk Management	Workers' Compensation	Employee Benefits	Fleet Services	Technology	Total
Cash flows from operating activities:						
Cash received from customers	\$ 4,022	\$ 1,280	\$ 29,741	\$ 9,235	\$ 12,141	\$ 56,419
Cash paid to suppliers:						
Internal city departments	-	-	-	(251)	(52)	(303)
External vendors	-	-	-	(6,416)	(5,282)	(11,698)
Cash paid for insurance and in settlement of claims	(3,133)	(1,874)	(28,609)	-	-	(33,616)
Cash paid to employees for services	(233)	(187)	-	(2,399)	(3,196)	(6,015)
Net cash provided by (used for) operating activities	656	(781)	1,132	169	3,611	4,787
Cash flows from capital and related financing activities:						
Acquisition of capital assets and rights	-	-	-	-	(1,058)	(1,058)
Cash flows from investing activities:						
Interest received from investments	57	101	79	-	26	263
Net increase (decrease) in cash during fiscal year	713	(680)	1,211	169	2,579	3,992
Cash and cash equivalents, July 1	4,468	8,490	3,682	337	4,165	21,142
Cash and cash equivalents, June 30	\$ 5,181	\$ 7,810	\$ 4,893	\$ 506	\$ 6,744	\$ 25,134
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:						
Operating income (loss)	\$ (686)	\$ (2,198)	\$ 50	\$ 21	\$ 3,289	\$ 476
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operations:						
Amortization and depreciation	-	-	-	13	550	563
Net pension and OPEB contributions	(5)	(9)	-	(154)	(124)	(292)
Net change in OPEB asset	(1)	(1)	-	(9)	(12)	(23)
Net change in pension and OPEB liability	(1)	2	-	49	26	76
Net change in deferred outflows related to pensions and OPEB	10	8	-	100	141	259
Net change in deferred inflows related to pensions and OPEB	(9)	(4)	-	(41)	(110)	(164)
Changes in assets and liabilities:						
Change in intergovernmental receivable	-	-	-	1	-	1
Change in inventories and prepaid items	41	-	-	9	-	50
Change in vouchers payable	15	102	(398)	169	(227)	(339)
Change in compensated absences	7	9	-	11	78	105
Change in claims payable	1,285	1,310	1,480	-	-	4,075
Net cash provided by (used for) operating activities	\$ 656	\$ (781)	\$ 1,132	\$ 169	\$ 3,611	\$ 4,787
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	\$ 5,181	\$ 7,810	\$ 4,893	\$ 506	\$ 6,744	\$ 25,134
Total cash and cash equivalents	\$ 5,181	\$ 7,810	\$ 4,893	\$ 506	\$ 6,744	\$ 25,134

City of Glendale, Arizona
Budgetary Comparison Schedule
Risk Management Fund
For the Fiscal Year Ended June 30, 2018
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2017	\$ 1,963	\$ 1,963	\$ 4,449	\$ 2,486
RESOURCES (INFLOWS):				
Self-insurance premiums	3,852	3,852	3,845	(7)
Investments	20	20	57	37
Other	130	130	177	47
Total revenues	<u>4,002</u>	<u>4,002</u>	<u>4,079</u>	<u>77</u>
Amounts available for appropriation	<u>5,965</u>	<u>5,965</u>	<u>8,528</u>	<u>2,563</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General Administration	1,234	734	231	503
Insurance and claims	<u>2,734</u>	<u>3,234</u>	<u>3,148</u>	<u>86</u>
Total charges to appropriations	<u>3,968</u>	<u>3,968</u>	<u>3,379</u>	<u>589</u>
Budgetary fund balance, June 30, 2018	<u>\$ 1,997</u>	<u>\$ 1,997</u>	<u>\$ 5,149</u>	<u>\$ 3,152</u>

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 8,528
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(4,449)
Total revenues as reported on the combining statement of revenues, expenses, and changes in fund net position.	<u>\$ 4,079</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 3,379
Differences - budget to GAAP:	
Insurance and claims recorded gaap basis only.	1,326
Pension contributions that were reclassified as deferred outflows of resources.	14
Accrued payroll expense.	(11)
OPEB Expense	<u>17</u>
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net position.	<u>\$ 4,725</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Workers' Compensation Fund
For the Fiscal Year Ended June 30, 2018
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2017	\$ 7,654	\$ 7,654	\$ 8,610	\$ 956
RESOURCES (INFLOWS):				
Self-insurance premiums	1,299	1,299	1,278	(21)
Miscellaneous	-	-	2	2
Investments	26	26	101	75
Other	30	30	-	(30)
Total revenues	<u>1,355</u>	<u>1,355</u>	<u>1,381</u>	<u>26</u>
Amounts available for appropriation	<u>9,009</u>	<u>9,009</u>	<u>9,991</u>	<u>982</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General Administration	1,175	1,175	181	994
Insurance and claims	2,104	2,104	1,981	123
Total charges to appropriations	<u>3,279</u>	<u>3,279</u>	<u>2,162</u>	<u>1,117</u>
Budgetary fund balance, June 30, 2018	<u>\$ 5,730</u>	<u>\$ 5,730</u>	<u>\$ 7,829</u>	<u>\$ 2,099</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.	\$ 9,991
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.	(8,610)
Total revenues as reported in the combining statement of revenues, expenses, and changes in fund net position.	<u>\$ 1,381</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 2,162
Differences - budget to GAAP:	
Insurance and claims recorded gaap basis only.	1,305
Pension contributions that were reclassified as deferred outflows of resources.	11
OPEB Expense	18
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net position.	<u>\$ 3,496</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Employee Benefits Fund
For the Fiscal Year Ended June 30, 2018
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2017	\$ -	\$ -	\$ 2,962	\$ 2,962
RESOURCES (INFLOWS):				
Self-insurance premiums	28,856	28,856	29,737	881
Miscellaneous	106	106	4	(102)
Investments	1	1	79	78
Total revenues	<u>28,963</u>	<u>28,963</u>	<u>29,820</u>	<u>857</u>
Amounts available for appropriation	<u>28,963</u>	<u>28,963</u>	<u>32,782</u>	<u>3,819</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General Administration	169	169	25	144
Insurance and claims	28,794	28,794	28,186	608
Total charges to appropriations	<u>28,963</u>	<u>28,963</u>	<u>28,211</u>	<u>752</u>
Budgetary fund balance, June 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,571</u>	<u>\$ 4,571</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.	\$ 32,782
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource, but is not a current year revenue for financial reporting purposes.	<u>(2,962)</u>
Total revenues as reported in the combining statement of revenues, expenses, and changes in fund net position.	<u>\$ 29,820</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 28,211
Differences - budget to GAAP:	
Insurance and claims recorded gaap basis only.	<u>1,480</u>
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net position.	<u>\$ 29,691</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Fleet Services Fund
For the Fiscal Year Ended June 30, 2018
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2017	\$ -	\$ -	\$ 101	\$ 101
RESOURCES (INFLOWS):				
Self-insurance premiums	9,239	9,239	9,232	(7)
Miscellaneous	-	-	2	2
Total revenues	<u>9,239</u>	<u>9,239</u>	<u>9,234</u>	<u>(5)</u>
Amounts available for appropriation	<u>9,239</u>	<u>9,239</u>	<u>9,335</u>	<u>96</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General Administration	<u>9,239</u>	<u>9,239</u>	<u>9,246</u>	<u>(7)</u>
Total charges to appropriations	<u>9,239</u>	<u>9,239</u>	<u>9,246</u>	<u>(7)</u>
Budgetary fund balance, June 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89</u>	<u>\$ 89</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.	\$ 9,335
Differences - budget to GAAP:	
Beginning fund balance restated	<u>(101)</u>
Total revenues as reported in the combining statement of revenues, expenses, and changes in fund net position.	<u>\$ 9,234</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 9,246
Differences - budget to GAAP:	
Amortization and depreciation expense.	13
Pension contributions that were reclassified as deferred outflows of resources.	(56)
Accrued payroll expense.	10
OPEB Expense	<u>278</u>
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net position.	<u>\$ 9,491</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Technology Fund
For the Fiscal Year Ended June 30, 2018
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2017	\$ 2,050	\$ 2,050	\$ 3,858	\$ 1,808
RESOURCES (INFLOWS):				
Self-insurance premiums	9,230	9,230	12,121	2,891
Miscellaneous	-	-	20	20
Investments	-	-	26	26
Total revenues	<u>9,230</u>	<u>9,230</u>	<u>12,167</u>	<u>2,937</u>
Add: Transfers in	2,940	2,940	-	(2,940)
Amounts available for appropriation	<u>14,220</u>	<u>14,220</u>	<u>16,025</u>	<u>1,805</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General Administration	10,573	10,573	8,294	2,279
Capital outlay	<u>3,570</u>	<u>3,570</u>	<u>1,059</u>	<u>2,511</u>
Total charges to appropriations	<u>14,143</u>	<u>14,143</u>	<u>9,353</u>	<u>4,790</u>
Budgetary fund balance, June 30, 2018	<u>\$ 77</u>	<u>\$ 77</u>	<u>\$ 6,672</u>	<u>\$ 6,595</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.	\$ 16,025
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource, but is not a current year revenue for financial reporting purposes.	<u>(3,858)</u>
Total revenues as reported in the combining statement of revenues, expenses, and changes in fund net position.	<u>\$ 12,167</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 9,353
Differences - budget to GAAP:	
Capital outlay expenditure.	(1,059)
Amortization and depreciation expense.	550
Loss on disposal of assets.	6
Pension contributions that were reclassified as deferred outflows of resources.	(76)
Accrued payroll expense.	84
OPEB Expense	<u>299</u>
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net position.	<u>\$ 9,157</u>



