



City of Glendale, Arizona

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2015



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City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

INTRODUCTORY SECTION

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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City of Glendale, Arizona

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2015

Mayor Jerry Weiers

Councilmembers

Ian Hugh - Vice Mayor, Cactus District

Bart Turner - Barrel District

Lauren Tolmachoff - Cholla District

Jamie Aldama - Ocotillo District

Gary D. Sherwood - Sahuaro District

Samuel U. Chavira - Yucca District

Management Staff

Dick Bowers - Acting City Manager

Tom Duensing, Interim Assistant City Manager

Prepared by Finance

Vicki Rios, Interim Finance and Technology Director

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**City of Glendale, Arizona
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015**

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November 18, 2015

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

The Finance Division of the Finance and Technology Department is pleased to submit the City of Glendale, Arizona's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2015. The City publishes the CAFR annually after the close of each fiscal year. The CAFR includes a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP). The financial statements are audited by a firm of licensed certified public accountants in accordance with generally accepted auditing standards (GAAS).

City Management assumes full responsibility for the completeness and reliability of all the information 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 will be free from material misstatement. To the best of our knowledge and belief, this financial report is complete and reliable in all material respects and is designed to fairly represent the financial position of the operations of the various funds of the City.

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

Independent Audit

The City's financial statements have been audited by CliftonLarsonAllen LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2015, 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 independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. 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, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City's separately issued Single Audit reporting package.

Budgetary Controls

The annual budget serves as the foundation for the City's financial planning and control. All agencies of the City are required to submit requests for appropriation to the City Manager on or before the last week in December each year. Management uses these requests to develop a budget to propose to City Council for review and adoption. The Council is required to hold public hearings on the proposed budget and adopt the final budget by the first Monday in August. The legal level of budgetary control is the total budget of \$642 million as adopted in FY14-15. Department heads may request transfers of appropriations within the same

fund for his/her department. However, transfers of appropriations between funds require approval of the City Council and can only occur in the last quarter of the fiscal year. Budget-to-actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted.

Arizona state law and Glendale City financial policies require that each annual city budget be a balanced budget. A balanced budget means total expenditures cannot exceed the budgeted period's total financial resources available. The adopted FY14-15 budget complies with the balanced budget requirement in all City funds. Additionally, the State of Arizona sets a limit on the expenditures of local jurisdictions. Compliance with these expenditure limitations is required. The City submits an audited expenditure limitation report as defined by the Uniform Expenditure Reporting System (A.R.S. Section 41-1279.07) along with audited financial statements to the State Auditor General within the required timeframe.

City of Glendale Profile

The City of Glendale, Arizona is the fifth largest city in the state with a population of approximately 234,000 people. Located in the northwestern part of the metropolitan Phoenix area and occupying approximately 59 square miles of land, the City is home to the Arizona Cardinals and the Arizona Coyotes. The City is also the owner of Camelback Ranch, the spring training facility for the Los Angeles Dodgers and the Chicago White Sox.

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

The City provides a full range of services including: police and fire protection; water, sewer, and sanitation services; the construction and maintenance of highways, streets, public facilities, and other infrastructure; and recreational activities and cultural events. Certain housing services are provided by the City's public housing authority, which functions, in essence, as a department of the City and therefore has been included as an integral part of the City's financial statements. The City also is financially accountable for two legally separate entities - the Municipal Property Corporation and Western Loop 101 Public Facilities Corporation, which are 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. In June 2012, the City Council approved a sales tax rate increase of .7% effective August 1, 2012. Local sales tax revenues increased 11.5% this fiscal year when compared to the last fiscal year. The growth can be attributed to the improving economy, economic development activities, and major events held at the City such as the Super Bowl and Pro Bowl. In addition, the city's state shared sales tax revenues increased 4.9% and state shared income tax revenues increased 10.8%.

Workforce and Unemployment

Glendale's unemployment rate for the month of June 2015 was 5.4% which is lower than the statewide unemployment rate of 6.3%. Year over year 2,845 more people joined the labor force and 3,828 more people were employed in Glendale. Glendale's workforce is concentrated in the following nonfarm

sectors: education and health services (25.4%); trade, transportation, and utilities (20.5%); government (15.8%); professional & business services (11.9%); and construction (8.7%); Glendale's nonfarm employment grew 2.7% over last year with construction, professional and business services, educational and health services leading the growth. The manufacturing sector saw a decline of 1.3% in nonfarm employment. The Arizona Department of Administration projects that in 2016, Arizona nonfarm employment will grow by 2.4%; Glendale is expected to grow faster than the State at 2.6%.

Economic Development

Business attraction, business retention & expansion, redevelopment, business assistance, and major events comprise the five pillars of Glendale's economic development program. Business attraction is focused on five targeted industries: aerospace & defense, manufacturing, signature retail & entertainment, medical technology, and advanced business services. In fiscal year 2015, the City successfully hosted the 2015 Pro Bowl and Super Bowl XLIX which was reported by the Arizona State University WP Carey School of Business as having a \$720 million economic impact for Arizona. Major attraction projects in representative target industries include Palo Verde Oncology, Progressive Financial, Whiting Systems Inc., The Container Store, Dave & Buster's Westgate, and Honor Health. The City also collaborated with WESTMARC on the development of a new workforce measurement tool for the West Valley that demonstrates where workers live based on their occupation. This tool, which is expected to go live in the third quarter of fiscal year 2016, will increase the marketability of Glendale to prospective clients by demonstrating that the City has the workforce to support industries in the community.

Financial Strategy

Through sound financial planning and positive economic conditions, the City's General Fund balance is positive and has increased significantly in fiscal year 2015. The key financial measures that were taken to improve the City's financial position are as follows:

The City refinanced \$361 million in bonds which resulted in \$48 million savings in net present value debt service costs. The debt restructuring provides savings to the General Fund and allows the city to begin replenishing reserves that were significantly depleted over the recession years.

During the fiscal year, the City also paid the remaining balance of a lease purchase agreement relating to the Public Safety Training Center which saved the city approximately \$703 thousand in interest costs.

In April 2015, the City Council adopted a resolution to reclassify the inter-fund advances between the general fund and water and sewer, landfill and sanitation to inter-fund transfers. This removed the long-term liability from the general fund balance sheet.

In June 2015, as part of the annual budget process, the City Council adopted a financial policy to establish a minimum unrestricted (the total of the committed, assigned, and unassigned) fund balance for the General Fund totaling 25% of projected annual ongoing revenues. The policy includes provisions for replenishing the fund balance over the next five fiscal years if it falls below the 25% minimum.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2014. This was the twenty-seventh consecutive year the City has received this prestigious award, and the twenty-ninth year overall. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its fiscal year beginning July 1, 2014. This was the twenty-eighth consecutive year that the City has received the highest form of recognition in governmental budgeting.

