



Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2019 | City of Glendale, AZ

How We Make a Difference



COMMUNITY

We are driven to improve the community experience.



INTEGRITY

We provide open and honest governance.



EXCELLENCE

We make excellence a habit, not a goal.



INNOVATION

We deliver better service through creativity & ingenuity.



LEARNING

We view learning as essential to improvement.

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



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City of Glendale, Arizona
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2019



Prepared by the:
Budget and Finance Department

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City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

INTRODUCTORY SECTION

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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City of Glendale, Arizona

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2019

Mayor Jerry Weiers

Councilmembers

Joyce Clark - Vice Mayor, Yucca District

Bart Turner - Barrel District

Ian Hugh – Cactus District

Lauren Tolmachoff – Cholla District

Jamie Aldama - Ocotillo District

Ray Malnar - Sahuaro District

Management Staff

Kevin Phelps - City Manager

Chris Anaradian - Assistant City Manager

Vicki Rios - Assistant City Manager

Prepared by Budget and Finance Department

Lisette Camacho, Interim Director

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**City of Glendale, Arizona
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2019**

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January 30, 2020

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, 2019. 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, 2019, 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 governmental 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 FY18-19 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 sixth largest city in the state with a population of approximately 251,000 people. Located in the northwestern part of the metropolitan Phoenix area and occupying approximately 60 square miles of land, the City is home to the Arizona Cardinals and the Arizona Coyotes. The City is also the owner of Camelback Ranch, the spring training facility for the Los Angeles Dodgers and the Chicago White Sox.

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

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

Economic Conditions and Strategies

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

Primary Revenue Sources

The City relies on local and state shared sales tax as well as state shared income tax as primary revenue sources for the City's operating budget. Local sales tax revenues increased 5.9% 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 5.2% compared to last fiscal year.

Workforce and Unemployment

Glendale's unemployment rate for the month of June 2019 was 4.8% which is lower than the statewide unemployment rate of 4.9%. Glendale's workforce is concentrated in the following nonfarm sectors: health care services (15.44%), government and social advocacy services (15.41%), retail (14.95%), consumer services (11.59%), education (10.47%), construction (7.61%), finance, insurance and real estate (6.19%), business services (5.61%), and transportation and distribution (3.73%). Arizona's nonfarm employment grew 2.8% over the last year with education and health services, construction, professional & business services, and trade, transportation, and utilities leading the growth.

Economic Development

Business attraction, business retention & expansion, redevelopment, business assistance (ombudsman) and Arts & Culture, comprise the five pillars of Glendale's economic development program. In 2019, Glendale hosted the PlayStation Fiesta Bowl for the 12th consecutive year. Economic development efforts have been focused on the recently annexed Loop 303 area which provides thousands of acres of developable land. As a result, Red Bull announced the construction of their first manufacturing facility outside of Austria. The 700,000 square foot project will bring over two hundred jobs and a capital investment of more than \$300 million. YAM properties, the commercial real estate company owned by GoDaddy founder Bob Parson, purchased Westgate Entertainment District for \$133 Million Dollars. The Sports & Entertainment District has also seen new hotel additions with Marriot TownePlace and TRU by Hilton joining the Westgate area line up of hotels bringing the total to twelve properties. The sustained capital investment and increased ability to accommodate more visitors during events supports the city's long-term vision. Major business attraction and expansion projects include Waste Management, Gen-Tech, Corning Optic and Midwestern University. Swire Coca-Cola is planning another expansion of their Glendale facility and broke ground on a 165,000 square foot warehouse in the Yucca District. Banner Aspera is constructing a much-needed surgical center to North Glendale. Nexcore, the developer of this project, broke ground on the 130,000 square foot center with an investment of \$152 million. Aspera will include Banner Health medical offices, Mountainside Fitness, a 120-unit senior housing complex, an assisted living complex for those with dementia and other memory-related conditions, retail, restaurants and luxury multifamily housing by P. B. Bell company. Downtown Glendale started hosting second Saturday events that bring artisans and visitors to the area. Several grants have been awarded by the Arts Commission to bring free arts and culture programming to Downtown Glendale. Multiple Downtown Glendale businesses were featured in the Phoenix New Times "Best of" list including Haus Murphy's, La Santisima and Lemoncade/Nomadic Ice Creams. 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. The decrease in fund balance of \$7.6 million in fiscal year 2019 is due to an amendment to a development agreement that required the City to remit back one-half of all General Fund sales tax paid by the other party up to \$10.5 million, less costs incurred by the City on the project spanning into future fiscal years. The amendment eliminated all future monetary obligations under the original agreement and required the city to make a one-time payment of \$7.5 million during fiscal year 2019.

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, 2018. This was the thirty-first consecutive year the City has received this prestigious award, and the thirty-third 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, 2018. This was the thirty-second 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
Assistant City Manager



Government Finance Officers Association

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

Presented to

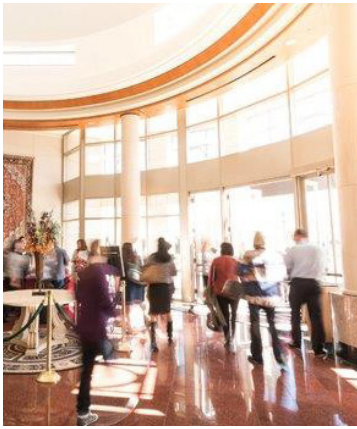
**City of Glendale
Arizona**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

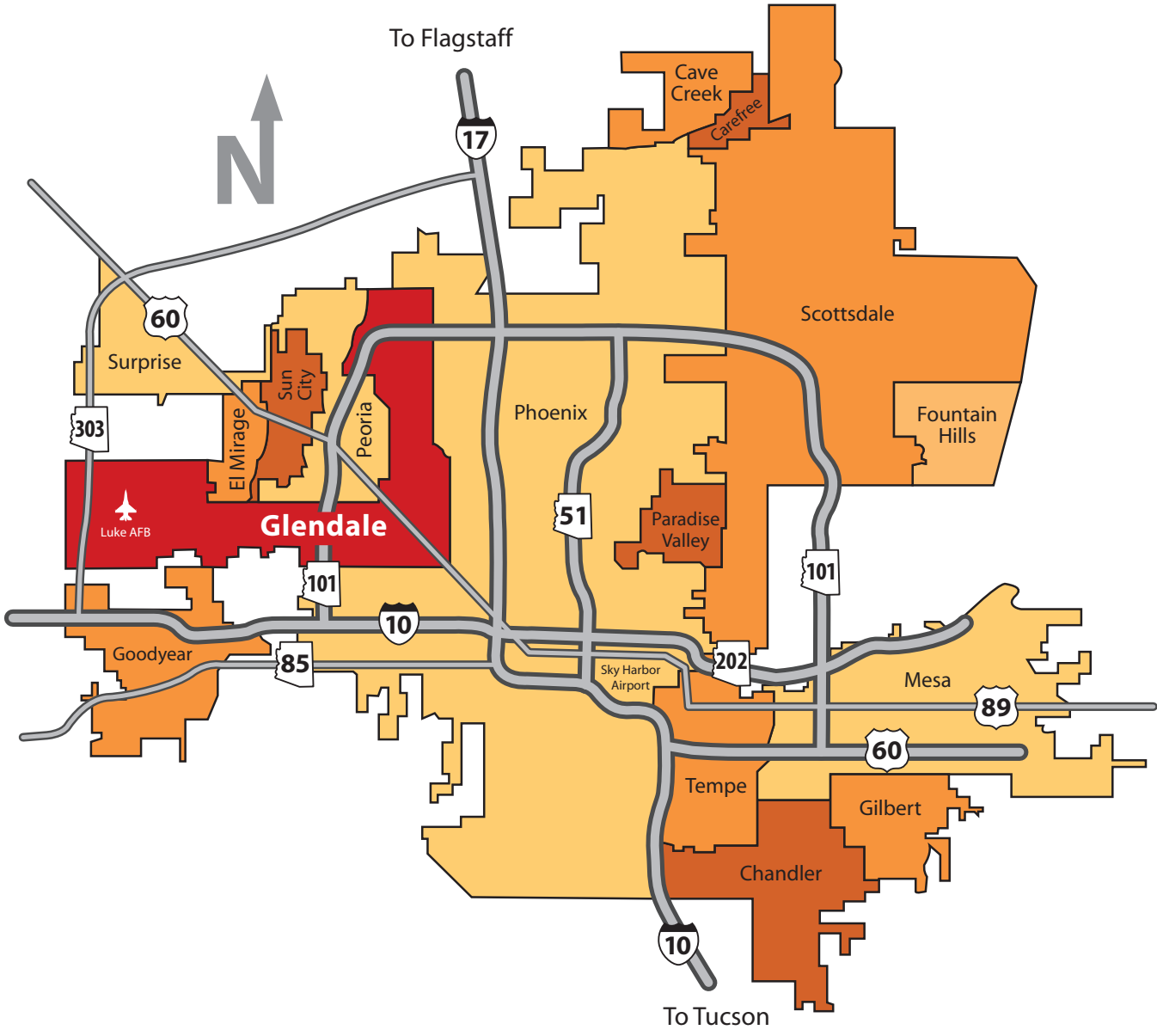
June 30, 2018

Christopher P. Morrill

Executive Director/CEO



Glendale, Arizona & Neighboring Communities



GLENDALE CITY OFFICIALS



Jerry P. Weiers
Mayor



Joyce Clark
Vice Mayor
Yucca District



Bart Turner
Councilmember
Barrel District



Ian Hugh
Councilmember
Cactus District



Lauren Tolmachoff
Councilmember
Cholla District



Jamie Aldama
Councilmember
Ocotillo



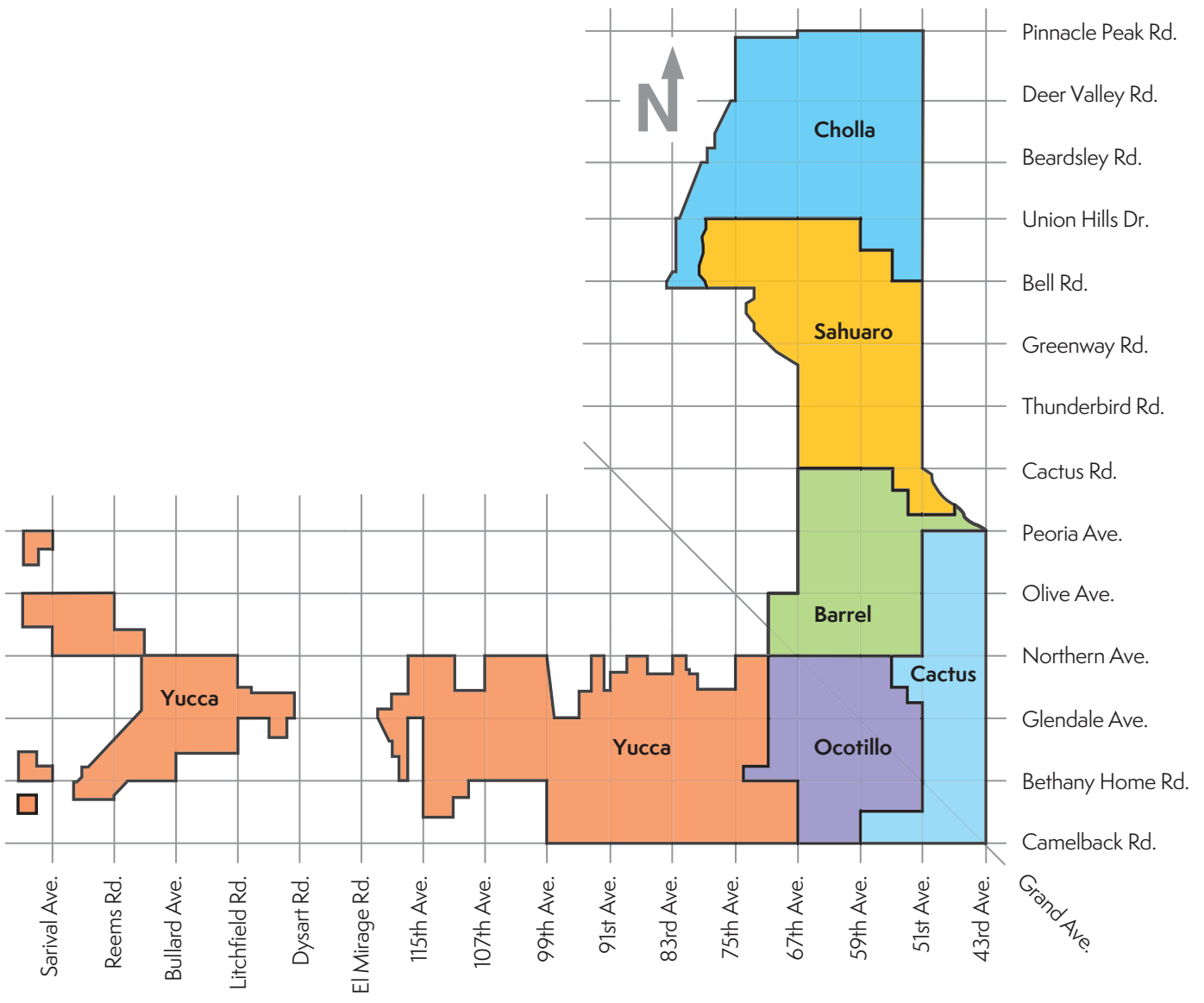
Ray Malnar
Councilmember
Sahuaro District



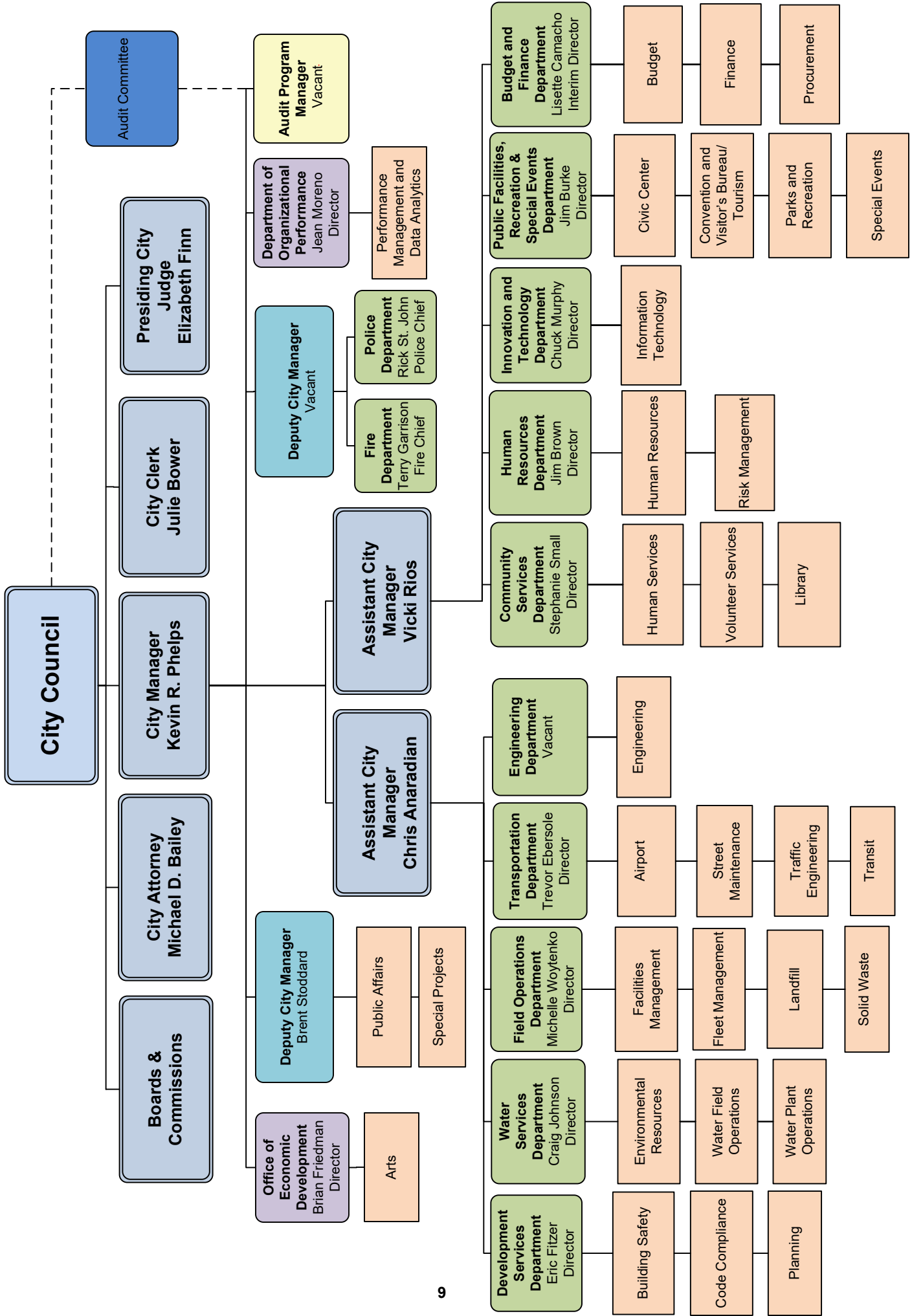
Kevin Phelps
City Manager



Glendale Council District Boundaries



CITIZENS OF GLENDALE



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City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FINANCIAL SECTION

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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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, 2019, 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, 2019, 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 January 30, 2020, 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
January 30, 2020

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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, 2019

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Management's Discussion and Analysis

The following discussion and analysis is provided to readers of the City's financial statements as a narrative overview of the financial activities of the City for the fiscal year ended June 30, 2019. 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 2018-19:

- The City's total net position increased by \$8,362 or 1.1%. The governmental net position decreased by \$5,242 or 1.3%, and the business-type net position increased by \$13,604 or 3.5%. The decrease in governmental net position is primarily due to a due to an amendment to a development agreement that required the City to remit back one-half of all General Fund sales tax paid by the other party up to \$10.5 Million, less costs incurred by the City on the project spanning into future fiscal years. The amendment eliminated all future monetary obligations under the original agreement and required the city to make a one-time payment of \$7.5M during fiscal year 2019. The increase in business-type net position is primarily due to a full year of recognition of an increase in water, sewer, and solid waste rates that became effective in January 2018.
- The City's total revenues increased by \$21,548 or 4.7%. Program revenues in the form of charges for services, grants, and contributions increased by \$4,899 or 2.5%. General revenues increased by \$16,649 or 6.5%.
- Program revenues from governmental activities increased \$1,152 or 1.6%. Program revenues for business-type activities increased \$3,747 or 3.0%. This increase is primarily due to a full year of recognition of an increase in water, sewer, and solid waste rates that became effective in January 2018.
- Capital grants and contributions from governmental activities increased \$346 or 2.8%. This increase was primarily due to an increase of \$396 in Regional Public Transit Authority revenue received in fiscal year 2019.
- General revenues from governmental activities increased \$16,455 or 5.1%. The primary reason for this increase was an increase of \$9,522 or 5.9% in sales tax revenues. In addition, state shared sales tax increased \$1,222 or 5.2%.
- The total cost of all City programs increased by \$66,062 or 16.4%. The increase in program costs is primarily due to the increase in public safety costs and street maintenance costs.
- The General Fund, a major governmental fund, collected \$244,602 in revenues which is an increase of \$12,498 or 5.4% from the prior year. This increase was primarily due to an increase in taxes and licenses and permits. The total expenditures of the General Fund were \$221,883, which is an increase of \$19,580 or 9.7%. A significant portion of this increase is related to an increase in public safety retirement expenditures.

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, street maintenance, and interest on long-term debt. For fiscal year 2019, community environment as a reporting function was eliminated. Community environment function departments were consolidated under the community services function. 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, 2019

(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 3 major funds. Data from the other 13 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. 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. This section also contains budget to actual comparisons on individual non-major governmental 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 \$785,629 as of June 30, 2019.

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, 2019
(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 \$31,248 or 12.7% over the prior year. The City is addressing the negative unrestricted net position for the governmental activities by holding the line on expenses 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 2019 and 2018:

Condensed Statement of Net Position
As of June 30, 2019, and 2018
(in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 353,513	\$ 336,914	\$ 110,089	\$ 130,092	\$ 463,602	\$ 467,006
Capital Assets:						
Non-depreciable	144,761	146,500	84,491	45,278	229,252	191,778
Depreciable (net)	962,468	986,646	443,338	462,806	1,405,806	1,449,452
Non-current OPEB assets	1,292	1,340	75	109	1,367	1,449
Equity in joint venture	2,952	3,142	44,451	46,363	47,403	49,505
Total assets	1,464,986	1,474,542	682,444	684,648	2,147,430	2,159,190
Deferred Outflows of Resources	87,921	89,547	12,966	13,698	100,887	103,245
Current liabilities	85,249	64,706	34,865	32,019	120,114	96,725
Noncurrent liabilities	1,056,596	1,087,076	254,383	274,839	1,310,979	1,361,915
Total liabilities	1,141,845	1,151,782	289,248	306,858	1,431,093	1,458,640
Deferred Inflows of Resources	25,779	21,782	5,816	4,746	31,595	26,528
Net position:						
Net investment						
in capital assets	416,078	451,826	313,704	280,920	729,782	732,746
Restricted	184,654	185,396	32,943	27,550	217,597	212,946
Unrestricted	(215,449)	(246,697)	53,699	78,272	(161,750)	(168,425)
Total net position	\$ 385,283	\$ 390,525	\$ 400,346	\$ 386,742	\$ 785,629	\$ 777,267

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2019
(amounts expressed in thousands)

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

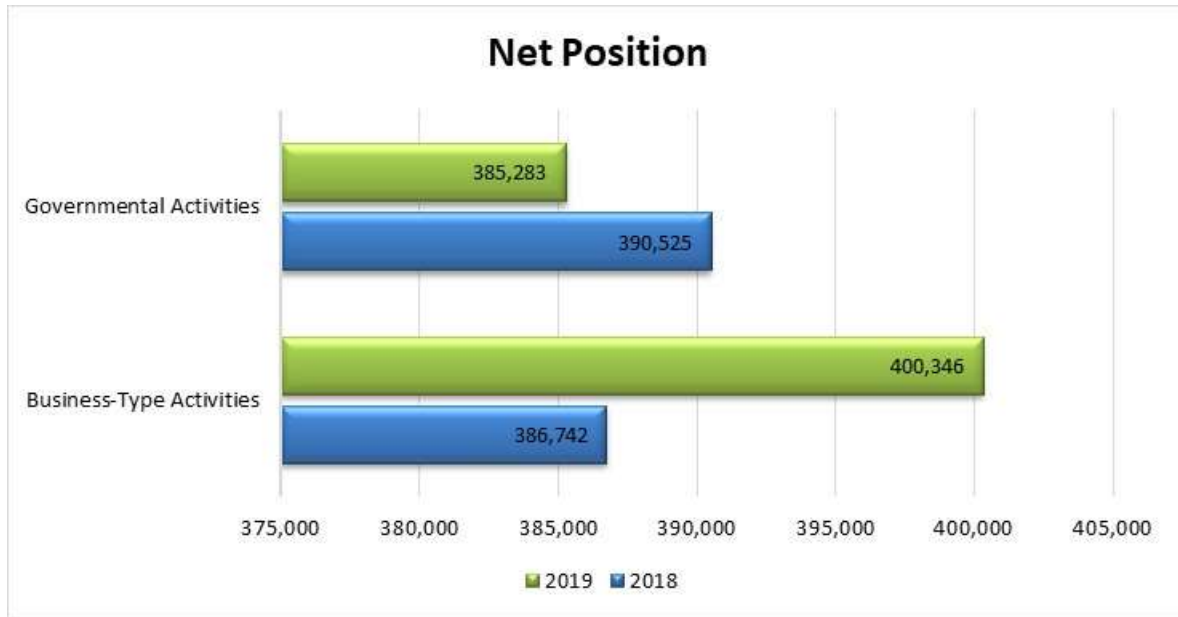
Changes in Net Position
As of June 30, 2019, and 2018
(in thousands)

	Governmental		Business-Type		Total	
	Activities		Activities		Primary	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 29,106	\$ 32,683	\$ 117,281	\$ 115,135	\$ 146,387	\$ 147,818
Operating grants and contributions	30,906	26,523	9,397	9,682	40,303	36,205
Capital grants and contributions	12,728	12,382	3,940	2,054	16,668	14,436
Total program revenues	72,740	71,588	130,618	126,871	203,358	198,459
General revenues:						
Property taxes	25,877	25,519	-	-	25,877	25,519
Sales taxes	171,821	162,299	-	-	171,821	162,299
State shared sales tax	24,849	23,627	-	-	24,849	23,627
Urban revenue sharing (state shared income tax)	29,876	30,456	-	-	29,876	30,456
Auto in-lieu taxes	10,647	10,166	-	-	10,647	10,166
Investment earnings, unrestricted	1,919	(694)	1,628	1,368	3,547	674
Miscellaneous	3,177	1,490	3,714	2,628	6,891	4,118
Total revenues	340,906	324,451	135,960	130,867	476,866	455,318
Expenses:						
General government	56,530	42,915	-	-	56,530	42,915
Public safety	158,883	134,977	-	-	158,883	134,977
Public works	30,232	25,072	-	-	30,232	25,072
Community services	28,010	30,885	-	-	28,010	30,885
Community environment	-	3,290	-	-	-	3,290
Street maintenance	44,992	20,976	-	-	44,992	20,976
Interest on long-term debt	26,181	24,916	-	-	26,181	24,916
Water and sewer	-	-	83,603	81,911	83,603	81,911
Landfill	-	-	9,921	9,852	9,921	9,852
Solid Waste	-	-	17,242	15,150	17,242	15,150
Housing	-	-	12,910	12,498	12,910	12,498
Total expenses	344,828	283,031	123,676	119,411	468,504	402,442
Excess before transfers	(3,922)	41,420	12,284	11,456	8,362	52,876
Transfers in (out)	(1,320)	(1,358)	1,320	1,358	-	-
Increase (decrease) in net position	(5,242)	40,062	13,604	12,814	8,362	52,876
Net position beginning	390,525	350,463	386,742	373,928	777,267	724,391
Net position ending	\$ 385,283	\$ 390,525	\$ 400,346	\$ 386,742	\$ 785,629	\$ 777,267

CITY OF GLENDALE, ARIZONA
 Management's Discussion and Analysis (MD&A)
 For the Fiscal Year Ended June 30, 2019
 (amounts expressed in thousands)

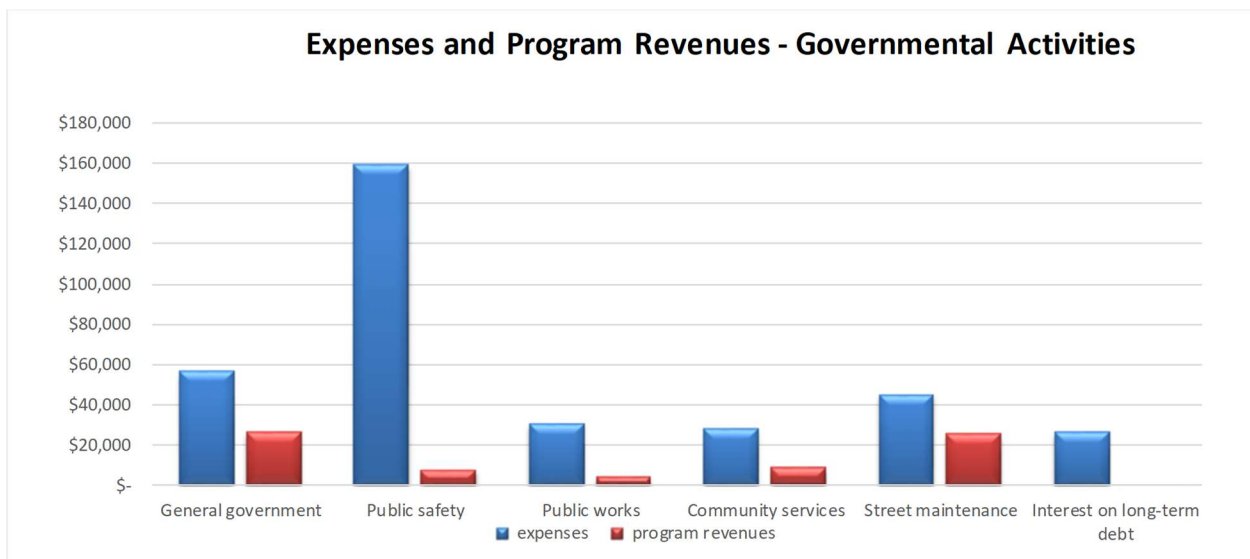
Changes in Net Position

The net position of the governmental activities decreased by \$5,242 and business-type activities' net position increased by \$13,604.



