

ANNUAL COMPREHENSIVE FINANCIAL REPORT



For the Fiscal Year Ended June 30, 2021



This page left blank intentionally.

City of Glendale, Arizona
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2021



Prepared by the:
Budget and Finance Department

This page left blank intentionally.



City of Glendale, Arizona

ANNUAL COMPREHENSIVE FINANCIAL REPORT

INTRODUCTORY SECTION

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

This page left blank intentionally.



City of Glendale, Arizona

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2021

Mayor Jerry Weiers

Councilmembers

Ian Hugh - Vice Mayor, Cactus District

Bart Turner - Barrel District

Lauren Tolmachoff - Cholla District

Jamie Aldama - Ocotillo District

Ray Malnar - Sahuaro District

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

This page left blank intentionally.

**City of Glendale, Arizona
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2021**

TABLE OF CONTENTS

	<u>Page</u>
I. INTRODUCTORY SECTION	
Title Page	i
Table of Contents	iii
Letter of Transmittal	1
GFOA Certificate of Achievement.....	5
Glendale, Arizona and Neighboring Communities	6
Glendale City Officials	7
Glendale Council District Boundaries.....	8
Organization Chart.....	9
 II. FINANCIAL SECTION	
Independent Auditors’ Report.....	10
A. MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A).....	13
B. BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position.....	25
Statement of Activities.....	26
 Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	28
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	29
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	30
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	31
Statement of Net Position – Proprietary Funds	32
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	33
Statement of Cash Flows – Proprietary Funds	34
 Notes to the Financial Statements	 35
 C. REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Net Pension/OPEB (Asset)/Liability	90

City of Glendale, Arizona
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2021

TABLE OF CONTENTS

Schedule of OPEB Liability – City Plan	98
Schedule of Pension/OPEB Contributions	100
Notes to Pension/OPEB Liability and Contributions	104
Budgetary Comparison Schedule – General Fund	106
Budgetary Comparison Schedule – Transportation Special Revenue Fund	108
Budgetary Comparison Schedule – Other Special Revenue Fund	109
Notes to Required Supplementary Information.....	110

D. COMBINING STATEMENTS AND SCHEDULES

Budgetary Comparison Schedule – Municipal Property Corporation Debt Service Fund	112
--	-----

Non-Major Governmental Funds

Combining Balance Sheet.....	115
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	121
 Budgetary Comparison Schedules	
Police and Fire Sales Tax Fund.....	125
Community Development Block Grants Fund.....	126
Highway Users Gas Tax Fund	127
General Obligation Debt Service Fund	128
Highway User Debt Service Fund.....	129
Transportation Debt Service Fund	130
Excise Tax Revenue Debt Service Fund.....	131
Streets Construction Fund.....	132
Fire and Police Construction Fund.....	133
Parks Bond Construction Fund	134
Other Construction Fund.....	135
Development Impact Fees Fund.....	136
Cemetery Perpetual Care Fund	137

Non-Major Proprietary Funds – Business-Type Activities

Combining Statement of Net Position	139
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	140
Combining Statement of Cash Flows	141
 Budgetary Comparison Schedules	
Water & Sewer Fund.....	142
Landfill Fund	143
Solid Waste Fund.....	144
Housing Fund.....	145

**City of Glendale, Arizona
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2021**

TABLE OF CONTENTS

Internal Service Funds

Combining Statement of Net Position	147
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	148
Combining Statement of Cash Flows	149
Budgetary Comparison Schedules	
Risk Management Fund	150
Employee Benefits Fund	151
Workers Compensation Fund	152
Fleet Services Fund	153
Technology Fund	154

E. SUPPLEMENTARY INFORMATION

Federal Financial Data Schedule	155
---------------------------------------	-----

III. STATISTICAL SECTION

	<u>Schedule</u>	<u>Page</u>
Net Position by Component	1	162
Changes in Net Position	2	164
Fund Balances – Governmental Funds	3	166
Changes in Fund Balances – Governmental Funds	4	167
Assessed and Estimated Actual Value of Taxable Property	5	169
Direct and Overlapping Governments Property Tax Rates	6	170
Principal Property Taxpayers	7	171
Property Tax Levies and Collections	8	172
City Transaction Privilege Taxes (Sales Tax) by Category	9	173
Ratio of Outstanding Debt by Type	10	174
Ratios of Net General Bonded Debt Outstanding	11	176
Net Direct and Overlapping Governmental Activities Debt	12	177
Legal Debt Margin Information	13	178
Pledged-Revenue Coverage	14	179
Demographic and Economical Statistics	15	181
Principal Employers	16	182
Full-Time Equivalent City Government Employees by Function/Program	17	183
Operating Indicators by Function/Program	18	184
Capital Asset Statistics by Function/Program	19	185
Miscellaneous Water and Sewer Rate Statistics	20	186
Miscellaneous Water and Sewer Statistics	21	187

This page left blank intentionally.



December 21, 2021

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 Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021. The ACFR 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, 2021, 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 FY20-21 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, and Municipal Judge. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments. The Council is elected on a non-partisan basis. Council members serve four-year terms, with three Council members elected every two years. The Mayor is elected to serve a four-year term.

The City provides a full range of services including police and fire 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. The City continued to recover from the effects of COVID-19 and its impacts to many local businesses particularly and travel reductions. The City still realized a year over year increase of 13.53% in local sales tax revenue for fiscal year 2021. The growth can be attributed to strong retail sales tax collections from online sales boosted by federal stimulus programs aiding the economic recovery, and economic development activities which generated additional construction sales tax revenue. The City's state shared sales tax revenues also increased 15.55% compared to last fiscal year.

Workforce and Unemployment

Glendale's unemployment rate for the month of June 2021 was 7.4% which is about the same as the statewide unemployment rate of 7.3%. Glendale's workforce is concentrated in the following nonfarm sectors: health care services (14.75%), government and social advocacy services (15.33%), retail (16.74%), consumer services (12.30%), education (10.23%), construction (7.03%), finance, insurance and real estate (5.91%), business services (5.16%), and transportation and distribution (3.73%). Through the Coronavirus pandemic (COVID-19) the unemployment rate was as low as 6.8% in fiscal year 2021. Arizona's nonfarm employment increased 5.2% 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 (the new frontier) which provides thousands of acres of developable land. Red Bull, in partnership with Ball Corporation and Rauch, completed the construction of their first manufacturing facility just over a year ago, and have since expanded their operations in the area. The new frontier has also welcomed other global corporations like Wal-Mart and Amazon. 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 in 2018. Since then, YAM Properties made several announcements on the addition of new experiential sites coming to Westgate. Tiger Woods' Pop Stroke will be opening on a site near Dave & Buster's and Thirsty Lion Gastropub is building their largest restaurant to date. Adding to the expansion of hospitality and entertainment was the groundbreaking of Crystal Lagoons Island Resort that will be located just south of State Farm Stadium along the Loop 101. The Crystal Lagoons Island Resort will include over 600 new hotel rooms, a 10-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.

In Arrowhead, Volvo, Land Rover and Jaguar opened their dealerships, adding to the luxury vehicle lineup along the Loop 101. Phoenix Children's Hospital announced their plans for an Arrowhead campus that will offer inpatient care, an emergency department, an outpatient surgery center, and a multi-specialty clinic. The \$134.7 million investment will bring additional jobs and much needed pediatric services to the West Valley.

Downtown Glendale launched the new LiVE @ Murphy Park concert series and the City's Arts Commission played a key role by providing funding for promotional elements that were created by local artists. The industrial corridor near Downtown Glendale has also seen a boost in businesses coming to the area. Mattress manufacturer, Brooklyn Bedding began construction of their new headquarters and manufacturing facility. Located at 51st Avenue and Bethany Home Road, the state-of-the-art building will be nearly 650,000 square-foot and brings 400 jobs to Glendale.

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 \$42.5 million in fiscal year 2021. This increase is primarily due to \$28.5 million of sales tax collections which was a result of strong consumer spending boosted by federal stimulus programs aiding economic recovery.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2020. This was the thirty-third consecutive year the City has received this prestigious award, and the thirty-fifth year overall. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized ACFR. 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 ACFR 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, 2020. This was the thirty-fourth consecutive year that the City has received the highest form of recognition in governmental budgeting.

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

Respectfully submitted,

A handwritten signature in blue ink that reads "Lisette Camacho". The signature is written in a cursive style. The name "Lisette" is written in a larger, more prominent script, and "Camacho" is written in a smaller, more compact script to its right.

Lisette Camacho, CPA
Budget and Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

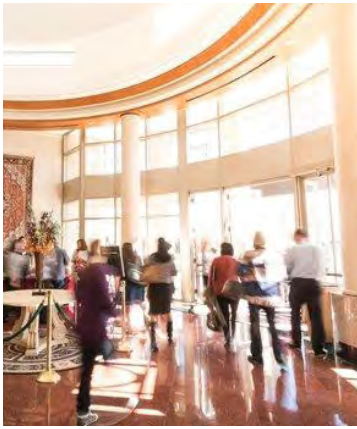
**City of Glendale
Arizona**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

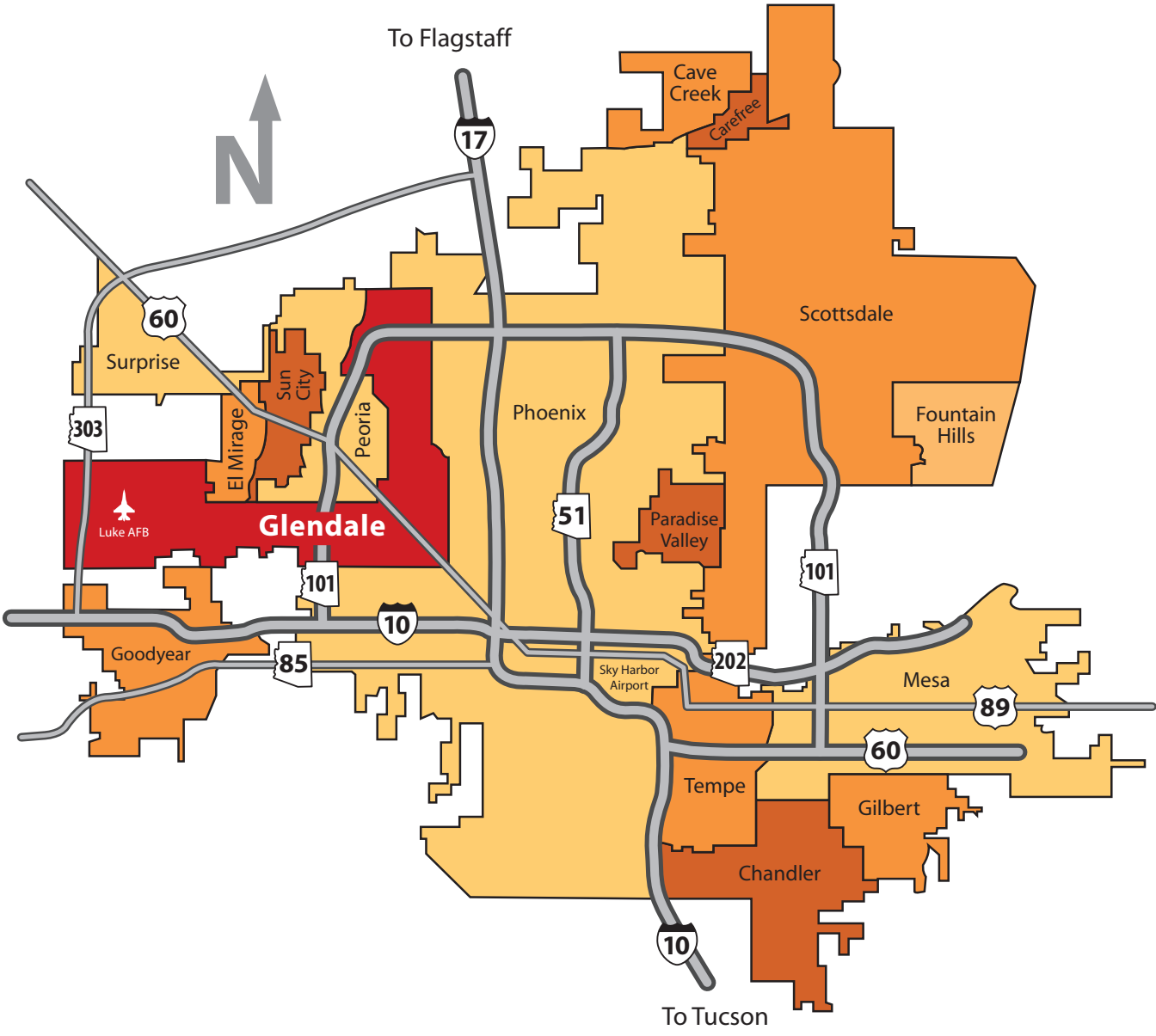
June 30, 2020

Christopher P. Morill

Executive Director/CEO



Glendale, Arizona & Neighboring Communities



GLENDALE CITY OFFICIALS



Jerry P. Weiers
Mayor



Ian Hugh
Vice Mayor
Cactus District



Bart Turner
Councilmember
Barrel District



Lauren Tolmachoff
Councilmember
Cholla District



Jamie Aldama
Councilmember
Ocotillo District



Ray Malnar
Councilmember
Sahuaro District



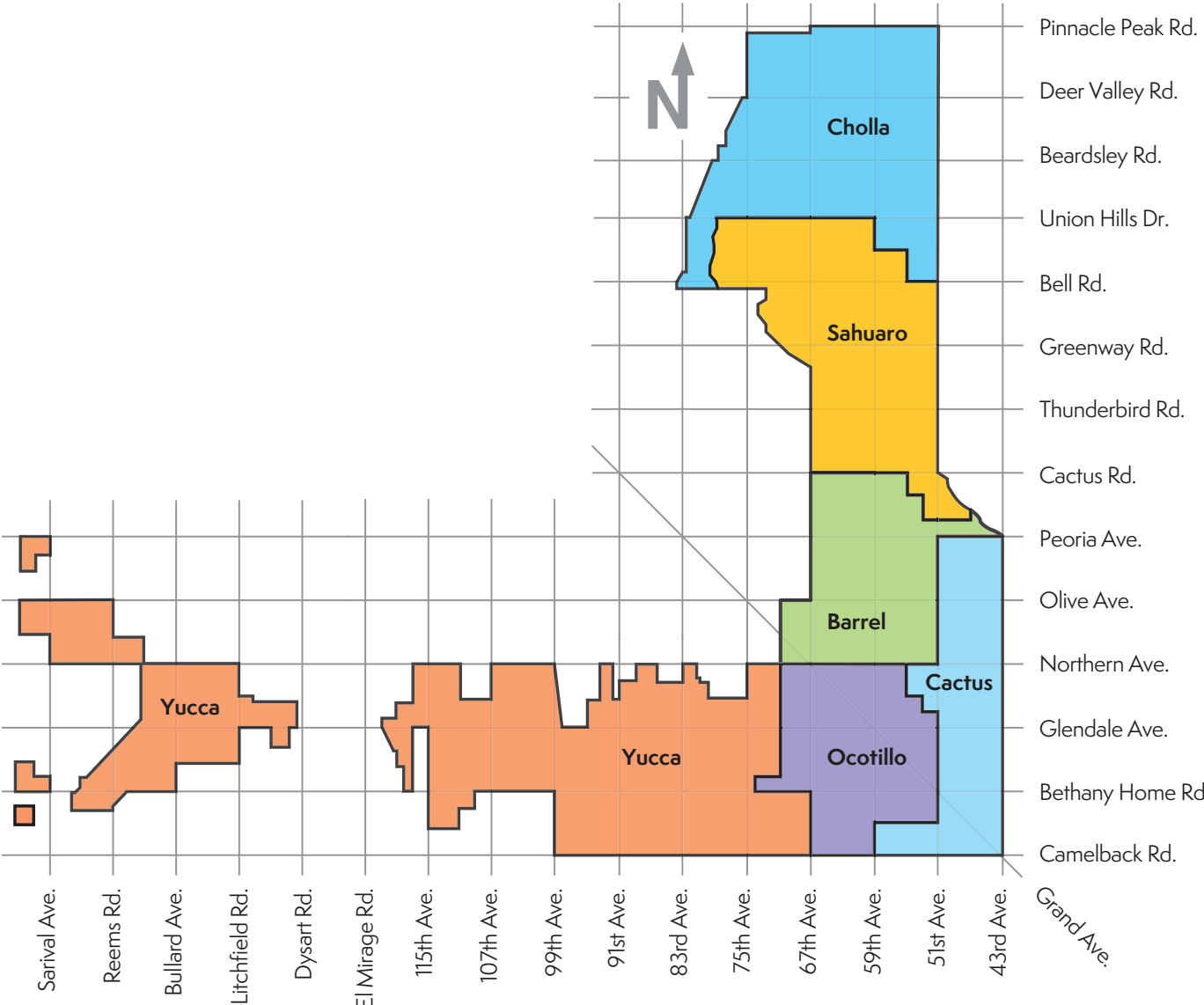
Joyce Clark
Councilmember
Yucca District



Kevin Phelps
City Manager



Glendale Council District Boundaries



CITIZENS OF GLENDALE

City Council

Boards & Commissions

City Attorney
Michael D. Bailey

City Manager
Kevin R. Phelps

City Clerk
Julie Bower

Presiding City Judge
Nicholas DiPiazza

Audit Committee

Deputy City Manager
Rick St. John

Deputy City Manager
Brent Stoddard

Office of Economic Development
Brian Friedman
Director

Department of Organizational Performance
Khala Stanfield
Director

Audit Program Manager
Michael Kingery

Fire Department
Terry Garrison
Fire Chief

Police Department
Chris Briggs
Police Chief

Public Affairs
Special Projects

Assistant City Manager
Jack Friedline

Assistant City Manager
Vicki Rios

Arts

Performance Management & Data Analytics

Code Compliance

Development Services Department
Jamsheed Mehta
Director

Water Services Department
Craig Johnson
Director

Field Operations Department
Michelle Woytenko
Director

Transportation Department
Trevor Ebersole
Director

Engineering Department
Vacant

Community Services Department
Jean Moreno
Director

Human Resources Department
Jim Brown
Director

Innovation and Technology Department
Feroz Merchhiya
Director

Public Facilities, Recreation & Special Events Department
Jim Burke
Director

Budget and Finance Department
Lisette Camacho
Director

Building Safety
Planning

Environmental Resources
Water Field Operations
Water Plant Operations

Facilities Management
Fleet Management
Landfill
Solid Waste

Airport
Street Maintenance
Traffic Engineering
Transit

Design
Construction
Inspection
Administration
Land Development

Human Services
Volunteer Services
Library

Human Resources
Risk Management

Information Technology

Civic Center
Convention and Visitor's Bureau/Tourism
Parks and Recreation
Special Events

Budget
Finance
Procurement

COMMUNITY INTEGRITY EXCELLENCE INNOVATION LEARNING

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

This page left blank intentionally.



City of Glendale, Arizona

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FINANCIAL SECTION

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

This page left blank intentionally.



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, 2021, 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, 2021, 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 funds (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 statements and schedules, 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 statements and schedules and the supplementary information (the federal financial data schedules) are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Phoenix, Arizona
December 21, 2021

This page left blank intentionally.



City of Glendale, Arizona

ANNUAL COMPREHENSIVE FINANCIAL REPORT

MANAGEMENT'S DISCUSSION & ANALYSIS

(Required Supplementary Information)

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

This page left blank intentionally.

CITY OF GLENDALE, ARIZONA

Management's Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2021

(amounts expressed in thousands)

Management's Discussion and Analysis

The following discussion and analysis is provided to readers of the City's financial statements as a narrative overview of the financial activities of the City for the fiscal year ended June 30, 2021. 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 2020-21:

- The City's total net position increased by \$113,010 or 13.0%. The governmental net position increased by \$67,573 or 15.3%, and the business-type net position increased by \$45,437 or 10.6%.
- The City's total revenues increased by \$48,203 or 8.7%. Program revenues in the form of charges for services, grants, and contributions increased by \$12,700 or 5.1%. General revenues increased by \$35,503 or 11.7%.
- Program revenues from governmental activities decreased \$2,416 or 2.2%. Program revenues for business-type activities increased \$15,116 or 10.9%.
- Operating grants and contributions from governmental activities increased \$6,904 or 13.5%. The primary reason for this increase was an increase of \$8,894 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 decreased \$15,458 or 46.0%. Non-recurring revenues were received in fiscal year 2020 including \$4,153 of gain on assets sold for the Bank of America Building and the Hickman Properties, \$8,994 in FAA grant reimbursement and \$1,451 in ADOT grant reimbursement for the airport land purchase.
- General revenues from governmental activities increased \$27,902 or 9.8%. The primary reason for this increase was an increase of \$24,483 or 13.5% in sales tax revenues. In addition, state shared income tax increased \$3,650 or 11.3% and state shared sales tax increased \$4,031 or 15.6%. The increase in tax revenue reflects strong consumer spending boosted by federal stimulus programs aiding the economic recovery as well as strong performance in construction sales tax.
- The total cost of all City programs increased by \$20,612 or 4.4%. The increase in program costs is primarily due to increases in community services of \$7,373 and street maintenance of \$6,847.
- The General Fund, a major governmental fund, collected \$285,215 in revenues which is an increase of \$31,212 or 12.3% from the prior year. This increase was primarily due to an increase in taxes, licenses & permits, and intergovernmental revenues. The total expenditures of the General Fund were \$210,203 which is an increase of \$20,233 or 10.7%. The increase in general fund expenditures is primarily due to \$8,894 of public safety expenditures transferred from the General Fund to the Other Special Revenue Fund in FY2021 due to AZCares funding received in FY2020.

CITY OF GLENDALE, ARIZONA

Management's Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2021

(amounts expressed in thousands)

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

The Statement of Net Position presented on page 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.

CITY OF GLENDALE, ARIZONA

Management's Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2021

(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 notes to 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, along with budget to actual comparisons on individual funds.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a City's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$984,058 as of June 30, 2021.

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

CITY OF GLENDALE, ARIZONA

Management's Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2021

(amounts expressed in thousands)

The City's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets. At the end of the current fiscal year, the City is able to report positive balances in the categories of net investment in capital assets and restricted net position. Unrestricted net position for the governmental activities increased by \$31,446 or 16.2% 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, 2018 and 2021.

The chart below is a comparison of the City's net position for fiscal years 2021 and 2020:

Condensed Statement of Net Position

As of June 30, 2021, and 2020

(in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 494,221	\$ 377,526	\$ 108,414	\$ 95,607	\$ 602,635	\$ 473,133
Capital Assets:						
Non-depreciable	131,110	134,374	116,606	89,009	247,716	223,383
Depreciable (net)	939,579	955,847	492,304	471,814	1,431,883	1,427,661
Non-current OPEB assets	1,773	1,656	143	55	1,916	1,711
Equity in joint venture	2,826	2,861	40,587	42,534	43,413	45,395
Total assets	1,569,509	1,472,264	758,054	699,019	2,327,563	2,171,283
Deferred Outflows of Resources	101,784	81,980	12,152	10,229	113,936	92,209
Current liabilities	124,429	85,532	39,426	39,504	163,855	125,036
Noncurrent liabilities	1,022,523	1,002,783	254,433	236,388	1,276,956	1,239,171
Total liabilities	1,146,952	1,088,315	293,859	275,892	1,440,811	1,364,207
Deferred Inflows of Resources	14,913	24,074	1,717	4,163	16,630	28,237
Net position:						
Net investment						
in capital assets	471,198	465,366	397,187	362,679	868,385	828,045
Restricted	200,500	170,205	37,992	33,896	238,492	204,101
Unrestricted	(162,270)	(193,716)	39,451	32,618	(122,819)	(161,098)
Total net position	\$ 509,428	\$ 441,855	\$ 474,630	\$ 429,193	\$ 984,058	\$ 871,048

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

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

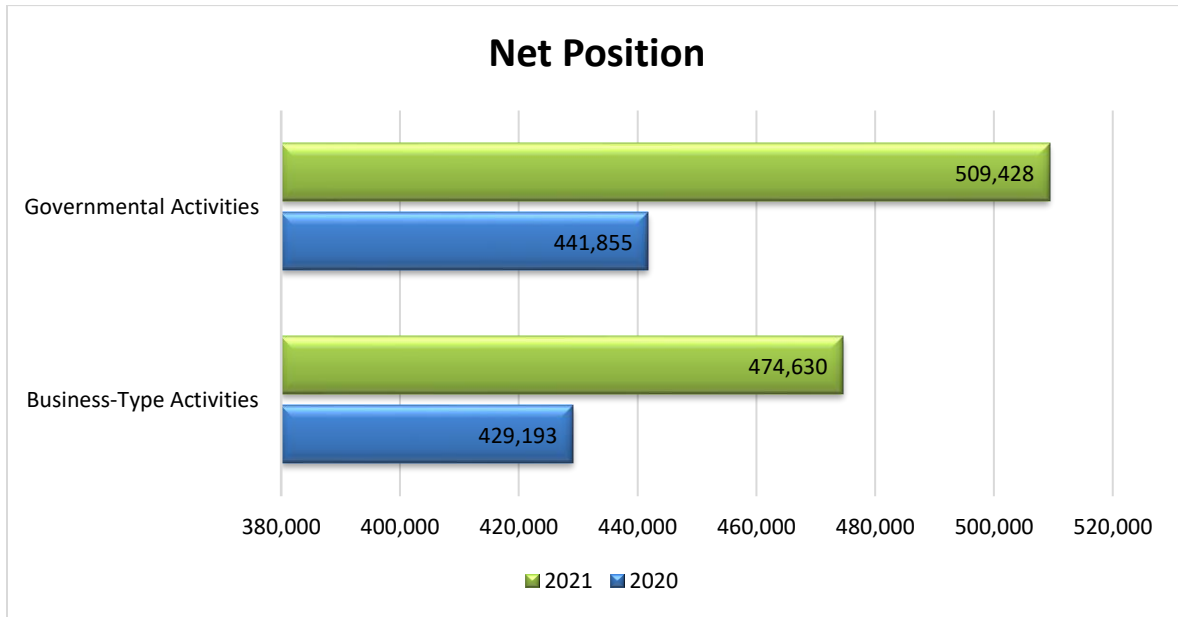
Changes in Net Position
As of June 30, 2021, and 2020
(in thousands)

	Governmental		Business-Type		Total	
	Activities		Activities		Primary	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 33,186	\$ 27,048	\$ 138,748	\$ 121,623	\$ 171,934	\$ 148,671
Operating grants and contributions	57,903	50,999	11,462	10,866	69,365	61,865
Capital grants and contributions	18,112	33,570	3,211	5,816	21,323	39,386
Total program revenues	109,201	111,617	153,421	138,305	262,622	249,922
General revenues:						
Property taxes	26,473	25,718	-	-	26,473	25,718
Sales taxes	205,325	180,842	-	-	205,325	180,842
State shared sales tax	29,941	25,910	-	-	29,941	25,910
Urban revenue sharing (state shared income tax)	36,069	32,419	-	-	36,069	32,419
Auto in-lieu taxes	11,976	10,643	-	-	11,976	10,643
Investment earnings, unrestricted	(464)	5,931	227	1,277	(237)	7,208
Miscellaneous	3,023	2,978	25,867	17,216	28,890	20,194
Total revenues	421,544	396,058	179,515	156,798	601,059	552,856
Expenses:						
General government	47,850	45,972	-	-	47,850	45,972
Public safety	166,243	165,030	-	-	166,243	165,030
Public works	30,451	31,211	-	-	30,451	31,211
Community services	35,751	28,378	-	-	35,751	28,378
Street maintenance	50,283	43,436	-	-	50,283	43,436
Interest on long-term debt	22,056	24,133	-	-	22,056	24,133
Water and sewer	-	-	90,604	87,212	90,604	87,212
Landfill	-	-	11,319	10,051	11,319	10,051
Solid Waste	-	-	19,310	18,351	19,310	18,351
Housing	-	-	14,182	13,663	14,182	13,663
Total expenses	352,634	338,160	135,415	129,277	488,049	467,437
Excess before transfers	68,910	57,898	44,100	27,521	113,010	85,419
Transfers in (out)	(1,337)	(1,326)	1,337	1,326	-	-
Increase (decrease) in net position	67,573	56,572	45,437	28,847	113,010	85,419
Net position beginning	441,855	385,283	429,193	400,346	871,048	785,629
Net position ending	\$ 509,428	\$ 441,855	\$ 474,630	\$ 429,193	\$ 984,058	\$ 871,048

CITY OF GLENDALE, ARIZONA
 Management's Discussion and Analysis (MD&A)
 For the Fiscal Year Ended June 30, 2021
 (amounts expressed in thousands)

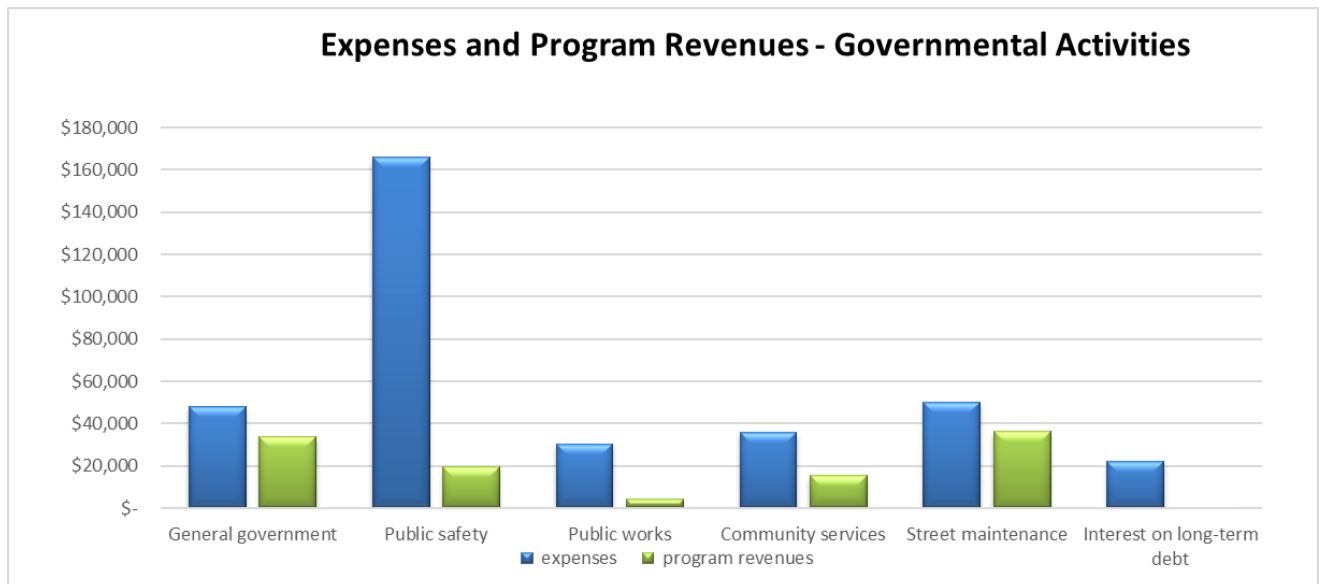
Changes in Net Position

The net position of the governmental activities increased by \$67,573 and business-type activities' net position increased by \$45,437.



Revenues and Expenses

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



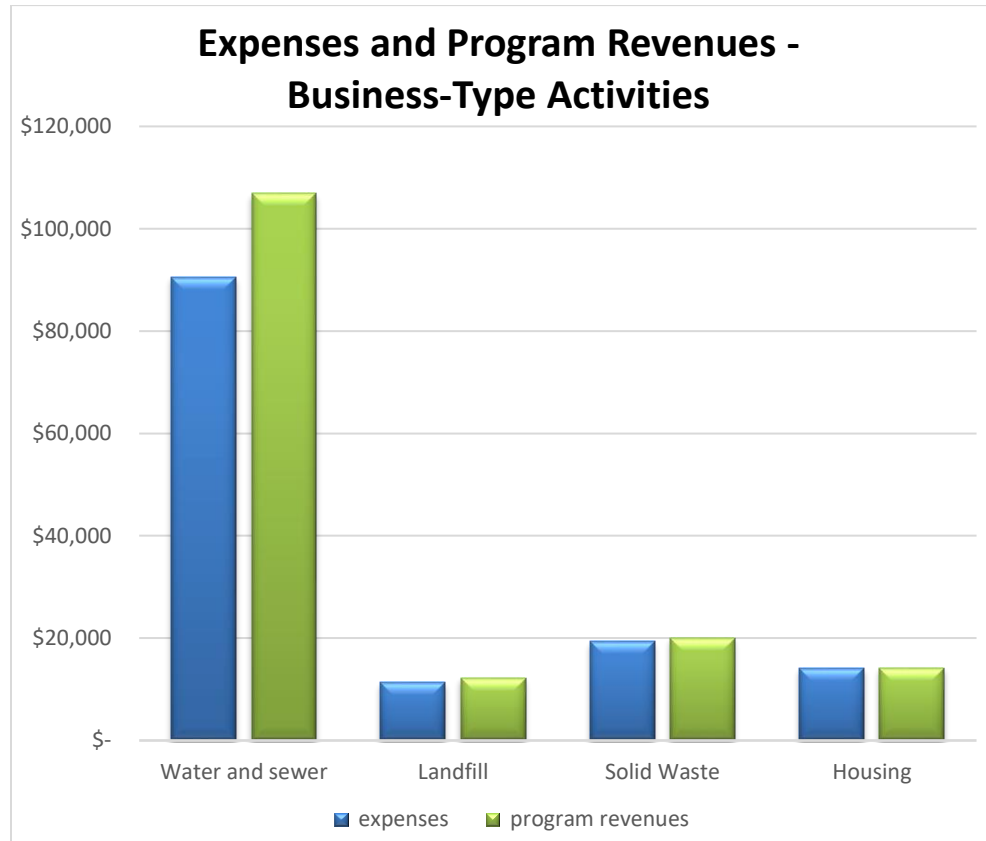
The City's total revenues from governmental activities for the fiscal year ended June 30, 2021 increased \$25,486 or 6.4%. The increase in revenues is due to \$6,904 in operating grants and contributions revenue, an increase of \$24,483 in local sales tax, \$4,031 in state shared sales tax and \$3,650 in shared income tax. The increases to tax revenue reflect

CITY OF GLENDALE, ARIZONA
 Management's Discussion and Analysis (MD&A)
 For the Fiscal Year Ended June 30, 2021
 (amounts expressed in thousands)

the continuing economic growth the City and State of Arizona have experienced over the past several years leading up to the COVID-19 pandemic.