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

Respectfully submitted,

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

Vicki L. Rios, CPA
Interim Director of Finance and Technology



Government Finance Officers Association

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

Presented to

**City of Glendale
Arizona**

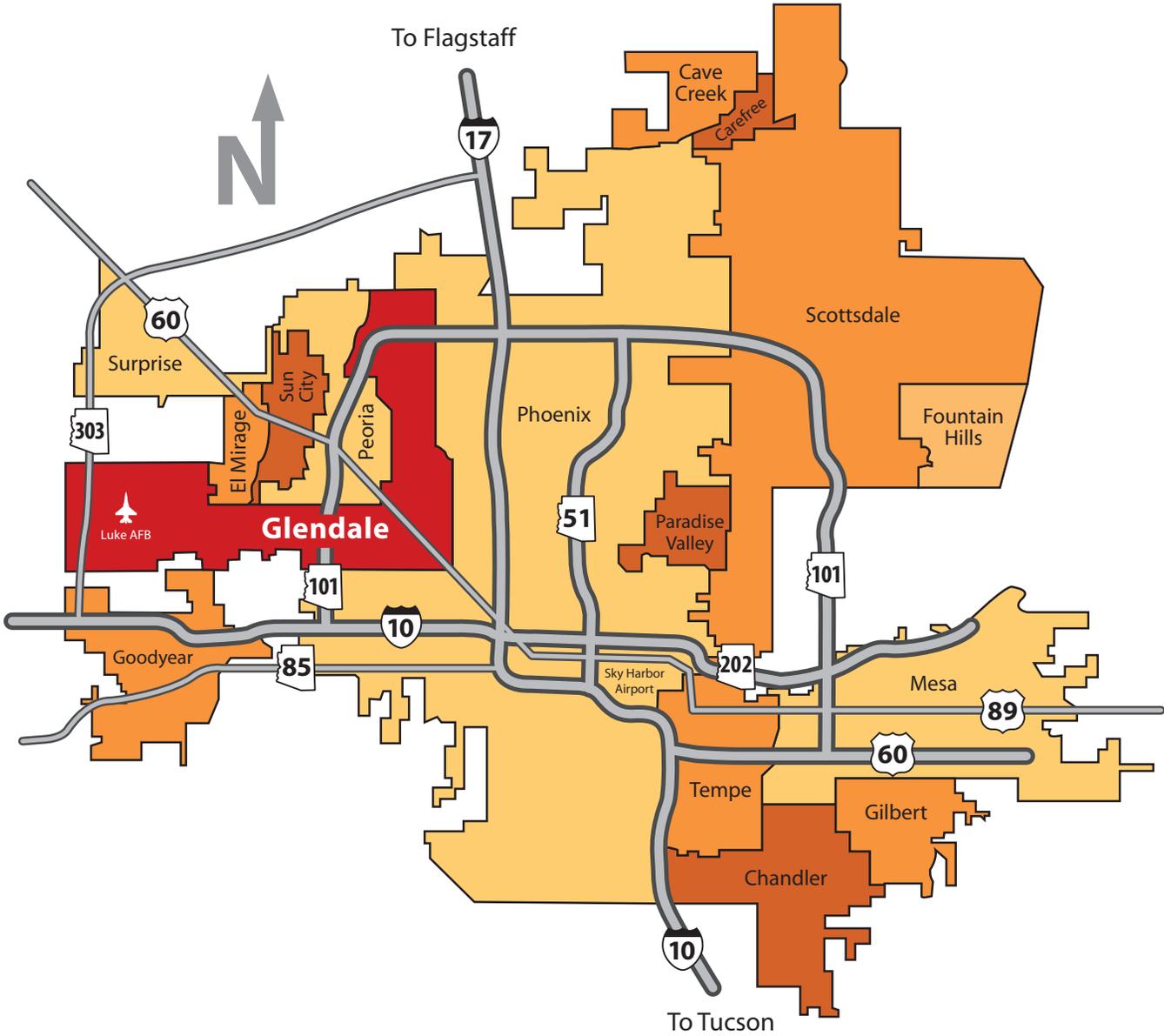
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO



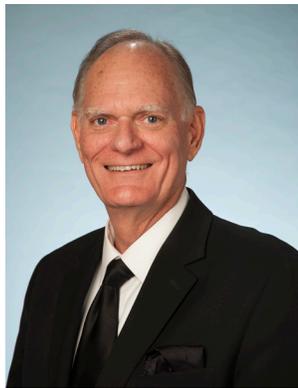
Glendale, Arizona & Neighboring Communities



Glendale City Officials



Jerry Weiers
Mayor



Ian Hugh
Vice Mayor/
Councilmember
Cactus District



Bart Turner
Councilmember
Barrel District



Lauren Tolmachoff
Councilmember
Cholla District



Jamie Aldama
Councilmember
Ocotillo District



Gary D. Sherwood
Councilmember
Sahuaro District



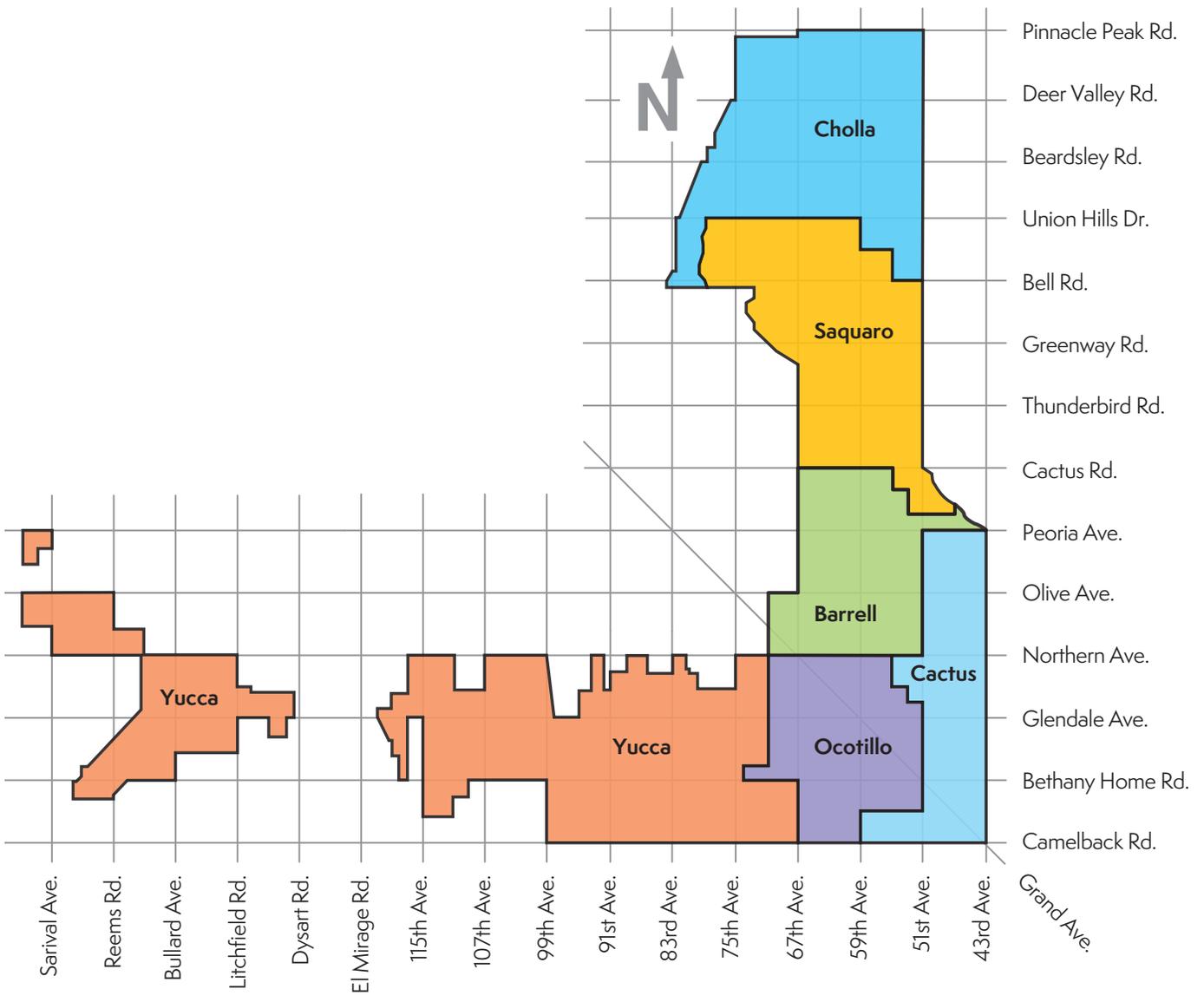
Samuel U. Chavira
Councilmember
Yucca District



Dick Bowers
Acting
City Manager



Glendale Council District Boundaries



CITIZENS OF GLENDALE

Mayor & Council

Boards & Commissions

City Attorney
Michael D. Bailey

Acting City Manager
Dick Bowers

City Clerk
Pam Hanna

Presiding City Judge
Elizabeth Finn

Police Department
Deborah Black
Police Chief

Fire Department
Chris DeChant
Interim Chief

Human Resources Department
Jim Brown
Director

Assistant City Manager
Jennifer Campbell

Interim Assistant City Manager
Tom Duensing

City Auditor
Candace MacLeod

Office of Intergovernmental Programs
Brent Stoddard
Director

Public Works Department
Jack Friedline
Director

Development Services Department
Sam McAllen
Director

Water Services Department
Craig Johnson
Director

Communications Department
Vacant

Finance and Technology Department
Vicki Rios
Interim Director

Community Services Department
Erik Strunk
Director

Office of Economic Development
Brian Friedman
Director

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City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FINANCIAL SECTION

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Glendale, Arizona (City), as of and for the year ended June 30, 2015, 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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

During the fiscal year ended June 30, 2015, the City adopted Governmental Accounting Standards Board Statement (GASBS) No. 68, *Accounting and Financial Reporting for Pensions* and GASBS No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. As a result of the implementation of GASBS No. 68 and No. 71, the City reported a restatement for the change in accounting principle (see Note XVII). Our auditors' opinion was not modified with respect to the restatement.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 15 – 28, the required supplementary information for the City's pension plans and other postemployment benefits on pages 97 – 102 and the budgetary comparison schedule for the general fund on pages 104 – 105 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2015, on our consideration of the City of Glendale, Arizona's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Glendale, Arizona's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Phoenix, Arizona
November 18, 2015

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City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

MANAGEMENT'S DISCUSSION & ANALYSIS

(Required Supplementary Information)

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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Management's Discussion and Analysis

The following discussion and analysis is provided to readers of the City's financial statements as a narrative overview of the financial activities of the City for the fiscal year ended June 30, 2015. 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 29, and the accompanying notes to the financial statements.