Revenues and Expenses

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

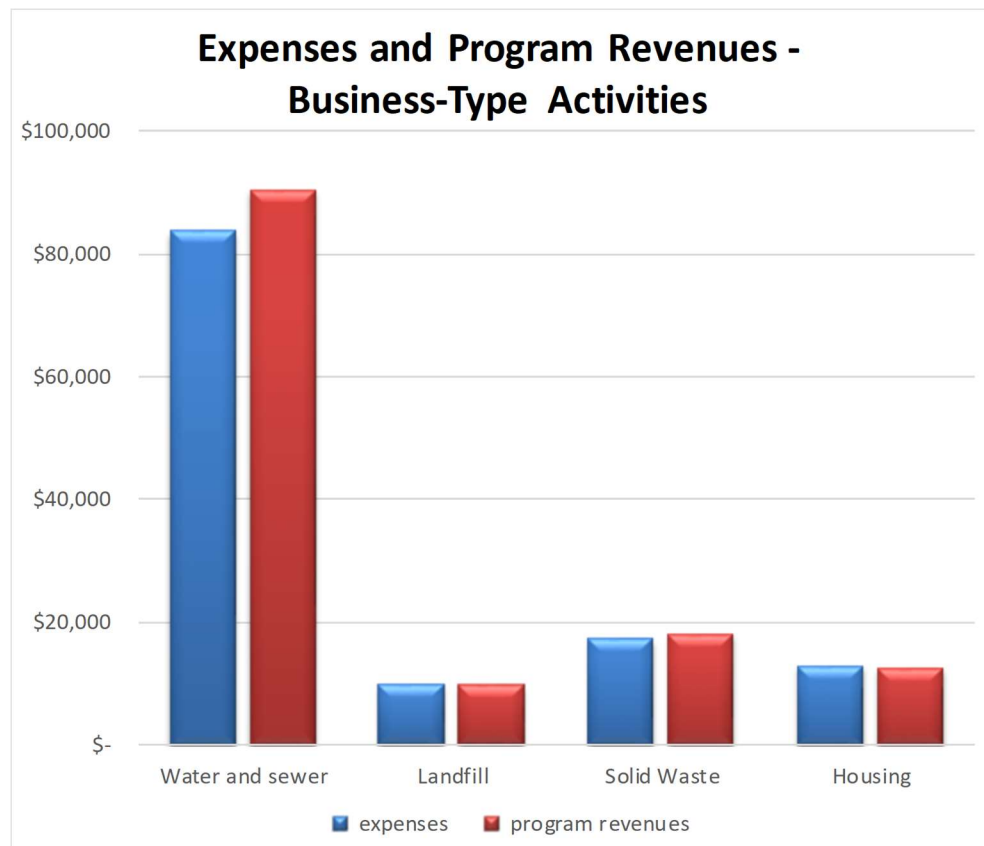


The City's total revenues from governmental activities for the fiscal year ended June 30, 2019 increased \$16,455 or 5.1%. The increase in revenues is primarily due to an increase of \$9,522 in local sales tax and \$1,222 in state shared sales tax. The increases to tax revenue reflect the continuing economic growth the City and State of Arizona have experienced over the past several years.

CITY OF GLENDALE, ARIZONA
 Management's Discussion and Analysis (MD&A)
 For the Fiscal Year Ended June 30, 2019
 (amounts expressed in thousands)

The cost of programs and services for governmental activities increased \$61,797 or 21.8%. The increase is primarily due to street maintenance, public safety retirement costs, and an amendment to a development agreement that required the City to remit back one-half of all General Fund sales tax paid by the other party up to \$10.5 million, less costs incurred by the City on the project spanning into future fiscal years. The amendment eliminated all future monetary obligations under the original agreement and required the city to make a one-time payment of \$7.5M during fiscal year 2019.

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

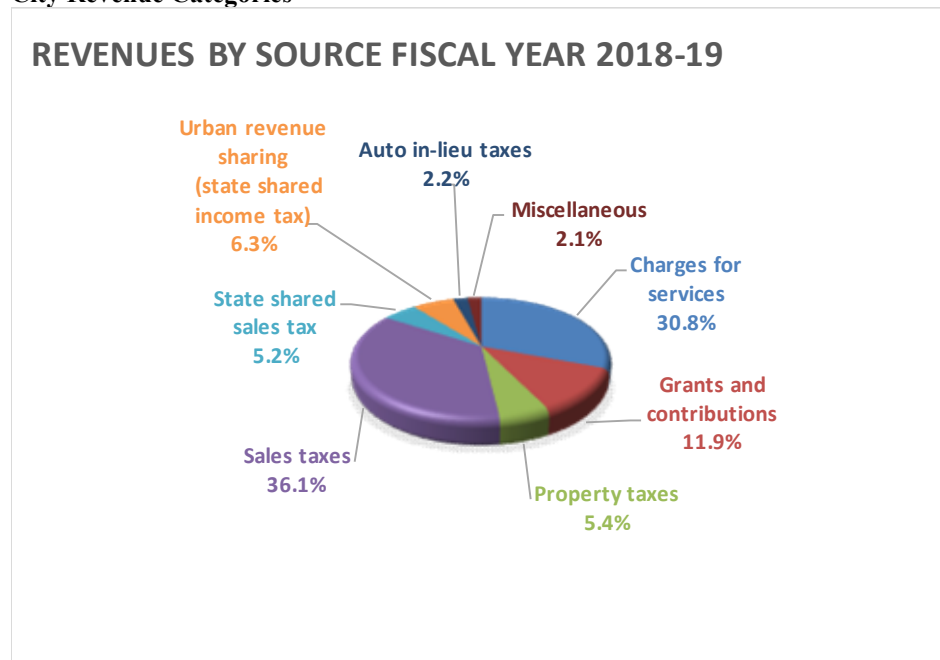


The City's total revenues from business-type activities for the fiscal year ended June 30, 2019 increased \$5,093 or 3.9%. These increases are primarily due to a full year of recognition of an increase in water, sewer, and solid waste rates that became effective in January 2018.

The cost of programs and services from business-type activities for the fiscal year ended June 30, 2019 increased \$4,265 or 3.6%. Solid Waste expenses increased \$2,092 or 13.8%, water and sewer expenses increased \$1,692 or 2.1% and landfill expenses increased \$69 or .7%. The increase in cost of programs and services for business-type activities is mainly contributable to increased maintenance costs.

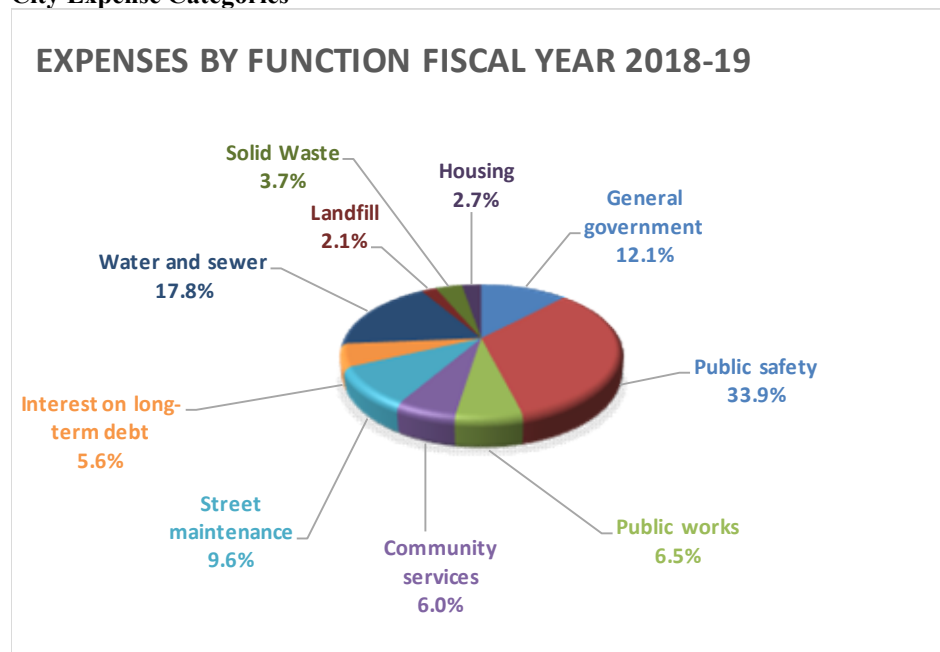
CITY OF GLENDALE, ARIZONA
 Management's Discussion and Analysis (MD&A)
 For the Fiscal Year Ended June 30, 2019
 (amounts expressed in thousands)

City Revenue Categories



The pie chart above shows the different types of revenue the City receives and the proportion of each. The majority (66.9%) 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 (11.9%).

City Expense Categories



The majority of the City's expenses (51.7%) 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.

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 \$186,067, a decrease of \$6,404 or 3.3% 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 2019 and 2018, \$43,523 and \$42,821 respectively, of the total fund balance constituted unassigned fund balance.

Revenues for governmental functions overall totaled \$331,489 in fiscal year 2019, an increase of \$15,947 or 5.1% from the previous years' total of \$315,542. The increase is primarily due to an increase in taxes and special assessments revenue of \$9,459 or 5.0%, \$3,816 or 30.5% in licenses and permits, and an increase in intergovernmental revenue of \$1,382 or 1.5%. These revenues are all indicators of the continued healthy economy experiences by the City and nationally.

Expenditures for governmental functions totaled \$357,303 in fiscal year 2019, an increase of \$28,908 or 8.8% from the previous year total of \$328,395. The increase is primarily due to an increase in street maintenance expenditures of \$23,192 or 213.5%, an increase in debt service payments of \$11,701 or 20.3%, an increase in general government expenditures of \$12,654 or 40.9%, and an increase in public safety expenditures of \$6,879 or 4.9%. The increase in street maintenance expenditures is due to the increase in crack seal, slurry seal, and street resurfacing projects that were completed during fiscal year 2019. The increase in general government expenditures is due to an amendment to a development agreement that required the City to remit back one-half of all General Fund sales tax paid by the other party up to \$10.5 Million, less costs incurred by the City on the project spanning into future fiscal years. The amendment eliminated all future monetary obligations under the original agreement and required the city to make a one-time payment of \$7.5M during fiscal year 2019. The increase in public safety expenditures is primarily due to an increase in public safety retirement expenditures.

The General Fund is the main operating fund of the City. The General Fund balance decreased \$7,600 or 11.6%. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$43,523 while total fund balance was \$57,745. The General Fund has \$2,933 of its fund balance as non-spendable; \$5,604 as restricted; and \$5,685 assigned. Per the City's adopted financial policies, 10% of the general fund operating revenue which totals \$24,460 has been earmarked as the Budget Stabilization Reserve and \$19,063 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, 2019 to commit these funds; therefore, the funds are reported as unassigned.

Overall, the General Fund's performance resulted in revenues over expenditures of \$22,719 in fiscal year 2019. In the prior year, revenues exceeded expenditures by \$29,801. The decrease is due to the one-time sales tax development agreement payment made during fiscal year 2019.

The General Obligation debt service fund is used to account for the accumulation of resources for, and the payment of, general obligation debt principal, interest, and related costs. The fund had a balance of \$28,593 at the end of the fiscal year, a decrease of \$3,157 from the previous fiscal year. The decrease in fund balance was due to scheduled debt payments.

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 \$1,340 at the end of the fiscal year.

CITY OF GLENDALE, ARIZONA

Management's Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2019

(amounts expressed in thousands)

Proprietary Funds

Net position of the enterprise funds increased \$13,604 or 3.5%. The enterprise funds' total net position was \$32,943 restricted, \$53,699 unrestricted, and \$313,704 invested in capital assets.

The water and sewer fund accounts for operations, maintenance and construction projects of city-owned water and sewer systems. The fund saw an increase in net position of \$11,676 or 3.1% for the fiscal year ended June 30, 2019. 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 \$1,988 for the fiscal year ended June 30, 2019. The City's policy is to fund the worker's compensation and risk management funds at a 55% confidence level based on the most recent actuarial valuations.

General Fund Budgetary Highlights

- The City's budgeted revenues exceeded expectations and were \$5,662 higher than the final budgeted amounts. Positive economic trends resulted in taxes and licenses and permits that were \$3,382 and \$1,666 greater than the final budget, respectively. Fines and forfeitures were \$775 lower than the final budget. Miscellaneous revenues were \$430 lower than the final budget.
- General Fund expenditures were lower than the final budget by \$3,393. The most significant budget variances were in public works which was \$1,279 lower than the final budgeted amount due to transfer amendments that were completed to cover projects that were originally anticipated to be completed in fiscal year 2019 but will be completed during fiscal year 2020 and in capital outlay which was \$752 lower than the budgeted amount due to capital project expenditures that did not occur during the fiscal year.
- General Fund budgetary fund balance decreased by \$11,038 or 17.3%. This decrease is primarily due to an amendment to a development agreement that required the City to remit back one-half of all General Fund sales tax paid by the other party up to \$10.5 Million, less costs incurred by the City on the project spanning into future fiscal years. The amendment eliminated all future monetary obligations under the original agreement and required the city to make a one-time payment of \$7.5M during fiscal year 2019.

Capital Asset and Debt Administration

Capital Assets

The City's investment in capital assets (net of accumulated depreciation) as of June 30, 2019, for its governmental-type activities was \$1,107,229 and for the business-type activities was \$527,829. The investment in governmental and business-type capital assets consisted of land, buildings, machinery and equipment, and infrastructure for streets, parks, airport and street lighting, water, and wastewater treatment plants.

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

- Parking Lot and Improvements \$7,870
- 95th Avenue Expansion \$4,124
- Mill & Overlay \$3,565
- Cardinals Pedestrian Pathways--Bridge and Tunnel \$3,430
- Olive and 59th Avenues Intersection Capacity Improvements \$1,471

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2019
(amounts expressed in thousands)

The following table is a summary of capital assets reflected in the June 30, 2019, 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	
	2019	2018	2019	2018	2019	2018
Construction in progress	\$ 22,848	\$ 23,481	\$ 68,421	\$ 27,538	\$ 91,269	\$ 51,019
Land	119,498	120,604	16,070	17,740	135,568	138,344
Water storage rights	-	-	6,865	7,043	6,865	7,043
Artwork	2,415	2,415	-	-	2,415	2,415
Buildings	232,086	242,217	5,880	5,795	237,966	248,012
Improvements other than buildings	120,992	131,109	44,355	47,532	165,347	178,641
Infrastructure-streets	461,864	457,515	-	-	461,864	457,515
Infrastructure-parks	42,009	45,126	-	-	42,009	45,126
Infrastructure-flood/storm drains	65,558	66,464	-	-	65,558	66,464
Infrastructure-airport	10,363	10,843	-	-	10,363	10,843
Water lines	-	-	81,209	82,814	81,209	82,814
Sewer lines	-	-	72,814	74,909	72,814	74,909
Water treatment plant	-	-	123,921	132,903	123,921	132,903
Sewer treatment plant	-	-	80,000	84,196	80,000	84,196
Meters and services	-	-	15,260	16,287	15,260	16,287
Fire hydrants	-	-	2,264	2,364	2,264	2,364
Machinery and equipment	10,259	11,665	881	1,027	11,140	12,692
Computer equipment	981	1,562	197	185	1,178	1,747
System Purchase	-	-	191	337	191	337
Software	2,060	2,699	-	-	2,060	2,699
Automotive equipment	16,296	17,446	9,501	7,414	25,797	24,860
Total	<u>\$ 1,107,229</u>	<u>\$ 1,133,146</u>	<u>\$ 527,829</u>	<u>\$ 508,084</u>	<u>\$ 1,635,058</u>	<u>\$ 1,641,230</u>

The construction commitments at June 30, 2019 were \$73,493. 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 \$799,330 compared to \$844,802 last year, a 5.4% net decrease.

	Governmental		Business-Type		Total	
	Activities		Activities		Primary	
	2019	2018	2019	2018	2019	2018
General obligation	\$ 143,460	\$ 146,985	\$ -	\$ -	\$ 143,460	\$ 146,985
Transportation revenue bond	66,710	70,745	-	-	66,710	70,745
Excise tax revenue bonds	205,055	211,755	-	-	205,055	211,755
Municipal Property						
revenue bonds	197,420	203,365	-	-	197,420	203,365
Capital lease obligation	-	2,278	-	-	-	2,278
Note payable	-	1,839	-	-	-	1,839
Settlement obligation	3,000	8,100	-	-	3,000	8,100
Water and sewer						
revenue bonds/obligations	-	-	183,685	199,735	183,685	199,735
Total	<u>\$ 615,645</u>	<u>\$ 645,067</u>	<u>\$ 183,685</u>	<u>\$ 199,735</u>	<u>\$ 799,330</u>	<u>\$ 844,802</u>

CITY OF GLENDALE, ARIZONA

Management's Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2019

(amounts expressed in thousands)

The City received a "AA-" 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, 2019, were \$84,795 and \$167,784, 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 2019-20 budget is \$736,000 an increase of 6.8% from 2018-19. The increase is mainly attributable to an increase in debt service payments and Public Safety Personnel Retirement contribution costs. Overall, the goal of the FY19-20 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 2019-20 are projected at \$631,446. The major sources of revenue for the City continue to be sales tax, property taxes, and state shared revenues with projected revenues of \$117,815, \$5,856, and \$69,845 respectively. For fiscal year 2019-20, City sales tax is expected to grow by 5.9%. 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, 2019

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City of Glendale, Arizona
Statement of Net Position
June 30, 2019
(amounts expressed in thousands)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Equity in pooled cash and investments	\$ 213,063	\$ 72,431	\$ 285,494
Receivables (net of allowance for uncollectibles):			
Property taxes	748	-	748
Accounts	11,366	16,280	27,646
Note	51,308	-	51,308
Accrued interest	506	-	506
Intergovernmental	28,923	1,557	30,480
Internal balances	889	(889)	-
Inventories and prepaid items	3,152	4,313	7,465
Restricted deposits	-	3,437	3,437
Restricted cash and investments	43,558	12,960	56,518
Capital Assets:			
Non-depreciable	144,761	84,491	229,252
Depreciable (net)	962,468	443,338	1,405,806
Non current OPEB assets	1,292	75	1,367
Equity in joint venture	2,952	44,451	47,403
Total assets	<u>1,464,986</u>	<u>682,444</u>	<u>2,147,430</u>
DEFERRED OUTFLOW OF RESOURCES			
Debit amounts related to pensions and OPEB	72,903	5,965	78,868
Debit amounts resulting from refunded debt	15,018	7,001	22,019
Total deferred outflow of resources	<u>87,921</u>	<u>12,966</u>	<u>100,887</u>
LIABILITIES			
Vouchers payable	21,791	6,721	28,512
Accounts payable	783	24	807
Retainage payable	272	1,159	1,431
Matured bonds payable	35,590	16,050	51,640
Accrued interest payable	14,785	4,699	19,484
Intergovernmental payable	421	283	704
Deposits payable	3,001	5,924	8,925
Unearned Revenue	8,606	5	8,611
Noncurrent liabilities:			
Due within one year	102,636	21,102	123,738
Due in more than one year	953,960	233,281	1,187,241
Total liabilities	<u>1,141,845</u>	<u>289,248</u>	<u>1,431,093</u>
DEFERRED INFLOW OF RESOURCES			
Credit amounts related to pensions and OPEB	25,779	5,816	31,595
Total deferred inflow of resources	<u>25,779</u>	<u>5,816</u>	<u>31,595</u>
NET POSITION			
Net investment in capital assets	416,078	313,704	729,782
Restricted for:			
Capital projects	28,591	-	28,591
Debt service	82,329	16,050	98,379
Transportation	50,315	-	50,315
Highway and streets	6,712	-	6,712
Revenue bond retirement, replacement and extension	-	9,621	9,621
Perpetual care - nonexpendable	5,920	-	5,920
Police and Fire	5,604	-	5,604
OPEB benefits	1,292	75	1,367
Other purposes	3,891	7,197	11,088
Unrestricted	(215,449)	53,699	(161,750)
Total net position	<u>\$ 385,283</u>	<u>\$ 400,346</u>	<u>\$ 785,629</u>

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

City of Glendale, Arizona
Statement of Activities
For the Year Ended June 30, 2019
(amounts expressed in thousands)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 56,530	\$ 16,572	\$ 1,113	\$ 5,047
Public safety	158,883	4,126	4,711	-
Public works	30,232	3,883	134	251
Community services	28,010	4,318	4,304	649
Street maintenance	44,992	207	20,644	6,781
Interest on long term debt	26,181	-	-	-
Total governmental activities	<u>344,828</u>	<u>29,106</u>	<u>30,906</u>	<u>12,728</u>
Business-type activities:				
Water and sewer	83,603	86,004	538	3,773
Landfill	9,921	9,670	-	-
Solid waste	17,242	18,080	-	-
Housing	12,910	3,527	8,859	167
Total business-type activities	<u>123,676</u>	<u>117,281</u>	<u>9,397</u>	<u>3,940</u>
Total primary government	<u>\$ 468,504</u>	<u>\$ 146,387</u>	<u>\$ 40,303</u>	<u>\$ 16,668</u>

General revenues:

- Property tax for general purposes
- Property tax for 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
\$ (33,798)	\$ -	\$ (33,798)
(150,046)	-	(150,046)
(25,964)	-	(25,964)
(18,739)	-	(18,739)
(17,360)	-	(17,360)
(26,181)	-	(26,181)
<u>(272,088)</u>	<u>-</u>	<u>(272,088)</u>
-	6,712	6,712
-	(251)	(251)
-	838	838
-	(357)	(357)
-	6,942	6,942
<u>(272,088)</u>	<u>6,942</u>	<u>(265,146)</u>
5,764	-	5,764
20,113	-	20,113
171,821	-	171,821
24,849	-	24,849
29,876	-	29,876
10,647	-	10,647
1,919	1,628	3,547
3,177	3,714	6,891
(1,320)	1,320	-
<u>266,846</u>	<u>6,662</u>	<u>273,508</u>
(5,242)	13,604	8,362
390,525	386,742	777,267
<u>\$ 385,283</u>	<u>\$ 400,346</u>	<u>\$ 785,629</u>

City of Glendale, Arizona
Balance Sheet
Governmental Funds
June 30, 2019
(amounts expressed in thousands)

	Major Funds				Total Governmental Funds
	General	General Obligation Debt Service	Municipal Property Corporation Debt Service	Other Non-Major Governmental Funds	
ASSETS					
Equity in pooled cash and investments	\$ 48,357	\$ 23,143	\$ 1,142	\$ 112,404	\$ 185,046
Receivables, net of allowance for doubtful accounts					
Property tax	163	585	-	-	748
Accounts	6,488	253	-	4,624	11,365
Note	-	-	51,308	-	51,308
Accrued interest	506	-	-	-	506
Intergovernmental	24,509	-	-	4,405	28,914
Due from other funds	1,135	-	-	-	1,135
Inventories and prepaid items	2,933	-	-	100	3,033
Restricted cash and investments	70	27,165	11,143	3,605	41,983
Total assets	<u>\$ 84,161</u>	<u>\$ 51,146</u>	<u>\$ 63,593</u>	<u>\$ 125,138</u>	<u>\$ 324,038</u>
LIABILITIES					
Vouchers payable	\$ 15,965	\$ -	\$ -	\$ 3,226	\$ 19,191
Accounts payable	176	-	-	514	690
Retainage payable	6	-	-	266	272
Compensated absences - current	1,373	-	-	94	1,467
Intergovernmental payable	418	-	-	3	421
Due to other funds	-	-	-	406	406
Deposits	2,935	-	-	66	3,001
Unearned revenue	3,974	-	-	4,632	8,606
Matured interest payable	-	3,233	5,000	6,552	14,785
Matured bonds payable	-	18,910	5,945	10,735	35,590
Total liabilities	<u>24,847</u>	<u>22,143</u>	<u>10,945</u>	<u>26,494</u>	<u>84,429</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows of resources-unavailable revenue	<u>1,569</u>	<u>410</u>	<u>51,308</u>	<u>255</u>	<u>53,542</u>
FUND BALANCES					
Fund balance:					
Nonspendable	2,933	-	-	6,020	8,953
Restricted	5,604	28,593	1,340	90,061	125,598
Committed	-	-	-	1,571	1,571
Assigned	5,685	-	-	737	6,422
Unassigned	43,523	-	-	-	43,523
Total fund balances	<u>57,745</u>	<u>28,593</u>	<u>1,340</u>	<u>98,389</u>	<u>186,067</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 84,161</u>	<u>\$ 51,146</u>	<u>\$ 63,593</u>	<u>\$ 125,138</u>	<u>\$ 324,038</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, 2019
(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		\$	186,067
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			
Governmental capital assets	\$	1,940,459	
Less accumulated depreciation		<u>(834,990)</u>	
			1,105,469
Net OPEB asset			1,276
Adjustment to reflect the government joint venture			2,952
Deferred outflow of resources related to pensions and OPEB			71,064
Deferred outflow reacquisition price of refunding outstanding debt			15,018
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds and shown as an internal balance item.			161
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.			9,920
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		(612,645)	
Net pension & OPEB liabilities		(335,053)	
Developer payable obligations		(4,376)	
Compensated absences		(27,489)	
Bond discount		478	
Settlement obligation		(3,000)	
Unamortized premium on debt issuance		<u>(53,764)</u>	
			(1,035,849)
Deferred inflows of resources related pensions and OPEB			(24,337)
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			53,542
Net position of governmental activities			<u><u>\$ 385,283</u></u>

City of Glendale, Arizona

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2019

(amounts expressed in thousands)

	Major Funds				
	General	General Obligation Debt Service	Municipal Property Corporation Debt Service	Other Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
Taxes and special assessments	\$ 148,693	\$ 20,088	\$ -	\$ 29,231	\$ 198,012
Licenses and permits	12,676	-	-	3,674	16,350
Intergovernmental	65,739	505	-	29,329	95,573
Local	122	-	-	55	177
Charges for services	9,930	-	-	814	10,744
Fines and forfeitures	2,634	-	-	348	2,982
Investment Income	1,677	4	125	1,470	3,276
Miscellaneous	3,131	12	-	1,232	4,375
Total revenues	<u>244,602</u>	<u>20,609</u>	<u>125</u>	<u>66,153</u>	<u>331,489</u>
EXPENDITURES					
Current:					
General Government	42,192	8	11	1,404	43,615
Public Safety	140,478	-	-	5,688	146,166
Public Works	14,161	-	-	1,513	15,674
Community Services	19,927	-	-	3,845	23,772
Street Maintenance	851	-	-	33,202	34,053
Debt service:					
Principal	-	18,910	5,945	14,851	39,706
Interest	-	6,476	9,999	13,179	29,654
Capital outlay	4,274	-	-	20,389	24,663
Total expenditures	<u>221,883</u>	<u>25,394</u>	<u>15,955</u>	<u>94,071</u>	<u>357,303</u>
Excess (deficiency) of revenues over expenditures	<u>22,719</u>	<u>(4,785)</u>	<u>(15,830)</u>	<u>(27,918)</u>	<u>(25,814)</u>
OTHER FINANCING SOURCES (USES)					
Long term debt issued	-	-	-	15,385	15,385
Premium on long term debt issued	-	1,628	-	355	1,983
Proceeds from equipment disposal	220	-	-	18	238
Proceeds from land sale	3,125	-	-	-	3,125
Transfer in	-	-	13,564	43,175	56,739
Transfer out	(33,664)	-	-	(24,396)	(58,060)
Total other financing sources (uses)	<u>(30,319)</u>	<u>1,628</u>	<u>13,564</u>	<u>34,537</u>	<u>19,410</u>
Net change in fund balances	(7,600)	(3,157)	(2,266)	6,619	(6,404)
Fund balances - beginning	65,345	31,750	3,606	91,770	192,471
Fund balances - ending	<u>\$ 57,745</u>	<u>\$ 28,593</u>	<u>\$ 1,340</u>	<u>\$ 98,389</u>	<u>\$ 186,067</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, 2019

(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		\$	(6,404)
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	\$	24,663	
Less current year depreciation		<u>(53,093)</u>	(28,430)
The net effect of various transactions involving capital is to increase net position.			
Capital contributions		4,110	
Gain (loss) on disposals		<u>(2,039)</u>	2,071
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.			
			3,907
The net effect of long-term obligations and the related transactions is to increase net assets.			
Long term debt issued		(15,385)	
Net bond premium and discount amortized		4,766	
Net bond premium		(1,983)	
Principal paid on bonds, notes, and leases		<u>39,706</u>	27,104
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.			
			(2,181)
Governmental funds report pension/OPEB contributions as expenditures. However, in the Statement of Activities, pension/OPEB service costs, interest on the pension liability, current year benefit changes, member contributions, expected earnings on plan investments, administrative expenses and recognition of deferred outflows and inflows from pension and OPEB is reported as pension/OPEB expense.			
			(2,911)
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.			
			1,622
Expenses on the statement of activities differ from governmental funds because of the portion not accrued on the governmental funds.			
			<u>(20)</u>
Change in net position of governmental activities		\$	<u>(5,242)</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, 2019
(amounts expressed in thousands)

