



**Glendale**

A R I Z O N A

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COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

**For the Fiscal Year Ended June 30, 2020**

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City of Glendale, Arizona  
**Comprehensive Annual Financial Report**  
For the Fiscal Year Ended June 30, 2020



Prepared by the:  
Budget and Finance Department

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City of Glendale, Arizona

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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# **INTRODUCTORY SECTION**

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FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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City of Glendale, Arizona

# **Comprehensive Annual Financial Report**

For the Fiscal Year Ended June 30, 2020

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## **Mayor Jerry Weiers**

### **Councilmembers**

Ray Malnar – Vice Mayor, Sahuaro District

Bart Turner - Barrel District

Ian Hugh – Cactus District

Lauren Tolmachoff – Cholla District

Jamie Aldama - Ocotillo District

Joyce Clark - Yucca District

### **Management Staff**

Kevin Phelps - City Manager

Vicki Rios- Assistant City Manager

Jack Friedline - Assistant City Manager

Prepared by Budget and Finance Department

Lisette Camacho-Director

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**City of Glendale, Arizona  
Comprehensive Annual Financial Report  
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December 23, 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, 2020. 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 13. 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, 2020, 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.

The City adopts an annual appropriated budget for its General Fund, Special Revenue Funds, Capital Projects Funds, Debt Service Funds, Permanent Fund, and Enterprise Funds. Budget-to-actual comparisons are provided in this report for each individual governmental fund to demonstrate compliance with this budget.

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 FY19-20 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 seventh largest city in the state with a population of approximately 254,000 people. Located in the northwestern part of the metropolitan Phoenix area and occupying approximately 62 square miles of land, the City is home to the Arizona Cardinals and the Arizona Coyotes. The City is also the owner of Camelback Ranch, the spring training facility for the Los Angeles Dodgers and the Chicago White Sox.

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

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

### **Economic Conditions and Strategies**

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

#### *Primary Revenue Sources*

The City relies on local and state shared sales tax as well as state shared income tax as primary revenue sources for the City's operating budget. Since the shutdown of many local businesses and travel caused by COVID-19 did not occur until the last quarter of the fiscal year, the City still realized a year over year increase of 5.3% in local sales tax revenue for fiscal year 2020. The growth can be attributed to the robust economy prior to the pandemic, strong retail sales tax collections from online sales, and economic development activities which generated additional construction sales tax revenue. The City's state shared sales tax revenues also increased 4.3% compared to last fiscal year.

### *Workforce and Unemployment*

Glendale's unemployment rate for the month of June 2020 was 10.2% which is about the same as the statewide unemployment rate of 10.3%. Glendale's workforce is concentrated in the following nonfarm sectors: health care services (15.43%), government and social advocacy services (15.39%), retail (15.61%), consumer services (11.62%), education (10.44%), construction (7.13%), finance, insurance and real estate (6.35%), business services (4.96%), and transportation and distribution (3.94%). Prior to the Coronavirus pandemic (COVID-19) the unemployment rate was as low as 3.8% in fiscal year 2020. Arizona's nonfarm employment declined 6.4% over the last year.

### *Economic Development*

Business attraction, business retention & expansion, redevelopment, business assistance (ombudsman) and Arts & Culture comprise the five pillars of Glendale's economic development program. Economic development efforts have been focused on the recently annexed Loop 303 area which provides thousands of acres of developable land. Red Bull, in partnership with Ball Corporation and Rauch, announced the construction of their first manufacturing facility just over a year ago, with subsequent announcements of additional growth. The makers of White Claw and Mike's Hard Lemonade also announced, built and opened their nearly 1 million square foot advanced brewing and manufacturing facility in 2020. The capital investments from these major corporations contributed to the growth in Glendale.

The City's Sports and Entertainment District continues to experience new major additions. YAM properties, the commercial real estate company owned by GoDaddy founder Bob Parson, purchased the Westgate Entertainment District for \$133 Million Dollars in 2018. Since then, the District has seen new hotel additions with Marriot TownePlace, TRU by Hilton, Holiday Inn and Cambria joining the area line up of hotels. Adding to the expansion of hospitality and entertainment was the major announcement of Crystal Lagoons that will be located just south of State Farm Stadium along the Loop 101. The Crystal Lagoons Resort will include over 600 new hotel rooms, an 11-acre lagoon, retail, restaurant and mixed-use entertainment options. The sustained capital investment and increased ability to accommodate more visitors during events supports the City's long-term vision.

Education opportunities continue to expand in Glendale. Arizona Christian University recently took over the former Thunderbird School of Global Management campus where they are growing their programming and building new amenities for the student population. Midwestern University continues to expand their well-established campus and add new programs to their wide array of post-graduate medical school degrees.

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 is home to Banner Health medical center, Mountainside Fitness, a 120-unit senior housing complex, an assisted living and memory care complex, retail, local favorite restaurants including Matt's Big Breakfast and Lou Malnati's, and a luxury multifamily housing by P. B. Bell company.

Downtown Glendale has continued to see the success of nationally recognized local spots La Piazza Al Forno and Haus Murphy's while also continuing to welcome new local businesses including The Black Sheep Coffee+Tea+Smoothies, Don Juan's Mexican Grill and The Village, a consortium of vegan retail and restaurant operators. Downtown Glendale also launched a new interactive art project this year, Take A Seat, Glendale, that repurposed wood benches in downtown with professionally painted murals that invite visitors and residents to take a seat and be part of the art.

New commercial development across the entire city has also been an impetus for a boom in new residential projects with thousands of new apartments and homes recently built or under construction this year.

Glendale truly is a diverse and 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 general fund realized an increase in fund balance of \$37.2 million in fiscal year 2020. This increase is primarily due to \$20.1 million of eligible public safety salary and benefit expenditures that were transferred from the General Fund to Other Special Revenue Fund to record AZCares funding the City received from the Office of the Arizona Governor to help offset the negative economic impacts of COVID-19.

## **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, 2019. This was the thirty-second consecutive year the City has received this prestigious award, and the thirty-fourth 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, 2019. This was the thirty-third 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,



Lisette Camacho, CPA  
Budget and Finance Director





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

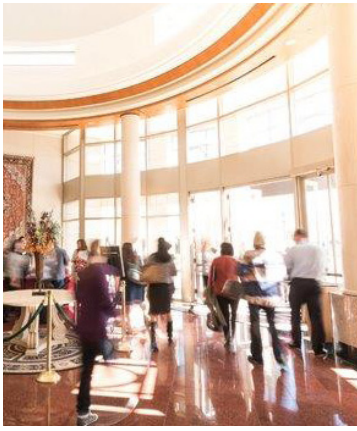
**City of Glendale  
Arizona**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

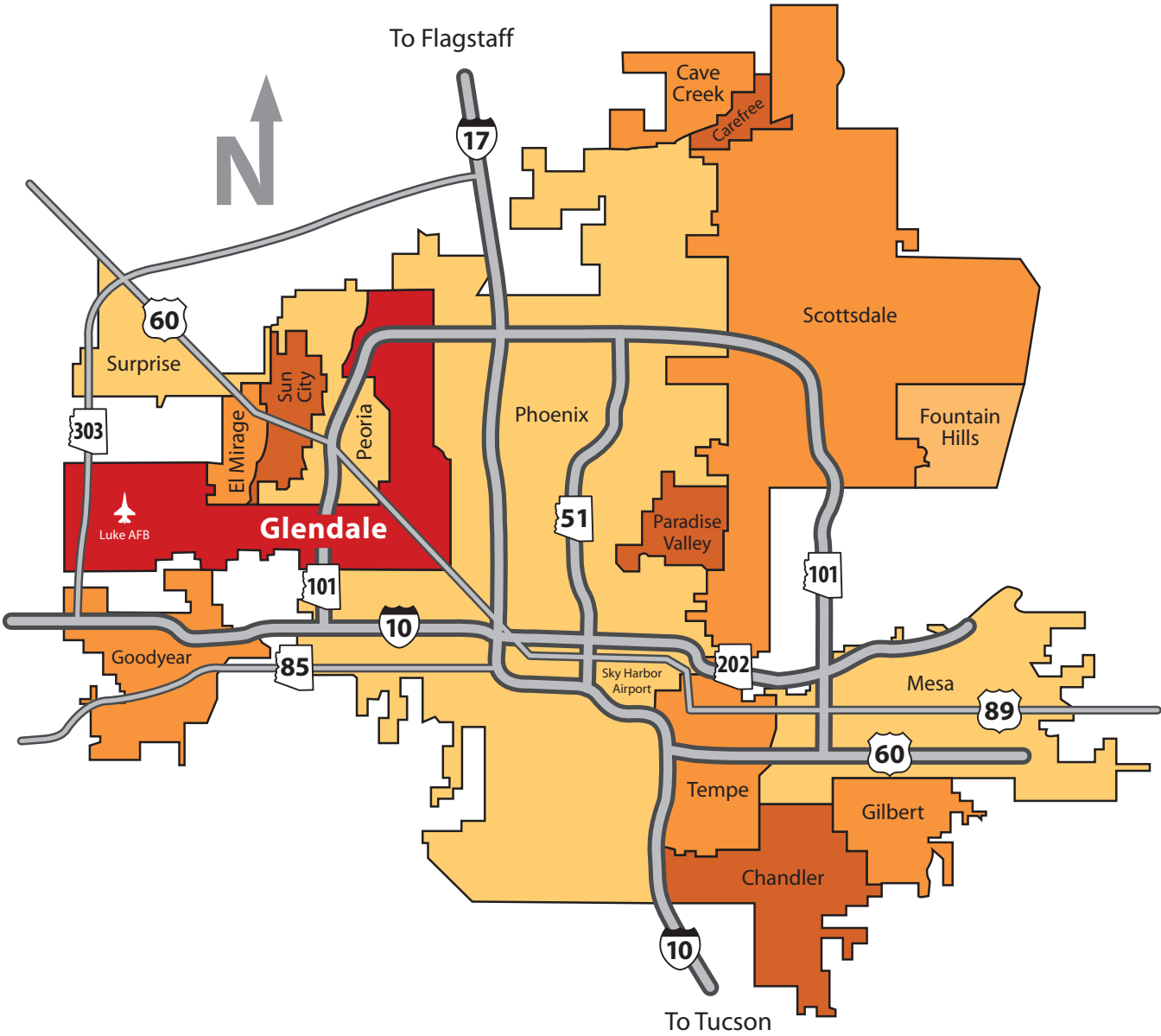
June 30, 2019

*Christopher P. Morill*

Executive Director/CEO



# Glendale, Arizona & Neighboring Communities



# GLENDALE CITY OFFICIALS

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**Jerry P. Weiers**  
Mayor



**Ray Malnar**  
Vice Mayor  
Sahuaro District



**Bart Turner**  
Councilmember  
Barrel District



**Ian Hugh**  
Councilmember  
Cactus District



**Lauren Tolmachoff**  
Councilmember  
Cholla District



**Jamie Aldama**  
Councilmember  
Ocotillo



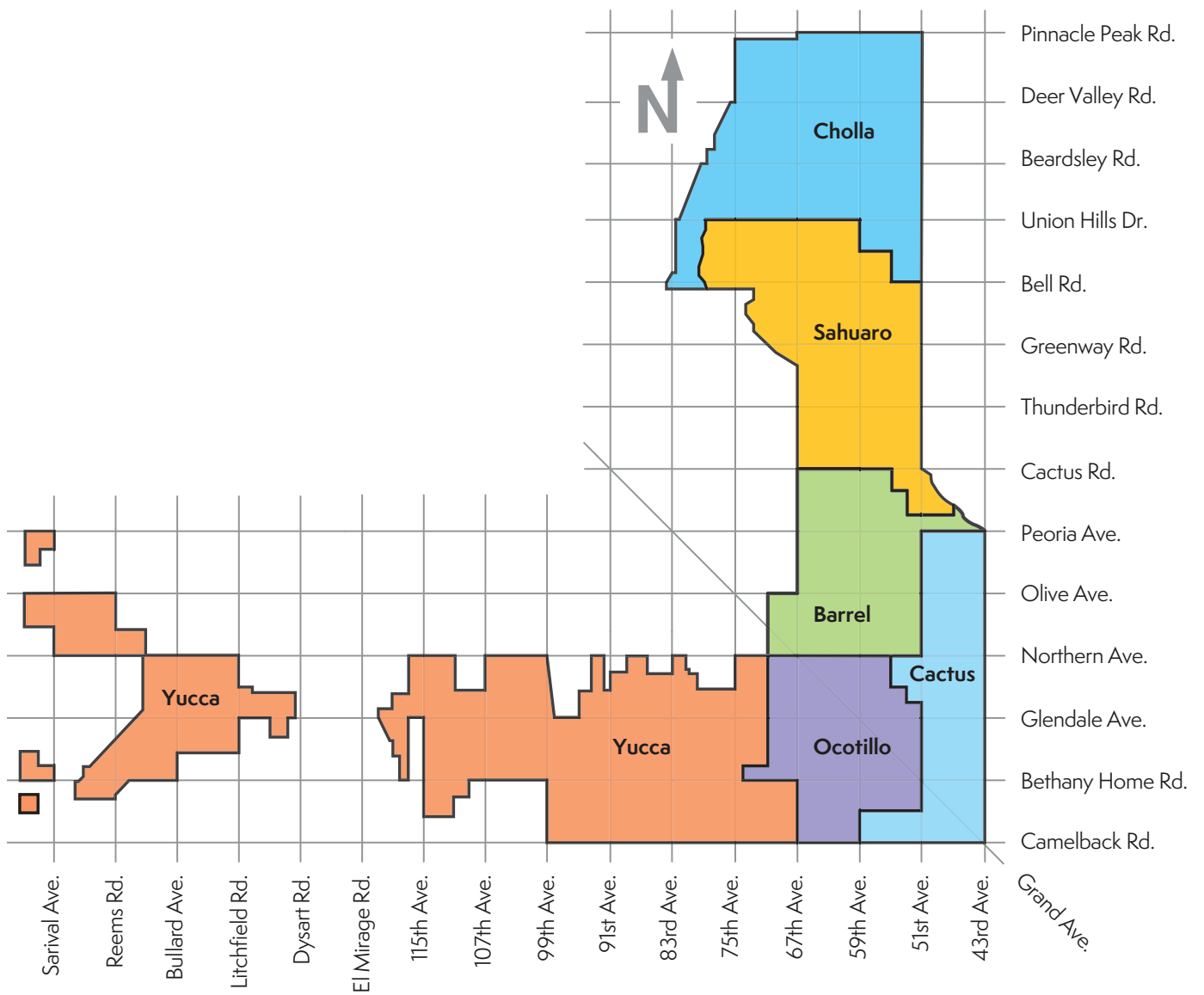
**Joyce Clark**  
Councilmember  
Yucca District



**Kevin Phelps**  
City Manager



## Glendale Council District Boundaries





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City of Glendale, Arizona

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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# **FINANCIAL SECTION**

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FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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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, 2020, 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, 2020, 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 schedules for the general fund and major special revenue fund (as listed in the table of contents) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary and Other Information***

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

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

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 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  
December 23, 2020

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City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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# MANAGEMENT'S DISCUSSION & ANALYSIS

(Required Supplementary Information)

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FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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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, 2020. 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 25, and the accompanying notes to the financial statements.

### **Significant Financial Highlights**

The financial statements illustrate the following significant financial highlights for FY 2019-20:

- The City's total net position increased by \$85,419 or 10.9%. The governmental net position increased by \$56,572 or 14.7%, and the business-type net position increased by \$28,847 or 7.2%.
- The City's total revenues increased by \$75,990 or 15.9%. Program revenues in the form of charges for services, grants, and contributions increased by \$46,564 or 22.9%. General revenues increased by \$29,426 or 10.8%.
- Program revenues from governmental activities increased \$38,877 or 53.4%. Program revenues for business-type activities increased \$7,687 or 5.9%.
- Operating grants and contributions from governmental activities increased \$20,093 or 65.0%. The primary reason for this increase was an increase of \$20,081 in operating grants and contributions from the AZCares funding the City recognized in revenue to help offset the economic impacts of COVID-19.
- Capital grants and contributions from governmental activities increased \$20,842 or 163.7%. This increase was primarily due to an increase of \$8,466 in contributed capital from the increase in development and to an increase of \$4,153 of gain on assets sold for the Bank of America Building and the Hickman Properties received in fiscal year 2020. In addition, \$8,994 in FAA grant reimbursement and \$1,451 in ADOT grant reimbursement for the airport land purchase was received in fiscal year 2020.
- General revenues from governmental activities increased \$16,275 or 6.1%. The primary reason for this increase was an increase of \$9,021 or 5.3% in sales tax revenues. In addition, state shared income tax increased \$2,543 or 8.5% and state shared sales tax increased \$1,061 or 4.3%. The increase in tax revenue reflects the positive fiscal environment the City was experiencing prior to the economic shutdown caused by COVID-19 in the last quarter of the fiscal year.
- The total cost of all City programs decreased by \$1,067 or .23%. The slight decrease in program costs is primarily due to remaining conservative with our expenses.
- The General Fund, a major governmental fund, collected \$254,003 in revenues which is an increase of \$9,401 or 3.8% from the prior year. This increase was primarily due to an increase in taxes and licenses & permits. The total expenditures of the General Fund were \$189,970, which is a decrease of \$31,913 or 14.4%. The decrease in general government expenditures is due to a one time development agreement of \$7,500 paid in fiscal year 2019 and in public safety expenditures totaling \$20,081 that was transferred from the General Fund to the Other Special Revenue Fund where the AZCares funding was recorded.

### **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 25, 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 26, 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. 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 28, 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.

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(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 4 major funds. Data from the other 12 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 and major special revenue funds, 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, major debt service, and major capital project 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 \$871,048 as of June 30, 2020.

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.

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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 \$21,733 or 10.1% 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 2020 and 2019:

**Condensed Statement of Net Position**  
As of June 30, 2020, and 2019  
(in thousands)

|                                | Governmental<br>Activities |                   | Business-Type<br>Activities |                   | Total<br>Primary<br>Government |                   |
|--------------------------------|----------------------------|-------------------|-----------------------------|-------------------|--------------------------------|-------------------|
|                                | 2020                       | 2019              | 2020                        | 2019              | 2020                           | 2019              |
| Current and other assets       | \$ 377,526                 | \$ 353,513        | \$ 95,607                   | \$ 110,089        | \$ 473,133                     | \$ 463,602        |
| Capital Assets:                |                            |                   |                             |                   |                                |                   |
| Non-depreciable                | 134,374                    | 144,761           | 89,009                      | 84,491            | 223,383                        | 229,252           |
| Depreciable (net)              | 955,847                    | 962,468           | 471,814                     | 443,338           | 1,427,661                      | 1,405,806         |
| Non-current OPEB assets        | 1,656                      | 1,292             | 55                          | 75                | 1,711                          | 1,367             |
| Equity in joint venture        | 2,861                      | 2,952             | 42,534                      | 44,451            | 45,395                         | 47,403            |
| <b>Total assets</b>            | <b>1,472,264</b>           | <b>1,464,986</b>  | <b>699,019</b>              | <b>682,444</b>    | <b>2,171,283</b>               | <b>2,147,430</b>  |
| Deferred Outflows of Resources | 81,980                     | 87,921            | 10,229                      | 12,966            | 92,209                         | 100,887           |
| Current liabilities            | 85,532                     | 85,249            | 39,504                      | 34,865            | 125,036                        | 120,114           |
| Noncurrent liabilities         | 1,002,783                  | 1,056,596         | 236,388                     | 254,383           | 1,239,171                      | 1,310,979         |
| <b>Total liabilities</b>       | <b>1,088,315</b>           | <b>1,141,845</b>  | <b>275,892</b>              | <b>289,248</b>    | <b>1,364,207</b>               | <b>1,431,093</b>  |
| Deferred Inflows of Resources  | 24,074                     | 25,779            | 4,163                       | 5,816             | 28,237                         | 31,595            |
| Net position:                  |                            |                   |                             |                   |                                |                   |
| Net investment                 |                            |                   |                             |                   |                                |                   |
| in capital assets              | 465,366                    | 416,078           | 362,679                     | 313,704           | 828,045                        | 729,782           |
| Restricted                     | 170,205                    | 184,654           | 33,896                      | 32,943            | 204,101                        | 217,597           |
| Unrestricted                   | (193,716)                  | (215,449)         | 32,618                      | 53,699            | (161,098)                      | (161,750)         |
| <b>Total net position</b>      | <b>\$ 441,855</b>          | <b>\$ 385,283</b> | <b>\$ 429,193</b>           | <b>\$ 400,346</b> | <b>\$ 871,048</b>              | <b>\$ 785,629</b> |

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

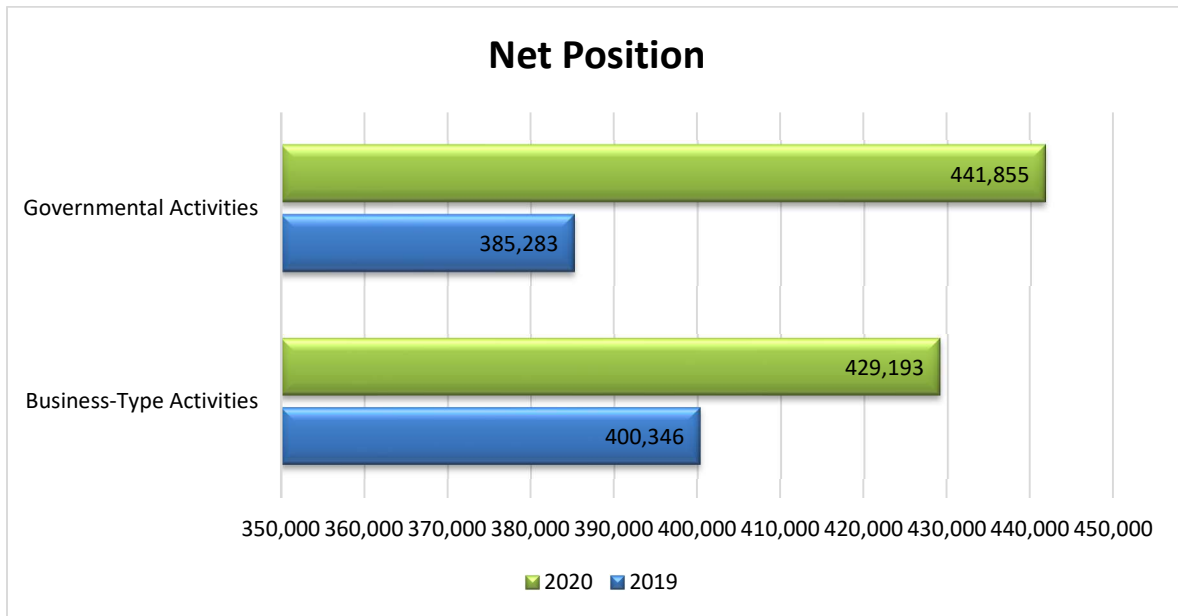
**Changes in Net Position**  
As of June 30, 2020, and 2019  
(in thousands)

|  | Governmental<br>Activities |                   | Business-Type<br>Activities |                   | Total<br>Primary<br>Government |                   |
|--|----------------------------|-------------------|-----------------------------|-------------------|--------------------------------|-------------------|
|  | 2020                       | 2019              | 2020                        | 2019              | 2020                           | 2019              |
| <b>Revenues:</b>                                   |                            |                   |                             |                   |                                |                   |
| Program revenues:                                  |                            |                   |                             |                   |                                |                   |
| Charges for services                               | \$ 27,048                  | \$ 29,106         | \$ 121,623                  | \$ 117,281        | \$ 148,671                     | \$ 146,387        |
| Operating grants and contributions                 | 50,999                     | 30,906            | 10,866                      | 9,397             | 61,865                         | 40,303            |
| Capital grants and contributions                   | 33,570                     | 12,728            | 5,816                       | 3,940             | 39,386                         | 16,668            |
| Total program revenues                             | 111,617                    | 72,740            | 138,305                     | 130,618           | 249,922                        | 203,358           |
| General revenues:                                  |                            |                   |                             |                   |                                |                   |
| Property taxes                                     | 25,718                     | 25,877            | -                           | -                 | 25,718                         | 25,877            |
| Sales taxes  | 180,842                    | 171,821           | -                           | -                 | 180,842                        | 171,821           |
| State shared sales tax                             | 25,910                     | 24,849            | -                           | -                 | 25,910                         | 24,849            |
| Urban revenue sharing<br>(state shared income tax) | 32,419                     | 29,876            | -                           | -                 | 32,419                         | 29,876            |
| Auto in-lieu taxes                                 | 10,643                     | 10,647            | -                           | -                 | 10,643                         | 10,647            |
| Investment earnings, unrestricted                  | 5,931                      | 1,919             | 1,277                       | 1,628             | 7,208                          | 3,547             |
| Miscellaneous                                      | 2,978                      | 3,177             | 17,216                      | 3,714             | 20,194                         | 6,891             |
| Total revenues                                     | 396,058                    | 340,906           | 156,798                     | 135,960           | 552,856                        | 476,866           |
| <b>Expenses:</b>                                   |                            |                   |                             |                   |                                |                   |
| General government                                 | 45,972                     | 56,530            | -                           | -                 | 45,972                         | 56,530            |
| Public safety                                      | 165,030                    | 158,883           | -                           | -                 | 165,030                        | 158,883           |
| Public works                                       | 31,211                     | 30,232            | -                           | -                 | 31,211                         | 30,232            |
| Community services                                 | 28,378                     | 28,010            | -                           | -                 | 28,378                         | 28,010            |
| Street maintenance                                 | 43,436                     | 44,992            | -                           | -                 | 43,436                         | 44,992            |
| Interest on long-term debt                         | 24,133                     | 26,181            | -                           | -                 | 24,133                         | 26,181            |
| Water and sewer                                    | -                          | -                 | 87,212                      | 83,603            | 87,212                         | 83,603            |
| Landfill   | -                          | -                 | 10,051                      | 9,921             | 10,051                         | 9,921             |
| Solid Waste  | -                          | -                 | 18,351                      | 17,242            | 18,351                         | 17,242            |
| Housing  | -                          | -                 | 13,663                      | 12,910            | 13,663                         | 12,910            |
| <b>Total expenses</b>                              | <b>338,160</b>             | <b>344,828</b>    | <b>129,277</b>              | <b>123,676</b>    | <b>467,437</b>                 | <b>468,504</b>    |
| <b>Excess before transfers</b>                     | <b>57,898</b>              | <b>(3,922)</b>    | <b>27,521</b>               | <b>12,284</b>     | <b>85,419</b>                  | <b>8,362</b>      |
| <b>Transfers in (out)</b>                          | <b>(1,326)</b>             | <b>(1,320)</b>    | <b>1,326</b>                | <b>1,320</b>      | <b>-</b>                       | <b>-</b>          |
| <b>Increase (decrease) in net position</b>         | <b>56,572</b>              | <b>(5,242)</b>    | <b>28,847</b>               | <b>13,604</b>     | <b>85,419</b>                  | <b>8,362</b>      |
| <b>Net position beginning</b>                      | <b>385,283</b>             | <b>390,525</b>    | <b>400,346</b>              | <b>386,742</b>    | <b>785,629</b>                 | <b>777,267</b>    |
| <b>Net position ending</b>                         | <b>\$ 441,855</b>          | <b>\$ 385,283</b> | <b>\$ 429,193</b>           | <b>\$ 400,346</b> | <b>\$ 871,048</b>              | <b>\$ 785,629</b> |

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 (amounts expressed in thousands)

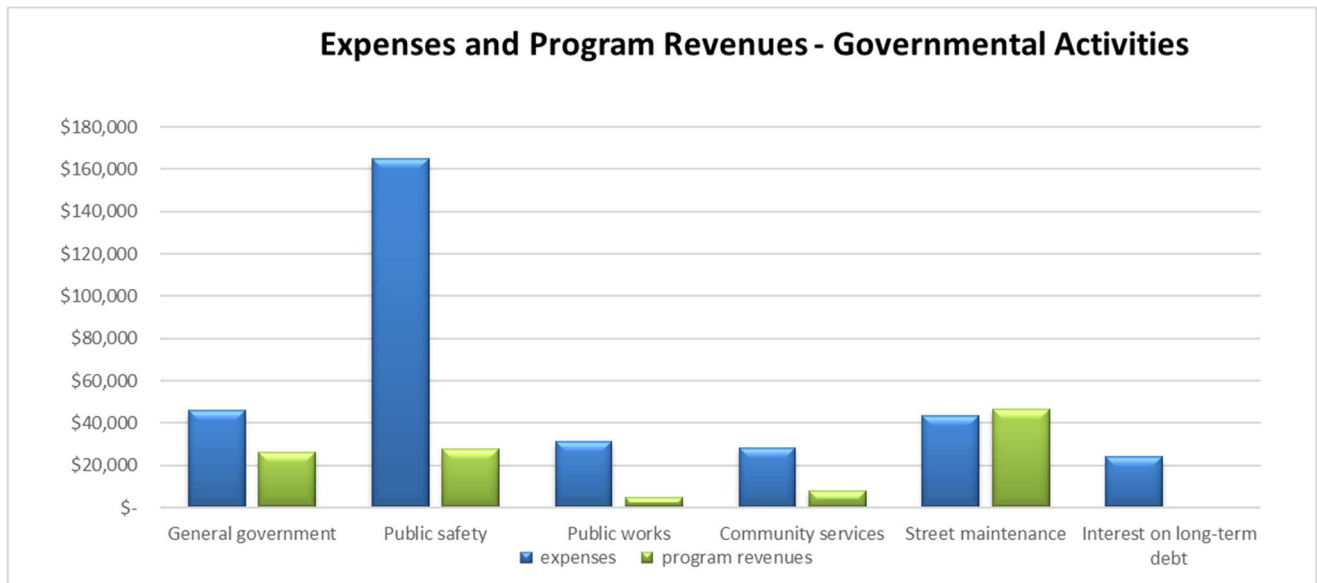
**Changes in Net Position**

The net position of the governmental activities increased by \$56,572 and business-type activities' net position increased by \$28,847.



**Revenues and Expenses**

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



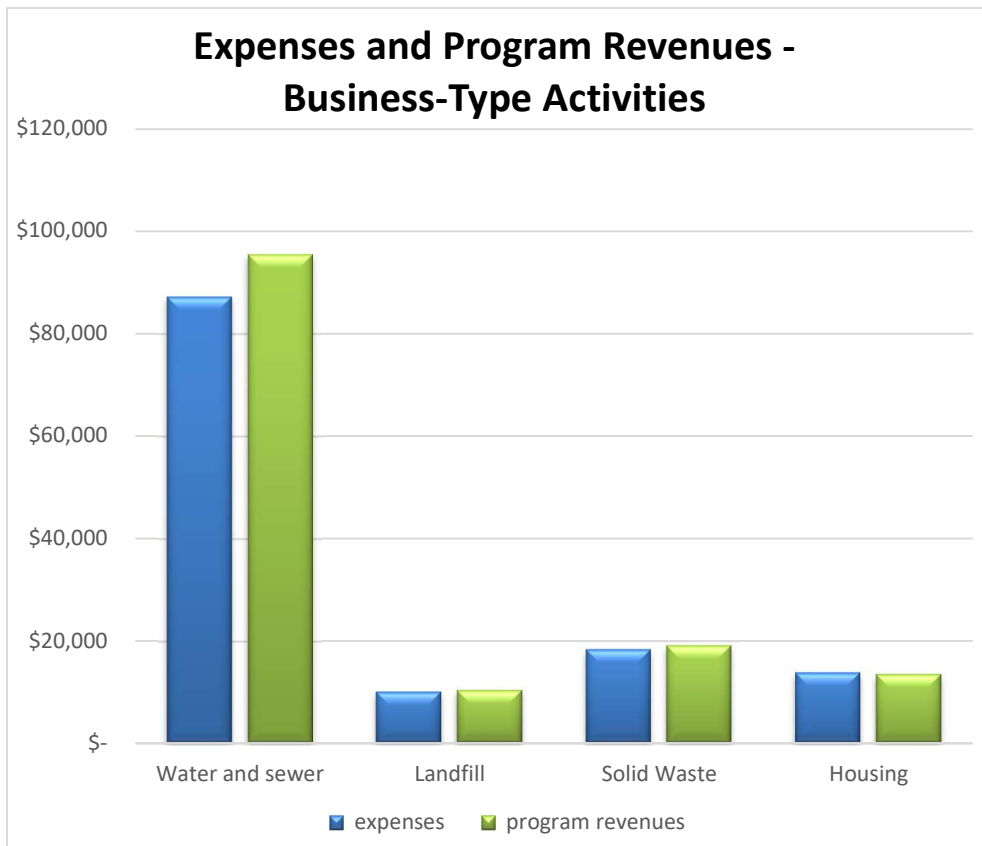
The City's total revenues from governmental activities for the fiscal year ended June 30, 2020 increased \$55,152 or 16.2%. The increase in revenues is due to \$30,526 in grant revenue, an increase of \$8,466 in contributed capital, an increase of \$9,021 in local sales tax and \$1,061 in state shared 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 leading up to the COVID-19 pandemic.



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The cost of programs and services for governmental activities decreased \$6,668 or 1.9%. The decrease is primarily due to an amendment to a development agreement that required the city to make a one-time payment of \$7,500 during fiscal year 2019.

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

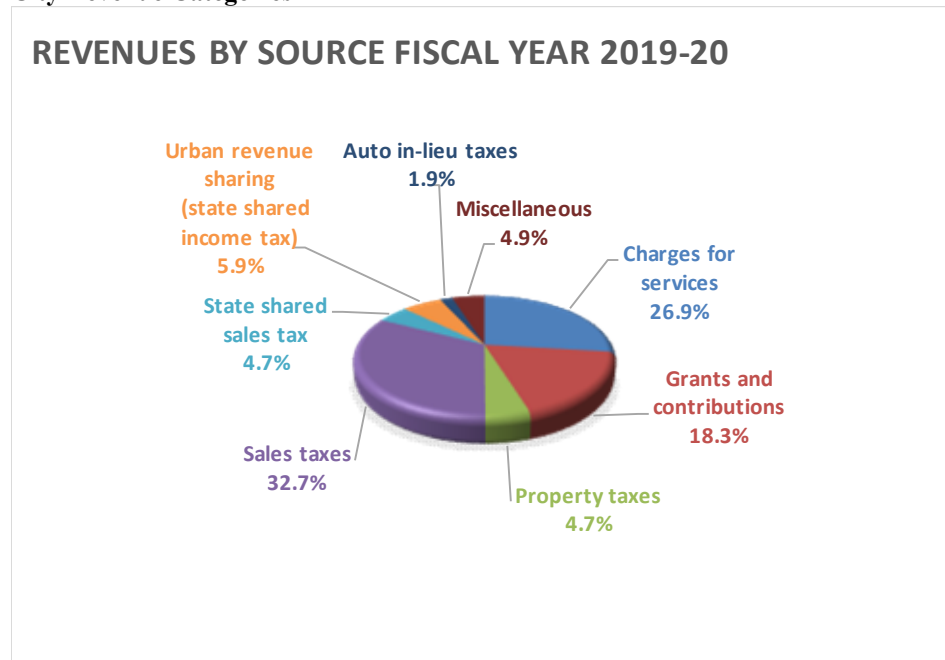


The City's total revenues from business-type activities for the fiscal year ended June 30, 2020 increased \$20,838 or 15.3%. This increase is primarily due to an increase of \$13,820 of reimbursement of the shared project between the City of Glendale and the City of Peoria to increase the capacity at the Pyramid Peak Water Treatment Plant, the project is paid by the City of Glendale and then invoices to seek reimbursement on Peoria's capacity is billed as work is completed. In addition, an increase of contributed capital of \$1,876 is related to development growth.

The cost of programs and services from business-type activities for the fiscal year ended June 30, 2020 increased \$5,601 or 4.5%. Solid Waste expenses increased \$1,109 or 6.4%, water and sewer expenses increased \$3,609 or 4.3% and landfill expenses increased \$130 or 1.3%. The increase in cost of programs and services for business-type activities is mainly contributable to increased maintenance costs.

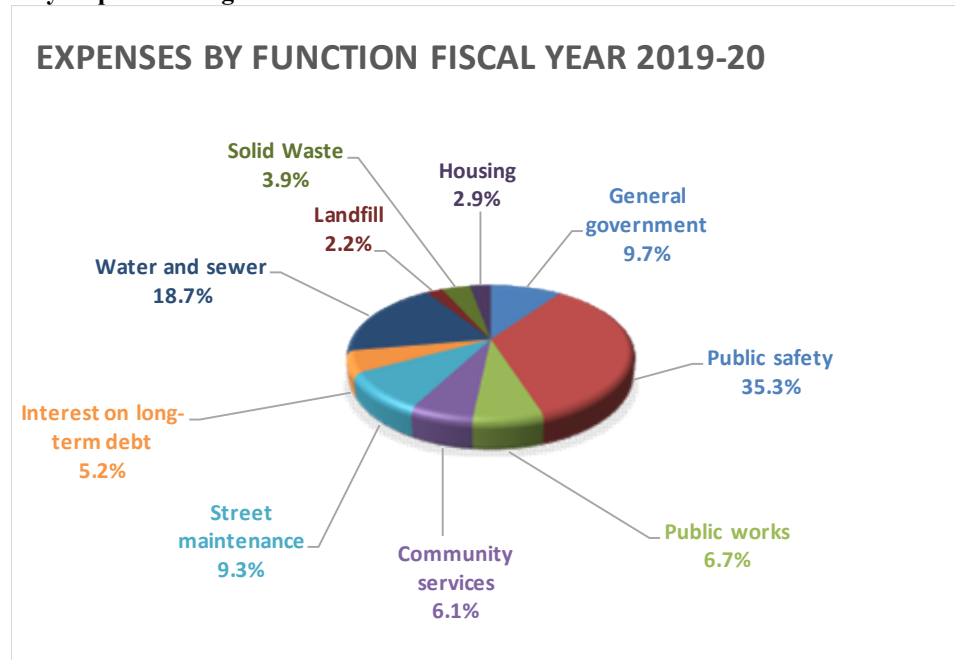
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**City Revenue Categories**



The pie chart above shows the different types of revenue the City receives and the proportion of each. The majority (59.6%) 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 (18.3%).

**City Expense Categories**



The majority of the City's expenses (54.0%) 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 \$210,025, an increase of \$23,958 or 12.9% 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 2020 and 2019, \$49,146 and \$43,523 respectively, of the total fund balance constituted unassigned fund balance.

Revenues for governmental functions overall totaled \$376,149 in fiscal year 2020, an increase of \$44,660 or 13.5% from the previous years' total of \$331,489. The increase is primarily due to an increase in intergovernmental revenue of \$33,756 or 35.3%, an increase of \$2,832 or 17.3% in licenses and permits, and an increase in taxes and special assessments revenue of \$8,803 or 4.4%. These revenues are all indicators of the continued healthy economy experiences by the City and nationally leading up to the COVID-19 pandemic.

Expenditures for governmental functions totaled \$360,853 in fiscal year 2020, an increase of \$3,550 or 1.1% from the previous year total of \$357,303. The increase is primarily due to an increase in debt service payments of \$19,771 or 28.5%, which if offset by a decrease in general government expenditures of \$13,441 or 30.8% from the prior fiscal year. The increase in debt service payments is due to paying the outstanding principal balance on the Series 2009 General Obligation bonds to avoid future interest expenditures. The decrease 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 General Fund is the main operating fund of the City. The General Fund balance increased \$37,220 or 64.5%. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$49,648 while total fund balance was \$94,965. The General Fund has \$5,621 of its fund balance as non-spendable; \$5,374 as restricted; and \$34,322 assigned. Per the City's adopted financial policies, 10% of the general fund operating revenue which totals \$25,400 has been earmarked as the Budget Stabilization Reserve and \$24,248 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, 2020 to commit these funds; therefore, the funds are reported as unassigned.

Overall, the General Fund's performance resulted in revenues over expenditures of \$64,033 in fiscal year 2020. In the prior year, revenues exceeded expenditures by \$22,719. This increase in fund balance is due to \$20,081 of expenditures being transferred in public safety salaries from the General Fund to the Other Special Revenue Fund to record AZCares funding the City received for COVID related public safety expenditures that were not previously budgeted. In addition, revenues increased by \$9,401 over the prior fiscal year. The increase is primarily due to an increase in intergovernmental revenue of \$3,549 or 5.4%, an increase of \$1,185 or 9.3% in licenses and permits, and an increase in taxes and special assessments revenue of \$7,207 or 4.8%. These revenues are all indicators of the continued healthy economy experiences by the City and nationally leading up to the COVID-19 pandemic.

The Transportation Special Revenue Fund is used to account for the accumulation of resources for, and the payment of, the City's public transit program and transportation improvement project costs. This fund was in the Non-Major Governmental Funds during the previous fiscal year. The fund had a balance of \$63,354 at the end of the fiscal year, an increase of \$13,038 from the previous fiscal year. The increase in fund balance was primarily due the increase in intergovernmental revenue of \$1,765 or 103.2% and a decrease of \$8,096 or 48.6 % in transfers out to the Streets Construction Fund due to the reduction of construction projects expended during fiscal year 2020.

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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 \$1,545 at the end of the fiscal year, a decrease of \$27,048 from the previous fiscal year. The decrease in fund balance was primarily due to the debt service payment to pay the outstanding principal balance on the Series 2009 General Obligation bonds to avoid future interest expenditures.

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 \$2,857 at the end of the fiscal year.

Other Non-Major Governmental Funds had a balance of \$47,304 at the end of the fiscal year, which was a decrease of \$51,085 from the previous fiscal year. This is mainly due to the Transportation Special Revenue Fund no longer being combined with the Other Non-Major Governmental Funds.

### **Proprietary Funds**

Net position of the enterprise funds increased \$28,490 or 7.1%. The enterprise funds' total net position was \$33,896 restricted, \$32,422 unrestricted, and \$362,679 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 \$26,515 or 6.8% for the fiscal year ended June 30, 2020. 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 \$3,587 for the fiscal year ended June 30, 2020. 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 \$5,629 higher than the final budgeted amounts. Positive economic trends resulted in taxes and licenses and permits that were \$2,500 and \$1,741 greater than the final budget, respectively. Charges for services were \$3,109 lower than the final budget. Miscellaneous revenues were \$3,340 lower than the final budget.
- General Fund expenditures were lower than the final budget by \$34,021. The most significant budget variances were in public safety which was \$22,783 lower than the final budgeted amount due to \$20,081 of expenditures being transferred in public safety salaries from the General Fund to the Other Special Revenue Fund to record AZCares funding the City received to fund COVID related public safety expenditures that were not previously budgeted and in capital outlay which was \$6,529 lower than the budgeted amount due to capital project expenditures that did not occur during the fiscal year.
- General Fund budgetary fund balance increased by \$33,627 or 63.6%. This increase is due to tax revenues, intergovernmental revenues, and proceeds from sale of land being higher than originally expected. This increase is also related to expenditures being lower than expected, mainly in the public safety and capital outlay categories.

## **Capital Asset and Debt Administration**

### **Capital Assets**

The City's investment in capital assets (net of accumulated depreciation) as of June 30, 2020, for its governmental-type activities was \$1,090,221 and for the business-type activities was \$560,823. The investment in governmental and business-type capital assets consisted of land, buildings, machinery and equipment, and infrastructure for streets, parks, airport and street lighting, water, and wastewater treatment plants.