City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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Federal Financial Data Schedule (PHA: AZ003)

For the Fiscal Year Ended June 30, 2018

(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	\$ 1,049,692	\$ 1,311,297	\$ -	\$ 2,360,989
112	Cash - restricted - modernization and development	-	-	-	-
113	Cash - other restricted	-	260,321	-	260,321
114	Cash - tenant security deposits	46,825	-	-	46,825
115	Cash - restricted for payment of current liability	-	-	-	-
100	Total cash	<u>1,096,517</u>	<u>1,571,618</u>	<u>-</u>	<u>2,668,135</u>
Accounts receivables:					
121	Accounts receivable - PHA projects	-	-	-	-
122	Accounts receivable - HUD other projects	21,445	-	-	21,445
124	Accounts receivable - other government	-	-	-	-
125	Accounts receivable - miscellaneous	-	-	-	-
126	Accounts receivable - tenants	4,764	3,250	-	8,014
126.1	Allowance for doubtful accounts - tenants	(2,181)	(3,250)	-	(5,431)
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>24,028</u>	<u>-</u>	<u>-</u>	<u>24,028</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	20,969	-	-	20,969
143.1	Allowance for obsolete inventories	(1,048)	-	-	(1,048)
144	Inter program - due from	-	-	-	-
145	Assets held for sale	-	-	-	-
150	Total current assets	<u>1,140,466</u>	<u>1,571,618</u>	<u>-</u>	<u>2,712,084</u>
Non-current assets:					
Capital assets:					
161	Land	135,533	-	-	135,533
162	Buildings	10,696,556	149,998	-	10,846,554
163	Furniture, equipment & machinery - dwellings	533,024	-	-	533,024
164	Furniture, equipment & machinery - administration	186,097	102,908	-	289,005
165	Leasehold improvements	2,293,168	-	-	2,293,168
166	Accumulated depreciation	(10,426,398)	(183,050)	-	(10,609,448)
167	Construction in progress	730,612	-	-	730,612
168	Infrastructure	-	-	-	-
160	Total capital assets, net of accumulated depreciation	<u>4,148,592</u>	<u>69,856</u>	<u>-</u>	<u>4,218,448</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	2,204	3,306	-	5,510
176	Investment in joint venture	-	-	-	-
180	Total non-current assets	<u>4,150,796</u>	<u>73,162</u>	<u>-</u>	<u>4,223,958</u>
190	Total assets	<u>5,291,262</u>	<u>1,644,780</u>	<u>-</u>	<u>6,936,042</u>
200	Deferred outflow of resources	<u>123,531</u>	<u>185,296</u>	<u>-</u>	<u>308,827</u>
290	Total assets and deferred outflow of resources	<u>\$ 5,414,793</u>	<u>\$ 1,830,076</u>	<u>\$ -</u>	<u>\$ 7,244,869</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	30,215	4,204	-	34,419
313	Accounts payable > 90 days past due	-	-	-	-
321	Accrued wage/payroll taxes payable	-	-	-	-
322	Accrued compensated absences - current portion	8,170	9,825	-	17,995
324	Accrued contingency liability	-	-	-	-
325	Accrued interest payable	-	-	-	-
331	Accounts payable - HUD PHA Programs	-	-	-	-
332	Accounts payable - PHA projects	-	9,392	-	9,392
333	Accounts payable - other government	-	-	-	-
341	Tenant security deposits	46,825	-	-	46,825
342	Unearned revenues	9,821	-	-	9,821
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>95,031</u>	<u>23,421</u>	<u>-</u>	<u>118,452</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	-	28,405	-	28,405
354	Accrued compensated absences - noncurrent	73,527	88,421	-	161,948
355	Loan liability - noncurrent	-	-	-	-
356	FASB 5 liabilities	-	-	-	-
357	Accrued pension and OPEB liabilities	762,665	1,143,997	-	1,906,662
350	Total noncurrent liabilities	<u>836,192</u>	<u>1,260,823</u>	<u>-</u>	<u>2,097,015</u>
300	Total liabilities	<u>931,223</u>	<u>1,284,244</u>	<u>-</u>	<u>2,215,467</u>
400	Deferred inflow of resources	119,725	179,588	-	299,313
EQUITY - NET ASSETS/POSITION:					
508.4	Net investment in capital assets	4,148,592	69,855	-	4,218,447
511.4	Restricted net position	-	231,916	-	231,916
512.4	Unrestricted net position	215,253	64,473	-	279,726
513	Total equity - net assets/position	<u>4,363,845</u>	<u>366,244</u>	<u>-</u>	<u>4,730,089</u>
600	Total liabilities, deferred inflow of resources and equity - net assets/position	<u>\$ 5,414,793</u>	<u>\$ 1,830,076</u>	<u>\$ -</u>	<u>\$ 7,244,869</u>

(continued)

(continued)

Income Statement

Line Item No.	Account Description	Project Total	Housing Choice Vouchers	Eliminations	Total
REVENUE:					
70300	Net tenant rental revenue	\$ 385,522	\$ -	\$ -	\$ 385,522
70400	Tenant revenue - other	8,409	-	-	8,409
70500	Total tenant revenue	<u>393,931</u>	<u>-</u>	<u>-</u>	<u>393,931</u>
70600	HUD PHA operating grants	556,838	8,589,909	-	9,146,747
70610	Capital grants	132,676	-	-	132,676
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	4,169	4,367	-	8,536
71200	Mortgage interest income	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-
71310	Cost of sale of assets	-	-	-	-
71400	Fraud recovery	-	10,278	-	10,278
71500	Other revenue	257,119	3,160,473	-	3,417,592
71600	Gain or loss on sale of capital assets	-	-	-	-
72000	Investment income - restricted	-	-	-	-
70000	Total revenue	<u>\$ 1,344,733</u>	<u>\$ 11,765,027</u>	<u>\$ -</u>	<u>\$ 13,109,760</u>

(continued)

(continued)