	Business-type Activities			Governmental
	Water and Sewer	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
ASSETS				
Current assets:				
Equity in pooled cash and investments	\$ 63,560	\$ 8,871	\$ 72,431	\$ 28,017
Receivables:				
Accounts	15,742	3,528	19,270	-
Allowance for uncollectibles	(2,433)	(557)	(2,990)	-
Intergovernmental	1,457	101	1,558	9
Inventories and prepaid items	4,295	18	4,313	119
Total current assets	82,621	11,961	94,582	28,145
Noncurrent assets:				
Restricted Deposits	3,437	-	3,437	1,575
Restricted cash and investments	12,960	-	12,960	-
OPEB assets	49	26	75	16
Capital Assets:				
Capital Assets	881,915	67,749	949,664	5,966
Accumulated Depreciation	(384,855)	(36,980)	(421,835)	(4,206)
Capital assets, net	497,060	30,769	527,829	1,760
Equity in joint venture	44,451	-	44,451	-
Total noncurrent assets	557,957	30,795	588,752	3,351
Total assets	640,578	42,756	683,334	31,496
DEFERRED OUTFLOWS OF RESOURCES				
Debit amounts resulting from refunded debt	7,001	-	7,001	-
Debit amounts related to pensions and OPEB	3,920	2,045	5,965	1,839
Total deferred outflows of resources	10,921	2,045	12,966	1,839
LIABILITIES				
Current liabilities:				
Vouchers payable	6,022	699	6,721	2,600
Accounts payable	-	24	24	93
Retainage payable	1,159	-	1,159	-
Compensated absences	1,723	661	2,384	618
Due to other funds	-	729	729	-
Matured bonds payable	16,050	-	16,050	-
Intergovernmental payable	283	-	283	-
Deposits	5,639	285	5,924	-
Unearned revenue	-	5	5	-
Estimated claims payable	-	-	-	15,000
Bonds payable current	18,685	-	18,685	-
Interest payable	4,699	-	4,699	-
Total current liabilities	54,260	2,403	56,663	18,311
Noncurrent liabilities:				
Compensated absences	1,031	540	1,571	407
Bonds payable	185,232	-	185,232	-
Net pension & OPEB liabilities	19,586	11,111	30,697	3,255
Other long term debt	-	36	36	-
Estimated closure and post closure costs	-	15,778	15,778	-
Total noncurrent liabilities	205,849	27,465	233,314	3,662
Total liabilities	260,109	29,868	289,977	21,973
DEFERRED INFLOWS OF RESOURCES				
Credit amounts related to pensions and OPEB	3,766	2,050	5,816	1,442
NET POSITION				
Net investment in capital assets	282,935	30,769	313,704	1,760
Restricted for:				
Debt service	16,050	-	16,050	-
Revenue bond retirement, replacement and extension	9,621	-	9,621	-
OPEB benefits	49	26	75	16
Other purposes	7,197	-	7,197	-
Unrestricted	71,772	(17,912)	53,860	8,144
Total net position	\$ 387,624	\$ 12,883	\$ 400,507	\$ 9,920
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			(161)	
Net position of business type activities			\$ 400,346	

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

City of Glendale, Arizona
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2019
(amounts expressed in thousands)

	Business-type Activities			Governmental
	Water and Sewer	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES				
Intergovernmental	\$ 538	\$ 8,859	\$ 9,397	\$ -
Metered water sales	48,875	-	48,875	-
Sewer service charges	36,834	-	36,834	-
Container service	-	4,138	4,138	-
Curb service	-	13,830	13,830	-
landfill user fees	-	8,881	8,881	-
Self insurance premium	-	-	-	36,681
Charges for services	-	-	-	20,419
Recycling sales	-	750	750	-
Other fees	6,307	3,636	9,943	181
Total operating revenues	<u>92,554</u>	<u>40,094</u>	<u>132,648</u>	<u>57,281</u>
OPERATING EXPENSES				
Water	21,228	-	21,228	-
Sewer	14,367	-	14,367	-
Landfill	-	8,255	8,255	-
Housing	-	12,673	12,673	-
Closure/post-closure care	-	543	543	-
Solid Waste	-	16,060	16,060	-
Administrative and general	15,793	-	15,793	20,791
Insurance claims and premiums	-	-	-	34,238
Amortization and depreciation	24,397	2,648	27,045	687
Total operating expenses	<u>75,785</u>	<u>40,179</u>	<u>115,964</u>	<u>55,716</u>
Operating income (loss)	<u>16,769</u>	<u>(85)</u>	<u>16,684</u>	<u>1,565</u>
NONOPERATING REVENUES (EXPENSES)				
Impact Fees	1,956	-	1,956	-
Investment Income	1,502	150	1,652	432
Miscellaneous	-	-	-	12
Interest expense	(8,081)	-	(8,081)	-
Net loss from joint venture	(3,514)	-	(3,514)	-
Gain/(loss) on disposal of assets	42	148	190	(21)
Total nonoperating revenues (expenses)	<u>(8,095)</u>	<u>298</u>	<u>(7,797)</u>	<u>423</u>
Income (loss) before contributions and transfers	8,674	213	8,887	1,988
Capital contributions	2,863	167	3,030	-
Transfer in	425	1,205	1,630	-
Transfer out	(286)	(23)	(309)	-
Change in net position	<u>11,676</u>	<u>1,562</u>	<u>13,238</u>	<u>1,988</u>
Total net position - beginning	<u>375,948</u>	<u>11,321</u>		<u>7,932</u>
Total net position - ending	<u>\$ 387,624</u>	<u>\$ 12,883</u>		<u>\$ 9,920</u>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds 366
Change in net position of business-type activities \$ 13,604

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, 2019

(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Major Funds	Other Proprietary	Total	
	Water and Sewer	Funds		
Cash flows from operating activities:				
Cash received from customers	\$ 91,742	\$ 30,899	\$ 122,641	\$ 57,280
Cash received from federal operating grants	-	8,770	8,770	-
Cash paid to suppliers:				
Internal city departments	(8,324)	(10,862)	(19,186)	(309)
External vendors	(26,682)	(16,841)	(43,523)	(12,822)
Cash paid for insurance and in settlement of claims	-	-	-	(34,671)
Cash paid to employees for services	(20,105)	(10,376)	(30,481)	(6,315)
Net cash provided by operating activities	<u>36,631</u>	<u>1,590</u>	<u>38,221</u>	<u>3,163</u>
Cash flows from noncapital financing activities:				
Transfers in	425	1,205	1,630	-
Transfers out	(286)	(23)	(309)	-
Advances to/due from other funds	-	729	729	-
Net cash provided by noncapital financing activities	<u>139</u>	<u>1,911</u>	<u>2,050</u>	<u>-</u>
Cash flows from capital and related financing activities:				
Proceeds from sale of capital assets	-	111	111	-
Principal payments on obligations	(12,780)	-	(12,780)	-
Acquisition of capital assets and rights	(36,433)	(6,191)	(42,624)	(712)
Impact fees	1,956	-	1,956	-
Interest payments on obligations	(9,628)	-	(9,628)	-
Contributions to Joint Venture	(1,602)	-	(1,602)	-
Net cash (used) by capital and related financing activities	<u>(58,487)</u>	<u>(6,080)</u>	<u>(64,567)</u>	<u>(712)</u>
Cash flows from investing activities:				
Interest received from investments	1,502	150	1,652	432
Net cash provided by investing activities	<u>1,502</u>	<u>150</u>	<u>1,652</u>	<u>432</u>
Net increase (decrease) in cash and cash equivalents during fiscal year	(20,215)	(2,429)	(22,644)	2,883
Cash and cash equivalents, July 1	96,735	11,300	108,035	25,134
Cash and cash equivalents, June 30	<u>\$ 76,520</u>	<u>\$ 8,871</u>	<u>\$ 85,391</u>	<u>\$ 28,017</u>

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

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Major Funds	Other Proprietary	Total	
	Water and Sewer	Funds		
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 16,769	\$ (85)	\$ 16,684	\$ 1,565
Adjustments to reconcile operating income (loss) to net cash provided (used) by operations:				
Amortization and depreciation	24,397	2,648	27,045	687
Changes in assets and liabilities:				
Accounts receivable	(1,120)	(350)	(1,470)	-
Intergovernmental receivable	(540)	(79)	(619)	-
Net OPEB asset	23	11	34	8
Net pension and OPEB liability	(1,886)	(982)	(2,868)	(579)
Deferred outflows related to pensions and OPEB	(133)	(69)	(202)	(41)
Deferred inflows related to pensions and OPEB	698	372	1,070	246
Inventories and prepaid items	(831)	2	(829)	(60)
Restricted deposits	(87)	-	(87)	-
Vouchers and accounts payable	(1,147)	(444)	(1,591)	177
Intergovernmental payable	(25)	(10)	(35)	-
Other long term liabilities	-	7	7	-
Deposits	406	(13)	393	-
Unearned rent	-	(5)	(5)	-
Unearned revenue	(11)	-	(11)	-
Compensated absences	118	44	162	75
Claims payable	-	-	-	1,085
Estimated closure and post-closure costs	-	543	543	-
Net cash provided (used) by operating activities	<u>\$ 36,631</u>	<u>\$ 1,590</u>	<u>\$ 38,221</u>	<u>\$ 3,163</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	\$ 63,560	\$ 8,871	\$ 72,431	\$ 28,017
Restricted cash and investments	12,960	-	12,960	-
Total cash and cash equivalents	<u>\$ 76,520</u>	<u>\$ 8,871</u>	<u>\$ 85,391</u>	<u>\$ 28,017</u>

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

Contributions of capital assets	\$ 2,863	\$ 167	\$ 3,030	\$ -
Loss on joint venture	(3,514)	-	(3,514)	-
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, 2019

(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, 2019

(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 financing sources/uses in governmental funds).

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(amounts expressed in thousands)

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 *general obligation debt service* fund accounts for the debt service payments for the bonds that were issued to finance government infrastructure such as government facilities, parks, libraries, flood control, economic development and open space/trails.

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,

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2019

(amounts expressed in thousands)

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

Governmental funds

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

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

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

Debt service funds: Debt service funds are used to account for the accumulation of financial resources for the payment of 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.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2019

(amounts expressed in thousands)

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.

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

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2019

(amounts expressed in thousands)

outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

G. Inventories and prepaid items

Inventories of the governmental and enterprise funds consist primarily of expendable supplies held for consumption. These inventories are maintained on a perpetual system verified through cyclical physical counts and are valued using a weighted average cost. Generally, expenditures are recorded at the time inventories are used (i.e., the consumption method) for both GAAP reporting and budgetary purposes. However, the City postage inventory is recorded as expenditure at time of purchase (i.e., the purchase method) for budgetary purposes. At June 30, 2019, 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.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2019

(amounts expressed in thousands)

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

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

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

J. Water rights

The City has entered into a lease agreement with Salt River Pima-Maricopa Indian Community (SRP-MIC) for the rights to 1,814 acre-feet of water each year through 2099. These rights, costing \$2,693, are being amortized over 40 years on a straight-line basis starting January 1, 2000. Current year amortization was \$66. The net book value of water rights as of June 30, 2019, is \$1,380. 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, 2019, 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, 2019, is \$3,458.

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, 2019, costing \$2,027, are a permanent right and are considered to have an indefinite useful life. As such, they are not amortized; therefore, cost and net book value are equal to \$2,027.

K. Governmental fund balance components

The components of governmental fund balance consist of the following:

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

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

Committed are amounts that are constrained by limitations imposed by the highest level of decision making authority, namely Mayor and Council and require approval by the same level of authority

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

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(amounts expressed in thousands)

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.

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.

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CITY OF GLENDALE, ARIZONA

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(amounts expressed in thousands)

Property Tax Calendar

Lien date	January 2, 2018
Levy (assessment) date (third Monday in August)	August 20, 2018
Due dates:	
First half of assessment	October 1, 2018
Second half of assessment	March 1, 2019
Penalties and interest added (collection dates):	
First half of assessment	November 1, 2018
Second half of assessment	May 1, 2019

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.

The distribution of the City's levy (tax rate per \$100 assessed value) to its funds for the year ended June 30, 2019, is as follows:

<u>Fund</u>	<u>Rate</u>
General fund	\$ 0.44
General obligation debt service fund	1.54
Total	<u>\$ 1.98</u>

N. Compensated absences

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

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

CITY OF GLENDALE, ARIZONA

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(amounts expressed in thousands)

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, 2019, 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.

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

CITY OF GLENDALE, ARIZONA

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(amounts expressed in thousands)

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 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

CITY OF GLENDALE, ARIZONA

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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 49.86 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 vary based on the path the employee is eligible for. 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 61.50% employer rate and are contributed on an after-tax basis. The 61.50% employer rate is set by statute; however, the Board of Trustees of PSPRS is required to monitor this rate to inform the Legislature annually of its continued ability to pay the unfunded liability of the EORP legacy costs, so there is the possibility of this rate changing from time-to-time. Additionally, the rate for the disability program will also be reviewed and revised annually to meet its actuarially determined costs.

For the year ended June 30, 2019 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 55.50 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.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2019

(amounts expressed in thousands)

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 total investments during the fiscal year ended June 30, 2019, was \$1,008.

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

The City ended the fiscal year June 30, 2019, with a deficit fund balance/net position of \$2,966 in the fleet services internal service fund. This deficit will be funded by increases in user premium charges in the next fiscal year.

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 \$44,030 and the bank balances were \$48,835. The difference of \$4,805 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, 2019, were \$148,253 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, 2019. 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.

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CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2019

(amounts expressed in thousands)

As of June 30, 2019, the City had the following investments:

Investment Type	Investment Maturities (in years)				Fair Value
	0 - 1	1 - 2	2 - 3	Over 3	
Commercial paper	\$ 3,141	\$ -	\$ -	\$ -	\$ 3,141
Corporate Bonds	18,042	5,066	-	-	23,108
U.S. Agencies	39,912	2,522	-	-	42,434
U.S. Treasury	32,665	16,986	-	-	49,651
Arizona LGIP-State Pool	34,832	-	-	-	34,832
Grand total investments	<u>\$ 128,592</u>	<u>\$ 24,574</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 153,166</u>
Cash deposits					44,030
Cash with fiscal agents					148,253
Total deposits and investments					<u>\$ 345,449</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.

The City's investments are classified as follows:

Investment at fair value level	Fair Value Measurements Using Levels			Totals
	Level 1	Level 2	Level 3	
Commercial Paper	\$ -	\$ 3,141	\$ -	\$ 3,141
Corporate Bonds	-	23,108	-	23,108
U.S. Agencies	-	42,434	-	42,434
U.S. Treasury	49,651	-	-	49,651
Total Investments at fair value level	<u>\$ 49,651</u>	<u>\$ 65,542</u>	<u>\$ -</u>	<u>118,334</u>

External Investment Pools Measured
at Fair Value

State Treasurer's Investment Pool	34,832
Total Investments	<u>\$ 153,166</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.

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CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2019

(amounts expressed in thousands)

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, 2019, the City's investments were rated by Moody's Investor Service and Standard & Poor's as follows:

<u>Investment Type</u>	<u>S&P Rating</u>	<u>Moody's Rating</u>	<u>% of Total Investments</u>	<u>Weighted Average Maturity (Years)</u>
U.S. Treasury	AA+	Aaa	32.43%	0.82
U.S. Agencies	AA+	Aaa	27.70%	0.58
Arizona LGIP	NR	NR	22.74%	0.00
Corporate	A	A2	3.90%	0.92
Corporate	AAA	Aaa	3.31%	1.39
Corporate	AA	Aa2	3.26%	0.13
Commercial Paper	A-1+	P-1	2.05%	0.28
Corporate	AA+	Aa1	1.95%	0.86
Corporate	A	A3	1.37%	0.67
Corporate	A-	A2	1.29%	0.31

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	\$ 49,651
Arizona LGIP Total	Arizona LGIP	34,832
FNMA Total	U.S. Agencies	19,943
Freddie Mac Total	U.S. Agencies	14,966

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 \$94,412 less an allowance for doubtful accounts in the amount of \$43,104 has been recorded at June 30, 2019. No payments have been received by the City on the note as of June 30, 2019. 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.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2019

(amounts expressed in thousands)

V. Capital assets

A summary of capital asset activity, for the government-wide financial statements, for the year ended June 30, 2019, is as follows:

	Balances June 30, 2018	Increase	Decrease	Balances June 30, 2019
Governmental activities				
Non-depreciable assets:				
Construction in progress	\$ 23,481	\$ 20,688	\$ (21,321)	\$ 22,848
Land	120,604	1	(1,107)	119,498
Artwork	2,415	-	-	2,415
Total non-depreciable assets	<u>146,500</u>	<u>20,689</u>	<u>(22,428)</u>	<u>144,761</u>
Depreciable assets:				
Buildings	387,865	-	(533)	387,332
Improvements other than buildings	288,006	23	-	288,029
Infrastructure - streets	791,384	25,221	-	816,605
Infrastructure - parks	91,329	-	-	91,329
Infrastructure - flood/storm drains	78,744	210	-	78,954
Infrastructure - airport	21,339	-	-	21,339
Machinery and equipment	54,140	1,907	(56)	55,991
Computer equipment	5,426	250	(94)	5,582
Software	6,125	9	-	6,134
Automotive equipment	49,926	2,321	(1,878)	50,369
Total depreciable assets	<u>1,774,284</u>	<u>29,941</u>	<u>(2,561)</u>	<u>1,801,664</u>
Less accumulated depreciation for:				
Buildings	(145,648)	(9,849)	251	(155,246)
Improvements other than buildings	(156,897)	(10,140)	-	(167,037)
Infrastructure - streets	(333,869)	(20,872)	-	(354,741)
Infrastructure - parks	(46,203)	(3,117)	-	(49,320)
Infrastructure - flood/storm drains	(12,280)	(1,116)	-	(13,396)
Infrastructure - airport	(10,496)	(480)	-	(10,976)
Machinery and equipment	(42,475)	(3,308)	51	(45,732)
Computer equipment	(3,864)	(810)	73	(4,601)
Software	(3,426)	(648)	-	(4,074)
Automotive equipment	(32,480)	(3,440)	1,847	(34,073)
Total accumulated depreciation	<u>(787,638)</u>	<u>(53,780)</u>	<u>2,222</u>	<u>(839,196)</u>
Total depreciable assets, net	<u>986,646</u>	<u>(23,839)</u>	<u>(339)</u>	<u>962,468</u>
Governmental activities capital assets, net	<u>\$ 1,133,146</u>	<u>\$ (3,150)</u>	<u>\$ (22,767)</u>	<u>\$ 1,107,229</u>

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2019

(amounts expressed in thousands)

	Balances June 30, 2018	Increase	Decrease	Balances June 30, 2019
Business-Type activities:				
Non-depreciable assets:				
Construction in progress - water and sewer	\$ 25,974	\$ 38,735	\$ -	\$ 64,709
Construction in progress - landfill	833	2,548	-	3,381
Construction in progress - housing authority	731	151	(551)	331
Land	17,740	290	(1,960)	16,070
Total non-depreciable assets	45,278	41,724	(2,511)	84,491
Depreciable assets:				
Buildings	16,914	467	-	17,381
Water rights	9,183	-	-	9,183
Improvements other than buildings	82,805	298	-	83,103
Water lines	136,193	1,542	-	137,735
Sewer lines	144,794	1,320	-	146,114
Water treatment plant	257,622	14	-	257,636
Sewer treatment plant	142,450	-	-	142,450
Meters and services	32,755	-	-	32,755
Fire hydrants	5,187	-	-	5,187
Machinery and equipment	4,104	176	(37)	4,243
Computer equipment	1,133	32	-	1,165
System Purchase	1,163	-	-	1,163
Automotive equipment	24,200	3,752	(894)	27,058
Total depreciable assets	858,503	7,601	(931)	865,173
Less accumulated depreciation for:				
Buildings	(11,119)	(382)	-	(11,501)
Water rights	(2,140)	(178)	-	(2,318)
Improvements other than buildings	(35,273)	(3,475)	-	(38,748)
Water lines	(53,379)	(3,147)	-	(56,526)
Sewer lines	(69,885)	(3,415)	-	(73,300)
Water treatment plant	(124,719)	(8,996)	-	(133,715)
Sewer treatment plant	(58,254)	(4,196)	-	(62,450)
Meters and services	(16,468)	(1,027)	-	(17,495)
Fire hydrants	(2,823)	(100)	-	(2,923)
Machinery and equipment	(3,077)	(298)	13	(3,362)
Computer equipment	(948)	(20)	-	(968)
System Purchase	(826)	(146)	-	(972)
Automotive equipment	(16,786)	(1,665)	894	(17,557)
Total accumulated depreciation	(395,697)	(27,045)	907	(421,835)
Total depreciable assets, net	462,806	(19,444)	(24)	443,338
Business-Type activities capital assets, net	\$ 508,084	\$ 22,280	\$ (2,535)	\$ 527,829

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2019

(amounts expressed in thousands)

Depreciation was charged to functions/programs as follows:

Governmental activities:

General	\$ 17,016
Public safety	6,027
Public works	14,783
Street maintenance	11,368
Community services	4,586
Total depreciation expense	<u>\$ 53,780</u>

Business-Type activities:

Water and sewer	\$ 24,397
Landfill	1,146
Solid Waste	1,236
Housing	266
Total depreciation expense	<u>\$ 27,045</u>

Included in the water and sewer depreciation amount is \$178 amortization of water storage rights.

VI. Construction commitments

The City has active construction projects as of June 30, 2019. 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	\$ 527	\$ 1,379
Community services	5,663	3,566
Public safety	1,293	41
Public works	578	1,852
Street maintenance	13,852	8,585
Water and sewer facilities	64,709	55,988
Landfill	3,381	-
Housing	331	-
ISF	935	2,082
Total primary government	<u>\$ 91,269</u>	<u>\$ 73,493</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

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

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(amounts expressed in thousands)

\$50,000. The risk management fund was fully self-insured through June 30, 1998, for tort liability losses. Effective July 1, 1998, the City purchased excess insurance. Currently the excess insurance liability coverage has a \$1,000 self-insured retention. The fund also purchased commercial insurance for airport owners and operators' liability with limits up to \$20 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 and settled claims have not exceeded insurance in any of the last three 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 for each injured workers' compensation claim with an \$800 self-insured retention and employers' liability with a limit of \$2,000 per occurrence.

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

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

C. Employee benefits

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

For active employees' premiums are collected through contributions from employee paychecks and department budgets. Retirees contribute 100% of the premiums, 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. The City is self-insured on the medical plan with an aggregate stop-loss of 125% and a specific stop-loss of \$200. If claims exceed the stop-loss amounts the policy will reimburse the plan for the claims in excess of that amount.

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 and recoveries for salvage and subrogation. The City's workers' compensation self-insurance program liability includes recoveries related to subrogation. Salvage and subrogation are immaterial to 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 payout 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 \$15,000 as of June 30, 2019. 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>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Unpaid claims, beginning of fiscal year	\$ 4,043	\$ 2,758	\$ 6,331	\$ 5,021	\$ 3,541	\$ 2,061
Current year claims and changes in estimate	3,232	3,143	2,358	2,828	28,648	29,499
Claims payments	<u>(2,871)</u>	<u>(1,858)</u>	<u>(1,837)</u>	<u>(1,518)</u>	<u>(28,445)</u>	<u>(28,019)</u>
Balance at fiscal year end	<u>\$ 4,404</u>	<u>\$ 4,043</u>	<u>\$ 6,852</u>	<u>\$ 6,331</u>	<u>\$ 3,744</u>	<u>\$ 3,541</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, 2019

(amounts expressed in thousands)

VIII. Leases

A. Operating lease revenue

The City leases various City-owned properties and buildings under cancelable and non-cancelable long-term lease agreements through fiscal year 2019 and beyond. The carrying value of leased assets is \$274,951 (cost of \$496,312 less accumulated depreciation of \$221,361). The leased properties and buildings are included as capital assets in the government-wide financial statements. Certain leases contain provisions for future increased revenues based upon changes in the Consumer Price Index.

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

Fiscal Year	Total Revenues
2020	\$ 2,724
2021	2,106
2022	1,687
2023	1,475
2024	1,322
2025 and beyond	31,087
Total	\$ 40,401

IX. Short-term debt

The City did not issue short-term debt for the year ended June 30, 2019.

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 \$66,710 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 \$87,936. The current year revenues of \$29,231 collected in the transportation special revenue fund paid the current year principal and interest amounts of \$4,035 and \$2,999 respectively.

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

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2019

(amounts expressed in thousands)

The Excise Tax Revenue Refunding bonds are special obligations of the City and are not a general obligation of the City. Under a purchase agreement the City makes monthly payments to a trustee. The payments are secured by a senior claim and pledge by the City of all of the City's unrestricted excise tax revenues which comprise of all excise tax, transaction privilege, franchise and income tax which it collects or is apportioned by the State or political subdivision of the State. The \$205,055 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 \$283,227. The current year principal and interest amount of \$6,700 and \$10,105 were funded with a transfer from the General fund.

The \$183,685 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 \$233,862. The current year principal and interest on the bonds were \$25,448 and net revenues of the system were \$43,861.

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

C. Municipal Property Corporation (MPC) bonds

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

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

CITY OF GLENDALE, ARIZONA

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(amounts expressed in thousands)

\$321,731. Excise tax revenues pledged for repayment of MPC was \$169,868. The current year principal and interest paid was \$15,944.

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

D. Changes in long-term liabilities

The following is a summary of changes in long-term liabilities reported in the governmental activities financial statements for the year ended June 30, 2019:

	June 30, 2018	Increases	Decreases	June 30, 2019	Amounts Due Within One Year
General obligation (GO) bonds	\$ 120,430	\$ 15,385	\$ (18,910)	\$ 116,905	\$ 41,000
General obligation (GO) bonds- Direct borrowing	26,555	-	-	26,555	2,015
Revenue bonds:					
Excise Tax Revenue bonds	211,755	-	(6,700)	205,055	7,100
Transportation bonds	55,340	-	-	55,340	-
Transportation bonds-Direct borrowing	15,405	-	(4,035)	11,370	4,140
Municipal Property Corporation	203,365	-	(5,945)	197,420	7,195
Total bonds payable	<u>632,850</u>	<u>15,385</u>	<u>(35,590)</u>	<u>612,645</u>	<u>61,450</u>
Other long-term obligations:					
Capital lease obligations	2,278	-	(2,278)	-	-
Note payable	1,839	-	(1,839)	-	-
Net pensions and OPEB liabilities	340,075	928	(2,695)	338,308	118
Settlement obligations	8,100	-	(5,100)	3,000	3,000
Compensated absences	27,824	8,726	(6,569)	29,981	18,127
Claims and judgments	13,915	34,239	(33,154)	15,000	15,000
Unamortized premium on debt issuance	56,573	1,983	(4,792)	53,764	4,941
Discount on debt issuance	(504)	-	26	(478)	-
Developer payable obligations	4,126	250	-	4,376	-
Total other long-term obligations	<u>454,226</u>	<u>46,126</u>	<u>(56,401)</u>	<u>443,951</u>	<u>41,186</u>
Total	<u>\$ 1,087,076</u>	<u>\$ 61,511</u>	<u>\$ (91,991)</u>	<u>\$ 1,056,596</u>	<u>\$ 102,636</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 \$1,056,596 in the total liabilities, \$670,307 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 pension and OPEB obligations, settlement obligations, compensated absences, and claims and judgments. No governmental funds cash has been used to fund the City of Glendale post-employment healthcare plan post-employment benefit obligation (OPEB). The net annual City of Glendale post-employment healthcare 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.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2019

(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, 2019:

	June 30, 2018	Additions	Reductions	June 30, 2019	Amounts Due Within One Year
Water and sewer revenue/obligation bonds	\$ 199,735	\$ -	\$ (16,050)	\$ 183,685	\$ 16,435
Other long-term obligations:					
Estimated closure and post-closure costs	15,235	543	-	15,778	-
Unamortized premium on debt issuance	22,482	-	(2,250)	20,232	2,250
Net pensions and OPEB liabilities	33,565	-	(2,868)	30,697	33
Compensated absences	3,793	989	(827)	3,955	2,384
Housing noncurrent liabilities	29	7	-	36	-
Total other long-term obligations	<u>75,104</u>	<u>1,539</u>	<u>(5,945)</u>	<u>70,698</u>	<u>4,667</u>
Total	<u>\$ 274,839</u>	<u>\$ 1,539</u>	<u>\$ (21,995)</u>	<u>\$ 254,383</u>	<u>\$ 21,102</u>

Of the \$254,383 in total liabilities, \$203,917 (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, pension and OPEB liabilities, compensated absences, and housing noncurrent liabilities.

E. Current and advance refunded bonds

The City has no current or advance refunded bonds outstanding as of June 30, 2019.

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CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2019

(amounts expressed in thousands)

F. Bonds payable

Bonds payable at June 30, 2019, 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, 2019
<u>GO bonds payable from secondary assessed property taxes</u>					
Various Taxable Direct Pay BAB	1.50-5.63	2010	2030	41,650	27,360
Refunding Tax-Exempt	4.00-5.00	2011	2022	38,300	10,530
Refunding Tax-Exempt	2.00-5.00	2015	2022	39,490	26,470
Various Tax-Exempt(A), Taxable(B)	1.54-4.00	2016	2036	27,285	26,140
Various Tax-Exempt 2018	5.00	2018	2037	15,240	11,020
Various Taxable 2019	3.00-5.00	2019	2038	15,385	15,385
Total					<u>116,905</u>
<u>GO bonds payable from secondary assessed property taxes-direct borrowing</u>					
Refunding Taxable BAB 2017	3.16	2018	2030	26,555	26,555
Total					<u>26,555</u>
<u>Revenue bonds payable from the 0.5% transportation sales tax</u>					
Refunding Tax-Exempt Excise Tax Rev	2.00-5.00	2015	2032	55,635	55,340
Total					<u>55,340</u>
<u>Revenue bonds payable from the 0.5% transportation sales tax-direct borrowing</u>					
Refunding Tax-Exempt Excise Tax Rev	2.62	2017	2032	19,330	11,370
Total					<u>11,370</u>
<u>Excise Tax bonds payable from general fund sales tax</u>					
Refunding Tax-Exempt 2015A	5.00	2015	2031	100,430	94,130
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	32,315
Sub Refunding Tax-Exempt 2017	5.00	2018	2032	65,385	64,910
Total					<u>205,055</u>
<u>Municipal Property Corporation payable from general fund lease payments</u>					
MPC Taxable excise tax 2003B	1.46-5.58	2003	2033	105,260	1,480
MPC Taxable excise tax 2008B	5.45-6.16	2008	2033	52,780	41,340
MPC Tax-Exempt refunding 2012A	3.00-5.00	2012	2021	8,665	2,295
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	4,440
Total					<u>197,420</u>
Total bonds payable recorded in governmental activities					612,645
Less current portion					(61,450)
Long-term portion of bonds payable recorded in governmental activities					<u>\$ 551,195</u>

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2019

(amounts expressed in thousands)

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

Purpose	Interest Rate	Issued Fiscal Year Ending June 30	Year Series Matures	Amount of Original Issue	Bonds Outstanding June 30, 2019
<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	52,620
Various refunding	2.50-5.00	2015	2028	121,245	105,380
Total					<u>183,685</u>
Total bonds payable recorded in business-type activities					183,685
Less current portion					(16,435)
Long-term portion of bonds payable recorded in business-type activities					<u>\$ 167,250</u>

G. Legal debt margin

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, 2019, is as follows:

	<u>6%</u>	<u>20%</u>
Capacity to incur bonded debt	\$ 84,795	\$ 282,651
Less: Bonded debt applicable to limit	-	(114,867)
Unused bonded debt capacity	<u>\$ 84,795</u>	<u>\$ 167,784</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.