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

- Arrowhead WRF Improvements \$17,802
- Ballpark Boulevard \$9,709
- Landfill Phase Construction (North) \$5,625
- Heroes Regional Park Library \$4,392
- Camelback Road Construction \$4,333

The following table is a summary of capital assets reflected in the June 30, 2020 financial statements as compared to last year's financial statements.

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

|                                   | Governmental<br>Activities |                     | Business-Type<br>Activities |                   | Total<br>Primary<br>Government |                     |
|-----------------------------------|----------------------------|---------------------|-----------------------------|-------------------|--------------------------------|---------------------|
|                                   | 2020                       | 2019                | 2020                        | 2019              | 2020                           | 2019                |
| Construction in progress          | \$ 13,951                  | \$ 22,848           | \$ 72,939                   | \$ 68,421         | \$ 86,890                      | \$ 91,269           |
| Land                              | 117,784                    | 119,498             | 16,070                      | 16,070            | 133,854                        | 135,568             |
| Water storage rights              | -                          | -                   | 6,687                       | 6,865             | 6,687                          | 6,865               |
| Artwork                           | 2,639                      | 2,415               | -                           | -                 | 2,639                          | 2,415               |
| Buildings                         | 227,650                    | 232,086             | 5,835                       | 5,880             | 233,485                        | 237,966             |
| Improvements other than buildings | 112,045                    | 120,992             | 48,201                      | 44,355            | 160,246                        | 165,347             |
| Infrastructure-streets            | 472,390                    | 461,864             | -                           | -                 | 472,390                        | 461,864             |
| Infrastructure-parks              | 39,737                     | 42,009              | -                           | -                 | 39,737                         | 42,009              |
| Infrastructure-flood/storm drains | 65,793                     | 65,558              | -                           | -                 | 65,793                         | 65,558              |
| Infrastructure-airport            | 9,885                      | 10,363              | -                           | -                 | 9,885                          | 10,363              |
| Water lines                       | -                          | -                   | 91,233                      | 81,209            | 91,233                         | 81,209              |
| Sewer lines                       | -                          | -                   | 75,711                      | 72,814            | 75,711                         | 72,814              |
| Water treatment plant             | -                          | -                   | 137,953                     | 123,921           | 137,953                        | 123,921             |
| Sewer treatment plant             | -                          | -                   | 75,931                      | 80,000            | 75,931                         | 80,000              |
| Meters and services               | -                          | -                   | 16,288                      | 15,260            | 16,288                         | 15,260              |
| Fire hydrants                     | -                          | -                   | 2,418                       | 2,264             | 2,418                          | 2,264               |
| Machinery and equipment           | 8,593                      | 10,259              | 1,574                       | 881               | 10,167                         | 11,140              |
| Computer equipment                | 393                        | 981                 | 300                         | 197               | 693                            | 1,178               |
| System Purchase                   | -                          | -                   | 82                          | 191               | 82                             | 191                 |
| Software                          | 2,467                      | 2,060               | -                           | -                 | 2,467                          | 2,060               |
| Automotive equipment              | 16,894                     | 16,296              | 9,601                       | 9,501             | 26,495                         | 25,797              |
| <b>Total</b>                      | <b>\$ 1,090,221</b>        | <b>\$ 1,107,229</b> | <b>\$ 560,823</b>           | <b>\$ 527,829</b> | <b>\$ 1,651,044</b>            | <b>\$ 1,635,058</b> |

The construction commitments at June 30, 2020 were \$29,573. 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 \$718,445 compared to \$799,330 last year, a 10.12% net decrease.

|   | Governmental<br>Activities |                   | Business-Type<br>Activities |                   | Total<br>Primary<br>Government |                   |
|---|----------------------------|-------------------|-----------------------------|-------------------|--------------------------------|-------------------|
|   | 2020                       | 2019              | 2020                        | 2019              | 2020                           | 2019              |
| General obligation                              | \$ 100,445                 | \$ 143,460        | \$ -                        | \$ -              | \$ 100,445                     | \$ 143,460        |
| Transportation revenue bond                     | 62,570                     | 66,710            | -                           | -                 | 62,570                         | 66,710            |
| Excise tax revenue bonds                        | 197,955                    | 205,055           | -                           | -                 | 197,955                        | 205,055           |
| Municipal Property Corporation<br>revenue bonds | 190,225                    | 197,420           | -                           | -                 | 190,225                        | 197,420           |
| Settlement obligation                           | -                          | 3,000             | -                           | -                 | -                              | 3,000             |
| Water and sewer<br>revenue bonds/obligations    | -                          | -                 | 167,250                     | 183,685           | 167,250                        | 183,685           |
| <b>Total</b>                                    | <b>\$ 551,195</b>          | <b>\$ 615,645</b> | <b>\$ 167,250</b>           | <b>\$ 183,685</b> | <b>\$ 718,445</b>              | <b>\$ 799,330</b> |

## **CITY OF GLENDALE, ARIZONA**

Management's Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2020

(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, 2020, were \$79,658 and \$205,795, 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 maintain adequate levels of fund balance to mitigate current and future risks and to ensure stable tax rates. 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 2020-21 budget is \$747,000 an increase of 1.5% from 2019-20. The increase is mainly attributable to an increase in debt service payments and Public Safety Personnel Retirement contribution costs. Overall, the goal of the FY20-21 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 2020-21 are projected at \$667,922. The major sources of revenue for the City continue to be sales tax, property taxes, and state shared revenues with projected revenues of \$113,619, \$5,937, and \$71,908 respectively. For fiscal year 2020-21, City sales tax is expected to decline by 3.6% due to the COVID-19 pandemic. 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

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# BASIC FINANCIAL STATEMENTS

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FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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City of Glendale, Arizona  
**Statement of Net Position**  
June 30, 2020  
(amounts expressed in thousands)

|  | Primary Government         |                             |                   |
|--|----------------------------|-----------------------------|-------------------|
|  | Governmental<br>Activities | Business-type<br>Activities | Total             |
| <b>ASSETS</b>                                      |                            |                             |                   |
| Equity in pooled cash and investments              | \$ 247,249                 | \$ 43,984                   | \$ 291,233        |
| Receivables (net of allowance for uncollectibles)  |                            |                             |                   |
| Property taxes                                     | 821                        | -                           | 821               |
| Accounts   | 11,711                     | 25,274                      | 36,985            |
| Note   | 49,100                     | -                           | 49,100            |
| Accrued interest                                   | 610                        | -                           | 610               |
| Intergovernmental                                  | 27,295                     | 4,782                       | 32,077            |
| Internal balances                                  | (188)                      | 188                         | -                 |
| Inventories and prepaid items                      | 5,860                      | 4,392                       | 10,252            |
| Restricted deposits                                | -                          | 3,817                       | 3,817             |
| Restricted cash and investments                    | 35,068                     | 13,170                      | 48,238            |
| Non-depreciable                                    | 134,374                    | 89,009                      | 223,383           |
| Depreciable (net)                                  | 955,847                    | 471,814                     | 1,427,661         |
| Non current OPEB assets                            | 1,656                      | 55                          | 1,711             |
| Equity in joint venture                            | 2,861                      | 42,534                      | 45,395            |
| Total assets                                       | <u>1,472,264</u>           | <u>699,019</u>              | <u>2,171,283</u>  |
| <b>DEFERRED OUTFLOW OF RESOURCES</b>               |                            |                             |                   |
| Debit amounts related to pensions and OPEB         | 68,330                     | 4,162                       | 72,492            |
| Debit amounts resulting from refunded debt         | 13,650                     | 6,067                       | 19,717            |
| Total deferred outflow of resources                | <u>81,980</u>              | <u>10,229</u>               | <u>92,209</u>     |
| <b>LIABILITIES</b>                                 |                            |                             |                   |
| Vouchers payable                                   | 16,688                     | 8,288                       | 24,976            |
| Accounts payable                                   | 192                        | 35                          | 227               |
| Retainage payable                                  | 156                        | 2,545                       | 2,701             |
| Matured bonds payable                              | 34,090                     | 16,435                      | 50,525            |
| Accrued interest payable                           | 13,479                     | 4,323                       | 17,802            |
| Intergovernmental payable                          | 456                        | 396                         | 852               |
| Deposits payable                                   | 3,226                      | 7,340                       | 10,566            |
| Unearned revenue                                   | 17,245                     | 142                         | 17,387            |
| Noncurrent liabilities:                            |                            |                             |                   |
| Due within one year                                | 73,155                     | 20,986                      | 94,141            |
| Due in more than one year                          | 929,628                    | 215,402                     | 1,145,030         |
| Total liabilities                                  | <u>1,088,315</u>           | <u>275,892</u>              | <u>1,364,207</u>  |
| <b>DEFERRED INFLOW OF RESOURCES</b>                |                            |                             |                   |
| Credit amounts related to pensions and OPEB        | 24,074                     | 4,163                       | 28,237            |
| Total deferred inflow of resources                 | <u>24,074</u>              | <u>4,163</u>                | <u>28,237</u>     |
| <b>NET POSITION</b>                                |                            |                             |                   |
| Net investment in capital assets                   | 465,366                    | 362,679                     | 828,045           |
| Restricted for:                                    |                            |                             |                   |
| Capital projects                                   | 28,129                     | -                           | 28,129            |
| Debt service                                       | 55,161                     | 16,435                      | 71,596            |
| Transportation                                     | 63,364                     | -                           | 63,364            |
| Highway and streets                                | 6,762                      | -                           | 6,762             |
| Revenue bond retirement, replacement and extension | -                          | 9,941                       | 9,941             |
| Perpetual care - nonexpendable                     | 6,100                      | -                           | 6,100             |
| Police and fire                                    | 5,374                      | -                           | 5,374             |
| OPEB benefits                                      | 1,656                      | 55                          | 1,711             |
| Other purposes                                     | 3,659                      | 7,465                       | 11,124            |
| Unrestricted                                       | (193,716)                  | 32,618                      | (161,098)         |
| Total net position                                 | <u>\$ 441,855</u>          | <u>\$ 429,193</u>           | <u>\$ 871,048</u> |

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

City of Glendale, Arizona  
**Statement of Activities**  
For the Year Ended June 30, 2020  
(amounts expressed in thousands)

| Functions/Programs             | Expenses          | Charges for Services | Program Revenues                   |                                  |
|--------------------------------|-------------------|----------------------|------------------------------------|----------------------------------|
|                                |                   |                      | Operating Grants and Contributions | Capital Grants and Contributions |
| <b>Primary government:</b>     |                   |                      |                                    |                                  |
| Governmental activities:       |                   |                      |                                    |                                  |
| General government             | \$ 45,972         | \$ 15,648            | \$ 3,010                           | \$ 7,337                         |
| Public safety                  | 165,030           | 3,803                | 23,913                             | -                                |
| Public works                   | 31,211            | 4,478                | 129                                | 21                               |
| Community services             | 28,378            | 2,995                | 3,917                              | 1,049                            |
| Street maintenance             | 43,436            | 124                  | 20,030                             | 25,163                           |
| Interest on long term debt     | 24,133            | -                    | -                                  | -                                |
| Total governmental activities  | <u>338,160</u>    | <u>27,048</u>        | <u>50,999</u>                      | <u>33,570</u>                    |
| Business-type activities:      |                   |                      |                                    |                                  |
| Water and sewer                | 87,212            | 89,208               | 563                                | 5,733                            |
| Landfill                       | 10,051            | 10,383               | -                                  | -                                |
| Solid waste                    | 18,351            | 19,048               | -                                  | -                                |
| Housing                        | 13,663            | 2,984                | 10,303                             | 83                               |
| Total business-type activities | <u>129,277</u>    | <u>121,623</u>       | <u>10,866</u>                      | <u>5,816</u>                     |
| Total primary government       | <u>\$ 467,437</u> | <u>\$ 148,671</u>    | <u>\$ 61,865</u>                   | <u>\$ 39,386</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  
Miscellaneous  
Transfers  
Total general revenues and transfers  
Change in net position  
Net position - beginning  
Net position - ending

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

Net (Expense) Revenue and Changes in Net Position

| Primary Government         |                             |                   |
|----------------------------|-----------------------------|-------------------|
| Governmental<br>Activities | Business-type<br>Activities | Total             |
| \$ (19,977)                | \$ -                        | \$ (19,977)       |
| (137,314)                  | -                           | (137,314)         |
| (26,583)                   | -                           | (26,583)          |
| (20,417)                   | -                           | (20,417)          |
| 1,881                      | -                           | 1,881             |
| (24,133)                   | -                           | (24,133)          |
| <u>(226,543)</u>           | <u>-</u>                    | <u>(226,543)</u>  |
| -                          | 8,292                       | 8,292             |
| -                          | 332                         | 332               |
| -                          | 697                         | 697               |
| -                          | (293)                       | (293)             |
| <u>-</u>                   | <u>9,028</u>                | <u>9,028</u>      |
| <u>(226,543)</u>           | <u>9,028</u>                | <u>(217,515)</u>  |
| 5,729                      | -                           | 5,729             |
| 19,989                     | -                           | 19,989            |
| 180,842                    | -                           | 180,842           |
| 25,910                     | -                           | 25,910            |
| 32,419                     | -                           | 32,419            |
| 10,643                     | -                           | 10,643            |
| 5,931                      | 1,277                       | 7,208             |
| 2,978                      | 17,216                      | 20,194            |
| (1,326)                    | 1,326                       | -                 |
| <u>283,115</u>             | <u>19,819</u>               | <u>302,934</u>    |
| 56,572                     | 28,847                      | 85,419            |
| 385,283                    | 400,346                     | 785,629           |
| <u>\$ 441,855</u>          | <u>\$ 429,193</u>           | <u>\$ 871,048</u> |

City of Glendale, Arizona  
**Balance Sheet**  
**Governmental Funds**  
June 30, 2020  
(amounts expressed in thousands)

|  | Major Funds       |                                      |                                       |  |  | Total<br>Governmental<br>Funds |
|--|-------------------|--------------------------------------|---------------------------------------|--|--|--------------------------------|
|  | General           | Transportation<br>Special<br>Revenue | General<br>Obligation Debt<br>Service | Municipal<br>Property<br>Corporation<br>Debt Service | Other Non-<br>Major<br>Governmental<br>Funds |                                |
| <b>ASSETS</b>  |                   |                                      |                                       |  |  |                                |
| Equity in pooled cash and investments                              | \$ 79,023         | \$ 61,642                            | \$ 1,377                              | \$ 2,570   | \$ 71,855                                    | \$ 216,467                     |
| Receivables, net of allowance for doubtful accounts                |                   |                                      |                                       |  |  |                                |
| Property tax   | 181               | -                                    | 640                                   | -  | -  | 821                            |
| Accounts   | 6,696             | 43                                   | -                                     | -  | 4,804  | 11,543                         |
| Note   | -                 | -                                    | -                                     | 49,100   | -  | 49,100                         |
| Accrued interest   | 610               | -                                    | -                                     | -  | -  | 610                            |
| Intergovernmental  | 22,629            | 2,022                                | -                                     | -  | 2,622  | 27,273                         |
| Due from other funds   | 378               | -                                    | -                                     | -  | -  | 378                            |
| Inventories and prepaid items                                      | 5,621             | 133                                  | -                                     | -  | 3  | 5,757                          |
| Restricted cash and investments                                    | 61                | -                                    | 17,910                                | 12,359   | 3,163  | 33,493                         |
| Total assets   | <u>115,199</u>    | <u>63,840</u>                        | <u>19,927</u>                         | <u>64,029</u>  | <u>82,447</u>                                | <u>345,442</u>                 |
| <b>LIABILITIES</b>   |                   |                                      |                                       |  |  |                                |
| Vouchers payable   | 9,867             | 427                                  | -                                     | -  | 3,434  | 13,728                         |
| Accounts payable   | 82                | -                                    | -                                     | -  | 52   | 134                            |
| Retainage payable  | 9                 | -                                    | -                                     | -  | 147  | 156                            |
| Compensated absences - current                                     | 1,199             | 34                                   | -                                     | -  | 42   | 1,275                          |
| Intergovernmental payable  | 455               | -                                    | -                                     | -  | 1  | 456                            |
| Due to other funds   | -                 | -                                    | -                                     | -  | 370  | 370                            |
| Deposits   | 3,159             | -                                    | -                                     | -  | 67   | 3,226                          |
| Unearned revenue   | 3,974             | 15                                   | -                                     | -  | 13,256                                       | 17,245                         |
| Matured interest payable   | -                 | -                                    | 2,255                                 | 4,877  | 6,347  | 13,479                         |
| Matured bonds payable  | -                 | -                                    | 15,655                                | 7,195  | 11,240                                       | 34,090                         |
| Total liabilities  | <u>18,745</u>     | <u>476</u>                           | <u>17,910</u>                         | <u>12,072</u>  | <u>34,956</u>                                | <u>84,159</u>                  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                               |                   |                                      |                                       |  |  |                                |
| Deferred Inflows of Resources-Unavailable Revenue                  | <u>1,489</u>      | <u>10</u>                            | <u>472</u>                            | <u>49,100</u>  | <u>187</u>                                   | <u>51,258</u>                  |
| <b>FUND BALANCES</b>   |                   |                                      |                                       |  |  |                                |
| Fund balance:  |                   |                                      |                                       |  |  |                                |
| Nonspendable   | 5,621             | 133                                  | -                                     | -  | 6,038  | 11,792                         |
| Restricted   | 5,374             | 63,221                               | 1,545                                 | 2,857  | 39,465                                       | 112,462                        |
| Committed  | -                 | -                                    | -                                     | -  | 1,734  | 1,734                          |
| Assigned   | 34,322            | -                                    | -                                     | -  | 569  | 34,891                         |
| Unassigned   | 49,648            | -                                    | -                                     | -  | (502)  | 49,146                         |
| Total fund balances  | <u>94,965</u>     | <u>63,354</u>                        | <u>1,545</u>                          | <u>2,857</u>   | <u>47,304</u>                                | <u>210,025</u>                 |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 115,199</u> | <u>\$ 63,840</u>                     | <u>\$ 19,927</u>                      | <u>\$ 64,029</u>                                     | <u>\$ 82,447</u>                             | <u>\$ 345,442</u>              |

The notes to 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, 2020  
(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   | \$              | 210,025          |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.  |                 |                  |
| Governmental capital assets  | \$              | 1,964,302        |
| Less accumulated depreciation  |                 | <u>(878,616)</u> |
|  |                 | 1,085,686        |
| Net OPEB asset   |                 | 1,644            |
| Adjustment to reflect the government joint venture   |                 | 2,861            |
| Deferred outflow of resources related to pensions and OPEB   |                 | 66,864           |
| Deferred outflow reacquisition price of refunding outstanding debt   |                 | 13,650           |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds and shown as an internal balance item.   |                 | (196)            |
| 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. |                 |                  |
|  |                 | 13,507           |
| 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  | (551,195)       |                  |
| Net pension & OPEB liabilities   | (348,173)       |                  |
| Developer payable obligations  | (4,693)         |                  |
| Compensated absences   | (28,063)        |                  |
| Bond discount  | 452             |                  |
| Unamortized premium on debt issuance   | <u>(48,823)</u> |                  |
|  |                 | (980,495)        |
| Deferred inflows of resources related pensions and OPEB  |                 | (22,949)         |
| 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   |                 | 51,258           |
| Net position of governmental activities  | <u>\$</u>       | <u>441,855</u>   |

City of Glendale, Arizona  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
For the Year Ended June 30, 2020  
(amounts expressed in thousands)

|   | Major Funds      |                                      |                                       |  |  | Total<br>Governmental<br>Funds |
|---|------------------|--------------------------------------|---------------------------------------|--|--|--------------------------------|
|   | General          | Transportation<br>Special<br>Revenue | General<br>Obligation Debt<br>Service | Municipal<br>Property<br>Corporation<br>Debt Service | Other Non-<br>Major<br>Governmental<br>Funds |                                |
| <b>REVENUES</b>                                   |                  |                                      |                                       |  |  |                                |
| Taxes and special assessments                     | \$ 155,900       | \$ 30,989                            | \$ 19,926                             | \$ -   | \$ -   | \$ 206,815                     |
| Licenses and permits                              | 13,861           | -                                    | -                                     | -  | 5,321  | 19,182                         |
| Intergovernmental                                 | 69,288           | 3,476                                | 238                                   | 2,207  | 54,120                                       | 129,329                        |
| Local   | 85               | -                                    | -                                     | -  | 88   | 173                            |
| Charges for services                              | 7,155            | 686                                  | -                                     | -  | 673  | 8,514                          |
| Fines and forfeitures                             | 2,146            | -                                    | -                                     | -  | 280  | 2,426                          |
| Investment Income                                 | 3,360            | 1,064                                | 1,034                                 | 93   | 512  | 6,063                          |
| Miscellaneous                                     | 2,208            | 107                                  | 8                                     | 1  | 1,323  | 3,647                          |
| Total revenues                                    | <u>254,003</u>   | <u>36,322</u>                        | <u>21,206</u>                         | <u>2,301</u>   | <u>62,317</u>                                | <u>376,149</u>                 |
| <b>EXPENDITURES</b>                               |                  |                                      |                                       |  |  |                                |
| Current:  |                  |                                      |                                       |  |  |                                |
| General government                                | 29,024           | -                                    | 7                                     | 9  | 1,134  | 30,174                         |
| Public safety                                     | 123,048          | -                                    | -                                     | -  | 23,525                                       | 146,573                        |
| Public works                                      | 14,566           | -                                    | -                                     | -  | 1,598  | 16,164                         |
| Community services                                | 19,490           | -                                    | -                                     | -  | 4,024  | 23,514                         |
| Street maintenance                                | 698              | 13,332                               | -                                     | -  | 17,742                                       | 31,772                         |
| Debt service:                                     |                  |                                      |                                       |  |  |                                |
| Principal   | -                | -                                    | 43,015                                | 7,195  | 11,240                                       | 61,450                         |
| Interest  | -                | -                                    | 5,232                                 | 9,755  | 12,694                                       | 27,681                         |
| Capital outlay                                    | 3,144            | 1,388                                | -                                     | -  | 18,993                                       | 23,525                         |
| Total expenditures                                | <u>189,970</u>   | <u>14,720</u>                        | <u>48,254</u>                         | <u>16,959</u>  | <u>90,950</u>                                | <u>360,853</u>                 |
| Excess (deficiency) of revenues over expenditures | <u>64,033</u>    | <u>21,602</u>                        | <u>(27,048)</u>                       | <u>(14,658)</u>                                      | <u>(28,633)</u>                              | <u>15,296</u>                  |
| <b>OTHER FINANCING SOURCES (USES)</b>             |                  |                                      |                                       |  |  |                                |
| Proceeds from equipment disposal                  | 217              | 2                                    | -                                     | -  | 76   | 295                            |
| Proceeds from land sale                           | 9,693            | -                                    | -                                     | -  | -  | 9,693                          |
| Transfer in                                       | -                | -                                    | -                                     | 16,175   | 33,834                                       | 50,009                         |
| Transfer out                                      | (36,723)         | (8,566)                              | -                                     | -  | (6,046)                                      | (51,335)                       |
| Total other financing sources (uses)              | <u>(26,813)</u>  | <u>(8,564)</u>                       | <u>-</u>                              | <u>16,175</u>  | <u>27,864</u>                                | <u>8,662</u>                   |
| Net change in fund balances                       | 37,220           | 13,038                               | (27,048)                              | 1,517  | (769)  | 23,958                         |
| Fund balances - beginning                         | 57,745           | 50,316                               | 28,593                                | 1,340  | 48,073                                       | 186,067                        |
| Fund balances - ending                            | <u>\$ 94,965</u> | <u>\$ 63,354</u>                     | <u>\$ 1,545</u>                       | <u>\$ 2,857</u>                                      | <u>\$ 47,304</u>                             | <u>\$ 210,025</u>              |

The notes to 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, 2020

(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   |    | \$              | 23,958         |
| 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  | \$ | 23,530          |                |
| Less current year depreciation   |    | <u>(51,884)</u> | (28,354)       |
| The net effect of various transactions involving capital is to increase net position.  |    |                 |                |
| Capital contributions  |    | 12,577          |                |
| Gain (loss) on disposals   |    | <u>(4,431)</u>  | 8,146          |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.  |    |                 | 1,628          |
| The net effect of long-term obligations and the related transactions is to increase net assets.  |    |                 |                |
| Net bond premium and discount amortized  |    | 4,915           |                |
| Principal paid on bonds, notes, and leases   |    | <u>61,450</u>   | 66,365         |
| 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.   |    |                 | (580)          |
| 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. |    |                 | (15,564)       |
| 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.   |    |                 | 3,232          |
| Expenses on the statement of activities differ from governmental funds because of the portion not accrued on the governmental funds.   |    |                 | <u>(2,259)</u> |
| Change in net position of governmental activities  |    | \$              | <u>56,572</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, 2020  
(amounts expressed in thousands)

|   | Business-Type Activities |                          |                           | Governmental              |
|---|--------------------------|--------------------------|---------------------------|---------------------------|
|   | Water and Sewer          | Total Non-Major<br>Funds | Total Enterprise<br>Funds | Internal Service<br>Funds |
| <b>ASSETS</b>   |                          |                          |                           |                           |
| Current assets:   |                          |                          |                           |                           |
| Equity in pooled cash and investments   | \$ 34,050                | \$ 9,934                 | \$ 43,984                 | \$ 30,782                 |
| Receivables:  |                          |                          |                           |                           |
| Accounts  | 24,953                   | 3,467                    | 28,420                    | 168                       |
| Allowance for uncollectibles  | (2,566)                  | (580)                    | (3,146)                   | -                         |
| Intergovernmental   | 4,445                    | 337                      | 4,782                     | 22                        |
| Inventories and prepaid items   | 4,375                    | 17                       | 4,392                     | 103                       |
| Total current assets  | <u>65,257</u>            | <u>13,175</u>            | <u>78,432</u>             | <u>31,075</u>             |
| Noncurrent assets:  |                          |                          |                           |                           |
| Restricted deposits   | 3,817                    | -                        | 3,817                     | 1,575                     |
| Restricted cash and investments   | 13,170                   | -                        | 13,170                    | -                         |
| OPEB assets   | 36                       | 19                       | 55                        | 12                        |
| Capital assets:   |                          |                          |                           |                           |
| Capital assets  | 937,345                  | 71,952                   | 1,009,297                 | 9,222                     |
| Accumulated depreciation  | (409,410)                | (39,064)                 | (448,474)                 | (4,687)                   |
| Capital assets, net   | <u>527,935</u>           | <u>32,888</u>            | <u>560,823</u>            | <u>4,535</u>              |
| Equity in joint venture   | 42,534                   | -                        | 42,534                    | -                         |
| Total noncurrent assets   | <u>587,492</u>           | <u>32,907</u>            | <u>620,399</u>            | <u>6,122</u>              |
| Total assets  | <u>652,749</u>           | <u>46,082</u>            | <u>698,831</u>            | <u>37,197</u>             |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>   |                          |                          |                           |                           |
| Debit amounts resulting from refunded debt  | 6,067                    | -                        | 6,067                     | -                         |
| Debit amounts related to pensions and OPEB  | 2,726                    | 1,436                    | 4,162                     | 1,466                     |
| Total deferred outflows of resources  | <u>8,793</u>             | <u>1,436</u>             | <u>10,229</u>             | <u>1,466</u>              |
| <b>LIABILITIES</b>  |                          |                          |                           |                           |
| Current liabilities:  |                          |                          |                           |                           |
| Vouchers payable  | 7,197                    | 1,091                    | 8,288                     | 2,960                     |
| Accounts payable  | -                        | 35                       | 35                        | 58                        |
| Retainage payable   | 2,545                    | -                        | 2,545                     | -                         |
| Compensated absences  | 1,565                    | 586                      | 2,151                     | 497                       |
| Due to other funds  | -                        | 8                        | 8                         | -                         |
| Matured bonds payable   | 16,435                   | -                        | 16,435                    | -                         |
| Intergovernmental payable   | 396                      | -                        | 396                       | -                         |
| Deposits  | 5,928                    | 1,412                    | 7,340                     | -                         |
| Unearned revenue  | -                        | 142                      | 142                       | -                         |
| Estimated claims payable  | -                        | -                        | -                         | 16,691                    |
| Bonds payable current   | 18,835                   | -                        | 18,835                    | -                         |
| Interest payable  | 4,323                    | -                        | 4,323                     | -                         |
| Total current liabilities   | <u>57,224</u>            | <u>3,274</u>             | <u>60,498</u>             | <u>20,206</u>             |
| Noncurrent liabilities:   |                          |                          |                           |                           |
| Compensated absences  | 1,367                    | 643                      | 2,010                     | 517                       |
| Bonds payable   | 166,396                  | -                        | 166,396                   | -                         |
| Net pension & OPEB liabilities  | 19,736                   | 11,185                   | 30,921                    | 3,308                     |
| Other long term debt  | -                        | 56                       | 56                        | -                         |
| Estimated closure and post closure costs  | -                        | 16,019                   | 16,019                    | -                         |
| Total noncurrent liabilities  | <u>187,499</u>           | <u>27,903</u>            | <u>215,402</u>            | <u>3,825</u>              |
| Total liabilities   | <u>244,723</u>           | <u>31,177</u>            | <u>275,900</u>            | <u>24,031</u>             |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |                          |                          |                           |                           |
| Credit amounts related to pensions and OPEB   | <u>2,680</u>             | <u>1,483</u>             | <u>4,163</u>              | <u>1,125</u>              |
| <b>NET POSITION</b>   |                          |                          |                           |                           |
| Net investment in capital assets  | 329,791                  | 32,888                   | 362,679                   | 4,535                     |
| Restricted for:   |                          |                          |                           |                           |
| Debt service  | 16,435                   | -                        | 16,435                    | -                         |
| Revenue bond retirement, replacement and extension  | 9,941                    | -                        | 9,941                     | -                         |
| Other purposes  | 7,465                    | -                        | 7,465                     | -                         |
| OPEB benefits   | 36                       | 19                       | 55                        | 12                        |
| Unrestricted  | 50,471                   | (18,049)                 | 32,422                    | 8,960                     |
| Total net position  | <u>\$ 414,139</u>        | <u>\$ 14,858</u>         | <u>\$ 428,997</u>         | <u>\$ 13,507</u>          |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds |                          |                          | 196                       |                           |
| Net position of business type activities  |                          |                          | <u>\$ 429,193</u>         |                           |



City of Glendale, Arizona  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
For the Year Ended June 30, 2020  
(amounts expressed in thousands)

|   | Business-Type Activities |                  |                  | Governmental     |
|---|--------------------------|------------------|------------------|------------------|
|   | Water and Sewer          | Total Non-Major  | Total Enterprise | Internal Service |
|   |                          | Funds            | Funds            | Funds            |
| <b>OPERATING REVENUES</b>   |                          |                  |                  |                  |
| Intergovernmental   | \$ 540                   | \$ 10,303        | \$ 10,843        | \$ -             |
| Metered water sales   | 52,738                   | -                | 52,738           | -                |
| Sewer service charges   | 36,140                   | -                | 36,140           | -                |
| Container service   | -                        | 4,212            | 4,212            | -                |
| Curb service  | -                        | 14,786           | 14,786           | -                |
| Landfill user fees  | -                        | 9,860            | 9,860            | -                |
| Self insurance premium  | -                        | -                | -                | 37,173           |
| Charges for services  | -                        | -                | -                | 22,011           |
| Recycling sales   | -                        | 517              | 517              | -                |
| Other fees  | 18,830                   | 3,004            | 21,834           | 219              |
| Total operating revenues  | <u>108,248</u>           | <u>42,682</u>    | <u>150,930</u>   | <u>59,403</u>    |
| <b>OPERATING EXPENSES</b>   |                          |                  |                  |                  |
| Water   | 26,152                   | -                | 26,152           | -                |
| Sewer   | 13,196                   | -                | 13,196           | -                |
| Landfill  | -                        | 8,656            | 8,656            | -                |
| Housing   | -                        | 13,409           | 13,409           | -                |
| Closure/post-closure care adjustment  | -                        | 241              | 241              | -                |
| Solid Waste   | -                        | 16,944           | 16,944           | -                |
| Administrative and general  | 16,228                   | -                | 16,228           | 22,047           |
| Insurance claims and premiums   | -                        | -                | -                | 33,808           |
| Amortization and depreciation   | 24,573                   | 2,901            | 27,474           | 510              |
| Total operating expenses  | <u>80,149</u>            | <u>42,151</u>    | <u>122,300</u>   | <u>56,365</u>    |
| Operating income (loss)   | <u>28,099</u>            | <u>531</u>       | <u>28,630</u>    | <u>3,038</u>     |
| <b>NONOPERATING REVENUES (EXPENSES)</b>   |                          |                  |                  |                  |
| Impact fees   | 2,489                    | -                | 2,489            | -                |
| Investment income   | 1,114                    | 174              | 1,288            | 551              |
| Interest expense  | (7,329)                  | -                | (7,329)          | -                |
| Net loss from joint venture   | (3,788)                  | -                | (3,788)          | -                |
| Gain/(loss) on disposal of assets   | 3                        | 55               | 58               | (2)              |
| Total nonoperating revenues (expenses)  | <u>(7,511)</u>           | <u>229</u>       | <u>(7,282)</u>   | <u>549</u>       |
| Income (loss) before contributions and transfers  | 20,588                   | 760              | 21,348           | 3,587            |
| Capital contributions   | 5,733                    | 83               | 5,816            | -                |
| Transfer in   | 422                      | 1,164            | 1,586            | -                |
| Transfer out  | (228)                    | (32)             | (260)            | -                |
| Change in net position  | 26,515                   | 1,975            | 28,490           | 3,587            |
| Total net position - beginning  | 387,624                  | 12,883           |                  | 9,920            |
| Total net position - ending   | <u>\$ 414,139</u>        | <u>\$ 14,858</u> |                  | <u>\$ 13,507</u> |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds |                          |                  | 357              |                  |
| Change in net position of business-type activities  |                          |                  | <u>\$ 28,847</u> |                  |

The notes to 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, 2020

(amounts expressed in thousands)

|  | <u>Business-Type Activities - Enterprise Funds</u> |                      |                  | Governmental<br>Activities -<br>Internal<br>Service Funds |
|--|--|----------------------|------------------|---|
|  | <u>Major Funds</u>                                 | Other<br>Proprietary | Total            |   |
|  | Water and Sewer                                    | Funds                |                  |   |
| <b>Cash flows from operating activities:</b>                               |  |                      |                  |   |
| Cash received from customers   | \$ 99,079  | \$ 33,727            | \$ 132,806       | \$ 59,222   |
| Cash received from federal operating grants                                | -  | 10,067               | 10,067           | -   |
| Cash paid to suppliers:  |  |                      |                  |   |
| Internal city departments  | (9,336)  | (11,737)             | (21,073)         | (362)   |
| External vendors   | (29,116)   | (16,510)             | (45,626)         | (12,372)  |
| Cash paid for insurance and in settlement<br>of claims                     | -  | -                    | -                | (34,626)  |
| Cash paid to employees for services  | (20,326)   | (10,187)             | (30,513)         | (6,361)   |
| Net cash provided by operating activities                                  | <u>40,301</u>                                      | <u>5,360</u>         | <u>45,661</u>    | <u>5,501</u>  |
| <b>Cash flows from noncapital<br/>financing activities:</b>                |  |                      |                  |   |
| Transfers in   | 422  | 1,164                | 1,586            | -   |
| Transfers out  | (228)  | (32)                 | (260)            | -   |
| Advances to/due from other funds   | -  | (721)                | (721)            | -   |
| Net cash provided by noncapital<br>financing activities                    | <u>194</u>   | <u>411</u>           | <u>605</u>       | <u>-</u>  |
| <b>Cash flows from capital and related<br/>financing activities:</b>       |  |                      |                  |   |
| Proceeds from sale of capital assets                                       | -  | 50                   | 50               | -   |
| Principal payments on obligations  | (16,050)   | -                    | (16,050)         | -   |
| Acquisition of capital assets and rights                                   | (48,326)   | (4,932)              | (53,258)         | (3,287)   |
| Impact fees  | 2,489  | -                    | 2,489            | -   |
| Interest payments on obligations   | (9,022)  | -                    | (9,022)          | -   |
| Net cash used by<br>capital and related financing activities               | <u>(70,909)</u>                                    | <u>(4,882)</u>       | <u>(75,791)</u>  | <u>(3,287)</u>  |
| <b>Cash flows from investing activities:</b>                               |  |                      |                  |   |
| Interest received from investments   | 1,114  | 174                  | 1,288            | 551   |
| Net cash provided by investing activities                                  | <u>1,114</u>                                       | <u>174</u>           | <u>1,288</u>     | <u>551</u>  |
| Net increase (decrease) in cash and cash<br>equivalents during fiscal year | (29,300)   | 1,063                | (28,237)         | 2,765   |
| Cash and cash equivalents, July 1  | 76,520   | 8,871                | 85,391           | 28,017  |
| Cash and cash equivalents, June 30   | <u>\$ 47,220</u>                                   | <u>\$ 9,934</u>      | <u>\$ 57,154</u> | <u>\$ 30,782</u>  |

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

|   | Business-Type Activities - Enterprise Funds |                      |                  | Governmental<br>Activities -<br>Internal<br>Service Funds |
|---|---|----------------------|------------------|---|
|   | Major Funds                                 | Other<br>Proprietary | Total            |   |
|   | Water and Sewer                             | Funds                |                  |   |
| <b>Reconciliation of operating income (loss)<br/>to net cash provided (used) by<br/>operating activities:</b> |   |                      |                  |   |
| Operating income (loss)   | \$ 28,099                                   | \$ 531               | \$ 28,630        | \$ 3,038  |
| Adjustments to reconcile operating<br>income (loss) to net cash provided (used)<br>by operations:             |   |                      |                  |   |
| Amortization and depreciation   | 24,573                                      | 2,901                | 27,474           | 510   |
| Changes in assets and liabilities:  |   |                      |                  |   |
| Accounts receivable   | (9,078)                                     | 84                   | (8,994)          | (168)   |
| Intergovernmental receivable  | (2,988)                                     | (236)                | (3,224)          | (13)  |
| Net OPEB asset  | 13  | 7                    | 20               | 4   |
| Net pension and OPEB liability  | 150   | 74                   | 224              | 53  |
| Deferred outflows related to<br>pensions and OPEB   | 1,194                                       | 609                  | 1,803            | 373   |
| Deferred inflows related to<br>pensions and OPEB  | (1,086)                                     | (567)                | (1,653)          | (317)   |
| Inventories and prepaid items   | (80)  | 1                    | (79)             | 16  |
| Restricted deposits   | (380)                                       | -                    | (380)            | -   |
| Joint venture   | (1,871)                                     | -                    | (1,871)          | -   |
| Vouchers and accounts payable   | 1,175                                       | 403                  | 1,578            | 325   |
| Intergovernmental payable   | 113   | -                    | 113              | -   |
| Other long term liabilities   | -   | 20                   | 20               | -   |
| Deposits  | 289   | 1,127                | 1,416            | -   |
| Unearned rent   | -   | 137                  | 137              | -   |
| Compensated absences  | 178   | 28                   | 206              | (11)  |
| Claims payable  | -   | -                    | -                | 1,691   |
| Estimated closure and post-closure<br>costs   | -   | 241                  | 241              | -   |
| Net cash provided (used) by operating activities  | <u>\$ 40,301</u>                            | <u>\$ 5,360</u>      | <u>\$ 45,661</u> | <u>\$ 5,501</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   | \$ 34,050        | \$ 9,934        | \$ 43,984        | \$ 30,782        |
| Restricted cash and investments         | 13,170           | -               | 13,170           | -                |
| Total cash and cash equivalents         | <u>\$ 47,220</u> | <u>\$ 9,934</u> | <u>\$ 57,154</u> | <u>\$ 30,782</u> |

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

|   |          |       |          |      |
|---|----------|-------|----------|------|
| Contributions of capital assets                               | \$ 5,733 | \$ 83 | \$ 5,816 | \$ - |
| Loss on joint venture   | (3,788)  | -     | (3,788)  | -    |
| Amortization of bond premium/discount                         | 2,251    | -     | 2,251    | -    |
| Amortization of debit amounts resulting<br>from refunded debt | 934      | -     | 934      | -    |

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2020

(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, 2020

(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).

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2020

(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 *transportation special revenue fund* accounts for the City’s public transit system and transportation improvement projects.

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.

## CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2020

(amounts expressed in thousands)

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

### **Governmental funds**

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

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

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

Debt service funds: Debt service funds are used to account for the accumulation of financial resources for the payment of 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, 2020

(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, 2020

(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, 2020, the postage portion of the general fund supplies inventory was \$3. 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.

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**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2020

(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, 2020, is \$1,313. 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, 2020, 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, 2020, is \$3,347.

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, 2020, 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

June 30, 2020

(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 and other liabilities 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**

Notes to the Financial Statements

June 30, 2020

(amounts expressed in thousands)

| <u>Property Tax Calendar</u>                     |                  |
|--|------------------|
| Lien date  | January 2, 2019  |
| Levy (assessment) date (third Monday in August)  | August 19, 2019  |
| Due dates:                                       |                  |
| First half of assessment                         | October 1, 2019  |
| Second half of assessment                        | March 1, 2020    |
| Penalties and interest added (collection dates): |                  |
| First half of assessment                         | November 1, 2019 |
| Second half of assessment                        | May 1, 2020      |

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, 2020, is as follows:

| <u>Fund</u>                          | <u>Rate</u>    |
|--------------------------------------|----------------|
| General fund                         | \$ 0.42        |
| General obligation debt service fund | 1.44           |
| Total                                | <u>\$ 1.86</u> |

**N. Compensated absences**

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

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

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

## CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

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(amounts expressed in thousands)

June 30, 2020, 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. Housing operational grants provide decent, safe, and affordable housing to eligible, low-income families and individuals by providing a voucher to rent a qualifying unit in the City of Glendale.

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

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2020

(amounts expressed in thousands)

service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**R. Postemployment benefits**

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

**S. Deferred compensation**

The Voluntary Deferred Compensation Plan for Employees of the City of Glendale, State of Arizona; Restated Plan Document (the "Plan document") was adopted by the Mayor and City Council on November 10, 1998, and amended on January 8, 2002 to incorporate the Federal Economic Growth and Tax Relief Reconciliation Act of 2001. In addition, the Mayor and City Council adopted a defined contribution deferred compensation plan document on April 9, 2002, under the Internal Revenue Code Section 401(a). On February 12, 2013 the adoption of a new contract was approved by the Mayor and City Council which allowed the plan to be administered solely by the third-party administrator Empower Retirement (Empower) a division of Great West Life & Annuity Insurance Co (Great West). Through the Plan document, the City offers its employees a deferred compensation plan that permits them to defer 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

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

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(amounts expressed in thousands)

out of the EODCRS to return to ASRS, if applicable, the elected official must be automatically enrolled in the EODCRS. This includes any elected official who has already retired from EORP and/or ASRS. The investment options available to EODCRS members will be administered by Nationwide Retirement Solutions (NRS). The elected official will also contribute to and participate in the EODCRS Disability Program administered by PSPRS.