Income Statement					
Line Item No.	Account Description	Project Total	Housing Choice Vouchers	Eliminations	Total
EXPENSES:					
91100	Administrative salaries	\$ 257,392	\$ 505,854	\$ -	\$ 763,246
91200	Auditing fees	-	-	-	-
91300	Management fee	-	-	-	-
91310	Bookkeeping fee	-	-	-	-
91400	Advertising and marketing	-	-	-	-
91500	Employee benefit contributions - administrative	173,089	205,689	-	378,778
91600	Office expenses	19,003	45,160	-	64,163
91700	Legal expense	86	300	-	386
91800	Travel	29	-	-	29
91810	Allocated overhead	-	-	-	-
91900	Other	89,994	80,347	-	170,341
91000	Total operating - administrative	<u>539,593</u>	<u>837,350</u>	<u>-</u>	<u>1,376,943</u>
92000	Asset management fee	-	-	-	-
92100	Tenant services - salaries	-	-	-	-
92200	Relocation costs	-	-	-	-
92300	Employee benefit contributions - tenant services	-	-	-	-
92400	Tenant services - other	6,000	-	-	6,000
92500	Total Tenant services	<u>6,000</u>	<u>-</u>	<u>-</u>	<u>6,000</u>
93100	Water	74,447	-	-	74,447
93200	Electricity	23,224	-	-	23,224
93300	Gas	1,744	-	-	1,744
93400	Fuel	-	-	-	-
93500	Labor	-	-	-	-
93600	Sewer	34,368	-	-	34,368
93700	Employee benefit contributions - utilities	-	-	-	-
93800	Other utilities expense	-	-	-	-
93000	Total utilities	<u>133,783</u>	<u>-</u>	<u>-</u>	<u>133,783</u>
94100	Ordinary maintenance and operations - labor	268,798	-	-	268,798
94200	Ordinary maintenance and operations - materials & other	76,392	2,216	-	78,608
94300	Ordinary maintenance and operations - contract costs	128,173	-	-	128,173
94500	Employee benefit contributions - ordinary maintenance	149,414	-	-	149,414
94000	Total maintenance	<u>\$ 622,777</u>	<u>\$ 2,216</u>	<u>\$ -</u>	<u>\$ 624,993</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	12,777	8,518	-	21,295
96120	Liability insurance	-	-	-	-
96130	Workmen's compensation	4,185	2,790	-	6,975
96140	All other insurance	-	-	-	-
96100	Total insurance premiums	<u>16,962</u>	<u>11,308</u>	<u>-</u>	<u>28,270</u>
96200	Other general expenses	-	9,072	-	9,072
96210	Compensated absences	-	-	-	-
96300	Payments in lieu of taxes	-	-	-	-
96400	Bad debt - tenant rents	159	-	-	159
96500	Bad debt - mortgages	-	-	-	-
96600	Bad debt - other	-	-	-	-
96800	Severance expense	-	-	-	-
96000	Total other general expenses	<u>159</u>	<u>9,072</u>	<u>-</u>	<u>9,231</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>1,319,274</u>	<u>859,946</u>	<u>-</u>	<u>2,179,220</u>
97000	Excess of operating revenue over operating expenses	25,459	10,905,081	-	10,930,540
97100	Extraordinary maintenance	-	-	-	-
97200	Casualty losses - non-capitalized	-	-	-	-
97300	Housing assistance payments	-	7,905,321	-	7,905,321
97350	HAP Portability-in	-	2,566,310	-	2,566,310
97400	Depreciation expense	308,558	4,238	-	312,796
97500	Fraud losses	-	-	-	-
97600	Capital outlays - governmental funds	-	-	-	-
97700	Debt principal payment - governmental funds	-	-	-	-
97800	Dwelling units rent expense	-	-	-	-
90000	Total expenses	<u>\$ 1,627,832</u>	<u>\$ 11,335,815</u>	<u>\$ -</u>	<u>\$ 12,963,647</u>

(continued)

Income Statement					
Line Item No.	Account Description	Project Total	Housing Choice Vouchers	Eliminations	Total
OTHER FINANCING SOURCES (USES)					
10010	Operating transfers in	\$ 1,580	\$ -	\$ (1,580)	\$ -
10020	Operating transfers out	(1,580)	-	1,580	-
10030	Operating transfers from/to primary government	213,981	172,582	-	386,563
10040	Operating transfers from/to component unit	-	-	-	-
10050	Proceeds from notes, loans and bonds	-	-	-	-
10060	Proceeds from property sales	-	-	-	-
10070	Extraordinary items, net gain/loss	-	-	-	-
10080	Special items, net gain/loss	-	-	-	-
10091	Inter project excess cash transfer in	-	-	-	-
10092	Inter project excess cash transfer out	-	-	-	-
10093	Transfers between program and project - in	-	-	-	-
10094	Transfers between program and project - out	-	-	-	-
10100	Total other financing sources (uses)	<u>213,981</u>	<u>172,582</u>	<u>-</u>	<u>386,563</u>
10000	Excess (deficiency) of total revenues over (under) total expenses	<u>\$ (69,118)</u>	<u>\$ 601,794</u>	<u>\$ -</u>	<u>\$ 532,676</u>
MEMO ACCOUNT INFORMATION					
11020	Required annual debt principal payments	\$ -	\$ -	\$ -	\$ -
11030	Beginning equity	4,429,493	(235,550)	-	4,193,943
11040	Prior period adjustments, equity transfers & correction of errors	3,470	-	-	3,470
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	-	134,328	-	134,328
11180	Housing assistance payments equity	-	231,916	-	231,916
11190	Unit months available	1,830	12,607	-	14,437
11210	Unit months leased	1,793	12,248	-	14,041
11270	Excess cash	935,760	-	-	935,760
11610	Land purchases	-	-	-	-
11620	Building purchases	-	-	-	-
11630	Furniture & equipment - dwelling purchases	-	-	-	-
11640	Furniture & equipment - administrative purchases	-	-	-	-
11650	Leasehold improvements purchases	-	-	-	-
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, 2018

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STATISTICAL SECTION

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

Contents

	<u>Pages</u>
Financial Trends These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	168-175
Revenue Capacity These schedules contain information to help the reader assess the city's local revenue source, the property tax and sales tax.	176-181
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.	182-189
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.	190-192
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.	193-197

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Government activities				
Net investment in				
capital assets	\$ 451,826	\$ 471,979	\$ 456,001	\$ 456,897
Restricted	185,396	157,251	163,592	168,714
Unrestricted	<u>(246,697)</u>	<u>(278,767)</u>	<u>(239,670)</u>	<u>(240,749)</u>
Total governmental activities				
net position	<u>390,525</u>	<u>350,463</u>	<u>379,923</u>	<u>384,862</u>
Business-type activities				
Net investment in				
capital assets	280,920	267,111	256,488	253,134
Restricted	27,550	22,897	21,576	24,090
Unrestricted	<u>78,272</u>	<u>83,920</u>	<u>96,300</u>	<u>92,357</u>
Total business-type activities				
net position	<u>386,742</u>	<u>373,928</u>	<u>374,364</u>	<u>369,581</u>
Primary government				
Net investment in				
capital assets	732,746	739,090	712,489	710,031
Restricted	212,946	180,148	185,168	192,804
Unrestricted	<u>(168,425)</u>	<u>(194,847)</u>	<u>(143,370)</u>	<u>(148,392)</u>
Total primary government				
net position	<u>\$ 777,267</u>	<u>\$ 724,391</u>	<u>\$ 754,287</u>	<u>\$ 754,443</u>

Schedule 1

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 448,083	\$ 438,366	\$ 460,639	\$ 463,961	\$ 457,773	\$ 471,484
161,027	186,106	183,829	204,645	176,400	144,422
<u>(277,093)</u>	<u>(59,797)</u>	<u>(73,375)</u>	<u>(22,532)</u>	<u>11,684</u>	<u>51,500</u>
<u>332,017</u>	<u>564,675</u>	<u>571,093</u>	<u>646,074</u>	<u>645,857</u>	<u>667,406</u>
256,164	251,765	262,554	271,708	271,969	286,452
22,300	12,264	12,921	29,988	13,988	13,249
<u>123,699</u>	<u>161,999</u>	<u>139,934</u>	<u>112,323</u>	<u>124,550</u>	<u>114,814</u>
<u>402,163</u>	<u>426,028</u>	<u>415,409</u>	<u>414,019</u>	<u>410,507</u>	<u>414,515</u>
704,247	690,131	723,193	735,669	729,742	757,936
183,327	198,370	196,750	234,633	190,388	157,671
<u>(153,394)</u>	<u>102,202</u>	<u>66,559</u>	<u>89,791</u>	<u>136,234</u>	<u>166,314</u>
<u>\$ 734,180</u>	<u>\$ 990,703</u>	<u>\$ 986,502</u>	<u>\$ 1,060,093</u>	<u>\$ 1,056,364</u>	<u>\$ 1,081,921</u>

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

Schedule 2

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenses										
Governmental activities:										
General government	\$ 42,915	\$ 61,373	\$ 64,228	\$ 60,490	\$ 73,637	\$ 37,447	\$ 35,962	\$ 46,233	\$ 42,530	\$ 39,545
Public safety	134,977	166,790	132,498	127,870	116,070	115,694	112,689	111,217	108,308	109,136
Public works	25,072	24,768	24,859	21,482	20,524	19,230	18,435	20,099	16,627	15,040
Community services	30,885	33,752	32,796	31,311	30,796	33,831	39,478	41,136	44,524	48,143
Community environment	3,290	3,930	4,262	4,980	5,895	5,655	6,828	7,061	6,316	3,539
Street maintenance	20,976	21,848	21,219	19,180	25,207	20,000	20,045	21,721	23,058	23,978
Other	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	24,916	27,827	27,932	32,106	34,808	42,413	41,913	41,967	42,286	38,982
Total governmental activities expenses	283,031	340,288	307,794	297,419	306,937	274,270	275,350	289,434	283,649	278,363
Business-type activities:										
Water and sewer	81,911	83,500	80,375	74,807	77,243	73,460	78,917	79,444	81,910	74,424
Landfill	9,852	11,302	9,049	7,727	7,554	7,486	7,602	7,280	8,454	8,045
Solid Waste	15,150	15,698	15,016	15,059	14,471	16,122	15,437	14,814	14,093	14,039
Housing	12,498	12,644	12,730	13,159	13,088	14,037	14,827	14,687	14,180	11,840
Total business-type activities expenses	119,411	123,144	117,170	110,752	112,356	111,105	116,783	116,225	118,637	108,348
Total primary government expenses	\$ 402,442	\$ 463,432	\$ 424,964	\$ 408,171	\$ 419,293	\$ 385,375	\$ 392,133	\$ 405,659	\$ 402,286	\$ 386,711
Program revenues										
Governmental activities:										
Charges for services:										
General government	\$ 17,847	\$ 15,027	\$ 16,381	\$ 18,498	\$ 17,666	\$ 12,520	\$ 12,334	\$ 24,822	\$ 14,232	\$ 11,879
Public safety	2,295	5,445	6,148	6,084	6,369	5,778	5,624	5,094	5,824	4,670
Public works	651	536	650	631	1,126	1,149	512	495	7,447	588
Community services	10,890	13,490	9,649	11,704	10,486	11,003	17,910	11,733	11,918	15,661
Community environment	338	308	305	309	-	-	-	-	-	3,045
Street maintenance	662	357	193	25	-	-	-	-	2	36
Operating grants and contributions	26,523	27,519	26,225	25,665	25,168	25,156	27,636	27,137	29,596	24,146
Capital grants and contributions	12,382	6,669	6,603	11,403	10,748	7,904	5,274	70,552	3,755	2,600
Total governmental activities program revenues	71,588	69,351	66,154	74,319	71,563	63,510	69,290	139,833	72,774	62,625