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CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2019

(amounts expressed in thousands)

H. Bonds authorized, issued and unissued

Bonds authorized but not fully issued as of June 30, 2019, are shown below:

GO bonds	Authorized Amount	Issued through June 30, 2019	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	4,780	13,435
Economic development	50,500	28,453	22,047
Governmental facilities ⁽¹⁾	40,910	17,165	23,745
Landfill development ⁽¹⁾	17,000	1,460	15,540
Library	15,398	-	15,398
Open spaces	53,700	3,241	50,459
Public safety	64,801	64,801	-
Transit ⁽¹⁾	6,935	185	6,750
<u>Voter authorized May 15, 2007</u>			
Flood control	20,554	10,847	9,707
Parks and recreation	16,155	1,823	14,332
Public safety	102,638	4,578	98,060
Streets and parking	79,065	53,600	25,465
Total GO bonds	\$ 502,319	\$ 199,483	\$ 302,836
<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	\$ 199,483	\$ 312,836

(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, 2019

(amounts expressed in thousands)

I. Other debt (developer, notes, long-term)

Classified in the governmental activities in the government-wide financial statements:

Developer Payable Obligation - On December 1, 2005, the City entered into a development and ground lease agreement with Cabela's whereby Cabela's has the option to purchase the City owned property 90 days after the expiration of the 20-year ground lease (option date). In addition, the City entered into a site improvement management agreement on July 1, 2006, whereby Cabela's accrues a management compensation amount for their actual costs of operation, maintenance, and repair of site improvements. The management compensation amount accrues annually with interest. At the option date Cabela's can purchase the property at Fair Market Value and receive a credit against the purchase price for the accrued management compensation amount.

\$ 4,376

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 resolved the city's obligation to provide 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.

\$3,000

Total settlement obligation

3,000

Less current portion

(3,000)

Settlement obligation long-term portion

\$ -

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CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2019

(amounts expressed in thousands)

J. Future year debt service requirements

Fiscal Year Ending	Trans- portation Bonds	Trans- portation Bonds Direct Borrowing	MPC Bonds	Excise Tax Bonds	G.O. Bonds	G.O. Bonds Direct Borrowing	Water and Sewer Revenue Bonds/ Obligations	Total
2020	2,595	4,438	16,950	16,901	21,022	2,853	25,080	89,839
2021	6,495	205	14,844	20,292	20,402	2,890	24,409	89,537
2022	6,495	204	14,476	20,658	19,105	2,893	24,079	87,910
2023	6,490	204	13,150	21,987	7,874	2,899	25,290	77,894
2024	6,496	203	13,134	22,000	7,841	2,898	25,288	77,860
2025	6,495	208	13,096	22,033	7,802	2,899	25,285	77,818
2026	6,493	207	13,092	22,049	7,767	2,903	25,289	77,800
2027	6,494	207	13,090	22,041	7,721	2,905	24,162	76,620
2028	6,493	206	13,074	22,059	7,672	2,904	20,302	72,710
2029	6,494	205	13,836	21,300	7,803	2,905	7,411	59,954
2030	6,491	205	13,799	21,338	7,567	2,908	7,267	59,575
2031	6,494	205	13,792	21,342	4,429	-	-	46,262
2032	-	7,214	14,915	20,224	4,438	-	-	46,791
2033	-	-	27,821	9,003	4,443	-	-	41,267
2034	-	-	22,533	-	4,432	-	-	26,965
2035	-	-	22,533	-	4,429	-	-	26,962
2036	-	-	22,532	-	4,425	-	-	26,957
2037	-	-	22,532	-	2,277	-	-	24,809
2038	-	-	22,532	-	1,270	-	-	23,802
Total	74,025	13,911	321,731	283,227	152,719	31,857	233,862	1,111,332
Less interest	18,685	2,541	124,311	78,172	35,814	5,302	50,177	315,002
Principal	<u>\$ 55,340</u>	<u>\$ 11,370</u>	<u>\$ 197,420</u>	<u>\$ 205,055</u>	<u>\$ 116,905</u>	<u>\$ 26,555</u>	<u>\$ 183,685</u>	<u>\$ 796,330</u>

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CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2019

(amounts expressed in thousands)

The following table discloses the debt service requirements as of June 30, 2019, 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>
2020	52,615	37,224	89,839
2021	54,760	34,777	89,537
2022	55,700	32,210	87,910
2023	48,335	29,559	77,894
2024	50,310	27,550	77,860
2025-2029	263,925	100,977	364,902
2030-2034	178,391	42,469	220,860
2035-2038	92,294	10,236	102,530
Total	<u>\$ 796,330</u>	<u>\$ 315,002</u>	<u>\$ 1,111,332</u>

K. New bonds

On March 29, 2019, the City issued \$15,385 in General Obligation bonds to fund streets and parking, flood control, and parks and open spaces, construction, reconstruction, master plans, or other improvements and to upgrade public safety wireless systems. The 2019 bonds mature on various dates starting 2020 to 2038 with a variable fixed interest rate of 3.00%-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.

The landfill closure and post-closure care liability at June 30, 2019, 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	-	21,436
Percentage of capacity used	-	89%
Total closure and post-closure costs in present dollars:		
as of June 30, 2019	\$ 18,979	\$ 17,823
as of June 30, 2018	\$ 18,739	\$ 17,598
Closure and post-closure care costs:		
Amount remaining to be recognized as of June 30, 2019	\$ 18,979	\$ 2,045
Liability recognized as of June 30, 2019	\$ -	\$ 15,778

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2019

(amounts expressed in thousands)

These amounts are based on what it would cost to perform all closure and post-closure care in fiscal year 2018-19. 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 47 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	\$ 406
Other proprietary funds	
Solid waste	729
Total due to general fund	<u>\$ 1,135</u>

The inter-fund balances at June 30, 2019, 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, 2019, are expected to be repaid within one year.

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CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2019

(amounts expressed in thousands)

B. Inter-fund transfers

Inter-fund transfers for the year ended June 30, 2019, consisted of the following:

Transfers to Municipal Property Corporation debt service fund from:

General fund	13,564
Total transfers to Municipal Property Corporation debt service fund	<u>13,564</u>

Transfers to non-major special revenue fund from:

General fund	1,655
Other Non Major Capital Project Funds	103
Water and Sewer	286
Non-Major Proprietary Funds	<u>23</u>
Total transfers to non-major special revenue fund	<u>2,067</u>

Transfers to non-major debt service funds from:

General fund	16,815
Transportation Special Revenue Fund	<u>7,150</u>
Total transfers to non-major debt service funds	<u>23,965</u>

Transfers to non-major capital projects fund from:

Transportation Special Revenue Fund	9,512
Highway users gas tax	<u>7,631</u>
Total transfers to non-major capital projects fund	<u>17,143</u>

Transfers to Water and Sewer Proprietary Fund from:

General Fund	<u>425</u>
Total transfers to water and Sewer proprietary fund	<u>425</u>

Transfers to non-major proprietary funds from:

General fund	<u>1,205</u>
Total transfers to other non-major proprietary fund	<u>1,205</u>

Grand total all transfers	<u><u>\$ 58,369</u></u>
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CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2019

(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, 2019, the City intended to honor \$8,564 of outstanding encumbrances in the new fiscal year.

Fund

Major:

General	\$ 214
Water and sewer	4,838

Non-Major:

Highway Users Gas Tax	190
Other special revenue	7
Streets capital	2,826
Other capital	372
Landfill	69
Sanitation	48
Total	<u>\$ 8,564</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, 2018. The City accounts for its approximate 6.5% investment using the equity method in the water and sewer fund. For the year ended June 30, 2019, the City recognized a loss in the joint venture of \$3,514. 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, 2019

(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, 2018, is as follows:

Assets	
Current assets	\$ 45,774
Capital assets, net of accumulated depreciation	669,024
Total assets	<u>714,798</u>
Liabilities	
	<u>30,972</u>
Net position	<u>\$ 683,826</u>
Total revenues	\$ 73,368
Total expenses	(85,013)
Decrease in net position	<u>\$ (11,645)</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, 2018. The equity interest for the City at June 30, 2018, was \$2,952. The City accounts for its approximate 3.9% investment using the equity method in the Public Safety fund. For the year ended June 30, 2019, the City recognized a loss in the joint venture of \$254.

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CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2019

(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, 2018, is as follows:

Assets	
Current assets	\$ 5,634
Capital assets, net of accumulated depreciation	73,867
Total assets	<u>79,501</u>
Liabilities and Deferred Inflows of Resources	
	4,289
Net position	<u>\$ 75,212</u>
Total revenues	\$ 10,828
Total expenses	(17,294)
Decrease in net position	<u>\$ (6,466)</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, 2019 is \$43,523. Per the City's adopted financial policies, 10% of the general fund operating revenue which totals \$24,460 has been earmarked as the Budget Stabilization Reserve and \$19,063 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, 2019 to commit these funds; therefore, the funds are reported as unassigned.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2019

(amounts expressed in thousands)

	General	General Obligation Debt Service	Municipal Property Corporation Debt Service	Other Non-Major Governmental Funds	Total Governmental Funds
Nonspendable					
Inventories and prepaid items	\$ 2,933	\$ -	\$ -	\$ -	\$ 2,933
Public transit	-	-	-	100	100
Cemetery perpetual care	-	-	-	5,920	5,920
Total Nonspendable	<u>2,933</u>	<u>-</u>	<u>-</u>	<u>6,020</u>	<u>8,953</u>
Restricted					
Public transit	-	-	-	50,216	50,216
State drug enforcement	-	-	-	1,303	1,303
U.S. drug enforcement	-	-	-	348	348
Debt service	-	28,593	1,340	1,088	31,021
Court security	-	-	-	248	248
Court time payments	-	-	-	23	23
Court computer upgrade	-	-	-	118	118
HOME program	-	-	-	141	141
Highway user gas tax	-	-	-	6,713	6,713
Police activities	4,595	-	-	-	4,595
Fire activities	1,009	-	-	-	1,009
Other grants	-	-	-	1,167	1,167
Development impact fees	-	-	-	13,428	13,428
Streets construction	-	-	-	12,028	12,028
Fire and police construction	-	-	-	646	646
Park bond construction	-	-	-	264	264
Economic development	-	-	-	1,008	1,008
Open space/trails	-	-	-	253	253
Cultural and historical projects	-	-	-	404	404
Government facilities	-	-	-	179	179
Garden for visually impaired	-	-	-	39	39
Neighborhood stabilization	-	-	-	333	333
Flood control construction	-	-	-	114	114
Total restricted	<u>5,604</u>	<u>28,593</u>	<u>1,340</u>	<u>90,061</u>	<u>125,598</u>
Committed					
Artwork	-	-	-	1,356	1,356
Pool/park repair	-	-	-	169	169
Other	-	-	-	46	46
Total committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,571</u>	<u>1,571</u>
Assigned					
Equipment replacement	1,351	-	-	-	1,351
General government capital projects	2,481	-	-	-	2,481
Bed tax/tourism	1,853	-	-	-	1,853
Airport	-	-	-	28	28
Public safety training facility	-	-	-	709	709
Total assigned	<u>5,685</u>	<u>-</u>	<u>-</u>	<u>737</u>	<u>6,422</u>
Unassigned fund balance					
	<u>43,523</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,523</u>
	<u>\$ 57,745</u>	<u>\$ 28,593</u>	<u>\$ 1,340</u>	<u>\$ 98,389</u>	<u>\$ 186,067</u>

CITY OF GLENDALE, ARIZONA

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(amounts expressed in thousands)

Enterprise Fund Type

Water and Sewer Fund

Restricted for debt service	\$ 16,050
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.	9,621
Restricted for OPEB benefits	49
Restricted for other purposes	<u>7,197</u>
Total restricted for water and sewer	<u>32,917</u>
Other Enterprise Funds	
Restricted for OPEB benefits	<u>26</u>
Total restricted for other enterprise funds	<u>26</u>
Total restricted for enterprise fund types	<u><u>\$ 32,943</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, 2019, 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>
OPEB asset	\$ 1,292	\$ 75	\$ 1,367
Net pension and OPEB liabilities	338,308	30,697	369,005
Deferred outflows of resources to pensions and OPEB	72,903	5,965	78,868
Deferred inflows of resources related to pensions and OPEB	25,779	5,816	31,595
Pension and OPEB expense	36,294	698	36,992

CITY OF GLENDALE, ARIZONA

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(amounts expressed in thousands)

A. Arizona State Retirement System (ASRS)

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

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

	Retirement initial membership date:	
	Before July 1, 2011	On or after July 1, 2011
Years of service and age required to receive benefit	Sum of years, 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 \$100 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

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

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(amounts expressed in thousands)

additional amount to finance any unfunded accrued liability. For the year ended June 30, 2019, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.8 percent (11.64 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 11.8 percent (11.18 percent for retirement, 0.46 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 10.53 percent (10.41 percent for retirement, 0.06 percent for health insurance premium benefit and 0.06 percent for long-term disability) of annual covered payroll of retired members who worked for the City in positions that would typically be filled by an employee who contributes to the ASRS. The City's contributions to the pension, health insurance premium benefit, and long-term disability plans for the year ended June 30, 2019, were \$8,111, \$327, and \$119, respectively.

During fiscal year 2019, the City paid for ASRS pension and OPEB contributions as follows: 63% from the governmental funds and 37% from the enterprise funds.

Liability – At June 30, 2019, 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	96,402
Health insurance premium benefit	(250)
Long-term disability	361

The net asset and net liabilities were measured as of June 30, 2018. 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, 2017, to the measurement date of June 30, 2018. The total liabilities as of June 30, 2018, reflect changes in actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2016, including decreasing the discount rate from 8.00% to 7.50% changing the projected salary increases from 3.00–6.75% to 2.70–7.20%, decreasing the inflation rate from 3.00% to 2.30%, and changing the mortality rates.

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, 2018. The City's proportions measured as of June 30, 2018, and the change from its proportions measured as of June 30, 2017 were:

<u>ASRS</u>	<u>Proportion June 30, 2018</u>	<u>Increase from June 30, 2017</u>
Pension	0.69123%	0.02483
Health insurance premium benefit	0.69452%	0.02394
Long-term disability	0.69218%	0.02544

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.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2019

(amounts expressed in thousands)

Expense - For the year ended June 30, 2019, the City recognized the following pension and OPEB expense:

<u>ASRS</u>	<u>Pension/OPEB expense</u>
Pension	\$ 5,608
Health insurance premium benefit	336
Long-term disability	118

Deferred outflows/inflows of resources - At June 30, 2019 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	\$ 2,656	\$ 532	\$ -	\$ 231	\$ 10	\$ -
Changes of assumptions or other inputs	2,551	8,547	482	-	79	-
Net difference between projected and actual earnings on pension plan investments	-	2,318	-	500	-	35
Changes in proportion and differences between City contributions and proportionate share of contributions	4,707	-	1	-	9	-
City contributions subsequent to the measurement date	8,111	-	327	-	119	-
Total	<u>\$ 18,025</u>	<u>\$ 11,397</u>	<u>\$ 810</u>	<u>\$ 731</u>	<u>\$ 217</u>	<u>\$ 35</u>

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, 2020. 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>	<u>Pension</u>	<u>Health insurance premium benefit</u>	<u>Long-term disability</u>
2020	\$ 3,876	\$ (97)	\$ 2
2021	(803)	(97)	2
2022	(3,517)	(97)	2
2023	(1,039)	10	12
2024	-	33	14
Thereafter	-	-	31

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2019

(amounts expressed in thousands)

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

Actuarial valuation date	June 30, 2017
Actuarial roll forward date	June 30, 2018
Actuarial cost method	Entry age normal
Investment rate of return	7.5%
Projected salary increases	2.7-7.2% for pensions/not applicable for OPEB
Inflation	2.3%
Permanent benefit increase	Included for pensions/not applicable for OPEB
Mortality rates	2017 SRA Scale U-MP for pensions and health insurance
Recovery rates	2012 GLDT for long-term disability
Healthcare cost trend rate	Not applicable

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

The long-term expected rate of return on ASRS plan investments was determined to be 7.50% 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 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
Equity	50%	5.50%
Fixed income	30%	3.83%
Real estate	20%	5.85%
Total	100%	

Discount Rate - At June 30, 2018, the discount rate used to measure the ASRS total pension/OPEB liability was 7.5 percent, which was a decrease of 0.5 from the discount rate used as of June 30, 2017. 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.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2019

(amounts expressed in thousands)

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 7.5 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 (6.5 percent) or 1 percentage point higher (8.5 percent) than the current rate.

ASRS	1% Decrease	Current Discount	1% Increase
	(6.5%)	Rate (7.5%)	(8.5%)
City's proportionate share of the			
Net pension liability	\$ 137,424	\$ 96,402	\$ 62,130
Net insurance premium benefit liability (asset)	886	(250)	(1,218)
Net long-term disability liability	410	361	315

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) or employees who became members on or after July 1, 2017, may participate in the Public Safety Personnel Defined Contribution Retirement Plan (PSPDCRP). 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. City public safety personnel who were PSPRS members before July 1, 2017, participate in the agent plans, and those who became PSPRS members on or after July 1, 2017, participate in the PSPRS Tier 3 plans, which are not further disclosed because of their relative insignificance to the City’s financial statements.

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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CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2019

(amounts expressed in thousands)

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	On or after 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	15 years of credited service, age 52.5* 15 or more years of service, age 55
Final average salary is based on	Highest 36 consecutive months of last 20 years	Highest 60 consecutive months of last 20 years	Highest 60 consecutive months of last 15 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% per year of credited service, not to exceed 80%	
Accidental Disability Retirement	50% or normal retirement, whichever is greater		
Catastrophic Disability Retirement	90% for the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater		
Ordinary Disability Retirement	Normal retirement calculated with actual years of credited service or 20 years of credited service, whichever is greater, multiplied by years of credited service (not to exceed 20 years) divided by 20		
Survivor Benefit			
Retired Members	80% 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		

*With actuarially reduced benefits

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

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 \$100 per month to \$260 per month depending on the age of the member and dependents.

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CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2019

(amounts expressed in thousands)

Employees Covered by Benefit Terms - At June 30, 2019, 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	210	210	94	94
Inactive employees entitled to but not yet receiving benefits	72	34	38	32
Active employees	383	383	215	215
Total	<u>665</u>	<u>627</u>	<u>347</u>	<u>341</u>

Contributions- 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, 2019, 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	7.65%-9.91%	0%-0.20%	43.06%-48.19%	0.20%-0.51%
PSPRS Firefighters	7.65%-10.42%	0%-0.18%	40.48%-45.83%	0.0%-0.18%

The City's contributions to the plans for the year ended June 30, 2019, were:

	Pension	Health insurance premium benefit
PSPRS-Police	\$ 17,614	\$ 186
PSPRS-Fire	9,768	-

During fiscal year 2019, the City paid for PSPRS pension and OPEB contributions 100 percent from the General Fund.

Liability - At June 30, 2019, the City reported the following assets and liabilities:

	Net pension (asset) liability	Net OPEB (asset) liability
PSPRS Police	\$ 175,992	\$ 1,398
PSPRS Firefighters	91,925	(1,117)

The net assets and net liabilities were measured as of June 30, 2018, and the total liability used to calculate the net asset or liability was determined by an actuarial valuation as of that date.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2019

(amounts expressed in thousands)

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

Actuarial valuation date	June 30, 2018
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
Cost-of-living adjustment	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, 2018, 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%
Risk parity	4%	5.00%
Fixed income	5%	1.25%
Real assets	9%	4.52%
Real estate	10%	3.75%
GTS	12%	3.96%
Private equity	12%	5.83%
Non-U.S. equity	14%	8.70%
U.S. equity	16%	7.60%
Private credit	16%	6.75%
Total	100%	

Discount Rate – At June 30, 2018, the discount rate used to measure the PSPRS total pension/OPEB liability was 7.4 percent for Tier 1/2 members, which was the same as the discount rate used as of June 30, 2017. The discount rate used to measure the PSPRS total pension/OPEB liability was 7.0 percent for Tier 3 members. 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.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2019

(amounts expressed in thousands)

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	fiduciary	pension	OPEB	fiduciary	OPEB
	liability	net	liability	liability	net	liability
	(asset)	position	(asset)	(asset)	position	(asset)
	(a)	(b)	(a) - (b)	(a)	(b)	(a) - (b)
Balance at June 30, 2018	\$ 315,850	\$ 142,627	\$ 173,223	\$ 6,399	\$ 5,028	\$ 1,371
Changes for the year:						
Service cost	8,012	-	8,012	102	-	102
Interest on the total liability	23,135	-	23,135	467	-	467
Differences between expected and actual experience in the measurement of the liability	(4,084)	-	(4,084)	(127)	-	(127)
Contributions - employer	-	10,982	(10,982)	-	75	(75)
Contributions - employee	-	3,351	(3,351)	-	1	(1)
Net investment income	-	9,921	(9,921)	-	343	(343)
Benefit payments, including refunds of employee contributions	(14,430)	(14,430)	-	(293)	(293)	-
Administrative expenses	-	(152)	152	-	(5)	5
Other changes	-	192	(192)	-	1	(1)
Net changes	12,633	9,864	2,769	149	122	27
Balance as of June 30, 2019	\$ 328,483	\$ 152,491	\$ 175,992	\$ 6,548	\$ 5,150	\$ 1,398

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2019

(amounts expressed in thousands)

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, 2018	\$ 194,129	\$ 105,514	\$ 88,615	\$ 3,250	\$ 4,334	\$ (1,084)
Changes for the year:						
Service cost	4,963	-	4,963	53	-	53
Interest on the total liability	14,302	-	14,302	238	-	238
Differences between expected and actual experience in the measurement of the liability	(536)	-	(536)	(29)	-	(29)
Contributions - employer	-	6,023	(6,023)	-	-	-
Contributions - employee	-	2,050	(2,050)	-	-	-
Net investment income	-	7,405	(7,405)	-	300	(300)
Benefit payments, including refunds of employee contributions	(6,668)	(6,668)	-	(113)	(113)	-
Administrative expenses	-	(113)	113	-	(4)	4
Other changes	-	54	(54)	-	(1)	1
Net changes	<u>12,061</u>	<u>8,751</u>	<u>3,310</u>	<u>149</u>	<u>182</u>	<u>(33)</u>
Balance as of June 30, 2019	<u>\$ 206,190</u>	<u>\$ 114,265</u>	<u>\$ 91,925</u>	<u>\$ 3,399</u>	<u>\$ 4,516</u>	<u>\$ (1,117)</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 for Tier 1/2 members and the discount rate of 7.0 percent for Tier 3 members, 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 (6.40%/6.00%)	rate (7.40%/7.00%)	1% Increase (8.40%/8.00%)
PSPRS Police			
Net pension liability	\$ 222,895	\$ 175,992	\$ 137,908
Net OPEB liability	2,174	1,398	750
PSPRS Firefighters			
Net pension liability	120,616	91,925	68,508
Net OPEB asset	(700)	(1,117)	(1,464)

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, 2019

(amounts expressed in thousands)

Expense - For the year ended June 30, 2019, the City recognized the following pension and OPEB expense:

	Pension Expense	OPEB Expense (Income)
PSPRS Police	\$ 24,997	\$ 187
PSPRS Firefighters	11,978	(77)

Deferred outflows/inflows of resources - At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

PSPRS - Police

	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	\$ 5,070	\$ 5,194	\$ 136	\$ 107
Changes of assumptions or other inputs	12,536	-	-	231
Net difference between projected and actual earnings on plan investments	1,189	-	-	102
City contributions subsequent to the measurement date	17,614	-	186	-
Total	<u>\$ 36,409</u>	<u>\$ 5,194</u>	<u>\$ 322</u>	<u>\$ 440</u>

PSPRS - Firefighters

	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	\$ 1,051	\$ 2,737	\$ -	\$ 55
Changes of assumptions or other inputs	11,071	-	-	110
Net difference between projected and actual earnings on plan investments	1,195	-	-	88
City contributions subsequent to the measurement date	9,768	-	-	-
Total	<u>\$ 23,085</u>	<u>\$ 2,737</u>	<u>\$ -</u>	<u>\$ 253</u>

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2019

(amounts expressed in thousands)

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, 2020. 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
2020	\$ 7,902	\$ (81)	\$ 3,763	\$ (57)
2021	4,102	(81)	3,106	(57)
2022	1,829	(81)	743	(57)
2023	569	(31)	1,156	(23)
2024	(657)	(19)	1,092	(26)
Thereafter	(144)	(11)	720	(33)

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 100% of the premiums. In order for employees to be eligible for this benefit, they need 5 years of service if they were hired prior to July 1, 2005, and 10 years of service if they were hired after July 1, 2005. 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, 2019, the number of employees covered by the plan totaled 580.

Inactive employees or beneficiaries currently receiving benefits	580
Active employees	-
Total	<u><u>580</u></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

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2019

(amounts expressed in thousands)

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 6.50%, 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.

For June 30, 2019, the last actuarial valuation, the actuarial cost method used is the entry age normal method. A 3.13% pay as you go discount/investment rate was used.

	<u>Discount rate</u>
2016	2.85%
2017	3.43%
2018	3.62%
2019	3.13%

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, 2019
Inflation	2.4%
Salary Increases	3.5% including inflation
Discount rate	3.13%
Mortality rates	
Pre-retirement	Not applicable since plan is closed to new retirees
Post-retirement	PubG.H-2010 and PubS.H-2010 healthy annuitant mortality table, generational with projection scale MP-2018
Health care cost trend rates	5.0%-7.0%

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Change in total OPEB liability

A change in the net OPEB liability was determined by an actuarial valuation as of June 30, 2019. The following table shows the changes in OPEB liability as of June 30, 2019.

Total OPEB Liability balance at June 30, 2018	<u>\$ 6,377</u>
Changes for the Year	
Interest	225
Differences between expected and actual experience	(3,204)
Changes in assumptions or other inputs	(175)
Benefit payments	<u>(296)</u>
Net Changes	<u>(3,450)</u>
Total OPEB Liability balance at June 30, 2019	<u><u>\$ 2,927</u></u>

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

Discount rate sensitivity

The discount rate of 3.13% was used to measure the total OPEB liability. This discount rate is the Fidelity General Obligation AA 20 Year Yield as of June 30, 2019. 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	2.13%	3.13%	4.13%
Total OPEB Liability	\$ 2,990	\$ 2,927	\$ 2,859

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>5.50%</u>	<u>6.50%</u>	<u>7.50%</u>
Total OPEB Liability	\$ 2,903	\$ 2,927	\$ 2,944

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2019

(amounts expressed in thousands)

OPEB expense

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

Interest	\$ 225
Difference between Actual and Expected Experience	(5,842)
Changes in Assumptions/Inputs	<u>(538)</u>
Total FY19 OPEB Expense	<u><u>\$ (6,155)</u></u>

Deferred outflows/inflows of resources

At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB as shown in the following table.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 8,736
Changes of assumptions or other inputs	-	<u>2,072</u>
Total	<u>\$ -</u>	<u>\$ 10,808</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>
2020	\$ (3,001)
2021	(3,001)
2022	(3,001)
2023	(602)
2024	(602)
Thereafter	<u>(601)</u>
	<u><u>\$ (10,808)</u></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, 2019

(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, 2019.

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, 2019	\$ 14,017

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2019

(amounts expressed in thousands)

XX. Implementation of new accounting principles

Governmental Accounting Standards Board Statement No. 83, Certain Asset Retirement Obligations. The scope of this statement addresses accounting and financial reporting for certain asset retirement obligations (ARO). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. This pronouncement did not impact the preparation of these financial statements.

GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements. The objective of this statement is to improve consistency in the information that is disclosed in notes to financial statements related to debt including direct borrowings and direct placements and to provide financial statement users additional information about debt. This statement requires additional essential information related to debt be disclosed in the notes to the financial statements, including unused lines of credit; assets pledged as collateral of debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant acceleration clauses.

XXI. Subsequent events

On December 10, 2019 the Mayor and City Council approved the sale of the Bank of America building for the amount of \$4,670. The closing on the sale of the building was completed on December 31, 2019.