As prescribed in ARS § 38-727, if a person is appointed, elected, or hired on or after January 1, 2014 and does not have money on account with the EORP, but has money on account with the ASRS, that person has the option to return to the ASRS. The member has the option to participate in either the EODCRS or the ASRS Plan with each term. That decision is irrevocable during the term in which that election was made. Additionally, the elected official will contribute to and participate in the Long-Term Disability Program administered by ASRS. To choose the ASRS, the person must fill out a form provided by PSPRS opting out of the EODCRS. This election must be made within 30 days after that person's term begins and returned to PSPRS. The City was required by statute to contribution 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 61.43% employer rate and are contributed on an after-tax basis. The 61.43% 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, 2020 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 55.43 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**

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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, 2020, was \$2,713.

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

The City ended the fiscal year June 30, 2020, with a deficit fund balance of \$402 in the fire and police construction fund and \$100 in the parks construction fund. These deficits will be funded by future bond sales. There was a deficit net position of \$3,046 in the fleet services and \$7 in the workers comp self insurance internal service fund. These deficits will be funded by increases in user premium charges in the next fiscal year. The expenditures in the other special revenue fund exceed appropriations by \$5,903 due to expenditures related to the AZCares funding the City received to help offset the economic impacts of COVID-19. The excess was funded by additional intergovernmental revenues received during the 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 \$40,414 and the bank balances were \$46,073. The difference of \$5,659 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. Uncollateralized City deposits held at June 30, 2020, were \$117,584.

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, 2020. 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, 2020

(amounts expressed in thousands)

As of June 30, 2020, the City had the following investments:

| Investment Type                | Investment Maturities (in years) |                  |                  |                  | Fair Value        |
|--------------------------------|----------------------------------|------------------|------------------|------------------|-------------------|
|                                | 0 - 1                            | 1 - 2            | 2 - 3            | Over 3           |                   |
| Commercial paper               | \$ 1,625                         | \$ -             | \$ -             | \$ -             | \$ 1,625          |
| Corporate Bonds                | 4,564                            | 2,059            | 10,154           | 4,854            | 21,631            |
| U.S. Agencies                  | 15,814                           | 11,407           | 4,491            | 8,727            | 40,439            |
| U.S. Treasury                  | 48,375                           | 10,068           | 11,862           | 25,563           | 95,868            |
| Arizona LGIP-State Pool        | 35,146                           | -                | -                | -                | 35,146            |
| Grand total investments        | <u>\$ 105,524</u>                | <u>\$ 23,534</u> | <u>\$ 26,507</u> | <u>\$ 39,144</u> | <u>\$ 194,709</u> |
| Cash deposits                  |                                  |                  |                  |                  | 40,414            |
| Cash with fiscal agents        |                                  |                  |                  |                  | 108,165           |
| Total deposits and investments |                                  |                  |                  |                  | <u>\$ 343,288</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 |                  |             |                |
|---------------------------------------|--------------------------------------|------------------|-------------|----------------|
|                                       | Level 1                              | Level 2          | Level 3     | Totals         |
| Commercial Paper                      | \$ -                                 | \$ 1,625         | \$ -        | \$ 1,625       |
| Corporate Bonds                       | -                                    | 21,631           | -           | 21,631         |
| U.S. Agencies                         | 8,290                                | 32,149           | -           | 40,439         |
| U.S. Treasury                         | 95,868                               | -                | -           | 95,868         |
| Total Investments at fair value level | <u>\$ 104,158</u>                    | <u>\$ 55,405</u> | <u>\$ -</u> | <u>159,563</u> |

External Investment Pools Measured  
at Fair Value

|                                   |                   |
|-----------------------------------|-------------------|
| State Treasurer's Investment Pool | 35,146            |
| Total Investments                 | <u>\$ 194,709</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, 2020

(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, 2020, the City's investments were rated by Moody's Investor Service and Standard & Poor's as follows:

| <u>Investment Type</u> | <u>S&amp;P Rating</u> | <u>Moody's Rating</u> | <u>% of Total Investments</u> | <u>Weighted Average Maturity (Years)</u> |
|------------------------|-----------------------|-----------------------|-------------------------------|--|
| U.S. Treasury          | AA+                   | Aaa                   | 42.48%                        | 1.05                                     |
| Arizona LGIP           | NR                    | NR                    | 18.05%                        | 0.00                                     |
| U.S. Agencies          | AA+                   | Aaa                   | 16.51%                        | 0.42                                     |
| U.S. Treasury          | A-1+                  | P1                    | 6.76%                         | 0.05                                     |
| U.S. Agencies          | A-1+                  | P1                    | 4.26%                         | 0.04                                     |
| Corporate              | AA                    | Aa2                   | 3.34%                         | 0.07                                     |
| Corporate              | A+                    | A1                    | 2.15%                         | 0.03                                     |
| Corporate              | AA+                   | Aa1                   | 1.72%                         | 0.06                                     |
| Corporate              | AAA                   | Aaa                   | 1.66%                         | 0.06                                     |
| Corporate              | AA                    | Aa1                   | 1.08%                         | 0.03                                     |
| Commercial Paper       | A-1+                  | P-1                   | 0.83%                         | 0.01                                     |
| Corporate              | A-                    | A2                    | 0.62%                         | 0.01                                     |
| Corporate              | AA-                   | Aa3                   | 0.54%                         | 0.02                                     |

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          | \$ 95,868     |
| Arizona LGIP Total            | Arizona LGIP           | 35,146        |
| Federal Home Loan Banks Total | U.S. Agencies          | 23,429        |

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 \$96,114 less an allowance for doubtful accounts in the amount of \$47,014 has been recorded at June 30, 2020. In the year 2020, the AZSTA began making payments to the City. A payment of \$2,207 has been received by the City on the note as of June 30, 2020. 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

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(amounts expressed in thousands)

**V. Capital assets**

A summary of capital asset activity, for the government-wide financial statements, for the year ended June 30, 2020, is as follows:

|   | Balances<br>June 30, 2019 | Increase         | Decrease           | Balances<br>June 30, 2020 |
|---|---------------------------|------------------|--------------------|---------------------------|
| <b>Governmental activities</b>              |                           |                  |                    |                           |
| Non-depreciable assets:                     |                           |                  |                    |                           |
| Construction in progress                    | \$ 22,848                 | \$ 21,819        | \$ (30,716)        | \$ 13,951                 |
| Land  | 119,498                   | -                | (1,714)            | 117,784                   |
| Artwork                                     | 2,415                     | 224              | -                  | 2,639                     |
| Total non-depreciable assets                | <u>144,761</u>            | <u>22,043</u>    | <u>(32,430)</u>    | <u>134,374</u>            |
| Depreciable assets:                         |                           |                  |                    |                           |
| Buildings                                   | 387,332                   | 6,796            | (5,333)            | 388,795                   |
| Improvements other than buildings           | 288,029                   | 899              | (1,094)            | 287,834                   |
| Infrastructure - streets                    | 816,605                   | 32,224           | -                  | 848,829                   |
| Infrastructure - parks                      | 91,329                    | 829              | -                  | 92,158                    |
| Infrastructure - flood/storm drains         | 78,954                    | 1,358            | -                  | 80,312                    |
| Infrastructure - airport                    | 21,339                    | 2                | -                  | 21,341                    |
| Machinery and equipment                     | 55,991                    | 700              | (1,457)            | 55,234                    |
| Computer equipment                          | 5,582                     | 7                | (195)              | 5,394                     |
| Software                                    | 6,134                     | 1,013            | (19)               | 7,128                     |
| Automotive equipment                        | 50,369                    | 4,021            | (2,265)            | 52,125                    |
| Total depreciable assets                    | <u>1,801,664</u>          | <u>47,849</u>    | <u>(10,363)</u>    | <u>1,839,150</u>          |
| Less accumulated depreciation for:          |                           |                  |                    |                           |
| Buildings                                   | (155,246)                 | (9,469)          | 3,570              | (161,145)                 |
| Improvements other than buildings           | (167,037)                 | (9,617)          | 865                | (175,789)                 |
| Infrastructure - streets                    | (354,741)                 | (21,698)         | -                  | (376,439)                 |
| Infrastructure - parks                      | (49,320)                  | (3,101)          | -                  | (52,421)                  |
| Infrastructure - flood/storm drains         | (13,396)                  | (1,123)          | -                  | (14,519)                  |
| Infrastructure - airport                    | (10,976)                  | (480)            | -                  | (11,456)                  |
| Machinery and equipment                     | (45,732)                  | (2,353)          | 1,444              | (46,641)                  |
| Computer equipment                          | (4,601)                   | (595)            | 195                | (5,001)                   |
| Software                                    | (4,074)                   | (587)            | -                  | (4,661)                   |
| Automotive equipment                        | (34,073)                  | (3,371)          | 2,213              | (35,231)                  |
| Total accumulated depreciation              | <u>(839,196)</u>          | <u>(52,394)</u>  | <u>8,287</u>       | <u>(883,303)</u>          |
| Total depreciable assets, net               | <u>962,468</u>            | <u>(4,545)</u>   | <u>(2,076)</u>     | <u>955,847</u>            |
| Governmental activities capital assets, net | <u>\$ 1,107,229</u>       | <u>\$ 17,498</u> | <u>\$ (34,506)</u> | <u>\$ 1,090,221</u>       |

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2020

(amounts expressed in thousands)

|   | Balances<br>June 30, 2019 | Increase         | Decrease           | Balances<br>June 30, 2020 |
|---|---------------------------|------------------|--------------------|---------------------------|
| <b>Business-Type activities:</b>              |                           |                  |                    |                           |
| Non-depreciable assets:                       |                           |                  |                    |                           |
| Construction in progress - water and sewer \$ | 64,709                    | \$ 43,129        | \$ (35,277)        | \$ 72,561                 |
| Construction in progress - landfill           | 3,381                     | 3,263            | (6,516)            | 128                       |
| Construction in progress - housing authority  | 331                       | 77               | (158)              | 250                       |
| Land  | 16,070                    | -                | -                  | 16,070                    |
| Total non-depreciable assets                  | <u>84,491</u>             | <u>46,469</u>    | <u>(41,951)</u>    | <u>89,009</u>             |
| Depreciable assets:                           |                           |                  |                    |                           |
| Buildings                                     | 17,381                    | 339              | -                  | 17,720                    |
| Water rights                                  | 9,183                     | -                | -                  | 9,183                     |
| Improvements other than buildings             | 83,103                    | 7,340            | -                  | 90,443                    |
| Water lines                                   | 137,735                   | 13,226           | -                  | 150,961                   |
| Sewer lines                                   | 146,114                   | 6,359            | -                  | 152,473                   |
| Water treatment plant                         | 257,636                   | 23,027           | -                  | 280,663                   |
| Sewer treatment plant                         | 142,450                   | 127              | -                  | 142,577                   |
| Meters and services                           | 32,755                    | 2,047            | -                  | 34,802                    |
| Fire hydrants                                 | 5,187                     | 253              | -                  | 5,440                     |
| Machinery and equipment                       | 4,243                     | 1,060            | (12)               | 5,291                     |
| Computer equipment                            | 1,165                     | 127              | -                  | 1,292                     |
| System Purchase                               | 1,163                     | -                | -                  | 1,163                     |
| Automotive equipment                          | 27,058                    | 2,057            | (835)              | 28,280                    |
| Total depreciable assets                      | <u>865,173</u>            | <u>55,962</u>    | <u>(847)</u>       | <u>920,288</u>            |
| Less accumulated depreciation for:            |                           |                  |                    |                           |
| Buildings                                     | (11,501)                  | (384)            | -                  | (11,885)                  |
| Water rights                                  | (2,318)                   | (178)            | -                  | (2,496)                   |
| Improvements other than buildings             | (38,748)                  | (3,494)          | -                  | (42,242)                  |
| Water lines                                   | (56,526)                  | (3,202)          | -                  | (59,728)                  |
| Sewer lines                                   | (73,300)                  | (3,462)          | -                  | (76,762)                  |
| Water treatment plant                         | (133,715)                 | (8,995)          | -                  | (142,710)                 |
| Sewer treatment plant                         | (62,450)                  | (4,196)          | -                  | (66,646)                  |
| Meters and services                           | (17,495)                  | (1,019)          | -                  | (18,514)                  |
| Fire hydrants                                 | (2,923)                   | (99)             | -                  | (3,022)                   |
| Machinery and equipment                       | (3,362)                   | (355)            | -                  | (3,717)                   |
| Computer equipment                            | (968)                     | (24)             | -                  | (992)                     |
| System Purchase                               | (972)                     | (109)            | -                  | (1,081)                   |
| Automotive equipment                          | (17,557)                  | (1,957)          | 835                | (18,679)                  |
| Total accumulated depreciation                | <u>(421,835)</u>          | <u>(27,474)</u>  | <u>835</u>         | <u>(448,474)</u>          |
| Total depreciable assets, net                 | <u>443,338</u>            | <u>28,488</u>    | <u>(12)</u>        | <u>471,814</u>            |
| Business-Type activities capital assets, net  | <u>\$ 527,829</u>         | <u>\$ 74,957</u> | <u>\$ (41,963)</u> | <u>\$ 560,823</u>         |

**CITY OF GLENDALE, ARIZONA**

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Depreciation was charged to functions/programs as follows:

**Governmental activities:**

|                            |                  |
|----------------------------|------------------|
| General                    | \$ 15,604        |
| Public safety              | 5,527            |
| Public works               | 14,903           |
| Street maintenance         | 11,670           |
| Community services         | 4,690            |
| Total depreciation expense | <u>\$ 52,394</u> |

**Business-Type activities:**

|                            |                  |
|----------------------------|------------------|
| Water and sewer            | \$ 24,573        |
| Landfill                   | 1,190            |
| Solid Waste                | 1,437            |
| Housing                    | 274              |
| Total depreciation expense | <u>\$ 27,474</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, 2020. 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<br/>Commitment</u> |
|----------------------------|----------------------|------------------------------------|
| General government         | \$ 10                | \$ 45                              |
| Community services         | 1,193                | 149                                |
| Community environment      | -                    | 324                                |
| Public works               | 233                  | 236                                |
| Street maintenance         | 9,657                | 1,150                              |
| Water and sewer facilities | 72,561               | 26,554                             |
| Landfill                   | 128                  | 1,115                              |
| Housing                    | 250                  | -                                  |
| ISF                        | 2,857                | -                                  |
| Total primary government   | <u>\$ 86,889</u>     | <u>\$ 29,573</u>                   |

**VII. Internal service funds**

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

**A. Risk management**

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

## **CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

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losses. Effective July 1, 1998, the City purchased excess insurance. Currently the excess insurance liability coverage has a \$1,000 self-insured retention. The fund also purchased commercial insurance for airport owners and operators' liability with limits up to \$20 and no deductible, crime coverage with limits up to \$10,000 with a \$50 deductible, fiduciary liability covering the Deferred Compensation Committee with limits up to \$5,000 and no deductible, and public employees blanket bond covering the Risk Management and Workers' Compensation Trust Fund Board with limits up to \$10. Property coverage for damage or destruction of city assets is up to \$1,000,000 with varying deductibles from \$25 up to \$500. The property coverage includes builder's risk, automobile physical damage, boiler and machinery, pollution and cyber (with a \$2,000 liability limit). Two excess cyber liability policies were also purchased with limits up to \$8,000 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 \$1,000 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**

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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 \$16,691 as of June 30, 2020. 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>2020</u>            | <u>2019</u>     | <u>2020</u>                  | <u>2019</u>     | <u>2020</u>              | <u>2019</u>     |
| Unpaid claims, beginning of fiscal year     | \$ 4,404               | \$ 4,043        | \$ 6,852                     | \$ 6,331        | \$ 3,744                 | \$ 3,541        |
| Current year claims and changes in estimate | 2,075                  | 3,232           | 3,347                        | 2,358           | 28,386                   | 28,648          |
| Claims payments                             | <u>(2,021)</u>         | <u>(2,871)</u>  | <u>(2,657)</u>               | <u>(1,837)</u>  | <u>(27,439)</u>          | <u>(28,445)</u> |
| Balance at fiscal year end                  | <u>\$ 4,458</u>        | <u>\$ 4,404</u> | <u>\$ 7,542</u>              | <u>\$ 6,852</u> | <u>\$ 4,691</u>          | <u>\$ 3,744</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**

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**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 2020 and beyond. The carrying value of leased assets is \$257,732 (cost of \$497,780 less accumulated depreciation of \$240,048). 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<br>Revenues |
|-----------------|-------------------|
| 2021            | \$ 1,820          |
| 2022            | 1,469             |
| 2023            | 1,369             |
| 2024            | 1,315             |
| 2025            | 1,297             |
| 2026 and beyond | 29,865            |
| Total           | <u>\$ 37,135</u>  |

**IX. Short-term debt**

The City did not issue short-term debt for the year ended June 30, 2020.

**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 \$62,570 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 \$80,903. The current year revenues of \$30,989 collected in the transportation special revenue fund paid the current year principal and interest amounts of \$4,140 and \$2,893 respectively.

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

The Excise Tax Revenue Refunding bonds are special obligations of the City and are not a general obligation of the City. Under a purchase agreement the City makes monthly payments to a trustee. The payments are secured by a senior claim and pledge by the City of all of the City's unrestricted excise tax



## **CITY OF GLENDALE, ARIZONA**

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revenues which comprise of all excise tax, transaction privilege, franchise and income tax which it collects or is apportioned by the State or political subdivision of the State. The \$197,955 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 \$266,326. The current year principal and interest amount of \$7,100 and \$9,801 were funded with a transfer from the General fund.

The \$167,250 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 \$208,781. The current year principal and interest on the bonds were \$25,081 and net revenues of the system were \$56,278.

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 \$304,781. Excise tax revenues pledged for repayment of MPC was \$179,289. The current year principal and interest paid was \$16,959.

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2020

(amounts expressed in thousands)

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

**D. Changes in long-term liabilities**

The following is a summary of changes in long-term liabilities reported in the governmental activities financial statements for the year ended June 30, 2020:

|                                   | June 30,<br>2019    | Increases        | Decreases           | June 30,<br>2020    | Amounts<br>Due Within<br>One Year |
|-----------------------------------|---------------------|------------------|---------------------|---------------------|-----------------------------------|
| General obligation (GO) bonds     | \$ 116,905          | \$ -             | \$ (41,000)         | \$ 75,905           | \$ 13,800                         |
| General obligation (GO) bonds-    |                     |                  |                     |                     |                                   |
| Direct borrowing                  | 26,555              | -                | (2,015)             | 24,540              | 2,115                             |
| Revenue bonds:                    |                     |                  |                     |                     |                                   |
| Excise Tax Revenue bonds          | 205,055             | -                | (7,100)             | 197,955             | 10,815                            |
| Transportation bonds              | 55,340              | -                | -                   | 55,340              | 3,900                             |
| Transportation bonds-Direct       |                     |                  |                     |                     |                                   |
| borrowing                         | 11,370              | -                | (4,140)             | 7,230               | 15                                |
| Municipal Property Corporation    | 197,420             | -                | (7,195)             | 190,225             | 5,375                             |
| Total bonds payable               | <u>612,645</u>      | <u>-</u>         | <u>(61,450)</u>     | <u>551,195</u>      | <u>36,020</u>                     |
| Other long-term obligations:      |                     |                  |                     |                     |                                   |
| Net pensions and OPEB liabilities | 338,308             | 14,610           | (1,437)             | 351,481             | -                                 |
| Settlement obligations            | 3,000               | -                | (3,000)             | -                   | -                                 |
| Compensated absences              | 29,981              | 13,326           | (12,955)            | 30,352              | 15,503                            |
| Claims and judgments              | 15,000              | 33,808           | (32,117)            | 16,691              | 16,691                            |
| Unamortized premium on debt       |                     |                  |                     |                     |                                   |
| issuance                          | 53,764              | -                | (4,941)             | 48,823              | 4,941                             |
| Discount on debt                  |                     |                  |                     |                     |                                   |
| issuance                          | (478)               | -                | 26                  | (452)               | -                                 |
| Developer payable obligations     | 4,376               | 317              | -                   | 4,693               | -                                 |
| Total other long-term obligations | <u>443,951</u>      | <u>62,061</u>    | <u>(54,424)</u>     | <u>451,588</u>      | <u>37,135</u>                     |
| Total                             | <u>\$ 1,056,596</u> | <u>\$ 62,061</u> | <u>\$ (115,874)</u> | <u>\$ 1,002,783</u> | <u>\$ 73,155</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 \$1,002,783 in the total liabilities, \$604,259 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, 2020

(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, 2020:

|  | June 30,<br>2019  | Additions       | Reductions         | June 30,<br>2020  | Amounts<br>Due Within<br>One Year |
|--|-------------------|-----------------|--------------------|-------------------|-----------------------------------|
| Water and sewer revenue/obligation bonds | \$ 183,685        | \$ -            | \$ (16,435)        | \$ 167,250        | \$ 16,585                         |
| Other long-term obligations:             |                   |                 |                    |                   |                                   |
| Estimated closure and post-closure costs | 15,778            | 241             | -                  | 16,019            | -                                 |
| Unamortized premium on debt issuance     | 20,232            | -               | (2,251)            | 17,981            | 2,250                             |
| Net pensions and OPEB liabilities        | 30,697            | 347             | (123)              | 30,921            | -                                 |
| Compensated absences                     | 3,955             | 1,892           | (1,686)            | 4,161             | 2,151                             |
| Housing noncurrent liabilities           | 36                | 20              | -                  | 56                | -                                 |
| Total other long-term obligations        | <u>70,698</u>     | <u>2,500</u>    | <u>(4,060)</u>     | <u>69,138</u>     | <u>4,401</u>                      |
| Total                                    | <u>\$ 254,383</u> | <u>\$ 2,500</u> | <u>\$ (20,495)</u> | <u>\$ 236,388</u> | <u>\$ 20,986</u>                  |

Of the \$236,388 in total liabilities, \$185,231 (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, 2020.

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**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2020

(amounts expressed in thousands)

**F. Bonds payable**

Bonds payable at June 30, 2020, are comprised of the following:

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

| Purpose  | Interest<br>Rate | Issued<br>Fiscal Year<br>Ending<br>June 30 | Year Series<br>Matures | Amount of<br>Original<br>Issue | Bonds<br>Outstanding<br>June 30,<br>2020 |
|--|------------------|--|------------------------|--------------------------------|--|
| <u>GO bonds payable from secondary assessed property taxes</u>                       |                  |  |                        |                                |  |
| Refunding Tax-Exempt   | 4.00-5.00        | 2011                                       | 2022                   | 38,300                         | 6,580                                    |
| Refunding Tax-Exempt   | 2.00-5.00        | 2015                                       | 2022                   | 39,490                         | 17,550                                   |
| Various Tax-Exempt(A), Taxable(B)  | 1.54-4.00        | 2016                                       | 2036                   | 27,285                         | 25,780                                   |
| Various Tax-Exempt 2018  | 5.00             | 2018                                       | 2037                   | 15,240                         | 11,020                                   |
| Various Taxable 2019   | 3.00-5.00        | 2019                                       | 2038                   | 15,385                         | 14,975                                   |
| Total  |                  |  |                        |                                | 75,905                                   |
| <u>GO bonds payable from secondary assessed property taxes-direct borrowing</u>      |                  |  |                        |                                |  |
| Refunding Taxable BAB 2017   | 3.16             | 2018                                       | 2030                   | 26,555                         | 24,540                                   |
| Total  |                  |  |                        |                                | 24,540                                   |
| <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  |                  |  |                        |                                | 55,340                                   |
| <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                         | 7,230                                    |
| Total  |                  |  |                        |                                | 7,230                                    |
| <u>Excise Tax bonds payable from general fund sales tax</u>                          |                  |  |                        |                                |  |
| Refunding Tax-Exempt 2015A   | 5.00             | 2015                                       | 2031                   | 100,430                        | 88,590                                   |
| 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                         | 30,755                                   |
| Sub Refunding Tax-Exempt 2017  | 5.00             | 2018                                       | 2032                   | 65,385                         | 64,910                                   |
| Total  |                  |  |                        |                                | 197,955                                  |
| <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                         | 39,585                                   |
| MPC Tax-Exempt refunding 2012A   | 3.00-5.00        | 2012                                       | 2021                   | 8,665                          | 1,295                                    |
| 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                                  |
| Total  |                  |  |                        |                                | 190,225                                  |
| Total bonds payable recorded in governmental activities                              |                  |  |                        |                                | 551,195                                  |
| Less current portion   |                  |  |                        |                                | (36,020)                                 |
| Long-term portion of bonds payable recorded in governmental activities               |                  |  |                        |                                | \$ 515,175                               |

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2020

(amounts expressed in thousands)

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

| <u>Purpose</u>  | <u>Interest Rate</u> | <u>Issued Fiscal Year Ending June 30</u> | <u>Year Series Matures</u> | <u>Amount of Original Issue</u> | <u>Bonds Outstanding June 30, 2020</u> |
|---|----------------------|--|----------------------------|---------------------------------|--|
| <b>Revenue bonds/obligations payable from water and sewer fund</b>      |                      |  |                            |                                 |  |
| Various   | 6.20-6.55            | 2011                                     | 2030                       | 25,685                          | 25,685                                 |
| Various refunding   | 2.00-5.00            | 2012                                     | 2028                       | 77,635                          | 47,770                                 |
| Various refunding   | 2.50-5.00            | 2015                                     | 2028                       | 121,245                         | 93,795                                 |
| Total   |                      |  |                            |                                 | <u>167,250</u>                         |
| Total bonds payable recorded in business-type activities                |                      |  |                            |                                 | 167,250                                |
| Less current portion  |                      |  |                            |                                 | <u>(16,585)</u>                        |
| Long-term portion of bonds payable recorded in business-type activities |                      |  |                            |                                 | <u>\$ 150,665</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, 2020, is as follows:

|                                       | <u>6%</u>        | <u>20%</u>        |
|---------------------------------------|------------------|-------------------|
| Capacity to incur bonded debt         | \$ 88,697        | \$ 295,656        |
| Less: Bonded debt applicable to limit | <u>(9,039)</u>   | <u>(89,861)</u>   |
| Unused bonded debt capacity           | <u>\$ 79,658</u> | <u>\$ 205,795</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, 2020

(amounts expressed in thousands)

**H. Bonds authorized, issued and unissued**

Bonds authorized but not fully issued as of June 30, 2020, are shown below:

| GO bonds                                 | Authorized<br>Amount | Issued through<br>June 30, 2020 | Authorized<br>but<br>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 <sup>(1)</sup>         | 18,215               | 4,780                           | 13,435                        |
| Economic development                     | 50,500               | 28,453                          | 22,047                        |
| Governmental facilities <sup>(1)</sup>   | 40,910               | 17,165                          | 23,745                        |
| Landfill development <sup>(1)</sup>      | 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 <sup>(1)</sup>                   | 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 <sup>(1)</sup>           | \$ 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, 2020

(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.

\$ 4,693

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**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2020

(amounts expressed in thousands)

**J. Future year debt service requirements**

| Fiscal Year Ending | Trans-<br>portation<br>Bonds | Trans-<br>portation<br>Bonds<br>Direct<br>Borrowing | MPC<br>Bonds      | Excise Tax<br>Bonds | G.O.<br>Bonds    | G.O.<br>Bonds<br>Direct<br>Borrowing | Water and<br>Sewer<br>Revenue<br>Bonds/<br>Obligations | Total             |
|--------------------|------------------------------|---|-------------------|---------------------|------------------|--------------------------------------|--|-------------------|
| 2021               | \$ 6,495                     | \$ 205  | \$ 14,844         | \$ 20,292           | \$ 16,898        | \$ 2,890                             | \$ 24,408  | \$ 86,032         |
| 2022               | 6,495                        | 204   | 14,476            | 20,658              | 15,631           | 2,893                                | 24,079   | 84,436            |
| 2023               | 6,490                        | 204   | 13,150            | 21,987              | 4,430            | 2,899                                | 25,290   | 74,450            |
| 2024               | 6,496                        | 203   | 13,134            | 22,000              | 4,434            | 2,898                                | 25,288   | 74,453            |
| 2025               | 6,495                        | 208   | 13,096            | 22,033              | 4,432            | 2,899                                | 25,285   | 74,448            |
| 2026               | 6,493                        | 207   | 13,092            | 22,049              | 4,439            | 2,903                                | 25,289   | 74,472            |
| 2027               | 6,494                        | 207   | 13,090            | 22,041              | 4,438            | 2,905                                | 24,162   | 73,337            |
| 2028               | 6,493                        | 206   | 13,074            | 22,059              | 4,439            | 2,904                                | 20,302   | 69,477            |
| 2029               | 6,494                        | 205   | 13,836            | 21,300              | 4,618            | 2,905                                | 7,411  | 56,769            |
| 2030               | 6,491                        | 205   | 13,799            | 21,338              | 4,431            | 2,908                                | 7,267  | 56,439            |
| 2031               | 6,494                        | 205   | 13,793            | 21,342              | 4,429            | -                                    | -  | 46,263            |
| 2032               | -                            | 7,214   | 14,915            | 20,224              | 4,438            | -                                    | -  | 46,791            |
| 2033               | -                            | -   | 27,821            | 9,004               | 4,443            | -                                    | -  | 41,268            |
| 2034               | -                            | -   | 22,533            | -                   | 4,432            | -                                    | -  | 26,965            |
| 2035               | -                            | -   | 22,533            | -                   | 4,429            | -                                    | -  | 26,962            |
| 2036               | -                            | -   | 22,531            | -                   | 4,425            | -                                    | -  | 26,956            |
| 2037               | -                            | -   | 22,532            | -                   | 2,277            | -                                    | -  | 24,809            |
| 2038               | -                            | -   | 22,532            | -                   | 1,270            | -                                    | -  | 23,802            |
| Total              | 71,430                       | 9,473   | 304,781           | 266,327             | 98,333           | 29,004                               | 208,781  | 988,129           |
| Less interest      | 16,090                       | 2,243   | 114,556           | 68,372              | 22,428           | 4,464                                | 41,531   | 269,684           |
| Principal          | <u>\$ 55,340</u>             | <u>\$ 7,230</u>                                     | <u>\$ 190,225</u> | <u>\$ 197,955</u>   | <u>\$ 75,905</u> | <u>\$ 24,540</u>                     | <u>\$ 167,250</u>                                      | <u>\$ 718,445</u> |

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**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2020

(amounts expressed in thousands)

The following table discloses the debt service requirements as of June 30, 2020, 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>      |
|--------------------|-------------------|-------------------|-------------------|
| 2021               | 52,605            | 33,427            | 86,032            |
| 2022               | 53,475            | 30,961            | 84,436            |
| 2023               | 46,035            | 28,415            | 74,450            |
| 2024               | 47,935            | 26,518            | 74,453            |
| 2025               | 50,000            | 24,448            | 74,448            |
| 2026-2030          | 244,905           | 85,589            | 330,494           |
| 2031-2035          | 154,060           | 34,189            | 188,249           |
| 2036-2038          | 69,430            | 6,137             | 75,567            |
| Total              | <u>\$ 718,445</u> | <u>\$ 269,684</u> | <u>\$ 988,129</u> |

**K. New bonds**

No new bonds were issued in FY 2020.

**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, 2020, 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            | 24,638            |
| Capacity used to date                                    | -                 | 21,976            |
| Percentage of capacity used                              | -                 | 89%               |
| Total closure and post-closure costs in present dollars: |                   |                   |
| as of June 30, 2020                                      | \$ 19,124         | \$ 17,959         |
| as of June 30, 2019                                      | \$ 18,979         | \$ 17,823         |
| Closure and post-closure care costs:                     |                   |                   |
| Amount remaining to be recognized as of June 30, 2020    | \$ 19,124         | \$ 1,940          |
| Liability recognized as of June 30, 2020                 | \$ -              | \$ 16,019         |

These amounts are based on what it would cost to perform all closure and post-closure care in fiscal year 2019-20. 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 42 years.

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2020

(amounts expressed in thousands)

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, 2020, consisted of the following:

**A. Due to/due from**

**Due to general fund from:**

|  |               |
|--|---------------|
| Other non-major governmental funds           |               |
| Fire and police construction capital project | \$ 332        |
| Parks bond construction capital project      | 38            |
| Other proprietary fund                       |               |
| Housing                                      | 8             |
| Total due to general fund                    | <u>\$ 378</u> |

The inter-fund balances at June 30, 2020, 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, 2020, are expected to be repaid within one year.

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**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2020

(amounts expressed in thousands)

**B. Inter-fund transfers**

Inter-fund transfers for the year ended June 30, 2020, consisted of the following:

**Transfers to municipal property corporation debt service fund from:**

|   |               |
|---|---------------|
| General fund  | 16,175        |
| Total transfers to municipal property corporation debt service fund | <u>16,175</u> |

**Transfers to non-major special revenue fund from:**

|   |              |
|---|--------------|
| General fund                                      | 2,071        |
| Street construction fund                          | 118          |
| Fire and police construction fund                 | 13           |
| Water and sewer                                   | 228          |
| Non-major proprietary funds                       | <u>32</u>    |
| Total transfers to non-major special revenue fund | <u>2,462</u> |

**Transfers to non-major debt service funds from:**

|   |               |
|---|---------------|
| General fund                                    | 16,916        |
| Transportation special revenue fund             | <u>7,043</u>  |
| Total transfers to non-major debt service funds | <u>23,959</u> |

**Transfers to non-major capital projects fund from:**

|  |              |
|--|--------------|
| Highway user gas tax fund                          | 5,890        |
| Transportation special revenue fund                | <u>1,523</u> |
| Total transfers to non-major capital projects fund | <u>7,413</u> |

**Transfers to Water and sewer proprietary fund from:**

|   |            |
|---|------------|
| General fund  | 397        |
| Non-major capitol projects                          | <u>25</u>  |
| Total transfers to water and sewer proprietary fund | <u>422</u> |

**Transfers to non-major proprietary funds from:**

|   |              |
|---|--------------|
| General fund  | <u>1,164</u> |
| Total transfers to other non-major proprietary fund | <u>1,164</u> |

|                           |                  |
|---------------------------|------------------|
| Grand total all transfers | <u>\$ 51,595</u> |
|---------------------------|------------------|

**CITY OF GLENDALE, ARIZONA**

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(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, 2020, the City intended to honor \$4,621 of outstanding encumbrances in the new fiscal year.

**Fund**

**Major:**

|                 |          |
|-----------------|----------|
| Water and sewer | \$ 1,474 |
|-----------------|----------|

**Non-Major:**

|                       |                 |
|-----------------------|-----------------|
| Highway Users Gas Tax | 189             |
| Other special revenue | 46              |
| Streets capital       | 798             |
| Other capital         | 886             |
| Landfill              | 571             |
| Sanitation            | 657             |
| Total                 | <u>\$ 4,621</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, 2019. 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, 2020, the City recognized a loss in the joint venture of \$3,788. 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.

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A summary of the audited financial information on the joint venture as of and for the fiscal year ended June 30, 2019, is as follows:

|   |                   |
|---|-------------------|
| <b>Assets</b>                                   |                   |
| Current assets                                  | \$ 57,392         |
| Capital assets, net of accumulated depreciation | 640,429           |
| Total assets                                    | <u>697,821</u>    |
| <b>Liabilities</b>                              |                   |
|   | <u>41,687</u>     |
| <b>Net position</b>                             | <u>\$ 656,134</u> |
|   |                   |
| Total revenues                                  | \$ 66,519         |
| Total expenses                                  | (94,211)          |
| Decrease in net position                        | <u>(27,692)</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, 2019. The equity interest for the City at June 30, 2019, was \$2,861. The City accounts for its approximate 4.0% investment using the equity method in the Public Safety fund. For the year ended June 30, 2020, the City recognized a loss in the joint venture of \$719.

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(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, 2019, is as follows:

|  |                   |
|--|-------------------|
| <b>Assets</b>  |                   |
| Current assets                                       | \$ 5,521          |
| Capital assets, net of accumulated depreciation      | <u>69,091</u>     |
| Total assets   | <u>74,612</u>     |
| <b>Liabilities and Deferred Inflows of Resources</b> |                   |
|  | <u>3,714</u>      |
| <b>Net position</b>                                  | <u>\$ 70,898</u>  |
|  |                   |
| Total revenues                                       | \$ 13,790         |
| Total expenses                                       | <u>(18,104)</u>   |
| Decrease in net position                             | <u>\$ (4,314)</u> |

Copies of separate financial statements of the joint venture can be obtained from RWC Director's Office, 200 W. Washington Street, 12<sup>th</sup> 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, 2020 is \$49,648. Per the City's adopted financial policies, 10% of the general fund operating revenue which totals \$25,400 has been earmarked as the Budget Stabilization Reserve and \$24,248 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, 2020 to commit these funds; therefore, the funds are reported as unassigned.

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|                                     | General          | Transportation   | General<br>Obligation<br>Debt Service | Municipal<br>Property<br>Corporation<br>Debt Service | Other Non-Major<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|-------------------------------------|------------------|------------------|---------------------------------------|--|--|--------------------------------|
| <b>Nonspendable</b>                 |                  |                  |                                       |  |  |                                |
| Inventories and prepaid items       | \$ 5,621         | \$ -             | \$ -                                  | \$ -   | \$ -                                     | \$ 5,621                       |
| Public transit                      | -                | 133              | -                                     | -  | -  | 133                            |
| Cemetery perpetual care             | -                | -                | -                                     | -  | 6,038                                    | 6,038                          |
| Total Nonspendable                  | <u>5,621</u>     | <u>133</u>       | <u>-</u>                              | <u>-</u>   | <u>6,038</u>                             | <u>11,792</u>                  |
| <b>Restricted</b>                   |                  |                  |                                       |  |  |                                |
| Public transit                      | -                | 63,221           | -                                     | -  | -  | 63,221                         |
| State drug enforcement              | -                | -                | -                                     | -  | 1,334                                    | 1,334                          |
| U.S. drug enforcement               | -                | -                | -                                     | -  | 162                                      | 162                            |
| Debt service                        | -                | -                | 1,545                                 | 2,857  | 1,187                                    | 5,589                          |
| Court security                      | -                | -                | -                                     | -  | 97                                       | 97                             |
| Court time payments                 | -                | -                | -                                     | -  | 29                                       | 29                             |
| Court computer upgrade              | -                | -                | -                                     | -  | 127                                      | 127                            |
| HOME program                        | -                | -                | -                                     | -  | 341                                      | 341                            |
| Highway user gas tax                | -                | -                | -                                     | -  | 6,762                                    | 6,762                          |
| Police activities                   | 4,132            | -                | -                                     | -  | -  | 4,132                          |
| Fire activities                     | 1,242            | -                | -                                     | -  | -  | 1,242                          |
| Other grants                        | -                | -                | -                                     | -  | 1,002                                    | 1,002                          |
| Development impact fees             | -                | -                | -                                     | -  | 14,856                                   | 14,856                         |
| Streets construction                | -                | -                | -                                     | -  | 11,361                                   | 11,361                         |
| Economic development                | -                | -                | -                                     | -  | 1,008                                    | 1,008                          |
| Open space/trails                   | -                | -                | -                                     | -  | 254                                      | 254                            |
| Cultural and historical projects    | -                | -                | -                                     | -  | 385                                      | 385                            |
| Government facilities               | -                | -                | -                                     | -  | 65                                       | 65                             |
| Library construction                | -                | -                | -                                     | -  | 51                                       | 51                             |
| Garden for visually impaired        | -                | -                | -                                     | -  | 35                                       | 35                             |
| Neighborhood stabilization          | -                | -                | -                                     | -  | 409                                      | 409                            |
| Total restricted                    | <u>5,374</u>     | <u>63,221</u>    | <u>1,545</u>                          | <u>2,857</u>   | <u>39,465</u>                            | <u>112,462</u>                 |
| <b>Committed</b>                    |                  |                  |                                       |  |  |                                |
| Artwork                             | -                | -                | -                                     | -  | 1,499                                    | 1,499                          |
| Pool/park repair                    | -                | -                | -                                     | -  | 185                                      | 185                            |
| Other                               | -                | -                | -                                     | -  | 50                                       | 50                             |
| Total committed                     | <u>-</u>         | <u>-</u>         | <u>-</u>                              | <u>-</u>   | <u>1,734</u>                             | <u>1,734</u>                   |
| <b>Assigned</b>                     |                  |                  |                                       |  |  |                                |
| Equipment replacement               | 2,412            | -                | -                                     | -  | -  | 2,412                          |
| General government capital projects | 21,800           | -                | -                                     | -  | -  | 21,800                         |
| Bed tax/tourism                     | 2,110            | -                | -                                     | -  | -  | 2,110                          |
| Public safety training facility     | -                | -                | -                                     | -  | 569                                      | 569                            |
| TPT revenue stabilization           | 5,000            | -                | -                                     | -  | -  | 5,000                          |
| Other                               | 3,000            | -                | -                                     | -  | -  | 3,000                          |
| Total assigned                      | <u>34,322</u>    | <u>-</u>         | <u>-</u>                              | <u>-</u>   | <u>569</u>                               | <u>34,891</u>                  |
| <b>Unassigned fund balance</b>      | <u>49,648</u>    | <u>-</u>         | <u>-</u>                              | <u>-</u>   | <u>(502)</u>                             | <u>49,146</u>                  |
|                                     | <u>\$ 94,965</u> | <u>\$ 63,354</u> | <u>\$ 1,545</u>                       | <u>\$ 2,857</u>                                      | <u>\$ 47,304</u>                         | <u>\$ 210,025</u>              |

**CITY OF GLENDALE, ARIZONA**

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(amounts expressed in thousands)

**Enterprise Fund Type**

**Water and sewer fund**

|  |                         |
|--|-------------------------|
| Restricted for debt service  | \$ 16,435               |
| 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. | 9,941                   |
| Restricted for OPEB benefits   | 36                      |
| Restricted for other purposes  | <u>7,465</u>            |
| <b>Total restricted for water and sewer</b>  | <u>33,877</u>           |
| <b>Other enterprise funds</b>  |                         |
| Restricted for OPEB benefits   | <u>19</u>               |
| <b>Total restricted for other enterprise funds</b>   | <u>19</u>               |
| <b>Total restricted for enterprise fund types</b>  | <u><u>\$ 33,896</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, 2020, 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   | \$ 1,656                       | \$ 55                           | \$ 1,711     |
| Net pension and OPEB liabilities                             | 351,481                        | 30,921                          | 382,402      |
| Deferred outflows of resources to pensions and OPEB          | 68,330                         | 4,162                           | 72,492       |
| Deferred inflows of resources related to pensions and OPEB   | 24,074                         | 4,163                           | 28,237       |
| Pension and OPEB expense                                     | 49,004                         | 3,079                           | 52,083       |



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**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](http://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:

|  | <b>Retirement initial membership date:</b>   |   |
|--|--|---|
|  | <b>Before July 1, 2011</b>   | <b>On or after July 1, 2011</b>   |
| Years of service and age required to receive benefit | Sum of years, age equals 80<br>10 years, age 62<br>5 years, age 50*<br>any years, age 65 | 30 years, age 55<br>25 years, age 60<br>10 years, age 62<br>5 years, age 50*<br>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

**CITY OF GLENDALE, ARIZONA**

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contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2020, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.11 percent (11.94 percent for retirement and 0.17 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 12.11 percent (11.45 percent for retirement, 0.49 percent for health insurance premium benefit, and 0.17 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 10.41 percent (10.29 percent for retirement, 0.05 percent for health insurance premium benefit and 0.07 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, 2020, were \$8,377, \$345, and \$120, respectively.