Significant Financial Highlights

The financial statements illustrate the following significant financial highlights for FY 2014-15:

- The City's total net position increased \$10,362 or 1.4%. The governmental net position increased by \$44,861 or 13.5%, and the business-type net position decreased by \$34,499 or 8.6%. The increase in net position in the governmental activities is attributed to the reclassification of the inter-fund advances from water and sewer, landfill, and sanitation to inter-fund transfers. The decrease in the business-type net position is also attributed to the reclassification of the inter-fund advance to an inter-fund transfer from water and sewer, landfill, and sanitation to the general fund.
- General revenues from governmental activities increased \$21,377 or 7.6%. The primary reason for this increase was an increase in sales tax revenue from the major events that were held at Westgate such as the Super Bowl XLIX and Pro Bowl. The city also continued its efforts to attract and retain major retailers in the community such as the expansion of the Tanger Outlet stores at Westgate.
- Governmental activities program specific revenues in the form of charges for services, grants, and contributions increased \$2,756 or 3.9%. This increase can be primarily attributed to the additional revenues received under the arena management agreement.
- The total cost of all City programs decreased by \$11,122 or 2.7%. The decrease in expenses is attributed to a decrease in general government and street maintenance expenses in the governmental activities and a decrease in water and sewer expenses for the business-type activities.
- The General Fund, a major governmental fund, collected \$218,890 in revenues which is an increase of \$36,568 or 20.1% from the prior year. This increase was primarily due to an increase in sales taxes and special assessments revenue of \$29,622 from the major events at Westgate and economic development efforts by the City. The total expenditures of the General Fund were \$187,571, which is an increase of \$45,454 or 32%. A significant portion of this increase is related to the consolidation of the police and fire sales tax funds into the general fund which resulted in an increase of \$25,137 in public safety expenses for the general fund.
- The General Fund balance increased \$50,608 or 2539%. This increase was primarily due to the reclassification of the inter-fund advance to an inter-fund transfer from water & sewer, landfill and sanitation to the general fund. The consolidation of the police and fire special revenue fund into the general fund also resulted in an increase of \$11,100 in the general fund balance.
- The City paid the remaining balance of \$10,304 on a lease purchase agreement related to the Regional Public Safety Training Center which will result in a decrease of approximately \$703 in future interest costs.

Overview of the Financial Statements

This report consists of a series of financial statements that are categorized as Government-Wide Financial Statements or Fund Financial Statements. Government-Wide Financial Statements, which include the Statement of Net Position and the Statement of Activities, are designed to provide the reader with information about the overall activities of the City and the long-term view of the City's finances. The Fund Financial Statements illustrates how City services were financed in the short-term as well as more detailed information about the City's most significant funds. Also included in this report are the notes to the financial statements which are provided to help enhance understanding of the content within the 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 29, provides information on all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference reported as net position. Net position is categorized as net investment in capital assets, restricted by an outside party, and unrestricted. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities found on page 30, 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 (e.g., uncollected taxes and earned but unused compensated absences).

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

Fund Financial Statements

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

Governmental Funds

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

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

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.

The City maintains 19 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the 2 major funds. Data from the other 17 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules.

Proprietary Funds

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

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

Additional Required Supplementary Information

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

Other

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

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a City's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$744,542 as of June 30, 2015.

By far the largest portion of the City's net position reflects its investment in capital assets (e.g., land, building, 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, 2015
(amounts expressed in thousands)

The City's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets. At the end of the current fiscal year, the City is able to report positive balances in the three categories of net position with the exception of unrestricted net position for the governmental activities which increased by \$28,360 over prior year. The City is addressing the negative unrestricted net position for the governmental activities through planned spending reductions, decrease debt service payments as a result of the bond refunding in fiscal year 2015, and the reclassification of the inter-fund advance to an inter-fund transfer.

The chart below is a comparison of the City's net position for fiscal years 2015 and 2014:

Condensed Statement of Net Position
As of June 30, 2015, and 2014
(in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014 restated	2015	2014 restated	2015	2014 restated
Current and other assets	\$ 301,454	\$ 250,073	\$ 190,402	\$ 223,733	\$ 491,856	\$ 473,806
Capital assets, net	1,142,283	1,169,316	516,534	527,551	1,658,817	1,696,867
Total assets	<u>1,443,737</u>	<u>1,419,389</u>	<u>706,936</u>	<u>751,284</u>	<u>2,150,673</u>	<u>2,170,673</u>
Deferred Outflows of Resources	72,423	31,277	14,054	5,305	86,477	36,582
Current liabilities	131,428	134,221	40,117	39,143	171,545	173,364
Noncurrent liabilities	986,012	984,428	306,892	315,283	1,292,904	1,299,711
Total liabilities	<u>1,117,440</u>	<u>1,118,649</u>	<u>347,009</u>	<u>354,426</u>	<u>1,464,449</u>	<u>1,473,075</u>
Deferred Inflows of Resources	21,842	-	6,317	-	28,159	-
Net position:						
Net investment						
in capital assets	456,897	448,083	253,134	256,164	710,031	704,247
Restricted	168,714	161,027	24,090	22,300	192,804	183,327
Unrestricted	(248,733)	(277,093)	90,440	123,699	(158,293)	(153,394)
Total net position	<u>\$ 376,878</u>	<u>\$ 332,017</u>	<u>\$ 367,664</u>	<u>\$ 402,163</u>	<u>\$ 744,542</u>	<u>\$ 734,180</u>

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2015
(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, 2015, and 2014
(in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014 restated	2015	2014 restated	2015	2014 restated
	Revenues:					
Program revenues:						
Charges for services	\$ 37,251	\$ 35,647	\$ 106,507	\$ 108,051	\$ 143,758	\$ 143,698
Operating grants and contributions	25,665	25,168	8,855	9,357	34,520	34,525
Capital grants and contributions	11,403	10,748	2,562	2,423	13,965	13,171
Total program revenues	<u>74,319</u>	<u>71,563</u>	<u>117,924</u>	<u>119,831</u>	<u>192,243</u>	<u>191,394</u>
General revenues:						
Property taxes	23,881	23,577	-	-	23,881	23,577
Sales taxes	147,175	131,983	-	-	147,175	131,983
State shared sales tax	20,695	19,734	-	-	20,695	19,734
Urban revenue sharing (state shared income tax)	27,446	25,271	-	-	27,446	25,271
Auto in-lieu taxes	8,664	8,086	-	-	8,664	8,086
Investment earnings, unrestricted	1,070	726	643	463	1,713	1,189
Gain on disposal of capital assets	(688)	78	127	167	(561)	245
Loss on joint venture	-	-	(3,329)	-	(3,329)	-
Miscellaneous	520	687	86	67	606	754
Total revenues	<u>303,082</u>	<u>281,705</u>	<u>115,451</u>	<u>120,528</u>	<u>418,533</u>	<u>402,233</u>
Expenses:						
General government	60,490	73,637	-	-	60,490	73,637
Public safety	127,870	116,070	-	-	127,870	116,070
Public works	21,482	20,524	-	-	21,482	20,524
Community services	31,311	30,796	-	-	31,311	30,796
Community environment	4,980	5,895	-	-	4,980	5,895
Street maintenance	19,180	25,207	-	-	19,180	25,207
Interest on long-term debt	32,106	34,808	-	-	32,106	34,808
Water and sewer	-	-	74,807	77,243	74,807	77,243
Landfill	-	-	7,727	7,554	7,727	7,554
Sanitation	-	-	15,059	14,471	15,059	14,471
Housing	-	-	13,159	13,088	13,159	13,088
Total expenses	<u>297,419</u>	<u>306,937</u>	<u>110,752</u>	<u>112,356</u>	<u>408,171</u>	<u>419,293</u>
Excess before transfers	5,663	(25,232)	4,699	8,172	10,362	(17,060)
Transfers in (out)	39,198	(64)	(39,198)	64	-	-
Increase (decrease) in net position	44,861	(25,296)	(34,499)	8,236	10,362	(17,060)
Net position beginning - restated	<u>332,017</u>	<u>357,313</u>	<u>402,163</u>	<u>393,927</u>	<u>734,180</u>	<u>751,240</u>
Net position ending	<u>\$ 376,878</u>	<u>\$ 332,017</u>	<u>\$ 367,664</u>	<u>\$ 402,163</u>	<u>\$ 744,542</u>	<u>\$ 734,180</u>