On December 20, 2019 the sale of the “Brown lot” on 91st Avenue in the Westgate Sports and Entertainment District closed for the amount of \$5,023.

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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, 2019

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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	94-95
Schedule of Changes in the City's Net Pension/OPEB (Asset)/Liability and Related Ratios Agent Plans	96-102
Schedule of OPEB Liability-City Plan	103
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Budgetary Comparison Schedule-General Fund	110
Notes to Budgetary Comparison Schedule-General Fund	111-112

CITY OF GLENDALE, ARIZONA

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

Cost-sharing plans

June 30, 2019

(amounts expressed in thousands)

ASRS-Pension	2019 <u>(2018)</u>	2018 <u>(2017)</u>	2017 <u>(2016)</u>
City's proportion of the net pension liability	0.691230%	0.666400%	0.637060%
City's proportionate share of the net pension liability	\$ 96,402	\$ 103,812	\$ 102,830
City's covered payroll	\$ 67,340	\$ 64,059	\$ 58,301
City's proportionate share of the net pension liability as a percentage of its covered payroll	143.16%	162.06%	176.38%
Plan fiduciary net position as a percentage of the total pension liability	73.40%	69.92%	67.06%

	Reporting Fiscal Year (Measurement Date)		
ASRS-Health insurance premium benefit	2019 <u>(2018)</u>	2018 <u>(2017)</u>	2017 - 2010 <u>(2016 - 2009)</u>
City's proportion of the net OPEB (asset)	0.69452%	0.67058%	Information
City's proportionate share of the net OPEB (asset)	\$ (250)	\$ (365)	Not Available
City's covered payroll	\$ 67,340	\$ 64,059	
City's proportionate share of the net OPEB (asset) as a percentage of its covered payroll	(0.37%)	(0.57%)	
Plan fiduciary net position as a percentage of the total OPEB liability	102.20%	103.57%	

	Reporting Fiscal Year (Measurement Date)		
ASRS-Long-term disability	2019 <u>(2018)</u>	2018 <u>(2017)</u>	2017 - 2010 <u>(2016 - 2009)</u>
City's proportion of the net OPEB liability	0.69218%	0.66674%	Information
City's proportionate share of the net OPEB liability	\$ 361	\$ 242	Not Available
City's covered payroll	\$ 67,340	\$ 64,059	
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.54%	0.38%	
Plan fiduciary net position as a percentage of the total OPEB liability	77.83%	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)			
2016 (2015)	2015 (2014)	2014 (2013)	2013 - 2010 (2012 - 2009)
0.605260%	0.619749%	0.656524%	Information
\$ 94,278	\$ 91,702	\$ 109,143	Not Available
\$ 54,853	\$ 54,523	\$ 57,475	
171.87%	168.19%	189.90%	
68.35%	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, 2019

(amounts expressed in thousands)

Public Safety Personnel Retirement System - Police:

Pension

Total pension liability:	<u>2019</u> <u>(2018)</u>	<u>2018</u> <u>(2017)</u>	<u>2017</u> <u>(2016)</u>
Service cost	\$ 8,012	\$ 8,582	\$ 6,644
Interest on the total pension liability	23,135	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	(4,084)	6,973	(3,593)
Changes of assumptions or other inputs	-	8,114	10,446
Benefit payments, including refunds of employee contributions	(14,430)	(13,390)	(11,246)
Net change in total pension liability	<u>12,633</u>	<u>33,833</u>	<u>38,139</u>
Total pension liability - beginning	315,850	282,017	243,876
Total pension liability - ending (a)	<u><u>\$ 328,483</u></u>	<u><u>\$ 315,850</u></u>	<u><u>\$ 282,015</u></u>
Plan fiduciary net position:			
Contributions - employer	\$ 10,982	\$ 13,678	\$ 13,527
Contributions - employee	3,351	4,549	4,299
Net investment income	9,921	15,468	729
Benefit payments, including refunds of employee contributions	(14,430)	(13,390)	(11,246)
Administrative expenses	(152)	(137)	(105)
Other changes	192	50	(2)
Net change in plan fiduciary net position	<u>9,864</u>	<u>20,218</u>	<u>7,202</u>
Plan fiduciary net position - beginning	142,627	122,409	115,207
Plan fiduciary net position - ending (b)	<u><u>\$ 152,491</u></u>	<u><u>\$ 142,627</u></u>	<u><u>\$ 122,409</u></u>
City's net pension liability (asset) - ending (a) - (b)	175,992	173,223	159,606
Plan fiduciary net position as a percentage of the total pension liability	46.42%	45.16%	43.40%
Covered payroll	36,201	37,234	34,196
City's net pension liability (asset) as a percentage of covered payroll	486.15%	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 - 2010 (2013 - 2009)
\$ 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%	

CITY OF GLENDALE, ARIZONA

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

Agent plans

June 30, 2019

(amounts expressed in thousands)

Public Safety Personnel Retirement System - Police:

OPEB

	Reporting fiscal year (measurement date)		
	2019 (2018)	2018 (2017)	2017 - 2010 (2016 - 2009)
Total OPEB Liability:			
Service cost	\$ 102	\$ 119	Information not available
Interest on the total OPEB liability	467	464	
Changes of benefit terms	-	11	
Differences between expected and actual experience in the measurement of the OPEB liability	(127)	211	
Changes of assumptions or other inputs	-	(359)	
Benefit payments, including refunds of employee contributions	(293)	(359)	
Net change in total OPEB liability	149	87	
Total OPEB liability - beginning	6,399	6,312	
Total OPEB liability - ending (a)	<u>\$ 6,548</u>	<u>\$ 6,399</u>	
Plan fiduciary net position:			
Contributions - employer	\$ 75	\$ 202	
Contributions - employee	1	-	
Net investment income	343	541	
Benefit payments	(293)	(359)	
Administrative expenses	(5)	(5)	
Other changes	1	-	
Net change in plan fiduciary net position	122	379	
Plan fiduciary net position - beginning	5,028	4,649	
Plan fiduciary net position - ending (b)	<u>\$ 5,150</u>	<u>\$ 5,028</u>	
City's net OPEB liability (asset) - ending (a) - (b)	1,398	1,371	
Plan fiduciary net position as a percentage of the total OPEB liability	78.65%	78.58%	
Covered payroll	36,201	37,234	
City's net OPEB liability (asset) as a percentage of covered payroll	3.86%	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, 2019

(amounts expressed in thousands)

Public Safety Personnel Retirement System - Fire:

Pension

Total pension liability:	2019 (2018)	2018 (2017)	2017 (2016)
Service cost	\$ 4,963	\$ 5,062	\$ 4,065
Interest on the total pension liability	14,302	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	(536)	787	(2,923)
Changes of assumptions or other inputs	-	5,437	6,345
Benefit payments, including refunds of employee contributions	(6,668)	(7,304)	(8,199)
Net change in total pension liability	12,061	18,151	23,586
Total pension liability - beginning	194,129	175,978	152,392
Total pension liability - ending (a)	<u>\$ 206,190</u>	<u>\$ 194,129</u>	<u>\$ 175,978</u>
Plan fiduciary net position:			
Contributions - employer	\$ 6,023	\$ 6,578	\$ 7,339
Contributions - employee	2,050	2,604	2,649
Net investment income	7,405	11,234	547
Benefit payments, including refunds of employee contributions	(6,668)	(7,304)	(8,199)
Administrative expenses	(113)	(100)	(79)
Other changes	54	1	(232)
Net change in plan fiduciary net position	8,751	13,013	2,025
Plan fiduciary net position - beginning	105,514	92,501	90,476
Plan fiduciary net position - ending (b)	<u>\$ 114,265</u>	<u>\$ 105,514</u>	<u>\$ 92,501</u>
City's net pension liability (asset) - ending (a) - (b)	91,925	88,615	83,477
Plan fiduciary net position as a percentage of the total pension liability	55.42%	54.35%	52.56%
Covered payroll	21,360	20,840	20,296
City's net pension liability (asset) as a percentage of covered payroll	430.36%	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 - 2010 (2013 - 2009)
\$ 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)	-
4,048	10,468
86,428	75,960
<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, 2019

(amounts expressed in thousands)

Public Safety Personnel Retirement System - Fire:

OPEB

	Reporting fiscal year (measurement date)		
	2019 (2018)	2018 (2017)	2017 - 2010 (2016 - 2009)
Total OPEB Liability:			
Service cost	\$ 53	\$ 56	Information not available
Interest on the total OPEB liability	238	243	
Changes of benefit terms	-	3	
Differences between expected and actual experience in the measurement of the OPEB liability	(29)	(39)	
Changes of assumptions or other inputs	-	(145)	
Benefit payments, including refunds of employee contributions	(113)	(153)	
Net change in total OPEB liability	149	(35)	
Total OPEB liability - beginning	3,250	3,285	
Total OPEB liability - ending (a)	<u>\$ 3,399</u>	<u>\$ 3,250</u>	
Plan fiduciary net position:			
Contributions - employer	\$ -	\$ -	
Contributions - employee	-	-	
Net investment income	300	465	
Benefit payments	(113)	(153)	
Administrative expenses	(4)	(4)	
Other changes	(1)	-	
Net change in plan fiduciary net position	182	308	
Plan fiduciary net position - beginning	4,334	4,026	
Plan fiduciary net position - ending (b)	<u>\$ 4,516</u>	<u>\$ 4,334</u>	
City's net OPEB liability (asset) - ending (a) - (b)	(1,117)	(1,084)	
Plan fiduciary net position as a percentage of the total OPEB liability	132.86%	133.36%	
Covered payroll	21,360	20,840	
City's net OPEB liability (asset) as a percentage of covered payroll	-5.23%	-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, 2019
(amounts expressed in thousands)

Total OPEB Liability-City Plan	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>2015 - 2009</u>
Service Cost	\$ -	\$ 3,083	\$ 3,494	\$ 3,376	Information Not Available
Interest	225	2,183	2,311	1,792	
Changes of benefit terms	-	(47,511)	(3,580)	-	
Differences between expected and actual experience	(3,204)	(11,823)	(2,463)	-	
Changes in assumptions or other inputs	(175)	(174)	(2,952)	-	
Benefit payments	(296)	(6)	(237)	(620)	
Net Changes	<u>(3,450)</u>	<u>(54,248)</u>	<u>(3,427)</u>	<u>4,548</u>	
Total OPEB Liability balance at June 30, 2018	<u>\$ 6,377</u>	<u>\$ 60,625</u>	<u>\$ 64,052</u>	<u>\$ 59,504</u>	
Total OPEB Liability balance at June 30, 2019	<u>\$ 2,927</u>	<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	N/A	53.3%	68.2%	
Discount Rate	3.13%	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, 2019
 (amounts expressed in thousands)

	<u>2019</u>	<u>2018</u>	<u>2017</u>
ASRS-Pension:			
Statutorily required contribution	\$ 8,111	\$ 7,414	\$ 7,007
City's contribution in relation to the statutorily required contribution	8,111	7,414	7,007
City's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	<u>\$ 69,407</u>	<u>\$ 67,340</u>	<u>\$ 64,059</u>
City's contributions as a percentage of covered-payroll	11.69%	11.01%	10.94%

	<u>2019</u>	<u>2018</u>	<u>2017</u>
ASRS-Health insurance premium benefit:			
Statutorily required contribution	\$ 327	\$ 385	\$ 361
City's contribution in relation to the statutorily required contribution	327	385	361
City's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	<u>\$ 69,407</u>	<u>\$ 67,340</u>	<u>\$ 64,059</u>
City's contributions as a percentage of covered-payroll	0.47%	0.57%	0.56%

	<u>2019</u>	<u>2018</u>	<u>2017</u>
ASRS-Long-term disability:			
Statutorily required contribution	\$ 119	\$ 96	\$ 91
City's contribution in relation to the statutorily required contribution	119	96	91
City's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	<u>\$ 69,407</u>	<u>\$ 67,340</u>	<u>\$ 64,059</u>
City's contributions as a percentage of covered-payroll	0.17%	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						
2016	2015	2014	2013	2012	2011	2010
\$ 6,472	\$ 6,071	\$ 5,978	\$ 5,971	\$ 5,743	\$ 5,685	\$ 6,479
6,472	6,071	5,978	5,971	5,743	5,685	6,479
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 58,301	\$ 54,853	\$ 54,523	\$ 57,475	\$ 65,443	\$ 65,143	\$ 71,338
11.10%	11.07%	10.96%	10.39%	8.77%	8.73%	9.08%

2016-2010
Information
not available

2016-2010
Information
not available

CITY OF GLENDALE, ARIZONA
Schedule of city pension/OPEB contributions
June 30, 2019
(amounts expressed in thousands)

	2019	2018	2017
PSPRS Police-Pension:			
Actuarially determined contribution	\$ 17,614	\$ 10,982	\$ 13,678
City's contribution in relation to the actuarially determined contribution	17,306	10,828	13,678
City's contribution deficiency (excess)	<u>\$ 308</u>	<u>\$ 154</u>	<u>\$ -</u>
City's covered payroll	\$ 36,383	\$ 36,201	\$ 37,234
City's contributions as a percentage of covered payroll	47.57%	29.91%	36.74%

	Reporting fiscal year		
	2019	2018	2017
PSPRS Police-OPEB:			
Actuarially determined contribution	\$ 186	\$ 75	\$ 202
City's contribution in relation to the actuarially determined contribution	183	135	202
City's contribution deficiency (excess)	<u>\$ 3</u>	<u>\$ (60)</u>	<u>\$ -</u>
City's covered payroll	\$ 36,383	\$ 36,201	\$ 37,234
City's contributions as a percentage of covered payroll	0.50%	0.37%	0.54%

	2019	2018	2017
PSPRS Fire-Pension:			
Actuarially determined contribution	\$ 9,767	\$ 6,023	\$ 6,578
City's contribution in relation to the actuarially determined contribution	9,435	5,607	6,578
City's contribution deficiency (excess)	<u>\$ 332</u>	<u>\$ 416</u>	<u>\$ -</u>
City's covered payroll	\$ 22,868	\$ 21,360	\$ 20,840
City's contributions as a percentage of covered payroll	41.26%	26.25%	31.56%

	Reporting fiscal year		
	2018	2018	2017
PSPRS Fire-OPEB:			
Actuarially determined contribution	\$ -	\$ -	\$ -
City's contribution in relation to the actuarially determined contribution	-	-	-
City's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 22,868	\$ 21,360	\$ 20,840
City's contributions as a percentage of covered payroll	0.00%	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
2016	2015	2014	2013	2012	2011	Information Not Available
\$ 13,527	\$ 9,691	\$ 8,221	\$ 6,787	\$ 5,907	\$ 5,248	
13,527	9,691	8,221	6,787	5,907	5,248	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$ 34,196	\$ 33,350	\$ 31,815	\$ 28,336	\$ 29,356	\$ 27,576	
39.56%	29.06%	25.84%	23.95%	20.12%	19.03%	

2016-2010
Information
not available

	Reporting fiscal year					2010
2016	2015	2014	2013	2012	2011	Information Not Available
\$ 7,339	\$ 4,942	\$ 4,630	\$ 3,454	\$ 2,828	\$ 2,546	
7,339	4,942	4,630	3,454	2,828	2,546	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$ 20,296	\$ 20,570	\$ 19,291	\$ 18,547	\$ 18,406	\$ 16,811	
36.16%	24.03%	24.00%	18.62%	15.36%	15.14%	

2016-2010
Information
not available

CITY OF GLENDALE, ARIZONA

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

June 30, 2019

(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 2017 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 2017 actuarial valuation, the investment rate of return was decreased from 7.50% to 7.40%. In the 2016 actuarial valuation, the investment rate of return was decreased from 7.85% to 7.50%. In the 2013 actuarial valuation, the investment rate of return was decreased from 8.00% to 7.85%. PSPRS members with initial membership on or after July 1, 2017: 7%
Projected Salary Increases	In the 2017 actuarial valuation, projected salary increases were decreased from 4.0%-8.00% to 3.50%-7.50%. 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 2017 actuarial valuation, wage growth was decreased from 4.00% to 3.50%. 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	In the 2017 actuarial valuation, changed to RP-2014 tables, with 75% of MP-2016 fully generational projection scales. 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, 2019

(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 increased 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 and 2019.

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City of Glendale, Arizona
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2019
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Budgetary fund balance, July 1	\$ 47,086	\$ 47,086	\$ 63,889	\$ 16,803
RESOURCES (INFLOWS):				
Taxes	118,507	118,507	121,889	3,382
Licenses and permits	11,010	11,010	12,676	1,666
Intergovernmental	66,425	66,425	65,739	(686)
Charges for services	20,863	20,863	19,930	(933)
Fines and forfeitures	3,409	3,409	2,634	(775)
Investment Income	467	467	749	282
Proceeds from equipment disposal	250	250	171	(79)
Proceeds from land sale	-	-	3,113	3,113
Local revenue	-	-	122	122
Miscellaneous	3,611	3,611	3,181	(430)
Total revenues	<u>224,542</u>	<u>224,542</u>	<u>230,204</u>	<u>5,662</u>
Transfer in	27,530	27,530	27,530	-
Transfer out	(36,039)	(35,330)	(33,664)	1,666
Amounts available for appropriation	<u>263,119</u>	<u>263,828</u>	<u>287,959</u>	<u>24,131</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current:				
General Government	35,436	49,555	49,059	496
Public Safety	137,543	142,620	142,591	29
Public Works	13,778	18,975	17,696	1,279
Community Services	20,433	20,846	20,134	712
Street Maintenance	872	872	851	21
Contingency	2,635	104	-	104
Capital Outlay	7,433	5,529	4,777	752
Total charges to appropriations	<u>218,130</u>	<u>238,501</u>	<u>235,108</u>	<u>3,393</u>
Budgetary fund balances, June 30	<u>\$ 44,989</u>	<u>\$ 25,327</u>	<u>\$ 52,851</u>	<u>\$ 27,524</u>

See the notes to required supplementary information.

CITY OF GLENDALE, ARIZONA

Notes to Required Supplementary Information

June 30, 2019

(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 governmental funds are presented as other supplemental information after the combining statements.

The intent of preparing the Budgetary Comparison Schedule is to provide the reader with a more complete understanding and appreciation for the difference between budgetary revenues and other financing sources and expenditures and other financing uses presented in the Budgetary Comparison Statements and the revenues, expenditures, and other financing sources (uses) reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances, which is prepared in accordance with GAAP.

The major areas of difference are as follows:

1. Under the budgetary basis, the revenues and expenses relating to police and fire sales tax is not included in the general fund. The police and fire sales tax is included in the general fund for the GAAP financial statements.
2. Under the budgetary basis, investment income is recognized on an amortized cost basis. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools" (GASB Statement No. 31), all investment income, including changes in fair value (gains/losses) of investments, are recognized as investment income.
3. Under the budgetary basis, revenues are normally recorded when earned. For GAAP basis, in accordance with GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions" (GASB Statement No. 33), and GASB Statement No. 65, all nonexchange transactions, such as government-mandated nonexchange transactions and voluntary nonexchange transactions, can be accrued only if they are measurable and "available." "Available" has been defined by GASB Statement No. 33 as "collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period." The City has established the availability period as 60 days after the end of the fiscal year. In order to ensure all transactions for the current fiscal year meet this criterion, the City analyzes revenue receipts through August 31 and records adjustments to deferred inflows of resources for transactions that are not collected.
4. Under the budgetary basis, intrafund transfers are recognized as other financing sources (uses). For the GAAP financial statements, intrafund transfers are eliminated to minimize the "grossing-up" of intrafund transfers.
5. Under the budgetary basis, interfund reimbursements or repayments from funds responsible for particular expenditures or expenses to the funds that initially paid for them are recorded as revenues in the payer fund. In accordance with GASB Statement No. 34, an adjustment to eliminate interfund reimbursements is recorded for the GAAP financial statements.
6. In accordance with GAAP, the City has established guidelines for recording expenditure accruals. In order to reasonably ensure that accruals for current fiscal year transactions are materially accurate, the City performs an analysis to identify expenditure accruals for the GAAP financial statements.

CITY OF GLENDALE, ARIZONA

Notes to Required Supplementary Information

June 30, 2019

(amounts expressed in thousands)

II. Budgetary information

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

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

III. Contingency appropriation

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

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



City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

COMBINING STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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City of Glendale, Arizona
Budgetary Comparison Schedule
General Obligation Debt Service Fund
For the Year Ended June 30, 2019
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Budgetary fund balance, July 1	\$ 6,308	\$ 6,308	\$ 4,165	\$ (2,143)
RESOURCES (INFLOWS):				
Taxes	20,071	20,071	20,088	17
Intergovernmental	501	501	505	4
Investment income	-	-	4	4
Miscellaneous	-	-	12	12
Premium on long term debt issued	-	-	1,628	1,628
Total revenues	<u>20,572</u>	<u>20,572</u>	<u>22,237</u>	<u>1,665</u>
Transfer in	-	-	-	-
Amounts available for appropriation	<u>26,880</u>	<u>26,880</u>	<u>26,402</u>	<u>(478)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current:				
General Government	206	206	8	198
Debt service:				
Principal	18,910	18,910	18,910	-
Interest	6,799	6,799	5,460	1,339
Total charges to appropriations	<u>25,915</u>	<u>25,915</u>	<u>24,378</u>	<u>1,537</u>
Budgetary fund balances, June 30	<u>\$ 965</u>	<u>\$ 965</u>	<u>\$ 2,024</u>	<u>\$ 1,059</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Municipal Property Corporation Debt Service Fund
For the Year Ended June 30, 2019
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Budgetary fund balance, July 1	\$ 1,824	\$ 1,824	\$ 3,606	\$ 1,782
RESOURCES (INFLOWS):				
Investment Income	-	-	125	125
Transfer in	15,174	15,174	13,564	(1,610)
Amounts available for appropriation	<u>16,998</u>	<u>16,998</u>	<u>17,295</u>	<u>297</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current:				
General Government	25	25	11	14
Debt service:				
Principal	5,945	5,945	5,945	-
Interest	9,999	9,999	9,999	-
Total charges to appropriations	<u>15,969</u>	<u>15,969</u>	<u>15,955</u>	<u>14</u>
Budgetary fund balances, June 30	<u>\$ 1,029</u>	<u>\$ 1,029</u>	<u>\$ 1,340</u>	<u>\$ 311</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.

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.

Transportation Fund

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

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.

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).

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

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

Permanent Fund

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

Cemetery Perpetual Care Fund

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

City of Glendale, Arizona
Combining Governmental Balance Sheet
Non-Major Governmental Funds
Summary by Fund Type
June 30, 2019
(amounts expressed in thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Total Non-Major Governmental Funds
ASSETS					
Equity in pooled cash and investments	\$ 59,052	\$ 16,744	\$ 30,688	\$ 5,920	\$ 112,404
Receivables, net of allowance for doubtful accounts:					
Accounts	4,328	-	229	67	4,624
Intergovernmental receivable	4,405	-	-	-	4,405
Inventories and prepaid items	100	-	-	-	100
Restricted cash and investments	1,973	1,632	-	-	3,605
Total assets	<u>\$ 69,858</u>	<u>\$ 18,376</u>	<u>\$ 30,917</u>	<u>\$ 5,987</u>	<u>\$ 125,138</u>
LIABILITIES					
Vouchers payable	\$ 1,325	\$ -	\$ 1,901	\$ -	\$ 3,226
Accounts payable	110	1	403	-	514
Retainage payable	-	-	266	-	266
Compensated Absences - current	94	-	-	-	94
Intergovernmental payable	3	-	-	-	3
Due to other funds	406	-	-	-	406
Deposits	66	-	-	-	66
Unearned revenue	4,610	-	22	-	4,632
Matured interest payable	-	6,552	-	-	6,552
Matured bonds payable	-	10,735	-	-	10,735
Total liabilities	<u>6,614</u>	<u>17,288</u>	<u>2,592</u>	<u>-</u>	<u>26,494</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows of Resources-Unavailable Revenue	<u>188</u>	<u>-</u>	<u>-</u>	<u>67</u>	<u>255</u>
FUND BALANCES					
Fund balances:					
Nonspendable	100	-	-	5,920	6,020
Restricted	60,648	1,088	28,325	-	90,061
Committed	1,571	-	-	-	1,571
Assigned	737	-	-	-	737
Total fund balances	<u>63,056</u>	<u>1,088</u>	<u>28,325</u>	<u>5,920</u>	<u>98,389</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 69,858</u>	<u>\$ 18,376</u>	<u>\$ 30,917</u>	<u>\$ 5,987</u>	<u>\$ 125,138</u>

City of Glendale, Arizona
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2019
(amounts expressed in thousands)

	Community Development Block Grants	Highway User Gas Tax	Transportation	Other	Total Non-Major Special Revenue Funds
ASSETS					
Equity in pooled cash and investments	\$ -	\$ 5,510	\$ 49,938	\$ 3,604	\$ 59,052
Receivables, net of allowance for doubtful accounts:					
Accounts	4,054	-	15	259	4,328
Intergovernmental receivable	1,074	1,507	877	947	4,405
Inventories and prepaid items	-	-	100	-	100
Restricted cash and investments	-	-	-	1,973	1,973
Total assets	<u>\$ 5,128</u>	<u>\$ 7,017</u>	<u>\$ 50,930</u>	<u>\$ 6,783</u>	<u>\$ 69,858</u>
LIABILITIES					
Vouchers payable	\$ 192	\$ 277	\$ 445	\$ 411	\$ 1,325
Accounts payable	-	(1)	102	9	110
Compensated Absences - current	2	28	36	28	94
Intergovernmental payable	-	-	-	3	3
Due to other funds	406	-	-	-	406
Deposits	-	-	-	66	66
Unearned revenue	4,054	-	15	541	4,610
Total liabilities	<u>4,654</u>	<u>304</u>	<u>598</u>	<u>1,058</u>	<u>6,614</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows of Resources-Unavailable Revenue	-	-	16	172	188
FUND BALANCES					
Fund balances:					
Nonspendable	-	-	100	-	100
Restricted	474	6,713	50,216	3,245	60,648
Committed	-	-	-	1,571	1,571
Assigned	-	-	-	737	737
Total fund balances	<u>\$ 474</u>	<u>\$ 6,713</u>	<u>\$ 50,316</u>	<u>\$ 5,553</u>	<u>\$ 63,056</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,128</u>	<u>\$ 7,017</u>	<u>\$ 50,930</u>	<u>\$ 6,783</u>	<u>\$ 69,858</u>

City of Glendale, Arizona
Combining Balance Sheet
Non-Major Debt Service Funds
June 30, 2019
(amounts expressed in thousands)

	Highway User	Transportation	Excise Tax Revenue	Total Non-Major Debt Service Funds
ASSETS				
Equity in pooled cash and investments	\$ 43	\$ 6,373	\$ 10,328	\$ 16,744
Receivables, net of allowance for doubtful accounts:				
Restricted cash and investments	-	-	1,632	1,632
Total assets	<u>\$ 43</u>	<u>\$ 6,373</u>	<u>\$ 11,960</u>	<u>\$ 18,376</u>
LIABILITIES				
Accounts payable	-	1	-	1
Matured interest payable	-	1,499	5,053	6,552
Matured bonds payable	-	4,035	6,700	10,735
Total liabilities	<u>-</u>	<u>5,535</u>	<u>11,753</u>	<u>17,288</u>
FUND BALANCES				
Fund balances:				
Restricted	43	838	207	1,088
Total fund balances	<u>\$ 43</u>	<u>\$ 838</u>	<u>\$ 207</u>	<u>\$ 1,088</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 43</u>	 <u>\$ 6,373</u>	 <u>\$ 11,960</u>	 <u>\$ 18,376</u>

City of Glendale, Arizona
Combining Balance Sheet
Non-Major Capital Projects Funds
June 30, 2019
(amounts expressed in thousands)

	Streets Construction	Fire and Police Construction	Parks Bond Construction	Other Construction	Development Impact Fees	Total Non-Major Capital Projects Funds
ASSETS						
Equity in pooled cash and investments	\$ 13,700	\$ 986	\$ 264	\$ 2,010	\$ 13,728	\$ 30,688
Receivables, net of allowance for doubtful accounts:						
Accounts	229	-	-	-	-	229
Total assets	<u>\$ 13,929</u>	<u>\$ 986</u>	<u>\$ 264</u>	<u>\$ 2,010</u>	<u>\$ 13,728</u>	<u>\$ 30,917</u>
LIABILITIES						
Vouchers payable	\$ 1,758	\$ 10	\$ -	\$ 51	\$ 82	\$ 1,901
Accounts payable	-	274	-	-	129	403
Retainage payable	121	56	-	-	89	266
Unearned revenue	22	-	-	-	-	22
Total liabilities	<u>1,901</u>	<u>340</u>	<u>-</u>	<u>51</u>	<u>300</u>	<u>2,592</u>
FUND BALANCES						
Fund balances:						
Restricted	12,028	646	264	1,959	13,428	28,325
Total fund balances	<u>\$ 12,028</u>	<u>\$ 646</u>	<u>\$ 264</u>	<u>\$ 1,959</u>	<u>\$ 13,428</u>	<u>\$ 28,325</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 13,929</u>	<u>\$ 986</u>	<u>\$ 264</u>	<u>\$ 2,010</u>	<u>\$ 13,728</u>	<u>\$ 30,917</u>

City of Glendale, Arizona
Combining Balance Sheet
Non-Major Permanent Fund
 June 30, 2019
 (amounts expressed in thousands)