The cost of programs and services for governmental activities increased \$14,474 or 4.3%. The increase is primarily due to increases in street maintenance of \$6,847. Additionally, community services increased by \$7,373 due to additional federal funding for community services as a result of the COVID-19 pandemic.

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

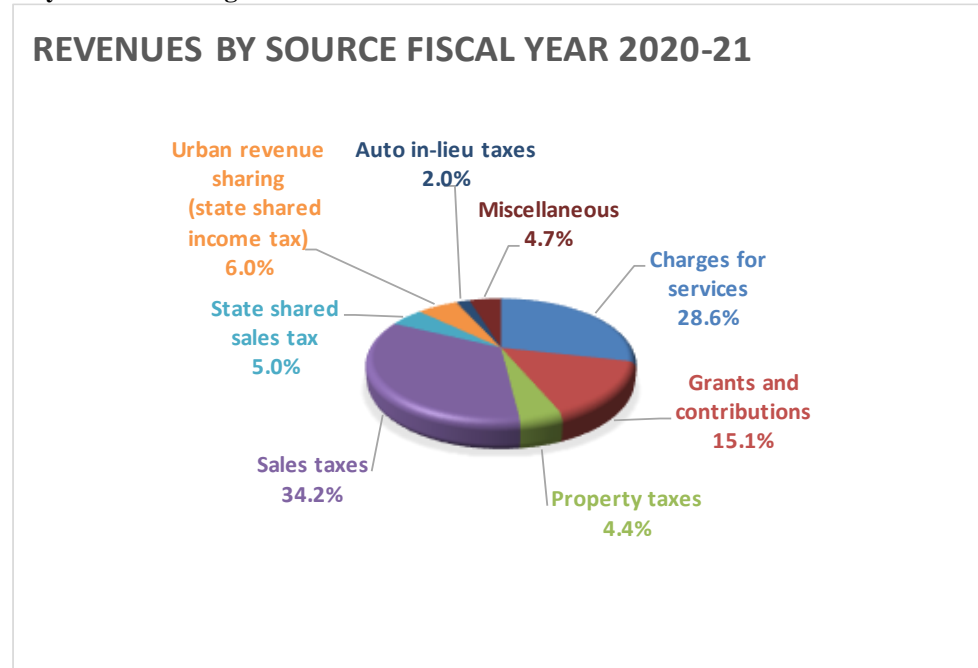


The City's total revenues from business-type activities for the fiscal year ended June 30, 2021 increased \$22,717 or 14.5%. This increase is primarily due to an increase of \$22,300 of reimbursement of the shared project between the City of Glendale and the City of Peoria to increase the capacity at the Pyramid Peak Water Treatment Plant, the project is paid by the City of Glendale and then invoiced to seek reimbursement on Peoria's capacity is billed as work is completed.

The cost of programs and services from business-type activities for the fiscal year ended June 30, 2021 increased \$6,138 or 4.7%. Solid waste expenses increased \$959 or 5.2%, water and sewer expenses increased \$3,392 or 3.9% and landfill expenses increased \$1,268 or 12.6%. The increase in cost of programs and services for business-type activities is mainly contributable to increased maintenance costs.

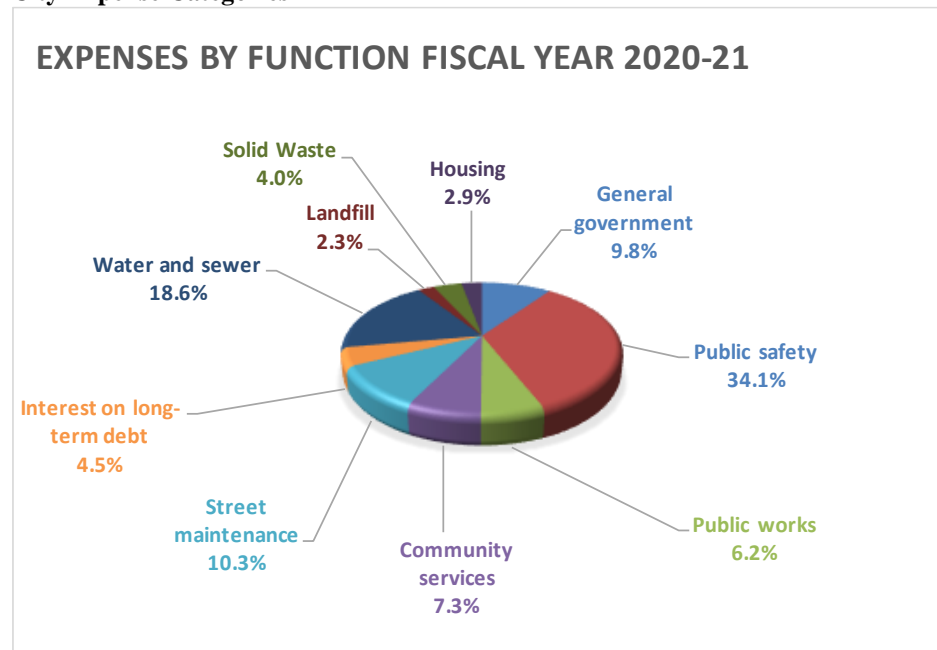
CITY OF GLENDALE, ARIZONA
 Management's Discussion and Analysis (MD&A)
 For the Fiscal Year Ended June 30, 2021
 (amounts expressed in thousands)

City Revenue Categories



The pie chart above shows the different types of revenue the City receives and the proportion of each. The majority (62.8%) 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 (15.1%).

City Expense Categories



The majority of the City's expenses (52.7%) are incurred in the public safety and water and sewer categories. Public safety expenses include those related to police and fire protection services provided to the community and are funded by the general fund. Water and sewer expenses are paid by the enterprise fund which is funded primarily through user paid fees for services.

Financial Analysis of the City's Funds

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

Governmental Funds

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$283,787, an increase of \$73,762 or 35.1% 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 2021 and 2020, \$54,511 and \$49,146 respectively, of the total fund balance constituted unassigned fund balance.

Revenues for governmental functions overall totaled \$406,712 in fiscal year 2021, an increase of \$30,563 or 8.1% from the previous years' total of \$376,149. The increase is primarily due to an increase of \$16,474 or 85.9% in licenses and permits and an increase in taxes and special assessments revenue of \$25,217 or 12.2%. These revenues are all indicators of the continued healthy economy experienced by the City and as the country exits the COVID-19 pandemic.

Expenditures for governmental functions totaled \$354,456 in fiscal year 2021, a decrease of \$6,397 or 1.8% from the previous year total of \$360,853. The decrease is primarily due to a decrease in debt service payments of \$27,507 or 30.9%, which is offset by an increase in community services expenditures of \$6,998 or 29.8% and an increase in street maintenance expenditures of \$6,617 or 20.8% from the prior fiscal year. The decrease in debt service payments is due to paying the outstanding principal balance on the Series 2009 General Obligation bonds to avoid future interest expenditures during FY2020.

The General Fund is the main operating fund of the City. The General Fund balance increased \$42,558 or 44.8%. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$54,511 while total fund balance was \$137,523. The General Fund has \$6,143 of its fund balance as non-spendable; \$10,047 as restricted; and \$66,822 assigned. Per the City's adopted financial policies, 10% of the general fund operating revenue which totals \$28,522 has been earmarked as the Budget Stabilization Reserve and \$25,989 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, 2021 to commit these funds; therefore, the funds are reported as unassigned.

Overall, the General Fund's performance resulted in revenues over expenditures of \$75,012 in fiscal year 2021. In the prior year, revenues exceeded expenditures by \$64,033. This increase in fund balance is due to \$8,894 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 \$31,214 over the prior fiscal year. The increase is primarily due to an increase in taxes and special assessment revenue of \$20,283 or 13.0%, an increase of \$6,252 or 45.1% in licenses and permits, and an increase in intergovernmental revenue of \$9,318 or 13.4%. These revenues are all indicators of the continued healthy economy experienced by the City and as the country exits 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. The fund had a balance of \$74,519 at the end of the fiscal year, an increase of \$11,165 from the previous fiscal year. The increase in fund balance was primarily due to the increase in taxes and special assessment revenue of \$4,340 or 14.0% and a decrease in the street maintenance and capital outlay expenditures of \$1,170 or 7.9%.

CITY OF GLENDALE, ARIZONA

Management's Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2021

(amounts expressed in thousands)

The Other Special Revenue Fund accounts for various activities, including the airport, miscellaneous grants, ARPA and other recreational programs. This fund was in the Non-Major Governmental Funds during the previous fiscal year. The fund had a balance of \$5,573 at the end of the fiscal year.

The Municipal Property Corporation (MPC) debt service fund was established to account for the debt service payments on the bonds that were issued to finance the construction of a new municipal office complex, hockey arena, public safety training center, parking garage, media center, and convention center. The fund had a balance of \$3,808 at the end of the fiscal year an increase of \$951 from the previous fiscal year. The increase was primarily due to the decrease in debt service principal and interest payment of \$2,106 and a decrease in Transfers In of \$1,306.

Other Non-Major Governmental Funds had a balance increased \$18,602 to \$62,364 at the end of the fiscal year. This is primarily due to long term debt issuance of \$13,700 in the Capital Projects Funds.

Proprietary Funds

Net position of the enterprise funds increased \$44,964 or 10.5%. The enterprise funds' total net position was \$37,992 restricted, \$38,782 unrestricted, and \$397,187 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 \$42,237 or 10.2% for the fiscal year ended June 30, 2021. 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 \$3,834 for the fiscal year ended June 30, 2021. 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 \$30,216 higher than the final budgeted amounts. Positive economic trends resulted in taxes and licenses and permits that were \$23,722 and \$7,749 greater than the final budget, respectively. Charges for services were \$3,235 lower than the final budget. Miscellaneous revenues were \$854 lower than the final budget.
- General Fund expenditures were lower than the final budget by \$36,719. The most significant budget variances were in public safety which was \$13,088 lower than the final budgeted amount due to \$8,894 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 \$19,091 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 \$39,851 or 46.1%. This increase is due to tax revenues, licenses and permits, and intergovernmental revenues. 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, 2021, for its governmental-type activities was \$1,070,689 and for the business-type activities was \$608,910. 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.

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

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

- Arrowhead WRF Improvements \$16,997
- Glendale Ave Loop 101 to El Mirage Reconstruction \$5,795
- West Area WRF Improvements – Fine Screens \$4,866
- Cardinals Way Construction, 83rd Ave to 91st Ave \$3,790
- Camelback Rd Loop 101 to 91st Ave Reconstruction \$3,011
- O'Neil Park Splash Pad \$1,136

The following table is a summary of capital assets reflected in the June 30, 2021 financial statements as compared to last year's financial statements.

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

	Governmental		Business-Type		Total	
	Activities		Activities		Primary	
	2021	2020	2021	2020	2021	2020
Construction in progress	\$ 11,481	\$ 13,951	\$ 99,466	\$ 72,939	\$ 110,947	\$ 86,890
Land	116,990	117,784	17,140	16,070	134,130	133,854
Water storage rights	-	-	6,508	6,687	6,508	6,687
Artwork	2,639	2,639	-	-	2,639	2,639
Buildings	219,575	227,650	5,476	5,835	225,051	233,485
Improvements other than buildings	102,479	112,045	45,702	48,201	148,181	160,246
Infrastructure-streets	478,252	472,390	-	-	478,252	472,390
Infrastructure-parks	38,391	39,737	-	-	38,391	39,737
Infrastructure-flood/storm drains	65,060	65,793	-	-	65,060	65,793
Infrastructure-airport	9,407	9,885	-	-	9,407	9,885
Water lines	-	-	92,720	91,233	92,720	91,233
Sewer lines	-	-	80,041	75,711	80,041	75,711
Water treatment plant	-	-	131,338	137,953	131,338	137,953
Sewer treatment plant	-	-	94,585	75,931	94,585	75,931
Meters and services	-	-	18,611	16,288	18,611	16,288
Fire hydrants	-	-	3,050	2,418	3,050	2,418
Machinery and equipment	6,687	8,593	1,760	1,574	8,447	10,167
Computer equipment	241	393	641	300	882	693
System Purchase	-	-	111	82	111	82
Software	2,359	2,467	-	-	2,359	2,467
Automotive equipment	17,128	16,894	11,761	9,601	28,889	26,495
Total	<u>\$ 1,070,689</u>	<u>\$ 1,090,221</u>	<u>\$ 608,910</u>	<u>\$ 560,823</u>	<u>\$ 1,679,599</u>	<u>\$ 1,651,044</u>

The construction commitments at June 30, 2021 were \$12,984. 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 \$696,825 compared to \$718,445 last year, a 3.00% net decrease.

	Governmental		Business-Type		Total	
	Activities		Activities		Primary	
	2021	2020	2021	2020	2021	2020
General obligation	\$ 98,230	\$ 100,445	\$ -	\$ -	\$ 98,230	\$ 100,445
Transportation revenue bond	58,655	62,570	-	-	58,655	62,570
Excise tax revenue bonds	187,140	197,955	-	-	187,140	197,955
Municipal Property						
revenue bonds	184,850	190,225	-	-	184,850	190,225
Settlement obligation	-	-	-	-	-	-
Water and sewer						
revenue bonds/obligations	-	-	167,950	167,250	167,950	167,250
Total	<u>\$ 528,875</u>	<u>\$ 551,195</u>	<u>\$ 167,950</u>	<u>\$ 167,250</u>	<u>\$ 696,825</u>	<u>\$ 718,445</u>

CITY OF GLENDALE, ARIZONA

Management's Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2021

(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, 2021, were \$135,186 and \$383,417, 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 2021-22 budget is \$1,244,000 an increase of 66.53% from 2020-21. The increase is mainly attributable to an increase in debt service payments and Public Safety Personnel Retirement contribution costs. Overall, the goal of the FY21-22 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 2021-22 are projected at \$742,369. The major sources of revenue for the City continue to be sales tax, property taxes, and state shared revenues with projected revenues of \$129,668, \$6,088, and \$93,607 respectively. For fiscal year 2021-22, City sales tax is expected to increase by 14.13% 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

ANNUAL COMPREHENSIVE FINANCIAL REPORT

BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

This page left blank intentionally.

City of Glendale, Arizona
Statement of Net Position
June 30, 2021
(amounts expressed in thousands)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Equity in pooled cash and investments	\$ 355,970	\$ 28,159	\$ 384,129
Receivables (net of allowance for uncollectibles)			
Property taxes	1,153	-	1,153
Accounts	12,590	23,860	36,450
Note	48,166	-	48,166
Accrued interest	555	-	555
Intergovernmental	33,476	7,938	41,414
Internal balances	(558)	558	-
Inventories and prepaid items	6,364	4,701	11,065
Restricted deposits	1,575	5,348	6,923
Restricted cash and investments	34,930	37,850	72,780
Non-depreciable	131,110	116,606	247,716
Depreciable (net)	939,579	492,304	1,431,883
Non current OPEB assets	1,773	143	1,916
Equity in joint venture	2,826	40,587	43,413
Total assets	<u>1,569,509</u>	<u>758,054</u>	<u>2,327,563</u>
DEFERRED OUTFLOW OF RESOURCES			
Debit amounts related to pensions and OPEB	89,501	7,019	96,520
Debit amounts resulting from refunded debt	12,283	5,133	17,416
Total deferred outflow of resources	<u>101,784</u>	<u>12,152</u>	<u>113,936</u>
LIABILITIES			
Vouchers payable	25,554	8,161	33,715
Accounts payable	315	-	315
Retainage payable	831	3,037	3,868
Matured bonds payable	36,020	16,585	52,605
Accrued interest payable	12,801	3,638	16,439
Intergovernmental payable	447	447	894
Deposits payable	3,506	7,288	10,794
Unearned Revenue	44,955	270	45,225
Noncurrent liabilities:			
Due within one year	76,300	22,424	98,724
Due in more than one year	946,223	232,009	1,178,232
Total liabilities	<u>1,146,952</u>	<u>293,859</u>	<u>1,440,811</u>
DEFERRED INFLOW OF RESOURCES			
Credit amounts related to pensions and OPEB	14,913	1,717	16,630
Total deferred inflow of resources	<u>14,913</u>	<u>1,717</u>	<u>16,630</u>
NET POSITION			
Net investment in capital assets	471,198	397,187	868,385
Restricted for:			
Capital Projects	33,867	-	33,867
Debt Service	55,976	16,585	72,561
Transportation	74,526	-	74,526
Highway and streets	13,849	-	13,849
Revenue bond retirement, replacement, and extension	-	10,559	10,559
Perpetual care - nonexpendable	6,216	-	6,216
Police and fire	10,047	-	10,047
OPEB benefits	1,773	143	1,916
Other purposes	4,246	10,705	14,951
Unrestricted	(162,270)	39,451	(122,819)
Total net position	<u>\$ 509,428</u>	<u>\$ 474,630</u>	<u>\$ 984,058</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, 2021
(amounts expressed in thousands)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General Government	\$ 47,850	\$ 23,415	\$ 1,880	\$ 8,616
Public Safety	166,243	3,860	15,648	-
Public works	30,451	3,969	72	48
Community Services	35,751	1,909	12,733	718
Street Maintenance	50,283	33	27,570	8,730
Interest on long term debt	22,056	-	-	-
Total governmental activities	<u>352,634</u>	<u>33,186</u>	<u>57,903</u>	<u>18,112</u>
Business-type activities:				
Water and sewer	90,604	103,533	287	3,156
Landfill	11,319	12,238	-	-
Solid Waste	19,310	19,854	221	-
Housing	14,182	3,123	10,954	55
Total business-type activities	<u>135,415</u>	<u>138,748</u>	<u>11,462</u>	<u>3,211</u>
Total primary government	<u>\$ 488,049</u>	<u>\$ 171,934</u>	<u>\$ 69,365</u>	<u>\$ 21,323</u>

General revenues:
Property tax for general purposes
Property tax for debt service
Sales taxes
State shared sales tax
Urban revenue sharing (state shared income tax)
Auto in-lieu taxes
Investment earnings unrestricted
Miscellaneous
Transfers
Total general revenues, special items, and transfers
Change in net position
Net position - beginning
Net position - ending

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

Net (Expense) Revenue and Changes in Net Position

Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (13,939)	\$ -	\$ (13,939)
(146,735)	-	(146,735)
(26,362)	-	(26,362)
(20,391)	-	(20,391)
(13,950)	-	(13,950)
(22,056)	-	(22,056)
<u>(243,433)</u>	<u>-</u>	<u>(243,433)</u>
-	16,372	16,372
-	919	919
-	765	765
-	(50)	(50)
-	<u>18,006</u>	<u>18,006</u>
<u>(243,433)</u>	<u>18,006</u>	<u>(225,427)</u>
5,896	-	5,896
20,577	-	20,577
205,325	-	205,325
29,941	-	29,941
36,069	-	36,069
11,976	-	11,976
(464)	227	(237)
3,023	25,867	28,890
<u>(1,337)</u>	<u>1,337</u>	<u>-</u>
<u>311,006</u>	<u>27,431</u>	<u>338,437</u>
67,573	45,437	113,010
441,855	429,193	871,048
<u>\$ 509,428</u>	<u>\$ 474,630</u>	<u>\$ 984,058</u>

City of Glendale, Arizona
Balance Sheet
Governmental Funds
June 30, 2021
(amounts expressed in thousands)

	Major Funds					Total Governmental Funds
	General	Transportation Special Revenue	Other Special Revenue	Municipal Property Corporation Debt Service	Other Non-Major Governmental Funds	
ASSETS						
Equity in pooled cash and investments	\$ 118,405	\$ 73,862	\$ 42,003	\$ 3,807	\$ 82,208	\$ 320,285
Receivables, net of allowance for doubtful accounts						
Property tax	364	-	-	-	789	1,153
Accounts	6,739	3	396	-	5,149	12,287
Note	-	-	-	48,166	-	48,166
Accrued interest	555	-	-	-	-	555
Due from other funds	1,576	-	-	-	-	1,576
Intergovernmental receivable	27,255	2,133	1,282	-	2,797	33,467
Inventories and prepaid items	6,143	145	-	-	-	6,288
Restricted cash and investments	70	-	1,960	10,111	22,789	34,930
Total assets	<u>161,107</u>	<u>76,143</u>	<u>45,641</u>	<u>62,084</u>	<u>113,732</u>	<u>458,707</u>
LIABILITIES						
Vouchers payable	12,139	1,571	2,284	-	6,200	22,194
Accounts payable	205	-	-	-	52	257
Retainage payable	120	-	-	-	711	831
Compensated Absences - current	1,511	31	29	-	26	1,597
Intergovernmental payable	446	-	1	-	-	447
Due to other funds	-	-	1,116	-	349	1,465
Deposits	3,438	-	68	-	-	3,506
Unearned revenue	3,974	15	36,294	-	4,672	44,955
Matured interest payable	-	-	-	4,735	8,066	12,801
Matured bonds payable	-	-	-	5,375	30,645	36,020
Total liabilities	<u>21,833</u>	<u>1,617</u>	<u>39,792</u>	<u>10,110</u>	<u>50,721</u>	<u>124,073</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows of Resources-Unavailable Revenue	<u>1,751</u>	<u>7</u>	<u>276</u>	<u>48,166</u>	<u>647</u>	<u>50,847</u>
FUND BALANCES						
Fund balance:						
Nonspendable	6,143	145	-	-	6,099	12,387
Restricted	10,047	74,374	2,640	3,808	56,265	147,134
Committed	-	-	1,974	-	-	1,974
Assigned	66,822	-	959	-	-	67,781
Unassigned	54,511	-	-	-	-	54,511
Total fund balances	<u>137,523</u>	<u>74,519</u>	<u>5,573</u>	<u>3,808</u>	<u>62,364</u>	<u>283,787</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 161,107</u>	<u>\$ 76,143</u>	<u>\$ 45,641</u>	<u>\$ 62,084</u>	<u>\$ 113,732</u>	<u>\$ 458,707</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, 2021
(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		\$	283,787
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			
Governmental capital assets	\$	1,977,819	
Less accumulated depreciation		<u>(911,905)</u>	
			1,065,914
Net OPEB asset			1,743
Adjustment to reflect the government joint venture			2,826
Deferred outflow of resources related to pensions and OPEB			87,426
Deferred outflow reacquisition price of refunding outstanding debt			12,283
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds and shown as an internal balance item.			(669)
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.			17,341
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		(528,875)	
Net pension & OPEB liabilities		(389,566)	
Developer payable obligations		(4,893)	
Compensated absences		(28,729)	
Bond discount		426	
Unamortized premium on debt issuance		<u>(46,159)</u>	
			(997,796)
Deferred inflows of resources related pensions and OPEB			(14,274)
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			50,847
Net position of governmental activities		\$	<u><u>509,428</u></u>

City of Glendale, Arizona
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021
(amounts expressed in thousands)

	Major Funds					Total Governmental Funds
	General	Transportation Special Revenue	Other Special Revenue	Municipal Property Corporation Debt Service	Other Non-Major Governmental Funds	
REVENUES						
Taxes and special assessments	\$ 176,183	\$ 35,329	\$ -	\$ -	\$ 20,520	\$ 232,032
Licenses and permits	20,113	-	9	-	15,534	35,656
Intergovernmental	78,606	3,962	18,822	934	22,287	124,611
Local	90	-	94	-	-	184
Charges for services	6,054	765	685	-	-	7,504
Fines and forfeitures	2,389	-	348	-	45	2,782
Investment Income(Loss)	(1,339)	656	59	2	242	(380)
Miscellaneous	3,119	3	176	-	1,025	4,323
Total revenues	<u>285,215</u>	<u>40,715</u>	<u>20,193</u>	<u>936</u>	<u>59,653</u>	<u>406,712</u>
EXPENDITURES						
Current:						
General Government	28,354	-	811	10	119	29,294
Public Safety	137,516	-	12,749	-	1,006	151,271
Public Works	13,501	-	1,791	-	6	15,298
Community Services	19,485	-	6,262	-	4,765	30,512
Street Maintenance	4,292	12,227	353	-	21,517	38,389
Debt service:						
Principal	-	-	-	5,375	30,645	36,020
Interest	-	-	-	9,469	16,135	25,604
Capital outlay	7,055	1,323	469	-	19,221	28,068
Total expenditures	<u>210,203</u>	<u>13,550</u>	<u>22,435</u>	<u>14,854</u>	<u>93,414</u>	<u>354,456</u>
Excess (deficiency) of revenues over expenditures	<u>75,012</u>	<u>27,165</u>	<u>(2,242)</u>	<u>(13,918)</u>	<u>(33,761)</u>	<u>52,256</u>
OTHER FINANCING SOURCES (USES)						
Long term debt issued	-	-	-	-	13,700	13,700
Premium on long term debt issued	-	-	-	-	2,277	2,277
Proceeds from equipment disposal	297	-	54	-	15	366
Proceeds from land sale	6,500	-	-	-	-	6,500
Transfer in	-	-	2,674	14,869	36,504	54,047
Transfer out	(39,251)	(16,000)	-	-	(133)	(55,384)
Total other financing sources (uses)	<u>(32,454)</u>	<u>(16,000)</u>	<u>2,728</u>	<u>14,869</u>	<u>52,363</u>	<u>21,506</u>
Net change in fund balances	42,558	11,165	486	951	18,602	73,762
Fund balances - beginning	94,965	63,354	5,087	2,857	43,762	210,025
Fund balances - ending	<u>\$ 137,523</u>	<u>\$ 74,519</u>	<u>\$ 5,573</u>	<u>\$ 3,808</u>	<u>\$ 62,364</u>	<u>\$ 283,787</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, 2021

(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		\$ 73,762
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	\$ 28,068	
Less current year depreciation	<u>(52,364)</u>	(24,296)
The net effect of various transactions involving capital is to increase net position.		
Capital contributions	6,193	
Gain (loss) on disposals	<u>(1,886)</u>	4,307
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		
		523
The net effect of long-term obligations and the related transactions is to increase net assets.		
Long-term debt issued	(13,700)	
Amortization of bond premium	4,915	
Bond premium on bond issuance	(2,277)	
Principal paid on bonds, notes, and leases	<u>36,020</u>	24,958
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.		
		(666)
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.		
		(12,057)
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.		
		3,361
Amortization expense on refunded debt on the statement of activities are not accrued on the governmental funds.		
		(1,367)
The net effect of interest in the statement of activities that does not provide current financial resources are not reported as revenues in the governmental funds.		
Interest income on note receivable	3,029	
Bad debt expense	<u>(3,963)</u>	(934)
Expenses on the statement of activities differ from governmental funds because of the portion not accrued on the governmental funds.		
		<u>(18)</u>
Change in net position of governmental activities		<u>\$ 67,573</u>

City of Glendale, Arizona
Statement of Net Position
Proprietary Funds
June 30, 2021
(amounts expressed in thousands)

	Business-Type Activities			Governmental
	Water and Sewer	Total Non-Major Funds	Total Enterprise Funds	Internal Service Funds
ASSETS				
Current assets:				
Equity in pooled cash and investments	\$ 17,149	\$ 11,010	\$ 28,159	\$ 35,685
Restricted cash and investments	27,290	-	27,290	-
Receivables:				
Accounts	23,689	3,617	27,306	303
Allowance for uncollectibles	(2,839)	(607)	(3,446)	-
Intergovernmental	7,731	207	7,938	9
Inventories and prepaid items	4,686	15	4,701	76
Total current assets	<u>77,706</u>	<u>14,242</u>	<u>91,948</u>	<u>36,073</u>
Noncurrent assets:				
Restricted Deposits	5,348	-	5,348	1,575
Restricted cash and investments	10,560	-	10,560	-
OPEB assets	93	50	143	30
Capital Assets:				
Capital Assets	1,009,466	75,216	1,084,682	9,680
Accumulated Depreciation	(435,413)	(40,359)	(475,772)	(4,905)
Capital assets, net	<u>574,053</u>	<u>34,857</u>	<u>608,910</u>	<u>4,775</u>
Equity in joint venture	40,587	-	40,587	-
Total noncurrent assets	<u>630,641</u>	<u>34,907</u>	<u>665,548</u>	<u>6,380</u>
Total assets	<u>708,347</u>	<u>49,149</u>	<u>757,496</u>	<u>42,453</u>
DEFERRED OUTFLOWS OF RESOURCES				
Debit amounts resulting from refunded debt	5,133	-	5,133	-
Debit amounts related to pensions and OPEB	4,581	2,438	7,019	2,075
Total deferred outflows of resources	<u>9,714</u>	<u>2,438</u>	<u>12,152</u>	<u>2,075</u>
LIABILITIES				
Current liabilities:				
Vouchers payable	7,417	744	8,161	3,360
Accounts payable	-	-	-	58
Retainage payable	3,037	-	3,037	-
Compensated absences	1,563	634	2,197	572
Unearned revenue	-	270	270	-
Due to other funds	-	111	111	-
Matured bonds payable	16,585	-	16,585	-
Intergovernmental payable	353	94	447	-
Deposits	6,295	993	7,288	-
Estimated claims payable	-	-	-	17,595
Bonds payable current	20,227	-	20,227	-
Interest payable	3,638	-	3,638	-
Total current liabilities	<u>59,115</u>	<u>2,846</u>	<u>61,961</u>	<u>21,585</u>
Noncurrent liabilities:				
Compensated absences	1,426	733	2,159	586
Bonds payable	177,007	-	177,007	-
Net pension & OPEB liabilities	23,038	12,964	36,002	4,377
Other long term debt	-	24	24	-
Estimated closure and post closure costs	-	16,817	16,817	-
Total noncurrent liabilities	<u>201,471</u>	<u>30,538</u>	<u>232,009</u>	<u>4,963</u>
Total liabilities	<u>260,586</u>	<u>33,384</u>	<u>293,970</u>	<u>26,548</u>
DEFERRED INFLOWS OF RESOURCES				
Credit amounts related to pensions and OPEB	<u>1,099</u>	<u>618</u>	<u>1,717</u>	<u>639</u>
NET POSITION				
Net investment in capital assets	362,330	34,857	397,187	4,775
Restricted for:				
Debt service	16,585	-	16,585	-
Revenue bond retirement, replacement and extension	10,559	-	10,559	-
OPEB benefits	93	50	143	30
Development Impact Fees	10,705	-	10,705	-
Unrestricted	56,104	(17,322)	38,782	12,536
Total net position	<u>\$ 456,376</u>	<u>\$ 17,585</u>	<u>\$ 473,961</u>	<u>\$ 17,341</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				
Net position of business type activities			<u>669</u>	
			<u>\$ 474,630</u>	

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

City of Glendale, Arizona
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2021
(amounts expressed in thousands)