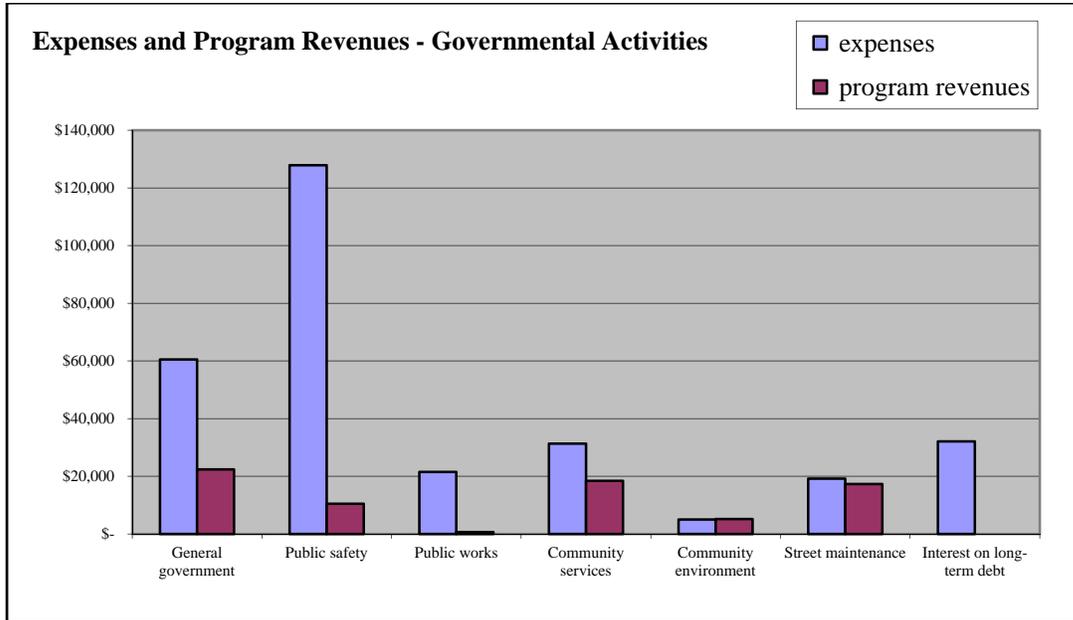
Changes in Net Position

The net position of the governmental activities increased by \$44,861 while business-type activities' net position decreased by \$34,499. The most notable difference is the reclassification of the inter-fund advance to an inter-fund transfer from water and sewer, landfill and sanitation to the general fund.

CITY OF GLENDALE, ARIZONA
 Management's Discussion and Analysis (MD&A)
 For the Fiscal Year Ended June 30, 2015
 (amounts expressed in thousands)

Revenues and Expenditures

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



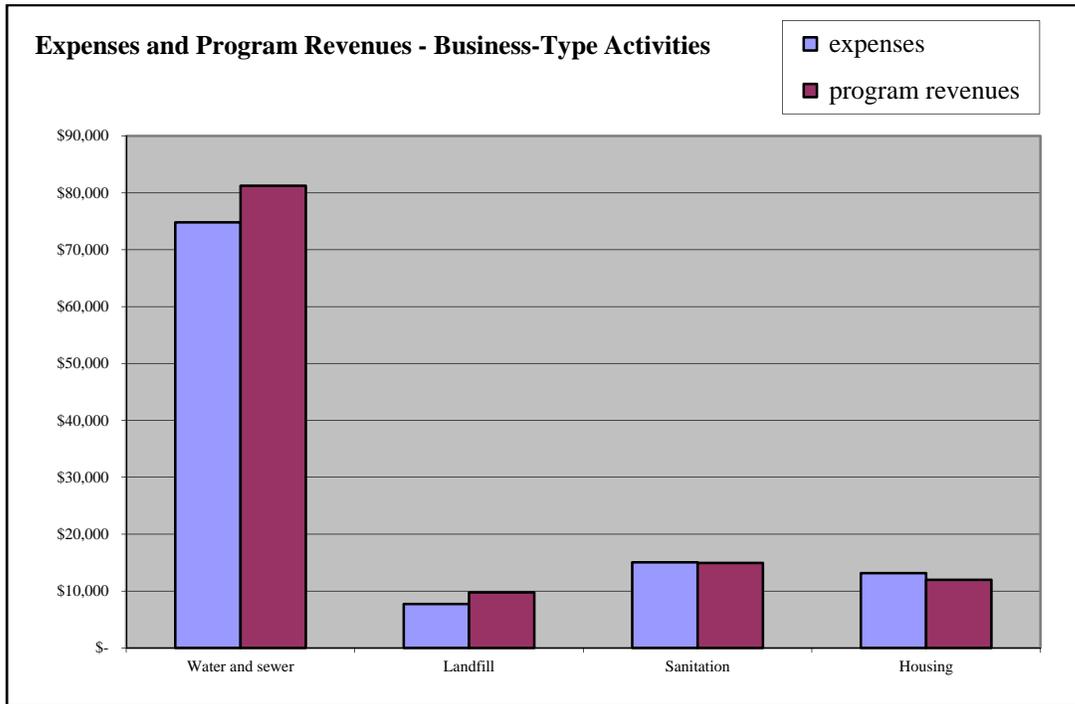
The City's total revenue from governmental activities for the fiscal year ended June 30, 2015, was \$303,082.

The cost of programs and services for governmental activities was \$297,419.

The decrease in the interest expense on long term debt of \$2,702 is due to the savings from refunding of the transportation excise tax revenue bonds, general obligation bonds, and Municipal Property Corporation bonds.

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

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

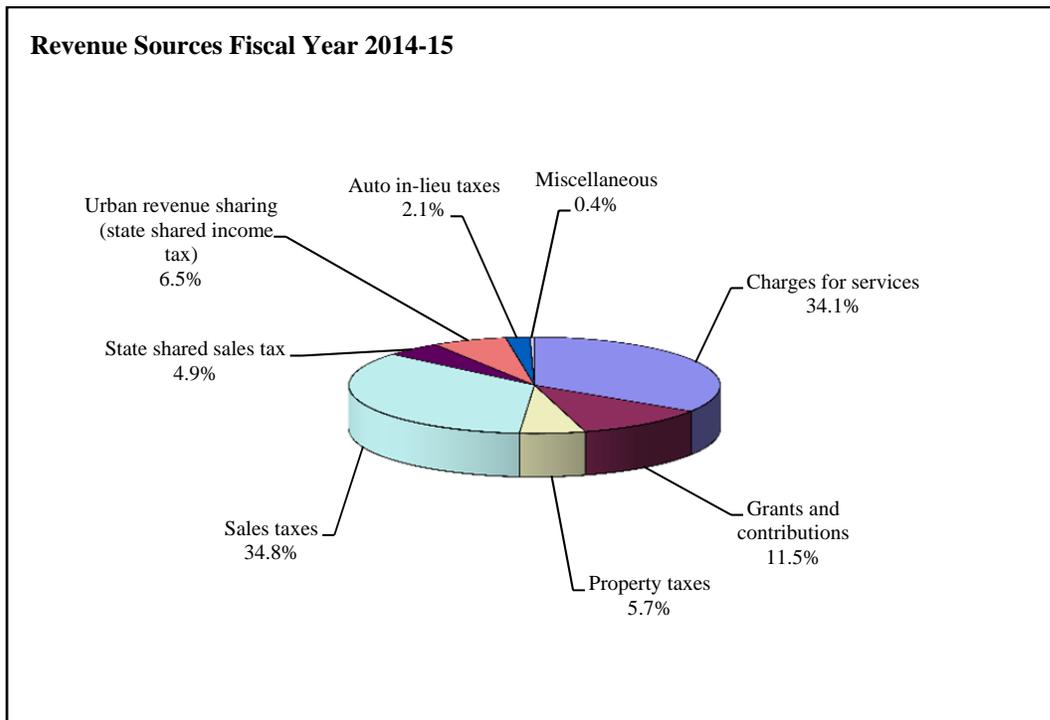


The City's revenue from business-type activities for the fiscal year ended June 30, 2015, was \$115,451.