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Business-type activities:										
Charges for services:										
Water and sewer	86,288	80,219	81,829	78,541	81,065	81,963	82,730	80,513	76,603	67,810
Landfill	9,444	9,451	9,858	9,757	8,646	7,994	7,185	8,027	6,987	7,304
Solid Waste	16,048	14,856	15,181	14,944	14,836	14,791	14,562	14,733	15,048	15,258
Housing	3,355	2,876	2,980	3,265	3,504	4,137	4,886	4,829	4,870	2,042
Operating grants and contributions	9,682	10,230	9,809	8,855	9,357	9,376	9,423	9,342	9,331	8,701
Capital grants and contributions	2,054	2,815	815	2,562	2,423	831	705	1,155	690	1,207
Total business-type activities program revenues	126,871	120,447	120,472	117,924	119,831	119,092	119,491	118,599	113,529	102,322
Total primary government program revenues	198,459	189,798	186,626	192,243	191,394	182,602	188,781	258,432	186,303	164,947
Net (expense)/revenue										
Governmental activities	(211,443)	(270,937)	(241,640)	(223,100)	(235,374)	(210,760)	(206,060)	(149,601)	(210,875)	(215,738)
Business-type activities	7,460	(2,697)	3,302	7,172	7,475	7,987	2,708	2,374	(5,108)	(6,026)
Total primary government net expense	\$ (203,983)	\$ (273,634)	\$ (238,338)	\$ (215,928)	\$ (227,899)	\$ (202,773)	\$ (203,352)	\$ (147,227)	\$ (215,983)	\$ (221,764)
General revenues and other changes in net position										
Governmental activities:										
Taxes:										
Property taxes	\$ 25,519	\$ 24,955	\$ 24,531	\$ 23,881	\$ 23,577	\$ 21,372	\$ 20,232	\$ 27,189	\$ 33,749	\$ 32,890
Sales taxes	162,299	155,779	150,201	147,175	131,983	132,872	97,451	93,260	92,717	97,054
Unrestricted state shared sales tax	23,627	22,024	21,482	20,695	19,734	18,558	17,716	18,438	17,786	19,321
Unrestricted urban revenue sharing (state shared income tax)	30,456	29,378	27,297	27,446	25,271	23,159	19,135	23,590	31,292	36,267
Auto in-lieu taxes	10,166	9,458	9,351	8,664	8,086	7,586	7,277	7,917	8,130	8,808
Investment earnings, unrestricted	(694)	(253)	1,225	1,070	726	716	975	1,482	286	1,668
Gain (loss) on disposal of capital assets	-	-	-	(688)	78	353	56	(677)	330	(52)
Miscellaneous	1,490	1,400	3,417	520	687	367	489	3,936	5,406	2,872
Transfers	(1,358)	(1,264)	(803)	39,198	(64)	(641)	(307)	(317)	(370)	(551)
Special item	-	-	-	-	-	-	(25,000)	(25,000)	-	-
Total governmental activities	251,505	241,477	236,701	267,961	210,078	204,342	138,024	149,818	189,326	198,277
Business-type activities:										
Investment earnings, unrestricted	1,368	883	614	643	463	1,878	1,126	614	460	2,069
Gain (loss) on disposal of capital assets	-	-	-	127	167	43	(40)	137	187	282
Loss on joint venture	-	-	-	(3,329)	-	-	-	-	-	-
Miscellaneous	2,628	114	63	86	67	70	72	70	83	90
Transfers	1,358	1,264	803	(39,198)	64	641	307	317	370	551
Total business-type activities	5,354	2,261	1,480	(41,671)	761	2,632	1,465	1,138	1,100	2,992
Total primary government	\$ 256,859	\$ 243,738	\$ 238,181	\$ 226,290	\$ 210,839	\$ 206,974	\$ 139,489	\$ 150,956	\$ 190,426	\$ 201,269
Changes in net position										
Governmental activities	\$ 40,062	\$ (29,460)	\$ (4,939)	\$ 44,861	\$ (25,296)	\$ (6,418)	\$ (68,036)	\$ 217	\$ (21,549)	\$ (17,461)
Business-type activities	12,814	(436)	4,782	(34,499)	8,236	10,619	4,173	3,512	(4,008)	(3,034)
Total primary government	\$ 52,876	\$ (29,896)	\$ (157)	\$ 10,362	\$ (17,060)	\$ 4,201	\$ (63,863)	\$ 3,729	\$ (25,557)	\$ (20,495)

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City of Glendale, Arizona
Fund Balances - Governmental Funds

Last Ten Fiscal Years
 (amounts expressed in thousands)

	2018(1)	2017(1)	2016(1)	2015(1)	2014(1)	2013(1)	2012(1)	2011(1)	2010	2009
General fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,383	\$ 10,450
Unreserved	-	-	-	-	-	-	-	-	29,463	42,180
Total general fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,846	\$ 52,630
General fund										
Nonspendable	\$ 2,919	\$ 2,934	\$ 2,940	\$ 216	\$ 600	\$ 650	\$ 197	\$ 463	\$ -	\$ -
Restricted	6,274	7,443	8,495	10,313	688	311	368	5,403	-	-
Committed	-	-	-	1,114	1,554	1,676	2,351	1,965	-	-
Assigned	12,678	10,647	12,483	8,563	-	-	-	9,253	-	-
Unassigned	43,474	40,559	35,226	26,033	(4,835)	(14,438)	(29,565)	(5,414)	-	-
Total general fund	\$ 65,345	\$ 61,583	\$ 59,144	\$ 46,239	\$ (1,993)	\$ (11,801)	\$ (26,649)	\$ 11,670	\$ -	\$ -
All other governmental funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,055	\$ 83,966
Unreserved, report in:	-	-	-	-	-	-	-	-	-	-
Special revenue funds	-	-	-	-	-	-	-	-	50,478	57,555
Capital projects funds	-	-	-	-	-	-	-	-	41,046	27,474
Total all other governmental funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 167,579	\$ 168,995
All other governmental funds										
Nonspendable	\$ 5,810	\$ 5,861	\$ 5,818	\$ 5,768	\$ 5,801	\$ 5,774	\$ 5,829	\$ 5,822	\$ -	\$ -
Restricted	118,991	91,908	97,170	99,970	102,241	103,772	117,964	129,635	-	-
Committed	2,548	2,295	1,273	-	123	115	129	11,464	-	-
Assigned	430	170	319	1,945	202	144	82	199	-	-
Unassigned	(653)	(3,770)	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 127,126	\$ 96,464	\$ 104,580	\$ 107,683	\$ 108,367	\$ 109,805	\$ 124,004	\$ 147,120	\$ -	\$ -