	Business-Type Activities			Governmental
	Water and Sewer	Total Non-Major Funds	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES				
Intergovernmental	\$ 249	\$ 11,175	\$ 11,424	\$ -
Metered water sales	60,444	-	60,444	-
Sewer service charges	37,882	-	37,882	-
Container service	-	4,668	4,668	-
Curb service	-	14,987	14,987	-
landfill user fees	-	11,341	11,341	-
Self insurance premium	-	-	-	38,780
Charges for services	-	-	-	21,890
Miscellaneous	13	-	13	-
Recycling sales	-	874	874	-
Other fees	27,240	3,128	30,368	431
Total operating revenues	<u>125,828</u>	<u>46,173</u>	<u>172,001</u>	<u>61,101</u>
OPERATING EXPENSES				
Water	27,493	-	27,493	-
Sewer	15,122	-	15,122	-
Landfill	-	9,026	9,026	-
Housing	-	13,944	13,944	-
Closure/post-closure care adjustment	-	797	797	-
Solid Waste	-	17,791	17,791	-
Administrative and general	16,177	-	16,177	22,559
Insurance claims and premiums	-	-	-	34,659
Amortization and depreciation	26,371	3,423	29,794	374
Total operating expenses	<u>85,163</u>	<u>44,981</u>	<u>130,144</u>	<u>57,592</u>
Operating income (loss)	<u>40,665</u>	<u>1,192</u>	<u>41,857</u>	<u>3,509</u>
NONOPERATING REVENUES (EXPENSES)				
Impact Fees	4,230	-	4,230	-
Investment Income	160	70	230	336
Interest expense	(5,745)	-	(5,745)	-
Net loss from joint venture	(416)	-	(416)	-
Gain/(loss) on disposal of assets	42	218	260	(11)
Total nonoperating revenues (expenses)	<u>(1,729)</u>	<u>288</u>	<u>(1,441)</u>	<u>325</u>
Income (loss) before contributions and transfers	38,936	1,480	40,416	3,834
Capital contributions	3,156	55	3,211	-
Transfer in	415	1,202	1,617	-
Transfer out	(270)	(10)	(280)	-
Change in net position	42,237	2,727	44,964	3,834
Total net position - beginning	414,139	14,858		13,507
Total net position - ending	<u>\$ 456,376</u>	<u>\$ 17,585</u>		<u>\$ 17,341</u>
Adjustment to reflect the consolidation of internal service fund activities related to proprietary funds			473	
Change in net position of business activities			<u>45,437</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 Year Ended June 30, 2021
(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Major Funds	Other Proprietary Funds	Total	
	Water and Sewer			
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 122,915	\$ 34,584	\$ 157,499	\$ 60,974
Cash received from federal operating grants	-	11,305	11,305	-
Cash paid to internal city departments	(8,666)	(11,289)	(19,955)	(504)
Cash paid to external vendors	(26,755)	(19,232)	(45,987)	(15,216)
Cash paid for insurance and in settlement of claims	-	-	-	(33,363)
Cash paid to employees for services	(21,692)	(10,538)	(32,230)	(6,700)
Net cash provided (used) by operating activities	<u>65,802</u>	<u>4,830</u>	<u>70,632</u>	<u>5,191</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	415	1,202	1,617	-
Transfers out	(270)	(10)	(280)	-
Advances to/due from other funds	-	103	103	-
Net cash provided (used) by noncapital financing activities	<u>145</u>	<u>1,295</u>	<u>1,440</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from sale of capital assets	42	218	260	(11)
Principal payments on obligations	(42,270)	-	(42,270)	-
Acquisition of capital assets and rights	(69,107)	(5,337)	(74,444)	(614)
Bond issuance	57,012	-	57,012	-
Impact fees	4,230	-	4,230	-
Interest payments on obligations	(8,235)	-	(8,235)	-
Net cash provided (used) by capital and related financing activities	<u>(58,328)</u>	<u>(5,119)</u>	<u>(63,447)</u>	<u>(625)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received from investments	160	70	230	337
Net cash provided (used) by investing activities	<u>160</u>	<u>70</u>	<u>230</u>	<u>337</u>
Net increase (decrease) in cash and cash equivalents	7,779	1,076	8,855	4,903
Balances - beginning of year	47,220	9,934	57,154	30,782
Cash and restricted cash and investment balances - end of the year	<u>\$ 54,999</u>	<u>\$ 11,010</u>	<u>\$ 66,009</u>	<u>\$ 35,685</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating Income	\$ 40,665	\$ 1,192	\$ 41,857	\$ 3,509
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Amortization and depreciation	26,371	3,423	29,794	374
Changes in assets and liabilities:				
Accounts receivable	1,537	(123)	1,414	-
Intergovernmental receivable	(3,286)	130	(3,156)	(122)
Net OPEB asset	(57)	(31)	(88)	(19)
Net pension and OPEB liability	3,302	1,779	5,081	1,068
Deferred outflows related to pensions and OPEB	(1,855)	(1,002)	(2,857)	(597)
Deferred inflows related to pensions and OPEB	(1,582)	(865)	(2,447)	(498)
Inventories and prepaid items	(311)	2	(309)	27
Restricted deposits	(1,531)	-	(1,531)	-
Joint venture	1,947	-	1,947	-
Vouchers and accounts payable	220	(298)	(78)	252
Intergovernmental payable	(43)	11	(32)	-
Deposits	368	(419)	(51)	-
Compensated absences	57	128	185	144
Unearned rent	-	138	138	-
Other long term liabilities	-	(32)	(32)	-
Claims payable	-	-	-	1,053
Estimated closure and post-closure costs	-	797	797	-
Net cash provided (used) by operating activities	<u>\$ 65,802</u>	<u>\$ 4,830</u>	<u>\$ 70,632</u>	<u>\$ 5,191</u>
Noncash investing, capital and financing activities				
Contributions of capital assets	\$ 3,156	\$ 55	\$ 3,211	\$ -
Loss on joint venture	(416)	-	(416)	-
Amortization of deferred amount on refunding	(934)	-	(934)	-
Amortization of bond premium/discount	2,739	-	2,739	-
Total noncash investing, capital and financing activities	<u>\$ 4,545</u>	<u>\$ 55</u>	<u>\$ 4,600</u>	<u>\$ -</u>

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

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2021

(amounts expressed in thousands)

Notes to the Financial Statements

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

Index

	<u>Note</u>	<u>Page</u>
Summary of Significant Accounting Policies.....	I.....	36
Compliance – Excess of Expenditures Over Appropriations/Deficits in Fund Equity.....	II.....	47
Deposits and Investments.....	III.....	47
Note Receivable.....	IV.....	49
Capital Assets.....	V.....	50
Construction Commitments.....	VI.....	52
Internal Service Funds.....	VII.....	52
Leases.....	VIII.....	55
Short-Term Debt.....	IX.....	55
Long-Term Debt.....	X.....	55
Landfill Obligations.....	XI.....	64
Inter-fund Transactions.....	XII.....	65
Encumbrances.....	XIII.....	67
Equity in Joint Venture.....	XIV.....	67
Jointly Governed Organizations.....	XV.....	69
Governmental Fund Balance Components and Fund Type Definitions.....	XVI.....	69
Pensions and Other Postemployment Benefits.....	XVII.....	71
Contingent Liabilities and Commitments.....	XVIII.....	86
Tax Abatement.....	XIX.....	87
Implementation of New Accounting Principles.....	XX.....	88
Subsequent Events.....	XXI.....	89

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2021

(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, 2021

(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 *other special revenue fund* accounts for various activities, including the airport, miscellaneous grants, ARPA funds and other recreation programs.

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, 2021

(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, 2021

(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, 2021

(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, 2021, 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.

The remainder of this page left blank intentionally.
--

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2021

(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, 2021, is \$1,245. 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, 2021, the City has capitalized payment of \$4,463 for these water rights. Current year amortization was \$113. The net book value of these water rights as of June 30, 2021, is \$3,236.

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, 2021, 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, 2021

(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.

The remainder of this page left blank intentionally.
--

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2021

(amounts expressed in thousands)

Property Tax Calendar

Lien date	January 2, 2020
Levy (assessment) date (third Monday in August)	August 17, 2020
Due dates:	
First half of assessment	October 1, 2020
Second half of assessment	March 1, 2021
Penalties and interest added (collection dates):	
First half of assessment	November 2, 2020
Second half of assessment	May 3, 2021

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, 2021, is as follows:

<u>Fund</u>	<u>Rate</u>
General fund	\$ 0.40
General obligation debt service fund	1.40
Total	<u>\$ 1.80</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 June 30, 2021, and 2) sick leave, taken and paid for illness during that period, paid to terminating

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2021

(amounts expressed in thousands)

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 service funds include the cost of sales and services, administrative expenses, and depreciation on capital

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2021

(amounts expressed in thousands)

assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

R. Postemployment benefits

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

S. Deferred compensation

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

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

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

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

HB 2608 signed in July of 2013 closed the Elected Officials' Retirement Plan (EORP) to new members and established the new Elected Officials' Defined Contribution Retirement System (EODCRS) effective January 1, 2014 (A.R.S. Title 38, Chapter 5, Article 3.1). In addition to this new plan, the EODCRS Disability Program was also established (A.R.S. Title 38, Chapter 5, Article 3.2). EODCRS is a non-ERISA 401(a) plan type. If a person is elected, appointed, or hired on or after January 1, 2014, does not have money on account with EORP, does not have money on account with ASRS or does not timely opt out of the EODCRS to return to ASRS, if applicable, the elected official must be automatically enrolled

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2021

(amounts expressed in thousands)

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, 2021 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

Notes to the Financial Statements

June 30, 2021

(amounts expressed in thousands)

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

The net increase in the fair value of total investments during the fiscal year ended June 30, 2021, was \$1,908.

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

The City ended the fiscal year June 30, 2021, with a deficit net position of \$3,021 in the fleet services internal service fund. This deficit will be funded by increases in user premium charges in the next fiscal year.

III. Deposits and investments

The City maintains a cash management pool for its cash and cash equivalents in which each fund and/or account or sub-account of a fund participates on a dollar equivalent basis.

Deposits

At year-end, the carrying amount of the City's deposits was \$168,565 and the bank balances were \$169,767. The difference of \$1,202 represents deposits in transit, outstanding checks, and other reconciling items. At year-end, with the exception of \$242,660 of deposits that were uncollateralized, all of the City's deposits were covered by Federal depository insurance and collateral held in the City's name.

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, 2021. 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.

The remainder of this page left blank intentionally.
--

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2021

(amounts expressed in thousands)

As of June 30, 2021, the City had the following investments:

Investment Type	Investment Maturities (in years)				Fair Value
	0 - 1	1 - 2	2 - 3	Over 3	
Corporate Bonds	\$ 4,629	\$ 9,972	\$ 5,600	\$ -	\$ 20,201
U.S. Agencies	5,152	8,848	10,695	17,972	42,667
U.S. Treasury	74,317	14,844	13,075	27,051	129,287
Arizona LGIP-State Pool	24,886	-	-	-	24,886
Grand total investments	<u>\$ 108,984</u>	<u>\$ 33,664</u>	<u>\$ 29,370</u>	<u>\$ 45,023</u>	<u>\$ 217,041</u>
Cash deposits					168,563
Cash with fiscal agents					78,228
Total deposits and investments					<u>\$ 463,832</u>

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

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

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

The City's investments are classified as follows:

Investment at fair value level	Fair Value Measurements Using Levels			Totals
	Level 1	Level 2	Level 3	
Corporate Bonds	\$ -	\$ 20,201	\$ -	\$ 20,201
U.S. Agencies	-	42,667	-	42,667
U.S. Treasury	129,287	-	-	129,287
Total Investments at fair value level	<u>\$ 129,287</u>	<u>\$ 62,868</u>	<u>\$ -</u>	<u>192,155</u>
External Investment Pools Measured at Fair Value				
State Treasurer's Investment Pool				24,886
Total Investments				<u>\$ 217,041</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.

The remainder of this page left blank intentionally.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2021

(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, 2021, the City's investments were rated by Moody's Investor Service and Standard & Poor's as follows:

<u>Investment Type</u>	<u>S&P Rating</u>	<u>Moody's Rating</u>	<u>% of Total Investments</u>	<u>Weighted Average Maturity (Years)</u>
U.S. Treasury	AA+	Aaa	57.72%	1.88
U.S. Agencies	AA+	Aaa	22.20%	2.61
U.S. Treasury	A-1+	P-1	9.56%	0.38
Corporate	A+	A1	2.47%	0.89
Corporate	AA-	Aa2	2.13%	1.18
Corporate	AA	Aa2	2.01%	1.35
Corporate	AA+	Aa1	1.71%	2.06
Corporate	AAA	Aaa	1.65%	2.61
Corporate	AA-	Aa3	0.53%	1.59

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	\$ 129,287
Arizona LGIP Total	Arizona LGIP	24,886
Federal National Mortgage Associatio	U.S. Agencies	19,654

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 \$99,144 less an allowance for doubtful accounts in the amount of \$50,978 has been recorded at June 30, 2021. In the year 2020, the AZSTA began making payments to the City. A payment of \$3,141 has been received by the City on the note as of June 30, 2021. On December 27, 2012, the City of Glendale Municipal Property Corporation (MPC), a blended component unit of the City, issued subordinate excise tax revenue bonds to refund the \$199,750 third lien excise tax revenue bonds that were previously issued by the Western Loop 101 Public Facilities Corporation (PFC). The issuance of \$183,405 in tax-exempt bonds and \$16,850 in taxable bonds achieved debt service savings and lowered the next five fiscal years' annual rental payments under the Lease Agreement. In fiscal year 2016, the AZSTA receivable was recorded in the MPC debt service fund.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2021

(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, 2021, is as follows:

	Balances June 30, 2020	Increase	Decrease	Balances June 30, 2021
Governmental activities				
Non-depreciable assets:				
Construction in progress	\$ 13,951	\$ 23,526	\$ (25,996)	\$ 11,481
Land	117,784	629	(1,423)	116,990
Artwork	2,639	-	-	2,639
Total non-depreciable assets	<u>134,374</u>	<u>24,155</u>	<u>(27,419)</u>	<u>131,110</u>
Depreciable assets:				
Buildings	388,795	1,446	(56)	390,185
Improvements other than buildings	287,834	7	(2,508)	285,333
Infrastructure - streets	848,829	28,565	-	877,394
Infrastructure - parks	92,158	1,763	-	93,921
Infrastructure - flood/storm drains	80,312	409	-	80,721
Infrastructure - airport	21,341	-	-	21,341
Machinery and equipment	55,234	278	(13,855)	41,657
Computer equipment	5,394	208	(74)	5,528
Software	7,128	-	(217)	6,911
Automotive equipment	52,125	4,077	(2,804)	53,398
Total depreciable assets	<u>1,839,150</u>	<u>36,753</u>	<u>(19,514)</u>	<u>1,856,389</u>
Less accumulated depreciation for:				
Buildings	(161,145)	(9,465)	-	(170,610)
Improvements other than buildings	(175,789)	(9,573)	2,508	(182,854)
Infrastructure - streets	(376,439)	(22,703)	-	(399,142)
Infrastructure - parks	(52,421)	(3,109)	-	(55,530)
Infrastructure - flood/storm drains	(14,519)	(1,142)	-	(15,661)
Infrastructure - airport	(11,456)	(478)	-	(11,934)
Machinery and equipment	(46,641)	(2,146)	13,817	(34,970)
Computer equipment	(5,001)	(357)	71	(5,287)
Software	(4,661)	(107)	216	(4,552)
Automotive equipment	(35,231)	(3,658)	2,619	(36,270)
Total accumulated depreciation	<u>(883,303)</u>	<u>(52,738)</u>	<u>19,231</u>	<u>(916,810)</u>
Total depreciable assets, net	<u>955,847</u>	<u>(15,985)</u>	<u>(283)</u>	<u>939,579</u>
Governmental activities capital assets, net	<u>\$ 1,090,221</u>	<u>\$ 8,170</u>	<u>\$ (27,702)</u>	<u>\$ 1,070,689</u>

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2021

(amounts expressed in thousands)

	Balances June 30, 2020	Increase	Decrease	Balances June 30, 2021
Business-Type activities:				
Non-depreciable assets:				
Construction in progress - water and sewer	\$ 72,561	\$ 67,296	\$ (40,789)	\$ 99,068
Construction in progress - landfill	128	1,147	(1,175)	100
Construction in progress - housing authority	250	48	-	298
Land	16,070	1,070	-	17,140
Total non-depreciable assets	<u>89,009</u>	<u>69,561</u>	<u>(41,964)</u>	<u>116,606</u>
Depreciable assets:				
Buildings	17,720	3	-	17,723
Water rights	9,183	-	-	9,183
Improvements other than buildings	90,443	1,361	-	91,804
Water lines	150,961	5,139	-	156,100
Sewer lines	152,473	7,993	-	160,466
Water treatment plant	280,663	3,209	-	283,872
Sewer treatment plant	142,577	22,855	-	165,432
Meters and services	34,802	3,427	-	38,229
Fire hydrants	5,440	738	-	6,178
Machinery and equipment	5,291	793	(70)	6,014
Computer equipment	1,292	373	(68)	1,597
System Purchase	1,163	13	-	1,176
Automotive equipment	28,280	4,428	(2,424)	30,284
Total depreciable assets	<u>920,288</u>	<u>50,332</u>	<u>(2,562)</u>	<u>968,058</u>
Less accumulated depreciation for:				
Buildings	(11,885)	(362)	-	(12,247)
Water rights	(2,496)	(179)	-	(2,675)
Improvements other than buildings	(42,242)	(3,860)	-	(46,102)
Water lines	(59,728)	(3,652)	-	(63,380)
Sewer lines	(76,762)	(3,663)	-	(80,425)
Water treatment plant	(142,710)	(9,824)	-	(152,534)
Sewer treatment plant	(66,646)	(4,201)	-	(70,847)
Meters and services	(18,514)	(1,104)	-	(19,618)
Fire hydrants	(3,022)	(106)	-	(3,128)
Machinery and equipment	(3,717)	(576)	39	(4,254)
Computer equipment	(992)	(32)	68	(956)
System Purchase	(1,081)	-	16	(1,065)
Automotive equipment	(18,679)	(2,235)	2,391	(18,523)
Total accumulated depreciation	<u>(448,474)</u>	<u>(29,794)</u>	<u>2,514</u>	<u>(475,754)</u>
Total depreciable assets, net	<u>471,814</u>	<u>20,538</u>	<u>(48)</u>	<u>492,304</u>
Business-Type activities capital assets, net	<u>\$ 560,823</u>	<u>\$ 90,099</u>	<u>\$ (42,012)</u>	<u>\$ 608,910</u>

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2021

(amounts expressed in thousands)

Depreciation was charged to functions/programs as follows:

Governmental activities:

General	\$ 15,286
Public safety	5,044
Public works	15,207
Street maintenance	12,414
Community services	4,787
Total depreciation expense	<u>\$ 52,738</u>

Business-Type activities:

Water and sewer	\$ 26,371
Landfill	1,545
Solid Waste	1,612
Housing	266
Total depreciation expense	<u>\$ 29,794</u>

Included in the water and sewer depreciation amount is \$179 amortization of water storage rights.

VI. Construction commitments

The City has active construction projects as of June 30, 2021. 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:

Project	Spent-to-Date	Construction Commitment
General government	\$ 365	\$ 357
Community services	1,945	2,920
Public Safety	618	631
Public works	579	8
Street maintenance	4,681	3,147
Water and sewer facilities	99,068	5,728
Landfill	100	177
Solid Waste	-	16
Total primary government	<u>\$ 107,356</u>	<u>\$ 12,984</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 \$40,000. The risk management fund was fully self-insured through June 30, 1998, for tort liability losses. Effective July 1, 1998, the City purchased excess insurance. Currently the excess insurance liability coverage has a \$1,000 self-insured retention. The fund also purchased commercial insurance for

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2021

(amounts expressed in thousands)

airport owners and operators' liability with limits up to \$25 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 with a \$5 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 \$848,993 with varying sub limits and varying deductibles from \$25 up to \$500. The property coverage includes all-risk property, 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 \$4,000 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 \$2,000 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.

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

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2021

(amounts expressed in thousands)

D. Estimated liability

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

Liabilities include an amount for claims that have been incurred but not reported, the effects of specific, incremental claim adjustment expenses, and other allocated claim adjustment expenses 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 \$17,595 as of June 30, 2021. Changes in the balances of claims liabilities during the past two years are as follows:

	Risk Management		Workers' Compensation		Employee Benefits	
	2021	2020	2021	2020	2021	2020
Unpaid claims, beginning of fiscal year	\$ 4,458	\$ 4,404	\$ 7,542	\$ 6,852	\$ 4,691	\$ 3,744
Current year claims and changes in estimate	1,777	2,075	4,064	3,347	28,817	28,386
Claims payments	(2,504)	(2,021)	(2,285)	(2,657)	(28,965)	(27,439)
Balance at fiscal year end	<u>\$ 3,731</u>	<u>\$ 4,458</u>	<u>\$ 9,321</u>	<u>\$ 7,542</u>	<u>\$ 4,543</u>	<u>\$ 4,691</u>

E. Fleet Services

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

F. Technology

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

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2021

(amounts expressed in thousands)

VIII. Leases

A. Operating lease revenue

The City leases various City-owned properties and buildings under cancelable and non-cancelable long-term lease agreements through fiscal year 2021 and beyond. The carrying value of leased assets is \$239,103 (cost of \$488,929 less accumulated depreciation of \$249,826). The leased properties and buildings are included as capital assets in the government-wide financial statements. Certain leases contain provisions for future increased revenues based upon changes in the Consumer Price Index.

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

Fiscal Year	Total Revenues
2022	\$ 1,827
2023	1,455
2024	1,334
2025	1,316
2026	1,302
2027 and beyond	28,757
Total	<u>\$ 35,991</u>

IX. Short-term debt

The City did not issue short-term debt for the year ended June 30, 2021.

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 \$58,655 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 \$74,204. The current year revenues of \$35,329 collected in the transportation special revenue fund paid the current year principal and interest amounts of \$3,915 and \$2,785 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

Notes to the Financial Statements

June 30, 2021

(amounts expressed in thousands)

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 \$187,140 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 \$246,035. The current year principal and interest amount of \$10,815 and \$9,477 were funded with a transfer from the General fund.

The \$167,950 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 \$213,644. The current year principal and interest on the bonds were \$24,135 and net revenues of the system were \$71,426.

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 2003D in full as well as several maturities of the MPC bond series 2008A. In October 2017, subordinate excise tax revenue bonds were issued to partially refund MPC bond series 2012C. 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 \$289,936. Excise tax revenues pledged for repayment of MPC was \$206,532. The current year principal and interest paid was \$14,844.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2021

(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, 2021:

	June 30, 2020	Increases	Decreases	June 30, 2021	Amounts Due Within One Year
General obligation (GO) bonds	\$ 75,905	\$ 13,700	\$ (13,800)	\$ 75,805	\$ 14,930
General obligation (GO) bonds-					
Direct borrowing	24,540	-	(2,115)	22,425	2,185
Revenue bonds:					
Excise Tax Revenue bonds	197,955	-	(10,815)	187,140	11,690
Transportation bonds	55,340	-	(3,900)	51,440	4,095
Transportation bonds-Direct					
borrowing	7,230	-	(15)	7,215	15
Municipal Property Corporation	190,225	-	(5,375)	184,850	5,295
Total bonds payable	<u>551,195</u>	<u>13,700</u>	<u>(36,020)</u>	<u>528,875</u>	<u>38,210</u>
Other long-term obligations:					
Net pensions and OPEB liabilities	351,481	43,639	(1,177)	393,943	-
Compensated absences	30,352	13,752	(12,620)	31,484	15,720
Claims and judgments	16,691	34,658	(33,754)	17,595	17,595
Unamortized premium on debt					
issuance	48,823	2,277	(4,941)	46,159	4,775
Discount on debt					
issuance	(452)	-	26	(426)	-
Developer payable obligations	4,693	200	-	4,893	-
Total other long-term obligations	<u>451,588</u>	<u>94,526</u>	<u>(52,466)</u>	<u>493,648</u>	<u>38,090</u>
Total	<u>\$ 1,002,783</u>	<u>\$ 108,226</u>	<u>\$ (88,486)</u>	<u>\$ 1,022,523</u>	<u>\$ 76,300</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 \$1,022,523 in the total liabilities, \$579,501 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, 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, 2021

(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, 2021:

	June 30, 2020	Additions	Reductions	June 30, 2021	Amounts Due Within One Year
Water and sewer revenue/obligation bonds	\$ 167,250	\$ 42,970	\$ (42,270)	\$ 167,950	\$ 17,085
Other long-term obligations:					
Estimated closure and post-closure costs	16,019	798	-	16,817	-
Unamortized premium on debt issuance	17,981	14,042	(2,739)	29,284	3,142
Net pensions and OPEB liabilities	30,921	5,359	(278)	36,002	-
Compensated absences	4,161	1,846	(1,651)	4,356	2,197
Housing noncurrent liabilities	56		(32)	24	-
Total other long-term obligations	<u>69,138</u>	<u>22,045</u>	<u>(4,700)</u>	<u>86,483</u>	<u>5,339</u>
Total	<u>\$ 236,388</u>	<u>\$ 65,015</u>	<u>\$ (46,970)</u>	<u>\$ 254,433</u>	<u>\$ 22,424</u>

Of the \$254,433 in total liabilities, \$197,234 (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, 2021.

The remainder of this page left blank intentionally.
--

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2021

(amounts expressed in thousands)

F. Bonds payable

Bonds payable on June 30, 2021, are comprised of the following:

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

Purpose	Interest Rate	Issued Fiscal Year Ending June 30	Year Series Matures	Amount of Original Issue	Bonds Outstanding June 30, 2021
<u>GO bonds payable from secondary assessed property taxes</u>					
Refunding Tax-Exempt	4.00-5.00	2011	2022	38,300	3,370
Refunding Tax-Exempt	2.00-5.00	2015	2022	39,490	7,335
Various Tax-Exempt(A), Taxable(B)	1.54-4.00	2016	2036	27,285	25,405
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
Various Tax-Exempt 2021	3.00-5.00	2021	2041	13,700	13,700
Total					75,805
<u>GO bonds payable from secondary assessed property taxes-direct borrowing</u>					
Refunding Taxable BAB 2017	3.16	2018	2030	26,555	22,425
Total					22,425
<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	51,440
Total					51,440
<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	7,215
Total					7,215
<u>Excise Tax bonds payable from general fund sales tax</u>					
Refunding Tax-Exempt 2015A	5.00	2015	2031	100,430	82,700
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	29,145
Sub Refunding Tax-Exempt 2017	5.00	2018	2032	65,385	61,595
Total					187,140
<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	37,720
MPC Tax-Exempt refunding 2012B	5.00	2013	2033	39,620	37,405
MPC Tax-Exempt refunding 2012C	5.00	2013	2038	183,405	108,245
Total					184,850
Total bonds payable recorded in governmental activities					528,875
Less current portion					(38,210)
Long-term portion of bonds payable recorded in governmental activities					\$ 490,665

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2021

(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, 2021</u>
<u>Revenue bonds/obligations payable from water and sewer fund</u>					
Various refunding	2.00-5.00	2012	2028	77,635	43,345
Various refunding	2.50-5.00	2015	2028	121,245	81,635
Various refunding	5.00	2021	2030	20,250	20,250
Various	5.00	2021	2041	22,720	22,720
Total					<u>167,950</u>
Total bonds payable recorded in business-type activities					167,950
Less current portion					<u>(17,085)</u>
Long-term portion of bonds payable recorded in business-type activities					<u>\$ 150,865</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, 2021, is as follows:

	<u>6%</u>	<u>20%</u>
Capacity to incur bonded debt	\$ 143,700	\$ 479,001
Less: Bonded debt applicable to limit	<u>(8,514)</u>	<u>(95,584)</u>
Unused bonded debt capacity	<u>\$ 135,186</u>	<u>\$ 383,417</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.

The remainder of this page left blank intentionally.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2021

(amounts expressed in thousands)

H. Bonds authorized, issued and unissued

Bonds authorized but not fully issued as of June 30, 2021, are shown below:

GO bonds	Authorized Amount	Issued through June 30, 2021	Authorized but Unissued
<u>Voter authorized October 20, 1981</u>			
Operations center	\$ 6,750	\$ 550	\$ 6,200
<u>Voter authorized March 10, 1987</u>			
Library	9,698	8,000	1,698
<u>Voter authorized November 2, 1999</u>			
Cultural facility ⁽¹⁾	18,215	5,081	13,134
Economic development	50,500	28,453	22,047
Governmental facilities ⁽¹⁾	40,910	17,165	23,745
Landfill development ⁽¹⁾	17,000	1,460	15,540
Library	15,398	-	15,398
Open spaces	53,700	3,419	50,281
Transit ⁽¹⁾	6,935	185	6,750
<u>Voter authorized May 15, 2007</u>			
Flood control	20,554	11,049	9,505
Parks and recreation	16,155	3,643	12,512
Public safety	102,638	10,181	92,457
Streets and parking	79,065	61,373	17,692
Total GO bonds	\$ 437,518	\$ 150,559	\$ 286,959
<u>Revenue bonds</u>			
<u>Voter authorized November 2, 1999</u>			
Water and sewer ⁽¹⁾	\$ 10,000	\$ -	\$ 10,000
Total revenue bonds	10,000	-	10,000
Total bonds	\$ 447,518	\$ 150,559	\$ 296,959

(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, 2021

(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.

\$ 4,893

The remainder of this page left blank intentionally.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2021

(amounts expressed in thousands)

J. Future year debt service requirements

Fiscal Year Ending	Trans- portation Bonds	Trans- portation Bonds Direct Borrowing	MPC Bonds	Excise Tax Bonds	G.O. Bonds	G.O. Bonds Direct Borrowing	Water and Sewer Revenue Bonds/ Obligations	Total
2022	6,495	204	14,476	20,658	18,062	2,893	24,655	87,443
2023	6,490	204	13,150	21,987	6,285	2,898	25,800	76,814
2024	6,496	203	13,134	22,000	5,966	2,898	25,798	76,495
2025	6,495	208	13,096	22,034	5,138	2,899	25,794	75,664
2026	6,493	207	13,092	22,049	5,148	2,903	25,798	75,690
2027	6,494	207	13,090	22,041	5,145	2,905	23,342	73,224
2028	6,493	206	13,074	22,059	5,147	2,904	19,605	69,488
2029	6,494	206	13,836	21,300	5,322	2,905	8,122	58,185
2030	6,491	205	13,799	21,338	5,135	2,909	8,118	57,995
2031	6,494	205	13,792	21,342	5,137	-	2,420	49,390
2032	-	7,214	14,915	20,224	5,158	-	2,419	49,930
2033	-	-	27,821	9,003	5,224	-	2,420	44,468
2034	-	-	22,533	-	5,215	-	2,417	30,165
2035	-	-	22,533	-	5,213	-	2,420	30,166
2036	-	-	22,532	-	5,244	-	2,419	30,195
2037	-	-	22,531	-	3,094	-	2,419	28,044
2038	-	-	22,532	-	2,086	-	2,419	27,037
2039	-	-	-	-	809	-	2,420	3,229
2040	-	-	-	-	817	-	2,420	3,237
2041	-	-	-	-	819	-	2,420	3,239
Total	64,935	9,269	289,936	246,035	100,164	26,114	213,645	950,098
Less interest	13,495	2,054	105,086	58,895	24,359	3,689	45,695	253,273
Principal	<u>\$ 51,440</u>	<u>\$ 7,215</u>	<u>\$ 184,850</u>	<u>\$ 187,140</u>	<u>\$ 75,805</u>	<u>\$ 22,425</u>	<u>\$ 167,950</u>	<u>\$ 696,825</u>

The remainder of this page left blank intentionally.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2021

(amounts expressed in thousands)

The following table discloses the debt service requirements as of June 30, 2021, 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>
2022	55,295	32,148	87,443
2023	47,395	29,419	76,814
2024	49,040	27,455	76,495
2025	50,335	25,329	75,664
2026	52,545	23,145	75,690
2027-2031	229,605	78,677	308,282
2032-2036	152,845	32,079	184,924
2037-2041	59,765	5,021	64,786
Total	<u>\$ 696,825</u>	<u>\$ 253,273</u>	<u>\$ 950,098</u>

K. New bonds

On December 17, 2020, the City issued \$20,250 in Subordinate Lien Water and Sewer revenue refunding bonds with a stated rate of 5% and a true interest cost of 0.918% to refund \$25,685 of the 2027-2030 Water and Sewer revenue A bonds issued in 2010. The City will reduce its total debt service payments over the next 10 years by approximately \$6,500 and obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$6,896. The bonds are not a general obligation of the City but are a special revenue obligation of the City and are pledged and secured solely by the new revenues of the water and sewer system.

On June 3, 2021, the City issued \$13,700 in General Obligation bonds to fund streets and parking, public safety, flood control, open spaces, parks, and cultural facilities, construction, reconstruction, or other improvements. The 2021 bonds mature on various dates starting 2022 to 2041 with interest rates of 3.00%-5.00%. The bonds are a direct general obligation of the City and pledged by the full faith and credit of the City. They are repaid through the levying of property taxes by the City.

On June 10, 2021, the City issued \$22,720 in Subordinate Lien Water and Sewer revenue bonds to fund System acquisition, construction, and improvements. The 2021 bonds mature on various dates starting 2022 to 2041 with a fixed interest rate of 5.00%. The bonds are not a general obligation of the City but are a special revenue obligation of the City and are pledged and secured solely by the new revenues of the water and sewer system.

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, 2021, calculated below, represents the cumulative amount reported to date based on the use of estimated capacity of the landfill.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2021

(amounts expressed in thousands)

	<u>North Cell</u>	<u>South Cell</u>
Capacity (cubic yards)	29,076	24,607
Capacity used to date	-	22,468
Percentage of capacity used	-	91%
Total closure and post-closure costs in present dollars:		
as of June 30, 2021	\$ 19,612	\$ 18,417
as of June 30, 2020	\$ 19,124	\$ 17,959
Closure and post-closure care costs:		
Amount remaining to be recognized as of June 30, 2021	\$ 19,612	\$ 1,600
Liability recognized as of June 30, 2021	\$ -	\$ 16,817

These amounts are based on what it would cost to perform all closure and post-closure care in fiscal year 2020-21. 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.

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, 2021, consisted of the following:

A. Due to/due from

Due to general fund from:

Major governmental funds	
Other Special Revenue Fund	\$ 1,116
Other non-major governmental funds	
Community Development Block Grants Fund	349
Non-Major Proprietary Funds	
Solid Waste	103
Other proprietary fund	
Housing	8
Total due to general fund	<u>\$ 1,576</u>

The inter-fund balances at June 30, 2021, 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, 2021, are expected to be repaid within one year.