	<u>Cemetery Perpetual Care</u>
ASSETS	
Equity in pooled cash and investments	\$ 5,920
Receivables, net of allowance for doubtful accounts:	
Accounts	67
Total assets	<u>\$ 5,987</u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows of Resources-Unavailable Revenue	\$ 67
 FUND BALANCES	
Fund balances:	
Nonspendable	<u>5,920</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 5,987</u>

City of Glendale, Arizona
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
Summary by Fund Type
For the Year Ended June 30, 2019
(amounts expressed in thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total Non-Major Governmental Funds
REVENUES					
Taxes and special assessments	\$ 29,231	\$ -	\$ -	\$ -	\$ 29,231
Licenses and permits	450	-	3,224	-	3,674
Intergovernmental	27,440	-	1,889	-	29,329
Local	55	-	-	-	55
Charges for services	814	-	-	-	814
Fines and forfeitures	348	-	-	-	348
Investment Income	977	110	273	110	1,470
Miscellaneous	570	-	662	-	1,232
Total revenues	<u>59,885</u>	<u>110</u>	<u>6,048</u>	<u>110</u>	<u>66,153</u>
EXPENDITURES					
Current:					
General Government	1,023	8	373	-	1,404
Public Works	1,508	-	5	-	1,513
Public Safety	5,621	-	67	-	5,688
Community Services	3,805	-	40	-	3,845
Street Maintenance	24,190	-	9,012	-	33,202
Debt service:					
Principal	1	10,735	4,115	-	14,851
Interest	-	13,104	75	-	13,179
Capital outlay	991	-	19,398	-	20,389
Total expenditures	<u>37,139</u>	<u>23,847</u>	<u>33,085</u>	<u>-</u>	<u>94,071</u>
Excess (deficiency) of revenues over expenditures	<u>22,746</u>	<u>(23,737)</u>	<u>(27,037)</u>	<u>110</u>	<u>(27,918)</u>
OTHER FINANCING SOURCES (USES)					
Long term debt issued	-	-	15,385	-	15,385
Premium on long term debt issued	-	-	355	-	355
Proceeds from equipment disposal	18	-	-	-	18
Transfer in	2,067	23,965	17,143	-	43,175
Transfer out	(24,293)	-	(103)	-	(24,396)
Total other financing sources (uses)	<u>(22,208)</u>	<u>23,965</u>	<u>32,780</u>	<u>-</u>	<u>34,537</u>
Net change in fund balances	538	228	5,743	110	6,619
Fund balances - beginning	62,518	860	22,582	5,810	91,770
Fund balances - ending	<u>\$ 63,056</u>	<u>\$ 1,088</u>	<u>\$ 28,325</u>	<u>\$ 5,920</u>	<u>\$ 98,389</u>

City of Glendale, Arizona

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

Non-Major Special Revenue Funds

For the Year Ended June 30, 2019

(amounts expressed in thousands)

	Community Development Block Grants	Highway User Gas Tax	Transportation	Other	Total Non-Major Special Revenue Funds
REVENUES					
Taxes and special assessments	\$ -	\$ -	\$ 29,231	\$ -	\$ 29,231
Licenses and permits	-	442	-	8	450
Intergovernmental	2,208	16,844	1,711	6,677	27,440
Local	-	-	-	55	55
Charges for services	-	-	141	673	814
Fines and forfeitures	-	6	-	342	348
Investment income	-	-	915	62	977
Miscellaneous	201	140	59	170	570
Total revenues	<u>2,409</u>	<u>17,432</u>	<u>32,057</u>	<u>7,987</u>	<u>59,885</u>
EXPENDITURES					
Current:					
General Government	-	-	-	1,023	1,023
Public Safety	-	-	-	5,621	5,621
Public Works	-	-	-	1,508	1,508
Community Services	2,350	-	-	1,455	3,805
Street Maintenance	5	10,181	14,004	-	24,190
Debt service:					
Principal	1	-	-	-	1
Capital outlay	-	67	-	924	991
Total expenditures	<u>2,356</u>	<u>10,248</u>	<u>14,004</u>	<u>10,531</u>	<u>37,139</u>
Excess (deficiency) of revenues over expenditures	<u>53</u>	<u>7,184</u>	<u>18,053</u>	<u>(2,544)</u>	<u>22,746</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from equipment disposal	-	-	9	9	18
Transfer in	-	-	-	2,067	2,067
Transfer out	-	(7,631)	(16,662)	-	(24,293)
Total other financing sources (uses)	<u>-</u>	<u>(7,631)</u>	<u>(16,653)</u>	<u>2,076</u>	<u>(22,208)</u>
Net change in fund balances	53	(447)	1,400	(468)	538
Fund balances - beginning	421	7,160	48,916	6,021	62,518
Fund balances - ending	<u>\$ 474</u>	<u>\$ 6,713</u>	<u>\$ 50,316</u>	<u>\$ 5,553</u>	<u>\$ 63,056</u>

City of Glendale, Arizona
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Debt Service Funds
For the Year Ended June 30, 2019
(amounts expressed in thousands)

	Highway User	Transportation	Excise Tax Revenue	Total Non-Major Debt Service Funds
REVENUES				
Investment income	\$ -	\$ -	\$ 110	\$ 110
Total revenues	<u>-</u>	<u>-</u>	<u>110</u>	<u>110</u>
EXPENDITURES				
Current:				
General Government	-	2	6	8
Debt service:				
Principal	-	4,035	6,700	10,735
Interest	-	2,999	10,105	13,104
Total expenditures	<u>-</u>	<u>7,036</u>	<u>16,811</u>	<u>23,847</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(7,036)</u>	<u>(16,701)</u>	<u>(23,737)</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	7,150	16,815	23,965
Total other financing sources (uses)	<u>-</u>	<u>7,150</u>	<u>16,815</u>	<u>23,965</u>
Net change in fund balances	-	114	114	228
Fund balances - beginning	43	724	93	860
Fund balances - ending	<u>\$ 43</u>	<u>\$ 838</u>	<u>\$ 207</u>	<u>\$ 1,088</u>

City of Glendale, Arizona

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

Non-Major Capital Projects Funds

For the Year Ended June 30, 2019

(amounts expressed in thousands)

	Streets Construction	Fire and Police Construction	Parks Bond Construction	Other Construction	Development Impact Fees	Total Non-Major Capital Projects Funds
REVENUES						
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ 3,224	\$ 3,224
Intergovernmental	1,639	-	-	250	-	1,889
Investment income	2	-	-	-	271	273
Miscellaneous	662	-	-	-	-	662
Total revenues	<u>2,303</u>	<u>-</u>	<u>-</u>	<u>250</u>	<u>3,495</u>	<u>6,048</u>
EXPENDITURES						
Current:						
General Government	-	3	-	109	261	373
Public Safety	-	67	-	-	-	67
Public Works	-	-	-	5	-	5
Community Services	-	-	4	5	31	40
Street Maintenance	8,976	-	-	-	36	9,012
Debt service:						
Principal	1,838	2,277	-	-	-	4,115
Interest	-	75	-	-	-	75
Capital outlay	11,197	1,275	150	1,129	5,647	19,398
Total expenditures	<u>22,011</u>	<u>3,697</u>	<u>154</u>	<u>1,248</u>	<u>5,975</u>	<u>33,085</u>
Excess (deficiency) of revenues over expenditures	<u>(19,708)</u>	<u>(3,697)</u>	<u>(154)</u>	<u>(998)</u>	<u>(2,480)</u>	<u>(27,037)</u>
OTHER FINANCING SOURCES (USES)						
Long term debt issued	9,276	4,896	297	916	-	15,385
Premium on long term debt issued	214	113	7	21	-	355
Transfer in	17,143	-	-	-	-	17,143
Transfer out	(79)	(13)	(1)	(10)	-	(103)
Total other financing sources (uses)	<u>26,554</u>	<u>4,996</u>	<u>303</u>	<u>927</u>	<u>-</u>	<u>32,780</u>
Net change in fund balances	6,846	1,299	149	(71)	(2,480)	5,743
Fund balances - beginning	5,182	(653)	115	2,030	15,908	22,582
Fund balances - ending	<u>\$ 12,028</u>	<u>\$ 646</u>	<u>\$ 264</u>	<u>\$ 1,959</u>	<u>\$ 13,428</u>	<u>\$ 28,325</u>

City of Glendale, Arizona

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

Non-Major Permanent Fund

For the Year Ended June 30, 2019

(amounts expressed in thousands)

	<u>Cemetery</u>
REVENUES	
Investment Income	\$ 110
Total revenues	<u>110</u>
Net change in fund balances	110
Fund balances - beginning	<u>5,810</u>
Fund balances - ending	<u><u>\$ 5,920</u></u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Police and Fire Sales Tax Fund
For the Year Ended June 30, 2019
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Budgetary fund balance, July 1	\$ 5,921	\$ 5,921	\$ 6,150	\$ 229
RESOURCES (INFLOWS):				
Taxes	26,160	26,160	26,874	714
Total revenues	26,160	26,160	26,874	714
Transfer out	(27,530)	(27,530)	(27,530)	-
Amounts available for appropriation	4,551	4,551	5,494	943
 Budgetary fund balances, June 30	 \$ 4,551	 \$ 4,551	 \$ 5,494	 \$ 943

City of Glendale, Arizona
Budgetary Comparison Schedule
Community Development Block Grants Fund
For the Year Ended June 30, 2019
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Budgetary fund balance, July 1	\$ 262	\$ 262	\$ 424	\$ 162
RESOURCES (INFLOWS):				
Intergovernmental	6,341	6,341	2,208	(4,133)
Miscellaneous	142	142	203	61
Total revenues	<u>6,483</u>	<u>6,483</u>	<u>2,411</u>	<u>(4,072)</u>
Transfer in	-	-	-	-
Amounts available for appropriation	<u>6,745</u>	<u>6,745</u>	<u>2,835</u>	<u>(3,910)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current:				
Community Services	2,231	2,231	2,350	(119)
Street Maintenance	4,146	4,146	7	4,139
Debt service:				
Principal	3	3	1	2
Interest	1	1	-	1
Total charges to appropriations	<u>6,381</u>	<u>6,381</u>	<u>2,358</u>	<u>4,023</u>
Budgetary fund balances, June 30	<u>\$ 364</u>	<u>\$ 364</u>	<u>\$ 477</u>	<u>\$ 113</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Highway User Gas Tax Fund
For the Year Ended June 30, 2019
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Budgetary fund balance, July 1	\$ 15,646	\$ 15,646	\$ 7,356	\$ (8,290)
RESOURCES (INFLOWS):				
Licenses and permits	-	-	442	442
Intergovernmental	15,760	15,760	16,844	1,084
Fines and forfeitures	-	-	6	6
Miscellaneous	8	8	139	131
Total revenues	<u>15,768</u>	<u>15,768</u>	<u>17,431</u>	<u>1,663</u>
Transfer out	<u>(13,750)</u>	<u>(13,750)</u>	<u>(7,631)</u>	<u>6,119</u>
Amounts available for appropriation	<u>17,664</u>	<u>17,664</u>	<u>17,156</u>	<u>(508)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current:				
Street Maintenance	10,519	10,452	10,295	157
Contingency	720	20	-	20
Capital Outlay	-	67	67	-
Total charges to appropriations	<u>11,239</u>	<u>10,539</u>	<u>10,362</u>	<u>177</u>
Budgetary fund balances, June 30	<u>\$ 6,425</u>	<u>\$ 7,125</u>	<u>\$ 6,794</u>	<u>\$ (331)</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Transportation Fund
For the Year Ended June 30, 2019
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Budgetary fund balance, July 1	\$ 33,714	\$ 33,714	\$ 48,885	\$ 15,171
RESOURCES (INFLOWS):				
Taxes	27,097	27,097	29,245	2,148
Intergovernmental	1,000	1,000	1,711	711
Charges for services	124	124	141	17
Investment income	200	200	915	715
Miscellaneous	218	218	59	(159)
Total revenues	<u>28,639</u>	<u>28,639</u>	<u>32,071</u>	<u>3,432</u>
Transfer out	<u>(22,910)</u>	<u>(22,910)</u>	<u>(16,662)</u>	<u>6,248</u>
Amounts available for appropriation	<u>39,443</u>	<u>39,443</u>	<u>64,294</u>	<u>24,851</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current:				
Street Maintenance	13,982	14,067	14,078	(11)
Miscellaneous	-	-	9	9
Contingency	2,100	-	-	-
Capital Outlay	553	1,235	-	1,235
Total charges to appropriations	<u>16,635</u>	<u>15,302</u>	<u>14,087</u>	<u>1,233</u>
Budgetary fund balances, June 30	<u>\$ 22,808</u>	<u>\$ 24,141</u>	<u>\$ 50,207</u>	<u>\$ 26,084</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Other Special Revenue Fund
For the Year Ended June 30, 2019
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Budgetary fund balance, July 1	\$ 5,834	\$ 5,834	\$ 5,383	\$ (451)
RESOURCES (INFLOWS):				
Licenses and permits	6	6	8	2
Intergovernmental	10,083	10,083	6,453	(3,630)
Charges for services	570	570	673	103
Fines and forfeitures	417	417	342	(75)
Investment income	7	7	62	55
Local revenue	50	50	55	5
Miscellaneous	15,652	15,652	202	(15,450)
Total revenues	<u>26,785</u>	<u>26,785</u>	<u>7,795</u>	<u>(18,990)</u>
Transfer in	<u>2,011</u>	<u>2,011</u>	<u>2,067</u>	<u>56</u>
Amounts available for appropriation	<u>34,630</u>	<u>34,630</u>	<u>15,245</u>	<u>(19,385)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current:				
General Government	1,801	2,135	1,031	1,104
Public Safety	9,380	11,294	5,651	5,643
Public Works	1,405	1,478	1,516	(38)
Community Services	1,561	2,107	1,468	639
Street Maintenance	344	536	-	536
Contingency	9,430	368	-	368
Capital Outlay	6,861	6,863	924	5,939
Total charges to appropriations	<u>30,782</u>	<u>24,781</u>	<u>10,590</u>	<u>14,191</u>
Budgetary fund balances, June 30	<u>\$ 3,848</u>	<u>\$ 9,849</u>	<u>\$ 4,655</u>	<u>\$ (5,194)</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Highway User Debt Service Fund
For the Year Ended June 30, 2019
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
Budgetary fund balance, July 1	\$ -	\$ -	\$ 43	\$ 43
RESOURCES (INFLOWS):				
Total revenues	-	-	-	-
Transfer in	-	-	-	-
Amounts available for appropriation	-	-	43	43
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current:				
Debt service:				
Total charges to appropriations	-	-	-	-
Budgetary fund balances, June 30	\$ -	\$ -	\$ 43	\$ 43

City of Glendale, Arizona
Budgetary Comparison Schedule
Transportation Debt Service Fund
For the Year Ended June 30, 2019
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Budgetary fund balance, July 1	\$ 189	\$ 189	\$ 724	\$ 535
RESOURCES (INFLOWS):				
Total revenues	-	-	-	-
Transfer in	7,150	7,150	7,150	-
Amounts available for appropriation	7,339	7,339	7,874	535
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current:				
General Government	10	10	2	8
Debt service:				
Principal	4,035	4,035	4,035	-
Interest	2,999	2,999	2,999	-
Total charges to appropriations	7,044	7,044	7,036	8
Budgetary fund balances, June 30	\$ 295	\$ 295	\$ 838	\$ 543

City of Glendale, Arizona
Budgetary Comparison Schedule
Excise Tax Revenue Debt Service Fund
For the Year Ended June 30, 2019
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Budgetary fund balance, July 1	\$ 23	\$ 23	\$ 92	\$ 69
RESOURCES (INFLOWS):				
Investment income	-	-	110	110
Total revenues	-	-	110	110
Transfer in	16,815	16,815	16,815	-
Amounts available for appropriation	16,838	16,838	17,017	179
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current:				
General Government	15	15	6	9
Debt service:				
Principal	6,700	6,700	6,700	-
Interest	10,105	10,105	10,105	-
Total charges to appropriations	16,820	16,820	16,811	9
Budgetary fund balances, June 30	\$ 18	\$ 18	\$ 206	\$ 188

City of Glendale, Arizona
Budgetary Comparison Schedule
Streets Construction Fund
For the Year Ended June 30, 2019
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Budgetary fund balance, July 1	\$ 11,600	\$ 11,600	\$ 5,122	\$ (6,478)
RESOURCES (INFLOWS):				
Intergovernmental	-	-	1,639	1,639
Investment income	-	-	2	2
Miscellaneous	-	-	662	662
Premium on long term debt issued	-	-	214	214
Long term debt issued	9,318	9,318	9,276	(42)
Total revenues	<u>9,318</u>	<u>9,318</u>	<u>11,793</u>	<u>2,475</u>
Transfer in	29,509	29,509	17,143	(12,366)
Transfer out	-	-	(79)	(79)
Amounts available for appropriation	<u>50,427</u>	<u>50,427</u>	<u>33,979</u>	<u>(16,448)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current:				
Street Maintenance	1,550	9,384	8,976	408
Capital Outlay	48,877	28,586	13,035	15,551
Total charges to appropriations	<u>50,427</u>	<u>37,970</u>	<u>22,011</u>	<u>15,959</u>
Budgetary fund balances, June 30	<u>\$ -</u>	<u>\$ 12,457</u>	<u>\$ 11,968</u>	<u>\$ (489)</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Fire and Police Construction Fund
For the Year Ended June 30, 2019
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Budgetary fund balance, July 1	\$ (655)	\$ (655)	\$ (654)	\$ 1
RESOURCES (INFLOWS):				
Premium on long term debt issued	-	-	113	113
Long term debt issued	4,703	4,703	4,896	193
Total revenues	4,703	4,703	5,009	306
Transfer out	-	-	(13)	(13)
Amounts available for appropriation	4,048	4,048	4,342	294
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current:				
General Government	-	-	3	(3)
Public Safety	-	2,351	67	2,284
Contingency	259	259	-	259
Capital Outlay	3,789	1,674	3,626	(1,952)
Total charges to appropriations	4,048	4,284	3,696	588
Budgetary fund balances, June 30	\$ -	\$ (236)	\$ 646	\$ 882

City of Glendale, Arizona
Budgetary Comparison Schedule
Parks Bond Construction Fund
For the Year Ended June 30, 2019
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Budgetary fund balance, July 1	\$ 121	\$ 121	\$ 115	\$ (6)
RESOURCES (INFLOWS):				
Premium on long term debt issued	-	-	7	7
Long term debt issued	50	50	297	247
Total revenues	50	50	304	254
Transfer in	-	-	-	-
Transfer out	-	-	(1)	(1)
Amounts available for appropriation	171	171	418	247
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current:				
Community Services	-	-	4	(4)
Capital Outlay	171	465	150	315
Total charges to appropriations	171	465	154	311
Budgetary fund balances, June 30	\$ -	\$ (294)	\$ 264	\$ 558

City of Glendale, Arizona
Budgetary Comparison Schedule
Other Construction Fund
For the Year Ended June 30, 2019
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Budgetary fund balance, July 1	\$ 1,264	\$ 1,264	\$ 2,031	\$ 767
RESOURCES (INFLOWS):				
Intergovernmental	-	-	250	250
Premium on long term debt issued	-	-	21	21
Long term debt issued	3,005	3,005	916	(2,089)
Total revenues	<u>3,005</u>	<u>3,005</u>	<u>1,187</u>	<u>(1,818)</u>
Transfer out	-	-	(10)	(10)
Amounts available for appropriation	<u>4,269</u>	<u>4,269</u>	<u>3,208</u>	<u>(1,061)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current:				
General Government	-	-	109	(109)
Public Works	-	106	5	101
Community Services	-	-	5	(5)
Street Maintenance	36	36	-	36
Contingency	1,515	490	-	490
Capital Outlay	2,718	2,281	1,129	1,152
Total charges to appropriations	<u>4,269</u>	<u>2,913</u>	<u>1,248</u>	<u>1,665</u>
Budgetary fund balances, June 30	<u>\$ -</u>	<u>\$ 1,356</u>	<u>\$ 1,960</u>	<u>\$ 604</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Development Impact Fees Fund
For the Year Ended June 30, 2019
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Budgetary fund balance, July 1	\$ 16,781	\$ 16,781	\$ 15,907	\$ (874)
RESOURCES (INFLOWS):				
Licenses and permits	1,304	1,304	3,224	1,920
Investment income	68	68	271	203
Total revenues	<u>1,372</u>	<u>1,372</u>	<u>3,495</u>	<u>2,123</u>
Amounts available for appropriation	<u>18,153</u>	<u>18,153</u>	<u>19,402</u>	<u>1,249</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current:				
General Government	-	440	260	180
Public Safety	-	16	-	16
Community Services	-	377	31	346
Street Maintenance	-	36	36	-
Contingency	9,611	9,611	-	9,611
Capital Outlay	8,542	7,080	5,647	1,433
Total charges to appropriations	<u>18,153</u>	<u>17,560</u>	<u>5,974</u>	<u>11,586</u>
Budgetary fund balances, June 30	<u>\$ -</u>	<u>\$ 593</u>	<u>\$ 13,428</u>	<u>\$ 12,835</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Cemetery Perpetual Care Fund
For the Year Ended June 30, 2019
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Budgetary fund balance, July 1	\$ 5,789	\$ 5,789	\$ 5,810	\$ 21
RESOURCES (INFLOWS):				
Investment income	26	26	110	84
Total revenues	26	26	110	84
Amounts available for appropriation	5,815	5,815	5,920	105
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current:				
Contingency	5,815	5,815	-	5,815
Total charges to appropriations	5,815	5,815	-	5,815
Budgetary fund balances, June 30	\$ -	\$ -	\$ 5,920	\$ 5,920

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, 2019
(amounts expressed in thousands)

	Landfill	Solid Waste	Housing	Total Non-Major Enterprise funds
ASSETS				
Current assets:				
Equity in pooled cash and investments	\$ 6,311	\$ -	\$ 2,560	\$ 8,871
Receivables:				
Accounts	771	2,745	12	3,528
Allowance for uncollectibles	(7)	(543)	(7)	(557)
Intergovernmental receivable	-	-	101	101
Inventories and prepaid items	-	-	18	18
Total current assets	<u>7,075</u>	<u>2,202</u>	<u>2,684</u>	<u>11,961</u>
Noncurrent assets:				
OPEB assets	8	14	4	26
Capital assets:				
Capital assets	36,219	16,529	15,001	67,749
Accumulated depreciation	(15,919)	(10,186)	(10,875)	(36,980)
Capital assets, net	<u>20,300</u>	<u>6,343</u>	<u>4,126</u>	<u>30,769</u>
Total noncurrent assets	<u>20,308</u>	<u>6,357</u>	<u>4,130</u>	<u>30,795</u>
Total assets	<u>27,383</u>	<u>8,559</u>	<u>6,814</u>	<u>42,756</u>
DEFERRED OUTFLOWS OF RESOURCES				
Debit amounts related to pensions and OPEB	687	1,040	318	2,045
Total deferred outflows of resources	<u>687</u>	<u>1,040</u>	<u>318</u>	<u>2,045</u>
Total assets and deferred outflows of resources	<u>\$ 28,070</u>	<u>\$ 9,599</u>	<u>\$ 7,132</u>	<u>\$ 44,801</u>
LIABILITIES				
Current liabilities:				
Vouchers payable	258	441	-	699
Accounts payable	-	-	24	24
Compensated absences	352	291	18	661
Due to other funds	-	729	-	729
Deposits	138	99	48	285
Unearned revenue	-	-	5	5
Total current liabilities	<u>748</u>	<u>1,560</u>	<u>95</u>	<u>2,403</u>
Noncurrent liabilities:				
Compensated absences	231	145	164	540
Net pension & OPEB liability	3,679	5,667	1,765	11,111
Other long term debt	-	-	36	36
Estimated closure and post closure costs	15,778	-	-	15,778
Total noncurrent liabilities	<u>19,688</u>	<u>5,812</u>	<u>1,965</u>	<u>27,465</u>
Total liabilities	<u>20,436</u>	<u>7,372</u>	<u>2,060</u>	<u>29,868</u>
DEFERRED INFLOWS OF RESOURCES				
Credit amounts related to pensions and OPEB	600	1,111	339	2,050
Total deferred inflows of resources	<u>600</u>	<u>1,111</u>	<u>339</u>	<u>2,050</u>
Total liabilities and deferred inflows of resources	<u>21,036</u>	<u>8,483</u>	<u>2,399</u>	<u>31,918</u>
NET POSITION				
Net investment in capital assets	20,300	6,343	4,126	30,769
Restricted for:				
OPEB benefits	8	14	4	26
Unrestricted	(13,274)	(5,241)	603	(17,912)
Total net position	<u>\$ 7,034</u>	<u>\$ 1,116</u>	<u>\$ 4,733</u>	<u>\$ 12,883</u>

City of Glendale, Arizona

**Combining Statement of Revenues, Expenditures, and Changes in Net Position
Non-Major Proprietary Funds-Business-Type Activities**

For the Year Ended June 30, 2019

(amounts expressed in thousands)

	Landfill	Solid Waste	Housing	Total Non-Major Enterprise Funds
OPERATING REVENUES				
Intergovernmental	\$ -	\$ -	\$ 8,859	\$ 8,859
Container service	-	4,138	-	4,138
Curb service	-	13,830	-	13,830
Landfill user fees	8,881	-	-	8,881
Recycling sales	750	-	-	750
Other fees	128	1	3,507	3,636
Total operating revenues	<u>9,759</u>	<u>17,969</u>	<u>12,366</u>	<u>40,094</u>
OPERATING EXPENSES				
Landfill	8,255	-	-	8,255
Housing	-	-	12,673	12,673
Closure/post-closure care adjustment	543	-	-	543
Solid Waste	-	16,060	-	16,060
Amortization and depreciation	1,146	1,236	266	2,648
Total operating expenses	<u>9,944</u>	<u>17,296</u>	<u>12,939</u>	<u>40,179</u>
Operating income (loss)	<u>(185)</u>	<u>673</u>	<u>(573)</u>	<u>(85)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	107	20	23	150
Gain/(loss) on disposal of assets	37	111	-	148
Total nonoperating revenues (expenses)	<u>144</u>	<u>131</u>	<u>23</u>	<u>298</u>
Income (loss) before contributions and transfers	(41)	804	(550)	213
Capital contributions	-	-	167	167
Transfer in	687	131	387	1,205
Transfer out	(23)	-	-	(23)
Change in net position	<u>623</u>	<u>935</u>	<u>4</u>	<u>1,562</u>
Total net position - beginning	6,411	181	4,729	11,321
Total net position - ending	<u>\$ 7,034</u>	<u>\$ 1,116</u>	<u>\$ 4,733</u>	<u>\$ 12,883</u>

City of Glendale, Arizona
Combining Statement of Cash Flows
Non-Major Proprietary Funds - Business-Type Activities
For the Fiscal Year Ended June 30, 2019
(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	\$ 9,621	\$ 17,753	\$ 3,525	\$ 30,899
Cash received from federal operating grants	-	-	8,770	8,770
Cash paid to suppliers:				
Internal city departments	(1,633)	(9,229)	-	(10,862)
External vendors	(4,093)	(1,152)	(11,596)	(16,841)
Cash paid to employees for services	(3,366)	(5,799)	(1,211)	(10,376)
Net cash provided (used) by operating activities	<u>529</u>	<u>1,573</u>	<u>(512)</u>	<u>1,590</u>
Cash flows from noncapital financing activities:				
Transfers in	687	131	387	1,205
Transfers out	(23)	-	-	(23)
Due to / from other funds	-	729	-	729
Net cash provided by noncapital financing activities	<u>664</u>	<u>860</u>	<u>387</u>	<u>1,911</u>
Cash flows from capital and related financing activities:				
Proceeds from sale of capital assets		111	-	111
Acquisition of capital assets and rights	(3,005)	(3,180)	(6)	(6,191)
Net cash used by capital and related financing activities	<u>(3,005)</u>	<u>(3,069)</u>	<u>(6)</u>	<u>(6,080)</u>
Cash flows from investing activities:				
Interest received from investments	107	20	23	150
Net cash provided by investing activities	<u>107</u>	<u>20</u>	<u>23</u>	<u>150</u>
Net increase (decrease) in cash and cash equivalents during fiscal year	(1,705)	(616)	(108)	(2,429)
Cash and cash equivalents, July 1	8,016	616	2,668	11,300
Cash and cash equivalents, June 30	<u>\$ 6,311</u>	<u>\$ -</u>	<u>\$ 2,560</u>	<u>\$ 8,871</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)	\$ (185)	\$ 673	\$ (573)	\$ (85)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operations:				
Amortization and depreciation	1,146	1,236	266	2,648
Changes in assets and liabilities:				
Accounts receivable	(134)	(211)	(5)	(350)
Intergovernmental receivable	-	-	(79)	(79)
OPEB asset	4	6	1	11
Pension and OPEB liability	(292)	(549)	(141)	(982)
Deferred outflows related to pensions and OPEB	(22)	(38)	(9)	(69)
Deferred inflows related to pensions and OPEB	133	199	40	372
Inventories and prepaid items	-	-	2	2
Vouchers and accounts payable	(759)	324	(9)	(444)
Intergovernmental payable	-	-	(10)	(10)
Other long term liabilities	-	-	7	7
Deposits	(4)	(10)	1	(13)
Unearned rent	-	-	(5)	(5)
Compensated absences	99	(57)	2	44
Estimated closure and post-closure costs	543	-	-	543
Net cash provided by (used) operating activities	<u>\$ 529</u>	<u>\$ 1,573</u>	<u>\$ (512)</u>	<u>\$ 1,590</u>
Reconciliation of statement of net position				
cash and investments to the				
statement of cash flows:				
Per combining statement of net position:				
Equity in pooled cash and investments	<u>\$ 6,311</u>	<u>\$ -</u>	<u>\$ 2,560</u>	<u>\$ 8,871</u>
Total cash and cash equivalents	<u>\$ 6,311</u>	<u>\$ -</u>	<u>\$ 2,560</u>	<u>\$ 8,871</u>
Noncash investing, capital,				
and financing activities:				
Contributions of capital assets	\$ -	\$ -	\$ 167	\$ 167

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City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

INTERNAL SERVICE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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INTERNAL SERVICE FUNDS

Risk Management Fund

This fund accounts for potential torts, and loss and destruction of assets. The City's risk management fund purchases excess and commercial insurance.