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)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues										
Taxes and special assessments	\$ 188,553	\$ 181,576	\$ 176,489	\$ 170,605	\$ 159,328	\$ 149,705	\$ 118,218	\$ 120,974	\$ 126,291	\$ 130,119
Licenses and permits	12,534	12,403	11,951	10,610	11,522	10,373	10,798	9,367	9,734	10,503
Intergovernmental	94,191	89,684	86,273	87,112	81,364	76,520	73,009	79,760	90,047	91,642
Local revenues	58	300	17	525	18	36	-	-	-	-
Charges for services	10,250	13,486	12,613	17,685	14,781	11,896	11,487	10,461	13,640	9,881
Fines and forfeitures	3,337	3,699	3,857	3,556	3,735	3,469	3,374	3,806	4,052	4,064
Investment income (loss)	129	276	1,517	1,258	900	762	1,180	1,841	774	3,805
Miscellaneous	6,490	5,079	6,850	5,662	4,500	3,822	11,700	22,054	18,000	9,346
Total revenues	315,542	306,503	299,567	297,013	276,148	256,583	229,766	248,263	262,538	259,360
Expenditures										
General government	30,961	29,531	34,671	33,494	29,666	16,065	18,147	19,668	23,085	26,048
Public safety	139,287	131,576	126,498	114,143	108,397	103,610	100,368	95,270	96,161	103,624
Public works	11,400	9,484	9,429	8,673	7,463	7,859	7,709	8,859	11,569	11,072
Community services	31,954	30,659	28,461	26,379	25,536	27,966	33,597	33,887	37,518	42,294
Community environment	3,621	3,979	4,285	4,977	5,826	5,554	6,703	6,853	6,160	3,478
Street maintenance	10,861	11,195	10,260	7,951	8,352	8,305	8,311	9,038	10,388	11,901
Miscellaneous	-	-	27	5,791	2,323	4,617	1,782	1,577	2,026	1,666
Capital outlay	42,652	39,053	59,189	20,949	14,662	13,980	19,634	22,093	63,529	186,175
Debt service:										
Principal	29,359	46,456	35,650	37,251	30,043	26,441	24,947	31,640	29,451	29,670
Interest	28,300	30,704	30,382	32,870	35,628	43,038	42,515	42,593	42,913	39,571
Total expenditures	328,395	332,637	338,852	292,478	267,896	257,435	263,713	271,478	322,800	455,499
Excess of revenues over (under) expenditures	(12,853)	(26,134)	(39,285)	4,535	8,252	(852)	(33,947)	(23,215)	(60,262)	(196,139)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
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
Refunding bonds issued	91,940	19,330	33,830	209,255	-	239,875	-	-	-	-
Payment to redeem lease	-	-	-	-	-	-	-	(11,355)	-	-
Premium on long-term debt issued	15,686	-	4,948	35,751	-	19,779	898	3,369	10	1,894
Proceeds from equipment disposal	2,910	2,391	329	2,650	174	589	546	331	482	344
Capital lease proceeds	-	-	6,615	-	8	-	-	-	-	-
Proceeds from loans	15,240	-	7,353	-	-	-	-	-	-	-
Payment to redeem/refunded bonds	(77,139)	-	(30,470)	(131,966)	-	(256,054)	(9,320)	(41,251)	-	-
escrow agent	-	-	-	(110,145)	-	-	-	-	-	-
Current bond refunding principal	-	-	-	(1,022)	-	-	-	-	-	-
Current bond refunding interest	-	-	-	240,694	48,704	52,136	32,977	38,728	36,306	21,914
Transfers in	61,927	48,450	84,460	(201,496)	(48,768)	(53,267)	(33,919)	(39,045)	(33,430)	(22,465)
Transfers out	(63,287)	(49,714)	(85,263)	-	-	-	(25,000)	(25,000)	-	-
Special item	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	47,277	20,457	49,087	43,721	118	1,501	(25,153)	(10,923)	45,062	198,301
Net change in fund balances	\$ 34,424	\$ (5,677)	\$ 9,802	\$ 48,256	\$ 8,370	\$ 649	\$ (59,100)	\$ (34,138)	\$ (15,200)	\$ 2,162
Debt service as a percentage of noncapital expenditures	20.18%	26.28%	23.61%	25.82%	25.93%	28.54%	27.64%	29.77%	27.91%	25.71%

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.

Schedule 5

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

Fiscal Year	Major Components							Less: Tax Exempt Property	Net Assessed Value ⁽¹⁾	Total Direct Tax Rate	Estimated Actual Value ⁽¹⁾	Assessed Value as a Percentage of Actual Value ⁽²⁾
	Real Estate	Improvements	Personal ⁽³⁾	Utilities Rails and Wires								
2008-09	\$ 739,936	\$ 1,821,057	\$ 56,528	\$ 61,347	\$ 485,193	\$ 2,193,675	\$ 1.59	\$ 21,034,639	12.736 %			
2009-10	739,388	1,844,506	60,888	62,176	576,051	2,130,907	1.59	20,635,557	13.118			
2010-11	654,550	1,593,536	59,049	56,217	609,782	1,753,570	1.59	17,333,074	13.635			
2011-12	330,057	1,189,718	49,391	53,746	473,388	1,149,524	1.59	12,040,482	13.479			
2012-13	304,041	1,130,460	45,507	53,158	485,894	1,047,273	1.90	11,471,039	13.366			
2013-14	316,206	1,213,829	41,750	53,581	477,258	1,148,108	2.29	12,489,163	13.014			
2014-15	379,087	1,451,325	40,191	55,687	518,191	1,408,099	2.15	12,452,875	15.469			
2015-16	403,055	1,546,186	40,431	59,918	529,361	1,520,229	2.20	13,046,428	15.708			
2016-17	499,308	1,635,370	37,350	60,892	579,745	1,653,175	2.14	13,617,839	16.397			
2017-18	535,252	1,771,647	49,605	60,918	596,446	1,820,976	2.07	19,526,518	12.380			

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

Notes: (1) Assessed values are established each year by the County. The tax rate is \$100 per assessed value (reference note I. L).

(2) The assessed value as a percentage of actual value does not include tax exempt property.

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

Schedule 6

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

Fiscal Year	Basic Rate	General Obligation Debt Service	City of Glendale	Overlapping Rates*		
				Glendale Elementary and High School Districts	Peoria Unified School Districts	Deer Valley Unified School Districts
2008-09	0.24	1.35	1.59	15.85	14.09	13.03
2009-10	0.22	1.37	1.59	15.18	13.81	12.74
2010-11	0.22	1.37	1.59	16.35	14.13	14.18
2011-12	0.22	1.37	1.59	20.69	15.54	16.47
2012-13	0.22	1.68	1.90	22.93	18.08	17.75
2013-14	0.50	1.79	2.29	25.06	19.82	18.91
2014-15	0.49	1.66	2.15	23.58	19.64	18.85
2015-16	0.49	1.71	2.20	22.54	20.66	18.86
2016-17	0.48	1.67	2.15	23.29	20.82	19.16
2017-18	0.46	1.61	2.07	23.61	20.02	19.10

Source: Maricopa County 2017 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).

Schedule 7

City of Glendale, Arizona
Principal Property Taxpayers
 Current Year and Nine Years Ago
 June 30, 2018
 (amounts expressed in thousands)

	Tax Year 2018			Tax Year 2009		
	Rank	Assessed Valuation	Percentage of Total City Taxable Assessed Value	Rank	Assessed Valuation	Percentage of Total City Taxable Assessed Value
Yam Westgate LLC	1	\$ 20,479	1.12 %			
Arizona Public Service Company	2	17,862	0.98	2	\$ 18,475	0.84 %
Arrowhead Towne Center LLC	3	11,668	0.64			
VHS of Arrowhead, Inc.	4	10,366	0.57	1	21,213	0.97
Outlets At Westgate LLC	5	9,852	0.54			
JQH-Glendale Az Development LLC	6	8,213	0.45	6	12,501	0.57
Lexington Glendale LLC	7	7,017	0.39			
Wal-Mart Stores, Inc.	8	6,967	0.38	5	14,198	0.65
Stadium Development LLC	9	6,148	0.34			
Qwest Corporation (US West)	10	6,099	0.33	7	11,147	0.51
New River Associates				3	14,842	0.68
Entertainment Center Development LLC				4	14,522	0.66
IED Glendale LLC				8	9,561	0.44
Opus West Corporation				9	7,886	0.36
Coyote Center Development LLC				10	6,700	0.31
Total principal taxpayers		\$ 104,671	5.74 %		\$ 131,045	5.99 %

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
2008-09	33,927	32,411	95.53	995	33,406	98.46
2009-10	33,617	32,260	95.96	534	32,794	97.55
2010-11	27,534	26,469	96.13	65	26,534	96.37
2011-12	20,787	20,090	96.65	66	20,194	97.15
2012-13	21,841	21,268	97.38	(9)	21,259	97.34
2013-14	23,943	23,490	98.11	142	23,632	98.70
2014-15	24,429	23,729	97.13	238	23,967	98.11
2015-16	24,850	24,255	97.61	235	24,490	98.55
2016-17	25,253	24,638	97.56	386	25,024	99.09
2017-18	25,592	25,202	98.48	-	25,202	98.48

Source: Maricopa County Treasurer's Office

(1) Total levy includes only secured property.

(2) Includes collections and resolutions.