The remainder of this page left blank intentionally.
--

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2021

(amounts expressed in thousands)

B. Inter-fund transfers

Inter-fund transfers for the year ended June 30, 2021, consisted of the following:

Transfers to municipal property corporation debt service fund from:

General fund	14,869
Total transfers to municipal property corporation debt service fund	<u>14,869</u>

Transfers to other special revenue fund from:

General fund	2,261
Street construction fund	107
Other Construction Fund	10
Fire and police construction fund	16
Water and sewer	270
Non-major proprietary funds	<u>10</u>
Total transfers to non-major special revenue fund	<u>2,674</u>

Transfers to non-major special revenue fund from:

General fund	197
Total transfers to non-major special revenue fund	<u>197</u>

Transfers to non-major debt service funds from:

General fund	20,307
Transportation special revenue fund	<u>6,710</u>
Total transfers to non-major debt service funds	<u>27,017</u>

Transfers to non-major capital projects fund from:

Transportation special revenue fund	<u>9,290</u>
Total transfers to non-major capital projects fund	<u>9,290</u>

Transfers to Water and sewer proprietary fund from:

General fund	<u>415</u>
Total transfers to water and sewer proprietary fund	<u>415</u>

Transfers to non-major proprietary funds from:

General fund	<u>1,202</u>
Total transfers to other non-major proprietary fund	<u>1,202</u>

Grand total all transfers	<u><u>\$ 55,664</u></u>
---------------------------	-------------------------

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2021

(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, 2021, the City intended to honor \$3,616 of outstanding encumbrances in the new fiscal year.

Fund

Major:

General	\$	488
Transportation		8
Other special revenue		67
Water and sewer		915

Non-Major:

Highway Users Gas Tax		2
Internal Service		324
Other capital		1,518
Landfill		225
Sanitation		69
Total	\$	<u>3,616</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, 2020. The City accounts for its approximate 6.4% investment using the equity method in the water and sewer fund. For the year ended June 30, 2021, the City recognized a loss in the joint venture of \$416. The City has financed its share of construction costs through the issuance of revenue bonds, development fees and grants. The bonds are collateralized by a pledge of water revenues and are reflected in the financial statements of the water and sewer fund. The joint venture itself has not issued any debt.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2021

(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, 2020, is as follows:

Assets	
Current assets	\$ 64,452
Capital assets, net of accumulated depreciation	616,129
Total assets	<u>680,581</u>
Liabilities	
	<u>47,619</u>
Net position	<u>\$ 632,962</u>
Total revenues	\$ 66,062
Total expenses	<u>(89,234)</u>
Decrease in net position	<u>\$ (23,172)</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, 2020. The equity interest for the City at June 30, 2020, was \$2,826. The City accounts for its approximate 4.1% investment using the equity method in the Public Safety fund. For the year ended June 30, 2021, the City recognized a loss in the joint venture of \$36.

The remainder of this page left blank intentionally.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2021

(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, 2020, is as follows:

Assets	
Current assets	\$ 3,769
Capital assets, net of accumulated depreciation	<u>67,044</u>
Total assets	<u>70,813</u>
Liabilities and Deferred Inflows of Resources	
	<u>2,164</u>
Net position	<u>\$ 68,649</u>
Total revenues	\$ 13,019
Total expenses	<u>(15,268)</u>
Decrease in net position	<u>\$ (2,249)</u>

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

XV. Jointly governed organizations

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

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

XVI. Governmental fund balance components and fund type definitions

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

The City's general fund, unassigned fund balance at June 30, 2021 is \$54,511. Per the City's adopted financial policies, 10% of the general fund operating revenue which totals \$28,522 has been earmarked as the Budget Stabilization Reserve and \$25,989 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, 2021 to commit these funds; therefore, the funds are reported as unassigned.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2021

(amounts expressed in thousands)

	General	Transportation	Other Special Revenue	Municipal Property Corporation Debt Service	Other Non-Major Governmental Funds	Total Governmental Funds
Nonspendable						
Inventories and prepaid items	\$ 6,143	\$ 145	\$ -	\$ -	\$ -	\$ 6,288
Cemetery perpetual care	-	-	-	-	6,099	6,099
Total Nonspendable	<u>6,143</u>	<u>145</u>	<u>-</u>	<u>-</u>	<u>6,099</u>	<u>12,387</u>
Restricted						
Public transit	-	74,374	-	-	-	74,374
U.S. drug enforcement	-	-	1,290	-	-	1,290
Debt service	-	-	-	3,808	3,472	7,280
Court security	-	-	187	-	-	187
HOME program	-	-	-	-	447	447
Highway user revenue	-	-	-	-	13,849	13,849
Police activities	6,765	-	-	-	-	6,765
Fire activities	3,282	-	-	-	-	3,282
ARPA grant	-	-	463	-	-	463
Other grants	-	-	700	-	5	705
Development impact fees	-	-	-	-	28,227	28,227
Streets construction	-	-	-	-	4,400	4,400
Fire and police construction	-	-	-	-	2,095	2,095
Park bond construction	-	-	-	-	485	485
Economic development	-	-	-	-	1,008	1,008
Open space/trails	-	-	-	-	431	431
Cultural and historical projects	-	-	-	-	684	684
Government facilities	-	-	-	-	37	37
Neighborhood stabilization	-	-	-	-	876	876
Flood control construction	-	-	-	-	249	249
Total restricted	<u>10,047</u>	<u>74,374</u>	<u>2,640</u>	<u>3,808</u>	<u>56,265</u>	<u>147,134</u>
Committed						
Artwork	-	-	1,736	-	-	1,736
Pool/park repair	-	-	238	-	-	238
Total committed	<u>-</u>	<u>-</u>	<u>1,974</u>	<u>-</u>	<u>-</u>	<u>1,974</u>
Assigned						
Equipment replacement	442	-	-	-	-	442
General government capital projects	30,609	-	-	-	-	30,609
Fire Apparatus	12,500	-	-	-	-	12,500
Arena Capital	5,000	-	-	-	-	5,000
Pavement Management	3,000	-	-	-	-	3,000
Bed tax/tourism	2,271	-	-	-	-	2,271
Mega Events	3,000	-	-	-	-	3,000
Public safety training facility	-	-	959	-	-	959
TPT revenue stabilization	5,000	-	-	-	-	5,000
Inflation Risk	5,000	-	-	-	-	5,000
Total assigned	<u>66,822</u>	<u>-</u>	<u>959</u>	<u>-</u>	<u>-</u>	<u>67,781</u>
Unassigned fund balance	<u>54,511</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,511</u>
	<u>\$ 137,523</u>	<u>\$ 74,519</u>	<u>\$ 5,573</u>	<u>\$ 3,808</u>	<u>\$ 62,364</u>	<u>\$ 283,787</u>

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2021

(amounts expressed in thousands)

Enterprise Fund Type

Water and sewer fund

Restricted for debt service	\$ 16,585
Restricted for revenue bond retirement/replacement and extension	
Two percent of net water revenues must be, by bond ordinance, reserved for the replacement and extension of the City's water distribution system, or for the retirement of water revenue bonds. The reservation is only required to the extent that the reserve equals two percent of the value of net capital assets of the water and sewer fund.	10,559
Restricted for OPEB benefits	93
Restricted for other purposes	<u>10,705</u>
Total restricted for water and sewer	<u>37,942</u>
Other enterprise funds	
Restricted for OPEB benefits	<u>50</u>
Total restricted for other enterprise funds	<u>50</u>
Total restricted for enterprise fund types	<u><u>\$ 37,992</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, 2021, 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	\$ 1,773	\$ 143	\$ 1,916
Net pension and OPEB liabilities	393,943	36,002	429,945
Deferred outflows of resources to pensions and OPEB	89,501	7,019	96,520
Deferred inflows of resources related to pensions and OPEB	14,913	1,717	16,630
Pension and OPEB expense	47,027	2,598	49,625

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2021

(amounts expressed in thousands)

A. Arizona State Retirement System (ASRS)

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

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

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

**With actuarially reduced benefits*

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

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. For members with 10 or more years of service, benefits range from \$100 per month to \$260 per month depending on the age of the member and dependents. For members with 5 to 9 years of service, the benefits are the same dollar amounts as above multiplied by a vesting fraction based on completed years of service.

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

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2021

(amounts expressed in thousands)

Contributions - In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2021, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.22 percent (12.04 percent for retirement and 0.18 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 12.22 percent (11.65 percent for retirement, 0.39 percent for health insurance premium benefit, and 0.18 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 10.21 percent (10.14 percent for retirement, 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, 2021, were \$9,030, \$302, and \$139, respectively.

During fiscal year 2021, 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, 2021, the City reported the following asset and liabilities for its proportionate share of the ASRS' net pension/OPEB asset or liability:

<u>ASRS</u>	<u>Net pension/OPEB (asset) liability</u>
Pension	115,254
Health insurance premium benefit	(476)
Long-term disability	507

The net asset and net liabilities were measured as of June 30, 2020. 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, 2019, to the measurement date of June 30, 2020.

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, 2020. The City's proportions measured as of June 30, 2020, and the change from its proportions measured as of June 30, 2019 were:

<u>ASRS</u>	<u>Proportion June 30, 2020</u>	<u>Decrease from June 30, 2019</u>
Pension	0.66519%	(0.00518)
Health insurance premium benefit	0.67104%	(0.00495)
Long-term disability	0.66804%	(0.00531)

Expense - For the year ended June 30, 2021, the City recognized the following pension and OPEB expense:

<u>ASRS</u>	<u>Pension/OPEB expense</u>
Pension	\$ 11,056
Health insurance premium benefit	144
Long-term disability	159

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2021

(amounts expressed in thousands)

Deferred outflows/inflows of resources - At June 30, 2021 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	\$ 1,043	\$ -	\$ -	\$ 936	\$ 44	\$ 13
Changes of assumptions or other inputs	-	-	263	-	55	-
Net difference between projected and actual earnings on pension plan investments	11,116	-	486	-	56	-
Changes in proportion and differences between City contributions and proportionate share of contributions	-	1,492	1	-	7	9
City contributions subsequent to the measurement date	9,030	-	302	-	139	-
Total	\$ 21,189	\$ 1,492	\$ 1,052	\$ 936	\$ 301	\$ 22

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, 2022. 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>
2022	49	(101)	23
2023	3,159	2	32
2024	4,021	24	34
2025	3,438	(26)	30
2026	-	(85)	16
Thereafter	-	-	5

The remainder of this page left blank intentionally.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2021

(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 roll forward date	June 30, 2020
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, 2019, 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:

Asset Class	Target Allocation	Long-term expected geometric real rate of return
Equity	50%	6.39%
Real Estate	20%	5.85%
Fixed Income-Credit	20%	5.44%
Fixed Income-Int Rate Sensitive	10%	0.22%
Total	100%	

Discount Rate - At June 30, 2020, 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.

The remainder of this page left blank intentionally.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2021

(amounts expressed in thousands)

Sensitivity of the City’s proportionate share of the ASRS net pension/OPEB (asset) liability to changes in the discount rate - The following table presents the City’s proportionate share of the net pension/OPEB (asset) liability calculated using the discount rate of 7.5 percent, as well as what the City’s proportionate share of the net pension/OPEB (asset) liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5 percent) or 1 percentage point higher (8.5 percent) than the current rate.

ASRS	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
City’s proportionate share of the Net pension liability	\$ 157,609	\$ 115,254	\$ 79,848
Net insurance premium benefit liability (asset)	623	(476)	(1,410)
Net long-term disability liability	553	507	462

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.

The remainder of this page left blank intentionally.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2021

(amounts expressed in thousands)

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

	Initial Membership Date		
	Before January 1, 2012	On or after	
		January 1, 2012 and before July 1, 2017	On or after July 1, 2017
Retirement and Disability			
Years of service and age required to receive benefit	20 years of service, any age 15 years of service, age 62	25 years of service or 15 years of credited service, and age 52.5	15 years of credited service, age 52.5* 15 or more years of service, age 55
Final average salary is based on	Highest 36 consecutive months of last 20 years	Highest 60 consecutive months of last 20 years	Highest 60 consecutive months of last 15 years
Benefit percentage			
Normal Retirement	50% less 2.0% for each year of credited service less than 20 years OR plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	1.5% to 2.5% per year of credited service, not to exceed 80%	
Accidental Disability Retirement	50% or normal retirement, whichever is greater		
Catastrophic Disability Retirement	90% for the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater		
Ordinary Disability Retirement	Normal retirement calculated with actual years of credited service or 20 years of credited service, whichever is greater, multiplied by years of credited service (not to exceed 20 years) divided by 20		
Survivor Benefit			
Retired Members	80% to 100% of retired member's pension benefit		
Active Members	80% to 100% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job		

*With actuarially reduced benefits

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

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. Benefits range from \$100 per month to \$260 per month depending on the age of the member and dependents.

The remainder of this page left blank intentionally.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2021

(amounts expressed in thousands)

Employees Covered by Benefit Terms - At June 30, 2021, the following employees were covered by the agent plans' benefit terms:

	PSPRS Police		PSPRS Firefighters	
	Pension	Health	Pension	Health
Inactive employees or beneficiaries currently receiving benefits	237	237	106	106
Inactive employees entitled to but not yet receiving benefits	75	45	41	34
Active employees	365	365	204	204
Total	<u>677</u>	<u>647</u>	<u>351</u>	<u>344</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, 2021, are indicated below. Rates are a percentage of active members' annual covered payroll.

	Active member- pension	Active member- health insurance premium benefit	City-pension	City-health insurance premium benefit
PSPRS Police	7.65%-9.48%	0%-0.13%	47.85%-53.24%	0.46%-0.49%
PSPRS Firefighters	7.65%-10.60%	0%-0.18%	43.40%-48.80%	0.0%-0.18%

The City's contributions to the plans for the year ended June 30, 2021, were:

	Pension	Health insurance premium benefit
PSPRS-Police	\$ 18,012	\$ 155
PSPRS-Fire	10,077	3

During fiscal year 2021, the City paid for PSPRS pension and OPEB contributions 100 percent from the General Fund.

Liability - At June 30, 2021, the City reported the following assets and liabilities:

	Net pension (asset) liability	Net OPEB (asset) liability
PSPRS Police	\$ 207,505	\$ 551
PSPRS Firefighters	105,515	(1,440)

The net assets and net liabilities were measured as of June 30, 2020, and the total liability used to calculate the net asset or liability was determined by an actuarial valuation as of that date.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2021

(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, 2020
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, 2020, valuation was based on the results of an actuarial experience study for the 5-year period ended June 30, 2017.

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
Cash - Mellon	1%	-0.60%
Core bonds	2%	0.22%
Other assets (Capital appreciation)	7%	5.61%
Diversifying strategies	12%	3.22%
International public equity	15%	6.09%
Global private equity	18%	8.42%
Private credit	22%	5.31%
U.S. Public equity	23%	4.93%
Total	100%	

Discount Rate – At June 30, 2020, the discount rate used to measure the PSPRS total pension/OPEB liability was 7.3 percent for Tier 1/2 members. The discount rate used to measure the PSPRS total pension/OPEB liability was 7.0 percent for Tier 3 members. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rate and the member rate. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2021

(amounts expressed in thousands)

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

PSPRS - Police

	Pension			Health insurance premium benefit		
	Increase (decrease)			Increase (decrease)		
	Total pension liability (asset) (a)	Plan fiduciary net position (b)	Net pension liability (asset) (a) - (b)	Total OPEB liability (asset) (a)	Plan fiduciary net position (b)	Net OPEB liability (asset) (a) - (b)
Balance at June 30, 2020	\$ 356,082	\$ 167,953	\$ 188,129	\$ 5,964	\$ 5,438	\$ 526
Changes for the year:						
Service cost	8,002	-	8,002	160	-	160
Interest on the total liability	26,063	-	26,063	443	-	443
Differences between expected and actual experience in the measurement of the liability	8,375	-	8,375	(322)	-	(322)
Changes of assumptions or other inputs	-	-	-	-	-	-
Contributions - employer	-	17,737	(17,737)	-	186	(186)
Contributions - employee	-	3,159	(3,159)	-	8	(8)
Net investment income	-	2,301	(2,301)	-	68	(68)
Benefit payments, including refunds of employee contributions	(14,109)	(14,109)	-	(280)	(280)	-
Administrative expenses	-	(188)	188	-	(6)	6
Other changes	-	55	(55)	-	-	-
Adjustment to beginning of year	-	-	-	-	-	-
Net changes	<u>28,331</u>	<u>8,955</u>	<u>19,376</u>	<u>1</u>	<u>(24)</u>	<u>25</u>
Balance as of June 30, 2021	<u>\$ 384,413</u>	<u>\$ 176,908</u>	<u>\$ 207,505</u>	<u>\$ 5,965</u>	<u>\$ 5,414</u>	<u>\$ 551</u>

The remainder of this page left blank intentionally.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2021

(amounts expressed in thousands)

PSPRS - Firefighters	Pension			Health insurance premium benefit		
	Increase (decrease)			Increase (decrease)		
	Total pension liability (asset)	Plan fiduciary net position	Net pension liability (asset)	Total OPEB liability (asset)	Plan fiduciary net position	Net OPEB liability (asset)
Balance at June 30, 2020	\$ 216,183	\$ 122,583	\$ 93,600	\$ 3,110	\$ 4,634	\$ (1,524)
Changes for the year:						
Service cost	4,791	-	4,791	82	-	82
Interest on the total liability	15,828	-	15,828	231	-	231
Differences between expected and actual experience in the measurement of the liability	4,174	-	4,174	(174)	-	(174)
Changes of assumptions or other inputs	-	-	-	-	-	-
Contributions - employer	-	9,360	(9,360)	-	1	(1)
Contributions - employee	-	2,004	(2,004)	-	1	(1)
Net investment income	-	1,642	(1,642)	-	58	(58)
Benefit payments, including refunds of employee contributions	(8,309)	(8,309)	-	(122)	(122)	-
Administrative expenses	-	(133)	133	-	(5)	5
Other changes	-	5	(5)	-	-	-
Net changes	16,484	4,569	11,915	17	(67)	84
Balance as of June 30, 2021	\$ 232,667	\$ 127,152	\$ 105,515	\$ 3,127	\$ 4,567	\$ (1,440)

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 rate		
	1% Decrease (6.30%/6.00%)	rate (7.30%/7.00%)	1% Increase (8.30%/8.00%)
PSPRS Police			
Net pension liability	\$ 261,668	\$ 207,505	\$ 163,483
Net OPEB liability (asset)	1,228	551	(19)
PSPRS Firefighters			
Net pension liability	137,462	105,515	79,379
Net OPEB asset	(1,085)	(1,440)	(1,741)

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

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2021

(amounts expressed in thousands)

Expense - For the year ended June 30, 2021, the City recognized the following pension and OPEB expense:

	Pension Expense	OPEB Expense (Income)
PSPRS Police	\$ 27,470	\$ 42
PSPRS Firefighters	15,195	(93)

Deferred outflows/inflows of resources - At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension		Health insurance premium benefit	
	Deferred outflow of resources	Deferred inflows of resources	Deferred outflow of resources	Deferred inflows of resources
	Differences between expected and actual experience	\$ 9,252	\$ 2,524	\$ 60
Changes of assumptions or other inputs	8,428	-	54	103
Net difference between projected and actual earnings on plan investments	8,714	-	290	-
City contributions subsequent to the measurement date	18,012	-	155	-
Total	<u>\$ 44,406</u>	<u>\$ 2,524</u>	<u>\$ 559</u>	<u>\$ 1,126</u>

	Pension		Health insurance premium benefit	
	Deferred outflow of resources	Deferred inflows of resources	Deferred outflow of resources	Deferred inflows of resources
	Differences between expected and actual experience	\$ 4,038	\$ 5,104	\$ -
Changes of assumptions or other inputs	8,133	-	22	74
Net difference between projected and actual earnings on plan investments	6,494	-	246	-
City contributions subsequent to the measurement date	10,077	-	3	-
Total	<u>\$ 28,742</u>	<u>\$ 5,104</u>	<u>\$ 271</u>	<u>\$ 620</u>

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2021

(amounts expressed in thousands)

The amounts reported as deferred outflows of resources related to pensions and OPEB resulting from City contributions subsequent to the measurement date will be recognized as an increase in the net asset or a reduction of the net liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized as expenses as follows:

Year Ending June 30,	PSPRS Police		PSPRS Firefighters	
	Pension	Health	Pension	Health
2022	6,894	(167)	3,054	(76)
2023	5,634	(117)	3,467	(42)
2024	4,409	(105)	3,403	(46)
2025	4,414	(116)	2,601	(63)
2026	2,518	(171)	439	(99)
Thereafter	-	(46)	596	(25)

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, 2021, the number of employees covered by the plan totaled 536.

Inactive employees or beneficiaries currently receiving benefits	536
Active employees	-
Total	<u>536</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

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2021

(amounts expressed in thousands)

assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and actuarial value of assets, consistent with the long-term perspective of the calculations. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Healthcare costs were derived from age-neutral premiums, trended to the valuation date and adjusted for the risk characteristics of the group. Medical healthcare trends were projected at 7.0% 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 2021, amounts reflect updated mortality improvement assumptions with Scale MP-2020.

For June 30, 2021, the actuarial cost method used is the entry age normal method. A 1.92% 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%
2021	1.92%

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, 2021
Actuarial valuation date	June 30, 2021
Inflation	2.4%
Salary Increases	3.5% including inflation
Discount rate	1.92%
Mortality rates	
Pre-retirement	Not applicable since plan is closed to new retirees
Post-retirement	PubG.H-2010 and PubS.H-2010 healthy annuitant mortality table, generational with projection scale MP-2020
Health care cost trend rates	5.0%-7.00%

The remainder of this page left blank intentionally.
--

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2021

(amounts expressed in thousands)

Change in total OPEB liability

A change in the net OPEB liability was determined by an actuarial valuation as of June 30, 2021. The following table shows the changes in OPEB liability as of June 30, 2021.

Total OPEB liability balance at June 30, 2020	<u>\$ 2,161</u>
Changes for the Year	
Interest	40
Differences between expected and actual experience	(1,878)
Changes in assumptions or other inputs	491
Change in benefit terms	-
Benefit payments	<u>(201)</u>
Net Changes	<u>(1,548)</u>
Total OPEB liability balance at June 30, 2021	<u><u>\$ 613</u></u>

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

Discount rate sensitivity

The discount rate of 1.92% was used to measure the total OPEB liability. This discount rate is the Fidelity General Obligation AA 20 Year Yield as of June 30, 2021. The following table presents the City's net OPEB liability calculated using the discount rate noted above, as well as what the City's OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Discount rate	0.92%	1.92%	2.92%
Total OPEB liability	\$ 585	\$ 613	\$ 634

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>4.00%</u>	<u>5.00%</u>	<u>6.00%</u>
Total OPEB Liability	\$ 662	\$ 613	\$ 556

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2021

(amounts expressed in thousands)

OPEB expense

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

Interest	\$ 40
Difference between Actual and Expected Experience	(4,516)
Changes in Assumptions/Inputs	128
Change in Benefit Terms	0
Total FY20 OPEB Expense	<u>\$ (4,348)</u>

Deferred outflows/inflows of resources

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB as shown in the following table.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 3,459
Changes of assumptions or other inputs	-	1,347
Total	<u>\$ -</u>	<u>\$ 4,806</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,	<u>OPEB Expense</u>
2022	\$ (3,001)
2023	(602)
2024	(602)
2025	(601)
2026	-
Thereafter	-
	<u>\$ (4,806)</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.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2021

(amounts expressed in thousands)

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.

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, 2021.

The remainder of this page left blank intentionally.
--

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2021

(amounts expressed in thousands)

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 analyzes 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, 2021	\$827

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.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2021

(amounts expressed in thousands)

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 July 13, 2021 The City of Glendale closed on \$252,800 Certificates of Participation Taxable Series with U.S. National Bank Association whereby the proceeds were used to fund all or a portion of the City's unfunded liabilities with respect to the Arizona Public Safety Personnel Retirement System and one or more contingency reserve funds with respect to pension and related liabilities. In connection with the Certificates of Participation, the City entered into a ground lease and lease purchase agreement with the U.S. Bank National Association dated July 1, 2021. Under the terms of the fifteen-year lease-purchase agreement, the City leased twenty-nine properties and will make semiannual lease payments beginning December 15, 2021. The lease payments are subject to annual budget appropriation each fiscal period and are not a general obligation or indebtedness of the City or State.

On August 19, 2021 The City of Glendale notified the National Hockey League (NHL) and the Arizona Coyotes the operating agreement for use of the Gila River arena will not be renewed beyond the 2021-2022 hockey season.

On October 13, 2021 the City of Glendale advanced refunded \$16,705 Tax Exempt General Obligation Bonds series 2016A and \$11,020 in Tax Exempt General Obligation Bonds series 2018 with \$32,225 in Taxable General Obligation Refunding Bonds (2021 Bank Loan Obligations). The 2021 Bank Loan Obligations are general obligation indebtedness of the City.

The remainder of this page left blank intentionally.
--

This page left blank intentionally.



City of Glendale, Arizona

ANNUAL COMPREHENSIVE FINANCIAL REPORT

REQUIRED SUPPLEMENTARY INFORMATION

(other than MD&A)

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

This page left blank intentionally.

REQUIRED SUPPLEMENTARY INFORMATION SECTION

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

Contents

	<u>Pages</u>
Schedule of the City's Proportionate Share of the Net Pension/OPEB (Asset)/Liability Cost-Sharing Plans	90-91
Schedule of Changes in the City's Net Pension/OPEB (Asset)/Liability and Related Ratios Agent Plans	92-97
Schedule of OPEB Liability-City Plan	98-99
Schedule of City Pension/OPEB Contributions	100-103
Notes to Net Pension/OPEB (assets)/liability and contributions	104-105
Budgetary Comparison Schedule-General Fund	106-107
Budgetary Comparison Schedule-Transportation Special Revenue Fund	108
Budgetary Comparison Schedule-Other Special Revenue Funds	109
Notes to Required Supplementary Information	110-111

CITY OF GLENDALE, ARIZONA

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

Cost-sharing plans

June 30, 2021

(amounts expressed in thousands)

	Reporting fiscal year (measurement date)		
	2021 (2020)	2020 (2019)	2019 (2018)
ASRS-Pension			
City's proportion of the net pension liability	0.665190%	0.670370%	0.691230%
City's proportionate share of the net pension liability	\$ 115,254	\$ 97,547	\$ 96,402
City's covered payroll	\$ 70,766	\$ 69,407	\$ 67,340
City's proportionate share of the net pension liability as a percentage of its covered payroll	162.87%	140.54%	143.16%
Plan fiduciary net position as a percentage of the total pension liability	69.33%	73.24%	73.40%

	Reporting fiscal year (measurement date)		
	2021 (2020)	2020 (2019)	2019 (2018)
ASRS-Health insurance premium benefit			
City's proportion of the net OPEB (asset)	0.67104%	0.67599%	0.69452%
City's proportionate share of the net OPEB (asset)	\$ (475)	\$ (187)	\$ (250)
City's covered payroll	\$ 70,766	\$ 69,407	\$ 67,340
City's proportionate share of the net OPEB (asset) as a percentage of its covered payroll	(0.27%)	(0.27%)	(0.37%)
Plan fiduciary net position as a percentage of the total OPEB liability	104.33%	101.62%	102.20%

	Reporting fiscal year (measurement date)		
	2021 (2020)	2020 (2019)	2019 (2018)
ASRS-Long-term disability			
City's proportion of the net OPEB liability	0.66804%	0.67335%	0.69218%
City's proportionate share of the net OPEB liability	\$ 507	\$ 439	\$ 361
City's covered payroll	\$ 70,766	\$ 69,407	\$ 67,340
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.72%	0.63%	0.54%
Plan fiduciary net position as a percentage of the total OPEB liability	68.01%	72.85%	77.83%

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>2018 (2017)</u>	<u>2017 (2016)</u>	<u>2016 (2015)</u>	<u>2015 (2014)</u>	<u>2014 (2013)</u>	<u>2013 - 2011 (2012 - 2010)</u>
0.666400%	0.637060%	0.605260%	0.619749%	0.656524%	Information
\$ 103,812	\$ 102,830	\$ 94,278	\$ 91,702	\$ 109,143	Not Available
\$ 64,059	\$ 58,301	\$ 54,853	\$ 54,523	\$ 57,475	
162.06%	176.38%	171.87%	168.19%	189.90%	
69.92%	67.06%	68.35%	69.49%	N/A	

<u>2018 (2017)</u>	<u>2017 - 2011 (2016 - 2010)</u>
0.67058%	Information
\$ (365)	Not Available
\$ 64,059	
(0.57%)	
103.57%	

<u>2018 (2017)</u>	<u>2017 - 2011 (2016 - 2010)</u>
0.66674%	Information
\$ 242	Not Available
\$ 64,059	
0.38%	
84.44%	

CITY OF GLENDALE, ARIZONA

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

Agent plans

June 30, 2021

(amounts expressed in thousands)

Public Safety Personnel Retirement System - Police:

Pension

	Reporting fiscal year (measurement date)		
	2021 (2020)	2020 (2019)	2019 (2018)
Total pension liability:			
Service cost	\$ 8,002	\$ 8,355	\$ 8,012
Interest on the total pension liability	26,063	24,443	23,135
Changes of benefit terms	-	-	-
Differences between expected and actual experience in the measurement of the pension liability	8,375	661	(4,084)
Changes of assumptions or other inputs	-	7,193	-
Benefit payments, including refunds of employee contributions	(14,109)	(13,051)	(14,430)
Net change in total pension liability	28,331	27,601	12,633
Total pension liability - beginning	356,082	328,483	315,850
Total pension liability - ending (a)	<u>\$ 384,413</u>	<u>\$ 356,084</u>	<u>\$ 328,483</u>
Plan fiduciary net position:			
Contributions - employer	\$ 17,737	\$ 16,942	\$ 10,982
Contributions - employee	3,159	2,880	3,351
Net investment income	2,301	8,990	9,921
Benefit payments, including refunds of employee contributions	(14,109)	(13,051)	(14,430)
Administrative expenses	(188)	(157)	(152)
Other changes	55	(10)	192
Net change in plan fiduciary net position	8,955	15,594	9,864
Plan fiduciary net position - beginning	167,953	152,491	142,627
Adjustment to Beginning of year	-	(130)	-
Plan fiduciary net position - ending (b)	<u>\$ 176,908</u>	<u>\$ 167,955</u>	<u>\$ 152,491</u>
City's net pension liability (asset) - ending (a) - (b)	207,505	188,129	175,992
Plan fiduciary net position as a percentage of the total pension liability	46.02%	47.17%	46.42%
Covered payroll	35,635	36,383	36,201
City's net pension liability (asset) as a percentage of covered payroll	582.31%	517.08%	486.15%

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.

2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 - 2011 (2013 - 2010)
\$ 8,582	\$ 6,644	\$ 6,083	\$ 5,483	Information not available
20,971	18,964	17,857	14,973	
2,583	16,926	-	3,331	
6,973	(3,593)	1,067	2,845	
8,114	10,446	-	19,686	
<u>(13,390)</u>	<u>(11,246)</u>	<u>(11,143)</u>	<u>(8,616)</u>	
33,833	38,139	13,864	37,702	
282,017	243,876	230,012	192,310	
<u>\$ 315,850</u>	<u>\$ 282,015</u>	<u>\$ 243,876</u>	<u>\$ 230,012</u>	
\$ 13,678	\$ 13,527	\$ 9,691	\$ 8,221	
4,549	4,299	4,009	3,432	
15,468	729	4,023	12,960	
(13,390)	(11,246)	(11,143)	(8,616)	
(137)	(105)	(99)	(104)	
50	(2)	(6)	(124)	
<u>20,218</u>	<u>7,202</u>	<u>6,475</u>	<u>15,769</u>	
122,409	115,207	108,732	92,963	
-	-	-	-	
<u>\$ 142,627</u>	<u>\$ 122,409</u>	<u>\$ 115,207</u>	<u>\$ 108,732</u>	
173,223	159,606	128,669	121,280	
45.16%	43.40%	47.24%	47.27%	
37,234	34,196	33,350	31,815	
465.22%	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, 2021

(amounts expressed in thousands)

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

	Reporting fiscal year (measurement date)				2017 - 2011 (2016 - 2010) Information not available
	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	
Total OPEB Liability:					
Service cost	\$ 160	\$ 106	\$ 102	\$ 119	
Interest on the total OPEB liability	443	481	467	464	
Changes of benefit terms	-	-	-	11	
Differences between expected and actual experience in the measurement of the OPEB liability	(322)	(950)	(127)	211	
Changes of assumptions or other inputs	-	76	-	(359)	
Benefit payments, including refunds of employee contributions	(280)	(296)	(293)	(359)	
Net change in total OPEB liability	1	(583)	149	87	
Total OPEB liability - beginning	5,964	6,548	6,399	6,312	
Total OPEB liability - ending (a)	<u>\$ 5,965</u>	<u>\$ 5,965</u>	<u>\$ 6,548</u>	<u>\$ 6,399</u>	
Plan fiduciary net position:					
Contributions - employer	\$ 186	\$ 179	\$ 75	\$ 202	
Contributions - employee	8	5	1	-	
Net investment income	68	276	343	541	
Benefit payments	(280)	(296)	(293)	(359)	
Administrative expenses	(6)	(5)	(5)	(5)	
Other changes	-	-	1	-	
Net change in plan fiduciary net position	(24)	159	122	379	
Plan fiduciary net position - beginning	5,438	5,150	5,028	4,649	
Adjustment to beginning of year	-	130	-	-	
Plan fiduciary net position - ending (b)	<u>\$ 5,414</u>	<u>\$ 5,439</u>	<u>\$ 5,150</u>	<u>\$ 5,028</u>	
City's net OPEB liability (asset) - ending (a) - (b)	551	526	1,398	1,371	
Plan fiduciary net position as a percentage of the total OPEB liability	90.77%	91.18%	78.65%	78.58%	
Covered payroll	35,635	36,383	36,201	37,234	
City's net OPEB liability (asset) as a percentage of covered payroll	1.55%	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.