During fiscal year 2020, 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, 2020, 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<br/>(asset) liability</u> |
|----------------------------------|---|
| Pension                          | 97,547  |
| Health insurance premium benefit | (187)   |
| Long-term disability             | 439   |

The net asset and net liabilities were measured as of June 30, 2019. 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, 2018, to the measurement date of June 30, 2019.

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, 2019. The City's proportions measured as of June 30, 2019, and the change from its proportions measured as of June 30, 2018 were:

| <u>ASRS</u>                      | <u>Proportion<br/>June 30, 2019</u> | <u>Decrease from<br/>June 30, 2018</u> |
|----------------------------------|-------------------------------------|--|
| Pension                          | 0.67307%                            | (0.02086)                              |
| Health insurance premium benefit | 0.67599%                            | (0.01853)                              |
| Long-term disability             | 0.67335%                            | (0.01883)                              |

**Expense** - For the year ended June 30, 2020, the City recognized the following pension and OPEB expense:

| <u>ASRS</u>                      | <u>Pension/OPEB expense</u> |
|----------------------------------|-----------------------------|
| Pension                          | \$ 12,134                   |
| Health insurance premium benefit | 242                         |
| Long-term disability             | 149                         |

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**Deferred outflows/inflows of resources** - At June 30, 2020 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  | \$ 1,762                       | \$ 18                         | \$ -                             | \$ 223                        | \$ 52                          | \$ -                          |
| Changes of assumptions or other inputs  | 412                            | 3,884                         | 368                              | -                             | 66                             | -                             |
| Net difference between projected and actual earnings on pension plan investments                          | -                              | 2,193                         | -                                | 243                           | -                              | 9                             |
| Changes in proportion and differences between City contributions and proportionate share of contributions | 1,595                          | 2,038                         | 1                                | -                             | 8                              | 8                             |
| City contributions subsequent to the measurement date   | 8,377                          |                               | 345                              | -                             | 120                            | -                             |
| <b>Total</b>  | <b>\$ 12,146</b>               | <b>\$ 8,133</b>               | <b>\$ 714</b>                    | <b>\$ 466</b>                 | <b>\$ 246</b>                  | <b>\$ 17</b>                  |

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, 2021. 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> |
|----------------------------|----------------|---|-----------------------------|
| 2021                       | (965)          | (80)                                    | 11                          |
| 2022                       | (3,564)        | (80)                                    | 11                          |
| 2023                       | (421)          | 23                                      | 20                          |
| 2024                       | 586            | 45                                      | 22                          |
| 2025                       | -              | (5)                                     | 18                          |
| Thereafter                 | -              | -                                       | 27                          |

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

|                             |   |
|-----------------------------|---|
| Actuarial valuation date    | June 30, 2018   |
| Actuarial roll forward date | June 30, 2019   |
| 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 premium benefit |
| Recovery rates              | 2012 GLDT for long-term disability                                    |
| Healthcare cost trend rate  | Not applicable  |

Actuarial assumptions used in the June 30, 2018, 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 7.5% 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:

| <u>Asset Class</u>            | <u>Target<br/>Allocation</u> | <u>Long-term expected<br/>geometric real<br/>rate of return</u> |
|-------------------------------|------------------------------|---|
| Equity                        | 50%                          | 6.09%   |
| Real estate                   | 20%                          | 5.85%   |
| Credit                        | 20%                          | 5.36%   |
| Interest rate sensitive bonds | 10%                          | 1.62%   |
| Total                         | <u>100%</u>                  |   |

**Discount Rate** - At June 30, 2019, the discount rate used to measure the ASRS total pension/OPEB liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statutes. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

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**Sensitivity of the City’s proportionate share of the ASRS net pension/OPEB (asset) liability to changes in the discount rate** - The following table presents the City’s proportionate share of the net pension/OPEB (asset) liability calculated using the discount rate of 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<br>(6.5%) | Current Discount<br>Rate<br>(7.5%) | 1% Increase<br>(8.5%) |
|---|-----------------------|------------------------------------|-----------------------|
| City's proportionate share of the               |                       |                                    |                       |
| Net pension liability                           | \$ 138,831            | \$ 97,547                          | \$ 63,043             |
| Net insurance premium benefit liability (asset) | 946                   | (187)                              | (1,152)               |
| Net long-term disability liability              | 485                   | 439                                | 393                   |

**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](http://www.psprs.com).

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**CITY OF GLENDALE, ARIZONA**

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(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<br>January 1, 2012   | On or after<br>January 1, 2012 and before<br>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<br>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*<br>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<br>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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**Employees Covered by Benefit Terms** - At June 30, 2020, the following employees were covered by the agent plans' benefit terms:

|  | PSPRS<br>Police |            | PSPRS<br>Firefighters |            |
|--|-----------------|------------|-----------------------|------------|
|  | Pension         | Health     | Pension               | Health     |
| Inactive employees or beneficiaries currently receiving benefits | 220             | 220        | 100                   | 100        |
| Inactive employees entitled to but not yet receiving benefits    | 73              | 41         | 37                    | 30         |
| Active employees   | 378             | 378        | 204                   | 204        |
| Total  | <u>671</u>      | <u>639</u> | <u>341</u>            | <u>334</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, 2020, are indicated below. Rates are a percentage of active members' annual covered payroll.

|                    | Active member-<br>pension | Active member-<br>health insurance<br>premium benefit | City-pension  | City-health insurance<br>premium benefit |
|--------------------|---------------------------|---|---------------|--|
| PSPRS Police       | 7.65%-9.91%               | 0%-0.20%  | 45.06%-50.31% | 0.46%-0.54%                              |
| PSPRS Firefighters | 7.65%-10.42%              | 0%-0.18%  | 41.07%-46.35% | 0.0%-0.18%                               |

The City's contributions to the plans for the year ended June 30, 2020, were:

|              | Pension   | Health insurance<br>premium benefit |
|--------------|-----------|-------------------------------------|
| PSPRS-Police | \$ 17,500 | \$ 187                              |
| PSPRS-Fire   | 9,451     | 1                                   |

During fiscal year 2020, the City paid for PSPRS pension and OPEB contributions 100 percent from the General Fund.

**Liability** - At June 30, 2020, the City reported the following assets and liabilities:

|                    | Net pension<br>(asset) liability | Net OPEB<br>(asset) liability |
|--------------------|----------------------------------|-------------------------------|
| PSPRS Police       | \$ 188,129                       | \$ 526                        |
| PSPRS Firefighters | 93,600                           | (1,524)                       |

The net assets and net liabilities were measured as of June 30, 2019, and the total liability used to calculate the net asset or liability was determined by an actuarial valuation as of that date.

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(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, 2019                              |
| Actuarial cost method      | Entry age normal                           |
| Investment rate of return  | 7.3%                                       |
| Wage inflation             | 3.5% for pensions/not applicable for OPEB  |
| Price inflation            | 2.5% for pensions/not applicable for OPEB  |
| Cost-of-living adjustment  | 1.75% for pensions/not applicable for OPEB |
| Mortality rates            | Pub-S-2010 tables                          |
| Healthcare cost trend rate | Not applicable                             |

Actuarial assumptions used in the June 30, 2019, 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 7.3 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%                | 4.01%  |
| Fixed income           | 5%                | 3.00%  |
| Real assets            | 9%                | 6.75%  |
| Real estate            | 10%               | 4.50%  |
| GTS                    | 12%               | 4.01%  |
| Private equity         | 12%               | 8.40%  |
| Non-U.S. equity        | 14%               | 5.00%  |
| U.S. equity            | 16%               | 4.75%  |
| Private credit         | 16%               | 5.36%  |
| Total                  | 100%              |  |

**Discount Rate** – At June 30, 2019, the discount rate used to measure the PSPRS total pension/OPEB liability was 7.3 percent for Tier 1/2 members, which was a decrease of .1 from the discount rate used as of June 30, 2018. 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.



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**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):

| <b>PSPRS - Police</b>  | 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, 2019   | \$ 328,483          | \$ 152,491 | \$ 175,992 | \$ 6,548                         | \$ 5,150  | \$ 1,398  |
| Changes for the year:  |                     |            |            |                                  |           |           |
| Service cost   | 8,355               | -          | 8,355      | 106                              | -         | 106       |
| Interest on the total liability  | 24,443              | -          | 24,443     | 481                              | -         | 481       |
| Differences between expected and actual experience in the measurement of the liability | 661                 | -          | 661        | (950)                            | -         | (950)     |
| Changes of assumptions or other inputs   | 7,193               | -          | 7,193      | 76                               | -         | 76        |
| Contributions - employer   | -                   | 16,942     | (16,942)   | -                                | 179       | (179)     |
| Contributions - employee   | -                   | 2,880      | (2,880)    | -                                | 5         | (5)       |
| Net investment income  | -                   | 8,990      | (8,990)    | -                                | 276       | (276)     |
| Benefit payments, including refunds of employee contributions                          | (13,051)            | (13,051)   | -          | (296)                            | (296)     | -         |
| Administrative expenses  | -                   | (157)      | 157        | -                                | (5)       | 5         |
| Other changes  | -                   | (10)       | 10         | -                                | -         | -         |
| Adjustment to beginning of year  | -                   | (130)      | 130        | -                                | 130       | (130)     |
| Net changes  | 27,601              | 15,464     | 12,137     | (583)                            | 289       | (872)     |
| Balance as of June 30, 2020  | \$ 356,084          | \$ 167,955 | \$ 188,129 | \$ 5,965                         | \$ 5,439  | \$ 526    |

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| PSPRS - Firefighters   | Pension                         |                             |                               | Health insurance premium benefit |                             |                            |
|--|---------------------------------|-----------------------------|-------------------------------|----------------------------------|-----------------------------|----------------------------|
|  | Increase (decrease)             |                             |                               | Increase (decrease)              |                             |                            |
|  | Total pension liability (asset) | Plan fiduciary net position | Net pension liability (asset) | Total OPEB liability (asset)     | Plan fiduciary net position | Net OPEB liability (asset) |
| Balance at June 30, 2019   | \$ 206,190                      | \$ 114,265                  | \$ 91,925                     | \$ 3,399                         | \$ 4,516                    | \$ (1,117)                 |
| Changes for the year:  |                                 |                             |                               |                                  |                             |                            |
| Service cost   | 4,831                           | -                           | 4,831                         | 52                               | -                           | 52                         |
| Interest on the total liability  | 15,287                          | -                           | 15,287                        | 251                              | -                           | 251                        |
| Differences between expected and actual experience in the measurement of the liability | (4,945)                         | -                           | (4,945)                       | (503)                            | -                           | (503)                      |
| Changes of assumptions or other inputs   | 3,704                           | -                           | 3,704                         | 31                               | -                           | 31                         |
| Contributions - employer   | -                               | 9,335                       | (9,335)                       | -                                | -                           | -                          |
| Contributions - employee   | -                               | 1,504                       | (1,504)                       | -                                | -                           | -                          |
| Net investment income  | -                               | 6,476                       | (6,476)                       | -                                | 242                         | (242)                      |
| Benefit payments, including refunds of employee contributions                          | (8,883)                         | (8,883)                     | -                             | (120)                            | (120)                       | -                          |
| Administrative expenses  | -                               | (113)                       | 113                           | -                                | (4)                         | 4                          |
| Other changes  | -                               | -                           | -                             | -                                | -                           | -                          |
| Net changes  | 9,994                           | 8,319                       | 1,675                         | (289)                            | 118                         | (407)                      |
| Balance as of June 30, 2020  | <u>\$ 216,184</u>               | <u>\$ 122,584</u>           | <u>\$ 93,600</u>              | <u>\$ 3,110</u>                  | <u>\$ 4,634</u>             | <u>\$ (1,524)</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 7.3 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<br>(6.30%/6.00%) | rate<br>(7.30%/7.00%) | 1% Increase<br>(8.30%/8.00%) |
| PSPRS Police               |                              |                       |                              |
| Net pension liability      | \$ 238,925                   | \$ 188,129            | \$ 146,851                   |
| Net OPEB liability (asset) | 1,203                        | 526                   | (45)                         |
| PSPRS Firefighters         |                              |                       |                              |
| Net pension liability      | 123,652                      | 93,600                | 69,028                       |
| Net OPEB asset             | (1,174)                      | (1,524)               | (1,822)                      |

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

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**Expense** - For the year ended June 30, 2020, the City recognized the following pension and OPEB expense:

|                    | Pension<br>Expense | OPEB<br>Expense (Income) |
|--------------------|--------------------|--------------------------|
| PSPRS Police       | \$ 28,889          | \$ (98)                  |
| PSPRS Firefighters | 14,633             | (130)                    |

**Deferred outflows/inflows of resources** - At June 30, 2020, 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<br>benefit |                                     |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|  | Deferred<br>outflow<br>of resources | Deferred<br>inflows<br>of resources | Deferred<br>outflow<br>of resources | Deferred<br>inflows<br>of resources |
| Differences between expected and actual experience                       | \$ 3,791                            | \$ 3,818                            | \$ 98                               | \$ 903                              |
| Changes of assumptions or other inputs                                   | 12,810                              | -                                   | 65                                  | 167                                 |
| Net difference between projected and actual earnings on plan investments | 1,680                               | -                                   | 14                                  | -                                   |
| City contributions subsequent to the measurement date                    | 17,500                              | -                                   | 187                                 | -                                   |
| Total  | <u>\$ 35,781</u>                    | <u>\$ 3,818</u>                     | <u>\$ 364</u>                       | <u>\$ 1,070</u>                     |

| PSPRS - Firefighters   | Pension                             |                                     | Health insurance premium<br>benefit |                                     |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|  | Deferred<br>outflow<br>of resources | Deferred<br>inflows<br>of resources | Deferred<br>outflow<br>of resources | Deferred<br>inflows<br>of resources |
| Differences between expected and actual experience                       | \$ 755                              | \$ 6,358                            | \$ -                                | \$ 477                              |
| Changes of assumptions or other inputs                                   | 11,454                              | -                                   | 27                                  | 92                                  |
| Net difference between projected and actual earnings on plan investments | 1,541                               | -                                   | 12                                  | -                                   |
| City contributions subsequent to the measurement date                    | 9,451                               | -                                   | 1                                   | -                                   |
| Total  | <u>\$ 23,201</u>                    | <u>\$ 6,358</u>                     | <u>\$ 40</u>                        | <u>\$ 569</u>                       |

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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, 2021. 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 |               |
|----------------------|----------------|---------------|--------------------|---------------|
|                      | <u>Pension</u> | <u>Health</u> | <u>Pension</u>     | <u>Health</u> |
| 2021                 | 5,732          | (186)         | 3,338              | (107)         |
| 2022                 | 3,458          | (186)         | 975                | (107)         |
| 2023                 | 2,199          | (136)         | 1,388              | (73)          |
| 2024                 | 973            | (125)         | 1,325              | (76)          |
| 2025                 | 979            | (135)         | 522                | (94)          |
| Thereafter           | 1,122          | (125)         | (156)              | (73)          |

**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, 2020, 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

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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 4.0% decreasing 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 2020, amounts reflect updated mortality improvement assumptions with Scale MP-2019.

For June 30, 2020, the actuarial cost method used is the entry age normal method. A 2.45% 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%                |
| 2020 | 2.45%                |

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.

|                              |  |
|------------------------------|--|
| Measurement Date             | June 30, 2020  |
| Actuarial valuation date     | June 30, 2019  |
| Inflation                    | 2.4%   |
| Salary Increases             | 3.5% including inflation   |
| Discount rate                | 2.45%  |
| Mortality rates              |  |
| Pre-retirement               |  |
| Post-retirement              | Not applicable since plan is closed to new retirees<br>PubG.H-2010 and PubS.H-2010 healthy annuitant<br>mortality table, generational with projection scale<br>MP-2019 |
| Health care cost trend rates | 4.0%-7.25%   |

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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, 2020.

|  |                 |
|--|-----------------|
| Total OPEB liability balance at June 30, 2019      | <u>\$ 2,927</u> |
| Changes for the Year                               |                 |
| Interest   | 71              |
| Differences between expected and actual experience | (239)           |
| Changes in assumptions or other inputs             | (582)           |
| Change in benefit terms                            | 15              |
| Benefit payments                                   | <u>(31)</u>     |
| Net Changes  | <u>(766)</u>    |
| Total OPEB liability balance at June 30, 2020      | <u>\$ 2,161</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 2.45% was used to measure the total OPEB liability. This discount rate is the Fidelity General Obligation AA 20 Year Yield as of June 30, 2020. 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<br/>Rate</u> | <u>1% Increase</u> |
|----------------------|--------------------|----------------------------------|--------------------|
| Discount rate        | 1.45%              | 2.45%                            | 3.45%              |
| Total OPEB liability | \$ 2,881           | \$ 2,161                         | \$ 2,757           |

**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>3.00%</u>                       | <u>4.00%</u> | <u>5.00%</u> |
| Total OPEB Liability | \$ 2,786                           | \$ 2,161     | \$ 2,853     |

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**OPEB expense**

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

|   |                   |
|---|-------------------|
| Interest  | \$ 71             |
| Difference between Actual and Expected Experience | (2,878)           |
| Changes in Assumptions/Inputs                     | (944)             |
| Change in Benefit Terms                           | 15                |
| Total FY20 OPEB Expense                           | <u>\$ (3,736)</u> |

**Deferred outflows/inflows of resources**

At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB as shown in the following table.

|  | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ -                              | \$ 6,097                         |
| Changes of assumptions or other inputs             | -                                 | 1,709                            |
| Total  | <u>\$ -</u>                       | <u>\$ 7,806</u>                  |

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

| Year Ending June 30, | OPEB<br>Expense   |
|----------------------|-------------------|
| 2021                 | \$ (3,001)        |
| 2022                 | (3,001)           |
| 2023                 | (602)             |
| 2024                 | (601)             |
| 2025                 | (601)             |
| Thereafter           | -                 |
|                      | <u>\$ (7,806)</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, 2020

(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, 2020.

**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, 2020 | \$2,097  |



**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2020

(amounts expressed in thousands)

**XX. Implementation of new accounting principles**

The City adopted the provisions of GASB Statement No. 84, Fiduciary Activities. This statement established criteria for identifying fiduciary activities of all state and local governments to include whether the government is controlling the assets of the fiduciary activity, and the beneficiaries with whom a fiduciary relationship exists. This pronouncement did not impact the preparation of these financial statements as the City does not report any fiduciary funds.

The City adopted the provisions of GASB Statement No. 90, Majority Equity Interests. The statement improves consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This pronouncement did not impact the preparation of these financial statements.

**XXI. Subsequent events**

On September 22, 2020 the Glendale City Council approved development agreements to support the mixed-use development with ECL Glendale, LLC in the Westgate Sports & Entertainment District in Glendale. This mixed used development project has planned a 11 acre public access lagoon, seven islands, each with their own theme, retail spaces, Fly and 4-D theatres, venue spaces, restaurants, a family entertainment center, amusement rides, office space, and a 600 plus room hotel.

On December 17, 2020 the City of Glendale refunded \$25,685 in water and sewer series 2010 debt by issuing \$20,250 in subordinate water and sewer revenue refunding series 2020 debt. The new bonds are special obligations of the city and are secured and payable solely from the pledge of net revenues of the system.

On December 4, 2020 the City received \$6,500 from the sale of Glen Lakes Golf course property. The developer plans to build single family housing units on the property.

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City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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# **REQUIRED SUPPLEMENTARY INFORMATION**

(other than MD&A)

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FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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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> |
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| Schedule of the City’s Proportionate Share of the Net Pension/OPEB (Asset)/Liability Cost-Sharing Plans | 91-92        |
| Schedule of Changes in the City’s Net Pension/OPEB (Asset)/Liability and Related Ratios Agent Plans     | 93-100       |
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**CITY OF GLENDALE, ARIZONA**

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

Cost-sharing plans

June 30, 2020

(amounts expressed in thousands)

| <b>ASRS-Pension</b>  | 2020<br><u>(2019)</u> | 2019<br><u>(2018)</u> | 2018<br><u>(2017)</u> |
|--|-----------------------|-----------------------|-----------------------|
| City's proportion of the net pension liability   | 0.670370%             | 0.691230%             | 0.666400%             |
| City's proportionate share of the net pension liability  | \$ 97,547             | \$ 96,402             | \$ 103,812            |
| City's covered payroll   | \$ 69,407             | \$ 67,340             | \$ 64,059             |
| City's proportionate share of the net pension liability as a percentage of its covered payroll | 140.54%               | 143.16%               | 162.06%               |
| Plan fiduciary net position as a percentage of the total pension liability                     | 73.24%                | 73.40%                | 69.92%                |

|   | Reporting fiscal year<br>(measurement date) |                       |                       |
|---|---|-----------------------|-----------------------|
| <b>ASRS-Health insurance premium benefit</b>  | 2020<br><u>(2019)</u>                       | 2019<br><u>(2018)</u> | 2018<br><u>(2017)</u> |
| City's proportion of the net OPEB (asset)   | 0.67599%                                    | 0.69452%              | 0.67058%              |
| City's proportionate share of the net OPEB (asset)  | \$ (187)                                    | \$ (250)              | \$ (365)              |
| City's covered payroll  | \$ 69,407                                   | \$ 67,340             | \$ 64,059             |
| City's proportionate share of the net OPEB (asset) as a percentage of its covered payroll | (0.27%)                                     | (0.37%)               | (0.57%)               |
| Plan fiduciary net position as a percentage of the total OPEB liability                   | 101.62%                                     | 102.20%               | 103.57%               |

|   | Reporting fiscal year<br>(measurement date) |                       |                       |
|---|---|-----------------------|-----------------------|
| <b>ASRS-Long-term disability</b>  | 2020<br><u>(2019)</u>                       | 2019<br><u>(2018)</u> | 2018<br><u>(2017)</u> |
| City's proportion of the net OPEB liability   | 0.67335%                                    | 0.69218%              | 0.66674%              |
| City's proportionate share of the net OPEB liability  | \$ 439                                      | \$ 361                | \$ 242                |
| City's covered payroll  | \$ 69,407                                   | \$ 67,340             | \$ 64,059             |
| City's proportionate share of the net OPEB liability as a percentage of its covered payroll | 0.63%                                       | 0.54%                 | 0.38%                 |
| Plan fiduciary net position as a percentage of the total OPEB liability                     | 72.85%                                      | 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)

| 2017<br>(2016) | 2016<br>(2015) | 2015<br>(2014) | 2014<br>(2013) | 2013 - 2011<br>(2012 - 2010) |
|----------------|----------------|----------------|----------------|------------------------------|
| 0.637060%      | 0.605260%      | 0.619749%      | 0.656524%      | Information<br>Not Available |
| \$ 102,830     | \$ 94,278      | \$ 91,702      | \$ 109,143     |                              |
| \$ 58,301      | \$ 54,853      | \$ 54,523      | \$ 57,475      |                              |
| 176.38%        | 171.87%        | 168.19%        | 189.90%        |                              |
| 67.06%         | 68.35%         | 69.49%         | N/A            |                              |

2017 - 2011  
(2016 - 2010)  
Information  
Not Available

2017 - 2011  
(2016 - 2010)  
Information  
Not Available

**CITY OF GLENDALE, ARIZONA**

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

Agent plans

June 30, 2020

(amounts expressed in thousands)

**Public Safety Personnel Retirement System - Police:**

**Pension**

|  | 2020<br>(2019)    | 2019<br>(2018)    | 2018<br>(2017)    |
|--|-------------------|-------------------|-------------------|
| <b>Total pension liability:</b>  |                   |                   |                   |
| Service cost   | \$ 8,355          | \$ 8,012          | \$ 8,582          |
| Interest on the total pension liability  | 24,443            | 23,135            | 20,971            |
| Changes of benefit terms   | -                 | -                 | 2,583             |
| Differences between expected and actual experience in the measurement of the pension liability | 661               | (4,084)           | 6,973             |
| Changes of assumptions or other inputs   | 7,193             | -                 | 8,114             |
| Benefit payments, including refunds of employee contributions                                  | (13,051)          | (14,430)          | (13,390)          |
| Net change in total pension liability  | 27,601            | 12,633            | 33,833            |
| Total pension liability - beginning  | 328,483           | 315,850           | 282,017           |
| Total pension liability - ending (a)   | <u>\$ 356,084</u> | <u>\$ 328,483</u> | <u>\$ 315,850</u> |
| <b>Plan fiduciary net position:</b>  |                   |                   |                   |
| Contributions - employer   | \$ 16,942         | \$ 10,982         | \$ 13,678         |
| Contributions - employee   | 2,880             | 3,351             | 4,549             |
| Net investment income  | 8,990             | 9,921             | 15,468            |
| Benefit payments, including refunds of employee contributions                                  | (13,051)          | (14,430)          | (13,390)          |
| Administrative expenses  | (157)             | (152)             | (137)             |
| Other changes  | (10)              | 192               | 50                |
| Net change in plan fiduciary net position  | 15,594            | 9,864             | 20,218            |
| Plan fiduciary net position - beginning  | 152,491           | 142,627           | 122,409           |
| Adjustment to Beginning of year  | (130)             | -                 | -                 |
| Plan fiduciary net position - ending (b)   | <u>\$ 167,955</u> | <u>\$ 152,491</u> | <u>\$ 142,627</u> |
| City's net pension liability (asset) - ending (a) - (b)  | 188,129           | 175,992           | 173,223           |
| Plan fiduciary net position as a percentage of the total pension liability                     | 47.17%            | 46.42%            | 45.16%            |
| Covered payroll  | 36,383            | 36,201            | 37,234            |
| City's net pension liability (asset) as a percentage of covered payroll                        | 517.08%           | 486.15%           | 465.22%           |

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<br>(measurement date) |                   |                   |                              |
|---|-------------------|-------------------|------------------------------|
| 2017<br>(2016)                              | 2016<br>(2015)    | 2015<br>(2014)    | 2014 - 2011<br>(2013 - 2010) |
| \$ 6,644                                    | \$ 6,083          | \$ 5,483          | Information<br>not available |
| 18,964                                      | 17,857            | 14,973            |                              |
| 16,926                                      | -                 | 3,331             |                              |
| (3,593)                                     | 1,067             | 2,845             |                              |
| 10,446                                      | -                 | 19,686            |                              |
| (11,246)                                    | (11,143)          | (8,616)           |                              |
| 38,139                                      | 13,864            | 37,702            |                              |
| 243,876                                     | 230,012           | 192,310           |                              |
| <u>\$ 282,015</u>                           | <u>\$ 243,876</u> | <u>\$ 230,012</u> |                              |
| \$ 13,527                                   | \$ 9,691          | \$ 8,221          |                              |
| 4,299                                       | 4,009             | 3,432             |                              |
| 729   | 4,023             | 12,960            |                              |
| (11,246)                                    | (11,143)          | (8,616)           |                              |
| (105)                                       | (99)              | (104)             |                              |
| (2)   | (6)               | (124)             |                              |
| 7,202                                       | 6,475             | 15,769            |                              |
| 115,207                                     | 108,732           | 92,963            |                              |
| -   | -                 | -                 |                              |
| <u>\$ 122,409</u>                           | <u>\$ 115,207</u> | <u>\$ 108,732</u> |                              |
| 159,606                                     | 128,669           | 121,280           |                              |
| 43.40%                                      | 47.24%            | 47.27%            |                              |
| 34,196                                      | 33,350            | 31,815            |                              |
| 466.74%                                     | 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, 2020

(amounts expressed in thousands)

**Public Safety Personnel Retirement System - Police:**

**OPEB**

|  | Reporting fiscal year<br>(measurement date) |                 |                 | 2017 - 2011<br>(2016 - 2010) |
|--|---|-----------------|-----------------|------------------------------|
|  | 2020<br>(2019)                              | 2019<br>(2018)  | 2018<br>(2017)  |                              |
| <b>Total OPEB Liability:</b>   |   |                 |                 |                              |
| Service cost   | \$ 106                                      | \$ 102          | \$ 119          | Information<br>not available |
| Interest on the total OPEB liability   | 481   | 467             | 464             |                              |
| Changes of benefit terms   | -   | -               | 11              |                              |
| Differences between expected and actual experience in the<br>measurement of the OPEB liability | (950)                                       | (127)           | 211             |                              |
| Changes of assumptions or other inputs   | 76  | -               | (359)           |                              |
| Benefit payments, including refunds of employee<br>contributions                               | (296)                                       | (293)           | (359)           |                              |
| Net change in total OPEB liability   | (583)                                       | 149             | 87              |                              |
| Total OPEB liability - beginning   | 6,548                                       | 6,399           | 6,312           |                              |
| Total OPEB liability - ending (a)  | <u>\$ 5,965</u>                             | <u>\$ 6,548</u> | <u>\$ 6,399</u> |                              |
| <b>Plan fiduciary net position:</b>  |   |                 |                 |                              |
| Contributions - employer   | \$ 179                                      | \$ 75           | \$ 202          |                              |
| Contributions - employee   | 5   | 1               | -               |                              |
| Net investment income  | 276   | 343             | 541             |                              |
| Benefit payments   | (296)                                       | (293)           | (359)           |                              |
| Administrative expenses  | (5)   | (5)             | (5)             |                              |
| Other changes  | -   | 1               | -               |                              |
| Net change in plan fiduciary net position  | 159   | 122             | 379             |                              |
| Plan fiduciary net position - beginning  | 5,150                                       | 5,028           | 4,649           |                              |
| Adjustment to beginning of year  | 130   | -               | -               |                              |
| Plan fiduciary net position - ending (b)   | <u>\$ 5,439</u>                             | <u>\$ 5,150</u> | <u>\$ 5,028</u> |                              |
| City's net OPEB liability (asset) - ending (a) - (b)   | 526   | 1,398           | 1,371           |                              |
| Plan fiduciary net position as a percentage of<br>the total OPEB liability                     | 91.18%                                      | 78.65%          | 78.58%          |                              |
| Covered payroll  | 36,383                                      | 36,201          | 37,234          |                              |
| City's net OPEB liability (asset) as a percentage of<br>covered payroll                        | 1.45%                                       | 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, 2020

(amounts expressed in thousands)

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

| <b>Total pension liability:</b>  | 2020<br>(2019)    | 2019<br>(2018)    | 2018<br>(2017)    |
|--|-------------------|-------------------|-------------------|
| Service cost   | \$ 4,831          | \$ 4,963          | \$ 5,062          |
| Interest on the total pension liability  | 15,287            | 14,302            | 13,114            |
| Changes of benefit terms   | -                 | -                 | 1,055             |
| Differences between expected and actual experience in the measurement of the pension liability | (4,945)           | (536)             | 787               |
| Changes of assumptions or other inputs   | 3,704             | -                 | 5,437             |
| Benefit payments, including refunds of employee contributions                                  | (8,883)           | (6,668)           | (7,304)           |
| Net change in total pension liability  | 9,994             | 12,061            | 18,151            |
| Total pension liability - beginning  | 206,190           | 194,129           | 175,978           |
| Total pension liability - ending (a)   | <u>\$ 216,184</u> | <u>\$ 206,190</u> | <u>\$ 194,129</u> |
| <br><b>Plan fiduciary net position:</b>  |                   |                   |                   |
| Contributions - employer   | \$ 9,335          | \$ 6,023          | \$ 6,578          |
| Contributions - employee   | 1,504             | 2,050             | 2,604             |
| Net investment income  | 6,476             | 7,405             | 11,234            |
| Benefit payments, including refunds of employee contributions                                  | (8,883)           | (6,668)           | (7,304)           |
| Administrative expenses  | (113)             | (113)             | (100)             |
| Other changes  | -                 | 54                | 1                 |
| Net change in plan fiduciary net position  | 8,319             | 8,751             | 13,013            |
| Plan fiduciary net position - beginning  | 114,265           | 105,514           | 92,501            |
| Plan fiduciary net position - ending (b)   | <u>\$ 122,584</u> | <u>\$ 114,265</u> | <u>\$ 105,514</u> |
| <br>City's net pension liability (asset) - ending (a) - (b)                                    | 93,600            | 91,925            | 88,615            |
| <br>Plan fiduciary net position as a percentage of the total pension liability                 | 56.70%            | 55.42%            | 54.35%            |
| <br>Covered payroll  | 22,868            | 21,360            | 20,840            |
| <br>City's net pension liability (asset) as a percentage of covered payroll                    | 409.31%           | 430.36%           | 425.22%           |

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<br>(measurement date) |                   |                   |                              |
|---|-------------------|-------------------|------------------------------|
| 2017<br>(2016)                              | 2016<br>(2015)    | 2015<br>(2014)    | 2014 - 2011<br>(2013 - 2010) |
| \$ 4,065                                    | \$ 3,858          | \$ 3,805          | Information<br>not available |
| 11,801                                      | 11,230            | 9,672             |                              |
| 12,497                                      | -                 | 1,658             |                              |
| (2,923)                                     | (823)             | 1,452             |                              |
| 6,345                                       | -                 | 9,623             |                              |
| (8,199)                                     | (5,996)           | (6,800)           |                              |
| 23,586                                      | 8,269             | 19,410            |                              |
| 152,392                                     | 144,123           | 124,713           |                              |
| <u>\$ 175,978</u>                           | <u>\$ 152,392</u> | <u>\$ 144,123</u> |                              |
| \$ 7,339                                    | \$ 4,942          | \$ 4,630          |                              |
| 2,649                                       | 2,380             | 2,265             |                              |
| 547   | 3,189             | 10,457            |                              |
| (8,199)                                     | (5,996)           | (6,800)           |                              |
| (79)  | (78)              | (84)              |                              |
| (232)                                       | (389)             | -                 |                              |
| 2,025                                       | 4,048             | 10,468            |                              |
| 90,476                                      | 86,428            | 75,960            |                              |
| <u>\$ 92,501</u>                            | <u>\$ 90,476</u>  | <u>\$ 86,428</u>  |                              |
| 83,477                                      | 61,916            | 57,695            |                              |
| 52.56%                                      | 59.37%            | 59.97%            |                              |
| 20,296                                      | 20,570            | 19,291            |                              |
| 411.30%                                     | 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, 2020

(amounts expressed in thousands)

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

**OPEB**

|   | Reporting fiscal year<br>(measurement date) |                 |                 | 2017 - 2011<br>(2016 - 2010) |
|---|---|-----------------|-----------------|------------------------------|
|   | 2020<br>(2019)                              | 2019<br>(2018)  | 2018<br>(2017)  |                              |
| <b>Total OPEB liability:</b>  |   |                 |                 |                              |
| Service cost  | \$ 52                                       | \$ 53           | \$ 56           | Information<br>not available |
| Interest on the total OPEB liability  | 251   | 238             | 243             |                              |
| Changes of benefit terms  | -   | -               | 3               |                              |
| Differences between expected and actual experience in the measurement of the OPEB liability | (503)                                       | (29)            | (39)            |                              |
| Changes of assumptions or other inputs  | 31  | -               | (145)           |                              |
| Benefit payments, including refunds of employee contributions                               | (120)                                       | (113)           | (153)           |                              |
| Net change in total OPEB liability  | (289)                                       | 149             | (35)            |                              |
| Total OPEB liability - beginning  | 3,399                                       | 3,250           | 3,285           |                              |
| Total OPEB liability - ending (a)   | <u>\$ 3,110</u>                             | <u>\$ 3,399</u> | <u>\$ 3,250</u> |                              |
| <b>Plan fiduciary net position:</b>   |   |                 |                 |                              |
| Contributions - employer  | \$ -  | \$ -            | \$ -            |                              |
| Contributions - employee  | -   | -               | -               |                              |
| Net investment income   | 242   | 300             | 465             |                              |
| Benefit payments  | (120)                                       | (113)           | (153)           |                              |
| Administrative expenses   | (4)   | (4)             | (4)             |                              |
| Other changes   | -   | (1)             | -               |                              |
| Net change in plan fiduciary net position   | 118   | 182             | 308             |                              |
| Plan fiduciary net position - beginning   | 4,516                                       | 4,334           | 4,026           |                              |
| Plan fiduciary net position - ending (b)  | <u>\$ 4,634</u>                             | <u>\$ 4,516</u> | <u>\$ 4,334</u> |                              |
| City's net OPEB liability (asset) - ending (a) - (b)  | (1,524)                                     | (1,117)         | (1,084)         |                              |
| Plan fiduciary net position as a percentage of the total OPEB liability                     | 149.05%                                     | 132.86%         | 133.36%         |                              |
| Covered payroll   | 22,868                                      | 21,360          | 20,840          |                              |
| City's net OPEB liability (asset) as a percentage of covered payroll                        | -6.66%                                      | -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.