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Retail sales	\$ 89,762	\$ 88,804	\$ 84,710	\$ 79,062	\$ 73,924	\$ 67,157	\$ 49,686	\$ 48,089	\$ 49,127	\$ 48,353
Contracting	6,684	5,559	4,810	6,457	7,948	5,724	5,170	6,742	4,458	6,378
Rentals	18,629	17,394	16,581	16,146	14,502	14,182	11,550	11,854	12,729	11,511
Utilities	8,995	8,775	8,544	8,678	8,732	8,028	6,393	6,449	6,829	6,449
Telecom/cable TV	3,486	3,523	4,244	4,773	5,072	5,540	5,144	6,093	6,156	6,722
Restaurant/bar	20,498	20,070	18,767	17,651	15,842	14,284	11,975	11,207	10,791	10,863
Amusement	4,920	3,615	4,176	5,673	2,110	2,154	2,896	1,860	3,697	3,659
Other	8,574	7,347	8,802	6,686	5,808	5,917	3,816	5,568	4,018	4,002
Total	\$ 161,548	\$ 155,087	\$ 150,634	\$ 145,126	\$ 133,938	\$ 122,986	\$ 96,630	\$ 97,862	\$ 97,805	\$ 97,937
% Growth by year										
Retail sales	1.1 %	4.8 %	7.1 %	7.0 %	10.1 %	35.2 %	3.3 %	(2.0) %	1.6 %	(11.1) %
Contracting	20.2	15.6	(25.5)	(18.8)	38.9	10.7	(23.3)	51.0	(30.1)	(33.1)
Rentals	7.1	4.9	2.7	11.3	2.3	22.8	(2.6)	(7.0)	10.6	(4.7)
Utilities	2.5	2.7	(1.5)	(0.6)	8.8	25.6	(0.9)	(6.0)	5.9	20.3
Telecom/cable TV	(1.1)	(17.0)	(11.1)	(5.9)	(8.4)	7.7	(15.6)	(1.0)	(8.4)	8.9
Restaurant/bar	2.1	6.9	6.3	11.4	10.9	19.3	6.9	4.0	(0.7)	(1.2)
Amusement	36.1	(13.4)	(26.4)	168.9	(2.0)	(25.6)	55.7	(50.0)	1.0	20.6
Other	16.7	(16.5)	31.6	15.1	(1.8)	55.1	(31.5)	39.0	0.4	11.9
Total	4.2 %	3.0 %	3.8 %	8.4 %	8.9 %	27.3 %	(1.3) %	0.1 %	(0.1) %	(6.9) %

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	
2008-09	197,738	27,480	493,880	105,035	9,076	7,637	
2009-10	225,595	23,910	487,305	102,490	7,493	6,288	
2010-11	194,270 ⁽⁴⁾	16,290 ⁽⁴⁾	481,705	99,815	11,833	-	
2011-12	179,010 ⁽⁴⁾	12,250 ⁽⁴⁾	474,840	97,035	11,667	-	
2012-13	163,130 ⁽⁴⁾	8,055 ⁽⁴⁾	468,875	91,140	11,094	-	
2013-14	151,206 ^{(4) (5)}	3,736 ^{(4) (5)}	477,736 ^{(4) (5)}	89,317 ^{(4) (5)}	10,361	-	
2014-15	133,168 ^{(4) (5)}	1,912 ^{(4) (5)}	477,747 ^{(4) (5)}	91,047 ^{(4) (5)}	57	-	
2015-16	141,553 ^{(4) (5)}	- ^{(4) (5)}	475,918 ^{(4) (5)}	87,031 ^{(4) (5)}	6,620	5,515	
2016-17	125,384 ^{(4) (5)}	- ^{(4) (5)}	468,431 ^{(4) (5)}	83,119 ^{(4) (5)}	4,484	3,677	
2017-18	154,834 ^{(4) (5)}	- ^{(4) (5)}	455,495 ^{(4) (5)}	78,590 ^{(4) (5)}	2,278	1,839	

Fiscal Year	Business Activities										Total Debt per Capita ⁽³⁾	Percentage of Personal Income ⁽²⁾	
	Water		Landfill		Sewer		Notes Payable		Capital Leases				Total Primary Government
	G.O. Bonds	Revenue	G.O. Bonds	Bonds	Revenue	Bonds	Revenue	Payable	Leases				
2008-09	9,995	282,345	132	12,425	1,080	1,146,823 ⁽¹⁾	4,587	13.11					
2009-10	9,160	273,140	-	14,278	592	1,150,251 ⁽¹⁾	4,601	13.56					
2010-11	8,300	289,175	-	11,901	151	1,113,440 ⁽¹⁾	4,901	14.12					
2011-12	6,485	282,625	-	708	-	1,064,620 ⁽¹⁾	4,694	13.27					
2012-13	5,515 ⁽⁴⁾	273,080	-	-	-	1,020,889 ⁽¹⁾	4,471	12.21					
2013-14	- ⁽⁴⁾	267,254 ⁽⁴⁾⁽⁵⁾	-	-	-	999,610 ⁽⁵⁾	4,327	11.52					
2014-15	-	260,967 ⁽⁴⁾⁽⁵⁾	-	-	-	964,898 ⁽⁵⁾	4,141	10.18					
2015-16	-	249,302 ⁽⁴⁾⁽⁵⁾	-	-	-	965,939 ⁽⁵⁾	4,255	10.81					
2016-17	-	237,247 ⁽⁴⁾⁽⁵⁾	-	-	-	922,342 ⁽⁵⁾	3,875	9.14					
2017-18	-	222,217 ⁽⁴⁾⁽⁵⁾	-	-	-	915,253 ⁽⁵⁾	3,814	9.18					

(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 ⁽⁶⁾	Per Capita ⁽³⁾
2008-09	207,865 ⁽¹⁾	37,418	170,447	7.77	682.30
2009-10	234,755 ⁽¹⁾	41,934	192,821	9.05	770.75
2010-11	201,680 ⁽¹⁾	21,250 ⁽²⁾	180,430	10.29	794.09
2011-12	185,495 ^{(1) (4)}	16,765 ⁽²⁾	168,730	14.68	744.22
2012-13	168,645 ^{(1) (4)}	12,641 ⁽²⁾	156,004	14.90	681.22
2013-14	147,810 ⁽⁴⁾	9,310 ⁽²⁾	138,500	12.06	599.28
2014-15	126,305 ⁽⁴⁾	8,270 ⁽²⁾	118,035	10.43 ⁽⁵⁾	507.29
2015-16	135,130 ⁽⁴⁾	4,511 ⁽²⁾	130,619	11.12 ⁽⁵⁾	556.38
2016-17	120,000 ⁽⁴⁾	3,657 ⁽²⁾	116,343	7.04 ⁽⁵⁾	488.84
2017-18	146,985 ⁽⁴⁾	31,750 ⁽²⁾	115,235	8.82 ⁽⁵⁾	480.43

Source: Maricopa County - Abstract by tax authority and class
 ADOA Office of Employment and Population Statistics - Population estimates for July 1, 2018

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

City of Glendale, Arizona
Net Direct and Overlapping Governmental Activities Debt
 June 30, 2018
 (amounts expressed in thousands)

Schedule 12

Jurisdiction	Net Debt Outstanding ⁽³⁾	Percentage Applicable to Glendale	Amount Applicable to Glendale ⁽²⁾
Peoria Unified School District No. 11	\$ 217,615	22.6488 %	\$ 49,287
Glendale Elementary School District No. 40	25,905	99.1605	25,688
Deer Valley Unified School District No. 97	193,715	19.2382	37,267
Alhambra Elementary School District No. 68	-	16.1092	-
Glendale Union High School District No. 205	98,915	21.8885	21,651
Maricopa County	-	3.4952	-
Maricopa County Community College District	445,570	3.4952	15,574
Phoenix Union High School District No. 210	273,636	1.2224	3,345
Pendergast Elementary School District No. 92	32,405	26.0303	8,435
Tolleson Union High School District No. 214	21,200	7.6337	1,618
Washington Elementary School District No. 6	95,780	2.9404	2,816
Dysart Unified School District No. 89	141,793	0.0849	120
Agua Fria Union High School District No. 216	82,825	0.1175	97
Litchfield Elementary School District No. 79	40,110	0.1741	70
Cartwright Elementary School District No. 83	22,980	-	-
Total Overlapping Debt	1,692,449		165,968
City of Glendale Debt ⁽¹⁾	664,920		664,920
Total	\$ 2,357,369		\$ 830,888

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 government revenue bonds debt outstanding, capital leases, notes payable, settlement obligation, bond premiums and discounts, less debt service fund balances for current year.
- (2) Calculation based on Net Debt Outstanding multiplied by Percentage Applicable to Glendale, which is determined by dividing the tax area code net secondary assessed value by the tax authority net secondary assessed value.
- (3) Prior fiscal year data used due to unavailability of current fiscal year Bonded Indebtedness Report from ADOA.