Workers' Compensation Fund

This fund accounts for work-related injuries to employees. The workers' compensation fund provides statutory coverage for each injured workers' compensation claim.

Employee Benefits Trust Fund

This fund accounts for reserves to meet future cost increases for health-related insurance.

Fleet Services Fund

This fund is used to track income and expenses of the internal services provided to city departments. The fund specifically covers vehicle maintenance needs and fuel purchased for city vehicles.

Technology Fund

This fund accounts for the support all the city's computers and hardware and software needs, including both the everyday operations and the replacement of equipment.

City of Glendale, Arizona
Combining Statement of Net Position
Internal Service Funds
June 30, 2019
(amounts expressed in thousands)

	<u>Risk Management</u>	<u>Workers' Compensation</u>	<u>Employee Benefits</u>	<u>Fleet Services</u>	<u>Technology</u>	<u>Total Internal Service Funds</u>
ASSETS						
Current assets:						
Equity in pooled cash and investments	\$ 4,877	\$ 7,438	\$ 7,693	\$ 216	\$ 7,793	\$ 28,017
Receivables:						
Intergovernmental receivable	-	-	-	9	-	9
Inventories and prepaid items	10	-	46	63	-	119
Total current assets	<u>4,887</u>	<u>7,438</u>	<u>7,739</u>	<u>288</u>	<u>7,793</u>	<u>28,145</u>
Noncurrent assets:						
Restricted deposits	-	150	1,425	-	-	1,575
OPEB assets	1	-	-	6	9	16
Capital assets:						
Capital assets	-	-	-	765	5,201	5,966
Accumulated depreciation	-	-	-	(699)	(3,507)	(4,206)
Capital assets, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>66</u>	<u>1,694</u>	<u>1,760</u>
Total noncurrent assets	<u>1</u>	<u>150</u>	<u>1,425</u>	<u>72</u>	<u>1,703</u>	<u>3,351</u>
Total assets	<u>4,888</u>	<u>7,588</u>	<u>9,164</u>	<u>360</u>	<u>9,496</u>	<u>31,496</u>
DEFERRED OUTFLOWS OF RESOURCES						
Debit amounts related to pensions and OPEB	<u>65</u>	<u>28</u>	<u>-</u>	<u>945</u>	<u>801</u>	<u>1,839</u>
LIABILITIES						
Current liabilities:						
Vouchers payable	155	127	2,104	151	63	2,600
Accounts payable	-	-	-	35	58	93
Compensated absences	30	29	-	232	327	618
Estimated claims payable	4,404	6,852	3,744	-	-	15,000
Total current liabilities	<u>4,589</u>	<u>7,008</u>	<u>5,848</u>	<u>418</u>	<u>448</u>	<u>18,311</u>
Noncurrent liabilities:						
Compensated absences	13	20	-	163	211	407
Net pension liability	29	1	-	2,635	313	2,978
Net OPEB liability	12	7	-	129	129	277
Total noncurrent liabilities	<u>54</u>	<u>28</u>	<u>-</u>	<u>2,927</u>	<u>653</u>	<u>3,662</u>
Total liabilities	<u>4,643</u>	<u>7,036</u>	<u>5,848</u>	<u>3,345</u>	<u>1,101</u>	<u>21,973</u>
DEFERRED INFLOWS OF RESOURCES						
Credit amounts related to pensions and OPEB	<u>34</u>	<u>19</u>	<u>-</u>	<u>926</u>	<u>463</u>	<u>1,442</u>
NET POSITION						
Net investment in capital assets	-	-	-	66	1,694	1,760
Restricted for:						
OPEB benefits	1	-	-	6	9	16
Unrestricted	<u>275</u>	<u>561</u>	<u>3,316</u>	<u>(3,038)</u>	<u>7,030</u>	<u>8,144</u>
Total net position	<u>\$ 276</u>	<u>\$ 561</u>	<u>\$ 3,316</u>	<u>\$ (2,966)</u>	<u>\$ 8,733</u>	<u>\$ 9,920</u>

City of Glendale, Arizona

Combining Statement of Revenues, Expenditures, and Changes in Net Position

Internal Service Funds

For the Year Ended June 30, 2019

(amounts expressed in thousands)

	Risk Management	Workers' Compensation	Employee Benefits	Fleet Services	Technology	Total Internal Service Funds
OPERATING REVENUES						
Self insurance premium	\$ 3,774	\$ 2,000	\$ 30,907	\$ -	\$ -	\$ 36,681
Charges for services	-	-	-	9,390	11,029	20,419
Other fees	168	1	-	-	12	181
Total operating revenues	<u>3,942</u>	<u>2,001</u>	<u>30,907</u>	<u>9,390</u>	<u>11,041</u>	<u>57,281</u>
OPERATING EXPENSES						
Administrative and general	1,571	676	122	9,230	9,192	20,791
Insurance claims and premiums	3,232	2,358	28,648	-	-	34,238
Amortization and depreciation	-	-	-	14	673	687
Total operating expenses	<u>4,803</u>	<u>3,034</u>	<u>28,770</u>	<u>9,244</u>	<u>9,865</u>	<u>55,716</u>
Operating income (loss)	<u>(861)</u>	<u>(1,033)</u>	<u>2,137</u>	<u>146</u>	<u>1,176</u>	<u>1,565</u>
NONOPERATING REVENUES (EXPENSES)						
Investment Income	83	151	149	-	49	432
Gain/(loss) on disposal of assets	-	-	-	-	(21)	(21)
Miscellaneous	-	-	-	12	-	12
Total nonoperating revenues (expenses)	<u>83</u>	<u>151</u>	<u>149</u>	<u>12</u>	<u>28</u>	<u>423</u>
Change in net position	<u>(778)</u>	<u>(882)</u>	<u>2,286</u>	<u>158</u>	<u>1,204</u>	<u>1,988</u>
Total net position - beginning	<u>1,054</u>	<u>1,443</u>	<u>1,030</u>	<u>(3,124)</u>	<u>7,529</u>	<u>7,932</u>
Total net position - ending	<u>\$ 276</u>	<u>\$ 561</u>	<u>\$ 3,316</u>	<u>\$ (2,966)</u>	<u>\$ 8,733</u>	<u>\$ 9,920</u>

City of Glendale, Arizona
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2019
(amounts expressed in thousands)

	Risk Management	Workers' Compensation	Employee Benefits	Fleet Services	Technology	Total
Cash flows from operating activities:						
Cash received from customers	\$ 3,941	\$ 2,002	\$ 30,906	\$ 9,390	\$ 11,041	\$ 57,280
Cash paid to suppliers:						
Internal city departments	-	-	-	(258)	(51)	(309)
External vendors	-	-	-	(6,904)	(5,918)	(12,822)
Cash paid for insurance and in settlement of claims	(4,096)	(2,320)	(28,255)	-	-	(34,671)
Cash paid to employees for services	(232)	(205)	-	(2,518)	(3,360)	(6,315)
Net cash provided by (used for) operating activities	(387)	(523)	2,651	(290)	1,712	3,163
Cash flows from capital and related financing activities:						
Acquisition of capital assets and rights	-	-	-	-	(712)	(712)
Cash flows from investing activities:						
Interest received from investments	83	151	149	-	49	432
Net increase (decrease) in cash during fiscal year	(304)	(372)	2,800	(290)	1,049	2,883
Cash and cash equivalents, July 1	5,181	7,810	4,893	506	6,744	25,134
Cash and cash equivalents, June 30	<u>\$ 4,877</u>	<u>\$ 7,438</u>	<u>\$ 7,693</u>	<u>\$ 216</u>	<u>\$ 7,793</u>	<u>\$ 28,017</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:						
Operating income (loss)	\$ (861)	\$ (1,033)	\$ 2,137	\$ 146	\$ 1,176	\$ 1,565
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operations:						
Amortization and depreciation	-	-	-	14	673	687
Changes in assets and liabilities:						
Change in OPEB asset	-	1	-	3	4	8
Change in pension and OPEB liability	(22)	(19)	-	(227)	(311)	(579)
Change in deferred outflows related to pensions and OPEB	(2)	1	-	(17)	(23)	(41)
Change in deferred inflows related to pensions and OPEB	11	4	-	86	145	246
Change in inventories and prepaid items	-	-	(46)	(14)	-	(60)
Change in vouchers payable	116	(10)	357	(294)	8	177
Change in compensated absences	10	12	-	13	40	75
Change in claims payable	361	521	203	-	-	1,085
Net cash provided by (used for) operating activities	<u>\$ (387)</u>	<u>\$ (523)</u>	<u>\$ 2,651</u>	<u>\$ (290)</u>	<u>\$ 1,712</u>	<u>\$ 3,163</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	\$ 4,877	\$ 7,438	\$ 7,693	\$ 216	\$ 7,793	\$ 28,017
Total cash and cash equivalents	<u>\$ 4,877</u>	<u>\$ 7,438</u>	<u>\$ 7,693</u>	<u>\$ 216</u>	<u>\$ 7,793</u>	<u>\$ 28,017</u>



City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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Federal Financial Data Schedule (PHA: AZ003)

For the Fiscal Year Ended June 30, 2019

(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	\$ 1,101,207	\$ 1,308,511	\$ -	\$ 2,409,718
112	Cash - restricted - modernization and development	-	-	-	-
113	Cash - other restricted	-	102,808	-	102,808
114	Cash - tenant security deposits	48,343	-	-	48,343
115	Cash - restricted for payment of current liability	-	-	-	-
100	Total cash	<u>1,149,550</u>	<u>1,411,319</u>	<u>-</u>	<u>2,560,869</u>
Accounts receivables:					
121	Accounts receivable - PHA projects	-	43,276	-	43,276
122	Accounts receivable - HUD other projects	53,163	-	-	53,163
124	Accounts receivable - other government	-	-	-	-
125	Accounts receivable - miscellaneous	3,900	-	-	3,900
126	Accounts receivable - tenants	6,830	4,928	-	11,758
126.1	Allowance for doubtful accounts - tenants	(37)	(4,928)	-	(4,965)
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>63,856</u>	<u>43,276</u>	<u>-</u>	<u>107,132</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	18,936	-	-	18,936
143.1	Allowance for obsolete inventories	(947)	-	-	(947)
144	Inter program - due from	34,744	-	(34,744)	-
145	Assets held for sale	-	-	-	-
150	Total current assets	<u>1,266,139</u>	<u>1,454,595</u>	<u>(34,744)</u>	<u>2,685,990</u>
Non-current assets:					
Capital assets:					
161	Land	135,533	-	-	135,533
162	Buildings	11,164,047	149,998	-	11,314,045
163	Furniture, equipment & machinery - dwellings	577,112	-	-	577,112
164	Furniture, equipment & machinery - administration	203,309	102,908	-	306,217
165	Leasehold improvements	2,337,289	-	-	2,337,289
166	Accumulated depreciation	(10,687,863)	(187,111)	-	(10,874,974)
167	Construction in progress	330,659	-	-	330,659
168	Infrastructure	-	-	-	-
160	Total capital assets, net of accumulated depreciation	<u>4,060,086</u>	<u>65,795</u>	<u>-</u>	<u>4,125,881</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	1,563	2,345	-	3,908
176	Investment in joint venture	-	-	-	-
180	Total non-current assets	<u>4,061,649</u>	<u>68,140</u>	<u>-</u>	<u>4,129,789</u>
190	Total assets	<u>5,327,788</u>	<u>1,522,735</u>	<u>(34,744)</u>	<u>6,815,779</u>
200	Deferred outflow of resources	<u>162,670</u>	<u>155,448</u>	<u>-</u>	<u>318,118</u>
290	Total assets and deferred outflow of resources	<u>\$ 5,490,458</u>	<u>\$ 1,678,183</u>	<u>\$ (34,744)</u>	<u>\$ 7,133,897</u>

(continued)

Federal Financial Data Schedule (PHA: AZ003)

For the Fiscal Year Ended June 30, 2019

(rounded to nearest dollar)

(continued)

Balance Sheet

Line Item No.	Account Description	Project Total	Housing Choice Vouchers	Eliminations	Total
LIABILITIES AND EQUITY-NET ASSETS/POSITION:					
LIABILITIES:					
Current liabilities:					
311	Bank Overdraft	\$ -	\$ -	\$ -	\$ -
312	Accounts payable <= 90 days	20,558	3,438	-	23,996
313	Accounts payable > 90 days past due	-	-	-	-
321	Accrued wage/payroll taxes payable	-	-	-	-
322	Accrued compensated absences - current portion	8,314	9,955	-	18,269
324	Accrued contingency liability	-	-	-	-
325	Accrued interest payable	-	-	-	-
331	Accounts payable - HUD PHA Programs	-	-	-	-
332	Accounts payable - PHA projects	-	-	-	-
333	Accounts payable - other government	-	-	-	-
341	Tenant security deposits	48,343	-	-	48,343
342	Unearned revenues	4,824	-	-	4,824
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	-	34,744	(34,744)	-
348	Loan liability - current	-	-	-	-
310	Total current liabilities	<u>82,039</u>	<u>48,137</u>	<u>(34,744)</u>	<u>95,432</u>
Noncurrent liabilities:					
351	Long-term debt, net of current - capital projects/mortgage revenue	-	-	-	-
352	Long-term debt, net of current - operating borrowings	-	-	-	-
353	Noncurrent liabilities - other	-	36,195	-	36,195
354	Accrued compensated absences - noncurrent	74,825	89,597	-	164,422
355	Loan liability - noncurrent	-	-	-	-
356	FASB 5 liabilities	-	-	-	-
357	Accrued pension and OPEB liabilities	900,334	865,027	-	1,765,361
350	Total noncurrent liabilities	<u>975,159</u>	<u>990,819</u>	<u>-</u>	<u>1,965,978</u>
300	Total liabilities	<u>1,057,198</u>	<u>1,038,956</u>	<u>(34,744)</u>	<u>2,061,410</u>
400	Deferred inflow of resources	173,062	166,275	-	339,337
EQUITY - NET ASSETS/POSITION:					
508.4	Net investment in capital assets	4,060,086	65,795	-	4,125,881
511.4	Restricted net position	-	66,613	-	66,613
512.4	Unrestricted net position	200,112	340,544	-	540,656
513	Total equity - net assets/position	<u>4,260,198</u>	<u>472,952</u>	<u>-</u>	<u>4,733,150</u>
600	Total liabilities, deferred inflow of resources and equity - net assets/position	<u>\$ 5,490,458</u>	<u>\$ 1,678,183</u>	<u>\$ (34,744)</u>	<u>\$ 7,133,897</u>

(continued)

(continued)

Income Statement

Line Item No.	Account Description	Project Total	Housing Choice Vouchers	Eliminations	Total
REVENUE:					
70300	Net tenant rental revenue	\$ 411,223	\$ -	\$ -	\$ 411,223
70400	Tenant revenue - other	5,563	-	-	5,563
70500	Total tenant revenue	<u>416,786</u>	<u>-</u>	<u>-</u>	<u>416,786</u>
70600	HUD PHA operating grants	628,564	8,230,476	-	8,859,040
70610	Capital grants	167,379	-	-	167,379
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	9,704	12,560	-	22,264
71200	Mortgage interest income	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-
71310	Cost of sale of assets	-	-	-	-
71400	Fraud recovery	-	2,522	-	2,522
71500	Other revenue	17,844	3,069,382	-	3,087,226
71600	Gain or loss on sale of capital assets	-	-	-	-
72000	Investment income - restricted	-	-	-	-
70000	Total revenue	<u>\$ 1,240,277</u>	<u>\$ 11,314,940</u>	<u>\$ -</u>	<u>\$ 12,555,217</u>

(continued)

Federal Financial Data Schedule (PHA: AZ003)

For the Fiscal Year Ended June 30, 2019

(rounded to nearest dollar)

(continued)

Income Statement

Line Item No.	Account Description	Project Total	Housing Choice Vouchers	Eliminations	Total
EXPENSES:					
91100	Administrative salaries	\$ 256,583	\$ 476,311	\$ -	\$ 732,894
91200	Auditing fees	-	-	-	-
91300	Management fee	-	-	-	-
91310	Bookkeeping fee	-	-	-	-
91400	Advertising and marketing	-	-	-	-
91500	Employee benefit contributions - administrative	184,759	(52,909)	-	131,850
91600	Office expenses	19,934	29,893	-	49,827
91700	Legal expense	944	675	-	1,619
91800	Travel	4	-	-	4
91810	Allocated overhead	-	-	-	-
91900	Other	113,790	133,395	-	247,185
91000	Total operating - administrative	<u>576,014</u>	<u>587,365</u>	<u>-</u>	<u>1,163,379</u>
92000	Asset management fee	-	-	-	-
92100	Tenant services - salaries	-	-	-	-
92200	Relocation costs	-	-	-	-
92300	Employee benefit contributions - tenant services	-	-	-	-
92400	Tenant services - other	-	-	-	-
92500	Total Tenant services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
93100	Water	81,397	-	-	81,397
93200	Electricity	20,296	-	-	20,296
93300	Gas	1,282	-	-	1,282
93400	Fuel	-	-	-	-
93500	Labor	-	-	-	-
93600	Sewer	38,296	-	-	38,296
93700	Employee benefit contributions - utilities	-	-	-	-
93800	Other utilities expense	-	-	-	-
93000	Total utilities	<u>141,271</u>	<u>-</u>	<u>-</u>	<u>141,271</u>
94100	Ordinary maintenance and operations - labor	287,730	-	-	287,730
94200	Ordinary maintenance and operations - materials & other	96,597	853	-	97,450
94300	Ordinary maintenance and operations - contract costs	189,056	274	-	189,330
94500	Employee benefit contributions - ordinary maintenance	161,273	-	-	161,273
94000	Total maintenance	<u>\$ 734,656</u>	<u>\$ 1,127</u>	<u>\$ -</u>	<u>\$ 735,783</u>

(continued)

Federal Financial Data Schedule (PHA: AZ003)

For the Fiscal Year Ended June 30, 2019

(rounded to nearest dollar)

(continued)

Income Statement

Line Item No.	Account Description	Project Total	Housing Choice Vouchers	Eliminations	Total
95100	Protective services - labor	\$ -	\$ -	\$ -	\$ -
95200	Protective services - other contract costs	-	-	-	-
95300	Protective services - other	-	-	-	-
95500	Employee benefit contributions - protective services	-	-	-	-
95000	Total protective services	-	-	-	-
96110	Property insurance	8,917	5,944	-	14,861
96120	Liability insurance	-	-	-	-
96130	Workmen's compensation	4,283	6,425	-	10,708
96140	All other insurance	-	-	-	-
96100	Total insurance premiums	13,200	12,369	-	25,569
96200	Other general expenses	-	3,094	-	3,094
96210	Compensated absences	-	-	-	-
96300	Payments in lieu of taxes	-	-	-	-
96400	Bad debt - tenant rents	156	-	-	156
96500	Bad debt - mortgages	-	-	-	-
96600	Bad debt - other	-	-	-	-
96800	Severance expense	-	-	-	-
96000	Total other general expenses	156	3,094	-	3,250
96710	Interest on mortgage (or bonds) payable	-	-	-	-
96720	Interest on notes payable (short and long term)	-	-	-	-
96730	Amortization of bond issue costs	-	-	-	-
96700	Total Interest expense and amortization cost	-	-	-	-
96900	Total operating expenses	1,465,297	603,955	-	2,069,252
97000	Excess of operating revenue over operating expenses	(225,020)	10,710,985	-	10,485,965
97100	Extraordinary maintenance	3,725	-	-	3,725
97200	Casualty losses - non-capitalized	-	-	-	-
97300	Housing assistance payments	-	7,711,003	-	7,711,003
97350	HAP Portability-in	-	2,889,213	-	2,889,213
97400	Depreciation expense	261,465	4,061	-	265,526
97500	Fraud losses	-	-	-	-
97600	Capital outlays - governmental funds	-	-	-	-
97700	Debt principal payment - governmental funds	-	-	-	-
97800	Dwelling units rent expense	-	-	-	-
90000	Total expenses	\$ 1,730,487	\$ 11,208,232	\$ -	\$ 12,938,719

(continued)

Federal Financial Data Schedule (PHA: AZ003)

For the Fiscal Year Ended June 30, 2019

(rounded to nearest dollar)

(continued)

Income Statement

Line Item No.	Account Description	Project Total	Housing Choice Vouchers	Eliminations	Total
OTHER FINANCING SOURCES (USES)					
10010	Operating transfers in	\$ 15,609	\$ -	\$ (15,609)	\$ -
10020	Operating transfers out	(15,609)	-	15,609	-
10030	Operating transfers from/to primary government	386,563	-	-	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>386,563</u>	<u>-</u>	<u>-</u>	<u>386,563</u>
10000	Excess (deficiency) of total revenues over (under) total expenses	<u>\$ (103,647)</u>	<u>\$ 106,708</u>	<u>\$ -</u>	<u>\$ 3,061</u>
MEMO ACCOUNT INFORMATION					
11020	Required annual debt principal payments	\$ -	\$ -	\$ -	\$ -
11030	Beginning equity	4,363,845	366,244	-	4,730,089
11040	Prior period adjustments, equity transfers & correction of errors	-	-	-	-
11050	Changes in compensated absence balance	-	-	-	-
11060	Changes in contingent liability balance	-	-	-	-
11070	Changes in unrecognized pension transition liability	-	-	-	-
11080	Changes in special term/severance benefits liability	-	-	-	-
11090	Changes in allowance for doubtful accounts - dwelling rents	-	-	-	-
11100	Changes in allowance for doubtful accounts - other	-	-	-	-
11170	Administrative fee equity	-	406,339	-	406,339
11180	Housing assistance payments equity	-	66,613	-	66,613
11190	Unit months available	1,845	11,898	-	13,743
11210	Unit months leased	1,814	11,796	-	13,610
11270	Excess cash	1,061,295	-	-	1,061,295
11610	Land purchases	-	-	-	-
11620	Building purchases	101,841	-	-	101,841
11630	Furniture & equipment - dwelling purchases	16,589	-	-	16,589
11640	Furniture & equipment - administrative purchases	-	-	-	-
11650	Leasehold improvements purchases	48,949	-	-	48,949
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, 2019

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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.	157-164
Revenue Capacity These schedules contain information to help the reader assess the city’s local revenue source, the property tax and sales tax.	165-170
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.	171-178
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.	179-181
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.	182-186

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Government activities				
Net investment in				
capital assets	\$ 416,078	\$ 451,826	\$ 471,979	\$ 456,001
Restricted	184,654	185,396	157,251	163,592
Unrestricted	<u>(215,449)</u>	<u>(246,697)</u>	<u>(278,767)</u>	<u>(239,670)</u>
Total governmental activities				
net position	<u>385,283</u>	<u>390,525</u>	<u>350,463</u>	<u>379,923</u>
Business-type activities				
Net investment in				
capital assets	313,704	280,920	267,111	256,488
Restricted	32,943	27,550	22,897	21,576
Unrestricted	<u>53,699</u>	<u>78,272</u>	<u>83,920</u>	<u>96,300</u>
Total business-type activities				
net position	<u>400,346</u>	<u>386,742</u>	<u>373,928</u>	<u>374,364</u>
Primary government				
Net investment in				
capital assets	729,782	732,746	739,090	712,489
Restricted	217,597	212,946	180,148	185,168
Unrestricted	<u>(161,750)</u>	<u>(168,425)</u>	<u>(194,847)</u>	<u>(143,370)</u>
Total primary government				
net position	<u>\$ 785,629</u>	<u>\$ 777,267</u>	<u>\$ 724,391</u>	<u>\$ 754,287</u>

Schedule 1

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 456,897	\$ 448,083	\$ 438,366	\$ 460,639	\$ 463,961	\$ 457,773
168,714	161,027	186,106	183,829	204,645	176,400
<u>(240,749)</u>	<u>(277,093)</u>	<u>(59,797)</u>	<u>(73,375)</u>	<u>(22,532)</u>	<u>11,684</u>
<u>384,862</u>	<u>332,017</u>	<u>564,675</u>	<u>571,093</u>	<u>646,074</u>	<u>645,857</u>
253,134	256,164	251,765	262,554	271,708	271,969
24,090	22,300	12,264	12,921	29,988	13,988
<u>92,357</u>	<u>123,699</u>	<u>161,999</u>	<u>139,934</u>	<u>112,323</u>	<u>124,550</u>
<u>369,581</u>	<u>402,163</u>	<u>426,028</u>	<u>415,409</u>	<u>414,019</u>	<u>410,507</u>
710,031	704,247	690,131	723,193	735,669	729,742
192,804	183,327	198,370	196,750	234,633	190,388
<u>(148,392)</u>	<u>(153,394)</u>	<u>102,202</u>	<u>66,559</u>	<u>89,791</u>	<u>136,234</u>
<u>\$ 754,443</u>	<u>\$ 734,180</u>	<u>\$ 990,703</u>	<u>\$ 986,502</u>	<u>\$ 1,060,093</u>	<u>\$ 1,056,364</u>

City of Glendale, Arizona
Changes in Net Position
 Last Ten Fiscal Years

(amounts expressed in thousands)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Expenses										
Governmental activities:										
General government	\$ 56,530	\$ 42,915	\$ 61,373	\$ 64,228	\$ 60,490	\$ 73,637	\$ 37,447	\$ 35,962	\$ 46,233	\$ 42,530
Public safety	158,883	134,977	166,790	132,498	127,870	116,070	115,694	112,689	111,217	108,308
Public works	30,232	25,072	24,768	24,859	21,482	20,524	19,230	18,435	20,099	16,627
Community services	28,010	30,885	33,752	32,796	31,311	30,796	33,831	39,478	41,136	44,524
Community environment	-	3,290	3,930	4,262	4,980	5,895	5,655	6,828	7,061	6,316
Street maintenance	44,992	20,976	21,848	21,219	19,180	25,207	20,000	20,045	21,721	23,058
Interest on long-term debt	26,181	24,916	27,827	27,932	32,106	34,808	42,413	41,913	41,967	42,286
Total governmental activities expenses	344,828	283,031	340,288	307,794	297,419	306,937	274,270	275,350	289,434	283,649
Business-type activities:										
Water and sewer	83,603	81,911	83,500	80,375	74,807	77,243	73,460	78,917	79,444	81,910
Landfill	9,921	9,852	11,302	9,049	7,727	7,554	7,486	7,602	7,280	8,454
Solid Waste	17,242	15,150	15,698	15,016	15,059	14,471	16,122	15,437	14,814	14,093
Housing	12,910	12,498	12,644	12,730	13,159	13,088	14,037	14,827	14,687	14,180
Total business-type activities expenses	123,676	119,411	123,144	117,170	110,752	112,356	111,105	116,783	116,225	118,637
Total primary government expenses	468,504	402,442	463,432	424,964	408,171	419,293	385,375	392,133	405,659	402,286
Program revenues										
Governmental activities:										
Charges for services:										
General government	\$ 16,572	\$ 17,847	\$ 15,027	\$ 16,381	\$ 18,498	\$ 17,666	\$ 12,520	\$ 12,334	\$ 24,822	\$ 14,232
Public safety	4,126	2,295	5,445	6,148	6,084	6,369	5,778	5,624	5,094	5,824
Public works	3,883	651	536	650	631	1,126	1,149	512	495	7,447
Community services	4,318	10,890	13,490	9,649	11,704	10,486	11,003	17,910	11,733	11,918
Community environment	-	338	308	305	309	-	-	-	-	-
Street maintenance	207	662	357	193	25	-	-	-	-	2
Operating grants and contributions	30,906	26,523	27,519	26,225	25,665	25,168	25,156	27,636	27,137	29,596
Capital grants and contributions	12,728	12,382	6,669	6,603	11,403	10,748	7,904	5,274	70,552	3,755
Total governmental activities program revenues	72,740	71,588	69,351	66,154	74,319	71,563	63,510	69,290	139,333	72,774