This page left blank intentionally.

CITY OF GLENDALE, ARIZONA

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

Agent plans

June 30, 2021

(amounts expressed in thousands)

Public Safety Personnel Retirement System - Fire:

Pension	Reporting fiscal year (measurement date)		
	2021 (2020)	2020 (2019)	2019 (2018)
Total pension liability:			
Service cost	\$ 4,791	\$ 4,831	\$ 4,963
Interest on the total pension liability	15,828	15,287	14,302
Changes of benefit terms	-	-	-
Differences between expected and actual experience in the measurement of the pension liability	4,174	(4,945)	(536)
Changes of assumptions or other inputs	-	3,704	-
Benefit payments, including refunds of employee contributions	(8,309)	(8,883)	(6,668)
Net change in total pension liability	16,484	9,994	12,061
Total pension liability - beginning	216,183	206,190	194,129
Total pension liability - ending (a)	<u>\$ 232,667</u>	<u>\$ 216,184</u>	<u>\$ 206,190</u>
Plan fiduciary net position:			
Contributions - employer	\$ 9,360	\$ 9,335	\$ 6,023
Contributions - employee	2,004	1,504	2,050
Net investment income	1,642	6,476	7,405
Benefit payments, including refunds of employee contributions	(8,309)	(8,883)	(6,668)
Administrative expenses	(134)	(113)	(113)
Other changes	5	-	54
Net change in plan fiduciary net position	4,568	8,319	8,751
Plan fiduciary net position - beginning	122,583	114,265	105,514
Plan fiduciary net position - ending (b)	<u>\$ 127,151</u>	<u>\$ 122,584</u>	<u>\$ 114,265</u>
City's net pension liability (asset) - ending (a) - (b)	105,516	93,600	91,925
Plan fiduciary net position as a percentage of the total pension liability	54.65%	56.70%	55.42%
Covered payroll	20,122	22,868	21,360
City's net pension liability (asset) as a percentage of covered payroll	524.38%	409.31%	430.36%

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.

2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 - 2011 (2013 - 2010)
\$ 5,062	\$ 4,065	\$ 3,858	\$ 3,805	Information not available
13,114	11,801	11,230	9,672	
1,055	12,497	-	1,658	
787	(2,923)	(823)	1,452	
5,437	6,345	-	9,623	
<u>(7,304)</u>	<u>(8,199)</u>	<u>(5,996)</u>	<u>(6,800)</u>	
18,151	23,586	8,269	19,410	
175,978	152,392	144,123	124,713	
<u>\$ 194,129</u>	<u>\$ 175,978</u>	<u>\$ 152,392</u>	<u>\$ 144,123</u>	
\$ 6,578	\$ 7,339	\$ 4,942	\$ 4,630	
2,604	2,649	2,380	2,265	
11,234	547	3,189	10,457	
(7,304)	(8,199)	(5,996)	(6,800)	
(100)	(79)	(78)	(84)	
<u>1</u>	<u>(232)</u>	<u>(389)</u>	<u>-</u>	
13,013	2,025	4,048	10,468	
92,501	90,476	86,428	75,960	
<u>\$ 105,514</u>	<u>\$ 92,501</u>	<u>\$ 90,476</u>	<u>\$ 86,428</u>	
88,615	83,477	61,916	57,695	
54.35%	52.56%	59.37%	59.97%	
20,840	20,296	20,570	19,291	
425.22%	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, 2021

(amounts expressed in thousands)

Public Safety Personnel Retirement System - Fire:

OPEB

	Reporting fiscal year (measurement date)				2017 - 2011 (2016 - 2010) Information not available
	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	
Total OPEB liability:					
Service cost	\$ 82	\$ 52	\$ 53	\$ 56	
Interest on the total OPEB liability	231	251	238	243	
Changes of benefit terms	-	-	-	3	
Differences between expected and actual experience in the measurement of the OPEB liability	(174)	(503)	(29)	(39)	
Changes of assumptions or other inputs	-	31	-	(145)	
Benefit payments, including refunds of employee contributions	(122)	(120)	(113)	(153)	
Net change in total OPEB liability	17	(289)	149	(35)	
Total OPEB liability - beginning	3,110	3,399	3,250	3,285	
Total OPEB liability - ending (a)	<u>\$ 3,127</u>	<u>\$ 3,110</u>	<u>\$ 3,399</u>	<u>\$ 3,250</u>	
Plan fiduciary net position:					
Contributions - employer	\$ 1	\$ -	\$ -	\$ -	
Contributions - employee	1	-	-	-	
Net investment income	58	242	300	465	
Benefit payments	(122)	(120)	(113)	(153)	
Administrative expenses	(5)	(4)	(4)	(4)	
Other changes	-	-	(1)	-	
Net change in plan fiduciary net position	(67)	118	182	308	
Plan fiduciary net position - beginning	4,634	4,516	4,334	4,026	
Plan fiduciary net position - ending (b)	<u>\$ 4,567</u>	<u>\$ 4,634</u>	<u>\$ 4,516</u>	<u>\$ 4,334</u>	
City's net OPEB liability (asset) - ending (a) - (b)	(1,440)	(1,524)	(1,117)	(1,084)	
Plan fiduciary net position as a percentage of the total OPEB liability	146.07%	149.05%	132.86%	133.36%	
Covered payroll	20,122	22,868	21,360	20,840	
City's net OPEB liability (asset) as a percentage of covered payroll	-7.16%	-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.

This page left blank intentionally.

CITY OF GLENDALE, ARIZONA
Schedule of OPEB Liability-City Plan
June 30, 2021
(amounts expressed in thousands)

Total OPEB Liability-City Plan	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Service Cost	\$ -	\$ -	\$ -
Interest	40	71	225
Changes of benefit terms	-	15	-
Differences between expected and actual experience	(1,878)	(239)	(3,204)
Changes in assumptions or other inputs	491	(582)	(175)
Benefit payments	(201)	(31)	(296)
Net Changes	<u>(1,548)</u>	<u>(766)</u>	<u>(3,450)</u>
Total OPEB Liability balance at June 30, 2020	<u>\$ 2,161</u>	<u>\$ 2,927</u>	<u>\$ 6,377</u>
Total OPEB Liability balance at June 30, 2021	<u>\$ 613</u>	<u>\$ 2,161</u>	<u>\$ 2,927</u>
Covered Employee Payroll	\$ -	\$ -	\$ -
Total OPEB Liability as a percentage of covered employee payroll	N\A	N\A	N\A
Discount Rate	1.92%	2.45%	3.13%

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, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>2015 - 2011</u>
\$ 3,083	\$ 3,494	\$ 3,376	Information Not Available
2,183	2,311	1,792	
(47,511)	(3,580)	-	
(11,823)	(2,463)	-	
(174)	(2,952)	-	
(6)	(237)	(620)	
<u>(54,248)</u>	<u>(3,427)</u>	<u>4,548</u>	
<u>\$ 60,625</u>	<u>\$ 64,052</u>	<u>\$ 59,504</u>	
<u>\$ 6,377</u>	<u>\$ 60,625</u>	<u>\$ 64,052</u>	
\$ -	\$ 113,677	\$ 93,944	
N/A	53.3%	68.2%	
3.62%	3.43%	2.85%	

CITY OF GLENDALE, ARIZONA
Schedule of city pension/OPEB contributions
June 30, 2021
(amounts expressed in thousands)

	2021	2020	2019	2018
ASRS-Pension:				
Statutorily required contribution	\$ 9,030	\$ 8,377	\$ 8,111	\$ 7,414
City's contribution in relation to the statutorily required contribution	9,030	8,377	8,111	7,414
City's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 69,867	\$ 70,766	\$ 69,407	\$ 67,340
City's contributions as a percentage of covered-payroll	12.92%	11.84%	11.69%	11.01%

	Reporting fiscal year			
	2021	2020	2019	2018
ASRS-Health insurance premium benefit:				
Statutorily required contribution	\$ 302	\$ 345	\$ 327	\$ 385
City's contribution in relation to the statutorily required contribution	302	345	327	385
City's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 69,867	\$ 70,766	\$ 69,407	\$ 67,340
City's contributions as a percentage of covered-payroll	0.43%	0.49%	0.47%	0.57%

	Reporting fiscal year			
	2021	2020	2019	2018
ASRS-Long-term disability:				
Statutorily required contribution	\$ 139	\$ 120	\$ 119	\$ 96
City's contribution in relation to the statutorily required contribution	139	120	119	96
City's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 69,867	\$ 70,766	\$ 69,407	\$ 67,340
City's contributions as a percentage of covered-payroll	0.20%	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, 2021
(amounts expressed in thousands)

	2021	2020	2019	2018
PSPRS Police-Pension:				
Actuarially determined contribution	\$ 18,012	\$ 17,500	\$ 16,942	\$ 10,982
City's contribution in relation to the actuarially determined contribution	18,012	17,500	17,306	10,828
City's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (364)</u>	<u>\$ 154</u>
City's covered payroll	\$ 34,313	\$ 35,635	\$ 36,383	\$ 36,201
City's contributions as a percentage of covered payroll	52.49%	49.11%	47.57%	29.91%

	Reporting fiscal year			
	2021	2020	2019	2018
PSPRS Police-OPEB:				
Actuarially determined contribution	\$ 155	\$ 187	\$ 179	\$ 75
City's contribution in relation to the actuarially determined contribution	155	187	183	135
City's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4)</u>	<u>\$ (60)</u>
City's covered payroll	\$ 34,313	\$ 35,635	\$ 36,383	\$ 36,201
City's contributions as a percentage of covered payroll	0.45%	0.52%	0.50%	0.37%

	2021	2020	2019	2018
PSPRS Fire-Pension:				
Actuarially determined contribution	\$ 10,077	\$ 9,451	\$ 9,335	\$ 6,023
City's contribution in relation to the actuarially determined contribution	10,077	9,451	9,435	5,607
City's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (100)</u>	<u>\$ 416</u>
City's covered payroll	\$ 20,625	\$ 20,122	\$ 22,868	\$ 21,360
City's contributions as a percentage of covered payroll	48.86%	46.97%	41.26%	26.25%

	Reporting fiscal year			
	2021	2020	2019	2018
PSPRS Fire-OPEB:				
Actuarially determined contribution	\$ 3	\$ 1	\$ -	\$ -
City's contribution in relation to the actuarially determined contribution	3	1	-	-
City's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 20,625	\$ 20,122	\$ 22,868	\$ 21,360
City's contributions as a percentage of covered payroll	0.01%	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%	

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: Level percent-of-pay, closed Members with initial membership on or after July 1, 2017: Level dollar closed
Remaining Amortization Period as of the 2019 Actuarial Valuation	Members with initial membership date before July 1, 2017: 18 years for unfunded actuarial accrued liability, 20 years for excess Members with initial membership on or after July 1, 2017: 10 years
Asset Valuation Method	Members with initial membership date before July 1, 2017: 7-year smoothed market value; 80%/120% market corridor Members with initial membership on or after July 1, 2017: 5-year smoothed market value; 80%/120% market corridor
Actuarial Assumptions: Investment Rate of Return	Members with initial membership date before July 1, 2017: In the 2017 actuarial valuation, the investment rate of return was decreased from 7.50% to 7.40%. In the 2016 actuarial valuation, the investment rate of return was decreased from 7.85% to 7.50%. In the 2013 actuarial valuation, the investment rate of return was decreased from 8.00% to 7.85%. 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, 2021

(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.

The remainder of this page left blank intentionally.
--

City of Glendale, Arizona
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2021
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
Budgetary fund balance, July 1	\$ 50,490	\$ 50,490	\$ 86,478	\$ 35,988
RESOURCES (INFLOWS):				
Taxes	119,898	119,898	143,620	23,722
Licenses and permits	12,365	12,365	20,114	7,749
Intergovernmental	72,465	72,465	78,606	6,141
Charges for services	18,980	18,980	15,745	(3,235)
Fines and forfeitures	2,706	2,706	2,389	(317)
Investment Income	825	825	624	(201)
Proceeds from equipment disposal	250	250	218	(32)
Proceeds from land sale	9,017	9,017	6,296	(2,721)
Local revenue	126	126	90	(36)
Miscellaneous	4,048	4,048	3,194	(854)
Total revenues	<u>240,680</u>	<u>240,680</u>	<u>270,896</u>	<u>30,216</u>
Transfer in	31,482	31,482	51,878	20,396
Transfer out	(42,631)	(42,633)	(63,241)	(20,608)
Amounts available for appropriation	<u>280,021</u>	<u>280,019</u>	<u>346,011</u>	<u>65,992</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current:				
General Government	37,661	38,910	34,823	4,087
Public Safety	150,456	150,455	137,367	13,088
Public Works	16,107	16,349	16,871	(522)
Community Services	22,098	22,109	19,279	2,830
Street Maintenance	922	975	4,292	(3,317)
Contingency	2,150	1,462	-	1,462
Capital Outlay	6,207	26,141	7,050	19,091
Total charges to appropriations	<u>235,601</u>	<u>256,401</u>	<u>219,682</u>	<u>36,719</u>
Budgetary fund balances, June 30	<u>\$ 44,420</u>	<u>\$ 23,618</u>	<u>\$ 126,329</u>	<u>\$ 102,711</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.	\$ 346,011
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.	(86,478)
Interest earned on restricted investments not available for appropriation	(1,963)
Indirect cost allocation	(10,000)
Proceeds from disposal of assets.	(6,514)
Revenue reported on a GAAP basis.	309
Miscellaneous	(76)
Police and fire sales tax revenue.	32,563
Less: transfers in.	(51,878)
Add: transfers out.	63,241
Total revenues as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 285,215</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 219,682
Differences - budget to GAAP:	
Salaries payable.	310
Trade in value of vehicle.	5
Change in prepaid assets or inventory.	1
Internal charges for services provided.	(10,000)
Miscellaneous	205
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 210,203</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Transportation Special Revenue Fund
For the Year Ended June 30, 2021
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Budgetary fund balance, July 1	\$ 40,254	\$ 40,254	\$ 63,261	\$ 23,007
RESOURCES (INFLOWS):				
Taxes	28,953	28,953	35,329	6,376
Intergovernmental	2,700	2,700	3,962	1,262
Charges for services	124	124	765	641
Investment Income	160	160	656	496
Miscellaneous	-	-	4	4
Total revenues	<u>31,937</u>	<u>31,937</u>	<u>40,716</u>	<u>8,779</u>
Transfer out	<u>(25,311)</u>	<u>(25,311)</u>	<u>(16,000)</u>	<u>9,311</u>
Amounts available for appropriation	<u>46,880</u>	<u>46,880</u>	<u>87,977</u>	<u>41,097</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current:				
Street Maintenance	14,803	14,953	12,230	2,723
Capital Outlay	<u>3,524</u>	<u>3,708</u>	<u>1,323</u>	<u>2,385</u>
Total charges to appropriations	<u>18,327</u>	<u>18,661</u>	<u>13,553</u>	<u>5,108</u>
Budgetary fund balances, June 30	<u>\$ 28,553</u>	<u>\$ 28,219</u>	<u>\$ 74,424</u>	<u>\$ 46,205</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.	\$ 87,977
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.	(63,261)
Miscellaneous	(1)
Add: Transfers out.	16,000
Total revenues as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 40,715</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 13,553
Differences - budget to GAAP:	
Salaries payable.	(3)
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 13,550</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Other Special Revenue Fund
For the Year Ended June 30, 2021
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Budgetary fund balance, July 1	\$ 5,462	\$ 5,462	\$ 4,286	\$ (1,176)
RESOURCES (INFLOWS):				
Licenses and permits	6	6	9	3
Intergovernmental	8,671	8,671	18,964	10,293
Charges for services	570	570	635	65
Fines and forfeitures	417	417	348	(69)
Investment Income	2	2	59	57
Local revenue	50	50	148	98
Miscellaneous	17,075	17,075	199	(16,876)
Total revenues	<u>26,791</u>	<u>26,791</u>	<u>20,362</u>	<u>(6,429)</u>
Transfer in	2,763	2,763	2,674	(89)
Amounts available for appropriation	<u>35,016</u>	<u>35,016</u>	<u>27,322</u>	<u>(7,694)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current:				
General Government	1,368	1,820	817	1,003
Public Safety	7,871	9,449	12,690	(3,241)
Public Works	1,704	1,804	1,788	16
Community Services	1,677	11,195	6,313	4,882
Street Maintenance	344	344	350	(6)
Contingency	12,187	427	-	427
Capital Outlay	7,163	7,921	415	7,506
Total charges to appropriations	<u>32,314</u>	<u>32,960</u>	<u>22,373</u>	<u>10,587</u>
Budgetary fund balances, June 30	\$ 2,702	\$ 2,056	\$ 4,949	\$ 2,893

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.	\$ 27,322
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(4,286)
Revenue reported on a GAAP basis.	(146)
Miscellaneous	(23)
Less: Transfers in.	(2,674)
Total revenues as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 20,193</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 22,373
Differences - budget to GAAP:	
Change in compensated absences liability.	12
Trade in value of vehicle.	54
Miscellaneous	(4)
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 22,435</u>

CITY OF GLENDALE, ARIZONA

Notes to Required Supplementary Information

June 30, 2021

(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, 2021

(amounts expressed in thousands)

II. Budgetary information

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

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

III. Contingency appropriation

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

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

This page left blank intentionally.



City of Glendale, Arizona

ANNUAL COMPREHENSIVE FINANCIAL REPORT

COMBINING STATEMENTS AND SCHEDULES

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

This page left blank intentionally.

City of Glendale, Arizona
Budgetary Comparison Schedule
Municipal Property Corporation Debt Service Fund
For the Year Ended June 30, 2021
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Budgetary fund balance, July 1	\$ 637	\$ 637	\$ 2,857	\$ 2,220
RESOURCES (INFLOWS):				
Intergovernmental	-	-	934	934
Investment Income	-	-	2	2
Total revenues	-	-	936	936
Transfer in	14,869	14,869	14,869	-
Amounts available for appropriation	15,506	15,506	18,662	3,156
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current:				
General Government	25	25	10	15
Debt service:				
Principal	5,375	5,375	5,375	-
Interest	9,469	9,469	9,469	-
Total charges to appropriations	14,869	14,869	14,854	15
Budgetary fund balances, June 30	\$ 637	\$ 637	\$ 3,808	\$ 3,171

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.

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.

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

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, 2021
(amounts expressed in thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Total Non-Major Governmental Funds
ASSETS					
Equity in pooled cash and investments	\$ 13,347	\$ 19,147	\$ 43,615	\$ 6,099	\$ 82,208
Receivables, net of allowance for doubtful accounts:					
Property tax	-	789	-	-	789
Accounts	4,968	-	64	117	5,149
Intergovernmental receivable	2,797	-	-	-	2,797
Restricted cash and investments	-	22,789	-	-	22,789
Total assets	<u>21,112</u>	<u>42,725</u>	<u>43,679</u>	<u>6,216</u>	<u>113,732</u>
LIABILITIES					
Vouchers payable	902	-	5,298	-	6,200
Accounts payable	6	12	34	-	52
Retainage payable	-	-	711	-	711
Compensated Absences - current	26	-	-	-	26
Due to other funds	349	-	-	-	349
Unearned revenue	4,650	-	22	-	4,672
Matured interest payable	-	8,066	-	-	8,066
Matured bonds payable	-	30,645	-	-	30,645
Total liabilities	<u>5,933</u>	<u>38,723</u>	<u>6,065</u>	<u>-</u>	<u>50,721</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows of Resources-Unavailable Revenue	-	530	-	117	647
FUND BALANCES					
Fund balances:					
Nonspendable	-	-	-	6,099	6,099
Restricted	15,179	3,472	37,614	-	56,265
Total fund balances	<u>15,179</u>	<u>3,472</u>	<u>37,614</u>	<u>6,099</u>	<u>62,364</u>
Total liabilities, deferred outflows of resources and fund balances	<u>\$ 21,112</u>	<u>\$ 42,725</u>	<u>\$ 43,679</u>	<u>\$ 6,216</u>	<u>\$ 113,732</u>

City of Glendale, Arizona
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2021
(amounts expressed in thousands)

	Community Development Block Grants	Highway User Revenue	Total Non-Major Special Revenue Funds
ASSETS			
Equity in pooled cash and investments	\$ 840	\$ 12,507	\$ 13,347
Receivables, net of allowance for doubtful accounts:			
Accounts	4,968	-	4,968
Intergovernmental receivable	1,210	1,587	2,797
Total assets	<u>7,018</u>	<u>14,094</u>	<u>21,112</u>
LIABILITIES			
Vouchers payable	681	221	902
Accounts payable	6	-	6
Compensated Absences - current	2	24	26
Due to other funds	349	-	349
Unearned revenue	4,650	-	4,650
Total liabilities	<u>5,688</u>	<u>245</u>	<u>5,933</u>
FUND BALANCES			
Fund balances:			
Restricted	1,330	13,849	15,179
Total fund balances	<u>1,330</u>	<u>13,849</u>	<u>15,179</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,018</u>	<u>\$ 14,094</u>	<u>\$ 21,112</u>

City of Glendale, Arizona
Combining Balance Sheet
Non-Major Debt Service Funds
June 30, 2021
(amounts expressed in thousands)

	General Obligation	Highway User	Transportation	Excise Tax Revenue	Total Non-Major Debt Service Funds
ASSETS					
Equity in pooled cash and investments	\$ 2,021	\$ 43	\$ 6,168	\$ 10,915	\$ 19,147
Receivables, net of allowance for doubtful accounts:					
Property tax	789	-	-	-	789
Restricted cash and investments	17,851	-	-	4,938	22,789
Total assets	<u>20,661</u>	<u>43</u>	<u>6,168</u>	<u>15,853</u>	<u>42,725</u>
LIABILITIES					
Accounts payable	11	-	1	-	12
Matured interest payable	1,936	-	1,392	4,738	8,066
Matured bonds payable	15,915	-	3,915	10,815	30,645
Total liabilities	<u>17,862</u>	<u>-</u>	<u>5,308</u>	<u>15,553</u>	<u>38,723</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows of Resources-Unavailable Revenue	<u>530</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>530</u>
FUND BALANCES					
Fund balances:					
Restricted	2,269	43	860	300	3,472
Total fund balances	<u>2,269</u>	<u>43</u>	<u>860</u>	<u>300</u>	<u>3,472</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 20,661</u>	<u>\$ 43</u>	<u>\$ 6,168</u>	<u>\$ 15,853</u>	<u>\$ 42,725</u>

City of Glendale, Arizona
Combining Balance Sheet
Non-Major Capital Projects Funds
 June 30, 2021
 (amounts expressed in thousands)

	Streets Construction	Fire and Police Construction	Parks Bond Construction	Other Construction	Development Impact Fees	Total Non-Major Capital Projects Funds
ASSETS						
Equity in pooled cash and investments	\$ 10,125	\$ 2,264	\$ 592	\$ 2,407	\$ 28,227	\$ 43,615
Receivables, net of allowance for doubtful accounts:						
Accounts	64	-	-	-	-	64
Total assets	<u>10,189</u>	<u>2,264</u>	<u>592</u>	<u>2,407</u>	<u>28,227</u>	<u>43,679</u>
LIABILITIES						
Vouchers payable	5,082	109	107	-	-	5,298
Accounts payable	-	34	-	-	-	34
Retainage payable	685	26	-	-	-	711
Unearned revenue	22	-	-	-	-	22
Total liabilities	<u>5,789</u>	<u>169</u>	<u>107</u>	<u>-</u>	<u>-</u>	<u>6,065</u>
FUND BALANCES						
Fund balances:						
Restricted	4,400	2,095	485	2,407	28,227	37,614
Total fund balances	<u>4,400</u>	<u>2,095</u>	<u>485</u>	<u>2,407</u>	<u>28,227</u>	<u>37,614</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 10,189</u>	<u>\$ 2,264</u>	<u>\$ 592</u>	<u>\$ 2,407</u>	<u>\$ 28,227</u>	<u>\$ 43,679</u>

City of Glendale, Arizona
Combining Balance Sheet
Non-Major Permanent funds
June 30, 2021
(amounts expressed in thousands)

	<u>Cemetery</u>
ASSETS	
Equity in pooled cash and investments	\$ 6,099
Receivables, net of allowance for doubtful accounts:	
Accounts	<u>117</u>
Total assets	<u><u>6,216</u></u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows of Resources-Unavailable Revenue	<u>117</u>
FUND BALANCES	
Fund balances:	
Nonspendable	<u>6,099</u>
Total fund balances	<u><u>6,099</u></u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 6,216</u></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, 2021
 (amounts expressed in thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Total Non-Major Governmental Funds
REVENUES					
Taxes and special assessments	\$ -	\$ 20,520	\$ -	\$ -	\$ 20,520
Licenses and permits	814	-	14,720	-	15,534
Intergovernmental	22,131	-	156	-	22,287
Fines and forfeitures	45	-	-	-	45
Investment Income	-	1	180	61	242
Miscellaneous	768	-	257	-	1,025
Total revenues	<u>23,758</u>	<u>20,521</u>	<u>15,313</u>	<u>61</u>	<u>59,653</u>
EXPENDITURES					
Current:					
General Government	-	18	101	-	119
Public Works	-	-	6	-	6
Public Safety	-	-	1,006	-	1,006
Community Services	4,709	-	56	-	4,765
Street Maintenance	11,594	-	9,923	-	21,517
Debt service:					
Principal	-	30,645	-	-	30,645
Interest	-	16,135	-	-	16,135
Capital outlay	-	-	19,221	-	19,221
Total expenditures	<u>16,303</u>	<u>46,798</u>	<u>30,313</u>	<u>-</u>	<u>93,414</u>
Excess (deficiency) of revenues over expenditures	<u>7,455</u>	<u>(26,277)</u>	<u>(15,000)</u>	<u>61</u>	<u>(33,761)</u>
OTHER FINANCING SOURCES (USES)					
Long term debt issued	-	-	13,700	-	13,700
Premium on long term debt issued	-	-	2,277	-	2,277
Proceeds from equipment disposal	15	-	-	-	15
Transfer in	197	27,017	9,290	-	36,504
Transfer out	-	-	(133)	-	(133)
Total other financing sources (uses)	<u>212</u>	<u>27,017</u>	<u>25,134</u>	<u>-</u>	<u>52,363</u>
Net change in fund balances	7,667	740	10,134	61	18,602
Fund balances - beginning	<u>7,512</u>	<u>2,732</u>	<u>27,480</u>	<u>6,038</u>	<u>43,762</u>
Fund balances - ending	<u>\$ 15,179</u>	<u>\$ 3,472</u>	<u>\$ 37,614</u>	<u>\$ 6,099</u>	<u>\$ 62,364</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, 2021
(amounts expressed in thousands)

	Community Development Block Grants	Highway User Revenue	Total Non-Major Special Revenue Funds
REVENUES			
Licenses and permits	\$ -	\$ 814	\$ 814
Intergovernmental	4,632	17,499	22,131
Fines and forfeitures	-	45	45
Miscellaneous	744	24	768
Total revenues	<u>5,376</u>	<u>18,382</u>	<u>23,758</u>
EXPENDITURES			
Current:			
Community Services	4,709	-	4,709
Street Maintenance	284	11,310	11,594
Total expenditures	<u>4,993</u>	<u>11,310</u>	<u>16,303</u>
Excess (deficiency) of revenues over expenditures	<u>383</u>	<u>7,072</u>	<u>7,455</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from equipment disposal	-	15	15
Transfer in	197	-	197
Total other financing sources (uses)	<u>197</u>	<u>15</u>	<u>212</u>
Net change in fund balances	580	7,087	7,667
Fund balances - beginning	750	6,762	7,512
Fund balances - ending	<u>\$ 1,330</u>	<u>\$ 13,849</u>	<u>\$ 15,179</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, 2021

(amounts expressed in thousands)

	General Obligation	Highway User	Transportation	Excise Tax Revenue	Total Non-Major Debt Service Funds
REVENUES					
Taxes and special assessments	\$ 20,520	\$ -	\$ -	\$ -	\$ 20,520
Investment Income	-	-	-	1	1
Total revenues	<u>20,520</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>20,521</u>
EXPENDITURES					
Current:					
General Government	8	-	1	9	18
Debt service:					
Principal	15,915	-	3,915	10,815	30,645
Interest	3,873	-	2,785	9,477	16,135
Total expenditures	<u>19,796</u>	<u>-</u>	<u>6,701</u>	<u>20,301</u>	<u>46,798</u>
Excess (deficiency) of revenues over expenditures	<u>724</u>	<u>-</u>	<u>(6,701)</u>	<u>(20,300)</u>	<u>(26,277)</u>
OTHER FINANCING SOURCES (USES)					
Transfer in	-	-	6,710	20,307	27,017
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>6,710</u>	<u>20,307</u>	<u>27,017</u>
Net change in fund balances	724	-	9	7	740
Fund balances - beginning	1,545	43	851	293	2,732
Fund balances - ending	<u>\$ 2,269</u>	<u>\$ 43</u>	<u>\$ 860</u>	<u>\$ 300</u>	<u>\$ 3,472</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, 2021
(amounts expressed in thousands)

	Streets Construction	Fire and Police Construction	Parks Bond Construction	Other Construction	Development Impact Fees	Total Non-Major Capital Projects Funds
REVENUES						
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ 14,720	\$ 14,720
Intergovernmental	156	-	-	-	-	156
Investment Income	-	-	-	-	180	180
Miscellaneous	257	-	-	-	-	257
Total revenues	<u>413</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,900</u>	<u>15,313</u>
EXPENDITURES						
Current:						
General Government	-	70	-	31	-	101
Public Safety	-	998	-	-	8	1,006
Public Works	-	-	-	6	-	6
Community Services	-	-	29	8	19	56
Street Maintenance	9,917	-	-	-	6	9,923
Capital outlay	14,462	2,056	1,207	-	1,496	19,221
Total expenditures	<u>24,379</u>	<u>3,124</u>	<u>1,236</u>	<u>45</u>	<u>1,529</u>	<u>30,313</u>
Excess (deficiency) of revenues over expenditures	<u>(23,966)</u>	<u>(3,124)</u>	<u>(1,236)</u>	<u>(45)</u>	<u>13,371</u>	<u>(15,000)</u>
OTHER FINANCING SOURCES (USES)						
Long term debt issued	6,707	4,834	1,570	589	-	13,700
Premium on long term debt issued	1,115	803	261	98	-	2,277
Transfer in	9,290	-	-	-	-	9,290
Transfer out	(107)	(16)	(10)	-	-	(133)
Total other financing sources (uses)	<u>17,005</u>	<u>5,621</u>	<u>1,821</u>	<u>687</u>	<u>-</u>	<u>25,134</u>
Net change in fund balances	(6,961)	2,497	585	642	13,371	10,134
Fund balances - beginning	11,361	(402)	(100)	1,765	14,856	27,480
Fund balances - ending	<u>\$ 4,400</u>	<u>\$ 2,095</u>	<u>\$ 485</u>	<u>\$ 2,407</u>	<u>\$ 28,227</u>	<u>\$ 37,614</u>

City of Glendale, Arizona
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Permanent Funds
For the Year Ended June 30, 2021
(amounts expressed in thousands)

	<u>Cemetery</u>
REVENUES	
Investment Income	\$ 61
Total revenues	<u>61</u>
Excess (deficiency) of revenues over expenditures	61
Fund balances - beginning	6,038
Fund balances - ending	<u>\$ 6,099</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Police and Fire Sales Tax Fund
For the Year Ended June 30, 2021
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Budgetary fund balance, July 1	\$ 3,284	\$ 3,284	\$ 5,264	\$ 1,980
RESOURCES (INFLOWS):				
Taxes	26,365	26,365	32,563	6,198
Total revenues	26,365	26,365	32,563	6,198
Transfer in	-	-	-	-
Transfer out	(27,890)	(27,890)	(27,890)	-
Amounts available for appropriation	1,759	1,759	9,937	8,178
Budgetary fund balances, June 30	<u>\$ 1,759</u>	<u>\$ 1,759</u>	<u>\$ 9,937</u>	<u>\$ 8,178</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Community Development Block Grants Fund
For the Year Ended June 30, 2021
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Budgetary fund balance, July 1	\$ 763	\$ 763	\$ 753	\$ (10)
RESOURCES (INFLOWS):				
Intergovernmental	6,271	6,271	4,632	(1,639)
Miscellaneous	142	142	742	600
Total revenues	6,413	6,413	5,374	(1,039)
Transfer in	-	-	197	197
Amounts available for appropriation	7,176	7,176	6,324	(852)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current:				
Community Services	2,231	4,708	4,708	-
Street Maintenance	4,075	4,075	284	3,791
Debt service:				
Principal	3	3	-	3
Interest	1	1	-	1
Total charges to appropriations	6,310	8,787	4,992	3,795
Budgetary fund balances, June 30	\$ 866	\$ (1,611)	\$ 1,332	\$ 2,943