Legal Debt Margin Calculation for Fiscal Year 2018

6% Type Bonds										
	2009	2010	2011 ⁽¹⁾	2012 ⁽¹⁾	2013 ⁽¹⁾	2014 ⁽¹⁾	2015 ⁽¹⁾⁽²⁾	2016 ⁽¹⁾⁽²⁾	2017 ⁽¹⁾⁽²⁾⁽³⁾	2018 ⁽¹⁾⁽²⁾⁽³⁾
Assessed value										\$ 1,306,946
Debt limit (6% of assessed value)										78,417
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										\$ 78,417
										2018 ⁽¹⁾⁽²⁾⁽³⁾
Debt limit	\$ 131,621	\$ 127,854	\$ 105,214	\$ 68,971	\$ 62,836	\$ 68,886	\$ 67,877	\$ 70,496	\$ 73,633	\$ 78,417
Total net debt applicable to limit	32,121	29,010	14,399	11,455	7,309	2,415	(165)	-	-	-
Legal debt margin	\$ 99,500	\$ 98,844	\$ 90,815	\$ 57,516	\$ 55,527	\$ 66,471	\$ 68,042	\$ 70,496	\$ 73,633	\$ 78,417
Total net debt applicable to the limit as a percentage of debt limit	24.40%	22.69%	13.69%	16.61%	11.63%	3.51%	-0.24%	0.00%	0.00%	0.00%
20% Type Bonds										
Assessed value										\$ 1,306,946
Debt limit (20% of assessed value)										261,389
Debt applicable to limit: General obligation bonds										146,985
Less: Amount set aside for repayment of general obligation debt										(32,178)
Total net debt applicable to limit										114,807
Legal debt margin										\$ 146,582
										2018 ⁽¹⁾⁽²⁾⁽³⁾
Debt limit	\$ 438,735	\$ 426,181	\$ 350,714	\$ 229,905	\$ 209,455	\$ 229,622	\$ 226,257	\$ 234,986	\$ 245,444	\$ 261,389
Total net debt applicable to limit	138,326	163,811	166,031	159,306	148,695	136,085	118,200	130,619	116,343	114,807
Legal debt margin	\$ 300,409	\$ 262,370	\$ 184,683	\$ 70,599	\$ 60,760	\$ 93,537	\$ 108,057	\$ 104,367	\$ 129,101	\$ 146,582
Total net debt applicable to the limit as a percentage of debt limit	31.53%	38.44%	47.34%	69.29%	70.99%	59.26%	52.24%	55.59%	47.40%	43.92%

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

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

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

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

Fiscal Year	Water and Sewer Revenue Bonds					
	Utility Service Charges ⁽¹⁾	Less: Operating Expenses ⁽²⁾	Net Available Revenue	Principal	Interest	Coverage
2008-09	69,300	40,175	29,125	9,876 ⁽³⁾	13,539 ⁽³⁾	1.24
2009-10	76,987	43,628	33,359	10,347 ⁽³⁾	13,082 ⁽³⁾	1.42
2010-11	81,127	41,550	39,577	11,107 ⁽³⁾	13,598 ⁽³⁾	1.60
2011-12	83,496	41,555	41,941	9,545 ⁽⁵⁾	13,306 ⁽³⁾	1.84
2012-13	83,454	39,203	44,251	9,755	13,152	1.93
2013-14	81,733	42,544	39,189	10,210	12,706	1.71
2014-15	79,325	41,712	37,613	13,170	10,918	1.56
2015-16	83,088	45,431	37,657	9,415	10,719	1.87
2016-17	83,442	49,005	34,437	9,805	10,321	1.71
2017-18	90,844	50,962	39,882	12,780	9,860	1.76

Fiscal Year	Transportation Bonds				Excise Tax Revenue Bonds ⁽⁴⁾			
	Transportation Sales Tax	Debt Service		Coverage	Excise Tax Revenue	Debt Service		Coverage
		Principal	Interest			Principal	Interest	
2008-09	20,875	2,545	4,782	2.85	118,277	6,575	24,074	3.86
2009-10	19,488	2,675	4,655	2.66	109,536	5,600	27,812	3.28
2010-11	19,486	2,780	4,548	2.66	102,962	6,585	27,612	3.01
2011-12	20,665	2,890	4,437	2.82	100,081 ⁽⁶⁾	2,590 ⁽⁵⁾	27,279	3.35
2012-13	21,691	3,005	4,321	2.96	131,931 ⁽⁶⁾	2,790 ⁽⁵⁾	30,713 ⁽⁷⁾	3.94
2014-15	23,112	3,125	4,201	3.15	141,674 ⁽⁶⁾	6,500	22,951	4.81
2014-15	24,690	3,545	3,597	3.46	151,963 ⁽⁶⁾	2,585	21,175	6.40
2015-16	25,566	3,380	3,763	3.58	156,210 ⁽⁶⁾	10,025	20,984	5.04
2016-17	26,362	3,550	3,594	3.69	160,534 ⁽⁶⁾	5,075	21,033	6.15
2017-18	27,571	3,925	3,114	3.92	170,484 ⁽⁶⁾	6,580	19,542	6.53

Source: City of Glendale Finance Department

Notes:

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

(2) Excluding depreciation.

(3) Principal and interest amounts include debt service on the note payable to the Water Infrastructure Financing Authority of Arizona for the 00-01 loan and the 09-10 loan for fiscal years through 2011-12.

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

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

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

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

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

Schedule 15

Fiscal Year	City of Glendale Population ⁽²⁾	Maricopa County Population ⁽⁶⁾	Personal Income ⁽¹⁾	Per Capita Personal Income ⁽¹⁾⁽⁴⁾	Unemployment Rate
2008-09	250	4,116	146,898,132	35,690	8.4 %
2009-10	250	4,023	140,351,646	34,887	9.1
2010-11	227	3,817	147,724,392	38,701	9.2
2011-12	229 ⁽⁵⁾	3,885	156,763,179	40,350	8.6 ⁽⁵⁾
2012-13	231 ⁽⁵⁾	3,934	160,497,824	40,798	7.6 ⁽⁵⁾
2013-14	233 ⁽⁵⁾	3,945	167,439,604	42,443	6.6 ⁽⁵⁾
2014-15	233 ⁽⁵⁾	4,064	175,437,829	43,169	5.6 ⁽⁵⁾
2015-16	227	4,153	175,437,829 ⁽³⁾	42,244	5.6 ⁽⁵⁾
2016-17	238	4,233	175,437,829 ⁽³⁾	41,445	4.9 ⁽⁸⁾
2017-18	240 ⁽⁷⁾	4,233 ⁽³⁾	175,437,829 ⁽³⁾	41,445	4.3 ⁽⁸⁾

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.

(7) Estimate from the Arizona Office of Economic Opportunity website, Arizona population estimates, for the fiscal year as of July 1.

(8) Unemployment rate from the Arizona Office of Economic Opportunity website, LAUS data.

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

Schedule 16

Employer	2018			2009		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Luke Air Force Base	5,100	1	3.98 %	8,037	1	5.50 %
Banner Thunderbird Health System	3,000	2	2.34	2,500	2	1.71
Arrowhead Towne Center	2,650	3	2.07			
Walmart	2,175	4	1.70	2,020	3	1.38
Glendale Union High School District	1,974	5	1.54	1,862	5	1.27
Glendale Community College	1,948	6	1.52	1,220	9	0.84
City of Glendale	1,693	7	1.32	1,960	4	1.34
Deer Valley Unified School District	1,594	8	1.24	1,432	7	0.98
Glendale Elementary School District	1,400	9	1.10	1,684	6	1.15
Tanger Outlets	1,200	10	0.94			
AAA				1,323	8	0.91
Younger Brothers Construction Co Inc				850	10	0.58
Total	22,734		17.75 %	22,038		15.66 %

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

City of Glendale, Arizona
Full-Time Equivalent City Government Employees by Function/Program
 Last Ten Fiscal Years

Function/Program	Full-Time Equivalent Employees as of June 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General government										
Management services	27.00	29.00	28.00	24.00	31.00	34.00	36.00	45.00	43.00	38.00
Finance	57.00	55.00	53.00	56.00	49.00	54.00	57.00	59.00	61.00	69.00
Planning	12.00	14.00	13.00	11.00	10.00	13.00	14.00	15.00	24.00	33.00
Building	24.00	22.00	22.00	22.00	21.00	21.00	24.00	26.00	32.00	43.00
Legal	73.00	71.00	67.00	69.00	69.00	67.00	66.00	70.00	73.00	70.00
Other	70.00	68.00	68.00	66.00	63.00	73.00	77.00	90.00	96.00	104.00
Police	529.00	530.00	522.00	517.00	534.00	505.00	534.00	544.00	554.00	567.00
Fire	276.00	282.00	262.00	259.00	253.00	260.00	269.00	270.00	276.00	278.00
Homeland security	-	-	-	-	-	-	-	-	-	6.00
Community service	53.00	54.00	55.00	57.00	48.00	56.00	60.00	72.00	72.00	69.00
Parks and recreation	68.00	73.00	66.00	58.00	59.00	75.00	92.00	123.00	122.00	85.00
Library	35.00	35.00	34.00	31.00	32.00	32.00	48.00	56.00	57.00	65.00
Public works	188.00	183.00	184.00	180.00	173.00	165.00	179.00	203.00	225.00	256.00
Engineering	26.00	24.00	18.00	19.00	17.00	18.00	19.00	26.00	27.00	39.00
Transportation	60.00	59.00	57.00	56.00	57.00	60.00	65.00	69.00	63.00	67.00
Utilities	185.00	186.00	184.00	185.00	176.00	172.00	185.00	167.00	170.00	171.00
Total	1,683.00	1,685.00	1,633.00	1,610.00	1,592.00	1,605.00	1,725.00	1,835.00	1,895.00	1,960.00