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**CITY OF GLENDALE, ARIZONA**  
Schedule of OPEB Liability-City Plan  
June 30, 2020  
(amounts expressed in thousands)

| <b>Total OPEB Liability-City Plan</b>                            | <u>June 30, 2020</u> | <u>June 30, 2019</u> | <u>June 30, 2018</u> |
|--|----------------------|----------------------|----------------------|
| Service Cost   | \$ -                 | \$ -                 | \$ 3,083             |
| Interest   | 71                   | 225                  | 2,183                |
| Changes of benefit terms   | 15                   | -                    | (47,511)             |
| Differences between expected and actual experience               | (239)                | (3,204)              | (11,823)             |
| Changes in assumptions or other inputs                           | (582)                | (175)                | (174)                |
| Benefit payments   | (31)                 | (296)                | (6)                  |
| Net Changes  | <u>(766)</u>         | <u>(3,450)</u>       | <u>(54,248)</u>      |
| Total OPEB Liability balance at June 30, 2019                    | <u>\$ 2,927</u>      | <u>\$ 6,377</u>      | <u>\$ 60,625</u>     |
| Total OPEB Liability balance at June 30, 2020                    | <u>\$ 2,161</u>      | <u>\$ 2,927</u>      | <u>\$ 6,377</u>      |
| Covered Employee Payroll   | \$ -                 | \$ -                 | \$ -                 |
| Total OPEB Liability as a percentage of covered employee payroll | N\A                  | N\A                  | N\A                  |
| Discount Rate  | 2.45%                | 3.13%                | 3.62%                |

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.



| <u>June 30, 2017</u> | <u>June 30, 2016</u> | <u>2015 - 2011</u>           |
|----------------------|----------------------|------------------------------|
| \$ 3,494             | \$ 3,376             | Information<br>Not Available |
| 2,311                | 1,792                |                              |
| (3,580)              | -                    |                              |
| (2,463)              | -                    |                              |
| (2,952)              | -                    |                              |
| (237)                | (620)                |                              |
| (3,427)              | 4,548                |                              |
| \$ 64,052            | \$ 59,504            |                              |
| \$ 60,625            | \$ 64,052            |                              |
| \$ 113,677           | \$ 93,944            |                              |
| 53.3%                | 68.2%                |                              |
| 3.43%                | 2.85%                |                              |

**CITY OF GLENDALE, ARIZONA**  
Schedule of city pension/OPEB contributions  
June 30, 2020  
(amounts expressed in thousands)

| <b>ASRS-Pension:</b>   | <u>2020</u>  | <u>2019</u>           | <u>2018</u>  |
|--|--------------|-----------------------|--------------|
| Statutorily required contribution  | \$ 8,377     | \$ 8,111              | \$ 7,414     |
| City's contribution in relation to the statutorily required contribution | <u>8,377</u> | <u>8,111</u>          | <u>7,414</u> |
| City's contribution deficiency (excess)                                  | <u>\$ -</u>  | <u>\$ -</u>           | <u>\$ -</u>  |
| City's covered payroll   | \$ 70,766    | \$ 69,407             | \$ 67,340    |
| City's contributions as a percentage of covered-payroll                  | 11.84%       | 11.69%                | 11.01%       |
|  |              |                       |              |
|  |              | Reporting fiscal year |              |
|  | <u>2020</u>  | <u>2019</u>           | <u>2018</u>  |
| <b>ASRS-Health insurance premium benefit:</b>                            |              |                       |              |
| Statutorily required contribution  | \$ 345       | \$ 327                | \$ 385       |
| City's contribution in relation to the statutorily required contribution | <u>345</u>   | <u>327</u>            | <u>385</u>   |
| City's contribution deficiency (excess)                                  | <u>\$ -</u>  | <u>\$ -</u>           | <u>\$ -</u>  |
| City's covered payroll   | \$ 70,766    | \$ 69,407             | \$ 67,340    |
| City's contributions as a percentage of covered-payroll                  | 0.49%        | 0.47%                 | 0.57%        |
|  |              |                       |              |
|  |              | Reporting fiscal year |              |
|  | <u>2020</u>  | <u>2019</u>           | <u>2018</u>  |
| <b>ASRS-Long-term disability:</b>  |              |                       |              |
| Statutorily required contribution  | \$ 120       | \$ 119                | \$ 96        |
| City's contribution in relation to the statutorily required contribution | <u>120</u>   | <u>119</u>            | <u>96</u>    |
| City's contribution deficiency (excess)                                  | <u>\$ -</u>  | <u>\$ -</u>           | <u>\$ -</u>  |
| City's covered payroll   | \$ 70,766    | \$ 69,407             | \$ 67,340    |
| City's contributions as a percentage of covered-payroll                  | 0.17%        | 0.17%                 | 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 |           |           |           |           |           |           |
|-----------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| 2017                  | 2016      | 2015      | 2014      | 2013      | 2012      | 2011      |
| \$ 7,007              | \$ 6,472  | \$ 6,071  | \$ 5,978  | \$ 5,971  | \$ 5,743  | \$ 5,685  |
| 7,007                 | 6,472     | 6,071     | 5,978     | 5,971     | 5,743     | 5,685     |
| \$ -                  | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      |
| \$ 64,059             | \$ 58,301 | \$ 54,853 | \$ 54,523 | \$ 57,475 | \$ 65,443 | \$ 65,143 |
| 10.94%                | 11.10%    | 11.07%    | 10.96%    | 10.39%    | 8.77%     | 8.73%     |

| 2017      | 2016-2011                 |
|-----------|---------------------------|
| \$ 361    | Information not available |
| 361       |                           |
| \$ -      |                           |
| \$ 64,059 |                           |
| 0.56%     |                           |

| 2017      | 2016-2011                 |
|-----------|---------------------------|
| \$ 91     | Information not available |
| 91        |                           |
| \$ -      |                           |
| \$ 64,059 |                           |
| 0.14%     |                           |

**CITY OF GLENDALE, ARIZONA**  
Schedule of city pension/OPEB contributions  
June 30, 2020  
(amounts expressed in thousands)

|  | 2020        | 2019            | 2018          |
|--|-------------|-----------------|---------------|
| <b>PSPRS Police-Pension:</b>   |             |                 |               |
| Actuarially determined contribution  | \$ 17,500   | \$ 16,942       | \$ 10,982     |
| City's contribution in relation to the actuarially determined contribution | 17,500      | 17,306          | 10,828        |
| City's contribution deficiency (excess)                                    | <u>\$ -</u> | <u>\$ (364)</u> | <u>\$ 154</u> |
| City's covered payroll   | \$ 35,635   | \$ 36,383       | \$ 36,201     |
| City's contributions as a percentage of covered payroll                    | 49.11%      | 47.57%          | 29.91%        |

|  | Reporting fiscal year |               |                |
|--|-----------------------|---------------|----------------|
|  | 2020                  | 2019          | 2018           |
| <b>PSPRS Police-OPEB:</b>  |                       |               |                |
| Actuarially determined contribution  | \$ 187                | \$ 179        | \$ 75          |
| City's contribution in relation to the actuarially determined contribution | 187                   | 183           | 135            |
| City's contribution deficiency (excess)                                    | <u>\$ -</u>           | <u>\$ (4)</u> | <u>\$ (60)</u> |
| City's covered payroll   | \$ 35,635             | \$ 36,383     | \$ 36,201      |
| City's contributions as a percentage of covered payroll                    | 0.52%                 | 0.50%         | 0.37%          |

|  | 2020        | 2019            | 2018          |
|--|-------------|-----------------|---------------|
| <b>PSPRS Fire-Pension:</b>   |             |                 |               |
| Actuarially determined contribution  | \$ 9,451    | \$ 9,335        | \$ 6,023      |
| City's contribution in relation to the actuarially determined contribution | 9,451       | 9,435           | 5,607         |
| City's contribution deficiency (excess)                                    | <u>\$ -</u> | <u>\$ (100)</u> | <u>\$ 416</u> |
| City's covered payroll   | \$ 20,122   | \$ 22,868       | \$ 21,360     |
| City's contributions as a percentage of covered payroll                    | 46.97%      | 41.26%          | 26.25%        |

|  | Reporting fiscal year |             |             |
|--|-----------------------|-------------|-------------|
|  | 2020                  | 2019        | 2018        |
| <b>PSPRS Fire-OPEB:</b>  |                       |             |             |
| Actuarially determined contribution  | \$ 1                  | \$ -        | \$ -        |
| City's contribution in relation to the actuarially determined contribution | 1                     | -           | -           |
| City's contribution deficiency (excess)                                    | <u>\$ -</u>           | <u>\$ -</u> | <u>\$ -</u> |
| City's covered payroll   | \$ 20,122             | \$ 22,868   | \$ 21,360   |
| 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 |           |           |           |           |           |           |
|-----------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| 2017                  | 2016      | 2015      | 2014      | 2013      | 2012      | 2011      |
| \$ 13,678             | \$ 13,527 | \$ 9,691  | \$ 8,221  | \$ 6,787  | \$ 5,907  | \$ 5,248  |
| 13,678                | 13,527    | 9,691     | 8,221     | 6,787     | 5,907     | 5,248     |
| \$ -                  | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      |
| \$ 37,234             | \$ 34,196 | \$ 33,350 | \$ 31,815 | \$ 28,336 | \$ 29,356 | \$ 27,576 |
| 36.74%                | 39.56%    | 29.06%    | 25.84%    | 23.95%    | 20.12%    | 19.03%    |

| 2017      | 2016-2011                 |
|-----------|---------------------------|
| \$ 202    | Information not available |
| 202       |                           |
| \$ -      |                           |
| \$ 37,234 |                           |
| 0.54%     |                           |

| Reporting fiscal year |           |           |           |           |           |           |
|-----------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| 2017                  | 2016      | 2015      | 2014      | 2013      | 2012      | 2011      |
| \$ 6,578              | \$ 7,339  | \$ 4,942  | \$ 4,630  | \$ 3,454  | \$ 2,828  | \$ 2,546  |
| 6,578                 | 7,339     | 4,942     | 4,630     | 3,454     | 2,828     | 2,546     |
| \$ -                  | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      |
| \$ 20,840             | \$ 20,296 | \$ 20,570 | \$ 19,291 | \$ 18,547 | \$ 18,406 | \$ 16,811 |
| 31.56%                | 36.16%    | 24.03%    | 24.00%    | 18.62%    | 15.36%    | 15.14%    |

| 2017      | 2016-2011                 |
|-----------|---------------------------|
| \$ -      | Information not available |
| -         |                           |
| \$ -      |                           |
| \$ 20,840 |                           |
| 0.00%     |                           |

## CITY OF GLENDALE, ARIZONA

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

June 30, 2020

(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   | Members with initial membership date before July 1, 2017:<br>Level percent-of-pay, closed<br>Members with initial membership on or after July 1, 2017:<br>Level dollar closed   |
| Remaining Amortization Period as of the 2018 Actuarial Valuation | Members with initial membership date before July 1, 2017:<br>18 years for unfunded actuarial accrued liability, 20 years for excess<br>Members with initial membership on or after July 1, 2017:<br>10 years  |
| Asset Valuation Method   | Members with initial membership date before July 1, 2017:<br>7-year smoothed market value; 80%/120% market corridor<br>Members with initial membership on or after July 1, 2017:<br>5-year smoothed market value; 80%120% market corridor   |
| Actuarial Assumptions:<br>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%.<br>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%-8.0% to 3.5%-7.5%. 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 4.0% to 3.5%. 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, 2020

(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, 2020  
(amounts expressed in thousands)

|   | Budgeted Amounts |                  | Actual           | Variance with<br>Final Budget |
|---|------------------|------------------|------------------|-------------------------------|
|   | Original         | Final            |                  |                               |
| Budgetary fund balance, July 1              | \$ 48,297        | \$ 48,297        | \$ 52,851        | \$ 4,554                      |
| <b>RESOURCES (INFLOWS):</b>                 |                  |                  |                  |                               |
| Taxes                                       | 125,053          | 125,053          | 127,553          | 2,500                         |
| Licenses and permits                        | 12,120           | 12,120           | 13,861           | 1,741                         |
| Intergovernmental                           | 69,968           | 69,968           | 69,288           | (680)                         |
| Charges for services                        | 19,427           | 19,427           | 16,318           | (3,109)                       |
| Fines and forfeitures                       | 3,130            | 3,130            | 2,146            | (984)                         |
| Investment Income                           | 374              | 374              | 544              | 170                           |
| Proceeds from equipment disposal            | 250              | 250              | 112              | (138)                         |
| Proceeds from land sale                     | -                | -                | 9,384            | 9,384                         |
| Local revenue                               | -                | -                | 85               | 85                            |
| Miscellaneous                               | 5,631            | 5,631            | 2,291            | (3,340)                       |
| Total revenues                              | <u>235,953</u>   | <u>235,953</u>   | <u>241,582</u>   | <u>5,629</u>                  |
| Transfer in                                 | 28,576           | 28,576           | 28,576           | -                             |
| Transfer out                                | (36,764)         | (36,764)         | (36,723)         | 41                            |
| Amounts available for appropriation         | <u>276,062</u>   | <u>276,062</u>   | <u>286,286</u>   | <u>10,224</u>                 |
| <b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b> |                  |                  |                  |                               |
| Current:                                    |                  |                  |                  |                               |
| General Government                          | 36,325           | 38,090           | 35,354           | 2,736                         |
| Public Safety                               | 144,187          | 145,925          | 123,142          | 22,783                        |
| Public Works                                | 16,083           | 15,992           | 18,005           | (2,013)                       |
| Community Services                          | 21,742           | 21,742           | 19,485           | 2,257                         |
| Street Maintenance                          | 873              | 873              | 698              | 175                           |
| Contingency                                 | 2,000            | 1,554            | -                | 1,554                         |
| Capital Outlay                              | 8,977            | 9,653            | 3,124            | 6,529                         |
| Total charges to appropriations             | <u>230,187</u>   | <u>233,829</u>   | <u>199,808</u>   | <u>34,021</u>                 |
| Budgetary fund balances, June 30            | <u>\$ 45,875</u> | <u>\$ 42,233</u> | <u>\$ 86,478</u> | <u>\$ 44,245</u>              |



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

**Sources/inflows of resources:**

|   |    |                |
|---|----|----------------|
| Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.                                    | \$ | 286,286        |
| Differences - budget to GAAP:   |    |                |
| The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes. |    | (52,851)       |
| Interest earned on restricted investments not available for appropriation   |    | 2,713          |
| Indirect cost allocation  |    | (10,000)       |
| Proceeds from disposal of assets.   |    | (9,475)        |
| Revenue reported on a GAAP basis.   |    | 837            |
| Police and fire sales tax revenue.  |    | 28,346         |
| Less: transfers in.   |    | (28,576)       |
| Add: transfers out.   |    | 36,723         |
| Total revenues as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.                 | \$ | <u>254,003</u> |

**Uses/outflows or resources:**

|   |    |                |
|---|----|----------------|
| Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.                    | \$ | 199,808        |
| Differences - budget to GAAP:   |    |                |
| Noncash exchange for capital outlay.  |    | 309            |
| Capital outlay funded by long-term debt.  |    | (327)          |
| Salaries payable.   |    | 174            |
| Change in prepaid assets or inventory.  |    | 6              |
| Internal charges for services provided.   |    | (10,000)       |
| Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds. | \$ | <u>189,970</u> |

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Transportation Special Revenue Fund**  
For the Year Ended June 30, 2020  
(amounts expressed in thousands)

|   | Budgeted Amounts |                  | Actual           | Variance with<br>Final Budget |
|---|------------------|------------------|------------------|-------------------------------|
|   | Original         | Final            |                  |                               |
| Budgetary fund balance, July 1                  | \$ 35,363        | \$ 35,363        | \$ 50,227        | \$ 14,864                     |
| <b>RESOURCES (INFLOWS):</b>                     |                  |                  |                  |                               |
| Taxes   | 30,309           | 30,309           | 30,989           | 680                           |
| Intergovernmental                               | 2,700            | 2,700            | 3,476            | 776                           |
| Charges for services                            | 124              | 124              | 686              | 562                           |
| Investment income                               | 160              | 160              | 1,064            | 904                           |
| Miscellaneous                                   | -                | -                | 107              | 107                           |
| Total revenues                                  | <u>33,293</u>    | <u>33,293</u>    | <u>36,322</u>    | <u>3,029</u>                  |
| Transfer out                                    | <u>(14,921)</u>  | <u>(14,921)</u>  | <u>(8,566)</u>   | <u>6,355</u>                  |
| Amounts available for appropriation             | <u>53,735</u>    | <u>53,735</u>    | <u>77,983</u>    | <u>24,248</u>                 |
| <b>CHARGES TO APPROPRIATIONS<br/>(OUTFLOWS)</b> |                  |                  |                  |                               |
| Current:  |                  |                  |                  |                               |
| Street maintenance                              | 16,565           | 14,715           | 13,334           | 1,381                         |
| Capital outlay                                  | <u>325</u>       | <u>2,275</u>     | <u>1,388</u>     | <u>887</u>                    |
| Total charges to appropriations                 | <u>16,890</u>    | <u>16,990</u>    | <u>14,722</u>    | <u>2,268</u>                  |
| Budgetary fund balances, June 30                | <u>\$ 36,845</u> | <u>\$ 36,745</u> | <u>\$ 63,261</u> | <u>\$ 26,516</u>              |

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

**Sources/inflows of resources:**

|   |                  |
|---|------------------|
| Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.                                    | \$ 77,983        |
| Differences - budget to GAAP:   |                  |
| The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes. | (50,227)         |
| Add: Transfers out.   | <u>8,566</u>     |
| Total revenues as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.                 | <u>\$ 36,322</u> |

**Uses/outflows or resources:**

|   |                  |
|---|------------------|
| Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.                    | \$ 14,722        |
| Differences - budget to GAAP:   |                  |
| Salaries payable.   | <u>(2)</u>       |
| Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds. | <u>\$ 14,720</u> |

## CITY OF GLENDALE, ARIZONA

Notes to Required Supplementary Information

June 30, 2020

(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 and major special revenue 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, 2020

(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 30<sup>th</sup> ending actual budget basis fund balances rather than the June 30<sup>th</sup> 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

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# COMBINING STATEMENTS AND SCHEDULES

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FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**General Obligation Debt Service Fund**  
For the Year Ended June 30, 2020  
(amounts expressed in thousands)

|   | Budgeted Amounts |                 | Actual          | Variance with<br>Final Budget |
|---|------------------|-----------------|-----------------|-------------------------------|
|   | Original         | Final           |                 |                               |
| Budgetary fund balance, July 1                  | \$ 1,998         | \$ 1,998        | \$ 2,024        | \$ 26                         |
| <b>RESOURCES (INFLOWS):</b>                     |                  |                 |                 |                               |
| Taxes   | 20,409           | 20,409          | 19,926          | (483)                         |
| Intergovernmental                               | 237              | 237             | 238             | 1                             |
| Investment income                               | -                | -               | 1               | 1                             |
| Miscellaneous                                   | -                | -               | 8               | 8                             |
| Total revenues                                  | <u>20,646</u>    | <u>20,646</u>   | <u>20,173</u>   | <u>(473)</u>                  |
| Amounts available for appropriation             | <u>22,644</u>    | <u>22,644</u>   | <u>22,197</u>   | <u>(447)</u>                  |
| <b>CHARGES TO APPROPRIATIONS<br/>(OUTFLOWS)</b> |                  |                 |                 |                               |
| Current:  |                  |                 |                 |                               |
| General government                              | 204              | 204             | 7               | 197                           |
| Debt service:                                   |                  |                 |                 |                               |
| Principal                                       | 15,655           | 15,655          | 15,655          | -                             |
| Interest  | 4,990            | 4,990           | 4,990           | -                             |
| Total charges to appropriations                 | <u>20,849</u>    | <u>20,849</u>   | <u>20,652</u>   | <u>197</u>                    |
| Budgetary fund balances, June 30                | <u>\$ 1,795</u>  | <u>\$ 1,795</u> | <u>\$ 1,545</u> | <u>\$ (250)</u>               |

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Municipal Property Corporation Debt Service Fund**  
For the Year Ended June 30, 2020  
(amounts expressed in thousands)

|   | Budgeted Amounts |          | Actual   | Variance with<br>Final Budget |
|---|------------------|----------|----------|-------------------------------|
|   | Original         | Final    |          |                               |
| Budgetary fund balance, July 1                  | \$ 3,607         | \$ 3,607 | \$ 1,340 | \$ (2,267)                    |
| <b>RESOURCES (INFLOWS):</b>                     |                  |          |          |                               |
| Intergovernmental                               | -                | -        | 2,207    | 2,207                         |
| Investment Income                               | -                | -        | 93       | 93                            |
| Miscellaneous                                   | -                | -        | 1        | 1                             |
| Total revenues                                  | -                | -        | 2,301    | 2,301                         |
| Transfer in                                     | 16,175           | 16,175   | 16,175   | -                             |
| Amounts available for appropriation             | 19,782           | 19,782   | 19,816   | 34                            |
| <b>CHARGES TO APPROPRIATIONS<br/>(OUTFLOWS)</b> |                  |          |          |                               |
| Current:  |                  |          |          |                               |
| General Government                              | 25               | 25       | 9        | 16                            |
| Debt service:                                   |                  |          |          |                               |
| Principal                                       | 7,195            | 7,195    | 7,195    | -                             |
| Interest  | 9,755            | 9,755    | 9,755    | -                             |
| Total charges to appropriations                 | 16,975           | 16,975   | 16,959   | 16                            |
| Budgetary fund balances, June 30                | \$ 2,807         | \$ 2,807 | \$ 2,857 | \$ 50                         |



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## NON-MAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

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

#### **Community Development Block Grants Fund**

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

#### **Highway User Gas Tax Fund**

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

#### **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, 2020  
(amounts expressed in thousands)

|   | Special Revenue<br>Funds | Debt Service Funds | Capital Projects Funds | Permanent Fund  | Total Non-Major<br>Governmental Funds |
|---|--------------------------|--------------------|------------------------|-----------------|---------------------------------------|
| <b>ASSETS</b>   |                          |                    |                        |                 |                                       |
| Equity in pooled cash and investments                               | \$ 18,395                | \$ 17,142          | \$ 30,280              | \$ 6,038        | \$ 71,855                             |
| Receivables, net of allowance for doubtful accounts:                |                          |                    |                        |                 |                                       |
| Accounts  | 4,678                    | -                  | 64                     | 62              | 4,804                                 |
| Intergovernmental receivable  | 2,622                    | -                  | -                      | -               | 2,622                                 |
| Inventories and prepaid items                                       | 3                        | -                  | -                      | -               | 3                                     |
| Restricted cash and investments                                     | 1,531                    | 1,632              | -                      | -               | 3,163                                 |
| Total assets  | <u>27,229</u>            | <u>18,774</u>      | <u>30,344</u>          | <u>6,100</u>    | <u>82,447</u>                         |
| <b>LIABILITIES</b>  |                          |                    |                        |                 |                                       |
| Vouchers payable  | 1,109                    | -                  | 2,325                  | -               | 3,434                                 |
| Accounts payable  | 52                       | -                  | -                      | -               | 52                                    |
| Retainage payable   | -                        | -                  | 147                    | -               | 147                                   |
| Compensated Absences - current                                      | 42                       | -                  | -                      | -               | 42                                    |
| Intergovernmental payable   | 1                        | -                  | -                      | -               | 1                                     |
| Due to other funds  | -                        | -                  | 370                    | -               | 370                                   |
| Deposits  | 67                       | -                  | -                      | -               | 67                                    |
| Unearned revenue  | 13,234                   | -                  | 22                     | -               | 13,256                                |
| Matured interest payable  | -                        | 6,347              | -                      | -               | 6,347                                 |
| Matured bonds payable   | -                        | 11,240             | -                      | -               | 11,240                                |
| Total liabilities   | <u>14,505</u>            | <u>17,587</u>      | <u>2,864</u>           | <u>-</u>        | <u>34,956</u>                         |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                |                          |                    |                        |                 |                                       |
| Deferred Inflows of Resources-Unavailable Revenue                   | 125                      | -                  | -                      | 62              | 187                                   |
| <b>FUND BALANCES</b>  |                          |                    |                        |                 |                                       |
| Fund balances:  |                          |                    |                        |                 |                                       |
| Nonspendable  | -                        | -                  | -                      | 6,038           | 6,038                                 |
| Restricted  | 10,296                   | 1,187              | 27,982                 | -               | 39,465                                |
| Committed   | 1,734                    | -                  | -                      | -               | 1,734                                 |
| Assigned  | 569                      | -                  | -                      | -               | 569                                   |
| Unassigned  | -                        | -                  | (502)                  | -               | (502)                                 |
| Total fund balances   | <u>12,599</u>            | <u>1,187</u>       | <u>27,480</u>          | <u>6,038</u>    | <u>47,304</u>                         |
| Total liabilities, deferred outflows of resources and fund balances | <u>\$ 27,229</u>         | <u>\$ 18,774</u>   | <u>\$ 30,344</u>       | <u>\$ 6,100</u> | <u>\$ 82,447</u>                      |

City of Glendale, Arizona  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
June 30, 2020  
(amounts expressed in thousands)

|  | Community<br>Development Block<br>Grants | Highway User Gas<br>Tax | Other            | Total Non-Major<br>Special Revenue<br>Funds |
|--|--|-------------------------|------------------|---|
| <b>ASSETS</b>  |  |                         |                  |   |
| Equity in pooled cash and investments                              | \$ 190                                   | \$ 5,963                | \$ 12,242        | \$ 18,395                                   |
| Receivables, net of allowance for doubtful accounts:               |  |                         |                  |   |
| Accounts   | 4,448                                    | -                       | 230              | 4,678                                       |
| Intergovernmental receivable                                       | 847                                      | 1,273                   | 502              | 2,622                                       |
| Inventories and prepaid items                                      | -  | -                       | 3                | 3   |
| Restricted cash and investments                                    | -  | -                       | 1,531            | 1,531                                       |
| Total assets   | <u>5,485</u>                             | <u>7,236</u>            | <u>14,508</u>    | <u>27,229</u>                               |
| <b>LIABILITIES</b>   |  |                         |                  |   |
| Vouchers payable   | 236                                      | 452                     | 421              | 1,109                                       |
| Accounts payable   | 50                                       | -                       | 2                | 52  |
| Compensated absences - current                                     | 1  | 22                      | 19               | 42  |
| Intergovernmental payable  | -  | -                       | 1                | 1   |
| Deposits   | -  | -                       | 67               | 67  |
| Unearned revenue   | 4,448                                    | -                       | 8,786            | 13,234                                      |
| Total liabilities  | <u>4,735</u>                             | <u>474</u>              | <u>9,296</u>     | <u>14,505</u>                               |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                               |  |                         |                  |   |
| Deferred inflows of resources-unavailable revenue                  | -  | -                       | 125              | 125   |
| <b>FUND BALANCES</b>   |  |                         |                  |   |
| Fund balances:   |  |                         |                  |   |
| Restricted   | 750                                      | 6,762                   | 2,784            | 10,296                                      |
| Committed  | -  | -                       | 1,734            | 1,734                                       |
| Assigned   | -  | -                       | 569              | 569   |
| Total fund balances (deficits)                                     | <u>750</u>                               | <u>6,762</u>            | <u>5,087</u>     | <u>12,599</u>                               |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 5,485</u>                          | <u>\$ 7,236</u>         | <u>\$ 14,508</u> | <u>\$ 27,229</u>                            |

City of Glendale, Arizona  
**Combining Balance Sheet**  
**Non-Major Debt Service Funds**  
June 30, 2020  
(amounts expressed in thousands)

|  | Highway User | Transportation  | Excise Tax Revenue | Total Non-Major Debt<br>Service Funds |
|--|--------------|-----------------|--------------------|---------------------------------------|
| <b>ASSETS</b>  |              |                 |                    |                                       |
| Equity in pooled cash and investments                              | \$ 43        | \$ 6,438        | \$ 10,661          | \$ 17,142                             |
| Restricted cash and investments                                    | -            | -               | 1,632              | 1,632                                 |
| Total assets   | <u>43</u>    | <u>6,438</u>    | <u>12,293</u>      | <u>18,774</u>                         |
| <b>LIABILITIES</b>   |              |                 |                    |                                       |
| Matured interest payable   | -            | 1,447           | 4,900              | 6,347                                 |
| Matured bonds payable  | -            | 4,140           | 7,100              | 11,240                                |
| Total liabilities  | <u>-</u>     | <u>5,587</u>    | <u>12,000</u>      | <u>17,587</u>                         |
| <b>FUND BALANCES</b>   |              |                 |                    |                                       |
| Fund balances:   |              |                 |                    |                                       |
| Restricted   | 43           | 851             | 293                | 1,187                                 |
| Total fund balances  | <u>43</u>    | <u>851</u>      | <u>293</u>         | <u>1,187</u>                          |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 43</u> | <u>\$ 6,438</u> | <u>\$ 12,293</u>   | <u>\$ 18,774</u>                      |

City of Glendale, Arizona  
**Combining Balance Sheet**  
**Non-Major Capital Projects Funds**  
June 30, 2020  
(amounts expressed in thousands)

|  | Streets Construction | Fire and Police Construction | Parks Bond Construction | Other Construction | Development Impact Fees | Total Non-Major Capital Projects Funds |
|--|----------------------|------------------------------|-------------------------|--------------------|-------------------------|--|
| <b>ASSETS</b>  |                      |                              |                         |                    |                         |  |
| Equity in pooled cash and investments                              | \$ 13,535            | \$ -                         | \$ -                    | \$ 1,778           | \$ 14,967               | \$ 30,280                              |
| Receivables, net of allowance for doubtful accounts:               |                      |                              |                         |                    |                         |  |
| Accounts   | 64                   | -                            | -                       | -                  | -                       | 64                                     |
| Total assets   | <u>13,599</u>        | <u>-</u>                     | <u>-</u>                | <u>1,778</u>       | <u>14,967</u>           | <u>30,344</u>                          |
| <b>LIABILITIES</b>   |                      |                              |                         |                    |                         |  |
| Vouchers payable   | 2,069                | 70                           | 62                      | 13                 | 111                     | 2,325                                  |
| Retainage payable  | 147                  | -                            | -                       | -                  | -                       | 147                                    |
| Due to other funds   | -                    | 332                          | 38                      | -                  | -                       | 370                                    |
| Unearned revenue   | 22                   | -                            | -                       | -                  | -                       | 22                                     |
| Total liabilities  | <u>2,238</u>         | <u>402</u>                   | <u>100</u>              | <u>13</u>          | <u>111</u>              | <u>2,864</u>                           |
| <b>FUND BALANCES</b>   |                      |                              |                         |                    |                         |  |
| Fund balances:   |                      |                              |                         |                    |                         |  |
| Restricted   | 11,361               | -                            | -                       | 1,765              | 14,856                  | 27,982                                 |
| Unassigned   |                      | (402)                        | (100)                   |                    |                         | (502)                                  |
| Total fund balances  | <u>11,361</u>        | <u>(402)</u>                 | <u>(100)</u>            | <u>1,765</u>       | <u>14,856</u>           | <u>27,480</u>                          |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 13,599</u>     | <u>\$ -</u>                  | <u>\$ -</u>             | <u>\$ 1,778</u>    | <u>\$ 14,967</u>        | <u>\$ 30,344</u>                       |

City of Glendale, Arizona  
**Combining Balance Sheet**  
**Non-Major Permanent Fund**  
 June 30, 2020  
 (amounts expressed in thousands)

|  | <u>Cemetery</u> |
|--|-----------------|
| <b>ASSETS</b>  |                 |
| Equity in pooled cash and investments                              | \$ 6,038        |
| Receivables, net of allowance for doubtful accounts:               |                 |
| Accounts   | <u>62</u>       |
| Total assets   | <u>6,100</u>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                               |                 |
| Deferred Inflows of Resources-Unavailable Revenue                  | <u>62</u>       |
| <b>FUND BALANCES</b>   |                 |
| Fund balances:   |                 |
| Nonspendable   | <u>6,038</u>    |
| Total fund balances (deficits)                                     | <u>6,038</u>    |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 6,100</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, 2020  
(amounts expressed in thousands)

|   | Special Revenue<br>Funds | Debt Service Funds | Capital Projects<br>Funds | Permanent Funds | Total Non-Major<br>Governmental Funds |
|---|--------------------------|--------------------|---------------------------|-----------------|---------------------------------------|
| <b>REVENUES</b>                                   |                          |                    |                           |                 |                                       |
| Licenses and permits                              | \$ 738                   | \$ -               | \$ 4,583                  | \$ -            | \$ 5,321                              |
| Intergovernmental                                 | 43,675                   | -                  | 10,445                    | -               | 54,120                                |
| Local   | 88                       | -                  | -                         | -               | 88                                    |
| Charges for services                              | 673                      | -                  | -                         | -               | 673                                   |
| Fines and forfeitures                             | 280                      | -                  | -                         | -               | 280                                   |
| Investment Income                                 | 57                       | 81                 | 256                       | 118             | 512                                   |
| Miscellaneous                                     | 596                      | -                  | 727                       | -               | 1,323                                 |
| Total revenues                                    | <u>46,107</u>            | <u>81</u>          | <u>16,011</u>             | <u>118</u>      | <u>62,317</u>                         |
| <b>EXPENDITURES</b>                               |                          |                    |                           |                 |                                       |
| Current:  |                          |                    |                           |                 |                                       |
| General Government                                | 1,003                    | 7                  | 124                       | -               | 1,134                                 |
| Public Works                                      | 1,559                    | -                  | 39                        | -               | 1,598                                 |
| Public Safety                                     | 23,469                   | -                  | 56                        | -               | 23,525                                |
| Community Services                                | 3,521                    | -                  | 503                       | -               | 4,024                                 |
| Street Maintenance                                | 12,127                   | -                  | 5,615                     | -               | 17,742                                |
| Debt service:                                     |                          |                    |                           |                 |                                       |
| Principal   | -                        | 11,240             | -                         | -               | 11,240                                |
| Interest  | -                        | 12,694             | -                         | -               | 12,694                                |
| Capital outlay                                    | 1,217                    | -                  | 17,776                    | -               | 18,993                                |
| Total expenditures                                | <u>42,896</u>            | <u>23,941</u>      | <u>24,113</u>             | <u>-</u>        | <u>90,950</u>                         |
| Excess (deficiency) of revenues over expenditures | <u>3,211</u>             | <u>(23,860)</u>    | <u>(8,102)</u>            | <u>118</u>      | <u>(28,633)</u>                       |
| <b>OTHER FINANCING SOURCES (USES)</b>             |                          |                    |                           |                 |                                       |
| Proceeds from equipment disposal                  | 76                       | -                  | -                         | -               | 76                                    |
| Transfer in                                       | 2,462                    | 23,959             | 7,413                     | -               | 33,834                                |
| Transfer out                                      | (5,890)                  | -                  | (156)                     | -               | (6,046)                               |
| Total other financing sources (uses)              | <u>(3,352)</u>           | <u>23,959</u>      | <u>7,257</u>              | <u>-</u>        | <u>27,864</u>                         |
| Net change in fund balances                       | (141)                    | 99                 | (845)                     | 118             | (769)                                 |
| Fund balances - beginning                         | 12,740                   | 1,088              | 28,325                    | 5,920           | 48,073                                |
| Fund balances - ending                            | <u>\$ 12,599</u>         | <u>\$ 1,187</u>    | <u>\$ 27,480</u>          | <u>\$ 6,038</u> | <u>\$ 47,304</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, 2020  
(amounts expressed in thousands)

|   | Community Development Block |                      |                 | Total Non-Major Special Revenue Funds |
|---|-----------------------------|----------------------|-----------------|---------------------------------------|
|   | Grants                      | Highway User Gas Tax | Other           |                                       |
| <b>REVENUES</b>                                   |                             |                      |                 |                                       |
| Licenses and permits                              | \$ -                        | \$ 729               | \$ 9            | \$ 738                                |
| Intergovernmental                                 | 1,790                       | 16,564               | 25,321          | 43,675                                |
| Local   | -                           | -                    | 88              | 88                                    |
| Charges for services                              | -                           | -                    | 673             | 673                                   |
| Fines and forfeitures                             | -                           | 28                   | 252             | 280                                   |
| Investment Income                                 | -                           | -                    | 57              | 57                                    |
| Miscellaneous                                     | 349                         | 35                   | 212             | 596                                   |
| Total revenues                                    | <u>2,139</u>                | <u>17,356</u>        | <u>26,612</u>   | <u>46,107</u>                         |
| <b>EXPENDITURES</b>                               |                             |                      |                 |                                       |
| Current:  |                             |                      |                 |                                       |
| General Government                                | -                           | -                    | 1,003           | 1,003                                 |
| Public Safety                                     | -                           | -                    | 23,469          | 23,469                                |
| Public Works                                      | -                           | -                    | 1,559           | 1,559                                 |
| Community Services                                | 1,859                       | -                    | 1,662           | 3,521                                 |
| Street Maintenance                                | 4                           | 11,417               | 706             | 12,127                                |
| Debt service:                                     |                             |                      |                 |                                       |
| Capital outlay                                    | -                           | -                    | 1,217           | 1,217                                 |
| Total expenditures                                | <u>1,863</u>                | <u>11,417</u>        | <u>29,616</u>   | <u>42,896</u>                         |
| Excess (deficiency) of revenues over expenditures | <u>276</u>                  | <u>5,939</u>         | <u>(3,004)</u>  | <u>3,211</u>                          |
| <b>OTHER FINANCING SOURCES (USES)</b>             |                             |                      |                 |                                       |
| Proceeds from equipment disposal                  | -                           | -                    | 76              | 76                                    |
| Transfer in                                       | -                           | -                    | 2,462           | 2,462                                 |
| Transfer out                                      | -                           | (5,890)              | -               | (5,890)                               |
| Total other financing sources (uses)              | <u>-</u>                    | <u>(5,890)</u>       | <u>2,538</u>    | <u>(3,352)</u>                        |
| Net change in fund balances                       | 276                         | 49                   | (466)           | (141)                                 |
| Fund balances - beginning                         | 474                         | 6,713                | 5,553           | 12,740                                |
| Fund balances - ending                            | <u>\$ 750</u>               | <u>\$ 6,762</u>      | <u>\$ 5,087</u> | <u>\$ 12,599</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, 2020

(amounts expressed in thousands)

|   | Highway User | Transportation | Excise Tax Revenue | Total Non-Major Debt<br>Service Funds |
|---|--------------|----------------|--------------------|---------------------------------------|
| <b>REVENUES</b>                                   |              |                |                    |                                       |
| Taxes and special assessments                     | \$ -         | \$ -           | \$ -               | \$ -                                  |
| Investment Income                                 | -            | 6              | 75                 | 81                                    |
| Total revenues                                    | <u>-</u>     | <u>6</u>       | <u>75</u>          | <u>81</u>                             |
| <b>EXPENDITURES</b>                               |              |                |                    |                                       |
| Current:  |              |                |                    |                                       |
| General Government                                | -            | 3              | 4                  | 7                                     |
| Debt service:                                     |              |                |                    |                                       |
| Principal   | -            | 4,140          | 7,100              | 11,240                                |
| Interest  | -            | 2,893          | 9,801              | 12,694                                |
| Total expenditures                                | <u>-</u>     | <u>7,036</u>   | <u>16,905</u>      | <u>23,941</u>                         |
| Excess (deficiency) of revenues over expenditures | <u>-</u>     | <u>(7,030)</u> | <u>(16,830)</u>    | <u>(23,860)</u>                       |
| <b>OTHER FINANCING SOURCES (USES)</b>             |              |                |                    |                                       |
| Transfer in                                       | -            | 7,043          | 16,916             | 23,959                                |
| Total other financing sources (uses)              | <u>-</u>     | <u>7,043</u>   | <u>16,916</u>      | <u>23,959</u>                         |
| Net change in fund balances                       | -            | 13             | 86                 | 99                                    |
| Fund balances - beginning                         | 43           | 838            | 207                | 1,088                                 |
| Fund balances - ending                            | <u>\$ 43</u> | <u>\$ 851</u>  | <u>\$ 293</u>      | <u>\$ 1,187</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, 2020  
(amounts expressed in thousands)

|   | Streets Construction | Fire and Police Construction | Parks Bond Construction | Other Construction | Development Impact Fees | Total Non-Major Capital Projects Funds |
|---|----------------------|------------------------------|-------------------------|--------------------|-------------------------|--|
| <b>REVENUES</b>                                   |                      |                              |                         |                    |                         |  |
| Licenses and permits                              | \$ -                 | \$ -                         | \$ -                    | \$ -               | \$ 4,583                | \$ 4,583                               |
| Intergovernmental                                 | 10,445               | -                            | -                       | -                  | -                       | 10,445                                 |
| Investment income                                 | -                    | -                            | -                       | -                  | 256                     | 256                                    |
| Miscellaneous                                     | 727                  | -                            | -                       | -                  | -                       | 727                                    |
| Total revenues                                    | <u>11,172</u>        | <u>-</u>                     | <u>-</u>                | <u>-</u>           | <u>4,839</u>            | <u>16,011</u>                          |
| <b>EXPENDITURES</b>                               |                      |                              |                         |                    |                         |  |
| Current:  |                      |                              |                         |                    |                         |  |
| General government                                | -                    | -                            | -                       | 109                | 15                      | 124                                    |
| Public safety                                     | -                    | 56                           | -                       | -                  | -                       | 56                                     |
| Public works                                      | -                    | -                            | -                       | 39                 | -                       | 39                                     |
| Community services                                | -                    | -                            | 230                     | 15                 | 258                     | 503                                    |
| Street maintenance                                | 5,615                | -                            | -                       | -                  | -                       | 5,615                                  |
| Debt service:                                     |                      |                              |                         |                    |                         |  |
| Capital outlay                                    | 13,519               | 979                          | 134                     | 31                 | 3,113                   | 17,776                                 |
| Total expenditures                                | <u>19,134</u>        | <u>1,035</u>                 | <u>364</u>              | <u>194</u>         | <u>3,386</u>            | <u>24,113</u>                          |
| Excess (deficiency) of revenues over expenditures | <u>(7,962)</u>       | <u>(1,035)</u>               | <u>(364)</u>            | <u>(194)</u>       | <u>1,453</u>            | <u>(8,102)</u>                         |
| <b>OTHER FINANCING SOURCES (USES)</b>             |                      |                              |                         |                    |                         |  |
| Transfer in                                       | 7,413                | -                            | -                       | -                  | -                       | 7,413                                  |
| Transfer out                                      | (118)                | (13)                         | -                       | -                  | (25)                    | (156)                                  |
| Total other financing sources (uses)              | <u>7,295</u>         | <u>(13)</u>                  | <u>-</u>                | <u>-</u>           | <u>(25)</u>             | <u>7,257</u>                           |
| Net change in fund balances                       | (667)                | (1,048)                      | (364)                   | (194)              | 1,428                   | (845)                                  |
| Fund balances - beginning                         | 12,028               | 646                          | 264                     | 1,959              | 13,428                  | 28,325                                 |
| Fund balances - ending                            | <u>\$ 11,361</u>     | <u>\$ (402)</u>              | <u>\$ (100)</u>         | <u>\$ 1,765</u>    | <u>\$ 14,856</u>        | <u>\$ 27,480</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, 2020

(amounts expressed in thousands)

|   | <u>Cemetery</u>        |
|---|------------------------|
| <b>REVENUES</b>                                   |                        |
| Investment income                                 | \$ 118                 |
| Total revenues                                    | <u>118</u>             |
| Excess (deficiency) of revenues over expenditures | <u>118</u>             |
| Net change in fund balances                       | 118                    |
| Fund balances - beginning                         | 5,920                  |
| Fund balances - ending                            | <u><u>\$ 6,038</u></u> |

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Police and Fire Sales Tax Fund**  
For the Year Ended June 30, 2020  
(amounts expressed in thousands)

|                                     | Budgeted Amounts |          | Actual   | Variance with<br>Final Budget |
|-------------------------------------|------------------|----------|----------|-------------------------------|
|                                     | Original         | Final    |          |                               |
| Budgetary fund balance, July 1      | \$ 4,781         | \$ 4,781 | \$ 5,494 | \$ 713                        |
| <b>RESOURCES (INFLOWS):</b>         |                  |          |          |                               |
| Taxes                               | 27,206           | 27,206   | 28,346   | 1,140                         |
| Total revenues                      | 27,206           | 27,206   | 28,346   | 1,140                         |
| Transfer in                         | -                | -        | -        | -                             |
| Transfer out                        | (28,576)         | (28,576) | (28,576) | -                             |
| Amounts available for appropriation | 3,411            | 3,411    | 5,264    | 1,853                         |
| Budgetary fund balances, June 30    | \$ 3,411         | \$ 3,411 | \$ 5,264 | \$ 1,853                      |

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Community Development Block Grants Fund**  
For the Year Ended June 30, 2020  
(amounts expressed in thousands)

|   | Budgeted Amounts |               | Actual        | Variance with<br>Final Budget |
|---|------------------|---------------|---------------|-------------------------------|
|   | Original         | Final         |               |                               |
| Budgetary fund balance, July 1              | \$ 492           | \$ 492        | \$ 477        | \$ (15)                       |
| <b>RESOURCES (INFLOWS):</b>                 |                  |               |               |                               |
| Intergovernmental                           | 6,265            | 6,265         | 1,790         | (4,475)                       |
| Miscellaneous                               | 142              | 142           | 349           | 207                           |
| Total revenues                              | <u>6,407</u>     | <u>6,407</u>  | <u>2,139</u>  | <u>(4,268)</u>                |
| Transfer in                                 | -                | -             | -             | -                             |
| Amounts available for appropriation         | <u>6,899</u>     | <u>6,899</u>  | <u>2,616</u>  | <u>(4,283)</u>                |
| <b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b> |                  |               |               |                               |
| Current:                                    |                  |               |               |                               |
| Community Services                          | 2,231            | 2,231         | 1,859         | 372                           |
| Street Maintenance                          | 4,070            | 4,070         | 4             | 4,066                         |
| Debt service:                               |                  |               |               |                               |
| Principal                                   | 3                | 3             | -             | 3                             |
| Interest                                    | 1                | 1             | -             | 1                             |
| Total charges to appropriations             | <u>6,305</u>     | <u>6,305</u>  | <u>1,863</u>  | <u>4,442</u>                  |
| Budgetary fund balances, June 30            | <u>\$ 594</u>    | <u>\$ 594</u> | <u>\$ 753</u> | <u>\$ 159</u>                 |

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Highway User Gas Tax Fund**  
For the Year Ended June 30, 2020  
(amounts expressed in thousands)

|   | Budgeted Amounts |                 | Actual          | Variance with<br>Final Budget |
|---|------------------|-----------------|-----------------|-------------------------------|
|   | Original         | Final           |                 |                               |
| Budgetary fund balance, July 1                  | \$ 6,450         | \$ 6,450        | \$ 6,794        | \$ 344                        |
| <b>RESOURCES (INFLOWS):</b>                     |                  |                 |                 |                               |
| Licenses and permits                            | 200              | 200             | 729             | 529                           |
| Intergovernmental                               | 16,724           | 16,724          | 16,564          | (160)                         |
| Fines and forfeitures                           | -                | -               | 28              | 28                            |
| Miscellaneous                                   | -                | -               | 35              | 35                            |
| Total revenues                                  | <u>16,924</u>    | <u>16,924</u>   | <u>17,356</u>   | <u>432</u>                    |
| Transfer in                                     | -                | -               | -               | -                             |
| Transfer out                                    | <u>(5,890)</u>   | <u>(5,890)</u>  | <u>(5,890)</u>  | <u>-</u>                      |
| Amounts available for appropriation             | <u>17,484</u>    | <u>17,484</u>   | <u>18,260</u>   | <u>776</u>                    |
| <b>CHARGES TO APPROPRIATIONS<br/>(OUTFLOWS)</b> |                  |                 |                 |                               |
| Current:  |                  |                 |                 |                               |
| Street Maintenance                              | <u>12,994</u>    | <u>12,994</u>   | <u>11,424</u>   | <u>1,570</u>                  |
| Total charges to appropriations                 | <u>12,994</u>    | <u>12,994</u>   | <u>11,424</u>   | <u>1,570</u>                  |
| Budgetary fund balances, June 30                | <u>\$ 4,490</u>  | <u>\$ 4,490</u> | <u>\$ 6,836</u> | <u>\$ 2,346</u>               |