The cost of programs and services was \$110,752.

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

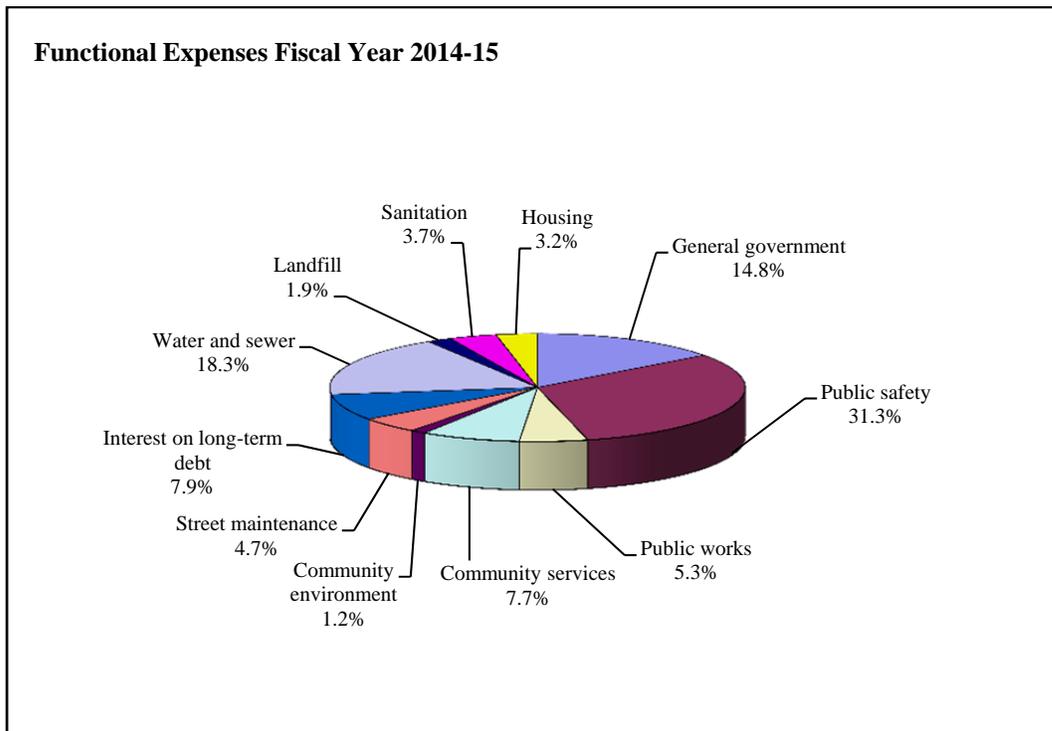
City Revenue Categories



The pie chart above shows the different types of revenue the City receives and the proportion of each. The majority (68.9%) of the total revenue the City receives comes from charges for services and local sales tax. The second most significant source is grants and contributions.

CITY OF GLENDALE, ARIZONA
 Management's Discussion and Analysis (MD&A)
 For the Fiscal Year Ended June 30, 2015
 (amounts expressed in thousands)

City Expense Categories



The majority of the City's expenses (49.6%) are incurred in the Public Safety and Water and Sewer categories. Public Safety expenses include those related to police and fire protection services provided to the community. Public Safety expenses are funded by the general fund. Water and Sewer expenses are paid by the enterprise fund which is funded primarily through user paid fees for services.

Financial Analysis of the City's Funds

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

Governmental Funds

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$154,630, an increase of \$48,256 or 45.4% in comparison with the prior year.

The City implemented Governmental Accounting Standards Board Statement (GASB) 54 during the 2012 fiscal year which impacted the presentation of fund balance components by more accurately classifying the fund balances into five categories: non-spendable, restricted, committed, assigned and unassigned; Note I. K. in the summary of significant accounting policies addresses this in greater detail. In fiscal year 2015 and 2014, \$28,409 and a negative \$4,835, respectively, of the total fund balance constituted unassigned fund balance.

Revenues for governmental functions overall totaled \$297,013 in fiscal year 2015, an increase of 7.6% from the previous years' total of \$276,148. Expenditures for governmental functions totaled \$292,478 in fiscal year 2015, an increase of 9.2% from the previous year total of \$267,896.

The General Fund is the main operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$28,409 while total fund balance was \$48,615. The General Fund has \$216 of its fund balance as non-spendable; \$10,313 as restricted; \$1,114 as committed; and \$8,563 assigned. Per the City's adopted financial policies, 10% of the general fund operating revenue which totals \$19,650 has been earmarked as the Budget Stabilization Reserve and \$8,759 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, 2015 to commit these funds; therefore, the funds are reported as unassigned.

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

- Consolidation of the police and fire special revenue funds into the general fund.
- Increases in sales tax activity from major events such as the Super Bowl and Pro Bowl.
- Reclassification of an inter-fund advance to an inter-fund transfer from water and sewer, landfill, and sanitation to the general fund.

Overall, the General Fund's performance resulted in revenues over expenditures of \$31,320 in fiscal year 2015. In the prior year, revenues exceeded expenditures by \$40,206.

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 \$7,161 at the end of the fiscal year. In March 2015, senior excise tax revenue bonds were issued to refund MPC bond series 2002B, 2003B, 2006A, and series 2012D.

Proprietary Funds

Net position of the enterprise funds decreased \$34,725 or 8.6%. The enterprise funds' total net position was \$24,090 restricted, \$92,922 unrestricted, and \$253,134 invested in capital assets. This decrease in net position is primarily due to the reclassification of an inter-fund advance to the general fund as an inter-fund transfer.

The water and sewer fund accounts for operations, maintenance and construction projects of city-owned water and sewer systems. The fund saw a decrease in net position of \$11,382 for the fiscal year ended June 30, 2015. The decrease in net position is due to the reclassification of the inter-fund advance to an inter-fund transfer from water and sewer to the general fund.

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

The internal service funds account for risk management, workers' compensation, and employee benefits provided to other departments. The funds saw an increase in fund balance of \$1,276 for the fiscal year ended June 30, 2015. Internal service funds were 100% unrestricted. The policy of the City 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 \$6,793 higher than the final budgeted amounts.
- General Fund expenditures were less than the final budget by \$15,646 or 7.0%. The most significant reduction was in public safety, public works and community services expenses. Expenses for public safety were \$3,611 lower than the budgeted amount while expenses for public works and community services were \$1,630 and \$1,444 lower than budgeted amounts. In addition, budgeted equipment purchases did not occur during the fiscal year resulting in general fund capital outlay expenditures that were \$3,938 or 40.1% less than the final budget.
- General Fund budgetary fund balance increased by \$1,627 or 3.8% as a result of increase in revenues. The most significant increase was in sales tax revenue which was \$2,716 higher than the budgeted amount. The increase is attributed to the major events that were held at the City such as the Super Bowl and Pro Bowl.

Capital Asset and Debt Administration

Capital Assets

The City's investment in capital assets (net of accumulated depreciation) as of June 30, 2015, for its governmental-type activities was \$1,142,283 and for the business-type activities was \$516,534. The investment in governmental and business-type capital assets consisted of land, buildings, machinery and equipment, and infrastructure for streets, parks, airport and street lighting, water and wastewater treatment plants.

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

- DOE UV Lamp & Well 43 Projects \$4,101
- Airport Apron Rehabilitation and Lighting Improvements \$2,759
- Multi-use Pathway \$2,091
- HURF Pavement Management \$2,074
- Grand Ave Infrastructure Improvements \$1,553
- CAD/RMS Project \$1,366
- 51st Avenue HES Projects \$1,143
- Bus Stop and Shelters \$1,023

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

The following table is a summary of capital assets reflected in the June 30, 2015, 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	
	2015	2014	2015	2014	2015	2014
Construction in progress	\$ 19,208	\$ 30,972	\$ 14,289	\$ 12,371	\$ 33,497	\$ 43,343
Land	90,237	90,338	26,299	26,299	116,536	116,637
Water storage rights	-	-	7,580	7,759	7,580	7,759
Artwork	2,378	2,378	-	-	2,378	2,378
Buildings	271,426	281,629	7,213	7,600	278,639	289,229
Improvements other than buildings	147,706	146,341	44,750	47,584	192,456	193,925
Infrastructure-streets	460,829	464,492	-	-	460,829	464,492
Infrastructure-parks	52,204	56,692	-	-	52,204	56,692
Infrastructure-airport	5,440	5,931	-	-	5,440	5,931
Infrastructure-flood/storm drains	68,626	69,618	-	-	68,626	69,618
Water lines	-	-	73,023	73,880	73,023	73,880
Sewer lines	-	-	69,932	71,814	69,932	71,814
Water treatment plant	-	-	155,624	160,254	155,624	160,254
Sewer treatment plant	-	-	91,930	95,263	91,930	95,263
Meters and services	-	-	14,265	14,998	14,265	14,998
Fire hydrants	-	-	2,661	2,764	2,661	2,764
Machinery and equipment	6,349	7,008	1,483	1,528	7,832	8,536
Computer equipment	1,054	690	192	193	1,246	883
System Purchase	-	-	1,023	1,163	1,023	1,163
Software	2,993	2,383	-	-	2,993	2,383
Automotive equipment	13,833	10,844	6,270	4,081	20,103	14,925
Total	\$ 1,142,283	\$ 1,169,316	\$ 516,534	\$ 527,551	\$ 1,658,817	\$ 1,696,867

The construction commitments at June 30, 2015 were \$22,662. Additional information on capital assets can be found in Note V of the financial statements.