City of Glendale, Arizona
Budgetary Comparison Schedule
Highway User Revenue
For the Year Ended June 30, 2021
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Budgetary fund balance, July 1	\$ 3,252	\$ 3,252	\$ 6,836	\$ 3,584
RESOURCES (INFLOWS):				
Licenses and permits	202	202	814	612
Intergovernmental	15,940	15,940	17,499	1,559
Fines and forfeitures	-	-	45	45
Miscellaneous	-	-	42	42
Total revenues	<u>16,142</u>	<u>16,142</u>	<u>18,400</u>	<u>2,258</u>
Transfer in	-	-	-	-
Transfer out	<u>(5,352)</u>	<u>(5,352)</u>	-	<u>5,352</u>
Amounts available for appropriation	<u>14,042</u>	<u>14,042</u>	<u>25,236</u>	<u>11,194</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current:				
Street Maintenance	12,011	12,011	11,308	703
Contingency	<u>1,000</u>	<u>1,000</u>	-	<u>1,000</u>
Total charges to appropriations	<u>13,011</u>	<u>13,011</u>	<u>11,308</u>	<u>1,703</u>
Budgetary fund balances, June 30	<u>\$ 1,031</u>	<u>\$ 1,031</u>	<u>\$ 13,928</u>	<u>\$ 12,897</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
General Obligation Debt Service Fund
For the Year Ended June 30, 2021
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Budgetary fund balance, July 1	\$ 13,023	\$ 13,023	\$ 1,545	\$ (11,478)
RESOURCES (INFLOWS):				
Taxes	20,690	20,690	20,520	(170)
Intergovernmental	237	237	-	(237)
Total revenues	<u>20,927</u>	<u>20,927</u>	<u>20,520</u>	<u>(407)</u>
Amounts available for appropriation	<u>33,950</u>	<u>33,950</u>	<u>22,065</u>	<u>(11,885)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current:				
General Government	325	325	8	317
Debt service:				
Principal	15,915	15,915	15,915	-
Interest	3,873	3,873	3,873	-
Total charges to appropriations	<u>20,113</u>	<u>20,113</u>	<u>19,796</u>	<u>317</u>
Budgetary fund balances, June 30	<u>\$ 13,837</u>	<u>\$ 13,837</u>	<u>\$ 2,269</u>	<u>\$ (11,568)</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Highway User Debt Service Fund
For the Year Ended June 30, 2021
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Budgetary fund balance, July 1	\$ 43	\$ 43	\$ 43	\$ -
RESOURCES (INFLOWS):				
Total revenues	-	-	-	-
Transfer in	-	-	-	-
Amounts available for appropriation	43	43	43	-
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
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, 2021
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Budgetary fund balance, July 1	\$ 5,264	\$ 5,264	\$ 851	\$ (4,413)
RESOURCES (INFLOWS):				
Total revenues	-	-	-	-
Transfer in	6,710	6,710	6,710	-
Amounts available for appropriation	11,974	11,974	7,561	(4,413)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current:				
General Government	10	10	1	9
Debt service:				
Principal	3,915	3,915	3,915	-
Interest	2,785	2,785	2,785	-
Total charges to appropriations	6,710	6,710	6,701	9
Budgetary fund balances, June 30	\$ 5,264	\$ 5,264	\$ 860	\$ (4,404)

City of Glendale, Arizona
Budgetary Comparison Schedule
Excise Tax Revenue Debt Service Fund
For the Year Ended June 30, 2021
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Budgetary fund balance, July 1	\$ 281	\$ 281	\$ 293	\$ 12
RESOURCES (INFLOWS):				
Investment Income	-	-	1	1
Total revenues	-	-	1	1
Transfer in	20,307	20,307	20,307	-
Amounts available for appropriation	20,588	20,588	20,601	13
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current:				
General Government	15	15	9	6
Debt service:				
Principal	10,815	10,815	10,815	-
Interest	9,477	9,477	9,477	-
Total charges to appropriations	20,307	20,307	20,301	6
Budgetary fund balances, June 30	\$ 281	\$ 281	\$ 300	\$ 19

City of Glendale, Arizona
Budgetary Comparison Schedule
Streets Construction Fund
For the Year Ended June 30, 2021
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Budgetary fund balance, July 1	\$ 10,659	\$ 10,659	\$ 11,300	\$ 641
RESOURCES (INFLOWS):				
Intergovernmental	-	-	156	156
Miscellaneous	-	-	22	22
Premium on long term debt issued	-	-	1,115	1,115
Long term debt issued	10,451	10,451	6,707	(3,744)
Total revenues	10,451	10,451	8,000	(2,451)
Transfer in	23,953	23,953	9,290	(14,663)
Transfer out	(307)	(339)	(107)	232
Amounts available for appropriation	44,756	44,724	28,483	(16,241)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current:				
Street Maintenance	150	473	9,917	(9,444)
Contingency	1,287	-	-	-
Capital Outlay	43,319	39,641	14,227	25,414
Total charges to appropriations	44,756	40,114	24,144	15,970
Budgetary fund balances, June 30	\$ -	\$ 4,610	\$ 4,339	\$ (271)

City of Glendale, Arizona
Budgetary Comparison Schedule
Fire and Police Construction Fund
For the Year Ended June 30, 2021
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Budgetary fund balance, July 1	\$ (766)	\$ (766)	\$ (402)	\$ 364
RESOURCES (INFLOWS):				
Premium on long term debt issued	-	-	803	803
Long term debt issued	8,568	8,568	4,834	(3,734)
Total revenues	8,568	8,568	5,637	(2,931)
Transfer in	-	-	-	-
Transfer out	(75)	(75)	(16)	59
Amounts available for appropriation	7,727	7,727	5,219	(2,508)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current:				
General Government	-	-	70	(70)
Public Safety	-	-	998	(998)
Capital Outlay	7,727	7,529	2,056	5,473
Total charges to appropriations	7,727	7,529	3,124	4,405
Budgetary fund balances, June 30	\$ -	\$ 198	\$ 2,095	\$ 1,897

City of Glendale, Arizona
Budgetary Comparison Schedule
Parks Bond Construction Fund
For the Year Ended June 30, 2021
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Budgetary fund balance, July 1	\$ 70	\$ 70	\$ (100)	\$ (170)
RESOURCES (INFLOWS):				
Premium on long term debt issued	-	-	261	261
Long term debt issued	1,808	1,808	1,570	(238)
Total revenues	1,808	1,808	1,831	23
Transfer in	-	-	-	-
Transfer out	-	-	(10)	(10)
Amounts available for appropriation	1,878	1,878	1,721	(157)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current:				
Community Services	-	-	29	(29)
Contingency	249	249	-	249
Capital Outlay	1,629	1,629	1,207	422
Total charges to appropriations	1,878	1,878	1,236	642
Budgetary fund balances, June 30	\$ -	\$ -	\$ 485	\$ 485

City of Glendale, Arizona
Budgetary Comparison Schedule
Other Construction Fund
For the Year Ended June 30, 2021
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Budgetary fund balance, July 1	\$ 346	\$ 346	\$ 1,765	\$ 1,419
RESOURCES (INFLOWS):				
Premium on long term debt issued	-	-	98	98
Long term debt issued	2,441	2,441	589	(1,852)
Total revenues	<u>2,441</u>	<u>2,441</u>	<u>687</u>	<u>(1,754)</u>
Transfer in	-	-	-	-
Transfer out	-	(2)	-	2
Amounts available for appropriation	<u>2,787</u>	<u>2,785</u>	<u>2,452</u>	<u>(333)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current:				
General Government	-	-	28	(28)
Public Works	-	-	6	(6)
Community Services	-	-	8	(8)
Contingency	1,944	936	-	936
Capital Outlay	843	823	-	823
Total charges to appropriations	<u>2,787</u>	<u>1,759</u>	<u>42</u>	<u>1,717</u>
Budgetary fund balances, June 30	<u>\$ -</u>	<u>\$ 1,026</u>	<u>\$ 2,410</u>	<u>\$ 1,384</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Development Impact Fees Fund
For the Year Ended June 30, 2021
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
Budgetary fund balance, July 1	\$ 12,213	\$ 12,213	\$ 14,856	\$ 2,643
RESOURCES (INFLOWS):				
Licenses and permits	3,850	3,850	14,720	10,870
Investment Income	40	40	180	140
Total revenues	<u>3,890</u>	<u>3,890</u>	<u>14,900</u>	<u>11,010</u>
Transfer in	-	-	13,909	13,909
Transfer out	-	(1)	(13,909)	(13,908)
Amounts available for appropriation	<u>16,103</u>	<u>16,102</u>	<u>29,756</u>	<u>13,654</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current:				
Public Safety	-	-	8	(8)
Community Services	-	-	19	(19)
Street Maintenance	-	-	6	(6)
Contingency	12,716	4,958	-	4,958
Capital Outlay	<u>3,387</u>	<u>3,394</u>	<u>1,496</u>	<u>1,898</u>
Total charges to appropriations	<u>16,103</u>	<u>8,352</u>	<u>1,529</u>	<u>6,823</u>
Budgetary fund balances, June 30	<u>\$ -</u>	<u>\$ 7,750</u>	<u>\$ 28,227</u>	<u>\$ 20,477</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Cemetery Perpetual Care Fund
For the Year Ended June 30, 2021
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Budgetary fund balance, July 1	\$ 5,048	\$ 5,048	\$ 6,038	\$ 990
RESOURCES (INFLOWS):				
Investment Income	26	26	61	35
Total revenues	26	26	61	35
Transfer in	-	-	-	-
Amounts available for appropriation	5,074	5,074	6,099	1,025
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current:				
Contingency	5,074	5,074	-	5,074
Total charges to appropriations	5,074	5,074	-	5,074
Budgetary fund balances, June 30	\$ -	\$ -	\$ 6,099	\$ 6,099

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, 2021
(amounts expressed in thousands)

	Landfill	Solid Waste	Housing	Total Non-Major Enterprise Funds
ASSETS				
Current assets:				
Equity in pooled cash and investments	\$ 7,304	\$ 35	\$ 3,671	\$ 11,010
Receivables:				
Accounts	810	2,798	9	3,617
Allowance for uncollectibles	(9)	(598)	-	(607)
Intergovernmental receivable	-	-	207	207
Inventories and prepaid items	-	-	15	15
Total current assets	<u>8,105</u>	<u>2,235</u>	<u>3,902</u>	<u>14,242</u>
Noncurrent assets:				
OPEB assets	15	27	8	50
Capital assets:				
Capital Assets	42,214	17,863	15,139	75,216
Accumulated Depreciation	(18,370)	(10,574)	(11,415)	(40,359)
Capital assets, net	<u>23,844</u>	<u>7,289</u>	<u>3,724</u>	<u>34,857</u>
Total noncurrent assets	<u>23,859</u>	<u>7,316</u>	<u>3,732</u>	<u>34,907</u>
Total assets	<u>31,964</u>	<u>9,551</u>	<u>7,634</u>	<u>49,149</u>
DEFERRED OUTFLOWS OF RESOURCES				
Debit amounts related to pensions and OPEB	800	1,261	377	2,438
Total deferred outflows of resources	<u>800</u>	<u>1,261</u>	<u>377</u>	<u>2,438</u>
LIABILITIES				
Current liabilities:				
Vouchers payable	340	350	54	744
Compensated absences	304	306	24	634
Intergovernmental payable	-	-	94	94
Unearned revenue	-	-	270	270
Due to other funds	-	103	8	111
Deposits	839	102	52	993
Total current liabilities	<u>1,483</u>	<u>861</u>	<u>502</u>	<u>2,846</u>
Noncurrent liabilities:				
Compensated absences	296	224	213	733
Net pension & OPEB liabilities	4,248	6,670	2,046	12,964
Other long term debt	-	-	24	24
Estimated closure and post closure costs	16,817	-	-	16,817
Total noncurrent liabilities	<u>21,361</u>	<u>6,894</u>	<u>2,283</u>	<u>30,538</u>
Total liabilities	<u>22,844</u>	<u>7,755</u>	<u>2,785</u>	<u>33,384</u>
DEFERRED INFLOWS OF RESOURCES				
Credit amounts related to pensions and OPEB	186	323	109	618
NET POSITION				
Net investment in capital assets	23,844	7,289	3,724	34,857
Restricted for:				
OPEB benefits	15	27	8	50
Unrestricted	(14,125)	(4,582)	1,385	(17,322)
Total net position	<u>\$ 9,734</u>	<u>\$ 2,734</u>	<u>\$ 5,117</u>	<u>\$ 17,585</u>

City of Glendale, Arizona
Combining Statement of Revenues, Expenses, and Changes in Net Position
Non-Major Proprietary Fund-Business Type Activities
For the Year Ended June 30, 2021
(amounts expressed in thousands)

	Landfill	Solid Waste	Housing	Total Non-Major Enterprise Funds
OPERATING REVENUES				
Intergovernmental	\$ -	\$ 221	\$ 10,954	\$ 11,175
Container service	-	4,668	-	4,668
Curb service	-	14,987	-	14,987
Landfill user fees	11,341	-	-	11,341
Recycling sales	874	-	-	874
Other fees	6	1	3,121	3,128
Total operating revenues	<u>12,221</u>	<u>19,877</u>	<u>14,075</u>	<u>46,173</u>
OPERATING EXPENSES				
Landfill	9,026	-	-	9,026
Housing	-	-	13,944	13,944
Closure/post-closure care adjustment	797	-	-	797
Solid Waste	-	17,791	-	17,791
Amortization and depreciation	1,545	1,612	266	3,423
Total operating expenses	<u>11,368</u>	<u>19,403</u>	<u>14,210</u>	<u>44,981</u>
Operating income (loss)	<u>853</u>	<u>474</u>	<u>(135)</u>	<u>1,192</u>
NONOPERATING REVENUES (EXPENSES)				
Investment Income	68	-	2	70
Gain/(loss) on disposal of assets	20	198	-	218
Total nonoperating revenues (expenses)	<u>88</u>	<u>198</u>	<u>2</u>	<u>288</u>
Income (loss) before contributions and transfers	941	672	(133)	1,480
Capital contributions	-	-	55	55
Transfer in	685	130	387	1,202
Transfer out	(10)	-	-	(10)
Change in net position	<u>1,616</u>	<u>802</u>	<u>309</u>	<u>2,727</u>
Total net position - beginning	<u>8,118</u>	<u>1,932</u>	<u>4,808</u>	<u>14,858</u>
Total net position - ending	<u>\$ 9,734</u>	<u>\$ 2,734</u>	<u>\$ 5,117</u>	<u>\$ 17,585</u>

City of Glendale, Arizona

Combining Statement of Cash Flows

Non-Major Proprietary Funds - Business-Type Activities

For the Year Ended June 30, 2021

(amounts expressed in thousands)

	Landfill	Solid Waste	Housing	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 11,820	\$ 19,520	\$ 3,244	\$ 34,584
Cash received from federal operating grants	-	221	11,084	11,305
Cash paid to internal city departments	(1,602)	(9,687)	-	(11,289)
Cash paid to external vendors	(4,297)	(2,044)	(12,891)	(19,232)
Cash paid to employees for services	(3,339)	(6,231)	(968)	(10,538)
Net cash provided (used) by operating activities	2,582	1,779	469	4,830

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Transfers in	685	130	387	1,202
Transfers out	(10)	-	-	(10)
Advances to/due from other funds	-	103	-	103
Net cash provided (used) by noncapital financing activities	675	233	387	1,295

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Proceeds from sale of capital assets	20	198	-	218
Acquisition of capital assets and rights	(2,669)	(2,668)	-	(5,337)
Net cash provided (used) by capital and related financing activities	(2,649)	(2,470)	-	(5,119)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received from investments	68	-	2	70
Net cash provided (used) by investing activities	68	-	2	70
Net increase (decrease) in cash and cash equivalents	676	(458)	858	1,076
Balances - beginning of year	6,628	493	2,813	9,934
Balances - end of the year	\$ 7,304	\$ 35	\$ 3,671	\$ 11,010

Reconciliation of operating income (loss) to net cash provided (used) by operating activities:

Operating Income	\$ 853	\$ 474	\$ (135)	\$ 1,192
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Amortization and depreciation	1,545	1,612	266	3,423
Changes in assets and liabilities:				
Accounts receivable	20	(135)	(8)	(123)
Intergovernmental receivable	-	-	130	130
Net OPEB asset	(9)	(17)	(5)	(31)
Net pension and OPEB liability	543	965	271	1,779
Deferred outflows related to pensions and OPEB	(303)	(545)	(154)	(1,002)
Deferred inflows related to pensions and OPEB	(251)	(478)	(136)	(865)
Inventories and prepaid items	-	-	2	2
Vouchers and accounts payable	(252)	(159)	113	(298)
Intergovernmental payable	2	9	-	11
Deposits	(422)	-	3	(419)
Unearned rent	-	-	128	128
Compensated absences	59	53	26	138
Other long term liabilities	-	-	(32)	(32)
Estimated closure and post-closure costs	797	-	-	797
Net cash provided (used) by operating activities	\$ 2,582	\$ 1,779	\$ 469	\$ 4,830

Noncash investing, capital and financing activities

Contributions of capital assets	\$ -	\$ -	\$ 55	\$ 55
Total noncash investing, capital and financing activities	\$ -	\$ -	\$ 55	\$ 55

City of Glendale, Arizona
Budgetary Comparison Schedule
Water and Sewer Fund
For the Year Ended June 30, 2021
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
Budgetary fund balance, July 1	\$ 59,688	\$ 59,688	\$ 33,153	\$ (26,535)
RESOURCES (INFLOWS):				
Intergovernmental	-	-	469	469
Metered water sales	52,730	52,730	60,171	7,441
Sewer service charges	34,589	34,589	37,882	3,293
Impact Fees	2,000	2,000	4,230	2,230
Other fees	1,068	1,068	1,212	144
Investment Income	1,173	1,173	160	(1,013)
Miscellaneous	30,121	30,121	22,897	(7,224)
Premium on long term debt issued	-	-	7,530	7,530
Long term debt issued	36,000	36,000	22,720	(13,280)
Total Revenues	157,681	157,681	157,271	(410)
Transfer in	24,839	24,839	29,699	4,860
Transfer out	(24,574)	(24,574)	(29,554)	(4,980)
Amounts available for appropriation	217,634	217,634	190,569	(27,065)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Contingency	2,000	-	-	-
Water	28,960	28,225	27,710	515
Sewer	18,489	16,927	15,038	1,889
Administrative and general	16,834	16,486	15,844	642
Capital Outlay	81,210	79,600	69,351	10,249
Principal	16,585	16,585	16,585	-
Interest expense	7,824	7,824	6,731	1,093
Total charges to appropriations	171,902	165,647	151,259	14,388
Budgetary fund balance, June 30	\$ 45,732	\$ 51,987	\$ 39,310	\$ (12,677)

City of Glendale, Arizona
Budgetary Comparison Schedule
Landfill Fund
For the Year Ended June 30, 2021
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Budgetary fund balance, July 1	\$ 7,766	\$ 7,766	\$ 5,667	\$ (2,099)
RESOURCES (INFLOWS):				
Landfill user fees	9,852	9,852	11,342	1,490
Recycling sales	736	736	874	138
Other fees	846	846	436	(410)
Investment Income	25	25	68	43
Proceeds from equipment disposal	-	-	20	20
Long term debt issued	2,500	2,500	-	(2,500)
Total Revenues	13,959	13,959	12,740	(1,219)
Transfer in	685	685	685	-
Transfer out	(16)	(16)	(10)	6
Amounts available for appropriation	22,394	22,394	19,082	(3,312)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Contingency	500	500	-	500
Landfill	9,934	9,937	9,421	516
Capital Outlay	10,960	7,536	2,668	4,868
Total charges to appropriations	21,394	17,973	12,089	5,884
Budgetary fund balance, June 30	\$ 1,000	\$ 4,421	\$ 6,993	\$ 2,572

City of Glendale, Arizona
Budgetary Comparison Schedule
Solid Waste Fund
For the Year Ended June 30, 2021
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Budgetary fund balance, July 1	\$ 7,816	\$ 7,816	\$ 2,199	\$ (5,617)
RESOURCES (INFLOWS):				
Intergovernmental	-	-	221	221
Container service	4,623	4,623	4,668	45
Curb service	14,802	14,802	14,960	158
Investment Income	21	21	-	(21)
Miscellaneous	53	53	1	(52)
Proceeds from equipment disposal	49	49	198	149
Total Revenues	19,548	19,548	20,048	500
Transfer in	130	130	130	-
Amounts available for appropriation	27,494	27,494	22,377	(5,117)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Contingency	200	-	-	-
Solid Waste	16,229	16,629	17,787	(1,158)
Capital Outlay	6,227	5,217	2,668	2,549
Total charges to appropriations	22,656	21,846	20,455	1,391
Budgetary fund balance, June 30	\$ 4,838	\$ 5,648	\$ 1,922	\$ (3,726)

City of Glendale, Arizona
Budgetary Comparison Schedule
Housing Fund
For the Year Ended June 30, 2021
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Budgetary fund balance, July 1	\$ 54	\$ 54	\$ 6,602	\$ 6,548
RESOURCES (INFLOWS):				
Intergovernmental	15,519	15,519	11,009	(4,510)
Investment Income	-	-	2	2
Miscellaneous	-	-	3,121	3,121
Total Revenues	<u>15,519</u>	<u>15,519</u>	<u>14,132</u>	<u>(1,387)</u>
Transfer in	387	387	387	-
Amounts available for appropriation	<u>15,960</u>	<u>15,960</u>	<u>21,121</u>	<u>5,161</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Housing	<u>15,022</u>	<u>15,022</u>	<u>13,966</u>	<u>1,056</u>
Total charges to appropriations	<u>15,022</u>	<u>15,022</u>	<u>13,966</u>	<u>1,056</u>
Budgetary fund balance, June 30	<u>\$ 938</u>	<u>\$ 938</u>	<u>\$ 7,155</u>	<u>\$ 6,217</u>



City of Glendale, Arizona

ANNUAL COMPREHENSIVE FINANCIAL REPORT

INTERNAL SERVICE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

This page left blank intentionally.

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
Non-Major Internal Service Funds
June 30, 2021
(amounts expressed in thousands)

	Risk Management	Workers' Compensation	Employee Benefits	Fleet Services	Technology	Total Non-Major Internal Service Funds
ASSETS						
Current assets:						
Equity in pooled cash and investments	\$ 5,818	\$ 9,606	\$ 10,219	\$ 285	\$ 9,757	\$ 35,685
Receivables:						
Accounts	-	-	303	-	-	303
Intergovernmental receivable	-	-	-	9	-	9
Inventories and prepaid items	16	-	-	60	-	76
Total current assets	<u>5,834</u>	<u>9,606</u>	<u>10,522</u>	<u>354</u>	<u>9,757</u>	<u>36,073</u>
Noncurrent assets:						
Restricted Deposits	-	150	1,425	-	-	1,575
Restricted cash and investments	-	-	-	-	-	-
OPEB assets	1	1	-	11	17	30
Capital assets:						
Capital Assets	-	-	-	753	8,927	9,680
Accumulated Depreciation	-	-	-	(714)	(4,191)	(4,905)
Capital assets, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>39</u>	<u>4,736</u>	<u>4,775</u>
Total noncurrent assets	<u>1</u>	<u>151</u>	<u>1,425</u>	<u>50</u>	<u>4,753</u>	<u>6,380</u>
Total assets	<u>5,835</u>	<u>9,757</u>	<u>11,947</u>	<u>404</u>	<u>14,510</u>	<u>42,453</u>
DEFERRED OUTFLOWS OF RESOURCES						
Debit amounts related to pensions and OPEB	69	46	-	1,016	944	2,075
Total deferred outflows of resources	<u>69</u>	<u>46</u>	<u>-</u>	<u>1,016</u>	<u>944</u>	<u>2,075</u>
LIABILITIES						
Current liabilities:						
Vouchers payable	51	325	2,533	276	175	3,360
Accounts payable	-	-	-	-	58	58
Compensated absences	30	26	-	181	335	572
Estimated claims payable	3,731	9,321	4,543	-	-	17,595
Total current liabilities	<u>3,812</u>	<u>9,672</u>	<u>7,076</u>	<u>457</u>	<u>568</u>	<u>21,585</u>
Noncurrent liabilities:						
Compensated absences	25	31	-	210	320	586
Net pension & OPEB liabilities	89	41	-	3,176	1,071	4,377
Total noncurrent liabilities	<u>114</u>	<u>72</u>	<u>-</u>	<u>3,386</u>	<u>1,391</u>	<u>4,963</u>
Total liabilities	<u>3,926</u>	<u>9,744</u>	<u>7,076</u>	<u>3,843</u>	<u>1,959</u>	<u>26,548</u>
DEFERRED INFLOWS OF RESOURCES						
Credit amounts related to pensions and OPEB	1	6	-	598	34	639
NET POSITION						
Net investment in capital assets	-	-	-	39	4,736	4,775
Restricted for:						
OPEB benefits	1	1	-	11	17	30
Unrestricted	1,976	52	4,871	(3,071)	8,708	12,536
Total net position	<u>\$ 1,977</u>	<u>\$ 53</u>	<u>\$ 4,871</u>	<u>\$ (3,021)</u>	<u>\$ 13,461</u>	<u>\$ 17,341</u>

City of Glendale, Arizona
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2021
(amounts expressed in thousands)

	Risk Management	Workers' Compensation	Employee Benefits	Fleet Services	Technology	Total Internal Service Funds
OPERATING REVENUES						
Self insurance premium	\$ 4,625	\$ 4,850	\$ 29,305	\$ -	\$ -	\$ 38,780
Charges for services	-	-	-	9,370	12,520	21,890
Other fees	398	2	20	-	11	431
Total operating revenues	<u>5,023</u>	<u>4,852</u>	<u>29,325</u>	<u>9,370</u>	<u>12,531</u>	<u>61,101</u>
OPERATING EXPENSES						
Administrative and general	2,201	838	248	9,332	9,940	22,559
Insurance claims and premiums	1,778	4,064	28,817	-	-	34,659
Amortization and depreciation	-	-	-	13	361	374
Total operating expenses	<u>3,979</u>	<u>4,902</u>	<u>29,065</u>	<u>9,345</u>	<u>10,301</u>	<u>57,592</u>
Operating income (loss)	<u>1,044</u>	<u>(50)</u>	<u>260</u>	<u>25</u>	<u>2,230</u>	<u>3,509</u>
NONOPERATING REVENUES (EXPENSES)						
Investment Income	75	110	108	-	43	336
Gain/(loss) on disposal of assets	-	-	-	-	(11)	(11)
Total nonoperating revenues (expenses)	<u>75</u>	<u>110</u>	<u>108</u>	<u>-</u>	<u>32</u>	<u>325</u>
Income (loss) before contributions and transfers	<u>1,119</u>	<u>60</u>	<u>368</u>	<u>25</u>	<u>2,262</u>	<u>3,834</u>
Change in net position	1,119	60	368	25	2,262	3,834
Total net position - beginning	858	(7)	4,503	(3,046)	11,199	13,507
Total net position - ending	<u>\$ 1,977</u>	<u>\$ 53</u>	<u>\$ 4,871</u>	<u>\$ (3,021)</u>	<u>\$ 13,461</u>	<u>\$ 17,341</u>

City of Glendale, Arizona
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2021
(amounts expressed in thousands)

	Risk Management	Workers' Compensation	Employee Benefits	Fleet Services	Technology	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers	\$ 5,023	\$ 4,850	\$ 29,188	\$ 9,382	\$ 12,531	\$ 60,974
Cash paid to internal city departments	(2)	(2)	-	(349)	(151)	(504)
Cash paid to external vendors	(1,931)	(359)	-	(6,393)	(6,533)	(15,216)
Cash paid for insurance and in settlement of claims	(2,503)	(2,285)	(28,575)	-	-	(33,363)
Cash paid to employees for services	(254)	(270)	-	(2,561)	(3,615)	(6,700)
Net cash provided (used) by operating activities	<u>333</u>	<u>1,934</u>	<u>613</u>	<u>79</u>	<u>2,232</u>	<u>5,191</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from sale of capital assets	-	-	-	-	(11)	(11)
Acquisition of capital assets and rights	-	-	-	-	(614)	(614)
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(625)</u>	<u>(625)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received from investments	75	111	108	-	43	337
Net cash provided (used) by investing activities	<u>75</u>	<u>111</u>	<u>108</u>	<u>-</u>	<u>43</u>	<u>337</u>
Net increase (decrease) in cash and cash equivalents	408	2,045	721	79	1,650	4,903
Balances - beginning of year	5,410	7,561	9,498	206	8,107	30,782
Balances - end of the year	<u>\$ 5,818</u>	<u>\$ 9,606</u>	<u>\$ 10,219</u>	<u>\$ 285</u>	<u>\$ 9,757</u>	<u>\$ 35,685</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating Income	\$ 1,044	\$ (50)	\$ 260	\$ 25	\$ 2,230	\$ 3,509
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Amortization and depreciation	-	-	-	13	361	374
Changes in assets and liabilities:						
Intergovernmental receivable	-	-	(135)	13	-	(122)
Net OPEB asset	(1)	(1)	-	(7)	(10)	(19)
Net pension and OPEB liability	44	31	-	393	600	1,068
Deferred outflows related to pensions and OPEB	(24)	(18)	-	(222)	(333)	(597)
Deferred inflows related to pensions and OPEB	(19)	(15)	-	(192)	(272)	(498)
Inventories and prepaid items	-	-	46	(19)	-	27
Vouchers and accounts payable	8	203	442	88	(489)	252
Compensated absences	7	5	-	(13)	145	144
Claims payable	(726)	1,779	-	-	-	1,053
Net cash provided (used) by operating activities	<u>\$ 333</u>	<u>\$ 1,934</u>	<u>\$ 613</u>	<u>\$ 79</u>	<u>\$ 2,232</u>	<u>\$ 5,191</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Risk Management Fund
For the Year Ended June 30, 2021
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
Budgetary fund balance, July 1	\$ 5,248	\$ 5,248	\$ 5,367	\$ 119
RESOURCES (INFLOWS):				
Self insurance premium	4,505	4,505	4,625	120
Investment Income	20	20	75	55
Miscellaneous	100	100	398	298
Total Revenues	<u>4,625</u>	<u>4,625</u>	<u>5,098</u>	<u>473</u>
Amounts available for appropriation	<u>9,873</u>	<u>9,873</u>	<u>10,465</u>	<u>592</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Contingency	1,000	750	-	750
Administrative and general	2,194	2,244	2,191	53
Insurance claims and premiums	2,431	2,631	2,504	127
Total charges to appropriations	<u>5,625</u>	<u>5,625</u>	<u>4,695</u>	<u>930</u>
Budgetary fund balance, June 30	<u>\$ 4,248</u>	<u>\$ 4,248</u>	<u>\$ 5,770</u>	<u>\$ 1,522</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Employee Benefits Fund
For the Year Ended June 30, 2021
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Budgetary fund balance, July 1	\$ 14,501	\$ 14,501	\$ 9,193	\$ (5,308)
RESOURCES (INFLOWS):				
Self insurance premium	32,458	32,458	29,305	(3,153)
Investment Income	-	-	108	108
Miscellaneous	-	-	20	20
Total Revenues	<u>32,458</u>	<u>32,458</u>	<u>29,433</u>	<u>(3,025)</u>
Amounts available for appropriation	<u>46,959</u>	<u>46,959</u>	<u>38,626</u>	<u>(8,333)</u>
CHARGES TO APPROPRIATIONS				
(OUTFLOWS):				
Administrative and general	204	204	248	(44)
Insurance claims and premiums	<u>32,254</u>	<u>32,254</u>	<u>28,964</u>	<u>3,290</u>
Total charges to appropriations	<u>32,458</u>	<u>32,458</u>	<u>29,212</u>	<u>3,246</u>
Budgetary fund balance, June 30	<u>\$ 14,501</u>	<u>\$ 14,501</u>	<u>\$ 9,414</u>	<u>\$ (5,087)</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Workers' Compensation Fund
For the Year Ended June 30, 2021
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Budgetary fund balance, July 1	\$ 7,542	\$ 7,542	\$ 7,590	\$ 48
RESOURCES (INFLOWS):				
Self insurance premium	4,724	4,724	4,850	126
Investment Income	26	26	110	84
Miscellaneous	-	-	2	2
Total Revenues	<u>4,750</u>	<u>4,750</u>	<u>4,962</u>	<u>212</u>
Amounts available for appropriation	<u>12,292</u>	<u>12,292</u>	<u>12,552</u>	<u>260</u>
CHARGES TO APPROPRIATIONS				
(OUTFLOWS):				
Contingency	1,000	1,000	-	1,000
Administrative and general	1,292	1,292	835	457
Insurance claims and premiums	3,459	3,459	2,285	1,174
Total charges to appropriations	<u>5,751</u>	<u>5,751</u>	<u>3,120</u>	<u>2,631</u>
Budgetary fund balance, June 30	<u>\$ 6,541</u>	<u>\$ 6,541</u>	<u>\$ 9,432</u>	<u>\$ 2,891</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Fleet Services Fund
For the Year Ended June 30, 2021
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Budgetary fund balance, July 1	\$ -	\$ -	\$ 42	\$ 42
RESOURCES (INFLOWS):				
Self insurance premium	9,680	9,680	9,370	(310)
Miscellaneous	225	225	-	(225)
Total Revenues	<u>9,905</u>	<u>9,905</u>	<u>9,370</u>	<u>(535)</u>
Amounts available for appropriation	<u>9,905</u>	<u>9,905</u>	<u>9,412</u>	<u>(493)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Administrative and general	9,905	9,905	9,372	533
Total charges to appropriations	<u>9,905</u>	<u>9,905</u>	<u>9,372</u>	<u>533</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40</u>	<u>\$ 40</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Technology Fund
For the Year Ended June 30, 2021
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Budgetary fund balance, July 1	\$ 3,329	\$ 3,329	\$ 7,364	\$ 4,035
RESOURCES (INFLOWS):				
Self insurance premium	12,520	12,520	12,520	-
Investment Income	-	-	43	43
Miscellaneous	-	-	11	11
Total Revenues	<u>12,520</u>	<u>12,520</u>	<u>12,574</u>	<u>54</u>
Amounts available for appropriation	<u>15,849</u>	<u>15,849</u>	<u>19,938</u>	<u>4,089</u>
CHARGES TO APPROPRIATIONS				
(OUTFLOWS):				
Contingency	99	99	-	99
Administrative and general	14,650	14,650	10,245	4,405
Capital Outlay	<u>1,100</u>	<u>1,100</u>	<u>188</u>	<u>912</u>
Total charges to appropriations	<u>15,849</u>	<u>15,849</u>	<u>10,433</u>	<u>5,416</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,505</u>	<u>\$ 9,505</u>

This page left blank intentionally.