City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Other Special Revenue Fund**  
For the Year Ended June 30, 2020  
(amounts expressed in thousands)

|   | Budgeted Amounts |                 | Actual          | Variance with<br>Final Budget |
|---|------------------|-----------------|-----------------|-------------------------------|
|   | Original         | Final           |                 |                               |
| Budgetary fund balance, July 1                  | \$ 5,363         | \$ 5,363        | \$ 4,655        | \$ (708)                      |
| <b>RESOURCES (INFLOWS):</b>                     |                  |                 |                 |                               |
| Licenses and permits                            | 6                | 6               | 9               | 3                             |
| Intergovernmental                               | 4,732            | 4,732           | 25,472          | 20,740                        |
| Charges for services                            | 570              | 570             | 628             | 58                            |
| Fines and forfeitures                           | 417              | 417             | 252             | (165)                         |
| Investment Income                               | 2                | 2               | 57              | 55                            |
| Local revenue                                   | 50               | 50              | 99              | 49                            |
| Miscellaneous                                   | 15,731           | 15,731          | 200             | (15,531)                      |
| Total revenues                                  | <u>21,508</u>    | <u>21,508</u>   | <u>26,717</u>   | <u>5,209</u>                  |
| Transfer in                                     | 2,594            | 2,594           | 2,462           | (132)                         |
| Amounts available for appropriation             | <u>29,465</u>    | <u>29,465</u>   | <u>33,834</u>   | <u>4,369</u>                  |
| <b>CHARGES TO APPROPRIATIONS<br/>(OUTFLOWS)</b> |                  |                 |                 |                               |
| Current:  |                  |                 |                 |                               |
| General Government                              | 1,784            | 2,235           | 1,026           | 1,209                         |
| Public Safety                                   | 8,420            | 10,706          | 24,110          | (13,404)                      |
| Public Works                                    | 1,810            | 1,535           | 1,559           | (24)                          |
| Community Services                              | 1,682            | 2,265           | 1,712           | 553                           |
| Street Maintenance                              | 344              | 344             | -               | 344                           |
| Contingency                                     | 9,240            | 2,628           | -               | 2,628                         |
| Capital Outlay                                  | 2,807            | 3,932           | 1,141           | 2,791                         |
| Total charges to appropriations                 | <u>26,087</u>    | <u>23,645</u>   | <u>29,548</u>   | <u>(5,903)</u>                |
| Budgetary fund balances, June 30                | <u>\$ 3,378</u>  | <u>\$ 5,820</u> | <u>\$ 4,286</u> | <u>\$ (1,534)</u>             |

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Highway User Debt Service Fund**  
For the Year Ended June 30, 2020  
(amounts expressed in thousands)

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

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Transportation Debt Service Fund**  
For the Year Ended June 30, 2020  
(amounts expressed in thousands)

|   | Budgeted Amounts |               | Actual        | Variance with<br>Final Budget |
|---|------------------|---------------|---------------|-------------------------------|
|   | Original         | Final         |               |                               |
| Budgetary fund balance, July 1                  | \$ 724           | \$ 724        | \$ 838        | \$ 114                        |
| <b>RESOURCES (INFLOWS):</b>                     |                  |               |               |                               |
| Investment Income                               | -                | -             | 6             | 6                             |
| Total revenues                                  | -                | -             | 6             | 6                             |
| Transfer in                                     | 7,043            | 7,043         | 7,043         | -                             |
| Amounts available for appropriation             | 7,767            | 7,767         | 7,887         | 120                           |
| <b>CHARGES TO APPROPRIATIONS<br/>(OUTFLOWS)</b> |                  |               |               |                               |
| Current:  |                  |               |               |                               |
| General Government                              | 10               | 10            | 3             | 7                             |
| Debt service:                                   |                  |               |               |                               |
| Principal                                       | 4,140            | 4,140         | 4,140         | -                             |
| Interest  | 2,893            | 2,893         | 2,893         | -                             |
| Total charges to appropriations                 | 7,043            | 7,043         | 7,036         | 7                             |
| Budgetary fund balances, June 30                | <u>\$ 724</u>    | <u>\$ 724</u> | <u>\$ 851</u> | <u>\$ 127</u>                 |

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Excise Tax Revenue Debt Service Fund**  
For the Year Ended June 30, 2020  
(amounts expressed in thousands)

|   | Budgeted Amounts |              | Actual        | Variance with<br>Final Budget |
|---|------------------|--------------|---------------|-------------------------------|
|   | Original         | Final        |               |                               |
| Budgetary fund balance, July 1                  | \$ 93            | \$ 93        | \$ 207        | \$ 114                        |
| <b>RESOURCES (INFLOWS):</b>                     |                  |              |               |                               |
| Investment Income                               | -                | -            | 75            | 75                            |
| Total revenues                                  | -                | -            | 75            | 75                            |
| Transfer in                                     | 16,916           | 16,916       | 16,916        | -                             |
| Amounts available for appropriation             | 17,009           | 17,009       | 17,198        | 189                           |
| <b>CHARGES TO APPROPRIATIONS<br/>(OUTFLOWS)</b> |                  |              |               |                               |
| Current:  |                  |              |               |                               |
| General Government                              | 15               | 15           | 4             | 11                            |
| Debt service:                                   |                  |              |               |                               |
| Principal                                       | 7,100            | 7,100        | 7,100         | -                             |
| Interest  | 9,801            | 9,801        | 9,801         | -                             |
| Total charges to appropriations                 | 16,916           | 16,916       | 16,905        | 11                            |
| Budgetary fund balances, June 30                | <u>\$ 93</u>     | <u>\$ 93</u> | <u>\$ 293</u> | <u>\$ 200</u>                 |

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Streets Construction Fund**  
For the Year Ended June 30, 2020  
(amounts expressed in thousands)

|   | Budgeted Amounts |           | Actual    | Variance with<br>Final Budget |
|---|------------------|-----------|-----------|-------------------------------|
|   | Original         | Final     |           |                               |
| Budgetary fund balance, July 1                  | \$ 17,623        | \$ 17,623 | \$ 11,968 | \$ (5,655)                    |
| <b>RESOURCES (INFLOWS):</b>                     |                  |           |           |                               |
| Intergovernmental                               | -                | -         | 10,445    | 10,445                        |
| Miscellaneous                                   | -                | -         | 726       | 726                           |
| Total revenues                                  | -                | -         | 11,171    | 11,171                        |
| Transfer in                                     | 13,768           | 13,768    | 7,413     | (6,355)                       |
| Transfer out                                    | -                | (13)      | (118)     | (105)                         |
| Amounts available for appropriation             | 31,391           | 31,378    | 30,434    | (944)                         |
| <b>CHARGES TO APPROPRIATIONS<br/>(OUTFLOWS)</b> |                  |           |           |                               |
| Current:  |                  |           |           |                               |
| Street Maintenance                              | -                | -         | 5,615     | (5,615)                       |
| Capital Outlay                                  | 31,391           | 31,558    | 13,519    | 18,039                        |
| Total charges to appropriations                 | 31,391           | 31,558    | 19,134    | 12,424                        |
| Budgetary fund balances, June 30                | \$ -             | \$ (180)  | \$ 11,300 | \$ 11,480                     |

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Fire and Police Construction Fund**  
For the Year Ended June 30, 2020  
(amounts expressed in thousands)

|   | Budgeted Amounts |                 | Actual          | Variance with<br>Final Budget |
|---|------------------|-----------------|-----------------|-------------------------------|
|   | Original         | Final           |                 |                               |
| Budgetary fund balance, July 1              | \$ 2,650         | \$ 2,650        | \$ 646          | \$ (2,004)                    |
| <b>RESOURCES (INFLOWS):</b>                 |                  |                 |                 |                               |
| Transfer out                                | -                | (6)             | (13)            | (7)                           |
| Amounts available for appropriation         | <u>2,650</u>     | <u>2,644</u>    | <u>633</u>      | <u>(2,011)</u>                |
| <b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b> |                  |                 |                 |                               |
| Current:                                    |                  |                 |                 |                               |
| Public Safety                               | -                | -               | 56              | (56)                          |
| Contingency                                 | 897              | 897             | -               | 897                           |
| Capital Outlay                              | <u>1,753</u>     | <u>1,921</u>    | <u>979</u>      | <u>942</u>                    |
| Total charges to appropriations             | <u>2,650</u>     | <u>2,818</u>    | <u>1,035</u>    | <u>1,783</u>                  |
| Budgetary fund balances, June 30            | <u>\$ -</u>      | <u>\$ (174)</u> | <u>\$ (402)</u> | <u>\$ (228)</u>               |

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Parks Bond Construction Fund**  
For the Year Ended June 30, 2020  
(amounts expressed in thousands)

|   | Budgeted Amounts |          | Actual   | Variance with<br>Final Budget |
|---|------------------|----------|----------|-------------------------------|
|   | Original         | Final    |          |                               |
| Budgetary fund balance, July 1                  | \$ 545           | \$ 545   | \$ 264   | \$ (281)                      |
| <b>RESOURCES (INFLOWS):</b>                     |                  |          |          |                               |
| Amounts available for appropriation             | 545              | 545      | 264      | (281)                         |
| <b>CHARGES TO APPROPRIATIONS<br/>(OUTFLOWS)</b> |                  |          |          |                               |
| Current:  |                  |          |          |                               |
| Community Services                              | -                | -        | 230      | (230)                         |
| Contingency                                     | 208              | 208      | -        | 208                           |
| Capital Outlay                                  | 337              | 637      | 134      | 503                           |
| Total charges to appropriations                 | 545              | 845      | 364      | 481                           |
| Budgetary fund balances, June 30                | \$ -             | \$ (300) | \$ (100) | \$ 200                        |

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Other Construction Fund**  
For the Year Ended June 30, 2020  
(amounts expressed in thousands)

|   | Budgeted Amounts |          | Actual   | Variance with<br>Final Budget |
|---|------------------|----------|----------|-------------------------------|
|   | Original         | Final    |          |                               |
| Budgetary fund balance, July 1              | \$ 3,437         | \$ 3,437 | \$ 1,959 | \$ (1,478)                    |
| <b>RESOURCES (INFLOWS):</b>                 |                  |          |          |                               |
| Total revenues                              | -                | -        | -        | -                             |
| Transfer in                                 | -                | -        | -        | -                             |
| Amounts available for appropriation         | 3,437            | 3,437    | 1,959    | (1,478)                       |
| <b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b> |                  |          |          |                               |
| Current:                                    |                  |          |          |                               |
| General Government                          | -                | -        | 109      | (109)                         |
| Public Works                                | -                | -        | 39       | (39)                          |
| Community Services                          | -                | -        | 15       | (15)                          |
| Contingency                                 | 1,690            | 1,690    | -        | 1,690                         |
| Capital Outlay                              | 1,747            | 1,893    | 31       | 1,862                         |
| Total charges to appropriations             | 3,437            | 3,583    | 194      | 3,389                         |
| Budgetary fund balances, June 30            | \$ -             | \$ (146) | \$ 1,765 | \$ 1,911                      |



City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Development Impact Fees Fund**  
For the Year Ended June 30, 2020  
(amounts expressed in thousands)

|   | Budgeted Amounts |                | Actual           | Variance with<br>Final Budget |
|---|------------------|----------------|------------------|-------------------------------|
|   | Original         | Final          |                  |                               |
| Budgetary fund balance, July 1              | \$ 17,825        | \$ 17,825      | \$ 13,428        | \$ (4,397)                    |
| <b>RESOURCES (INFLOWS):</b>                 |                  |                |                  |                               |
| Licenses and permits                        | 1,304            | 1,304          | 4,583            | 3,279                         |
| Investment Income                           | 68               | 68             | 256              | 188                           |
| Total revenues                              | <u>1,372</u>     | <u>1,372</u>   | <u>4,839</u>     | <u>3,467</u>                  |
| Transfer in                                 | -                | -              | 385              | 385                           |
| Transfer out                                | -                | -              | (410)            | (410)                         |
| Amounts available for appropriation         | <u>19,197</u>    | <u>19,197</u>  | <u>18,242</u>    | <u>(955)</u>                  |
| <b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b> |                  |                |                  |                               |
| Current:                                    |                  |                |                  |                               |
| General Government                          | -                | 4              | 15               | (11)                          |
| Community Services                          | -                | 471            | 258              | 213                           |
| Contingency                                 | 12,251           | 11,366         | -                | 11,366                        |
| Capital Outlay                              | <u>6,946</u>     | <u>7,415</u>   | <u>3,113</u>     | <u>4,302</u>                  |
| Total charges to appropriations             | <u>19,197</u>    | <u>19,256</u>  | <u>3,386</u>     | <u>15,870</u>                 |
| Budgetary fund balances, June 30            | <u>\$ -</u>      | <u>\$ (59)</u> | <u>\$ 14,856</u> | <u>\$ 14,915</u>              |

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Cemetery Perpetual Care Fund**  
For the Year Ended June 30, 2020  
(amounts expressed in thousands)

|   | Budgeted Amounts |          | Actual   | Variance with<br>Final Budget |
|---|------------------|----------|----------|-------------------------------|
|   | Original         | Final    |          |                               |
| Budgetary fund balance, July 1                  | \$ 5,810         | \$ 5,810 | \$ 5,920 | \$ 110                        |
| <b>RESOURCES (INFLOWS):</b>                     |                  |          |          |                               |
| Investment Income                               | 26               | 26       | 118      | 92                            |
| Total revenues                                  | 26               | 26       | 118      | 92                            |
| Transfer in                                     | -                | -        | -        | -                             |
| Amounts available for appropriation             | 5,836            | 5,836    | 6,038    | 202                           |
| <b>CHARGES TO APPROPRIATIONS<br/>(OUTFLOWS)</b> |                  |          |          |                               |
| Current:  |                  |          |          |                               |
| Contingency                                     | 5,815            | 5,815    | -        | 5,815                         |
| Total charges to appropriations                 | 5,815            | 5,815    | -        | 5,815                         |
| Budgetary fund balances, June 30                | \$ 21            | \$ 21    | \$ 6,038 | \$ 6,017                      |

## **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 Fund-Business Type Activities**  
June 30, 2020  
(amounts expressed in thousands)

|   | Landfill        | Solid Waste     | Housing         | Total Non-Major<br>Enterprise Funds |
|---|-----------------|-----------------|-----------------|-------------------------------------|
| <b>ASSETS</b>                               |                 |                 |                 |                                     |
| Current assets:                             |                 |                 |                 |                                     |
| Equity in pooled cash and investments       | \$ 6,628        | \$ 493          | \$ 2,813        | \$ 9,934                            |
| Receivables:                                |                 |                 |                 |                                     |
| Accounts                                    | 830             | 2,636           | 1               | 3,467                               |
| Allowance for uncollectibles                | (9)             | (571)           | 0               | (580)                               |
| Intergovernmental                           | -               | -               | 337             | 337                                 |
| Inventories and prepaid items               | -               | -               | 17              | 17                                  |
| Total current assets                        | <u>7,449</u>    | <u>2,558</u>    | <u>3,168</u>    | <u>13,175</u>                       |
| Noncurrent assets:                          |                 |                 |                 |                                     |
| OPEB assets                                 | 6               | 10              | 3               | 19                                  |
| Capital assets:                             |                 |                 |                 |                                     |
| Capital Assets                              | 39,814          | 17,054          | 15,084          | 71,952                              |
| Accumulated Depreciation                    | (17,094)        | (10,821)        | (11,149)        | (39,064)                            |
| Capital assets, net                         | <u>22,720</u>   | <u>6,233</u>    | <u>3,935</u>    | <u>32,888</u>                       |
| Total noncurrent assets                     | <u>22,726</u>   | <u>6,243</u>    | <u>3,938</u>    | <u>32,907</u>                       |
| Total assets                                | <u>30,175</u>   | <u>8,801</u>    | <u>7,106</u>    | <u>46,082</u>                       |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>       |                 |                 |                 |                                     |
| Debit amounts related to pensions and OPEB  | 497             | 716             | 223             | 1,436                               |
| Total deferred outflows of resources        | <u>497</u>      | <u>716</u>      | <u>223</u>      | <u>1,436</u>                        |
| <b>LIABILITIES</b>                          |                 |                 |                 |                                     |
| Current liabilities:                        |                 |                 |                 |                                     |
| Vouchers payable                            | 592             | 499             | -               | 1,091                               |
| Accounts payable                            | -               | -               | 35              | 35                                  |
| Compensated absences                        | 276             | 289             | 21              | 586                                 |
| Due to other funds                          | -               | -               | 8               | 8                                   |
| Intergovernmental payable                   | -               | -               | -               | -                                   |
| Deposits                                    | 1,260           | 103             | 49              | 1,412                               |
| Unearned revenue                            | -               | -               | 142             | 142                                 |
| Total current liabilities                   | <u>2,128</u>    | <u>891</u>      | <u>255</u>      | <u>3,274</u>                        |
| Noncurrent liabilities:                     |                 |                 |                 |                                     |
| Compensated absences                        | 265             | 188             | 190             | 643                                 |
| Net pension & OPEB liabilities              | 3,705           | 5,705           | 1,775           | 11,185                              |
| Other long term debt                        | -               | -               | 56              | 56                                  |
| Estimated closure and post closure costs    | 16,019          | -               | -               | 16,019                              |
| Total noncurrent liabilities                | <u>19,989</u>   | <u>5,893</u>    | <u>2,021</u>    | <u>27,903</u>                       |
| Total liabilities                           | <u>22,117</u>   | <u>6,784</u>    | <u>2,276</u>    | <u>31,177</u>                       |
| <b>DEFERRED INFLOWS OF RESOURCES</b>        |                 |                 |                 |                                     |
| Credit amounts related to pensions and OPEB | 437             | 801             | 245             | 1,483                               |
| <b>NET POSITION</b>                         |                 |                 |                 |                                     |
| Net investment in capital assets            | 22,720          | 6,233           | 3,935           | 32,888                              |
| Restricted for:                             |                 |                 |                 |                                     |
| OPEB benefits                               | 6               | 10              | 3               | 19                                  |
| Unrestricted                                | (14,608)        | (4,311)         | 870             | (18,049)                            |
| Total net position                          | <u>\$ 8,118</u> | <u>\$ 1,932</u> | <u>\$ 4,808</u> | <u>\$ 14,858</u>                    |

City of Glendale, Arizona  
**Combining Statement of Revenues, Expenditures, and Changes in Net Position**  
**Non-Major Proprietary Fund-Business Type Activities**  
For the Year Ended June 30, 2020  
(amounts expressed in thousands)

|  | Landfill        | Solid Waste     | Housing         | Total Non-Major<br>Enterprise Funds |
|--|-----------------|-----------------|-----------------|-------------------------------------|
| <b>OPERATING REVENUES</b>                        |                 |                 |                 |                                     |
| Intergovernmental                                | \$ -            | \$ -            | \$ 10,303       | \$ 10,303                           |
| Container service                                | -               | 4,212           | -               | 4,212                               |
| Curb service                                     | -               | 14,786          | -               | 14,786                              |
| landfill user fees                               | 9,860           | -               | -               | 9,860                               |
| Recycling sales                                  | 517             | -               | -               | 517                                 |
| Other fees                                       | 29              | 1               | 2,974           | 3,004                               |
| Total operating revenues                         | <u>10,406</u>   | <u>18,999</u>   | <u>13,277</u>   | <u>42,682</u>                       |
| <b>OPERATING EXPENSES</b>                        |                 |                 |                 |                                     |
| Landfill   | 8,656           | -               | -               | 8,656                               |
| Housing  | -               | -               | 13,409          | 13,409                              |
| Closure/post-closure care adjustment             | 241             | -               | -               | 241                                 |
| Solid Waste                                      | -               | 16,944          | -               | 16,944                              |
| Amortization and depreciation                    | 1,190           | 1,437           | 274             | 2,901                               |
| Total operating expenses                         | <u>10,087</u>   | <u>18,381</u>   | <u>13,683</u>   | <u>42,151</u>                       |
| Operating income (loss)                          | <u>319</u>      | <u>618</u>      | <u>(406)</u>    | <u>531</u>                          |
| <b>NONOPERATING REVENUES (EXPENSES)</b>          |                 |                 |                 |                                     |
| Investment Income                                | 139             | 24              | 11              | 174                                 |
| Gain/(loss) on disposal of assets                | 5               | 50              | -               | 55                                  |
| Total nonoperating revenues (expenses)           | <u>144</u>      | <u>74</u>       | <u>11</u>       | <u>229</u>                          |
| Income (loss) before contributions and transfers | 463             | 692             | (395)           | 760                                 |
| Capital contributions                            | -               | -               | 83              | 83                                  |
| Transfer in                                      | 653             | 124             | 387             | 1,164                               |
| Transfer out                                     | (32)            | -               | -               | (32)                                |
| Change in net position                           | <u>1,084</u>    | <u>816</u>      | <u>75</u>       | <u>1,975</u>                        |
| Total net position - beginning                   | <u>7,034</u>    | <u>1,116</u>    | <u>4,733</u>    | <u>12,883</u>                       |
| Total net position - ending                      | <u>\$ 8,118</u> | <u>\$ 1,932</u> | <u>\$ 4,808</u> | <u>\$ 14,858</u>                    |

City of Glendale, Arizona

**Combining Statement of Cash Flows**

**Non-Major Proprietary Funds - Business-Type Activities**

For the Fiscal Year Ended June 30, 2020

(amounts expressed in thousands)

|   | Landfill        | Solid Waste    | Housing         | Total           |
|---|-----------------|----------------|-----------------|-----------------|
| <b>Cash flows from operating activities:</b>                            |                 |                |                 |                 |
| Cash received from customers  | \$ 11,471       | \$ 19,140      | \$ 3,116        | \$ 33,727       |
| Cash received from federal operating grants                             | -               | -              | 10,067          | 10,067          |
| Cash paid to suppliers:   |                 |                |                 |                 |
| Internal city departments   | (1,876)         | (9,861)        | -               | (11,737)        |
| External vendors  | (3,252)         | (1,295)        | (11,963)        | (16,510)        |
| Cash paid to employees for services                                     | (3,181)         | (5,633)        | (1,373)         | (10,187)        |
| Net cash provided (used) by operating activities                        | <u>3,162</u>    | <u>2,351</u>   | <u>(153)</u>    | <u>5,360</u>    |
| <b>Cash flows from noncapital financing activities:</b>                 |                 |                |                 |                 |
| Transfers in  | 653             | 124            | 387             | 1,164           |
| Transfers out   | (32)            | -              | -               | (32)            |
| Due to / from other funds   | -               | (729)          | 8               | (721)           |
| Net cash provided (used) by noncapital financing activities             | <u>621</u>      | <u>(605)</u>   | <u>395</u>      | <u>411</u>      |
| <b>Cash flows from capital and related financing activities:</b>        |                 |                |                 |                 |
| Proceeds from sale of capital assets                                    | -               | 50             | -               | 50              |
| Acquisition of capital assets and rights                                | (3,605)         | (1,327)        | -               | (4,932)         |
| Net cash used by capital and related financing activities               | <u>(3,605)</u>  | <u>(1,277)</u> | <u>-</u>        | <u>(4,882)</u>  |
| <b>Cash flows from investing activities:</b>                            |                 |                |                 |                 |
| Interest received from investments                                      | 139             | 24             | 11              | 174             |
| Net cash provided by investing activities                               | <u>139</u>      | <u>24</u>      | <u>11</u>       | <u>174</u>      |
| Net increase (decrease) in cash and cash equivalents during fiscal year | 317             | 493            | 253             | 1,063           |
| Cash and cash equivalents, July 1                                       | 6,311           | -              | 2,560           | 8,871           |
| Cash and cash equivalents, June 30                                      | <u>\$ 6,628</u> | <u>\$ 493</u>  | <u>\$ 2,813</u> | <u>\$ 9,934</u> |

|  | <u>Landfill</u> | <u>Solid Waste</u> | <u>Housing</u>  | <u>Total</u>    |
|--|-----------------|--------------------|-----------------|-----------------|
| <b>Reconciliation of operating income (loss)</b>   |                 |                    |                 |                 |
| <b>to net cash provided (used) by</b>              |                 |                    |                 |                 |
| <b>operating activities:</b>                       |                 |                    |                 |                 |
| Operating income (loss)                            | \$ 319          | \$ 618             | \$ (406)        | \$ 531          |
| Adjustments to reconcile operating                 |                 |                    |                 |                 |
| income (loss) to net cash provided (used)          |                 |                    |                 |                 |
| by operations:                                     |                 |                    |                 |                 |
| Amortization and depreciation                      | 1,190           | 1,437              | 274             | 2,901           |
| Changes in assets and liabilities:                 |                 |                    |                 |                 |
| Accounts receivable                                | (57)            | 137                | 4               | 84              |
| Intergovernmental receivable                       | -               | -                  | (236)           | (236)           |
| OPEB asset   | 2               | 4                  | 1               | 7               |
| Pension and OPEB liability                         | 26              | 38                 | 10              | 74              |
| Deferred outflows related to                       |                 |                    |                 |                 |
| pensions and OPEB                                  | 190             | 324                | 95              | 609             |
| Deferred inflows related to                        |                 |                    |                 |                 |
| pensions and OPEB                                  | (163)           | (310)              | (94)            | (567)           |
| Inventories and prepaid items                      | -               | -                  | 1               | 1               |
| Vouchers and accounts payable                      | 334             | 58                 | 11              | 403             |
| Other long term liabilities                        | -               | -                  | 20              | 20              |
| Deposits   | 1,122           | 4                  | 1               | 1,127           |
| Unearned rent                                      | -               | -                  | 137             | 137             |
| Compensated absences                               | (42)            | 41                 | 29              | 28              |
| Estimated closure and post-closure costs           | 241             | -                  | -               | 241             |
| Net cash provided by (used) operating activities   | <u>\$ 3,162</u> | <u>\$ 2,351</u>    | <u>\$ (153)</u> | <u>\$ 5,360</u> |
| <b>Reconciliation of statement of net position</b> |                 |                    |                 |                 |
| <b>cash and investments to the</b>                 |                 |                    |                 |                 |
| <b>statement of cash flows:</b>                    |                 |                    |                 |                 |
| Per combining statement of net position:           |                 |                    |                 |                 |
| Equity in pooled cash and investments              | <u>\$ 6,628</u> | <u>\$ 493</u>      | <u>\$ 2,813</u> | <u>\$ 9,934</u> |
| Total cash and cash equivalents                    | <u>\$ 6,628</u> | <u>\$ 493</u>      | <u>\$ 2,813</u> | <u>\$ 9,934</u> |
| <b>Noncash investing, capital,</b>                 |                 |                    |                 |                 |
| <b>and financing activities:</b>                   |                 |                    |                 |                 |
| Contributions of capital assets                    | \$ -            | \$ -               | \$ 83           | \$ 83           |

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City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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# INTERNAL SERVICE FUNDS

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FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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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, 2020  
(amounts expressed in thousands)

|   | Risk Management | Workers'<br>Compensation | Employee Benefits | Fleet Services | Technology | Total Internal<br>Service Funds |
|---|-----------------|--------------------------|-------------------|----------------|------------|---------------------------------|
| <b>ASSETS</b>                               |                 |                          |                   |                |            |                                 |
| Current assets:                             |                 |                          |                   |                |            |                                 |
| Equity in pooled cash and investments       | \$ 5,410        | \$ 7,561                 | \$ 9,498          | \$ 206         | \$ 8,107   | \$ 30,782                       |
| Receivables:                                |                 |                          |                   |                |            |                                 |
| Accounts                                    | -               | -                        | 168               | -              | -          | 168                             |
| Intergovernmental receivable                | -               | -                        | -                 | 22             | -          | 22                              |
| Inventories and prepaid items               | 16              | -                        | 46                | 41             | -          | 103                             |
| Total current assets                        | 5,426           | 7,561                    | 9,712             | 269            | 8,107      | 31,075                          |
| Noncurrent assets:                          |                 |                          |                   |                |            |                                 |
| Restricted Deposits                         | -               | 150                      | 1,425             | -              | -          | 1,575                           |
| OPEB assets                                 | -               | -                        | -                 | 5              | 7          | 12                              |
| Capital assets:                             |                 |                          |                   |                |            |                                 |
| Capital Assets                              | -               | -                        | -                 | 765            | 8,457      | 9,222                           |
| Accumulated Depreciation                    | -               | -                        | -                 | (713)          | (3,974)    | (4,687)                         |
| Capital assets, net                         | -               | -                        | -                 | 52             | 4,483      | 4,535                           |
| Total noncurrent assets                     | -               | 150                      | 1,425             | 57             | 4,490      | 6,122                           |
| Total assets                                | 5,426           | 7,711                    | 11,137            | 326            | 12,597     | 37,197                          |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>       |                 |                          |                   |                |            |                                 |
| Debit amounts related to pensions and OPEB  | 45              | 16                       | -                 | 794            | 611        | 1,466                           |
| Total deferred outflows of resources        | 45              | 16                       | -                 | 794            | 611        | 1,466                           |
| <b>LIABILITIES</b>                          |                 |                          |                   |                |            |                                 |
| Current liabilities:                        |                 |                          |                   |                |            |                                 |
| Vouchers payable                            | 42              | 121                      | 1,943             | 189            | 665        | 2,960                           |
| Accounts payable                            | -               | -                        | -                 | -              | 58         | 58                              |
| Compensated absences                        | 29              | 25                       | -                 | 192            | 251        | 497                             |
| Estimated claims payable                    | 4,458           | 7,542                    | 4,691             | -              | -          | 16,691                          |
| Total current liabilities                   | 4,529           | 7,688                    | 6,634             | 381            | 974        | 20,206                          |
| Noncurrent liabilities:                     |                 |                          |                   |                |            |                                 |
| Compensated absences                        | 19              | 27                       | -                 | 212            | 259        | 517                             |
| Net pension & OPEB liabilities              | 45              | 10                       | -                 | 2,783          | 470        | 3,308                           |
| Total noncurrent liabilities                | 64              | 37                       | -                 | 2,995          | 729        | 3,825                           |
| Total liabilities                           | 4,593           | 7,725                    | 6,634             | 3,376          | 1,703      | 24,031                          |
| <b>DEFERRED INFLOWS OF RESOURCES</b>        |                 |                          |                   |                |            |                                 |
| Credit amounts related to pensions and OPEB | 20              | 9                        | -                 | 790            | 306        | 1,125                           |
| <b>NET POSITION</b>                         |                 |                          |                   |                |            |                                 |
| Net investment in capital assets            | -               | -                        | -                 | 52             | 4,483      | 4,535                           |
| Restricted for:                             |                 |                          |                   |                |            |                                 |
| OPEB benefits                               | -               | -                        | -                 | 5              | 7          | 12                              |
| Unrestricted                                | 858             | (7)                      | 4,503             | (3,103)        | 6,709      | 8,960                           |
| Total net position                          | \$ 858          | \$ (7)                   | \$ 4,503          | \$ (3,046)     | \$ 11,199  | \$ 13,507                       |

City of Glendale, Arizona  
**Combining Statement of Revenues, Expenditures, and Changes in Net Position**  
**Internal Service Funds**  
For the Year Ended June 30, 2020  
(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> |
|--|------------------------|------------------------------|--------------------------|-----------------------|-------------------|-------------------------------------|
| <b>OPERATING REVENUES</b>                        |                        |                              |                          |                       |                   |                                     |
| Intergovernmental                                | \$ -                   | \$ -                         | \$ -                     | \$ -                  | \$ -              | \$ -                                |
| Self insurance premium                           | 4,271                  | 3,369                        | 29,533                   | -                     | -                 | 37,173                              |
| Charges for services                             | -                      | -                            | -                        | 9,663                 | 12,348            | 22,011                              |
| Other fees                                       | 162                    | 4                            | 33                       | 2                     | 18                | 219                                 |
| Total operating revenues                         | <u>4,433</u>           | <u>3,373</u>                 | <u>29,566</u>            | <u>9,665</u>          | <u>12,366</u>     | <u>59,403</u>                       |
| <b>OPERATING EXPENSES</b>                        |                        |                              |                          |                       |                   |                                     |
| Administrative and general                       | 1,908                  | 761                          | 184                      | 9,731                 | 9,463             | 22,047                              |
| Insurance claims and premiums                    | 2,075                  | 3,347                        | 28,386                   | -                     | -                 | 33,808                              |
| Amortization and depreciation                    | -                      | -                            | -                        | 14                    | 496               | 510                                 |
| Total operating expenses                         | <u>3,983</u>           | <u>4,108</u>                 | <u>28,570</u>            | <u>9,745</u>          | <u>9,959</u>      | <u>56,365</u>                       |
| Operating income (loss)                          | <u>450</u>             | <u>(735)</u>                 | <u>996</u>               | <u>(80)</u>           | <u>2,407</u>      | <u>3,038</u>                        |
| <b>NONOPERATING REVENUES (EXPENSES)</b>          |                        |                              |                          |                       |                   |                                     |
| Investment Income                                | 132                    | 167                          | 191                      | -                     | 61                | 551                                 |
| Gain/(loss) on disposal of assets                | -                      | -                            | -                        | -                     | (2)               | (2)                                 |
| Total nonoperating revenues (expenses)           | <u>132</u>             | <u>167</u>                   | <u>191</u>               | <u>-</u>              | <u>59</u>         | <u>549</u>                          |
| Income (loss) before contributions and transfers | <u>582</u>             | <u>(568)</u>                 | <u>1,187</u>             | <u>(80)</u>           | <u>2,466</u>      | <u>3,587</u>                        |
| Change in net position                           | <u>582</u>             | <u>(568)</u>                 | <u>1,187</u>             | <u>(80)</u>           | <u>2,466</u>      | <u>3,587</u>                        |
| Total net position - beginning                   | <u>276</u>             | <u>561</u>                   | <u>3,316</u>             | <u>(2,966)</u>        | <u>8,733</u>      | <u>9,920</u>                        |
| Total net position - ending                      | <u>\$ 858</u>          | <u>\$ (7)</u>                | <u>\$ 4,503</u>          | <u>\$ (3,046)</u>     | <u>\$ 11,199</u>  | <u>\$ 13,507</u>                    |

City of Glendale, Arizona  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
For the Fiscal Year Ended June 30, 2020  
(amounts expressed in thousands)

|   | Risk<br>Management | Workers'<br>Compensation | Employee<br>Benefits | Fleet<br>Services | Technology | Total Internal<br>Service Funds |
|---|--------------------|--------------------------|----------------------|-------------------|------------|---------------------------------|
| <b>Cash flows from operating activities:</b>  |                    |                          |                      |                   |            |                                 |
| Cash received from customers  | \$ 4,433           | \$ 3,373                 | \$ 29,398            | \$ 9,652          | \$ 12,366  | \$ 59,222                       |
| Cash paid to suppliers:   |                    |                          |                      |                   |            |                                 |
| Internal city departments   | -                  | -                        | -                    | (299)             | (63)       | (362)                           |
| External vendors  | -                  | -                        | -                    | (6,801)           | (5,571)    | (12,372)                        |
| Cash paid for insurance and in settlement<br>of claims and related expenses                                       | (3,725)            | (3,117)                  | (27,784)             | -                 | -          | (34,626)                        |
| Cash paid to employees for services   | (307)              | (300)                    | -                    | (2,562)           | (3,192)    | (6,361)                         |
| Net cash provided by (used for)<br>operating activities   | 401                | (44)                     | 1,614                | (10)              | 3,540      | 5,501                           |
| <b>Cash flows from capital and related<br/>financing activities:</b>  |                    |                          |                      |                   |            |                                 |
| Acquisition of capital assets and rights  | -                  | -                        | -                    | -                 | (3,287)    | (3,287)                         |
| <b>Cash flows from investing activities:</b>  |                    |                          |                      |                   |            |                                 |
| Interest received from investments  | 132                | 167                      | 191                  | -                 | 61         | 551                             |
| Net increase (decrease) in cash during fiscal year  | 533                | 123                      | 1,805                | (10)              | 314        | 2,765                           |
| Cash and cash equivalents, July 1   | 4,877              | 7,438                    | 7,693                | 216               | 7,793      | 28,017                          |
| Cash and cash equivalents, June 30  | \$ 5,410           | \$ 7,561                 | \$ 9,498             | \$ 206            | \$ 8,107   | \$ 30,782                       |
| <b>Reconciliation of operating income (loss)<br/>to net cash provided by (used for)<br/>operating activities:</b> |                    |                          |                      |                   |            |                                 |
| Operating income (loss)   | \$ 450             | \$ (735)                 | \$ 996               | \$ (80)           | \$ 2,407   | \$ 3,038                        |
| Adjustments to reconcile operating<br>income (loss) to net cash provided by<br>(used for) operations:             |                    |                          |                      |                   |            |                                 |
| Amortization and depreciation   | -                  | -                        | -                    | 14                | 496        | 510                             |
| Changes in assets and liabilities:  |                    |                          |                      |                   |            |                                 |
| Change in accounts receivable   | -                  | -                        | (168)                | -                 | -          | (168)                           |
| Change in intergovernmental receivable  | -                  | -                        | -                    | (13)              | -          | (13)                            |
| Change in OPEB asset  | 1                  | -                        | -                    | 1                 | 2          | 4                               |
| Change in pension and OPEB liability  | 4                  | 2                        | -                    | 19                | 28         | 53                              |
| Change in deferred outflows related to<br>pensions and OPEB   | 20                 | 12                       | -                    | 151               | 190        | 373                             |
| Change in deferred inflows related to<br>pensions and OPEB  | (14)               | (10)                     | -                    | (136)             | (157)      | (317)                           |
| Change in inventories and<br>prepaid items  | (6)                | -                        | -                    | 22                | -          | 16                              |
| Change in vouchers payable  | (113)              | (6)                      | (161)                | 3                 | 602        | 325                             |
| Change in compensated absences  | 5                  | 3                        | -                    | 9                 | (28)       | (11)                            |
| Change in claims payable  | 54                 | 690                      | 947                  | -                 | -          | 1,691                           |
| Net cash provided by (used for)<br>operating activities   | \$ 401             | \$ (44)                  | \$ 1,614             | \$ (10)           | \$ 3,540   | \$ 5,501                        |
| <b>Reconciliation of statement of net position<br/>cash and investments to the<br/>statement of cash flows:</b>   |                    |                          |                      |                   |            |                                 |
| Per combined statement of net position:   |                    |                          |                      |                   |            |                                 |
| Equity in pooled cash and investments   | \$ 5,410           | \$ 7,561                 | \$ 9,498             | \$ 206            | \$ 8,107   | \$ 30,782                       |
| Total cash and cash equivalents   | \$ 5,410           | \$ 7,561                 | \$ 9,498             | \$ 206            | \$ 8,107   | \$ 30,782                       |



City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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# SUPPLEMENTARY INFORMATION

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FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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**Federal Financial Data Schedule (PHA: AZ003)**

For the Fiscal Year Ended June 30, 2020

(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 | HCV CARES Act Funding | Eliminations | Total               |
|-----------------------|---|---------------------|-------------------------|-----------------------|--------------|---------------------|
| <b>ASSETS:</b>        |   |                     |                         |                       |              |                     |
| Current assets:       |   |                     |                         |                       |              |                     |
| Cash:                 |   |                     |                         |                       |              |                     |
| 111                   | Cash - unrestricted   | \$ 1,168,352        | \$ 1,050,252            | \$ -                  | \$ -         | \$ 2,218,604        |
| 112                   | Cash - restricted - modernization and development             | -                   | -                       | -                     | -            | -                   |
| 113                   | Cash - other restricted                                       | -                   | 410,257                 | 135,968               | -            | 546,225             |
| 114                   | Cash - tenant security deposits                               | 48,641              | -                       | -                     | -            | 48,641              |
| 115                   | Cash - restricted for payment of current liability            | -                   | -                       | -                     | -            | -                   |
| 100                   | Total cash  | <u>1,216,993</u>    | <u>1,460,509</u>        | <u>135,968</u>        | <u>-</u>     | <u>2,813,470</u>    |
| Accounts receivables: |   |                     |                         |                       |              |                     |
| 121                   | Accounts receivable - PHA projects                            | -                   | 302,141                 | -                     | -            | 302,141             |
| 122                   | Accounts receivable - HUD other projects                      | 18,810              | -                       | -                     | -            | 18,810              |
| 124                   | Accounts receivable - other government                        | -                   | -                       | -                     | -            | -                   |
| 125                   | Accounts receivable - miscellaneous                           | 3,900               | -                       | -                     | -            | 3,900               |
| 126                   | Accounts receivable - tenants                                 | 3,912               | 2,209                   | -                     | -            | 6,121               |
| 126.1                 | Allowance for doubtful accounts - tenants                     | (3,099)             | (2,209)                 | -                     | -            | (5,308)             |
| 126.2                 | Allowance for doubtful accounts - other                       | -                   | -                       | -                     | -            | -                   |
| 127                   | Notes, loans, & mortgages receivable - current                | -                   | -                       | -                     | -            | -                   |
| 128                   | Fraud recovery  | 2,176               | -                       | -                     | -            | 2,176               |
| 128.1                 | Allowance for doubtful accounts - fraud                       | (2,176)             | -                       | -                     | -            | (2,176)             |
| 129                   | Accrued interest receivable                                   | -                   | -                       | -                     | -            | -                   |
| 120                   | Total receivables, net of allowances for doubtful accounts    | <u>23,523</u>       | <u>302,141</u>          | <u>-</u>              | <u>-</u>     | <u>325,664</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   | 18,112              | -                       | -                     | -            | 18,112              |
| 143.1                 | Allowance for obsolete inventories                            | (906)               | -                       | -                     | -            | (906)               |
| 144                   | Inter program - due from                                      | 12,184              | -                       | -                     | -            | 12,184              |
| 145                   | Assets held for sale  | -                   | -                       | -                     | -            | -                   |
| 150                   | Total current assets  | <u>1,269,906</u>    | <u>1,762,650</u>        | <u>135,968</u>        | <u>-</u>     | <u>3,168,524</u>    |
| Non-current assets:   |   |                     |                         |                       |              |                     |
| Capital assets:       |   |                     |                         |                       |              |                     |
| 161                   | Land  | 135,533             | -                       | -                     | -            | 135,533             |
| 162                   | Buildings   | 11,281,189          | 149,998                 | -                     | -            | 11,431,187          |
| 163                   | Furniture, equipment & machinery - dwellings                  | 582,900             | -                       | -                     | -            | 582,900             |
| 164                   | Furniture, equipment & machinery - administration             | 203,309             | 102,908                 | -                     | -            | 306,217             |
| 165                   | Leasehold improvements  | 2,377,945           | -                       | -                     | -            | 2,377,945           |
| 166                   | Accumulated depreciation                                      | (10,957,578)        | (191,172)               | -                     | -            | (11,148,750)        |
| 167                   | Construction in progress                                      | 250,163             | -                       | -                     | -            | 250,163             |
| 168                   | Infrastructure  | -                   | -                       | -                     | -            | -                   |
| 160                   | Total capital assets, net of accumulated depreciation         | <u>3,873,461</u>    | <u>61,734</u>           | <u>-</u>              | <u>-</u>     | <u>3,935,195</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  | 1,409               | 1,490                   | -                     | -            | 2,899               |
| 176                   | Investment in joint venture                                   | -                   | -                       | -                     | -            | -                   |
| 180                   | Total non-current assets                                      | <u>3,874,870</u>    | <u>63,224</u>           | <u>-</u>              | <u>-</u>     | <u>3,938,094</u>    |
| 190                   | Total assets  | <u>5,144,776</u>    | <u>1,825,874</u>        | <u>135,968</u>        | <u>-</u>     | <u>7,106,618</u>    |
| 200                   | Deferred outflow of resources                                 | <u>108,554</u>      | <u>114,854</u>          | <u>-</u>              | <u>-</u>     | <u>223,408</u>      |
| 290                   | Total assets and deferred outflow of resources                | <u>\$ 5,253,330</u> | <u>\$ 1,940,728</u>     | <u>\$ 135,968</u>     | <u>\$ -</u>  | <u>\$ 7,330,026</u> |

(continued)

**Federal Financial Data Schedule (PHA: AZ003)**

For the Fiscal Year Ended June 30, 2020

(rounded to nearest dollar)