Sources:
 City of Glendale Human Resources Department

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

Function/Program	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Police										
Calls for service	187,645 ⁽³⁾	187,645	190,074	174,535	146,538	127,333	127,829	129,161	129,868	137,586
Bookings	9,030 ⁽³⁾	9,030	8,445	17,871	18,939	8,588	7,083	9,902	11,015	11,990
Criminal offense reports	30,146 ⁽³⁾	30,146	32,732	31,873	31,481	34,995	33,938	27,304	29,765	32,599
Fire										
EMS calls	35,482	31,502	34,518	32,250	30,262	30,082	29,321	27,751	26,591	24,419
Fire calls	3,661	3,093	3,371	3,467	3,461	3,478	3,495	3,573	3,847	3,900
Water ⁽⁴⁾										
Number of billed accounts	61,463	61,270	60,921	60,679	60,436	60,062	59,633	58,889	58,964	58,975
Water produced (million gallons)	13,755	13,672	13,864	12,057	13,768	13,667	14,064	13,569	14,284	15,375
Sewer ⁽⁴⁾										
Number of billed accounts	57,206	57,037	56,700	56,491	56,313	55,980	55,528	54,805	54,854	54,875
Treated influent (million gallons)	6,045	6,289	6,229	6,117	6,244	6,065	5,970	5,998	6,405	6,570
Refuse collection										
Residential curb service (tons per year)	46,338	48,346	48,971	48,993	45,942	46,833	48,187	49,784	52,634	53,493
Commercial container service (tons per year)	39,744	41,026	46,086	45,693	41,879	40,272	39,722	40,451	41,797	44,600
Airport										
Departures/arrivals ⁽¹⁾	86,187	75,561	78,977	74,217	70,679	76,390	80,416	80,291	69,834	91,998
General government										
Building permits	5,804	6,234	5,488	5,449	4,799	6,383	5,304	5,619	5,194	5,289
Library										
Volumes in collection ⁽²⁾	498,092	514,197	568,653	528,835	408,516	415,695	446,010	529,113	523,512	540,352
Transit										
Dial-A-Ride passengers	69,934	71,912	74,256	77,318	78,271	85,798	90,577	92,134	89,808	91,841

Source: Various city departments and FAA ATADS report

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

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

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

(3) FY 2018 police stats same as FY 2017, PD rebuilding data views

(4) Water and sewer numbers updated to exclude duplicate account number

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

Function/Program	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Police										
Stations	3	3	3	3	3	3	3	3	3	3
Patrol vehicles	194	183	193	178	176	139	154	174	157	159
Fire stations	9	9	9	9	9	9	9	9	9	9
General government										
City square miles	60	60	60	59	59	59	59	59	59	59
Water										
Treatment capacity (millions gallons per day)	104.1	104.1	104.1	104.1	104.1	104.1	104.1	104.1	94.1	94.1
Storage capacity (millions gallons)	67	67	67	67	67	67	67	67	67	67
Miles of water mains	994	994	994	994	994	994	994	994	994	850
Sewer										
Treatment capacity (millions gallons per day)	29.2	29.2	29.2	29.2	29.2	29.2	29.2	29.2	29.2	29.2
Miles of sewer lines	707	707	707	707	707	707	700	690	680	670
Landfill										
Landfill capacity - south cell	24,234	24,215	24,215	22,429	21,493	21,218	22,065	21,912	21,666	21,666
Landfill capacity used - south cell	20,983	20,575	20,137	19,687	19,220	18,849	19,257	18,444	18,529	18,126
Other public works										
Streets (miles)	748	748	718	718	718	718	717	802	736	736
Parks and recreation										
Number of parks/retention basins/facilities	102	102	101	100	100	100	100	100	100	99
Acres of parks	2,192	2,192	2,192	2,189	2,189	2,189	2,189	2,189	2,189	2,199
Transit										
Dial-A-Ride minibuses	22	22	20	22	20	21	21	21	22	23

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" 3/4"	10.20	13.26
3/4"	13.00	16.90
1"	18.30	23.79
1 1/2"	37.20	48.36
2"	66.30	86.19
3"	112.00	145.60
4"	199.00	258.70
6"	396.00	514.80
8"	587.00	763.10
10"	944.00	1,227.20
12"	1,397.00	1,816.10

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	2.26	2.94	\$ 2.43	\$ 3.16	\$ 3.04	\$ 3.96
6,001 - 15,000	2.83	3.68	2.43	3.16	3.04	3.96
15,001 - 30,000	3.97	5.17	2.43	3.16	3.04	3.96
over 30,000	5.59	7.27	2.43	3.16	3.04	3.96

SEWER SERVICE RATES

Type of Service	Inside City	Outside City
Single Family Dwelling Unit	32.90	35.98
Office Building	60.00	N/A
Apartment - Average 5 units	86.82	131.09
Apartment - Average 35 units	597.14	191.87
Retail/Wholesale	68.93	N/A

(1) Per 1,000 gallons

SOURCE: City of Glendale Finance as of May 2018

HISTORICAL AVERAGE NUMBER OF WATER CONNECTIONS ⁽¹⁾

Fiscal Year					
Ending June 30	Residential	Multi-Family ⁽²⁾	Commercial	Sprinkler ⁽²⁾	Total
2009 ⁽³⁾	53,523		5,556		59,079
2010 ⁽³⁾	53,522	1,672	4,247	1,647	61,088
2011 ⁽³⁾	53,663	1,674	4,264	1,655	61,256
2012 ⁽⁴⁾	53,858	1,673	4,281	1,666	61,478
2013 ⁽³⁾	54,056	1,680	4,296	1,669	61,701
2014 ⁽³⁾⁽⁵⁾	53,914	1,799	4,264	1,819	61,796
2015 ⁽³⁾	54,126	1,800	4,379	1,862	62,167
2016 ⁽³⁾	54,266	1,800	4,492	1,885	62,443
2017 ⁽³⁾	54,448	1,799	4,632	1,910	62,789
2018	54,686	1,790	4,390	1,863	62,729

- (1) In comparison to the number of billed accounts, total connections includes inactive "vacant" properties.
- (2) Starting in FY 2010, the schedule is 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) Review determined 269 residential connections should be classified as multi-family or sprinklers.

Source: City of Glendale Water Services Department

WATER DELIVERIES

Acre Feet

Calendar Year	Residential ⁽¹⁾	Commercial	Other ⁽²⁾	Sprinkler ⁽³⁾⁽⁴⁾	Total
2008	32,278	10,764	2,818		45,860
2009	31,457	10,122	5,606		47,185
2010	27,537	8,130	1,305	2,352	39,324
2011	27,409	8,459	1,634	2,684	40,186
2012	27,695	8,630	2,647	2,648	41,620
2013	26,921	8,221	3,050	2,413	40,605
2014	26,946	8,176	2,467	2,411	40,000
2015	26,595	8,704	2,092	2,327	39,718
2016	27,193	8,748	2,743	2,581	41,265
2017	27,150	8,834	2,365	2,564	40,913

- (1) Residential includes both Single and Multi-family deliveries.
- (2) Other include unbilled water and recovered effluent groundwater.
- (3) Starting in 2010, Sprinkler is broken out from Commercial.
- (4) Sprinkler Column added per water department.

Source: FY report to Arizona Department of Water Resources

SEWERAGE CONNECTIONS BILLED AND SEWAGE TREATED

Fiscal Year Ending June 30	No. of Connections	91st Ave WWTP ⁽²⁾ (MGD) Actual	Arrowhead WRF (MGD)	West Area WRF (MGD)	Total Treated
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	57,758	7.5	2.7	6.9	17.1
2017	57,953	7.4	2.7	7.2	17.3
2018	58,155	6.7	2.6	7.2	16.5

(1) In comparison to the number of billed accounts, total connections includes inactive "vacant" properties.

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

SOURCE: City of Glendale Water Services Department

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