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Business-type activities:										
Charges for services:										
Water and sewer	86,004	86,288	80,219	81,829	78,541	81,065	81,963	82,730	80,513	76,603
Landfill	9,670	9,444	9,451	9,858	9,757	8,646	7,994	7,185	8,027	6,987
Solid Waste	18,080	16,048	14,856	15,181	14,944	14,836	14,791	14,562	14,733	15,048
Housing	3,527	3,355	2,876	2,980	3,265	3,504	4,137	4,886	4,829	4,870
Operating grants and contributions	9,397	9,682	10,230	9,809	8,855	9,357	9,376	9,423	9,342	9,331
Capital grants and contributions	3,940	2,054	2,815	815	2,562	2,423	831	705	1,155	690
Total business-type activities program revenues	130,618	126,871	120,447	120,472	117,924	119,831	119,092	119,491	118,599	113,529
Total primary government program revenues	203,358	198,459	189,798	186,626	192,243	191,394	182,602	188,781	258,432	186,303
Net (expense)/revenue										
Governmental activities	(272,088)	(211,443)	(270,937)	(241,640)	(223,100)	(235,374)	(210,760)	(206,060)	(149,601)	(210,875)
Business-type activities	6,942	7,460	(2,697)	3,302	7,172	7,475	7,987	2,708	2,374	(5,108)
Total primary government net expense	\$ (265,146)	\$ (203,983)	\$ (273,634)	\$ (238,338)	\$ (215,928)	\$ (227,899)	\$ (202,773)	\$ (203,352)	\$ (147,227)	\$ (215,983)
General revenues and other changes in net position										
Governmental activities:										
Taxes:										
Property taxes	\$ 25,877	\$ 25,519	\$ 24,955	\$ 24,531	\$ 23,881	\$ 23,577	\$ 21,372	\$ 20,232	\$ 27,189	\$ 33,749
Sales taxes	171,821	162,299	155,779	150,201	147,175	131,983	132,872	97,451	93,260	92,717
Unrestricted state shared sales tax	24,849	23,627	22,024	21,482	20,695	19,734	18,558	17,716	18,438	17,786
Unrestricted urban revenue sharing (state shared income tax)	29,876	30,456	29,378	27,297	27,446	25,271	23,159	19,135	23,590	31,292
Auto in-lieu taxes	10,647	10,166	9,458	9,351	8,664	8,086	7,586	7,277	7,917	8,130
Investment earnings, unrestricted	1,919	(694)	(253)	1,225	1,070	726	716	975	1,482	286
Gain (loss) on disposal of capital assets	-	-	-	-	(688)	78	353	56	(677)	330
Miscellaneous	3,177	1,490	1,400	3,417	520	687	367	489	3,936	5,406
Transfers	(1,320)	(1,358)	(1,264)	(803)	39,198	(64)	(641)	(307)	(317)	(370)
Special item	-	-	-	-	-	(64)	-	(25,000)	(25,000)	-
Total governmental activities	266,846	251,505	241,477	236,701	267,961	210,078	204,342	138,024	149,818	189,326
Business-type activities:										
Investment earnings, unrestricted	1,628	1,368	883	614	643	463	1,878	1,126	614	460
Gain (loss) on disposal of capital assets	-	-	-	-	127	167	43	(40)	137	187
Loss on joint venture	-	-	-	-	(3,329)	-	-	-	-	-
Miscellaneous	3,714	2,628	114	63	86	67	70	72	70	83
Transfers	1,320	1,358	1,264	803	(39,198)	64	641	307	317	370
Total business-type activities	6,662	5,354	2,261	1,480	(41,671)	761	2,632	1,465	1,138	1,100
Total primary government	\$ 273,508	\$ 256,859	\$ 243,738	\$ 238,181	\$ 226,290	\$ 210,839	\$ 206,974	\$ 139,489	\$ 150,956	\$ 190,426
Changes in net position										
Governmental activities	\$ (5,242)	\$ 40,062	\$ (29,460)	\$ (4,939)	\$ 44,861	\$ (25,296)	\$ (6,418)	\$ (68,036)	\$ 217	\$ (21,549)
Business-type activities	13,604	12,814	(436)	4,782	(34,499)	8,236	10,619	4,173	3,512	(4,008)
Total primary government	\$ 8,362	\$ 52,876	\$ (29,896)	\$ (157)	\$ 10,362	\$ (17,060)	\$ 4,201	\$ (63,863)	\$ 3,729	\$ (25,557)

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City of Glendale, Arizona
Fund Balances - Governmental Funds

Last Ten Fiscal Years
 (amounts expressed in thousands)

	2019 ⁽¹⁾	2018 ⁽¹⁾	2017 ⁽¹⁾	2016 ⁽¹⁾	2015 ⁽¹⁾	2014 ⁽¹⁾	2013 ⁽¹⁾	2012 ⁽¹⁾	2011 ⁽¹⁾	2010
General fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,383
Unreserved	-	-	-	-	-	-	-	-	-	29,463
Total general fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,846
General fund										
Nonspendable	\$ 2,933	\$ 2,919	\$ 2,934	\$ 2,940	\$ 216	\$ 600	\$ 650	\$ 197	\$ 463	\$ -
Restricted	5,604	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	5,685	12,678	10,647	12,483	8,563	-	-	-	9,253	-
Unassigned	43,523	43,474	40,559	35,226	26,033	(4,835)	(14,438)	(29,565)	(5,414)	-
Total general fund	\$ 57,745	\$ 65,345	\$ 61,583	\$ 59,144	\$ 46,239	\$ (1,993)	\$ (11,801)	\$ (26,649)	\$ 11,670	\$ -
All other governmental funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,055
Unreserved, report in:	-	-	-	-	-	-	-	-	-	-
Special revenue funds	-	-	-	-	-	-	-	-	-	50,478
Capital projects funds	-	-	-	-	-	-	-	-	-	41,046
Total all other governmental funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 167,579
All other governmental funds										
Nonspendable	\$ 6,020	\$ 5,810	\$ 5,861	\$ 5,818	\$ 5,768	\$ 5,801	\$ 5,774	\$ 5,829	\$ 5,822	\$ -
Restricted	119,994	118,991	91,908	97,170	99,970	102,241	103,772	117,964	129,635	-
Committed	1,571	2,548	2,295	1,273	-	123	115	129	11,464	-
Assigned	737	430	170	319	1,945	202	144	82	199	-
Unassigned	-	(653)	(3,770)	-	-	-	-	-	-	-
Total all other governmental funds	\$ 128,322	\$ 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)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues										
Taxes and special assessments	\$ 198,012	\$ 188,553	\$ 181,576	\$ 176,489	\$ 170,605	\$ 159,328	\$ 149,705	\$ 118,218	\$ 120,974	\$ 126,291
Licenses and permits	16,350	12,534	12,403	11,951	10,610	11,522	10,373	10,798	9,367	9,734
Intergovernmental	95,573	94,191	89,684	86,273	87,112	81,364	76,520	73,009	79,760	90,047
Local revenues	177	58	300	17	525	18	36	-	-	-
Charges for services	10,744	10,250	13,486	12,613	17,685	14,781	11,896	11,487	10,461	13,640
Fines and forfeitures	2,982	3,337	3,699	3,857	3,556	3,735	3,469	3,374	3,806	4,052
Investment income (loss)	3,276	129	276	1,517	1,258	900	762	1,180	1,841	774
Miscellaneous	4,375	6,490	5,079	6,850	5,662	4,500	3,822	11,700	22,054	18,000
Total revenues	331,489	315,542	306,503	299,567	297,013	276,148	256,583	229,766	248,263	262,538
Expenditures										
General government	43,615	30,961	29,531	34,671	33,494	29,666	16,065	18,147	19,668	23,085
Public safety	146,166	139,287	131,576	126,498	114,143	108,397	103,610	100,368	95,270	96,161
Public works	15,674	11,400	9,484	9,429	8,673	7,463	7,859	7,709	8,859	11,569
Community services	23,772	31,954	30,659	28,461	26,379	25,536	27,966	33,597	33,887	37,518
Community environment	-	3,621	3,979	4,285	4,977	5,826	5,554	6,703	6,853	6,160
Street maintenance	34,053	10,861	11,195	10,260	7,951	8,352	8,305	8,311	9,038	10,388
Miscellaneous	-	-	-	27	5,791	2,323	4,617	1,782	1,577	2,026
Capital outlay	24,663	42,652	39,053	59,189	20,949	14,662	13,980	19,634	22,093	63,529
Debt service:										
Principal	39,706	29,359	46,456	35,650	37,251	30,043	26,441	24,947	31,640	29,451
Interest	29,654	28,300	30,704	30,382	32,870	35,628	43,038	42,515	42,593	42,913
Total expenditures	357,303	328,395	332,637	338,852	292,478	267,896	257,435	263,713	271,478	322,800
Excess of revenues over (under) expenditures	(25,814)	(12,853)	(26,134)	(39,285)	4,535	8,252	(852)	(33,947)	(23,215)	(60,262)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Other financing sources (uses)										
Refunding lease issued	-	-	-	-	-	-	-	-	11,503	-
Discount on long-term debt	-	-	-	-	-	-	(1,557)	-	-	-
Long-term debt issued	15,385	-	-	27,285	-	-	-	8,665	38,300	41,650
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	1,983	15,686	-	4,948	35,751	-	19,779	898	3,369	10
Proceeds from equipment disposal	238	2,910	2,391	329	2,650	174	589	546	331	482
Proceeds from land sale	3,125	-	-	-	-	-	-	-	-	-
Capital lease proceeds	-	-	-	6,615	-	8	-	-	-	44
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
Transfers in	56,739	61,927	48,450	84,460	240,496	(48,768)	(53,267)	(33,919)	(39,045)	(33,430)
Transfers out	(58,060)	(63,287)	(49,714)	(85,263)	(201,496)	-	-	(25,000)	(25,000)	-
Special item	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	19,410	47,277	20,457	49,087	43,721	118	1,501	(25,153)	(10,923)	45,062
Net change in fund balances	\$ (6,404)	\$ 34,424	\$ (5,677)	\$ 9,802	\$ 48,256	\$ 8,370	\$ 649	\$ (59,100)	\$ (34,138)	\$ (15,200)
Debt service as a percentage of noncapital expenditures	20.85%	20.18%	26.28%	23.61%	25.82%	25.93%	28.54%	27.64%	29.77%	27.91%

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

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

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	Wires	Wires	Wires					
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			
2018-19	565,975	1,924,149	48,588	59,594	590,661	2,007,645	1.98	21,072,143	12.331			

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
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
2018-19	0.44	1.54	1.98	22.17	18.96	18.63

Source: Maricopa County 2018 Tax Rates

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

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

City of Glendale, Arizona
Principal Property Taxpayers
 Current Year and Nine Years Ago
 June 30, 2019
 (amounts expressed in thousands)

Schedule 7

	Tax Year 2019			Tax Year 2010		
	Rank	Assessed Valuation	Percentage of Total City Taxable Assessed Value	Rank	Assessed Valuation	Percentage of Total City Taxable Assessed Value
Yam Westgate LLC	1	\$ 22,896	1.14 %			
Arizona Public Service Company	2	18,140	0.90	2	\$ 18,151	0.85 %
Arrowhead Towne Center LLC	3	12,932	0.64			
VHS of Arrowhead, Inc.	4	10,352	0.52	1	19,553	0.91
Outlets At Westgate LLC	5	9,789	0.49			
Wal-Mart Stores, Inc.	6	9,262	0.46	5	13,642	0.64
American Furniture Warehouse Co	7	8,799	0.44			
JQH-Glendale Az Development LLC	8	8,314	0.41	6	10,080	0.47
B H 19019 North 59th Avenue LLC	9	6,949	0.35			
Reserve at Arrowhead LLC	10	6,217	0.31			
New River Associates				3	14,339	0.67
Entertainment Center Development LLC				4	13,860	0.65
RCFC Zanero				7	9,241	0.43
Lexington Glendale LLC				8	8,554	0.40
Qwest Corporation				9	8,238	0.39
Conair Corporation				10	8,196	0.38
Total principal taxpayers		\$ 113,650	5.66 %		\$ 123,854	5.79 %

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
2009-10	\$ 33,617	\$ 32,260	95.96 %	\$ 532	\$ 32,792	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	237	24,492	98.56
2016-17	25,253	24,638	97.56	387	25,025	99.10
2017-18	25,592	25,202	98.48	312	25,514	99.70
2018-19	25,953	25,521	98.34	-	25,521	98.34

Source: Maricopa County Treasurer's Office

(1) Total levy includes only secured property.

(2) Includes collections and resolutions.

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City Transaction Privilege Taxes (Sales Tax) by Category

Last Ten Fiscal Years

(amounts expressed in thousands)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Retail sales	\$ 95,097	\$ 89,762	\$ 88,804	\$ 84,710	\$ 79,062	\$ 73,924	\$ 67,157	\$ 49,686	\$ 48,089	\$ 49,127
Contracting	7,212	6,684	5,559	4,810	6,457	7,948	5,724	5,170	6,742	4,458
Rentals	20,982	18,629	17,394	16,581	16,146	14,502	14,182	11,550	11,854	12,729
Utilities	8,898	8,995	8,775	8,544	8,678	8,732	8,028	6,393	6,449	6,829
Telecom/cable TV	3,006	3,486	3,523	4,244	4,773	5,072	5,540	5,144	6,093	6,156
Restaurant/bar	22,280	20,498	20,070	18,767	17,651	15,842	14,284	11,975	11,207	10,791
Amusement	7,124	4,920	3,615	4,176	5,673	2,110	2,154	2,896	1,860	3,697
Other	10,229	8,574	7,347	8,802	6,686	5,808	5,917	3,816	5,568	4,018
Total	\$ 174,828	\$ 161,548	\$ 155,087	\$ 150,634	\$ 145,126	\$ 133,938	\$ 122,986	\$ 96,630	\$ 97,862	\$ 97,805
% Growth by year										
Retail sales	5.9 %	1.1 %	4.8 %	7.1 %	7.0 %	10.1 %	35.2 %	3.3 %	(2.0) %	1.6 %
Contracting	7.9	20.2	15.6	(25.5)	(18.8)	38.9	10.7	(23.3)	51.0	(30.1)
Rentals	12.6	7.1	4.9	2.7	11.3	2.3	22.8	(2.6)	(7.0)	10.6
Utilities	(1.1)	2.5	2.7	(1.5)	(0.6)	8.8	25.6	(0.9)	(6.0)	5.9
Telecom/cable TV	(13.8)	(1.1)	(17.0)	(11.1)	(5.9)	(8.4)	7.7	(15.6)	(1.0)	(8.4)
Restaurant/bar	8.7	2.1	6.9	6.3	11.4	10.9	19.3	6.9	4.0	(0.7)
Amusement	44.8	36.1	(13.4)	(26.4)	168.9	(2.0)	(25.6)	55.7	(50.0)	1.0
Other	19.3	16.7	(16.5)	31.6	15.1	(1.8)	55.1	(31.5)	39.0	0.4
Total	8.2 %	4.2 %	3.0 %	3.8 %	8.4 %	8.9 %	27.3 %	(1.3) %	0.1 %	(0.1) %

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

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

Schedule 10

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

Fiscal Year	Government Activities							
	General Obligation Bonds	Street and Highway Revenue Bonds	Excise Tax Revenue Bonds	Transportation Bonds	Capital Leases	Notes Payable		
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		
2018-19	152,066 ⁽⁴⁾⁽⁵⁾	- ⁽⁴⁾⁽⁵⁾	439,912 ⁽⁴⁾⁽⁵⁾	73,952 ⁽⁴⁾⁽⁵⁾	-	-		

Business Activities

Fiscal Year	Water		Landfill		Sewer		Notes Payable	Capital Leases	Total Primary Government	Total Debt per Capita ⁽³⁾	Percentage of Personal Income ⁽²⁾
	G.O. Bonds	Sewer G.O. Bonds	G.O. Bonds	Revenue	Bonds	Payable					
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		
2018-19	-	-	-	203,917 ⁽⁴⁾⁽⁵⁾	-	-	869,847 ⁽⁵⁾	3,466	8.07		

(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

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service Funds</u>	<u>Total</u>	<u>Percentage of Net Assessed Value of Property⁽⁶⁾</u>	<u>Per Capita⁽³⁾</u>
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
2018-19	143,460 ⁽⁴⁾	28,593 ⁽²⁾	114,867	8.13 ⁽⁵⁾	458.18 ⁽⁷⁾

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.
 - (7) FY2019 calculation uses projected population figure from Annual Budget Book Fiscal Year 2019-2020 instead of ADOA estimates.

City of Glendale, Arizona
Net Direct and Overlapping Governmental Activities Debt
 June 30, 2019
 (amounts expressed in thousands)

Schedule 12

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to Glendale</u>	<u>Amount Applicable to Glendale ⁽²⁾</u>
Peoria Unified School District No. 11	\$ 215,435	24.1791 %	\$ 52,090
Glendale Elementary School District No. 40	24,580	99.1407	24,369
Deer Valley Unified School District No. 97	186,015	18.6115	34,620
Alhambra Elementary School District No. 68	14,265	18.4932	2,638
Glendale Union High School District No. 205	98,695	22.4077	22,115
Maricopa County	-	3.5478	-
Maricopa County Community College District	380,740	3.5478	13,508
Phoenix Union High School District No. 210	384,290	1.2312	4,731
Pendergast Elementary School District No. 92	36,235	26.4030	9,567
Tolleson Union High School District No. 214	72,210	7.5342	5,440
Washington Elementary School District No. 6	84,275	3.0343	2,557
Dysart Unified School District No. 89	131,923	0.0972	128
Agua Fria Union High School District No. 216	93,570	0.1694	159
Litchfield Elementary School District No. 79	50,845	0.2543	129
Cartwright Elementary School District No. 83	21,775	-	-
Total Overlapping Debt	1,794,853		172,051
City of Glendale Debt ⁽¹⁾	677,347		677,347
Total	\$ 2,472,200		\$ 849,398

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 governmental 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.

Legal Debt Margin Calculation for Fiscal Year 2019

6% Type Bonds		Assessed value									
Debt limit (6% of assessed value)		2010	2011 ⁽¹⁾	2012 ⁽¹⁾	2013 ⁽¹⁾	2014 ⁽¹⁾	2015 ⁽¹⁾⁽²⁾	2016 ⁽¹⁾⁽²⁾	2017 ⁽¹⁾⁽²⁾⁽³⁾	2018 ⁽¹⁾⁽²⁾⁽³⁾	2019 ⁽¹⁾⁽²⁾⁽³⁾
Debt limit		\$ 127,854	\$ 105,214	\$ 68,971	\$ 62,836	\$ 68,886	\$ 67,877	\$ 70,496	\$ 73,633	\$ 78,417	\$ 84,795
Total net debt applicable to limit		29,010	14,399	11,455	7,309	2,415	(165)	-	-	-	-
Legal debt margin		\$ 98,844	\$ 90,815	\$ 57,516	\$ 55,527	\$ 66,471	\$ 68,042	\$ 70,496	\$ 73,633	\$ 78,417	\$ 84,795
Total net debt applicable to the limit as a percentage of debt limit		22.69%	13.69%	16.61%	11.63%	3.51%	-0.24%	0.00%	0.00%	0.00%	0.00%
20% Type Bonds		Assessed value									
Debt limit (20% of assessed value)		2010	2011 ⁽¹⁾	2012 ⁽¹⁾	2013 ⁽¹⁾	2014 ⁽¹⁾	2015 ⁽¹⁾⁽²⁾	2016 ⁽¹⁾⁽²⁾	2017 ⁽¹⁾⁽²⁾⁽³⁾	2018 ⁽¹⁾⁽²⁾⁽³⁾	2019 ⁽¹⁾⁽²⁾⁽³⁾
Debt limit		\$ 426,181	\$ 350,714	\$ 229,905	\$ 209,455	\$ 229,622	\$ 226,257	\$ 234,986	\$ 245,444	\$ 261,389	\$ 282,651
Total net debt applicable to limit		163,811	166,031	159,306	148,695	136,085	118,200	130,619	116,343	115,235	114,867
Legal debt margin		\$ 262,370	\$ 184,683	\$ 70,599	\$ 60,760	\$ 93,537	\$ 108,057	\$ 104,367	\$ 104,367	\$ 146,154	\$ 167,784
Total net debt applicable to the limit as a percentage of debt limit		38.44%	47.34%	69.29%	70.99%	59.26%	52.24%	55.59%	55.59%	44.09%	40.64%

(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

Note: FY 2018 Total net debt applicable to limit amount updated.

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

Fiscal Year	Utility Service Charges ⁽¹⁾	Less: Operating Expenses ⁽²⁾	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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
2018-19	96,012	52,151	43,861	16,050	9,398	1.72

Fiscal Year	Transportation Bonds			Excise Tax Revenue Bonds ⁽⁴⁾			
	Transportation Sales Tax	Debt Service		Excise Tax Revenue	Debt Service		Coverage
		Principal	Interest		Principal	Interest	
2009-10	19,488	2,675	4,655	109,536	5,600	27,812	3.28
2010-11	19,486	2,780	4,548	102,962	6,585	27,612	3.01
2011-12	20,665	2,890	4,437	100,081 ⁽⁶⁾	2,590 ⁽⁵⁾	27,279	3.35
2012-13	21,691	3,005	4,321	131,931 ⁽⁶⁾	2,790 ⁽⁵⁾	30,713 ⁽⁷⁾	3.94
2014-15	23,112	3,125	4,201	141,674 ⁽⁶⁾	6,500	22,951	4.81
2014-15	24,690	3,545	3,597	151,963 ⁽⁶⁾	2,585	21,175	6.40
2015-16	25,566	3,380	3,763	156,210 ⁽⁶⁾	10,025	20,984	5.04
2016-17	26,362	3,550	3,594	160,534 ⁽⁶⁾	5,075	21,033	6.15
2017-18	27,571	3,925	3,114	170,484 ⁽⁶⁾	6,580	19,542	6.53
2018-19	29,231	4,035	2,999	178,804 ⁽⁶⁾	12,645	20,104	5.46

Source: City of Glendale Finance Department

Notes:

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

(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
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	185,111,698	44,573	5.6 ⁽⁵⁾
2016-17	238	4,233	185,111,698 ⁽³⁾	43,731	4.9 ⁽⁸⁾
2017-18	240 ⁽⁷⁾	4,316	185,111,698 ⁽³⁾	42,890	4.3 ⁽⁸⁾
2018-19	251 ⁽⁹⁾	4,316 ⁽³⁾	185,111,698 ⁽³⁾	42,890	4.8 ⁽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.

(9) Estimate from the City of Glendale Annual Budget Book Fiscal Year 2019-2020

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

Schedule 16

Employer	2019			2010		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Luke Air Force Base	6,900	1	5.30 %	6,000	1	4.12 %
Banner Thunderbird Health System	3,000	2	2.30	2,866	2	1.97
Glendale Community College	2,745	3	2.11	1,220	8	0.84
Westgate	2,700	4	2.07			
Arrowhead Towne Center	2,650	5	2.03			
Glendale Union High School District	1,809	6	1.39	2,008	4	1.38
City of Glendale	1,688	7	1.30	1,887	5	1.29
Tanger Outlets	1,550	8	1.19			
Deer Valley Unified School District	1,546	9	1.19	1,432	7	0.98
Glendale Elementary School District	1,465	10	1.12	1,684	6	1.16
Walmart				2,025	3	1.39
CSAA/AAA				1,175	9	0.81
Arrowhead Community Hospital				959	10	0.66
Total	26,053		20.00 %	21,256		14.60 %

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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General government										
Management services	22.00	27.00	29.00	28.00	24.00	31.00	34.00	36.00	45.00	43.00
Finance	53.00	57.00	55.00	53.00	56.00	49.00	54.00	57.00	59.00	61.00
Planning	13.00	12.00	14.00	13.00	11.00	10.00	13.00	14.00	15.00	24.00
Building	24.00	24.00	22.00	22.00	22.00	21.00	21.00	24.00	26.00	32.00
Legal	71.00	73.00	71.00	67.00	69.00	69.00	67.00	66.00	70.00	73.00
Other	72.00	70.00	68.00	68.00	66.00	63.00	73.00	77.00	90.00	96.00
Police	551.00	529.00	530.00	522.00	517.00	534.00	505.00	534.00	544.00	554.00
Fire	278.00	276.00	282.00	262.00	259.00	253.00	260.00	269.00	270.00	276.00
Community service	59.00	53.00	54.00	55.00	57.00	48.00	56.00	60.00	72.00	72.00
Parks and recreation	51.00	68.00	73.00	66.00	58.00	59.00	75.00	92.00	123.00	122.00
Library	37.00	35.00	35.00	34.00	31.00	32.00	32.00	48.00	56.00	57.00
Public works	156.00	188.00	183.00	184.00	180.00	173.00	165.00	179.00	203.00	225.00
Engineering	29.00	26.00	24.00	18.00	19.00	17.00	18.00	19.00	26.00	27.00
Transportation	77.00	60.00	59.00	57.00	56.00	57.00	60.00	65.00	69.00	63.00
Utilities	195.00	185.00	186.00	184.00	185.00	176.00	172.00	185.00	167.00	170.00
Total	1,688.00	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

Sources:
 City of Glendale Human Resources Department

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

Function/Program	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Police										
Calls for service	185,857	192,877	187,645	190,074	174,535	146,538	127,333	127,829	129,161	129,868
Bookings	10,056	11,037	9,030	8,445	17,871	18,939	8,588	7,083	9,902	11,015
Criminal offense reports	35,867	30,146 ⁽³⁾	30,146	32,732	31,873	31,481	34,995	33,938	27,304	29,765
Fire										
EMS calls	35,939	35,482	31,502	34,518	32,250	30,262	30,082	29,321	27,751	26,591
Fire calls	3,395	3,661	3,093	3,371	3,467	3,461	3,478	3,495	3,573	3,847
Water ⁽⁴⁾										
Number of billed accounts	62,105	61,463	61,270	60,921	60,679	60,436	60,062	59,633	58,889	58,964
Water produced (million gallons)	12,826	13,755	13,672	13,864	12,057	13,768	13,667	14,064	13,569	14,284
Sewer ⁽⁴⁾										
Number of billed accounts	57,804	57,206	57,037	56,700	56,491	56,313	55,980	55,528	54,805	54,854
Treated influent (million gallons)	6,025	6,045	6,289	6,229	6,117	6,244	6,065	5,970	5,998	6,405
Refuse collection										
Residential curb service (tons per year)	49,479	46,338	48,346	48,971	48,993	45,942	46,833	48,187	49,784	52,634
Commercial container service (tons per year)	40,791	39,744	41,026	46,086	45,693	41,879	40,272	39,722	40,451	41,797
Airport										
Departures/arrivals ⁽¹⁾	89,614	86,187	75,561	78,977	74,217	70,679	76,390	80,416	80,291	69,834
General government										
Building permits	6,217	5,804	6,234	5,488	5,449	4,799	6,383	5,304	5,619	5,194
Library										
Volumes in collection ⁽²⁾	494,325	498,092	514,197	568,653	528,835	408,516	415,695	446,010	529,113	523,512
Transit										
Dial-A-Ride passengers	66,174	69,934	71,912	74,256	77,318	78,271	85,798	90,577	92,134	89,808

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.

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

(3) FY2018 criminal offense reports figure same as FY2017 due to 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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Police										
Stations	3	3	3	3	3	3	3	3	3	3
Patrol vehicles	217	194	183	193	178	176	139	154	174	157
Fire stations	9	9	9	9	9	9	9	9	9	9
General government										
City square miles	60	60	60	60	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	104.1	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	994
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	707	700	690	680
Landfill										
Landfill capacity - south cell	24,215	24,234	24,215	24,215	22,429	21,493	21,218	22,065	21,912	21,666
Landfill capacity used - south cell	21,436	20,983	20,575	20,137	19,687	19,220	18,849	19,257	18,444	18,529
Other public works										
Streets (miles)	748	748	748	718	718	718	718	717	802	736
Parks and recreation										
Number of parks/retention basins/facilities	102	102	102	101	100	100	100	100	100	100
Acres of parks	2,192	2,192	2,192	2,192	2,189	2,189	2,189	2,189	2,189	2,189
Transit										
Dial-A-Ride minibuses	21	22	22	20	22	20	21	21	21	22

Source: Various city departments
 Note: Landfill capacity in thousands

WATER RATES PER METER SIZE

Meter Size (inch)	Commercial and Residential Monthly Base Charge	
	Inside City	Outside City
5/8" 3/4"	10.80	14.04
3/4"	13.70	17.81
1"	19.40	25.22
1 1/2"	39.30	51.09
2"	69.90	90.87
3"	118.00	153.40
4"	210.00	273.00
6"	418.00	543.40
8"	619.00	804.70
10"	996.00	1,294.80
12"	1,474.00	1,916.20

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	\$ 2.39	\$ 3.11	\$ 2.58	\$ 3.36	\$ 3.23	\$ 4.20
6,001 - 15,000	2.99	3.89	2.58	3.36	3.23	4.20
15,001 - 30,000	4.19	5.45	2.58	3.36	3.23	4.20
over 30,000	5.92	7.70	2.58	3.36	3.23	4.20

SEWER SERVICE RATES

Type of Service	Inside City	Outside City
Single Family Dwelling Unit	34.03	26.19
Office Building	56.83	N/A
Apartment - Average 5 units	84.99	85.55
Apartment - Average 35 units	618.40	216.32
Retail/Wholesale	73.36	N/A

(1) Per 1,000 gallons

SOURCE: City of Glendale Finance as of May 2019

HISTORICAL AVERAGE NUMBER OF WATER CONNECTIONS ⁽¹⁾

Fiscal Year					
Ending June 30	Residential	Multi-Family ⁽²⁾	Commercial	Sprinkler ⁽²⁾	Total
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
2019	54,881	1,790	4,425	1,955	63,051

- (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
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
2018	27,303	9,257	1,891	2,536	40,987

- (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
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
2019	58,454	7.0	2.7	7.0	16.7

(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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