(continued)

| <b>Balance Sheet</b>                               |  |                     |                            |                             |              |                     |
|--|--|---------------------|----------------------------|-----------------------------|--------------|---------------------|
| Line<br>Item No.                                   | Account Description  | Project Total       | Housing Choice<br>Vouchers | HCV<br>CARES Act<br>Funding | Eliminations | Total               |
| <b>LIABILITIES AND EQUITY-NET ASSETS/POSITION:</b> |  |                     |                            |                             |              |                     |
| <b>LIABILITIES:</b>                                |  |                     |                            |                             |              |                     |
| Current liabilities:                               |  |                     |                            |                             |              |                     |
| 311  | Bank Overdraft   | \$ -                | \$ -                       | \$ -                        | \$ -         | \$ -                |
| 312  | Accounts payable <= 90 days  | 18,886              | 24,736                     | -                           | -            | 43,622              |
| 313  | Accounts payable > 90 days past due  | -                   | -                          | -                           | -            | -                   |
| 321  | Accrued wage/payroll taxes payable   | -                   | -                          | -                           | -            | -                   |
| 322  | Accrued compensated absences - current portion                                   | 9,865               | 11,277                     | -                           | -            | 21,142              |
| 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   | 48,641              | -                          | -                           | -            | 48,641              |
| 342  | Unearned revenues  | 6,361               | -                          | 135,968                     | -            | 142,329             |
| 343  | Total current portion of L/T debt - capital projects/mortgage revenue            | -                   | -                          | -                           | -            | -                   |
| 344  | Current portion of L/T debt - operating borrowings                               | -                   | -                          | -                           | -            | -                   |
| 345  | Other current liabilities  | -                   | -                          | -                           | -            | -                   |
| 346  | Accrued liabilities - other  | -                   | -                          | -                           | -            | -                   |
| 347  | Inter program - due to   | -                   | -                          | -                           | -            | -                   |
| 348  | Loan liability - current   | -                   | -                          | -                           | -            | -                   |
| 310  | Total current liabilities  | <u>83,753</u>       | <u>36,013</u>              | <u>135,968</u>              | <u>-</u>     | <u>255,734</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   | -                   | 55,749                     | -                           | -            | 55,749              |
| 354  | Accrued compensated absences - noncurrent  | 88,783              | 101,496                    | -                           | -            | 190,279             |
| 355  | Loan liability - noncurrent  | -                   | -                          | -                           | -            | -                   |
| 356  | FASB 5 liabilities   | -                   | -                          | -                           | -            | -                   |
| 357  | Accrued pension and OPEB liabilities   | 862,590             | 912,651                    | -                           | -            | 1,775,241           |
| 350  | Total noncurrent liabilities   | <u>951,373</u>      | <u>1,069,896</u>           | <u>-</u>                    | <u>-</u>     | <u>2,021,269</u>    |
| 300  | Total liabilities  | <u>1,035,126</u>    | <u>1,105,909</u>           | <u>135,968</u>              | <u>-</u>     | <u>2,277,003</u>    |
| 400  | Deferred inflow of resources   | 119,199             | 126,117                    | -                           | -            | 245,316             |
| <b>EQUITY - NET ASSETS/POSITION:</b>               |  |                     |                            |                             |              |                     |
| 508.4  | Net investment in capital assets   | 3,873,461           | 61,734                     | -                           | -            | 3,935,195           |
| 511.4  | Restricted net position  | -                   | 354,508                    | -                           | -            | 354,508             |
| 512.4  | Unrestricted net position  | 225,544             | 292,460                    | -                           | -            | 518,004             |
| 513  | Total equity - net assets/position   | <u>4,099,005</u>    | <u>708,702</u>             | <u>-</u>                    | <u>-</u>     | <u>4,807,707</u>    |
| 600  | Total liabilities, deferred inflow of resources and equity - net assets/position | <u>\$ 5,253,330</u> | <u>\$ 1,940,728</u>        | <u>\$ 135,968</u>           | <u>\$ -</u>  | <u>\$ 7,330,026</u> |

(continued)

**Federal Financial Data Schedule (PHA: AZ003)**

For the Fiscal Year Ended June 30, 2020

(rounded to nearest dollar)

(continued)

**Income Statement**

| Line Item No. | Account Description                               | Project Total | Housing Choice Vouchers | HCV CARES Act Funding | Eliminations | Total         |
|---------------|---|---------------|-------------------------|-----------------------|--------------|---------------|
| REVENUE:      |   |               |                         |                       |              |               |
| 70300         | Net tenant rental revenue                         | \$ 413,201    | \$ -                    | \$ -                  | \$ -         | \$ 413,201    |
| 70400         | Tenant revenue - other                            | 10,022        | -                       | -                     | -            | 10,022        |
| 70500         | Total tenant revenue                              | 423,223       | -                       | -                     | -            | 423,223       |
| 70600         | HUD PHA operating grants                          | 643,625       | 9,659,490               | -                     | -            | 10,303,115    |
| 70610         | Capital grants                                    | 83,089        | -                       | -                     | -            | 83,089        |
| 70710         | Management fee                                    | -             | -                       | -                     | -            | -             |
| 70720         | Asset management fee                              | -             | -                       | -                     | -            | -             |
| 70730         | Bookkeeping fee                                   | -             | -                       | -                     | -            | -             |
| 70740         | Front line service fee                            | -             | -                       | -                     | -            | -             |
| 70750         | Other fees  | -             | -                       | -                     | -            | -             |
| 70700         | Total fee revenue                                 | -             | -                       | -                     | -            | -             |
| 70800         | Other government grants                           | -             | -                       | -                     | -            | -             |
| 71100         | Investment income - unrestricted                  | 5,278         | 5,667                   | -                     | -            | 10,945        |
| 71200         | Mortgage interest income                          | -             | -                       | -                     | -            | -             |
| 71300         | Proceeds from disposition of assets held for sale | -             | -                       | -                     | -            | -             |
| 71310         | Cost of sale of assets                            | -             | -                       | -                     | -            | -             |
| 71400         | Fraud recovery                                    | -             | 1,676                   | -                     | -            | 1,676         |
| 71500         | Other revenue                                     | 21,905        | 2,526,083               | -                     | -            | 2,547,988     |
| 71600         | Gain or loss on sale of capital assets            | -             | -                       | -                     | -            | -             |
| 72000         | Investment income - restricted                    | -             | -                       | -                     | -            | -             |
| 70000         | Total revenue                                     | \$ 1,177,120  | \$ 12,192,916           | \$ -                  | \$ -         | \$ 13,370,036 |

(continued)

**Federal Financial Data Schedule (PHA: AZ003)**

For the Fiscal Year Ended June 30, 2020

(rounded to nearest dollar)

(continued)

| <b>Income Statement</b> |   |                   |                            |                             |              |                   |
|-------------------------|---|-------------------|----------------------------|-----------------------------|--------------|-------------------|
| Line<br>Item No.        | Account Description                                     | Project Total     | Housing Choice<br>Vouchers | HCV<br>CARES Act<br>Funding | Eliminations | Total             |
| <b>EXPENSES:</b>        |   |                   |                            |                             |              |                   |
| 91100                   | Administrative salaries                                 | \$ 323,544        | \$ 567,493                 | \$ -                        | \$ -         | \$ 891,037        |
| 91200                   | Auditing fees   | -                 | -                          | -                           | -            | -                 |
| 91300                   | Management fee  | -                 | -                          | -                           | -            | -                 |
| 91310                   | Bookkeeping fee   | -                 | -                          | -                           | -            | -                 |
| 91400                   | Advertising and marketing                               | 4,053             | -                          | -                           | -            | 4,053             |
| 91500                   | Employee benefit contributions - administrative         | 103,063           | 286,528                    | -                           | -            | 389,591           |
| 91600                   | Office expenses   | 22,408            | 33,345                     | -                           | -            | 55,753            |
| 91700                   | Legal expense   | 311               | 450                        | -                           | -            | 761               |
| 91800                   | Travel  | -                 | -                          | -                           | -            | -                 |
| 91810                   | Allocated overhead                                      | -                 | -                          | -                           | -            | -                 |
| 91900                   | Other   | 90,973            | 101,016                    | -                           | -            | 191,989           |
| 91000                   | Total operating - administrative                        | <u>544,352</u>    | <u>988,832</u>             | <u>-</u>                    | <u>-</u>     | <u>1,533,184</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>     | <u>-</u>          |
| 93100                   | Water   | 80,432            | -                          | -                           | -            | 80,432            |
| 93200                   | Electricity   | 15,587            | -                          | -                           | -            | 15,587            |
| 93300                   | Gas   | 1,080             | -                          | -                           | -            | 1,080             |
| 93400                   | Fuel  | -                 | -                          | -                           | -            | -                 |
| 93500                   | Labor   | -                 | -                          | -                           | -            | -                 |
| 93600                   | Sewer   | 35,198            | -                          | -                           | -            | 35,198            |
| 93700                   | Employee benefit contributions - utilities              | -                 | -                          | -                           | -            | -                 |
| 93800                   | Other utilities expense                                 | -                 | -                          | -                           | -            | -                 |
| 93000                   | Total utilities   | <u>132,297</u>    | <u>-</u>                   | <u>-</u>                    | <u>-</u>     | <u>132,297</u>    |
| 94100                   | Ordinary maintenance and operations - labor             | 299,530           | -                          | -                           | -            | 299,530           |
| 94200                   | Ordinary maintenance and operations - materials & other | 89,851            | 851                        | -                           | -            | 90,702            |
| 94300                   | Ordinary maintenance and operations - contract costs    | 197,428           | -                          | -                           | -            | 197,428           |
| 94500                   | Employee benefit contributions - ordinary maintenance   | 84,609            | -                          | -                           | -            | 84,609            |
| 94000                   | Total maintenance                                       | <u>\$ 671,418</u> | <u>\$ 851</u>              | <u>\$ -</u>                 | <u>\$ -</u>  | <u>\$ 672,269</u> |

(continued)

**Federal Financial Data Schedule (PHA: AZ003)**

For the Fiscal Year Ended June 30, 2020

(rounded to nearest dollar)

(continued)

| <b>Income Statement</b> |  |               |                            |                             |              |               |
|-------------------------|--|---------------|----------------------------|-----------------------------|--------------|---------------|
| Line<br>Item No.        | Account Description                                  | Project Total | Housing Choice<br>Vouchers | HCV<br>CARES Act<br>Funding | 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                                   | -             | -                          | -                           | -            | -             |
| 96120                   | Liability insurance                                  | -             | -                          | -                           | -            | -             |
| 96130                   | Workmen's compensation                               | 7,050         | 4,700                      | -                           | -            | 11,750        |
| 96140                   | All other insurance                                  | -             | -                          | -                           | -            | -             |
| 96100                   | Total insurance premiums                             | 7,050         | 4,700                      | -                           | -            | 11,750        |
| 96200                   | Other general expenses                               | -             | 5,748                      | -                           | -            | 5,748         |
| 96210                   | Compensated absences                                 | -             | -                          | -                           | -            | -             |
| 96300                   | Payments in lieu of taxes                            | -             | -                          | -                           | -            | -             |
| 96400                   | Bad debt - tenant rents                              | 10,044        | -                          | -                           | -            | 10,044        |
| 96500                   | Bad debt - mortgages                                 | -             | -                          | -                           | -            | -             |
| 96600                   | Bad debt - other                                     | -             | -                          | -                           | -            | -             |
| 96800                   | Severance expense                                    | -             | -                          | -                           | -            | -             |
| 96000                   | Total other general expenses                         | 10,044        | 5,748                      | -                           | -            | 15,792        |
| 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                             | 1,365,161     | 1,000,131                  | -                           | -            | 2,365,292     |
| 97000                   | Excess of operating revenue over operating expenses  | (188,041)     | 11,192,785                 | -                           | -            | 11,004,744    |
| 97100                   | Extraordinary maintenance                            | -             | -                          | -                           | -            | -             |
| 97200                   | Casualty losses - non-capitalized                    | -             | -                          | -                           | -            | -             |
| 97300                   | Housing assistance payments                          | -             | 8,648,894                  | -                           | -            | 8,648,894     |
| 97350                   | HAP Portability-in                                   | -             | 2,394,080                  | -                           | -            | 2,394,080     |
| 97400                   | Depreciation expense                                 | 269,715       | 4,061                      | -                           | -            | 273,776       |
| 97500                   | Fraud losses   | -             | -                          | -                           | -            | -             |
| 97600                   | Capital outlays - governmental funds                 | -             | -                          | -                           | -            | -             |
| 97700                   | Debt principal payment - governmental funds          | -             | -                          | -                           | -            | -             |
| 97800                   | Dwelling units rent expense                          | -             | -                          | -                           | -            | -             |
| 90000                   | Total expenses                                       | \$ 1,634,876  | \$ 12,047,166              | \$ -                        | \$ -         | \$ 13,682,042 |

(continued)

**Federal Financial Data Schedule (PHA: AZ003)**

For the Fiscal Year Ended June 30, 2020

(rounded to nearest dollar)

(continued)

| <b>Income Statement</b>               |   |                     |                            |                             |              |                  |
|---------------------------------------|---|---------------------|----------------------------|-----------------------------|--------------|------------------|
| Line<br>Item No.                      | Account Description   | Project Total       | Housing Choice<br>Vouchers | HCV<br>CARES Act<br>Funding | Eliminations | Total            |
| <b>OTHER FINANCING SOURCES (USES)</b> |   |                     |                            |                             |              |                  |
| 10010                                 | Operating transfers in  | \$ 20,193           | \$ -                       | \$ -                        | \$ (20,193)  | \$ -             |
| 10020                                 | Operating transfers out   | (20,193)            | -                          | -                           | 20,193       | -                |
| 10030                                 | Operating transfers from/to primary government                    | 296,563             | 90,000                     | -                           | -            | 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>296,563</u>      | <u>90,000</u>              | <u>-</u>                    | <u>-</u>     | <u>386,563</u>   |
| 10000                                 | Excess (deficiency) of total revenues over (under) total expenses | <u>\$ (161,193)</u> | <u>\$ 235,750</u>          | <u>\$ -</u>                 | <u>\$ -</u>  | <u>\$ 74,557</u> |
| <b>MEMO ACCOUNT INFORMATION</b>       |   |                     |                            |                             |              |                  |
| 11020                                 | Required annual debt principal payments                           | \$ -                | \$ -                       | \$ -                        | \$ -         | \$ -             |
| 11030                                 | Beginning equity  | 4,260,198           | 472,952                    | -                           | -            | 4,733,150        |
| 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   | -                   | 370,866                    | -                           | -            | 370,866          |
| 11180                                 | Housing assistance payments equity                                | -                   | 354,508                    | -                           | -            | 354,508          |
| 11190                                 | Unit months available   | 1,847               | 12,648                     | -                           | -            | 14,495           |
| 11210                                 | Unit months leased  | 1,837               | 12,153                     | -                           | -            | 13,990           |
| 11270                                 | Excess cash   | 1,050,652           | -                          | -                           | -            | 1,050,652        |
| 11610                                 | Land purchases  | -                   | -                          | -                           | -            | -                |
| 11620                                 | Building purchases  | 64,116              | -                          | -                           | -            | 64,116           |
| 11630                                 | Furniture & equipment - dwelling purchases                        | 5,788               | -                          | -                           | -            | 5,788            |
| 11640                                 | Furniture & equipment - administrative purchases                  | -                   | -                          | -                           | -            | -                |
| 11650                                 | Leasehold improvements purchases                                  | 13,185              | -                          | -                           | -            | 13,185           |
| 11660                                 | Infrastructure purchases  | -                   | -                          | -                           | -            | -                |
| 13510                                 | CFFP debt service payments  | -                   | -                          | -                           | -            | -                |
| 13901                                 | Replacement housing factor funds                                  | -                   | -                          | -                           | -            | -                |



City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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# STATISTICAL SECTION

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FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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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> |
|--|--------------|
| <b>Financial Trends</b><br>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      |
| <b>Revenue Capacity</b><br>These schedules contain information to help the reader assess the city's local revenue source, the property tax and sales tax.  | 165-170      |
| <b>Debt Capacity</b><br>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      |
| <b>Demographic and Economic Information</b><br>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      |
| <b>Operating Information</b><br>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>2020</u>       | <u>2019</u>       | <u>2018</u>       | <u>2017</u>       |
|--------------------------------|-------------------|-------------------|-------------------|-------------------|
| Government activities          |                   |                   |                   |                   |
| Net investment in              |                   |                   |                   |                   |
| capital assets                 | \$ 465,366        | \$ 416,078        | \$ 451,826        | \$ 471,979        |
| Restricted                     | 170,205           | 184,654           | 185,396           | 157,251           |
| Unrestricted                   | <u>(193,716)</u>  | <u>(215,449)</u>  | <u>(246,697)</u>  | <u>(278,767)</u>  |
| Total governmental activities  |                   |                   |                   |                   |
| net position                   | <u>441,855</u>    | <u>385,283</u>    | <u>390,525</u>    | <u>350,463</u>    |
| Business-type activities       |                   |                   |                   |                   |
| Net investment in              |                   |                   |                   |                   |
| capital assets                 | 362,679           | 313,704           | 280,920           | 267,111           |
| Restricted                     | 33,896            | 32,943            | 27,550            | 22,897            |
| Unrestricted                   | <u>32,618</u>     | <u>53,699</u>     | <u>78,272</u>     | <u>83,920</u>     |
| Total business-type activities |                   |                   |                   |                   |
| net position                   | <u>429,193</u>    | <u>400,346</u>    | <u>386,742</u>    | <u>373,928</u>    |
| Primary government             |                   |                   |                   |                   |
| Net investment in              |                   |                   |                   |                   |
| capital assets                 | 828,045           | 729,782           | 732,746           | 739,090           |
| Restricted                     | 204,101           | 217,597           | 212,946           | 180,148           |
| Unrestricted                   | <u>(161,098)</u>  | <u>(161,750)</u>  | <u>(168,425)</u>  | <u>(194,847)</u>  |
| Total primary government       |                   |                   |                   |                   |
| net position                   | <u>\$ 871,048</u> | <u>\$ 785,629</u> | <u>\$ 777,267</u> | <u>\$ 724,391</u> |

Schedule 1

| <u>2016</u>       | <u>2015</u>       | <u>2014</u>       | <u>2013</u>       | <u>2012</u>       | <u>2011</u>         |
|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
| \$ 456,001        | \$ 456,897        | \$ 448,083        | \$ 438,366        | \$ 460,639        | \$ 463,961          |
| 163,592           | 168,714           | 161,027           | 186,106           | 183,829           | 204,645             |
| <u>(239,670)</u>  | <u>(240,749)</u>  | <u>(277,093)</u>  | <u>(59,797)</u>   | <u>(73,375)</u>   | <u>(22,532)</u>     |
| <u>379,923</u>    | <u>384,862</u>    | <u>332,017</u>    | <u>564,675</u>    | <u>571,093</u>    | <u>646,074</u>      |
| 256,488           | 253,134           | 256,164           | 251,765           | 262,554           | 271,708             |
| 21,576            | 24,090            | 22,300            | 12,264            | 12,921            | 29,988              |
| <u>96,300</u>     | <u>92,357</u>     | <u>123,699</u>    | <u>161,999</u>    | <u>139,934</u>    | <u>112,323</u>      |
| <u>374,364</u>    | <u>369,581</u>    | <u>402,163</u>    | <u>426,028</u>    | <u>415,409</u>    | <u>414,019</u>      |
| 712,489           | 710,031           | 704,247           | 690,131           | 723,193           | 735,669             |
| 185,168           | 192,804           | 183,327           | 198,370           | 196,750           | 234,633             |
| <u>(143,370)</u>  | <u>(148,392)</u>  | <u>(153,394)</u>  | <u>102,202</u>    | <u>66,559</u>     | <u>89,791</u>       |
| <u>\$ 754,287</u> | <u>\$ 754,443</u> | <u>\$ 734,180</u> | <u>\$ 990,703</u> | <u>\$ 986,502</u> | <u>\$ 1,060,093</u> |

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

(amounts expressed in thousands)

|  | 2020       | 2019       | 2018       | 2017       | 2016       | 2015       | 2014       | 2013       | 2012       | 2011       |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| <b>Expenses</b>                                |            |            |            |            |            |            |            |            |            |            |
| Governmental activities:                       |            |            |            |            |            |            |            |            |            |            |
| General government                             | \$ 45,972  | \$ 56,530  | \$ 42,915  | \$ 61,373  | \$ 64,228  | \$ 60,490  | \$ 73,637  | \$ 37,447  | \$ 35,962  | \$ 46,233  |
| Public safety                                  | 165,030    | 158,883    | 134,977    | 166,790    | 132,498    | 127,870    | 116,070    | 115,694    | 112,689    | 111,217    |
| Public works                                   | 31,211     | 30,232     | 25,072     | 24,768     | 24,859     | 21,482     | 20,524     | 19,230     | 18,435     | 20,099     |
| Community services                             | 28,378     | 28,010     | 30,885     | 33,752     | 32,796     | 31,311     | 30,796     | 33,831     | 39,478     | 41,136     |
| Community environment                          | -          | -          | 3,290      | 3,930      | 4,262      | 4,980      | 5,895      | 5,655      | 6,828      | 7,061      |
| Street maintenance                             | 43,436     | 44,992     | 20,976     | 21,848     | 21,219     | 19,180     | 25,207     | 20,000     | 20,045     | 21,721     |
| Interest on long-term debt                     | 24,133     | 26,181     | 24,916     | 27,827     | 27,932     | 32,106     | 34,808     | 42,413     | 41,913     | 41,967     |
| Total governmental activities expenses         | 338,160    | 344,828    | 283,031    | 340,288    | 307,794    | 297,419    | 306,937    | 274,270    | 275,350    | 289,434    |
| Business-type activities:                      |            |            |            |            |            |            |            |            |            |            |
| Water and sewer                                | 87,212     | 83,603     | 81,911     | 83,500     | 80,375     | 74,807     | 77,243     | 73,460     | 78,917     | 79,444     |
| Landfill                                       | 10,051     | 9,921      | 9,852      | 11,302     | 9,049      | 7,727      | 7,554      | 7,486      | 7,602      | 7,280      |
| Solid Waste                                    | 18,351     | 17,242     | 15,150     | 15,698     | 15,016     | 15,059     | 14,471     | 16,122     | 15,437     | 14,814     |
| Housing  | 13,663     | 12,910     | 12,498     | 12,644     | 12,730     | 13,159     | 13,088     | 14,037     | 14,827     | 14,687     |
| Total business-type activities expenses        | 129,277    | 123,676    | 119,411    | 123,144    | 117,170    | 110,752    | 112,356    | 111,105    | 116,783    | 116,225    |
| Total primary government expenses              | \$ 467,437 | \$ 468,504 | \$ 402,442 | \$ 463,432 | \$ 424,964 | \$ 408,171 | \$ 419,293 | \$ 385,375 | \$ 392,133 | \$ 405,659 |
| <b>Program revenues</b>                        |            |            |            |            |            |            |            |            |            |            |
| Governmental activities:                       |            |            |            |            |            |            |            |            |            |            |
| Charges for services:                          |            |            |            |            |            |            |            |            |            |            |
| General government                             | \$ 15,648  | \$ 16,572  | \$ 17,847  | \$ 15,027  | \$ 16,381  | \$ 18,498  | \$ 17,666  | \$ 12,520  | \$ 12,334  | \$ 24,822  |
| Public safety                                  | 3,803      | 4,126      | 2,295      | 5,445      | 6,148      | 6,084      | 6,369      | 5,778      | 5,624      | 5,094      |
| Public works                                   | 4,478      | 3,883      | 651        | 536        | 650        | 631        | 1,126      | 1,149      | 512        | 495        |
| Community services                             | 2,995      | 4,318      | 10,890     | 13,490     | 9,649      | 11,704     | 10,486     | 11,003     | 17,910     | 11,733     |
| Community environment                          | -          | -          | 338        | 308        | 305        | 309        | -          | -          | -          | -          |
| Street maintenance                             | 124        | 207        | 662        | 357        | 193        | 25         | -          | -          | -          | -          |
| Operating grants and contributions             | 50,999     | 30,906     | 26,523     | 27,519     | 26,225     | 25,665     | 25,168     | 25,156     | 27,636     | 27,137     |
| Capital grants and contributions               | 33,570     | 12,728     | 12,382     | 6,669      | 6,603      | 11,403     | 10,748     | 7,904      | 5,274      | 70,552     |
| Total governmental activities program revenues | 111,617    | 72,740     | 71,588     | 69,351     | 66,154     | 74,319     | 71,563     | 63,510     | 69,290     | 139,833    |

|  | 2020         | 2019         | 2018         | 2017         | 2016         | 2015         | 2014         | 2013         | 2012         | 2011         |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Business-type activities:</b>                             |              |              |              |              |              |              |              |              |              |              |
| Charges for services:  |              |              |              |              |              |              |              |              |              |              |
| Water and sewer  | 89,208       | 86,004       | 86,288       | 80,219       | 81,829       | 78,541       | 81,065       | 81,963       | 82,730       | 80,513       |
| Landfill   | 10,383       | 9,670        | 9,444        | 9,451        | 9,858        | 9,757        | 8,646        | 7,994        | 7,185        | 8,027        |
| Solid Waste  | 19,048       | 18,080       | 16,048       | 14,856       | 15,181       | 14,944       | 14,836       | 14,791       | 14,562       | 14,733       |
| Housing  | 2,984        | 3,527        | 3,355        | 2,876        | 2,980        | 3,265        | 3,504        | 4,137        | 4,886        | 4,829        |
| Operating grants and contributions                           | 10,866       | 9,397        | 9,682        | 10,230       | 9,809        | 8,855        | 9,357        | 9,376        | 9,423        | 9,342        |
| Capital grants and contributions                             | 5,816        | 3,940        | 2,054        | 2,815        | 815          | 2,562        | 2,423        | 831          | 705          | 1,155        |
| Total business-type activities program revenues              | 138,305      | 130,618      | 126,871      | 120,447      | 120,472      | 117,924      | 119,831      | 119,092      | 119,491      | 118,599      |
| Total primary government program revenues                    | 249,922      | 203,358      | 198,459      | 189,798      | 186,626      | 192,243      | 191,394      | 182,602      | 188,781      | 258,432      |
| <b>Net (expense)/revenue</b>                                 |              |              |              |              |              |              |              |              |              |              |
| Governmental activities                                      | (226,543)    | (272,088)    | (211,443)    | (270,937)    | (241,640)    | (223,100)    | (210,760)    | (210,760)    | (206,060)    | (149,601)    |
| Business-type activities                                     | 9,028        | 6,942        | 7,460        | (2,697)      | 3,302        | 7,172        | 7,987        | 7,987        | 2,708        | 2,374        |
| Total primary government net expense                         | \$ (217,515) | \$ (265,146) | \$ (203,983) | \$ (273,634) | \$ (238,338) | \$ (215,928) | \$ (202,773) | \$ (202,773) | \$ (203,352) | \$ (147,227) |
| <b>General revenues and other changes in net position</b>    |              |              |              |              |              |              |              |              |              |              |
| Governmental activities:                                     |              |              |              |              |              |              |              |              |              |              |
| Taxes:   |              |              |              |              |              |              |              |              |              |              |
| Property taxes   | \$ 25,718    | \$ 25,877    | \$ 25,519    | \$ 24,955    | \$ 24,531    | \$ 23,881    | \$ 23,577    | \$ 21,372    | \$ 20,232    | \$ 27,189    |
| Sales taxes  | 180,842      | 171,821      | 162,299      | 155,779      | 150,201      | 147,175      | 131,983      | 132,872      | 97,451       | 93,260       |
| Unrestricted state shared sales tax                          | 25,910       | 24,849       | 23,627       | 22,024       | 21,482       | 20,695       | 19,734       | 18,558       | 17,716       | 18,438       |
| Unrestricted urban revenue sharing (state shared income tax) | 32,419       | 29,876       | 30,456       | 29,378       | 27,297       | 27,446       | 25,271       | 23,159       | 19,135       | 23,590       |
| Auto in-lieu taxes   | 10,643       | 10,647       | 10,166       | 9,458        | 9,351        | 8,664        | 8,086        | 7,586        | 7,277        | 7,917        |
| Investment earnings  | 5,931        | 1,919        | (694)        | (253)        | 1,225        | 1,070        | 726          | 716          | 975          | 1,482        |
| Gain (loss) on disposal of capital assets                    | -            | -            | -            | -            | -            | (688)        | 78           | 353          | 56           | (677)        |
| Miscellaneous  | 2,978        | 3,177        | 1,490        | 1,400        | 3,417        | 520          | 687          | 367          | 489          | 3,936        |
| Transfers  | (1,326)      | (1,320)      | (1,358)      | (1,264)      | (803)        | 39,198       | (64)         | (641)        | (307)        | (317)        |
| Special item   | -            | -            | -            | -            | -            | -            | -            | -            | (25,000)     | (25,000)     |
| Total governmental activities                                | 283,115      | 266,846      | 251,505      | 241,477      | 236,701      | 267,961      | 210,078      | 204,342      | 138,024      | 149,818      |
| <b>Business-type activities:</b>                             |              |              |              |              |              |              |              |              |              |              |
| Investment earnings  | 1,277        | 1,628        | 1,368        | 883          | 614          | 643          | 463          | 1,878        | 1,126        | 614          |
| Gain (loss) on disposal of capital assets                    | -            | -            | -            | -            | -            | 127          | 167          | 43           | (40)         | 137          |
| Loss on joint venture  | -            | -            | -            | -            | -            | (3,329)      | -            | -            | -            | -            |
| Miscellaneous  | 17,216       | 3,714        | 2,628        | 1,114        | 63           | 86           | 67           | 70           | 72           | 70           |
| Transfers  | 1,326        | 1,320        | 1,358        | 1,264        | 803          | (39,198)     | 64           | 641          | 307          | 317          |
| Total business-type activities                               | 19,819       | 6,662        | 5,354        | 2,261        | 1,480        | (41,671)     | 761          | 2,632        | 1,465        | 1,138        |
| Total primary government                                     | \$ 302,934   | \$ 273,508   | \$ 256,859   | \$ 243,738   | \$ 238,181   | \$ 226,290   | \$ 210,839   | \$ 206,974   | \$ 139,489   | \$ 150,956   |
| <b>Changes in net position</b>                               |              |              |              |              |              |              |              |              |              |              |
| Governmental activities                                      | \$ 56,572    | \$ (5,242)   | \$ 40,062    | \$ (29,460)  | \$ (4,939)   | \$ 44,861    | \$ (682)     | \$ (6,418)   | \$ (68,036)  | \$ 217       |
| Business-type activities                                     | 28,847       | 13,604       | 12,814       | (436)        | 4,782        | (34,499)     | 8,748        | 10,619       | 4,173        | 3,512        |
| Total primary government                                     | \$ 85,419    | \$ 8,362     | \$ 52,876    | \$ (29,896)  | \$ (157)     | \$ 10,362    | \$ 8,066     | \$ 4,201     | \$ (63,863)  | \$ 3,729     |

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City of Glendale, Arizona  
**Fund Balances - Governmental Funds**

Last Ten Fiscal Years  
(amounts expressed in thousands)

**Schedule 3**

|   | 2020              | 2019              | 2018              | 2017             | 2016              | 2015              | 2014              | 2013               | 2012               | 2011              |
|---|-------------------|-------------------|-------------------|------------------|-------------------|-------------------|-------------------|--------------------|--------------------|-------------------|
| <b>General fund</b>                       |                   |                   |                   |                  |                   |                   |                   |                    |                    |                   |
| Nonspendable                              | \$ 5,621          | \$ 2,933          | \$ 2,919          | \$ 2,934         | \$ 2,940          | \$ 216            | \$ 600            | \$ 650             | \$ 197             | \$ 463            |
| Restricted                                | 5,374             | 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                                  | 34,322            | 5,685             | 12,678            | 10,647           | 12,483            | 8,563             | -                 | -                  | -                  | 9,253             |
| Unassigned                                | 49,648            | 43,523            | 43,474            | 40,559           | 35,226            | 26,033            | (4,835)           | (14,438)           | (29,565)           | (5,414)           |
| <b>Total general fund</b>                 | <b>\$ 94,965</b>  | <b>\$ 57,745</b>  | <b>\$ 65,345</b>  | <b>\$ 61,583</b> | <b>\$ 59,144</b>  | <b>\$ 46,239</b>  | <b>\$ (1,993)</b> | <b>\$ (11,801)</b> | <b>\$ (26,649)</b> | <b>\$ 11,670</b>  |
| <b>All other governmental funds</b>       |                   |                   |                   |                  |                   |                   |                   |                    |                    |                   |
| Nonspendable                              | \$ 6,171          | \$ 6,020          | \$ 5,810          | \$ 5,861         | \$ 5,818          | \$ 5,768          | \$ 5,801          | \$ 5,774           | \$ 5,829           | \$ 5,822          |
| Restricted                                | 107,088           | 119,994           | 118,991           | 91,908           | 97,170            | 99,970            | 102,241           | 103,772            | 117,964            | 129,635           |
| Committed                                 | 1,734             | 1,571             | 2,548             | 2,295            | 1,273             | -                 | 123               | 115                | 129                | 11,464            |
| Assigned                                  | 569               | 737               | 430               | 170              | 319               | 1,945             | 202               | 144                | 82                 | 199               |
| Unassigned                                | (502)             | -                 | (653)             | (3,770)          | -                 | -                 | -                 | -                  | -                  | -                 |
| <b>Total all other governmental funds</b> | <b>\$ 115,060</b> | <b>\$ 128,322</b> | <b>\$ 127,126</b> | <b>\$ 96,464</b> | <b>\$ 104,580</b> | <b>\$ 107,683</b> | <b>\$ 108,367</b> | <b>\$ 109,805</b>  | <b>\$ 124,004</b>  | <b>\$ 147,120</b> |

City of Glendale, Arizona  
**Changes in Fund Balances - Governmental Funds**  
 Last Ten Fiscal Years

(amounts expressed in thousands)

|  | 2020           | 2019           | 2018           | 2017           | 2016           | 2015           | 2014           | 2013           | 2012           | 2011           |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Revenues</b>                              |                |                |                |                |                |                |                |                |                |                |
| Taxes and special assessments                | \$ 206,815     | \$ 198,012     | \$ 188,553     | \$ 181,576     | \$ 176,489     | \$ 170,605     | \$ 159,328     | \$ 149,705     | \$ 118,218     | \$ 120,974     |
| Licenses and permits                         | 19,182         | 16,350         | 12,534         | 12,403         | 11,951         | 10,610         | 11,522         | 10,373         | 10,798         | 9,367          |
| Intergovernmental                            | 129,329        | 95,573         | 94,191         | 89,684         | 86,273         | 87,112         | 81,364         | 76,520         | 73,009         | 79,760         |
| Local revenues                               | 173            | 177            | 58             | 300            | 17             | 525            | 18             | 36             | -              | -              |
| Charges for services                         | 8,514          | 10,744         | 10,250         | 13,486         | 12,613         | 17,685         | 14,781         | 11,896         | 11,487         | 10,461         |
| Fines and forfeitures                        | 2,426          | 2,982          | 3,337          | 3,699          | 3,857          | 3,556          | 3,735          | 3,469          | 3,374          | 3,806          |
| Investment income (loss)                     | 6,063          | 3,276          | 129            | 276            | 1,517          | 1,258          | 900            | 762            | 1,180          | 1,841          |
| Miscellaneous                                | 3,647          | 4,375          | 6,490          | 5,079          | 6,850          | 5,662          | 4,500          | 3,822          | 11,700         | 22,054         |
| <b>Total revenues</b>                        | <b>376,149</b> | <b>331,489</b> | <b>315,542</b> | <b>306,503</b> | <b>299,567</b> | <b>297,013</b> | <b>276,148</b> | <b>256,583</b> | <b>229,766</b> | <b>248,263</b> |
| <b>Expenditures</b>                          |                |                |                |                |                |                |                |                |                |                |
| General government                           | 30,174         | 43,615         | 30,961         | 29,531         | 34,671         | 33,494         | 29,666         | 16,065         | 18,147         | 19,668         |
| Public safety                                | 146,573        | 146,166        | 139,287        | 131,576        | 126,498        | 114,143        | 108,397        | 103,610        | 100,368        | 95,270         |
| Public works                                 | 16,164         | 15,674         | 11,400         | 9,484          | 9,429          | 8,673          | 7,463          | 7,859          | 7,709          | 8,859          |
| Community services                           | 23,514         | 23,772         | 31,954         | 30,659         | 28,461         | 26,379         | 25,536         | 27,966         | 33,597         | 33,887         |
| Community environment                        | -              | -              | 3,621          | 3,979          | 4,285          | 4,977          | 5,826          | 5,554          | 6,703          | 6,853          |
| Street maintenance                           | 31,772         | 34,053         | 10,861         | 11,195         | 10,260         | 7,951          | 8,352          | 8,305          | 8,311          | 9,038          |
| Miscellaneous                                | -              | -              | -              | -              | 27             | 5,791          | 2,323          | 4,617          | 1,782          | 1,577          |
| Capital outlay                               | 23,525         | 24,663         | 42,652         | 39,053         | 59,189         | 20,949         | 14,662         | 13,980         | 19,634         | 22,093         |
| Debt service:                                |                |                |                |                |                |                |                |                |                |                |
| Principal                                    | 61,450         | 39,706         | 29,359         | 46,456         | 35,650         | 37,251         | 30,043         | 26,441         | 24,947         | 31,640         |
| Interest                                     | 27,681         | 29,654         | 28,300         | 30,704         | 30,382         | 32,870         | 35,628         | 43,038         | 42,515         | 42,593         |
| <b>Total expenditures</b>                    | <b>360,853</b> | <b>357,303</b> | <b>328,395</b> | <b>332,637</b> | <b>338,852</b> | <b>292,478</b> | <b>267,896</b> | <b>257,435</b> | <b>263,713</b> | <b>271,478</b> |
| Excess of revenues over (under) expenditures | 15,296         | (25,814)       | (12,853)       | (26,134)       | (39,285)       | 4,535          | 8,252          | (852)          | (33,947)       | (23,215)       |



|   | 2020      | 2019       | 2018      | 2017       | 2016     | 2015      | 2014     | 2013      | 2012        | 2011        |
|---|-----------|------------|-----------|------------|----------|-----------|----------|-----------|-------------|-------------|
| <b>Other financing sources (uses)</b>                   |           |            |           |            |          |           |          |           |             |             |
| Refunding lease issued                                  | -         | -          | -         | -          | -        | -         | -        | -         | -           | 11,503      |
| Discount on long-term debt                              | -         | -          | -         | -          | -        | -         | -        | (1,557)   | -           | -           |
| Long-term debt issued                                   | -         | 15,385     | -         | -          | 27,285   | -         | -        | -         | 8,665       | 38,300      |
| 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       |
| Proceeds from equipment disposal                        | 295       | 238        | 2,910     | 2,391      | 329      | 2,650     | 174      | 589       | 546         | 331         |
| Proceeds from land sale                                 | 9,693     | 3,125      | -         | -          | -        | -         | -        | -         | -           | -           |
| Capital lease proceeds                                  | -         | -          | -         | -          | 6,615    | -         | 8        | -         | -           | -           |
| Proceeds from loans                                     | -         | -          | 15,240    | -          | 7,353    | -         | -        | -         | -           | -           |
| Payment to redeem/refunded bonds                        | -         | -          | (77,139)  | -          | (30,470) | (131,966) | -        | (256,054) | (9,320)     | (41,251)    |
| escrow agent  | -         | -          | -         | -          | -        | (110,145) | -        | -         | -           | -           |
| Current bond refunding principal                        | -         | -          | -         | -          | -        | (1,022)   | -        | -         | -           | -           |
| Current bond refunding interest                         | -         | -          | -         | -          | -        | 240,694   | 48,704   | 52,136    | 32,977      | 38,728      |
| Transfers in  | 50,009    | 56,739     | 61,927    | 48,450     | 84,460   | (201,496) | (48,768) | (53,267)  | (33,919)    | (39,045)    |
| Transfers out   | (51,335)  | (58,060)   | (63,287)  | (49,714)   | (85,263) | -         | -        | -         | (25,000)    | (25,000)    |
| Special item  | -         | -          | -         | -          | -        | -         | -        | -         | -           | -           |
| <b>Total other financing sources (uses)</b>             | 8,662     | 19,410     | 47,277    | 20,457     | 49,087   | 43,721    | 118      | 1,501     | (153)       | (10,923)    |
| Net change in fund balances                             | \$ 23,958 | \$ (6,404) | \$ 34,424 | \$ (5,677) | \$ 9,802 | \$ 48,256 | \$ 8,370 | \$ 649    | \$ (34,100) | \$ (34,138) |
| Debt service as a percentage of noncapital expenditures | 26.42%    | 20.85%     | 20.18%    | 26.28%     | 23.61%   | 25.82%    | 25.93%   | 28.54%    | 27.64%      | 29.77%      |

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

Schedule 5

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

| Fiscal Year | Major Components |              |                         |                                 |                                 |                                   |      | Total Direct Tax Rate | Estimated Actual Value <sup>(1)</sup> | Assessed Value as a Percentage of Actual Value <sup>(2)</sup> |
|-------------|------------------|--------------|-------------------------|---------------------------------|---------------------------------|-----------------------------------|------|-----------------------|---------------------------------------|---|
|             | Real Estate      | Improvements | Personal <sup>(3)</sup> | Utilities<br>Rails and<br>Wires | Less:<br>Tax Exempt<br>Property | Net Assessed Value <sup>(1)</sup> |      |                       |                                       |   |
| 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                                |   |
| 2019-20     | 645,653          | 2,100,805    | 47,258                  | 60,722                          | 673,484                         | 2,180,954                         | 1.86 | 23,159,054            | 12.325                                |   |

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 |  |
| 2010-11     | 0.22       | 1.37                            | <b>1.59</b>      | 16.35   | 14.13                           | 14.18                                |  |
| 2011-12     | 0.22       | 1.37                            | <b>1.59</b>      | 20.69   | 15.54                           | 16.47                                |  |
| 2012-13     | 0.22       | 1.68                            | <b>1.90</b>      | 22.93   | 18.08                           | 17.75                                |  |
| 2013-14     | 0.50       | 1.79                            | <b>2.29</b>      | 25.06   | 19.82                           | 18.91                                |  |
| 2014-15     | 0.49       | 1.66                            | <b>2.15</b>      | 23.58   | 19.64                           | 18.85                                |  |
| 2015-16     | 0.49       | 1.71                            | <b>2.20</b>      | 22.54   | 20.66                           | 18.86                                |  |
| 2016-17     | 0.48       | 1.67                            | <b>2.15</b>      | 23.29   | 20.82                           | 19.16                                |  |
| 2017-18     | 0.46       | 1.61                            | <b>2.07</b>      | 23.61   | 20.02                           | 19.10                                |  |
| 2018-19     | 0.44       | 1.54                            | <b>1.98</b>      | 22.17   | 18.96                           | 18.63                                |  |
| 2019-20     | 0.42       | 1.44                            | <b>1.86</b>      | 22.13   | 18.47                           | 18.17                                |  |