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

Long-Term Debt

At the end of the current fiscal year, the City had total debt outstanding of \$881,492 compared to \$962,586 last year, an 8.4% net decrease.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
General obligation	\$ 126,305	\$ 147,810	\$ -	\$ -	\$ 126,305	\$ 147,810
Transportation revenue bond	80,995	88,015	-	-	80,995	88,015
Highway users revenue bonds	1,895	3,700	-	-	1,895	3,700
Excise tax revenue bonds	114,130	-	-	-	114,130	-
Municipal Property revenue bonds	326,375	459,585	-	-	326,375	459,585
Capital lease obligation	57	10,361	-	-	57	10,361
Water and sewer revenue bonds/obligations	-	-	231,735	253,115	231,735	253,115
Total	\$ 649,757	\$ 709,471	\$ 231,735	\$ 253,115	\$ 881,492	\$ 962,586

The City received a "AA" underlying rating from Standard & Poor's and an "A3" underlying rating from Moody's for general obligation debt. The senior excise tax bonds are rated "AA+" by Standard and Poor's and an "A3" 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 "A3" by Moody's. Street and highway user revenue bonds are rated "AA" by Standard & Poor's and "A3" 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, 2015, was \$68,042 and \$108,057, respectively. Additional information on long-term debt can be found in Notes VIII and X of the financial statements.

Next Year's Budget and Economic Factors

The adopted fiscal year 2015-16 budget is \$632,000, a decrease of 1.6% from 2014-15. The planned spending reduction is mainly attributable to a decrease in debt service payments as the result of a recent bond refinancing and a reduction in capital project carryover funding. As the jobless claims continue to decline and the overall economy continues to improve, budgeted revenues are anticipated to increase slightly over the prior year. Major sources continue to be sales tax, state shared revenues and property taxes. Total revenues available to the city in fiscal year 2015-16 from all sources are estimated at \$511,200.

In the fiscal year 2015-16 budget, the general fund sub-funds, totaling 23 were eliminated and absorbed by the general fund or reclassified into internal service funds.

The city of Glendale continues to be a mecca for national sporting events. The city is proud to host the National College Football Playoffs in January 2016 and one-time costs associated with the event are also included in the budget. For fiscal year 2015, the City's annual average unemployment rate is 5.4%; this represents an improvement from last calendar year's average of 6.5%.

CITY OF GLENDALE, ARIZONA
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

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 Finance and Technology, 5850 West Glendale Avenue, Suite 302, Glendale, Arizona 85301.

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City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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City of Glendale, Arizona
Statement of Net Position
June 30, 2015
(amounts expressed in thousands)

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Equity in pooled cash and investments	\$ 163,509	\$ 110,134	\$ 273,643
Receivables (net of allowance for uncollectibles)			
Property taxes	795	-	795
Accounts	19,512	11,847	31,359
Note	51,308	-	51,308
Accrued interest	471	-	471
Intergovernmental receivable	14,690	2	14,692
Internal balances	2,482	(2,482)	-
Inventories and prepaid items	382	1,506	1,888
Restricted deposits	-	2,911	2,911
Restricted cash and investments	48,305	12,359	60,664
Capital assets:			
Non-depreciable	111,823	40,588	152,411
Depreciable (net)	1,030,460	475,946	1,506,406
Equity in joint venture	-	54,125	54,125
Total assets	<u>1,443,737</u>	<u>706,936</u>	<u>2,150,673</u>
DEFERRED OUTFLOWS OF RESOURCES			
Debit amounts related to pensions	50,471	3,317	53,788
Debit amounts resulting from refunded debt	21,952	10,737	32,689
Total deferred outflows of resources	<u>72,423</u>	<u>14,054</u>	<u>86,477</u>
LIABILITIES			
Vouchers payable	16,045	3,712	19,757
Accounts payable	4,793	64	4,857
Contract payable	5,517	-	5,517
Retainage payable	197	167	364
Matured bonds payable	26,945	13,170	40,115
Accrued interest payable	14,327	4,777	19,104
Intergovernmental payable	449	292	741
Deposits payable	2,305	4,321	6,626
Unearned revenue	6,348	5	6,353
Noncurrent liabilities:			
Due within one year	54,502	13,609	68,111
Due in more than one year	986,012	306,892	1,292,904
Total liabilities	<u>1,117,440</u>	<u>347,009</u>	<u>1,464,449</u>
DEFERRED INFLOW OF RESOURCES	21,842	6,317	28,159
NET POSITION			
Net investment in capital assets	456,897	253,134	710,031
Restricted for:			
Capital projects	20,611	-	20,611
Debt service	67,438	13,170	80,608
Transportation	37,000	-	37,000
Highway and streets	23,663	-	23,663
Revenue bond retirement, replacement, and extension	-	10,122	10,122
Perpetual care - nonexpendable	5,766	-	5,766
Police and Fire	9,561	-	9,561
Other purposes	4,675	798	5,473
Unrestricted	(248,733)	90,440	(158,293)
Total net position	<u>\$ 376,878</u>	<u>\$ 367,664</u>	<u>\$ 744,542</u>

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

City of Glendale, Arizona
Statement of Activities
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<u>Functions/Programs</u>				
Primary government:				
Governmental activities:				
General government	\$ 60,490	\$ 18,498	\$ 710	\$ 3,185
Public safety	127,870	6,084	3,941	444
Public works	21,482	631	30	-
Community services	31,311	11,704	2,116	4,563
Community environment	4,980	309	4,827	-
Street maintenance	19,180	25	14,041	3,211
Interest on long-term debt	32,106	-	-	-
Total governmental activities	<u>297,419</u>	<u>37,251</u>	<u>25,665</u>	<u>11,403</u>
Business-type activities:				
Water and sewer	74,807	78,541	266	2,455
Landfill	7,727	9,757	-	-
Sanitation	15,059	14,944	-	-
Housing	13,159	3,265	8,589	107
Total business-type activities	<u>110,752</u>	<u>106,507</u>	<u>8,855</u>	<u>2,562</u>
Total primary government	<u>\$ 408,171</u>	<u>\$ 143,758</u>	<u>\$ 34,520</u>	<u>\$ 13,965</u>

General revenues:

Taxes:

Property taxes levied for:

General purposes

Debt service

Sales taxes

State shared sales tax

Urban revenue sharing (state shared income tax)

Auto in-lieu taxes

Investment earnings, unrestricted

(Loss)/Gain on disposal of capital assets

Loss on joint venture

Miscellaneous

Transfers

Total general revenues, special items, and transfers

Change in net position

Net position - beginning - restated

Net position - ending

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

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (38,097)	\$ -	\$ (38,097)
(117,401)	-	(117,401)
(20,821)	-	(20,821)
(12,928)	-	(12,928)
156	-	156
(1,903)	-	(1,903)
(32,106)	-	(32,106)
<u>(223,100)</u>	<u>-</u>	<u>(223,100)</u>
-	6,455	6,455
-	2,030	2,030
-	(115)	(115)
-	(1,198)	(1,198)
-	7,172	7,172
<u>(223,100)</u>	<u>7,172</u>	<u>(215,928)</u>
5,250	-	5,250
18,631	-	18,631
147,175	-	147,175
20,695	-	20,695
27,446	-	27,446
8,664	-	8,664
1,070	643	1,713
(688)	127	(561)
-	(3,329)	(3,329)
520	86	606
39,198	(39,198)	-
<u>267,961</u>	<u>(41,671)</u>	<u>226,290</u>
44,861	(34,499)	10,362
332,017	402,163	734,180
<u>\$ 376,878</u>	<u>\$ 367,664</u>	<u>\$ 744,542</u>