City of Glendale, Arizona

ANNUAL COMPREHENSIVE FINANCIAL REPORT

SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

This page left blank intentionally.

Federal Financial Data Schedule (PHA: AZ003)

For the Fiscal Year Ended June 30, 2021

(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	PHC Public Housing CARES Act Funding	HCV CARES Act Funding	EHV Emergency Housing Voucher	Resident Opportunity and Supportive Services	Eliminations	Total
ASSETS:									
Current assets:									
Cash:									
111	Cash - unrestricted	\$ 1,123,174	\$ 1,346,909	\$ -	\$ -	\$ 154,800	\$ -	\$ -	\$ 2,624,883
112	Cash - restricted - modernization and development	-	-	-	-	-	-	-	-
113	Cash - other restricted	-	730,603	-	263,711	-	-	-	994,314
114	Cash - tenant security deposits	52,000	-	-	-	-	-	-	52,000
115	Cash - restricted for payment of current liability	-	-	-	-	-	-	-	-
100	Total cash	<u>1,175,174</u>	<u>2,077,512</u>	<u>-</u>	<u>263,711</u>	<u>154,800</u>	<u>-</u>	<u>-</u>	<u>3,671,197</u>
Accounts receivables:									
121	Accounts receivable - PHA projects	-	19,906	-	-	-	-	-	19,906
122	Accounts receivable - HUD other projects	12,225	-	27,960	-	-	-	-	40,185
124	Accounts receivable - other government	-	-	-	-	-	-	-	-
125	Accounts receivable - miscellaneous	6,330	-	-	-	-	-	-	6,330
126	Accounts receivable - tenants	4,677	-	-	-	-	-	-	4,677
126.1	Allowance for doubtful accounts - tenants	(1,709)	-	-	-	-	-	-	(1,709)
126.2	Allowance for doubtful accounts - other	-	-	-	-	-	-	-	-
127	Notes, loans, & mortgages receivable - current	-	-	-	-	-	-	-	-
128	Fraud recovery	11,219	2,667	-	-	-	-	-	13,886
128.1	Allowance for doubtful accounts - fraud	(11,219)	(2,667)	-	-	-	-	-	(13,886)
129	Accrued interest receivable	-	-	-	-	-	-	-	-
120	Total receivables, net of allowances for doubtful accounts	<u>21,523</u>	<u>19,906</u>	<u>27,960</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,389</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	15,441	-	-	-	-	-	-	15,441
143.1	Allowance for obsolete inventories	(772)	-	-	-	-	-	-	(772)
144	Inter program - due from	175,145	-	-	-	-	-	(27,960)	147,185
145	Assets held for sale	-	-	-	-	-	-	-	-
150	Total current assets	<u>1,386,511</u>	<u>2,097,418</u>	<u>27,960</u>	<u>263,711</u>	<u>154,800</u>	<u>-</u>	<u>(27,960)</u>	<u>3,902,440</u>

(continued)

Balance Sheet

Line Item No.	Account Description	Project Total	Housing Choice Vouchers	PHC Public Housing CARES Act Funding	HCV CARES Act Funding	EHV Emergency Housing Voucher	Resident Opportunity and Supportive Services	Eliminations	Total
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	589,718	-	-	-	-	-	-	589,718
164	Furniture, equipment & machinery - administration	203,309	102,908	-	-	-	-	-	306,217
165	Leasehold improvements	2,377,945	-	-	-	-	-	-	2,377,945
166	Accumulated depreciation	(11,219,645)	(195,233)	-	-	-	-	-	(11,414,878)
167	Construction in progress	298,357	-	-	-	-	-	-	298,357
168	Infrastructure	-	-	-	-	-	-	-	-
160	Total capital assets, net of accumulated depreciation	<u>3,666,406</u>	<u>57,673</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,724,079</u>
171	Notes, loans, & mortgages receivable - non-current	-	-	-	-	-	-	-	-
172	Notes, loans, & mortgages receivable - non-current - past due	-	-	-	-	-	-	-	-
173	Grants receivable - non-current	-	-	-	-	-	-	-	-
174	Other assets	2,915	4,671	-	-	-	-	-	7,586
176	Investment in joint venture	-	-	-	-	-	-	-	-
180	Total non-current assets	<u>3,669,321</u>	<u>62,344</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,731,665</u>
190	Total assets	<u>5,055,832</u>	<u>2,159,762</u>	<u>27,960</u>	<u>263,711</u>	<u>154,800</u>	<u>-</u>	<u>(27,960)</u>	<u>7,634,105</u>
200	Deferred outflow of resources	<u>144,814</u>	<u>232,011</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>376,825</u>
290	Total assets and deferred outflow of resources	<u>\$ 5,200,646</u>	<u>\$ 2,391,773</u>	<u>\$ 27,960</u>	<u>\$ 263,711</u>	<u>\$ 154,800</u>	<u>\$ -</u>	<u>\$ (27,960)</u>	<u>\$ 8,010,930</u>
LIABILITIES AND EQUITY-NET ASSETS/POSITION:									
LIABILITIES:									
Current liabilities:									
311	Bank Overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
312	Accounts payable <= 90 days	59,611	2,461	-	-	-	-	-	62,072
313	Accounts payable > 90 days past due	-	-	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	-	-	-	-	-	-	-	-
322	Accrued compensated absences - current portion	10,067	13,600	-	-	-	-	-	23,667
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	52,000	-	-	-	-	-	-	52,000
342	Unearned revenues	6,058	-	-	263,711	-	-	-	269,769
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	-	93,932	-	-	-	-	-	93,932
347	Inter program - due to	-	-	27,960	-	-	-	(27,960)	-
348	Loan liability - current	-	-	-	-	-	-	-	-
310	Total current liabilities	<u>127,736</u>	<u>109,993</u>	<u>27,960</u>	<u>263,711</u>	<u>-</u>	<u>-</u>	<u>(27,960)</u>	<u>501,440</u>

Federal Financial Data Schedule (PHA: AZ003)

For the Fiscal Year Ended June 30, 2021

(rounded to nearest dollar)

(continued)

Balance Sheet

Line Item No.	Account Description	Project Total	Housing Choice Vouchers	PHC Public Housing CARES Act Funding	HCV CARES Act Funding	EHV Emergency Housing Voucher	Resident Opportunity and Supportive Services	Eliminations	Total
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	-	23,770	-	-	-	-	-	23,770
354	Accrued compensated absences - noncurrent	90,607	122,399	-	-	-	-	-	213,006
355	Loan liability - noncurrent	-	-	-	-	-	-	-	-
356	FASB 5 liabilities	-	-	-	-	-	-	-	-
357	Accrued pension and OPEB liabilities	786,208	1,259,611	-	-	-	-	-	2,045,819
350	Total noncurrent liabilities	<u>876,815</u>	<u>1,405,780</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,282,595</u>
300	Total liabilities	<u>1,004,551</u>	<u>1,515,773</u>	<u>27,960</u>	<u>263,711</u>	<u>-</u>	<u>-</u>	<u>(27,960)</u>	<u>2,784,035</u>
400	Deferred inflow of resources	42,033	67,343	-	-	-	-	-	109,376
EQUITY - NET ASSETS/POSITION:									
508.4	Net investment in capital assets	3,666,406	57,673	-	-	-	-	-	3,724,079
511.4	Restricted net position	-	706,833	-	-	-	-	-	706,833
512.4	Unrestricted net position	<u>487,656</u>	<u>44,151</u>	<u>-</u>	<u>-</u>	<u>154,800</u>	<u>-</u>	<u>-</u>	<u>686,607</u>
513	Total equity - net assets/position	<u>4,154,062</u>	<u>808,657</u>	<u>-</u>	<u>-</u>	<u>154,800</u>	<u>-</u>	<u>-</u>	<u>5,117,519</u>
600	Total liabilities, deferred inflow of resources and equity - net assets/position	<u>\$ 5,200,646</u>	<u>\$ 2,391,773</u>	<u>\$ 27,960</u>	<u>\$ 263,711</u>	<u>\$ 154,800</u>	<u>\$ -</u>	<u>\$ (27,960)</u>	<u>\$ 8,010,930</u>

(continued)

(continued)

Income Statement

Line Item No.	Account Description	Project Total	Housing Choice Vouchers	PHC Public Housing CARES Act Funding	HCV CARES Act Funding	EHV Emergency Housing Voucher	Resident Opportunity and Supportive Services	Eliminations	Total
REVENUE:									
70300	Net tenant rental revenue	\$ 448,268	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 448,268
70400	Tenant revenue - other	6,343	-	-	-	-	-	-	6,343
70500	Total tenant revenue	<u>454,611</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>454,611</u>
70600	HUD PHA operating grants	693,786	10,002,020	29,788	41,340	154,800	-	-	10,921,734
70610	Capital grants	55,012	-	-	-	-	-	-	55,012
70710	Management fee	-	-	-	-	-	-	-	-
70720	Asset management fee	-	-	-	-	-	-	-	-
70730	Bookkeeping fee	-	-	-	-	-	-	-	-
70740	Front line service fee	-	-	-	-	-	-	-	-
70750	Other fees	-	-	-	-	-	-	-	-
70700	Total fee revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
70800	Other government grants	-	-	-	-	-	32,336	-	32,336
71100	Investment income - unrestricted	704	1,226	-	-	-	-	-	1,930
71200	Mortgage interest income	-	-	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-
71310	Cost of sale of assets	-	-	-	-	-	-	-	-
71400	Fraud recovery	-	1,322	-	-	-	-	-	1,322
71500	Other revenue	20,013	2,644,647	-	-	-	-	-	2,664,660
71600	Gain or loss on sale of capital assets	-	-	-	-	-	-	-	-
72000	Investment income - restricted	-	-	-	-	-	-	-	-
70000	Total revenue	<u>\$ 1,224,126</u>	<u>\$ 12,649,215</u>	<u>\$ 29,788</u>	<u>\$ 41,340</u>	<u>\$ 154,800</u>	<u>\$ 32,336</u>	<u>\$ -</u>	<u>\$ 14,131,605</u>

(continued)

(continued)

Income Statement

Line Item No.	Account Description	Project Total	Housing Choice Vouchers	PHC Public Housing CARES Act Funding	HCV CARES Act Funding	EHV Emergency Housing Voucher	Resident Opportunity and Supportive Services	Eliminations	Total
EXPENSES:									
91100	Administrative salaries	\$ 290,466	\$ 658,983	\$ 3,724	\$ 34,811	\$ -	\$ -	\$ -	\$ 987,984
91200	Auditing fees	-	-	-	-	-	-	-	-
91300	Management fee	-	-	-	-	-	-	-	-
91310	Bookkeeping fee	-	-	-	-	-	-	-	-
91400	Advertising and marketing	-	-	-	-	-	-	-	-
91500	Employee benefit contributions - administrative	48,819	437,299	711	6,349	-	-	-	493,178
91600	Office expenses	18,325	43,997	11,490	-	-	-	-	73,812
91700	Legal expense	-	700	-	-	-	-	-	700
91800	Travel	-	-	-	-	-	-	-	-
91810	Allocated overhead	-	-	-	-	-	-	-	-
91900	Other	94,816	86,376	-	180	-	-	-	181,372
91000	Total operating - administrative	452,426	1,227,355	15,925	41,340	-	-	-	1,737,046
92000	Asset management fee	-	-	-	-	-	-	-	-
92100	Tenant services - salaries	-	-	-	-	-	19,365	-	19,365
92200	Relocation costs	-	-	-	-	-	-	-	-
92300	Employee benefit contributions - tenant services	-	-	-	-	-	8,160	-	8,160
92400	Tenant services - other	-	-	-	-	-	4,811	-	4,811
92500	Total Tenant services	-	-	-	-	-	32,336	-	32,336
93100	Water	112,763	-	-	-	-	-	-	112,763
93200	Electricity	16,095	-	-	-	-	-	-	16,095
93300	Gas	1,487	-	-	-	-	-	-	1,487
93400	Fuel	-	-	-	-	-	-	-	-
93500	Labor	-	-	-	-	-	-	-	-
93600	Sewer	40,754	-	-	-	-	-	-	40,754
93700	Employee benefit contributions - utilities	-	-	-	-	-	-	-	-
93800	Other utilities expense	-	-	-	-	-	-	-	-
93000	Total utilities	171,099	-	-	-	-	-	-	171,099
94100	Ordinary maintenance and operations - labor	296,517	-	6,695	-	-	-	-	303,212
94200	Ordinary maintenance and operations - materials & other	102,935	1,479	5,784	-	-	-	-	110,198
94300	Ordinary maintenance and operations - contract costs	223,297	-	-	-	-	-	-	223,297
94500	Employee benefit contributions - ordinary maintenance	43,922	-	1,384	-	-	-	-	45,306
94000	Total maintenance	\$ 666,671	\$ 1,479	\$ 13,863	\$ -	\$ -	\$ -	\$ -	\$ 682,013

(continued)

(continued)

Income Statement

Line Item No.	Account Description	Project Total	Housing Choice Vouchers	PHC Public Housing CARES Act Funding	HCV CARES Act Funding	EHV Emergency Housing Voucher	Resident Opportunity and Supportive Services	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	48,050	-	-	-	-	-	-	48,050
96120	Liability insurance	-	-	-	-	-	-	-	-
96130	Workmen's compensation	13,112	9,730	-	-	-	-	-	22,842
96140	All other insurance	-	-	-	-	-	-	-	-
96100	Total insurance premiums	61,162	9,730	-	-	-	-	-	70,892
96200	Other general expenses	-	8,034	-	-	-	-	-	8,034
96210	Compensated absences	-	-	-	-	-	-	-	-
96300	Payments in lieu of taxes	-	-	-	-	-	-	-	-
96400	Bad debt - tenant rents	9,638	-	-	-	-	-	-	9,638
96500	Bad debt - mortgages	-	-	-	-	-	-	-	-
96600	Bad debt - other	-	-	-	-	-	-	-	-
96800	Severance expense	-	-	-	-	-	-	-	-
96000	Total other general expenses	9,638	8,034	-	-	-	-	-	17,672
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	1,360,996	1,246,598	29,788	41,340	-	32,336	-	2,711,058
97000	Excess of operating revenue over operating expenses	(136,870)	11,402,617	-	-	154,800	-	-	11,420,547
97100	Extraordinary maintenance	-	-	-	-	-	-	-	-
97200	Casualty losses - non-capitalized	-	-	-	-	-	-	-	-
97300	Housing assistance payments	-	8,882,518	-	-	-	-	-	8,882,518
97350	HAP Portability-in	-	2,416,083	-	-	-	-	-	2,416,083
97400	Depreciation expense	262,066	4,061	-	-	-	-	-	266,127
97500	Fraud losses	-	-	-	-	-	-	-	-
97600	Capital outlays - governmental funds	-	-	-	-	-	-	-	-
97700	Debt principal payment - governmental funds	-	-	-	-	-	-	-	-
97800	Dwelling units rent expense	-	-	-	-	-	-	-	-
90000	Total expenses	\$ 1,623,062	\$ 12,549,260	\$ 29,788	\$ 41,340	\$ -	\$ 32,336	\$ -	\$ 14,275,786

(continued)

(continued)

Income Statement

Line Item No.	Account Description	Project Total	Housing Choice Vouchers	PHC Public Housing CARES Act Funding	HCV CARES Act Funding	EHV Emergency Housing Voucher	Resident Opportunity and Supportive Services	Eliminations	Total
OTHER FINANCING SOURCES (USES)									
10010	Operating transfers in	\$ 12,923	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (12,923)	\$ -
10020	Operating transfers out	(12,923)	-	-	-	-	-	12,923	-
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>-</u>	<u>-</u>	<u>-</u>	<u>386,563</u>
10000	Excess (deficiency) of total revenues over (under) total expenses	<u>\$ (102,373)</u>	<u>\$ 189,955</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 154,800</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 242,382</u>
MEMO ACCOUNT INFORMATION									
11020	Required annual debt principal payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11030	Beginning equity	4,099,005	708,702	-	-	-	-	-	4,807,707
11040	Prior period adjustments, equity transfers & correction of errors	67,429	-	-	-	-	-	-	67,429
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	-	164,457	-	-	-	-	-	164,457
11180	Housing assistance payments equity	-	706,833	-	-	-	-	-	706,833
11190	Unit months available	1,842	12,612	-	-	-	-	-	14,454
11210	Unit months leased	1,795	11,682	-	-	-	-	-	13,477
11270	Excess cash	1,138,916	-	-	-	-	-	-	1,138,916
11610	Land purchases	-	-	-	-	-	-	-	-
11620	Building purchases	22,434	-	-	-	-	-	-	22,434
11630	Furniture & equipment - dwelling purchases	6,818	-	-	-	-	-	-	6,818
11640	Furniture & equipment - administrative purchases	-	-	-	-	-	-	-	-
11650	Leasehold improvements purchases	25,760	-	-	-	-	-	-	25,760
11660	Infrastructure purchases	-	-	-	-	-	-	-	-
13510	CFEP debt service payments	-	-	-	-	-	-	-	-
13901	Replacement housing factor funds	-	-	-	-	-	-	-	-

This page left blank intentionally.



City of Glendale, Arizona

ANNUAL COMPREHENSIVE FINANCIAL REPORT

STATISTICAL SECTION

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

This page left blank intentionally.

STATISTICAL SECTION

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

Contents

	<u>Pages</u>
Financial Trends These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	162-168
Revenue Capacity These schedules contain information to help the reader assess the city's local revenue source, the property tax and sales tax.	169-173
Debt Capacity These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.	174-180
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.	181-183
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.	184-188

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Government activities				
Net investment in				
capital assets	\$ 471,198	\$ 465,366	\$ 416,078	\$ 451,826
Restricted	200,500	170,205	184,654	185,396
Unrestricted	<u>(162,270)</u>	<u>(193,716)</u>	<u>(215,449)</u>	<u>(246,697)</u>
Total governmental activities				
net position	<u>509,428</u>	<u>441,855</u>	<u>385,283</u>	<u>390,525</u>
Business-type activities				
Net investment in				
capital assets	397,187	362,679	313,704	280,920
Restricted	37,992	33,896	32,943	27,550
Unrestricted	<u>39,451</u>	<u>32,618</u>	<u>53,699</u>	<u>78,272</u>
Total business-type activities				
net position	<u>474,630</u>	<u>429,193</u>	<u>400,346</u>	<u>386,742</u>
Primary government				
Net investment in				
capital assets	868,385	828,045	729,782	732,746
Restricted	238,492	204,101	217,597	212,946
Unrestricted	<u>(122,819)</u>	<u>(161,098)</u>	<u>(161,750)</u>	<u>(168,425)</u>
Total primary government				
net position	<u>\$ 984,058</u>	<u>\$ 871,048</u>	<u>\$ 785,629</u>	<u>\$ 777,267</u>

Schedule 1

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 471,979	\$ 456,001	\$ 456,897	\$ 448,083	\$ 438,366	\$ 460,639
157,251	163,592	168,714	161,027	186,106	183,829
<u>(278,767)</u>	<u>(239,670)</u>	<u>(240,749)</u>	<u>(277,093)</u>	<u>(59,797)</u>	<u>(73,375)</u>
<u>350,463</u>	<u>379,923</u>	<u>384,862</u>	<u>332,017</u>	<u>564,675</u>	<u>571,093</u>
267,111	256,488	253,134	256,164	251,765	262,554
22,897	21,576	24,090	22,300	12,264	12,921
<u>83,920</u>	<u>96,300</u>	<u>92,357</u>	<u>123,699</u>	<u>161,999</u>	<u>139,934</u>
<u>373,928</u>	<u>374,364</u>	<u>369,581</u>	<u>402,163</u>	<u>426,028</u>	<u>415,409</u>
739,090	712,489	710,031	704,247	690,131	723,193
180,148	185,168	192,804	183,327	198,370	196,750
<u>(194,847)</u>	<u>(143,370)</u>	<u>(148,392)</u>	<u>(153,394)</u>	<u>102,202</u>	<u>66,559</u>
<u>\$ 724,391</u>	<u>\$ 754,287</u>	<u>\$ 754,443</u>	<u>\$ 734,180</u>	<u>\$ 990,703</u>	<u>\$ 986,502</u>

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

Schedule 2

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses										
Governmental activities:										
General government	\$ 47,850	\$ 45,972	\$ 56,530	\$ 42,915	\$ 61,373	\$ 64,228	\$ 60,490	\$ 73,637	\$ 37,447	\$ 35,962
Public safety	166,243	165,030	158,883	134,977	166,790	132,498	127,870	116,070	115,694	112,689
Public works	30,451	31,211	30,232	25,072	24,768	24,859	21,482	20,524	19,230	18,435
Community services	35,751	28,378	28,010	30,885	33,752	32,796	31,311	30,796	33,831	39,478
Community environment	-	-	-	3,290	3,930	4,262	4,980	5,895	5,655	6,828
Street maintenance	50,283	43,436	44,992	20,976	21,848	21,219	19,180	25,207	20,000	20,045
Interest on long-term debt	22,056	24,133	26,181	24,916	27,827	27,932	32,106	34,808	42,413	41,913
Total governmental activities expenses	<u>352,634</u>	<u>338,160</u>	<u>344,828</u>	<u>283,031</u>	<u>340,288</u>	<u>307,794</u>	<u>297,419</u>	<u>306,937</u>	<u>274,270</u>	<u>275,350</u>
Business-type activities:										
Water and sewer	90,604	87,212	83,603	81,911	83,500	80,375	74,807	77,243	73,460	78,917
Landfill	11,319	10,051	9,921	9,852	11,302	9,049	7,727	7,554	7,486	7,602
Solid Waste	19,310	18,351	17,242	15,150	15,698	15,016	15,059	14,471	16,122	15,437
Housing	14,182	13,663	12,910	12,498	12,644	12,730	13,159	13,088	14,037	14,827
Total business-type activities expenses	<u>135,415</u>	<u>129,277</u>	<u>123,676</u>	<u>119,411</u>	<u>123,144</u>	<u>117,170</u>	<u>110,752</u>	<u>112,356</u>	<u>111,105</u>	<u>116,783</u>
Total primary government expenses	<u>\$ 488,049</u>	<u>\$ 467,437</u>	<u>\$ 468,504</u>	<u>\$ 402,442</u>	<u>\$ 463,432</u>	<u>\$ 424,964</u>	<u>\$ 408,171</u>	<u>\$ 419,293</u>	<u>\$ 385,375</u>	<u>\$ 392,133</u>
Program revenues										
Governmental activities:										
Charges for services:										
General government	\$ 23,415	\$ 15,648	\$ 16,572	\$ 17,847	\$ 15,027	\$ 16,381	\$ 18,498	\$ 17,666	\$ 12,520	\$ 12,334
Public safety	3,860	3,803	4,126	2,295	5,445	6,148	6,084	6,369	5,778	5,624
Public works	3,969	4,478	3,883	651	536	650	631	1,126	1,149	512
Community services	1,909	2,995	4,318	10,890	13,490	9,649	11,704	10,486	11,003	17,910
Community environment	-	-	-	338	308	305	309	-	-	-
Street maintenance	33	124	207	662	357	193	25	-	-	-
Operating grants and contributions	57,903	50,999	30,906	26,523	27,519	26,225	25,665	25,168	25,156	27,636
Capital grants and contributions	18,112	33,570	12,728	12,382	6,669	6,603	11,403	10,748	7,904	5,274
Total governmental activities program revenues	<u>109,201</u>	<u>111,617</u>	<u>72,740</u>	<u>71,588</u>	<u>69,351</u>	<u>66,154</u>	<u>74,319</u>	<u>71,563</u>	<u>63,510</u>	<u>69,290</u>

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Business-type activities:										
Charges for services:										
Water and sewer	103,533	89,208	86,004	86,288	80,219	81,829	78,541	81,065	81,963	82,730
Landfill	12,238	10,383	9,670	9,444	9,451	9,858	9,757	8,646	7,994	7,185
Solid Waste	19,854	19,048	18,080	16,048	14,856	15,181	14,944	14,836	14,791	14,562
Housing	3,123	2,984	3,527	3,355	2,876	2,980	3,265	3,504	4,137	4,886
Operating grants and contributions	11,462	10,866	9,397	9,682	10,230	9,809	8,855	9,357	9,376	9,423
Capital grants and contributions	3,211	5,816	3,940	2,054	2,815	815	2,562	2,423	831	705
Total business-type activities program revenues	153,421	138,305	130,618	126,871	120,447	120,472	117,924	119,831	119,092	119,491
Total primary government program revenues	262,622	249,922	203,358	198,459	189,798	186,626	192,243	191,394	182,602	188,781
Net (expense)/revenue										
Governmental activities	(243,433)	(226,543)	(272,088)	(211,443)	(270,937)	(241,640)	(223,100)	(210,760)	(210,760)	(206,060)
Business-type activities	18,006	9,028	6,942	7,460	(2,697)	3,302	7,172	7,987	7,987	2,708
Total primary government net expense	<u>\$ (225,427)</u>	<u>\$ (217,515)</u>	<u>\$ (265,146)</u>	<u>\$ (203,983)</u>	<u>\$ (273,634)</u>	<u>\$ (238,338)</u>	<u>\$ (215,928)</u>	<u>\$ (202,773)</u>	<u>\$ (202,773)</u>	<u>\$ (203,352)</u>
General revenues and other changes in net position										
Governmental activities:										
Taxes:										
Property taxes	\$ 26,473	\$ 25,718	\$ 25,877	\$ 25,519	\$ 24,955	\$ 24,531	\$ 23,881	\$ 23,577	\$ 21,372	\$ 20,232
Sales taxes	205,325	180,842	171,821	162,299	155,779	150,201	147,175	131,983	132,872	97,451
Unrestricted state shared sales tax	29,941	25,910	24,849	23,627	22,024	21,482	20,695	19,734	18,558	17,716
Unrestricted urban revenue sharing (state shared income tax)	36,069	32,419	29,876	30,456	29,378	27,297	27,446	25,271	23,159	19,135
Auto in-lieu taxes	11,976	10,643	10,647	10,166	9,458	9,351	8,664	8,086	7,586	7,277
Investment earnings	(464)	5,931	1,919	(694)	(253)	1,225	1,070	726	716	975
Gain (loss) on disposal of capital assets	-	-	-	-	-	-	(688)	78	353	56
Miscellaneous	3,023	2,978	3,177	1,490	1,400	3,417	520	687	367	489
Transfers	(1,337)	(1,326)	(1,320)	(1,358)	(1,264)	(803)	39,198	(64)	(641)	(307)
Special item	-	-	-	-	-	-	-	-	-	(25,000)
Total governmental activities	311,006	283,115	266,846	251,505	241,477	236,701	267,961	210,078	204,342	138,024
Business-type activities:										
Investment earnings	227	1,277	1,628	1,368	883	614	643	463	1,878	1,126
Gain (loss) on disposal of capital assets	-	-	-	-	-	-	127	167	43	(40)
Loss on joint venture	-	-	-	-	-	-	(3,329)	-	-	-
Miscellaneous	25,867	17,216	3,714	2,628	114	63	86	67	70	72
Transfers	1,337	1,326	1,320	1,358	1,264	803	(39,198)	64	641	307
Total business-type activities	27,431	19,819	6,662	5,354	2,261	1,480	(41,671)	761	2,632	1,465
Total primary government	<u>\$ 338,437</u>	<u>\$ 302,934</u>	<u>\$ 273,508</u>	<u>\$ 256,859</u>	<u>\$ 243,738</u>	<u>\$ 238,181</u>	<u>\$ 226,290</u>	<u>\$ 210,839</u>	<u>\$ 206,974</u>	<u>\$ 139,489</u>
Changes in net position										
Governmental activities	\$ 67,573	\$ 56,572	\$ (5,242)	\$ 40,062	\$ (29,460)	\$ (4,939)	\$ 44,861	\$ (682)	\$ (6,418)	\$ (68,036)
Business-type activities	45,437	28,847	13,604	12,814	(436)	4,782	(34,499)	8,748	10,619	4,173
Total primary government	<u>\$ 113,010</u>	<u>\$ 85,419</u>	<u>\$ 8,362</u>	<u>\$ 52,876</u>	<u>\$ (29,896)</u>	<u>\$ (157)</u>	<u>\$ 10,362</u>	<u>\$ 8,066</u>	<u>\$ 4,201</u>	<u>\$ (63,863)</u>

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

Schedule 3

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General fund										
Nonspendable	\$ 6,143	\$ 5,621	\$ 2,933	\$ 2,919	\$ 2,934	\$ 2,940	\$ 216	\$ 600	\$ 650	\$ 197
Restricted	10,047	5,374	5,604	6,274	7,443	8,495	10,313	688	311	368
Committed	-	-	-	-	-	-	1,114	1,554	1,676	2,351
Assigned	66,822	34,322	5,685	12,678	10,647	12,483	8,563	-	-	-
Unassigned	54,511	49,648	43,523	43,474	40,559	35,226	26,033	(4,835)	(14,438)	(29,565)
Total general fund	<u>\$ 137,523</u>	<u>\$ 94,965</u>	<u>\$ 57,745</u>	<u>\$ 65,345</u>	<u>\$ 61,583</u>	<u>\$ 59,144</u>	<u>\$ 46,239</u>	<u>\$ (1,993)</u>	<u>\$ (11,801)</u>	<u>\$ (26,649)</u>
All other governmental funds										
Nonspendable	\$ 6,244	\$ 6,171	\$ 6,020	\$ 5,810	\$ 5,861	\$ 5,818	\$ 5,768	\$ 5,801	\$ 5,774	\$ 5,829
Restricted	137,087	107,088	119,994	118,991	91,908	97,170	99,970	102,241	103,772	117,964
Committed	1,974	1,734	1,571	2,548	2,295	1,273	-	123	115	129
Assigned	959	569	737	430	170	319	1,945	202	144	82
Unassigned	-	(502)	-	(653)	(3,770)	-	-	-	-	-
Total all other governmental funds	<u>\$ 146,264</u>	<u>\$ 115,060</u>	<u>\$ 128,322</u>	<u>\$ 127,126</u>	<u>\$ 96,464</u>	<u>\$ 104,580</u>	<u>\$ 107,683</u>	<u>\$ 108,367</u>	<u>\$ 109,805</u>	<u>\$ 124,004</u>

This page left blank intentionally.