Source: Maricopa County 2019 Tax Rates

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

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

**Schedule 7**

City of Glendale, Arizona  
**Principal Property Taxpayers**  
 Current Year and Nine Years Ago  
 June 30, 2020  
 (amounts expressed in thousands)

|                                      | Tax Year 2020 |                    |   | Tax Year 2011 |                    |   |
|--------------------------------------|---------------|--------------------|---|---------------|--------------------|---|
|                                      | Rank          | Assessed Valuation | Percentage of Total City Taxable Assessed Value | Rank          | Assessed Valuation | Percentage of Total City Taxable Assessed Value |
| Yam Westgate LLC                     | 1             | \$ 24,394          | 1.12 %  | 1             | \$ 17,525          | 1.00 %  |
| Arizona Public Service Company       | 2             | 18,544             | 0.85  |               |                    |   |
| VHS of Arrowhead, Inc.               | 3             | 14,894             | 0.68  |               |                    |   |
| Arrowhead Towne Center LLC           | 4             | 12,863             | 0.59  | 2             | 13,876             | 0.79  |
| Outlets At Westgate LLC              | 5             | 10,203             | 0.47  |               |                    |   |
| Wal-Mart Stores, Inc.                | 6             | 9,493              | 0.44  | 5             | 9,388              | 0.54  |
| American Furniture Warehouse Co      | 7             | 8,949              | 0.41  |               |                    |   |
| JQH-Glendale Az Development LLC      | 8             | 7,889              | 0.36  | 6             | 8,934              | 0.51  |
| Arizona Christian University         | 9             | 7,551              | 0.35  |               |                    |   |
| B H 19019 North 59th Avenue LLC      | 10            | 7,130              | 0.33  |               |                    |   |
| Entertainment Center Development LLC |               |                    |   |               |                    |   |
| New River Associates                 |               |                    |   | 3             | 12,400             | 0.71  |
| Qwest Corporation                    |               |                    |   | 4             | 11,936             | 0.68  |
| RCFC Zanero                          |               |                    |   | 7             | 7,625              | 0.44  |
| Coyote Center Development LLC        |               |                    |   | 8             | 6,363              | 0.36  |
| Stadium Development LLC              |               |                    |   | 9             | 5,652              | 0.32  |
|                                      |               |                    |   | 10            | 4,957              | 0.28  |
| Total principal taxpayers            |               | \$ 121,910         | 5.60 %  |               | \$ 98,656          | 5.63 %  |

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 <sup>(1)</sup> | Collected within the Fiscal Year of Levy |                 | Collections in Subsequent Years <sup>(2)</sup> | Total Collections to Date |                 |
|-------------|-------------------------------|--|-----------------|--|---------------------------|-----------------|
|             |                               | Amount                                   | Percent of Levy |  | Amount                    | Percent of Levy |
| 2010-11     | \$ 27,534                     | 26,469                                   | 96.13 %         | \$ 40  | \$ 26,509                 | 96.28 %         |
| 2011-12     | 20,787                        | 20,090                                   | 96.65           | 65   | 20,155                    | 96.96           |
| 2012-13     | 21,841                        | 21,268                                   | 97.38           | (10)   | 20,194                    | 92.46           |
| 2013-14     | 23,943                        | 23,490                                   | 97.38           | 141  | 23,631                    | 98.70           |
| 2014-15     | 24,429                        | 23,729                                   | 98.11           | 237  | 23,966                    | 98.10           |
| 2015-16     | 24,850                        | 24,255                                   | 97.61           | 236  | 24,491                    | 98.56           |
| 2016-17     | 25,253                        | 24,638                                   | 97.56           | 387  | 25,025                    | 99.10           |
| 2017-18     | 25,592                        | 25,202                                   | 98.48           | 315  | 25,517                    | 99.71           |
| 2018-19     | 25,953                        | 25,521                                   | 98.34           | 306  | 25,827                    | 99.51           |
| 2019-20     | 25,831                        | 25,300                                   | 97.94           | -  | 25,300                    | 97.94           |

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)

|                         | 2020              | 2019              | 2018              | 2017              | 2016              | 2015              | 2014              | 2013              | 2012             | 2011             |
|-------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|------------------|
| Retail sales            | \$ 100,561        | \$ 95,042         | \$ 89,762         | \$ 88,804         | \$ 84,710         | \$ 79,062         | \$ 73,924         | \$ 67,157         | \$ 49,686        | \$ 48,089        |
| Contracting             | 13,988            | 7,212             | 6,684             | 5,559             | 4,810             | 6,457             | 7,948             | 5,724             | 5,170            | 6,742            |
| Rentals                 | 21,407            | 20,598            | 18,629            | 17,394            | 16,581            | 16,146            | 14,502            | 14,182            | 11,550           | 11,854           |
| Utilities               | 8,629             | 8,898             | 8,995             | 8,775             | 8,544             | 8,678             | 8,732             | 8,028             | 6,393            | 6,449            |
| Telecom/cable TV        | 3,029             | 3,006             | 3,486             | 3,523             | 4,244             | 4,773             | 5,072             | 5,540             | 5,144            | 6,093            |
| Restaurant/bar          | 20,883            | 22,280            | 20,498            | 20,070            | 18,767            | 17,651            | 15,842            | 14,284            | 11,975           | 11,207           |
| Amusement               | 2,893             | 5,023             | 4,920             | 3,615             | 4,176             | 5,673             | 2,110             | 2,154             | 2,896            | 1,860            |
| Other                   | 9,364             | 9,519             | 8,574             | 7,347             | 8,802             | 6,686             | 5,808             | 5,917             | 3,816            | 5,568            |
| <b>Total</b>            | <b>\$ 180,754</b> | <b>\$ 171,578</b> | <b>\$ 161,548</b> | <b>\$ 155,087</b> | <b>\$ 150,634</b> | <b>\$ 145,126</b> | <b>\$ 133,938</b> | <b>\$ 122,986</b> | <b>\$ 96,630</b> | <b>\$ 97,862</b> |
| <b>% Growth by year</b> |                   |                   |                   |                   |                   |                   |                   |                   |                  |                  |
| Retail sales            | 5.8 %             | 5.9 %             | 1.1 %             | 4.8 %             | 7.1 %             | 7.0 %             | 10.1 %            | 3.3 %             | (2.0) %          | (2.1) %          |
| Contracting             | 94.0              | 7.9               | 20.2              | 15.6              | (25.5)            | (18.8)            | 38.9              | (23.3)            | 51.0             | 51.2             |
| Rentals                 | 3.9               | 10.6              | 7.1               | 4.9               | 2.7               | 11.3              | 2.3               | (2.6)             | (7.0)            | (6.9)            |
| Utilities               | (3.0)             | (1.1)             | 2.5               | 2.7               | (1.5)             | (0.6)             | 8.8               | (0.9)             | (6.0)            | (5.6)            |
| Telecom/cable TV        | 0.8               | (13.8)            | (1.1)             | (17.0)            | (11.1)            | (5.9)             | (8.4)             | (15.6)            | (1.0)            | (1.0)            |
| Restaurant/bar          | (6.3)             | 8.7               | 2.1               | 6.9               | 6.3               | 11.4              | 10.9              | 6.9               | 4.0              | 3.9              |
| Amusement               | (42.4)            | 2.1               | 36.1              | (13.4)            | (26.4)            | 168.9             | (2.0)             | 55.7              | (50.0)           | (49.7)           |
| Other                   | (1.6)             | 11.0              | 16.7              | (16.5)            | 31.6              | 15.1              | (1.8)             | (31.5)            | 39.0             | 38.6             |
| <b>Total</b>            | <b>5.3 %</b>      | <b>6.2 %</b>      | <b>4.2 %</b>      | <b>3.0 %</b>      | <b>3.8 %</b>      | <b>8.4 %</b>      | <b>8.9 %</b>      | <b>27.3 %</b>     | <b>(1.3) %</b>   | <b>(0.1) %</b>   |

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<sup>(1)</sup>**  
 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 |   |
| 2010-11     | 194,270 <sup>(4)</sup>    | 16,290 <sup>(4)</sup>            | 481,705                   | 99,815                   | 11,833         | -             | - |
| 2011-12     | 179,010 <sup>(4)</sup>    | 12,250 <sup>(4)</sup>            | 474,840                   | 97,035                   | 11,667         | -             | - |
| 2012-13     | 163,130 <sup>(4)</sup>    | 8,055 <sup>(4)</sup>             | 468,875                   | 91,140                   | 11,094         | -             | - |
| 2013-14     | 151,206 <sup>(4)(5)</sup> | 3,736 <sup>(4)(5)</sup>          | 477,736 <sup>(4)(5)</sup> | 89,317 <sup>(4)(5)</sup> | 10,361         | -             | - |
| 2014-15     | 133,168 <sup>(4)(5)</sup> | 1,912 <sup>(4)(5)</sup>          | 477,747 <sup>(4)(5)</sup> | 91,047 <sup>(4)(5)</sup> | 57             | -             | - |
| 2015-16     | 141,553 <sup>(4)(5)</sup> | - <sup>(4)(5)</sup>              | 475,918 <sup>(4)(5)</sup> | 87,031 <sup>(4)(5)</sup> | 6,620          | 5,515         | - |
| 2016-17     | 125,384 <sup>(4)(5)</sup> | - <sup>(4)(5)</sup>              | 468,431 <sup>(4)(5)</sup> | 83,119 <sup>(4)(5)</sup> | 4,484          | 3,677         | - |
| 2017-18     | 154,834 <sup>(4)(5)</sup> | - <sup>(4)(5)</sup>              | 455,495 <sup>(4)(5)</sup> | 78,590 <sup>(4)(5)</sup> | 2,278          | 1,839         | - |
| 2018-19     | 152,066 <sup>(4)(5)</sup> | - <sup>(4)(5)</sup>              | 439,912 <sup>(4)(5)</sup> | 73,952 <sup>(4)(5)</sup> | -              | -             | - |
| 2019-20     | 107,678 <sup>(4)(5)</sup> | - <sup>(4)(5)</sup>              | 422,679 <sup>(4)(5)</sup> | 69,209 <sup>(4)(5)</sup> | -              | -             | - |



| Fiscal Year | Business Activities    |                     |                           |               |                |                          |                           |               |                |                          | Total Debt per Capita <sup>(3)</sup> | Percentage of Personal Income <sup>(2)</sup> |
|-------------|------------------------|---------------------|---------------------------|---------------|----------------|--------------------------|---------------------------|---------------|----------------|--------------------------|--------------------------------------|--|
|             | Water                  |                     |                           |               |                | Sewer                    |                           |               |                |                          |                                      |  |
|             | Water Sewer G.O. Bonds | Landfill G.O. Bonds | Water Sewer Revenue Bonds | Notes Payable | Capital Leases | Total Primary Government | Water Sewer Revenue Bonds | Notes Payable | Capital Leases | Total Primary Government |                                      |  |
| 2010-11     | 8,300                  | -                   | 289,175                   | 11,901        | 151            | 1,113,440 <sup>(1)</sup> | -                         | -             | -              | -                        | 4,901                                | 14.12  |
| 2011-12     | 6,485                  | -                   | 282,625                   | 708           | -              | 1,064,620 <sup>(1)</sup> | -                         | -             | -              | -                        | 4,694                                | 13.27  |
| 2012-13     | 5,515 <sup>(4)</sup>   | -                   | 273,080                   | -             | -              | 1,020,889 <sup>(1)</sup> | -                         | -             | -              | -                        | 4,471                                | 12.21  |
| 2013-14     | - <sup>(4)</sup>       | -                   | 267,254 <sup>(4)(5)</sup> | -             | -              | 999,610 <sup>(5)</sup>   | -                         | -             | -              | -                        | 4,327                                | 11.52  |
| 2014-15     | -                      | -                   | 260,967 <sup>(4)(5)</sup> | -             | -              | 964,898 <sup>(5)</sup>   | -                         | -             | -              | -                        | 4,141                                | 10.18  |
| 2015-16     | -                      | -                   | 249,302 <sup>(4)(5)</sup> | -             | -              | 965,939 <sup>(5)</sup>   | -                         | -             | -              | -                        | 4,255                                | 10.81  |
| 2016-17     | -                      | -                   | 237,247 <sup>(4)(5)</sup> | -             | -              | 922,342 <sup>(5)</sup>   | -                         | -             | -              | -                        | 3,875                                | 9.14   |
| 2017-18     | -                      | -                   | 222,217 <sup>(4)(5)</sup> | -             | -              | 915,253 <sup>(5)</sup>   | -                         | -             | -              | -                        | 3,814                                | 9.18   |
| 2018-19     | -                      | -                   | 203,917 <sup>(4)(5)</sup> | -             | -              | 869,847 <sup>(5)</sup>   | -                         | -             | -              | -                        | 3,466                                | 8.07   |
| 2019-20     | -                      | -                   | 185,231 <sup>(4)(5)</sup> | -             | -              | 784,797 <sup>(5)</sup>   | -                         | -             | -              | -                        | 3,090                                | 6.48   |

(1) Does not include other long-term obligations such as compensated absences, unamortized premiums, claims/judgments, arbitrage, post-closure costs, etc.

(2) Calculate by dividing Glendale population with Maricopa County population and multiplying by total personal income to arrive at Glendale personal income (data from Schedule 15). Then divide total primary government amount by Glendale personal income to arrive at percentage of personal income.

(3) Numbers not expressed in thousands.

(4) Amounts outstanding less July 1.

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

**Ratios of Net General Bonded Debt Outstanding**

Last Ten Fiscal Years

(amounts expressed in thousands)

| Fiscal<br>Year | General<br>Obligation<br>Bonds | Less: Amounts                         |  | Total   | Percentage of<br>Net Assessed<br>Value of Property <sup>(6)</sup> | Per<br>Capita <sup>(3)</sup> |
|----------------|--------------------------------|---------------------------------------|--|---------|---|------------------------------|
|                |                                | Available in<br>Debt Service<br>Funds |  |         |   |                              |
| 2010-11        | 201,680 <sup>(1)</sup>         | 21,250 <sup>(2)</sup>                 |  | 180,430 | 10.29   | 794.09                       |
| 2011-12        | 185,495 <sup>(1) (4)</sup>     | 16,765 <sup>(2)</sup>                 |  | 168,730 | 14.68   | 744.22                       |
| 2012-13        | 168,645 <sup>(1) (4)</sup>     | 12,641 <sup>(2)</sup>                 |  | 156,004 | 14.90   | 681.22                       |
| 2013-14        | 147,810 <sup>(4)</sup>         | 9,310 <sup>(2)</sup>                  |  | 138,500 | 12.06   | 599.28                       |
| 2014-15        | 126,305 <sup>(4)</sup>         | 8,270 <sup>(2)</sup>                  |  | 118,035 | 10.43 <sup>(5)</sup>  | 507.29                       |
| 2015-16        | 135,130 <sup>(4)</sup>         | 4,511 <sup>(2)</sup>                  |  | 130,619 | 11.12 <sup>(5)</sup>  | 556.38                       |
| 2016-17        | 120,000 <sup>(4)</sup>         | 3,657 <sup>(2)</sup>                  |  | 116,343 | 7.04 <sup>(5)</sup>   | 488.84                       |
| 2017-18        | 146,985 <sup>(4)</sup>         | 31,750 <sup>(2)</sup>                 |  | 115,235 | 8.82 <sup>(5)</sup>   | 480.43                       |
| 2018-19        | 143,460 <sup>(4)</sup>         | 28,593 <sup>(2)</sup>                 |  | 114,867 | 8.13 <sup>(5)</sup>   | 458.18 <sup>(7)</sup>        |
| 2019-20        | 100,445 <sup>(4)</sup>         | 1,545 <sup>(2)</sup>                  |  | 98,900  | 6.69 <sup>(5)</sup>   | 389.24 <sup>(7)</sup>        |

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, 2020  
(amounts expressed in thousands)

**Schedule 12**

| Jurisdiction                                    | Net Debt<br>Outstanding | Percentage<br>Applicable<br>to Glendale | Amount<br>Applicable<br>to Glendale <sup>(2)</sup> |
|---|-------------------------|---|--|
| Peoria Unified School<br>District No. 11        | \$ 212,545              | 23.3931 %                               | \$ 49,721  |
| Glendale Elementary School<br>District No. 40   | 32,885                  | 99.1239                                 | 32,597   |
| Deer Valley Unified School<br>District No. 97   | 198,200                 | 18.6553                                 | 36,975   |
| Alhambra Elementary School<br>District No. 68   | 14,265                  | 18.8481                                 | 2,689  |
| Glendale Union High School<br>District No. 205  | 102,970                 | 23.0249                                 | 23,709   |
| Maricopa County                                 | -                       | 3.5276                                  | -  |
| Maricopa County Community College District      | 380,740                 | 3.5276                                  | 13,431   |
| Phoenix Union High School<br>District No. 210   | 389,120                 | 1.2588                                  | 4,898  |
| Pendergast Elementary School<br>District No. 92 | 48,755                  | 25.7605                                 | 12,560   |
| Tolleson Union High School<br>District No. 214  | 129,179                 | 7.3671                                  | 9,517  |
| Washington Elementary School<br>District No. 6  | 84,624                  | 3.1272                                  | 2,646  |
| Dysart Unified School<br>District No. 89        | 126,583                 | 0.1750                                  | 222  |
| Agua Fria Union High School<br>District No. 216 | 87,815                  | 0.1698                                  | 149  |
| Litchfield Elementary School<br>District No. 79 | 46,335                  | 0.2562                                  | 119  |
| Cartwright Elementary School<br>District No. 83 | 20,535                  | -                                       | -  |
| Total Overlapping Debt                          | 1,874,551               |   | 189,233  |
| City of Glendale Debt <sup>(1)</sup>            | 598,670                 |   | 598,670  |
| <b>Total</b>                                    | <b>\$ 2,473,221</b>     |   | <b>\$ 787,903</b>                                  |

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.
- (3) The Net Debt Outstanding source is Arizona Open Book's Report of Outstanding Indebtedness for the most recent fiscal year.

**Legal Debt Margin Calculation for Fiscal Year 2020**

|  |  | 2011 <sup>(1)</sup> | 2012 <sup>(1)</sup> | 2013 <sup>(1)</sup> | 2014 <sup>(1)</sup> | 2015 <sup>(1)(2)</sup> | 2016 <sup>(1)(2)(4)</sup> | 2017 <sup>(1)(2)(3)(4)</sup> | 2018 <sup>(1)(2)(3)(4)</sup> | 2019 <sup>(1)(2)(3)(4)</sup> | 2020 <sup>(1)(2)(3)(4)</sup> |
|--|--|---------------------|---------------------|---------------------|---------------------|------------------------|---------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| <b>6% Type Bonds</b>   |  |                     |                     |                     |                     |                        |                           |                              |                              |                              |                              |
| Assessed value   |  |                     |                     |                     |                     |                        |                           |                              |                              |                              | \$ 1,478,280                 |
| Debt limit (6% of assessed value)                                    |  |                     |                     |                     |                     |                        |                           |                              |                              |                              | 88,697                       |
| Debt applicable to limit: General obligation bonds                   |  |                     |                     |                     |                     |                        |                           |                              |                              |                              | 9,075                        |
| Less: Amount set aside for repayment of general obligation debt      |  |                     |                     |                     |                     |                        |                           |                              |                              |                              | (36)                         |
| Total net debt applicable to limit                                   |  |                     |                     |                     |                     |                        |                           |                              |                              |                              | 9,039                        |
| Legal debt margin  |  |                     |                     |                     |                     |                        |                           |                              |                              |                              | \$ 79,658                    |
| Debt limit   |  | \$ 105,214          | \$ 68,971           | \$ 62,836           | \$ 68,886           | \$ 67,877              | \$ 70,496                 | \$ 73,633                    | \$ 78,417                    | \$ 84,795                    | \$ 88,697                    |
| Total net debt applicable to limit                                   |  | 14,399              | 11,455              | 7,309               | 2,415               | (165)                  | 10,580                    | 10,580                       | 7,978                        | 8,802                        | 9,039                        |
| Legal debt margin  |  | \$ 90,815           | \$ 57,516           | \$ 55,527           | \$ 66,471           | \$ 68,042              | \$ 59,916                 | \$ 63,053                    | \$ 70,439                    | \$ 75,993                    | \$ 79,658                    |
| Total net debt applicable to the limit as a percentage of debt limit |  | 13.69%              | 16.61%              | 11.63%              | 3.51%               | -0.24%                 | 15.01%                    | 14.37%                       | 10.17%                       | 10.38%                       | 10.19%                       |

|  |  | 2011 <sup>(1)</sup> | 2012 <sup>(1)</sup> | 2013 <sup>(1)</sup> | 2014 <sup>(1)</sup> | 2015 <sup>(1)(2)</sup> | 2016 <sup>(1)(2)(4)</sup> | 2017 <sup>(1)(2)(3)(4)</sup> | 2018 <sup>(1)(2)(3)(4)</sup> | 2019 <sup>(1)(2)(3)(4)</sup> | 2020 <sup>(1)(2)(3)(4)</sup> |
|--|--|---------------------|---------------------|---------------------|---------------------|------------------------|---------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| <b>20% Type Bonds</b>  |  |                     |                     |                     |                     |                        |                           |                              |                              |                              |                              |
| Assessed value   |  |                     |                     |                     |                     |                        |                           |                              |                              |                              | \$ 1,478,280                 |
| Debt limit (20% of assessed value)                                   |  |                     |                     |                     |                     |                        |                           |                              |                              |                              | 295,656                      |
| Debt applicable to limit: General obligation bonds                   |  |                     |                     |                     |                     |                        |                           |                              |                              |                              | 91,370                       |
| Less: Amount set aside for repayment of general obligation debt      |  |                     |                     |                     |                     |                        |                           |                              |                              |                              | (1,509)                      |
| Total net debt applicable to limit                                   |  |                     |                     |                     |                     |                        |                           |                              |                              |                              | 89,861                       |
| Legal debt margin  |  |                     |                     |                     |                     |                        |                           |                              |                              |                              | \$ 205,795                   |
| Debt limit   |  | \$ 350,714          | \$ 229,905          | \$ 209,455          | \$ 229,622          | \$ 226,257             | \$ 234,986                | \$ 245,444                   | \$ 261,389                   | \$ 282,651                   | \$ 295,656                   |
| Total net debt applicable to limit                                   |  | 166,031             | 159,306             | 148,695             | 136,085             | 118,200                | 120,039                   | 105,763                      | 107,257                      | 106,065                      | 89,861                       |
| Legal debt margin  |  | \$ 184,683          | \$ 70,599           | \$ 60,760           | \$ 93,537           | \$ 108,057             | \$ 114,947                | \$ 139,681                   | \$ 154,132                   | \$ 176,586                   | \$ 205,795                   |
| Total net debt applicable to the limit as a percentage of debt limit |  | 47.34%              | 69.29%              | 70.99%              | 59.26%              | 52.24%                 | 51.08%                    | 43.09%                       | 41.03%                       | 37.53%                       | 30.39%                       |

(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  
 (4) In FY 2020, adjusted debt applicable to limit by moving the General Obligation Bond 2016B from 20% to 6%

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 | Water and Sewer Revenue Bonds          |   |                       |                       |                       |          |
|-------------|--|---|-----------------------|-----------------------|-----------------------|----------|
|             | Utility Service Charges <sup>(1)</sup> | Less: Operating Expenses <sup>(2)</sup> | Net Available Revenue | Debt Service          |                       | Coverage |
|             |  |   |                       | Principal             | Interest              |          |
| 2010-11     | 81,127                                 | 41,550                                  | 39,577                | 11,107 <sup>(3)</sup> | 13,598 <sup>(3)</sup> | 1.60     |
| 2011-12     | 83,496                                 | 41,555                                  | 41,941                | 9,545 <sup>(5)</sup>  | 13,306 <sup>(3)</sup> | 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     |
| 2019-20     | 111,854                                | 55,576                                  | 56,278                | 16,435                | 8,646                 | 2.24     |

| Fiscal Year | Transportation Bonds     |              |          |                        | Excise Tax Revenue Bonds <sup>(4)</sup> |                       |          |  |
|-------------|--------------------------|--------------|----------|------------------------|---|-----------------------|----------|--|
|             | Transportation Sales Tax | Debt Service |          | Excise Tax Revenue     | Debt Service                            |                       | Coverage |  |
|             |                          | Principal    | Interest |                        | Principal                               | Interest              |          |  |
| 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 <sup>(6)</sup> | 2,590 <sup>(5)</sup>                    | 27,279                | 3.35     |  |
| 2012-13     | 21,691                   | 3,005        | 4,321    | 131,931 <sup>(6)</sup> | 2,790 <sup>(5)</sup>                    | 30,713 <sup>(7)</sup> | 3.94     |  |
| 2014-15     | 23,112                   | 3,125        | 4,201    | 141,674 <sup>(6)</sup> | 6,500                                   | 22,951                | 4.81     |  |
| 2014-15     | 24,690                   | 3,545        | 3,597    | 151,963 <sup>(6)</sup> | 2,585                                   | 21,175                | 6.40     |  |
| 2015-16     | 25,566                   | 3,380        | 3,763    | 156,210 <sup>(6)</sup> | 10,025                                  | 20,984                | 5.04     |  |
| 2016-17     | 26,362                   | 3,550        | 3,594    | 160,534 <sup>(6)</sup> | 5,075                                   | 21,033                | 6.15     |  |
| 2017-18     | 27,571                   | 3,925        | 3,114    | 170,484 <sup>(6)</sup> | 6,580                                   | 19,542                | 6.53     |  |
| 2018-19     | 29,231                   | 4,035        | 2,999    | 169,868 <sup>(6)</sup> | 12,645                                  | 20,104                | 5.19     |  |
| 2019-20     | 30,989                   | 4,140        | 2,893    | 179,289 <sup>(6)</sup> | 14,295                                  | 19,556                | 5.30     |  |

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 2009-10 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**

| <u>Fiscal Year</u> | <u>City of Glendale Population<sup>(2)</sup></u> | <u>Maricopa County Population<sup>(6)</sup></u> | <u>Personal Income<sup>(1)</sup></u> | <u>Per Capita Personal Income<sup>(1)(4)</sup></u> | <u>Unemployment Rate<sup>(5)</sup></u> |
|--------------------|--|---|--------------------------------------|--|--|
| 2010-11            | 227  | 3,817   | 147,724,392                          | 38,701   | 9.2 %                                  |
| 2011-12            | 229 <sup>(5)</sup>                               | 3,885   | 156,763,179                          | 40,350   | 8.6                                    |
| 2012-13            | 231 <sup>(5)</sup>                               | 3,934   | 160,497,824                          | 40,798   | 7.6                                    |
| 2013-14            | 233 <sup>(5)</sup>                               | 3,945   | 167,439,604                          | 42,443   | 6.6                                    |
| 2014-15            | 233 <sup>(5)</sup>                               | 4,064   | 175,437,829                          | 43,169   | 5.6                                    |
| 2015-16            | 227  | 4,153   | 185,111,698                          | 44,573   | 5.6                                    |
| 2016-17            | 238  | 4,233   | 193,307,100 <sup>(3)(10)</sup>       | 45,667   | 4.9 <sup>(8)</sup>                     |
| 2017-18            | 240 <sup>(7)</sup>                               | 4,316   | 205,848,000 <sup>(3)(10)</sup>       | 47,694   | 4.3 <sup>(8)</sup>                     |
| 2018-19            | 251 <sup>(9)</sup>                               | 4,367   | 208,280,000 <sup>(3)(10)</sup>       | 47,694 <sup>(3)</sup>                              | 4.8 <sup>(8)</sup>                     |
| 2019-20            | 254 <sup>(9)</sup>                               | 4,367 <sup>(3)</sup>                            | 208,280,000 <sup>(3)(10)</sup>       | 47,694 <sup>(3)</sup>                              | 10.2 <sup>(8)</sup>                    |

- 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 for the following fiscal year.  
 (10) Personal Income is calculated based on most current information available from the Maricopa County CAFR.



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

**Schedule 16**

| Employer                            | 2020          |      |                                     | 2011          |      |                                     |
|-------------------------------------|---------------|------|-------------------------------------|---------------|------|-------------------------------------|
|                                     | 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    | 4.66 %                              |
| Banner Thunderbird Health System    | 3,000         | 2    | 2.30                                | 2,900         | 2    | 2.25                                |
| Arrowhead Towne Center              | 2,480         | 3    | 1.90                                |               |      |                                     |
| Glendale Community College          | 1,999         | 4    | 1.53                                | 1,220         | 8    | 0.95                                |
| Glendale Union High School District | 1,915         | 5    | 1.47                                | 2,008         | 4    | 1.56                                |
| Westgate                            | 1,755         | 6    | 1.35                                |               |      |                                     |
| City of Glendale                    | 1,752         | 7    | 1.34                                | 1,835         | 5    | 1.43                                |
| Walmart                             | 1,591         | 8    | 1.22                                | 2,100         | 3    | 1.63                                |
| Tanger Outlets                      | 1,562         | 9    | 1.20                                |               |      |                                     |
| Glendale Elementary School District | 1,500         | 10   | 1.15                                | 1,684         | 6    | 1.31                                |
| Deer Valley Unified School District |               |      |                                     | 1,432         | 7    | 1.11                                |
| CSAA/AAA                            |               |      |                                     | 1,175         | 9    | 0.91                                |
| Arrowhead Community Hospital        |               |      |                                     | 959           | 10   | 0.74                                |
| <b>Total</b>                        | <b>24,454</b> |      | <b>18.76 %</b>                      | <b>21,313</b> |      | <b>16.55 %</b>                      |

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 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
|----------------------|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                      | 2020   | 2019            | 2018            | 2017            | 2016            | 2015            | 2014            | 2013            | 2012            | 2011            |
| General government   |  |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Management services  | 26.00  | 22.00           | 27.00           | 29.00           | 28.00           | 24.00           | 31.00           | 34.00           | 36.00           | 45.00           |
| Finance              | 61.00  | 56.00           | 57.00           | 55.00           | 53.00           | 56.00           | 49.00           | 54.00           | 57.00           | 59.00           |
| Planning             | 11.00  | 10.00           | 12.00           | 14.00           | 13.00           | 11.00           | 10.00           | 13.00           | 14.00           | 15.00           |
| Building             | 22.00  | 24.00           | 24.00           | 22.00           | 22.00           | 22.00           | 21.00           | 21.00           | 24.00           | 26.00           |
| Legal                | 75.00  | 71.00           | 73.00           | 71.00           | 67.00           | 69.00           | 69.00           | 67.00           | 66.00           | 70.00           |
| Other                | 71.00  | 72.00           | 70.00           | 68.00           | 68.00           | 66.00           | 63.00           | 73.00           | 77.00           | 90.00           |
| Police               | 563.00                                       | 551.00          | 529.00          | 530.00          | 522.00          | 517.00          | 534.00          | 505.00          | 534.00          | 544.00          |
| Fire                 | 283.00                                       | 278.00          | 276.00          | 282.00          | 262.00          | 259.00          | 253.00          | 260.00          | 269.00          | 270.00          |
| Community service    | 68.00  | 59.00           | 53.00           | 54.00           | 55.00           | 57.00           | 48.00           | 56.00           | 60.00           | 72.00           |
| Parks and recreation | 53.00  | 51.00           | 68.00           | 73.00           | 66.00           | 58.00           | 59.00           | 75.00           | 92.00           | 123.00          |
| Library              | 36.00  | 37.00           | 35.00           | 35.00           | 34.00           | 31.00           | 32.00           | 32.00           | 48.00           | 56.00           |
| Public works         | 168.00                                       | 156.00          | 188.00          | 183.00          | 184.00          | 180.00          | 173.00          | 165.00          | 179.00          | 203.00          |
| Engineering          | 31.00  | 29.00           | 26.00           | 24.00           | 18.00           | 19.00           | 17.00           | 18.00           | 19.00           | 26.00           |
| Transportation       | 85.00  | 77.00           | 60.00           | 59.00           | 57.00           | 56.00           | 57.00           | 60.00           | 65.00           | 69.00           |
| Utilities            | 199.00                                       | 195.00          | 185.00          | 186.00          | 184.00          | 185.00          | 176.00          | 172.00          | 185.00          | 167.00          |
| <b>Total</b>         | <b>1,752.00</b>                              | <b>1,688.00</b> | <b>1,683.00</b> | <b>1,685.00</b> | <b>1,633.00</b> | <b>1,610.00</b> | <b>1,592.00</b> | <b>1,605.00</b> | <b>1,725.00</b> | <b>1,835.00</b> |

Sources:  
 City of Glendale Human Resources Department and Mumis HCM system

Note: Adjusted FY 2019 Finance and Planning department totals

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

| Function/Program                             | Fiscal Year |         |                       |         |         |         |         |         |         |         |
|--|-------------|---------|-----------------------|---------|---------|---------|---------|---------|---------|---------|
|  | 2020        | 2019    | 2018                  | 2017    | 2016    | 2015    | 2014    | 2013    | 2012    | 2011    |
| <b>Police</b>                                |             |         |                       |         |         |         |         |         |         |         |
| Calls for service                            | 179,469     | 185,857 | 192,877               | 187,645 | 190,074 | 174,535 | 146,538 | 127,333 | 127,829 | 129,161 |
| Bookings                                     | 6,310       | 10,056  | 11,037                | 9,030   | 8,445   | 17,871  | 18,939  | 8,588   | 7,083   | 9,902   |
| Criminal offense reports                     | 29,306      | 35,867  | 30,146 <sup>(3)</sup> | 30,146  | 32,732  | 31,873  | 31,481  | 34,995  | 33,938  | 27,304  |
| <b>Fire</b>                                  |             |         |                       |         |         |         |         |         |         |         |
| EMS calls                                    | 36,695      | 35,939  | 35,482                | 31,502  | 34,518  | 32,250  | 30,262  | 30,082  | 29,321  | 27,751  |
| Fire calls                                   | 3,948       | 3,395   | 3,661                 | 3,093   | 3,371   | 3,467   | 3,461   | 3,478   | 3,495   | 3,573   |
| <b>Water<sup>(4)</sup></b>                   |             |         |                       |         |         |         |         |         |         |         |
| Number of billed accounts                    | 62,440      | 62,105  | 61,463                | 61,270  | 60,921  | 60,679  | 60,436  | 60,062  | 59,633  | 58,889  |
| Water produced (million gallons)             | 13,398      | 12,826  | 13,755                | 13,672  | 13,864  | 12,057  | 13,768  | 13,667  | 14,064  | 13,569  |
| <b>Sewer<sup>(4)</sup></b>                   |             |         |                       |         |         |         |         |         |         |         |
| Number of billed accounts                    | 58,114      | 57,804  | 57,206                | 57,037  | 56,700  | 56,491  | 56,313  | 55,980  | 55,528  | 54,805  |
| Treated influent (million gallons)           | 6,295       | 6,025   | 6,045                 | 6,289   | 6,229   | 6,117   | 6,244   | 6,065   | 5,970   | 5,998   |
| <b>Refuse collection<sup>(5)</sup></b>       |             |         |                       |         |         |         |         |         |         |         |
| Residential curb service (tons per year)     | 52,903      | 49,479  | 46,338                | 48,346  | 48,971  | 48,993  | 45,942  | 46,833  | 48,187  | 49,784  |
| Commercial container service (tons per year) | 40,114      | 40,791  | 39,744                | 41,026  | 46,086  | 45,693  | 41,879  | 40,272  | 39,722  | 40,451  |
| <b>Airport</b>                               |             |         |                       |         |         |         |         |         |         |         |
| Departures/arrivals <sup>(1)</sup>           | 90,953      | 89,614  | 86,187                | 75,561  | 78,977  | 74,217  | 70,679  | 76,390  | 80,416  | 80,291  |
| <b>General government</b>                    |             |         |                       |         |         |         |         |         |         |         |
| Building permits                             | 7,171       | 6,217   | 5,804                 | 6,234   | 5,488   | 5,449   | 4,799   | 6,383   | 5,304   | 5,619   |
| <b>Library</b>                               |             |         |                       |         |         |         |         |         |         |         |
| Volumes in collection <sup>(2)</sup>         | 499,106     | 494,325 | 498,092               | 514,197 | 568,653 | 528,835 | 408,516 | 415,695 | 446,010 | 529,113 |
| <b>Transit</b>                               |             |         |                       |         |         |         |         |         |         |         |
| Dial-A-Ride passengers                       | 47,273      | 66,174  | 69,934                | 71,912  | 74,256  | 77,318  | 78,271  | 85,798  | 90,577  | 92,134  |

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.

(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.

(5) Refuse collection excludes bulk and Phoenix reciprocal trash.

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

| Function/Program                              | Fiscal Year |        |        |        |        |        |        |        |        |        |
|---|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|   | 2020        | 2019   | 2018   | 2017   | 2016   | 2015   | 2014   | 2013   | 2012   | 2011   |
| <b>Police</b>                                 |             |        |        |        |        |        |        |        |        |        |
| Stations                                      | 3           | 3      | 3      | 3      | 3      | 3      | 3      | 3      | 3      | 3      |
| Patrol vehicles                               | 218         | 217    | 194    | 183    | 193    | 178    | 176    | 139    | 154    | 174    |
| <b>Fire stations</b>                          | 9           | 9      | 9      | 9      | 9      | 9      | 9      | 9      | 9      | 9      |
| <b>General government</b>                     |             |        |        |        |        |        |        |        |        |        |
| City square miles                             | 62          | 60     | 60     | 60     | 60     | 59     | 59     | 59     | 59     | 59     |
| <b>Water</b>                                  |             |        |        |        |        |        |        |        |        |        |
| Treatment capacity (millions gallons per day) | 104.1       | 104.1  | 104.1  | 104.1  | 104.1  | 104.1  | 104.1  | 104.1  | 104.1  | 104.1  |
| 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    |
| <b>Sewer</b>                                  |             |        |        |        |        |        |        |        |        |        |
| 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    | 707    | 700    | 690    |
| <b>Landfill</b>                               |             |        |        |        |        |        |        |        |        |        |
| Landfill capacity - south cell                | 24,638      | 24,215 | 24,234 | 24,215 | 24,215 | 22,429 | 21,493 | 21,218 | 22,065 | 21,912 |
| Landfill capacity used - south cell           | 21,976      | 21,436 | 20,983 | 20,575 | 20,137 | 19,687 | 19,220 | 18,849 | 19,257 | 18,444 |
| <b>Other public works</b>                     |             |        |        |        |        |        |        |        |        |        |
| Streets (miles)                               | 748         | 748    | 748    | 748    | 718    | 718    | 718    | 718    | 717    | 802    |
| <b>Parks and recreation</b>                   |             |        |        |        |        |        |        |        |        |        |
| Number of parks/retention basins/facilities   | 102         | 102    | 102    | 102    | 101    | 100    | 100    | 100    | 100    | 100    |
| Acres of parks                                | 2192        | 2,192  | 2,192  | 2,192  | 2,192  | 2,189  | 2,189  | 2,189  | 2,189  | 2,189  |
| <b>Transit</b>                                |             |        |        |        |        |        |        |        |        |        |
| Dial-A-Ride minibuses                         | 21          | 21     | 22     | 22     | 20     | 22     | 20     | 21     | 21     | 21     |

Source: Various city departments  
 Note: Landfill capacity in thousands

**WATER RATES PER METER SIZE**

| Meter Size<br>(inch) | Commercial and Residential Monthly Base Charge |                 |
|----------------------|--|-----------------|
|                      | Inside<br>City                                 | Outside<br>City |
| 5/8" 3/4"            | 11.40  | 14.82           |
| 3/4"                 | 14.40  | 18.72           |
| 1"                   | 20.40  | 26.52           |
| 1 1/2"               | 41.40  | 53.82           |
| 2"                   | 73.80  | 95.94           |
| 3"                   | 125.00   | 162.50          |
| 4"                   | 222.00   | 288.60          |
| 6"                   | 441.00   | 573.30          |
| 8"                   | 653.00   | 848.90          |
| 10"                  | 1051.00  | 1336.30         |
| 12"                  | 1555.00  | 2021.50         |

| Gallons per Month | Residential<br>Meter Size |                 | Commercial 3/4 inch Meter Size<br>and Greater <sup>(1)</sup> |                 |                    |                 |
|-------------------|---------------------------|-----------------|--|-----------------|--------------------|-----------------|
|                   | All Year                  |                 | All Year   |                 | Summer Excess Rate |                 |
|                   | Inside<br>City            | Outside<br>City | Inside<br>City   | Outside<br>City | Inside<br>City     | Outside<br>City |
| 0 - 6,000         | \$ 2.52                   | \$ 3.28         | \$ 2.75  | \$ 3.58         | \$ 3.43            | \$ 4.46         |
| 6,001 - 15,000    | 3.15                      | 4.10            | 2.75   | 3.58            | 3.43               | 4.46            |
| 15,001 - 30,000   | 4.42                      | 5.75            | 2.75   | 3.58            | 3.43               | 4.46            |
| over 30,000       | 6.26                      | 8.14            | 2.75   | 3.58            | 3.43               | 4.46            |

**SEWER SERVICE RATES**

| Type of Service              | Inside<br>City | Outside<br>City |
|------------------------------|----------------|-----------------|
| Single Family Dwelling Unit  | 34.99          | 22.37           |
| Office Building              | 62.35          | N/A             |
| Apartment - Average 5 units  | 84.59          | 108.66          |
| Apartment - Average 35 units | 582.71         | 162.81          |
| Retail/Wholesale             | 71.47          | N/A             |

(1) Per 1,000 gallons

SOURCE: City of Glendale Finance as of May 2020

**HISTORICAL AVERAGE NUMBER OF WATER CONNECTIONS <sup>(1)</sup>**

| Fiscal Year<br>Ending June 30 | Residential | Multi-Family | Commercial | Sprinkler | Total  |
|-------------------------------|-------------|--------------|------------|-----------|--------|
| 2011 <sup>(2)</sup>           | 53,663      | 1,674        | 4,264      | 1,655     | 61,256 |
| 2012 <sup>(3)</sup>           | 53,858      | 1,673        | 4,281      | 1,666     | 61,478 |
| 2013 <sup>(2)</sup>           | 54,056      | 1,680        | 4,296      | 1,669     | 61,701 |
| 2014 <sup>(2)(4)</sup>        | 53,914      | 1,799        | 4,264      | 1,819     | 61,796 |
| 2015 <sup>(2)</sup>           | 54,126      | 1,800        | 4,379      | 1,862     | 62,167 |
| 2016 <sup>(2)</sup>           | 54,266      | 1,800        | 4,492      | 1,885     | 62,443 |
| 2017 <sup>(2)</sup>           | 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 |
| 2020                          | 55,161      | 1,790        | 4,450      | 1,974     | 63,375 |

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

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

(3) As of August 2012.

(4) 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 <sup>(1)</sup> | Commercial | Other <sup>(2)</sup> | Sprinkler <sup>(3)(4)</sup> | Total  |
|---------------|----------------------------|------------|----------------------|-----------------------------|--------|
| 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 |
| 2019          | 26,251                     | 8,793      | 2,405                | 1,691                       | 39,140 |

(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

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**SEWERAGE CONNECTIONS BILLED AND SEWAGE TREATED**

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| Fiscal Year<br>Ending June 30 | No. of<br>Connections | 91st Ave WWTP <sup>(2)</sup><br>(MGD) Actual | Arrowhead WRF<br>(MGD) | West Area<br>WRF (MGD) | Total<br>Treated |
|-------------------------------|-----------------------|--|------------------------|------------------------|------------------|
| 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             |
| 2020                          | 58,764                | 6.6  | 2.6                    | 8.0                    | 17.2             |

(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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