City of Glendale, Arizona
Balance Sheet
Governmental Funds
June 30, 2015
(amounts expressed in thousands)

	Major Funds			Total Governmental Funds
	General	Municipal Property Corporation Debt Service	Other Non-Major Governmental Funds	
ASSETS				
Assets:				
Equity in pooled cash and investments	\$ 52,322	\$ 4,734	\$ 95,351	\$ 152,407
Receivables, net of allowance for doubtful accounts:				
Property taxes	164	-	631	795
Accounts	16,802	-	2,704	19,506
Note	-	51,308	-	51,308
Accrued interest	471	-	-	471
Due from other funds	2,536	-	-	2,536
Intergovernmental receivable	2,142	-	12,548	14,690
Inventories and prepaid items	216	-	107	323
Restricted cash and investments	977	13,045	32,708	46,730
Total assets	<u>\$ 75,630</u>	<u>\$ 69,087</u>	<u>\$ 144,049</u>	<u>\$ 288,766</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Vouchers payable	\$ 9,349	\$ -	\$ 4,695	\$ 14,044
Accounts payable	4,793	-	-	4,793
Contract Payable	5,517	-	-	5,517
Retainage payable	-	-	197	197
Compensated absences - current	1,141	-	53	1,194
Intergovernmental payable	448	-	1	449
Due to other funds	-	-	2,536	2,536
Deposits	2,300	-	5	2,305
Unearned revenue	257	-	6,091	6,348
Matured interest payable	-	8,033	6,294	14,327
Matured bonds payable	-	2,585	24,360	26,945
Total liabilities	<u>23,805</u>	<u>10,618</u>	<u>44,232</u>	<u>78,655</u>
Deferred Inflows of Resources	<u>3,210</u>	<u>51,308</u>	<u>963</u>	<u>55,481</u>
Fund Balances:				
Nonspendable	216	-	5,768	5,984
Restricted	10,313	7,161	92,809	110,283
Committed	1,114	-	-	1,114
Assigned	8,563	-	277	8,840
Unassigned	28,409	-	-	28,409
Total fund balances	<u>48,615</u>	<u>7,161</u>	<u>98,854</u>	<u>154,630</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 75,630</u>	<u>\$ 69,087</u>	<u>\$ 144,049</u>	<u>\$ 288,766</u>

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

City of Glendale, Arizona

**Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position**

June 30, 2015

(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		\$	154,630
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			
Governmental capital assets	\$	1,789,321	
Less accumulated depreciation		<u>(647,038)</u>	
			1,142,283
The reacquisition price of refunding outstanding debt is a deferred outflow of resources in the statement of net position and is amortized over the lesser of the refunded bonds or refunding bonds and represents a reconciling item between the government-wide and fund financial statements.			21,952
Deferred outflow of resources related to pensions			50,471
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds and shown as an internal balance item.			2,482
Internal service funds are used by management to charge the costs of workers' compensation, risk management, and employee benefits 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.			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		(649,700)	
Net pension obligation		(244,467)	
Capital lease obligations		(57)	
Developer payable obligations		(3,406)	
Compensated absences		(20,503)	
Bond discount		1,402	
OPEB obligations		(56,614)	
Unamortized premium on debt issuance		<u>(55,577)</u>	
			(1,028,922)
Deferred inflows of resources related to pensions			(21,842)
Deferred inflows of resources is unavailable revenue that is measurable but not yet available for governmental fund activities is recognized as revenue for governmental-wide activities.			<u>55,483</u>
Net position of governmental activities		\$	<u><u>376,878</u></u>

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

City of Glendale, Arizona
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Major Funds			Total Governmental Funds
	General	Municipal Property Corporation Debt Service	Other Non-Major Governmental Funds	
REVENUES				
Taxes and special assessments	\$ 127,297	\$ -	\$ 43,308	\$ 170,605
Licenses and permits	8,867	-	1,743	10,610
Intergovernmental	57,165	-	29,947	87,112
Local	-	-	525	525
Charges for services	16,600	-	1,085	17,685
Fines and forfeitures	3,556	-	-	3,556
Investment income	1,010	-	248	1,258
Miscellaneous	4,395	-	1,267	5,662
Total revenues	<u>218,890</u>	<u>-</u>	<u>78,123</u>	<u>297,013</u>
EXPENDITURES				
Current:				
General government	33,417	9	68	33,494
Public safety	110,166	-	3,977	114,143
Public works	8,637	-	36	8,673
Community services	13,546	-	12,833	26,379
Community environment	20	-	4,957	4,977
Street maintenance	717	-	7,234	7,951
Miscellaneous	3,884	905	1,002	5,791
Debt service:				
Principal	10,304	2,585	24,362	37,251
Interest	867	19,382	12,621	32,870
Capital outlay	6,012	-	14,937	20,949
Total expenditures	<u>187,570</u>	<u>22,881</u>	<u>82,027</u>	<u>292,478</u>
Excess (deficiency) of revenues over (under) expenditures	<u>31,320</u>	<u>(22,881)</u>	<u>(3,904)</u>	<u>4,535</u>
OTHER FINANCING SOURCES (USES)				
Payment to refunded bonds escrow agent	-	(35,067)	(96,899)	(131,966)
Principal-current bond refunding	-	(98,195)	(11,950)	(110,145)
Interest-current bond refunding	-	(910)	(112)	(1,022)
Refunding bonds issued	-	-	209,255	209,255
Premium on long-term debt issued	-	-	35,751	35,751
Proceeds from equipment disposal	266	-	2,384	2,650
Transfers in	50,669	164,998	25,027	240,694
Transfers out	(31,647)	(1,793)	(168,056)	(201,496)
Total other financing sources and uses	<u>19,288</u>	<u>29,033</u>	<u>(4,600)</u>	<u>43,721</u>
Net change in fund balances	<u>50,608</u>	<u>6,152</u>	<u>(8,504)</u>	<u>48,256</u>
Fund balances, July 1	(1,993)	1,009	107,358	106,374
Fund balances, June 30	<u>\$ 48,615</u>	<u>\$ 7,161</u>	<u>\$ 98,854</u>	<u>\$ 154,630</u>

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

City of Glendale, Arizona

**Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities**

For the Fiscal Year Ended June 30, 2015

(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		\$	48,256
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation. This is the amount by which capital outlays of \$20,949 did not exceed depreciation of \$47,318 for the current period.			(26,369)
The net effect of various transactions involving capital is to increase net position.			
Capital contributions	\$	2,677	
Disposals		(2,650)	
Gain (loss) on sales		<u>(688)</u>	
			(661)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.			3,886
The net effect of long-term debt issuance and the related transactions is to increase net assets.			
Payment to redeem lease		10,304	
Bond premium		(35,751)	
Bond premium amortized		2,805	
Bond discount amortized		(62)	
Deferred amount on refunding		(1,089)	
Payment to refunded bonds escrow agent		131,966	
Principal paid		26,947	
Refunding bonds issued		(209,255)	
Principal paid current refunding		<u>110,145</u>	
			36,010
Compensated absences reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.			(2,539)
Other post employment benefits reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.			(2,925)
Pension contributions reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.			18,450
Net pension expense reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.			(26,944)
Internal service funds are used by management to charge the costs of workers' compensation, risk management, and employee benefits to individual funds.			1,050
Expenses on the statement of activities differ from governmental funds because of the portion not accrued on the governmental funds.			<u>(3,353)</u>
Change in net position of governmental activities		\$	<u>44,861</u>