Changes in Fund Balances - Governmental Funds

Last Ten Fiscal Years

(amounts expressed in thousands)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues										
Taxes and special assessments	\$ 232,032	\$ 206,815	\$ 198,012	\$ 188,553	\$ 181,576	\$ 176,489	\$ 170,605	\$ 159,328	\$ 149,705	\$ 118,218
Licenses and permits	35,656	19,182	16,350	12,534	12,403	11,951	10,610	11,522	10,373	10,798
Intergovernmental	124,611	129,329	95,573	94,191	89,684	86,273	87,112	81,364	76,520	73,009
Local revenues	184	173	177	58	300	17	525	18	36	-
Charges for services	7,504	8,514	10,744	10,250	13,486	12,613	17,685	14,781	11,896	11,487
Fines and forfeitures	2,782	2,426	2,982	3,337	3,699	3,857	3,556	3,735	3,469	3,374
Investment income (loss)	(380)	6,063	3,276	129	276	1,517	1,258	900	762	1,180
Miscellaneous	4,323	3,647	4,375	6,490	5,079	6,850	5,662	4,500	3,822	11,700
Total revenues	406,712	376,149	331,489	315,542	306,503	299,567	297,013	276,148	256,583	229,766
Expenditures										
General government	29,294	30,174	43,615	30,961	29,531	34,671	33,494	29,666	16,065	18,147
Public safety	151,271	146,573	146,166	139,287	131,576	126,498	114,143	108,397	103,610	100,368
Public works	15,298	16,164	15,674	11,400	9,484	9,429	8,673	7,463	7,859	7,709
Community services	30,512	23,514	23,772	31,954	30,659	28,461	26,379	25,536	27,966	33,597
Community environment	-	-	-	3,621	3,979	4,285	4,977	5,826	5,554	6,703
Street maintenance	38,389	31,772	34,053	10,861	11,195	10,260	7,951	8,352	8,305	8,311
Miscellaneous	-	-	-	-	-	27	5,791	2,323	4,617	1,782
Capital outlay	28,068	23,525	24,663	42,652	39,053	59,189	20,949	14,662	13,980	19,634
Debt service:										
Principal	36,020	61,450	39,706	29,359	46,456	35,650	37,251	30,043	26,441	24,947
Interest	25,604	27,681	29,654	28,300	30,704	30,382	32,870	35,628	43,038	42,515
Total expenditures	354,456	360,853	357,303	328,395	332,637	338,852	292,478	267,896	257,435	263,713
Excess of revenues over (under) expenditures	52,256	15,296	(25,814)	(12,853)	(26,134)	(39,285)	4,535	8,252	(852)	(33,947)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Other financing sources (uses)										
Refunding lease issued	-	-	-	-	-	-	-	-	-	-
Discount on long-term debt	-	-	-	-	-	-	-	-	(1,557)	-
Long-term debt issued	13,700	-	15,385	-	-	27,285	-	-	-	8,665
Refunding bonds issued	-	-	-	91,940	19,330	33,830	209,255	-	239,875	-
Payment to redeem lease	-	-	-	-	-	-	-	-	-	-
Premium on long-term debt issued	2,277	-	1,983	15,686	-	4,948	35,751	-	19,779	898
Proceeds from equipment disposal	366	295	238	2,910	2,391	329	2,650	174	589	546
Proceeds from land sale	6,500	9,693	3,125	-	-	-	-	-	-	-
Capital lease proceeds	-	-	-	-	-	6,615	-	8	-	-
Proceeds from loans	-	-	-	15,240	-	7,353	-	-	-	-
Payment to redeem/refunded bonds escrow agent	-	-	-	(77,139)	-	(30,470)	(131,966)	-	(256,054)	(9,320)
Current bond refunding principal	-	-	-	-	-	-	(110,145)	-	-	-
Current bond refunding interest	-	-	-	-	-	-	(1,022)	-	-	-
Transfers in	54,047	50,009	56,739	61,927	48,450	84,460	240,694	48,704	52,136	32,977
Transfers out	(55,384)	(51,335)	(58,060)	(63,287)	(49,714)	(85,263)	(201,496)	(48,768)	(53,267)	(33,919)
Special item	-	-	-	-	-	-	-	-	-	(25,000)
Total other financing sources (uses)	<u>21,506</u>	<u>8,662</u>	<u>19,410</u>	<u>47,277</u>	<u>20,457</u>	<u>49,087</u>	<u>43,721</u>	<u>118</u>	<u>1,501</u>	<u>(153)</u>
Net change in fund balances	<u>\$ 73,762</u>	<u>\$ 23,958</u>	<u>\$ (6,404)</u>	<u>\$ 34,424</u>	<u>\$ (5,677)</u>	<u>\$ 9,802</u>	<u>\$ 48,256</u>	<u>\$ 8,370</u>	<u>\$ 649</u>	<u>\$ (34,100)</u>
Debt service as a percentage of noncapital expenditures	18.88%	26.42%	20.85%	20.18%	26.28%	23.61%	25.82%	25.93%	28.54%	27.64%

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

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

Schedule 5

Fiscal Year	Major Components				Less: Tax Exempt Property	Net Assessed Value ⁽¹⁾	Total Direct Tax Rate	Estimated Actual Value ⁽¹⁾	Assessed Value as a Percentage of Actual Value ⁽²⁾
	Real Estate	Improve- ments	Personal ⁽³⁾	Utilities Rails and Wires					
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
2020-21	722,615	2,271,767	55,014	64,004	718,396	2,395,004	1.80	25,276,448	12.317

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

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

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

Schedule 6

Fiscal Year	Basic Rate	General Obligation Debt Service	City of Glendale	Overlapping Rates*		
				Glendale Elementary and High School Districts	Peoria Unified School Districts	Deer Valley Unified School Districts
2011-12	0.22	1.37	1.59	20.69	15.54	16.47
2012-13	0.22	1.68	1.90	22.93	18.08	17.75
2013-14	0.50	1.79	2.29	25.06	19.82	18.91
2014-15	0.49	1.66	2.15	23.58	19.64	18.85
2015-16	0.49	1.71	2.20	22.54	20.66	18.86
2016-17	0.48	1.67	2.15	23.29	20.82	19.16
2017-18	0.46	1.61	2.07	23.61	20.02	19.10
2018-19	0.44	1.54	1.98	22.17	18.96	18.63
2019-20	0.42	1.44	1.86	22.13	18.47	18.17
2020-21	0.40	1.40	1.80	21.20	17.91	17.56

Source: Maricopa County 2020 Tax Rates

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

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

City of Glendale, Arizona
Principal Property Taxpayers
 Current Year and Nine Years Ago
 June 30, 2021
 (amounts expressed in thousands)

Schedule 7

Taxpayer	Tax Year 2021			Tax Year 2012		
	Rank	Assessed Valuation	Percentage of Total City Taxable Assessed Value	Rank	Assessed Valuation	Percentage of Total City Taxable Assessed Value
Yam Westgate LLC	1	\$ 25,366	1.06 %			
Arizona Public Service Company	2	18,900	0.79	1	\$ 17,785	1.55 %
VHS of Arrowhead, Inc.	3	15,261	0.64	3	12,016	1.05
RRB Beverage Operations Inc	4	14,053	0.59			
Arrowhead Towne Center LLC	5	12,759	0.53	4	11,416	0.99
Wal-Mart Stores, Inc.	6	11,078	0.46	6	8,275	0.72
Outlets At Westgate LLC	7	11,058	0.46			
Mark Anthony Brewing Inc	8	10,643	0.44			
American Furniture Warehouse Co	9	9,689	0.40			
Reserve at Arrowhead LLC	10	8,182	0.34			
New Westgate LLC				2	12,584	1.09
JQH-Glendale Az Development LLC				5	8,380	0.73
Qwest Corporation (CenturyLink)				7	7,724	0.67
Stadium Development LLC				8	5,297	0.46
BNSF Railway Corporation				9	4,162	0.36
Southwest Gas Corporation				10	3,331	0.29
Total principal taxpayers		\$ 136,989	5.71 %		\$ 90,970	7.91 %

Source: Maricopa County Treasurer's Office

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

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

Schedule 8

Fiscal Year	Total Tax Levy ⁽¹⁾	Collected within the Fiscal Year of Levy		Collections in Subsequent Years ⁽²⁾	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2011-12	\$ 20,787	\$ 20,090	96.65 %	\$ 63	\$ 20,153	96.95 %
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	221	24,476	98.49
2016-17	25,253	24,638	97.56	369	25,007	99.03
2017-18	25,592	25,202	98.48	287	25,489	99.60
2018-19	25,953	25,521	98.34	165	25,686	98.97
2019-20	25,831	25,300	97.94	393	25,693	99.47
2020-21	26,619	26,039	97.82		26,039	97.82

Source: Maricopa County Treasurer's Office

(1) Total levy includes only secured property.

(2) Includes collections and resolutions.

City of Glendale, Arizona

Schedule 9

City Transaction Privilege Taxes (Sales Tax) by Category

Last Ten Fiscal Years

(amounts expressed in thousands)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Retail sales	\$ 118,580	\$ 100,561	\$ 95,042	\$ 89,762	\$ 88,804	\$ 84,710	\$ 79,062	\$ 73,924	\$ 67,157	\$ 49,686
Contracting	17,047	13,988	7,212	6,684	5,559	4,810	6,457	7,948	5,724	5,170
Rentals	22,064	21,407	20,598	18,629	17,394	16,581	16,146	14,502	14,182	11,550
Utilities	9,271	8,629	8,898	8,995	8,775	8,544	8,678	8,732	8,028	6,393
Telecom/cable TV	2,364	3,029	3,006	3,486	3,523	4,244	4,773	5,072	5,540	5,144
Restaurant/bar	23,184	20,883	22,280	20,498	20,070	18,767	17,651	15,842	14,284	11,975
Amusement	2,975	2,893	5,023	4,920	3,615	4,176	5,673	2,110	2,154	2,896
Other	9,827	9,364	9,519	8,574	7,347	8,802	6,686	5,808	5,917	3,816
Total	\$ 205,312	\$ 180,754	\$ 171,578	\$ 161,548	\$ 155,087	\$ 150,634	\$ 145,126	\$ 133,938	\$ 122,986	\$ 96,630
% Growth by year										
Retail sales	17.9 %	5.8 %	5.9 %	1.1 %	4.8 %	7.1 %	7.0 %	10.1 %	3.3 %	(2.0) %
Contracting	21.9	94.0	7.9	20.2	15.6	(25.5)	(18.8)	38.9	(23.3)	51.0
Rentals	3.1	3.9	10.6	7.1	4.9	2.7	11.3	2.3	(2.6)	(7.0)
Utilities	7.4	(3.0)	(1.1)	2.5	2.7	(1.5)	(0.6)	8.8	(0.9)	(6.0)
Telecom/cable TV	(22.0)	0.8	(13.8)	(1.1)	(17.0)	(11.1)	(5.9)	(8.4)	(15.6)	(1.0)
Restaurant/bar	11.0	(6.3)	8.7	2.1	6.9	6.3	11.4	10.9	6.9	4.0
Amusement	2.8	(42.4)	2.1	36.1	(13.4)	(26.4)	168.9	(2.0)	55.7	(50.0)
Other	4.9	(1.6)	11.0	16.7	(16.5)	31.6	15.1	(1.8)	(31.5)	39.0
Total	13.6 %	5.3 %	6.2 %	4.2 %	3.0 %	3.8 %	8.4 %	8.9 %	27.3 %	(1.3) %

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.

This page left blank intentionally.

Ratio of Outstanding Debt by Type⁽¹⁾

Last Ten Fiscal Years

(amounts expressed in thousands)

Fiscal Year	Government Activities					
	General Obligation Bonds ⁽⁴⁾	Street and Highway Revenue Bonds ⁽⁴⁾	Excise Tax Revenue Bonds	Transportation Bonds	Capital Leases	Notes Payable
2011-12	179,010	12,250	474,840	97,035	11,667	-
2012-13	163,130	8,055	468,875	91,140	11,094	-
2013-14	151,206 ⁽⁵⁾	3,736 ⁽⁵⁾	477,736 ⁽⁴⁾⁽⁵⁾	89,317 ⁽⁴⁾⁽⁵⁾	10,361	-
2014-15	133,168 ⁽⁵⁾	1,912 ⁽⁵⁾	477,747 ⁽⁴⁾⁽⁵⁾	91,047 ⁽⁴⁾⁽⁵⁾	57	-
2015-16	141,553 ⁽⁵⁾	- ⁽⁵⁾	475,918 ⁽⁴⁾⁽⁵⁾	87,031 ⁽⁴⁾⁽⁵⁾	6,620	5,515
2016-17	125,384 ⁽⁵⁾	- ⁽⁵⁾	468,431 ⁽⁴⁾⁽⁵⁾	83,119 ⁽⁴⁾⁽⁵⁾	4,484	3,677
2017-18	154,834 ⁽⁵⁾	- ⁽⁵⁾	455,495 ⁽⁴⁾⁽⁵⁾	78,590 ⁽⁴⁾⁽⁵⁾	2,278	1,839
2018-19	152,066 ⁽⁵⁾	- ⁽⁵⁾	439,912 ⁽⁴⁾⁽⁵⁾	73,952 ⁽⁴⁾⁽⁵⁾	-	-
2019-20	107,678 ⁽⁵⁾	- ⁽⁵⁾	422,679 ⁽⁴⁾⁽⁵⁾	69,209 ⁽⁴⁾⁽⁵⁾	-	-
2020-21	106,367 ⁽⁵⁾	- ⁽⁵⁾	403,550 ⁽⁴⁾⁽⁵⁾	64,691 ⁽⁴⁾⁽⁵⁾	-	-

Fiscal Year	Business Activities					Total Primary Government	Total Debt per Capita ⁽³⁾	Percentage of Personal Income ⁽²⁾
	Water Sewer G.O. Bonds	Landfill G.O. Bonds	Water Sewer Revenue Bonds	Notes Payable	Capital Leases			
2011-12	6,485	-	282,625	708	-	1,064,620 ⁽¹⁾	4,694	13.27
2012-13	5,515 ⁽⁴⁾	-	273,080	-	-	1,020,889 ⁽¹⁾	4,471	12.21
2013-14	- ⁽⁴⁾	-	267,254 ⁽⁴⁾⁽⁵⁾	-	-	999,610 ⁽⁵⁾	4,327	11.52
2014-15	-	-	260,967 ⁽⁴⁾⁽⁵⁾	-	-	964,898 ⁽⁵⁾	4,141	10.18
2015-16	-	-	249,302 ⁽⁴⁾⁽⁵⁾	-	-	965,939 ⁽⁵⁾	4,255	10.81
2016-17	-	-	237,247 ⁽⁴⁾⁽⁵⁾	-	-	922,342 ⁽⁵⁾	3,875	9.14
2017-18	-	-	222,217 ⁽⁴⁾⁽⁵⁾	-	-	915,253 ⁽⁵⁾	3,814	9.18
2018-19	-	-	203,917 ⁽⁴⁾⁽⁵⁾	-	-	869,847 ⁽⁵⁾	3,466	8.07
2019-20	-	-	185,231 ⁽⁴⁾⁽⁵⁾	-	-	784,797 ⁽⁵⁾	3,090	6.48
2020-21	-	-	197,234 ⁽⁴⁾⁽⁵⁾	-	-	771,842 ⁽⁵⁾	3,003	6.04

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

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

(3) Numbers not expressed in thousands.

(4) Amounts outstanding less July 1.

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

Ratios of Net General Bonded Debt Outstanding

Last Ten Fiscal Years

(amounts expressed in thousands)

Fiscal Year	General Obligation Bonds ⁽⁴⁾	Less: Amounts Available in Debt Service Funds ⁽²⁾	Total	Secondary Assessed Property Value	Limited Property Value	Percentage of Net Assessed Value of Property ⁽⁶⁾	Per Capita ⁽³⁾
2011-12	185,495 ⁽¹⁾	16,765	168,730	1,149,264,817	N/A	14.68	744.22
2012-13	168,645 ⁽¹⁾	12,641	156,004	1,050,893,890	N/A	14.90	681.22
2013-14	147,810	9,310	138,500	1,148,164,650	N/A	12.06	599.28
2014-15	126,305	8,270	118,035	1,406,062,309	N/A	10.43	507.29
2015-16	135,130	4,511	130,619	N/A	1,173,091,035	11.12 ⁽⁵⁾	556.38
2016-17	120,000	3,657	116,343	N/A	1,227,220,727	7.04 ⁽⁵⁾	488.84
2017-18	146,985	31,750	115,235	N/A	1,306,946,089	8.82 ⁽⁵⁾	480.43
2018-19	143,460	28,593	114,867	N/A	1,413,253,839	8.13 ⁽⁵⁾	458.18 ⁽⁷⁾
2019-20	100,445	1,545	98,900	N/A	1,478,280,140	6.69 ⁽⁵⁾	389.24 ⁽⁷⁾
2019-21	98,230	2,269	95,961	N/A	1,582,239,446	6.19 ⁽⁵⁾	381.74 ⁽⁷⁾

Sources: Maricopa County - Abstract by tax authority and class
ADOA Office of Employment and Population Statistics - Population estimates

- 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) In accordance with Proposition 117, *The Arizona Property Tax Assessed Valuation Amendment*, property taxes are calculated based on limited assessed value instead of secondary full cash value beginning with tax year 2015.
(6) Calculation uses the February State Abstract.
(7) Calculation uses projected population figure from City of Glendale Annual Budget Book

City of Glendale, Arizona
Net Direct and Overlapping Governmental Activities Debt
June 30, 2021
(amounts expressed in thousands)

Schedule 12

Jurisdiction	Net Debt Outstanding	Percentage Applicable to Glendale	Amount Applicable to Glendale ⁽²⁾
Peoria Unified School District No. 11	\$ 207,770	23.4774 %	\$ 48,779
Glendale Elementary School District No. 40	31,510	99.1908	31,255
Deer Valley Unified School District No. 97	198,940	18.3086	36,423
Alhambra Elementary School District No. 68	26,700	18.3348	4,895
Glendale Union High School District No. 205	89,535	23.1272	20,707
Maricopa County	-	3.5463	-
Maricopa County Community College District	312,450	3.5463	11,080
Phoenix Union High School District No. 210	394,405	1.2502	4,931
Pendergast Elementary School District No. 92	42,225	24.9548	10,537
Tolleson Union High School District No. 214	169,815	7.1038	12,063
Washington Elementary School District No. 6	96,320	3.0699	2,957
Dysart Unified School District No. 89	111,671	1.3044	1,457
Agua Fria Union High School District No. 216	132,210	0.4873	644
Litchfield Elementary School District No. 79	41,220	0.7502	309
Cartwright Elementary School District No. 83	19,355	-	-
Total Overlapping Debt	1,874,126		186,037
City of Glendale Debt ⁽¹⁾	572,221		572,221
Total	<u>\$ 2,446,347</u>		<u>\$ 758,258</u>

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 available.

Legal Debt Margin Calculation for Fiscal Year 2021

6% Type Bonds					Assessed value						\$ 2,395,004
					Debt limit (6% of assessed value)						143,700
					Debt applicable to limit: General obligation bonds						8,700
					Less: Amount set aside for repayment of general obligation debt						(186)
					Total net debt applicable to limit						8,514
					Legal debt margin						\$ 135,186
	2012 ⁽¹⁾	2013 ⁽¹⁾	2014 ⁽¹⁾	2015 ⁽¹⁾⁽²⁾	2016 ⁽¹⁾⁽²⁾⁽⁴⁾	2017 ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	2018 ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	2019 ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	2020 ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	2021 ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	
Debt limit	\$ 68,971	\$ 62,836	\$ 68,886	\$ 67,877	\$ 70,496	\$ 73,633	\$ 78,417	\$ 84,795	\$ 88,697	\$ 143,700	
Total net debt applicable to limit	11,455	7,309	2,415	(165)	10,580	10,580	7,978	8,802	9,039	8,514	
Legal debt margin	\$ 57,516	\$ 55,527	\$ 66,471	\$ 68,042	\$ 59,916	\$ 63,053	\$ 70,439	\$ 75,993	\$ 79,658	\$ 135,186	
Total net debt applicable to the limit as a percentage of debt limit	16.61%	11.63%	3.51%	-0.24%	15.01%	14.37%	10.17%	10.38%	10.19%	5.92%	
20% Type Bonds					Assessed value						\$ 2,395,004
					Debt limit (20% of assessed value)						479,001
					Debt applicable to limit: General obligation bonds						97,667
					Less: Amount set aside for repayment of general obligation debt						(2,083)
					Total net debt applicable to limit						95,584
					Legal debt margin						\$ 383,417
	2012 ⁽¹⁾	2013 ⁽¹⁾	2014 ⁽¹⁾	2015 ⁽¹⁾⁽²⁾	2016 ⁽¹⁾⁽²⁾⁽⁴⁾	2017 ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	2018 ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	2019 ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	2020 ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	2021 ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	
Debt limit	\$ 229,905	\$ 209,455	\$ 229,622	\$ 226,257	\$ 234,986	\$ 245,444	\$ 261,389	\$ 282,651	\$ 295,656	\$ 479,001	
Total net debt applicable to limit	159,306	148,695	136,085	118,200	120,039	105,763	107,257	106,065	89,861	95,584	
Legal debt margin	\$ 70,599	\$ 60,760	\$ 93,537	\$ 108,057	\$ 114,947	\$ 139,681	\$ 154,132	\$ 176,586	\$ 205,795	\$ 383,417	
Total net debt applicable to the limit as a percentage of debt limit	69.29%	70.99%	59.26%	52.24%	51.08%	43.09%	41.03%	37.53%	30.39%	19.95%	

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

(2) FY 2012-FY 2014, based on secondary full cash value, FY 2015-FY2020, based on limited assessed value, starting in FY 2021, based on 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%

This page left blank intentionally.

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

Schedule 14

Fiscal Year	Water and Sewer Revenue Bonds					
	Utility Service Charges ⁽¹⁾	Less: Operating Expenses ⁽²⁾	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2011-12	83,496	41,555	41,941	9,545 ⁽⁵⁾	13,306 ⁽³⁾	1.84
2012-13	83,454	39,203	44,251	9,755	13,152	1.93
2013-14	81,733	42,544	39,189	10,210	12,706	1.71
2014-15	79,325	41,712	37,613	13,170	10,918	1.56
2015-16	83,088	45,431	37,657	9,415	10,719	1.87
2016-17	83,442	49,005	34,437	9,805	10,321	1.71
2017-18	90,844	50,962	39,882	12,780	9,860	1.76
2018-19	96,012	52,151	43,861	16,050	9,398	1.72
2019-20	111,854	55,576	56,278	16,435	8,646	2.24
2020-21	130,218	58,792	71,426	16,585	7,550	2.96

Fiscal Year	Transportation Bonds				Excise Tax Revenue Bonds ⁽⁴⁾				
	Transportation Sales Tax	Debt Service		Coverage	Excise Tax Revenue	Debt Service		Coverage	
		Principal	Interest			Principal	Interest		
2011-12	20,665	2,890	4,437	2.82	100,081 ⁽⁶⁾	2,590 ⁽⁵⁾	27,279	3.35	
2012-13	21,691	3,005	4,321	2.96	131,931 ⁽⁶⁾	2,790 ⁽⁵⁾	30,713 ⁽⁷⁾	3.94	
2014-15	23,112	3,125	4,201	3.15	141,674 ⁽⁶⁾	6,500	22,951	4.81	
2014-15	24,690	3,545	3,597	3.46	151,963 ⁽⁶⁾	2,585	21,175	6.40	
2015-16	25,566	3,380	3,763	3.58	156,210 ⁽⁶⁾	10,025	20,984	5.04	
2016-17	26,362	3,550	3,594	3.69	160,534 ⁽⁶⁾	5,075	21,033	6.15	
2017-18	27,571	3,925	3,114	3.92	170,484 ⁽⁶⁾	6,580	19,542	6.53	
2018-19	29,231	4,035	2,999	4.16	169,868 ⁽⁶⁾	12,645	20,104	5.19	
2019-20	30,989	4,140	2,893	4.41	179,289 ⁽⁶⁾	14,295	19,556	5.30	
2020-21	35,329	3,915	2,785	5.27	206,532 ⁽⁶⁾	16,190	18,946	5.88	

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⁽²⁾</u>	<u>Maricopa County Population⁽⁶⁾</u>	<u>Personal Income⁽¹⁾</u>	<u>Per Capita Personal Income⁽¹⁾⁽⁴⁾</u>	<u>Unemployment Rate⁽⁵⁾</u>
2011-12	229 ⁽⁵⁾	3,885	156,763,179	40,350	8.6
2012-13	231 ⁽⁵⁾	3,934	160,497,824	40,798	7.6
2013-14	233 ⁽⁵⁾	3,945	167,439,604	42,443	6.6
2014-15	233 ⁽⁵⁾	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 ⁽³⁾⁽¹⁰⁾	45,667	4.9 ⁽⁸⁾
2017-18	240 ⁽⁷⁾	4,316	205,848,000 ⁽³⁾⁽¹⁰⁾	47,694	4.3 ⁽⁸⁾
2018-19	251 ⁽⁹⁾	4,367	217,036,641 ⁽³⁾⁽¹⁰⁾	49,704 ⁽³⁾	4.8 ⁽⁸⁾
2019-20	254 ⁽⁹⁾	4,367 ⁽³⁾	217,036,641 ⁽³⁾⁽¹⁰⁾	49,704 ⁽³⁾	10.2 ⁽⁸⁾
2020-21	257 ⁽⁹⁾	4,368 ⁽³⁾	217,036,641 ⁽³⁾⁽¹⁰⁾	49,704 ⁽³⁾	7.4 ⁽⁸⁾

- Note: (1) Personal Income and Per Capita Income figures are for Maricopa County. City of Glendale is one of several Valley cities that comprise Maricopa County, including Phoenix, Mesa and Scottsdale.
 (2) Estimate provided by City of Glendale Planning Department.
 (3) The previous fiscal year Maricopa County CAFR provides the most current number.
 (4) Calculation based on personal income divided by Maricopa County population.
 (5) Estimate provided by Arizona Department of Administration, Office of Employment and Population Statistics website for the prior fiscal year.
 (6) Maricopa County population extracted from Maricopa County CAFR statistical section.
 (7) Estimate from the Arizona Office of Economic Opportunity website, Arizona population estimates, for the fiscal year as of July 1.
 (8) Unemployment rate from the Arizona Office of Economic Opportunity website, LAUS data.
 (9) Estimate from the City of Glendale Annual Budget Book 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	2021			2012		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Luke Air Force Base	6,900	1	5.18 %	6,325	1	5.46 %
Banner Thunderbird Health System	3,000	2	2.25	2,866	2	2.47
Arrowhead Towne Center	2,650	3	1.99			
Westgate	2,000	4	1.50			
Deer Valley Unified School District	1,747	5	1.31	1,432	8	1.24
Glendale Community College	1,745	6	1.31	2,000	4	1.73
City of Glendale	1,726	7	1.30	1,725	6	1.49
Glendale Union High School District	1,693	8	1.27	2,008	5	1.73
Tanger Outlets	1,562	9	1.17			
Glendale Elementary School District	1,514	10	1.14	1,684	7	1.45
Walmart				2,175	3	1.88
CSAA/AAA				1,325	9	1.14
Arrowhead Community Hospital				959	10	0.83
Total	24,537		18.42 %	22,499		19.42 %

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

Full-Time Equivalent City Government Employees by Function/Program

Last Ten Fiscal Years

Function/Program	Full-Time Equivalent Employees as of June 30									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General government										
Management services	31.00	26.00	22.00	27.00	29.00	28.00	24.00	31.00	34.00	36.00
Finance	62.00	61.00	56.00	57.00	55.00	53.00	56.00	49.00	54.00	57.00
Planning	12.00	11.00	10.00	12.00	14.00	13.00	11.00	10.00	13.00	14.00
Building	25.00	22.00	24.00	24.00	22.00	22.00	22.00	21.00	21.00	24.00
Legal	70.00	75.00	71.00	73.00	71.00	67.00	69.00	69.00	67.00	66.00
Other	69.00	71.00	72.00	70.00	68.00	68.00	66.00	63.00	73.00	77.00
Police	549.00	563.00	551.00	529.00	530.00	522.00	517.00	534.00	505.00	534.00
Fire	287.00	283.00	278.00	276.00	282.00	262.00	259.00	253.00	260.00	269.00
Community service	65.00	68.00	59.00	53.00	54.00	55.00	57.00	48.00	56.00	60.00
Parks and recreation	55.00	53.00	51.00	68.00	73.00	66.00	58.00	59.00	75.00	92.00
Library	36.00	36.00	37.00	35.00	35.00	34.00	31.00	32.00	32.00	48.00
Public works	164.00	168.00	156.00	188.00	183.00	184.00	180.00	173.00	165.00	179.00
Engineering	32.00	31.00	29.00	26.00	24.00	18.00	19.00	17.00	18.00	19.00
Transportation	80.00	85.00	77.00	60.00	59.00	57.00	56.00	57.00	60.00	65.00
Utilities	189.00	199.00	195.00	185.00	186.00	184.00	185.00	176.00	172.00	185.00
Total	1,726.00	1,752.00	1,688.00	1,683.00	1,685.00	1,633.00	1,610.00	1,592.00	1,605.00	1,725.00

Sources:

City of Glendale Human Resources Department and Munis HCM system

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

Schedule 18

Function/Program	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Police										
Calls for service	181,576	179,469	185,857	192,877	187,645	190,074	174,535	146,538	127,333	127,829
Bookings	4,753	6,310	10,056	11,037	9,030	8,445	17,871	18,939	8,588	7,083
Criminal offense reports	28,856	29,306	35,867	30,146 ⁽³⁾	30,146	32,732	31,873	31,481	34,995	33,938
Fire										
EMS calls	34,851	36,695	35,939	35,482	31,502	34,518	32,250	30,262	30,082	29,321
Fire calls	5,827	3,948	3,395	3,661	3,093	3,371	3,467	3,461	3,478	3,495
Water ⁽⁴⁾										
Number of billed accounts	63,109	62,440	62,105	61,463	61,270	60,921	60,679	60,436	60,062	59,633
Water produced (million gallons)	14,787	13,398	12,826	13,755	13,672	13,864	12,057	13,768	13,667	14,064
Sewer ⁽⁴⁾										
Number of billed accounts	58,710	58,114	57,804	57,206	57,037	56,700	56,491	56,313	55,980	55,528
Treated influent (million gallons)	5,983	6,295	6,025	6,045	6,289	6,229	6,117	6,244	6,065	5,970
Refuse collection ⁽⁵⁾										
Residential curb service (tons per year)	53,563	52,903	49,479	46,338	48,346	48,971	48,993	45,942	46,833	48,187
Commercial container service (tons per year)	38,650	40,114	40,791	39,744	41,026	46,086	45,693	41,879	40,272	39,722
Airport										
Departures/arrivals ⁽¹⁾	83,452	90,953	89,614	86,187	75,561	78,977	74,217	70,679	76,390	80,416
General government										
Building permits	8,844	7,171	6,217	5,804	6,234	5,488	5,449	4,799	6,383	5,304
Library										
Volumes in collection ⁽²⁾	504,461	499,106	494,325	498,092	514,197	568,653	528,835	408,516	415,695	446,010
Transit										
Dial-A-Ride passengers	43,670	47,273	66,174	69,934	71,912	74,256	77,318	78,271	85,798	90,577

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

Schedule 19

Function/Program	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Police										
Stations	3	3	3	3	3	3	3	3	3	3
Patrol vehicles	212	218	217	194	183	193	178	176	139	154
Fire stations	9	9	9	9	9	9	9	9	9	9
General government										
City square miles	62	62	60	60	60	60	59	59	59	59
Water										
Treatment capacity (millions gallons per day)	104.1	104.1	104.1	104.1	104.1	104.1	104.1	104.1	104.1	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
Sewer										
Treatment capacity (millions gallons per day)	29.2	29.2	29.2	29.2	29.2	29.2	29.2	29.2	29.2	29.2
Miles of sewer lines	707	707	707	707	707	707	707	707	707	700
Landfill										
Landfill capacity - south cell	24,607	24,638	24,215	24,234	24,215	24,215	22,429	21,493	21,218	22,065
Landfill capacity used - south cell	22,468	21,976	21,436	20,983	20,575	20,137	19,687	19,220	18,849	19,257
Other public works										
Streets (miles)	748	748	748	748	748	718	718	718	718	717
Parks and recreation										
Number of parks/retention basins/facilities	110	102	102	102	102	101	100	100	100	100
Acres of parks	2,189	2,192	2,192	2,192	2,192	2,192	2,189	2,189	2,189	2,189
Transit										
Dial-A-Ride minibuses	21	21	21	22	22	20	22	20	21	21

Source: Various city departments
 Note: Landfill capacity in thousands

WATER RATES PER METER SIZE

Meter Size (inch)	Commercial and Residential Monthly Base Charge	
	Inside City	Outside City
5/8" 3/4"	12.00	15.60
3/4"	15.20	19.76
1"	21.60	28.08
1 1/2"	43.70	56.81
2"	77.90	101.27
3"	132.00	171.60
4"	235.00	305.50
6"	466.00	605.80
8"	689.00	895.70
10"	1,109.00	1,141.70
12"	1,641.00	2,133.30

Gallons per Month	Residential Meter Size		Commercial 3/4 inch Meter Size and Greater ⁽¹⁾			
	All Year		All Year		Summer Excess Rate	
	Inside City	Outside City	Inside City	Outside City	Inside City	Outside City
0 - 6,000	\$ 2.66	\$3.46	\$ 2.92	\$ 3.80	\$ 3.65	\$ 4.75
6,001 - 15,000	3.33	4.33	2.92	3.80	3.65	4.75
15,001 - 30,000	4.66	6.06	2.92	3.80	3.65	4.75
over 30,000	6.64	8.64	2.92	3.80	3.65	4.75

SEWER SERVICE RATES

Type of Service	Inside City	Outside City
Single Family Dwelling Unit	36.87	23.60
Office Building	67.09	1,740.73
Apartment - Average 5 units	89.10	114.52
Apartment - Average 35 units	613.63	171.58
Retail/Wholesale	76.84	N/A

(1) Per 1,000 gallons

SOURCE: City of Glendale Finance

HISTORICAL AVERAGE NUMBER OF WATER CONNECTIONS ⁽¹⁾

Fiscal Year Ending June 30	Residential	Multi-Family	Commercial	Sprinkler	Total
2012 ⁽³⁾	53,858	1,673	4,281	1,666	61,478
2013 ⁽²⁾	54,056	1,680	4,296	1,669	61,701
2014 ⁽²⁾⁽⁴⁾	53,914	1,799	4,264	1,819	61,796
2015 ⁽²⁾	54,126	1,800	4,379	1,862	62,167
2016 ⁽²⁾	54,266	1,800	4,492	1,885	62,443
2017 ⁽²⁾	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
2021	55,646	1,789	4,514	2,025	63,974

(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 ⁽¹⁾	Commercial	Other ⁽²⁾	Sprinkler	Total
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
2020	27,867	8,954	2,436	2,913	42,170

(1) Residential includes both Single and Multi-family deliveries.

(2) Other include unbilled water and recovered effluent groundwater.

Source: Annual report to Arizona Department of Water Resources

SEWERAGE CONNECTIONS BILLED AND SEWAGE TREATED

Fiscal Year Ending June 30	No. of Connections	91st Ave WWTP ⁽²⁾ (MGD) Actual	Arrowhead WRF (MGD)	West Area WRF (MGD)	Total Treated
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
2021	59,305	9.0	2.6	4.8	16.4

(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

This page left blank intentionally.

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