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

City of Glendale, Arizona
Statement of Net Position
Proprietary Funds
June 30, 2015
(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Major Funds	Other Proprietary	Total	
	Water and Sewer	Funds		
ASSETS				
Current assets:				
Equity in pooled cash and investments	\$ 94,538	\$ 15,596	\$ 110,134	\$ 11,102
Receivables:				
Accounts	11,413	2,723	14,136	6
Allowance for uncollectibles	(1,887)	(402)	(2,289)	-
Intergovernmental receivable	-	2	2	-
Inventories and prepaid items	1,489	17	1,506	59
Total current assets	<u>105,553</u>	<u>17,936</u>	<u>123,489</u>	<u>11,167</u>
Noncurrent assets:				
Restricted deposits	2,911	-	2,911	1,575
Restricted cash and investments	12,359	-	12,359	-
Capital assets:				
Capital assets	784,632	56,351	840,983	-
Accumulated depreciation	(292,520)	(31,929)	(324,449)	-
Capital assets, net	<u>492,112</u>	<u>24,422</u>	<u>516,534</u>	<u>-</u>
Equity in joint venture	54,125	-	54,125	-
Total noncurrent assets	<u>561,507</u>	<u>24,422</u>	<u>585,929</u>	<u>1,575</u>
Total assets	<u>667,060</u>	<u>42,358</u>	<u>709,418</u>	<u>12,742</u>
DEFERRED OUTFLOWS OF RESOURCES				
Debit amounts related to pensions	2,155	1,162	3,317	2
Debit amounts resulting from refunded debt	10,737	-	10,737	-
Total deferred outflows of resources	<u>12,892</u>	<u>1,162</u>	<u>14,054</u>	<u>2</u>
LIABILITIES				
Current liabilities:				
Vouchers payable	2,945	767	3,712	2,001
Accounts payable	-	64	64	-
Retainage payable	74	93	167	-
Compensated absences	1,346	598	1,944	10
Matured bonds payable	13,170	-	13,170	-
Intergovernmental payable	288	4	292	-
Deposits	4,086	235	4,321	-
Unearned rent	-	5	5	-
Estimated claims payable	-	-	-	10,369
Current portion of long-term debt:				
Unamortized premium on debt issuance	2,250	-	2,250	-
Revenue bonds/obligations payable	9,415	-	9,415	-
Interest payable	4,777	-	4,777	-
Total current liabilities	<u>38,351</u>	<u>1,766</u>	<u>40,117</u>	<u>12,380</u>
Noncurrent liabilities:				
Compensated absences	691	511	1,202	1
Unamortized premium on debt issuance	26,982	-	26,982	-
Revenue bonds/obligations payable	222,320	-	222,320	-
Pension obligations	18,543	9,996	28,539	18
OPEB long-term obligations	7,898	4,893	12,791	-
Other long-term debt	-	98	98	-
Estimated closure and post-closure costs	-	14,960	14,960	-
Total noncurrent liabilities	<u>276,434</u>	<u>30,458</u>	<u>306,892</u>	<u>19</u>
Total liabilities	<u>314,785</u>	<u>32,224</u>	<u>347,009</u>	<u>12,399</u>
DEFERRED INFLOWS	4,104	2,213	6,317	4
NET POSITION				
Net investment in capital assets	228,712	24,422	253,134	-
Restricted for:				
Debt service	13,170	-	13,170	-
Revenue bond retirement, replacement and extension	10,122	-	10,122	-
Other purposes	798	-	798	-
Unrestricted	108,261	(15,339)	92,922	341
Total net position	<u>\$ 361,063</u>	<u>\$ 9,083</u>	<u>370,146</u>	<u>\$ 341</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			(2,482)	
Net position of business-type activities			<u>\$ 367,664</u>	

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

City of Glendale, Arizona
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Major Funds	Other Proprietary	Total	
	Water and Sewer	Funds		
Operating revenues:				
Intergovernmental	\$ 266	\$ 8,696	\$ 8,962	\$ -
Metered water sales	43,312	-	43,312	-
Sewer service charges	32,033	-	32,033	-
Container service	-	4,216	4,216	-
Curb service	-	10,728	10,728	-
Landfill user fees	-	7,594	7,594	-
Self-insurance premium	-	-	-	27,114
Recycling sales	-	1,771	1,771	-
Other fees	2,314	3,657	5,971	215
Total operating revenues	<u>77,925</u>	<u>36,662</u>	<u>114,587</u>	<u>27,329</u>
Operating expenses:				
Water	18,365	-	18,365	-
Sewer	11,849	-	11,849	-
Landfill	-	7,099	7,099	-
Housing	-	12,676	12,676	-
Closure/post-closure care adjustment	-	(206)	(206)	-
Sanitation	-	13,567	13,567	-
Administrative and general	11,498	-	11,498	55
Insurance claims and premiums	-	-	-	26,043
Amortization and depreciation	22,370	2,640	25,010	-
Total operating expenses	<u>64,082</u>	<u>35,776</u>	<u>99,858</u>	<u>26,098</u>
Operating income (loss)	<u>13,843</u>	<u>886</u>	<u>14,729</u>	<u>1,231</u>
Nonoperating revenues (expenses):				
Impact fees	967	-	967	-
Investment income	433	210	643	45
Interest expense	(9,718)	-	(9,718)	-
Net loss from joint venture	(3,329)	-	(3,329)	-
Bond issuance cost	(700)	-	(700)	-
Gain on disposal of assets	6	121	127	-
OPEB expense	(430)	(271)	(701)	-
Total nonoperating revenues (expenses)	<u>(12,771)</u>	<u>60</u>	<u>(12,711)</u>	<u>45</u>
Income (loss) before contributions and transfers	1,072	946	2,018	1,276
Capital contributions	2,455	-	2,455	-
Transfers in	-	274	274	-
Transfers out	(14,909)	(24,563)	(39,472)	-
Change in net position	<u>(11,382)</u>	<u>(23,343)</u>	<u>(34,725)</u>	<u>1,276</u>
Total net position - beginning - restated	372,445	32,426		(935)
Total net position - ending	<u>\$ 361,063</u>	<u>\$ 9,083</u>		<u>\$ 341</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			226	
Change in net position of business-type activities			<u>\$ (34,499)</u>	

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

City of Glendale, Arizona
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Major Funds	Other	Total	
	Water and Sewer	Proprietary Funds		
Cash flows from operating activities:				
Cash received from customers	\$ 79,362	\$ 27,982	\$ 107,344	\$ 27,326
Cash received from federal operating grants	-	8,691	8,691	-
Cash paid to suppliers:				
Internal city departments	(6,675)	(9,327)	(16,002)	-
External vendors	(18,893)	(15,770)	(34,663)	-
Cash paid for insurance and in settlement of claims	-	-	-	(26,523)
Cash paid to employees for services	(15,458)	(8,387)	(23,845)	(44)
Net cash provided (used) by operating activities	<u>38,336</u>	<u>3,189</u>	<u>41,525</u>	<u>759</u>
Cash flows from noncapital financing activities:				
Transfers in	-	274	274	-
Transfers out	(14,909)	(24,563)	(39,472)	-
Advances to/due from other funds	14,850	24,633	39,483	-
Net cash provided (used) by noncapital financing activities	<u>(59)</u>	<u>344</u>	<u>285</u>	<u>-</u>
Cash flows from capital and related financing activities:				
Proceeds from bonds sold	140,503	-	140,503	-
Payment to refunded bonds' escrow agent	(139,803)	-	(139,803)	-
Bond issuance cost	(700)	-	(700)	-
Principal payments on obligations	(10,210)	5	(10,205)	-
Acquisition of capital assets and rights	(5,753)	(5,440)	(11,193)	-
Impact fees	967	-	967	-
Interest payments on obligations	(12,493)	-	(12,493)	-
Contributions to Joint Venture	(179)	-	(179)	-
Net cash (used) by capital and related financing activities	<u>(27,668)</u>	<u>(5,435)</u>	<u>(33,103)</u>	<u>-</u>
Cash flows from investing activities:				
Interest received from investments	433	210	643	45
Net cash provided by investing activities	<u>433</u>	<u>210</u>	<u>643</u>	<u>45</u>
Net increase (decrease) in cash and cash equivalents during fiscal year	11,042	(1,692)	9,350	804
Cash and cash equivalents, July 1	95,855	17,288	113,143	11,873
Cash and cash equivalents, June 30	<u>\$ 106,897</u>	<u>\$ 15,596</u>	<u>\$ 122,493</u>	<u>\$ 12,677</u>

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

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Major Funds	Other Proprietary	Total	
	Water and Sewer	Funds		
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 13,843	\$ 886	\$ 14,729	\$ 1,231
Adjustments to reconcile operating income (loss) to net cash provided (used) by operations:				
Amortization and depreciation	22,370	2,640	25,010	-
Net pension expense and contribution	(368)	(197)	(565)	-
Changes in assets and liabilities:				
Accounts receivable	940	(20)	920	(3)
Intergovernmental receivable	-	7	7	-
Inventories and prepaid items	(759)	4	(755)	-
Restricted deposits	103	-	103	-
Vouchers and accounts payable	1,587	(4)	1,583	174
Accrued expenses	(99)	(8)	(107)	-
Intergovernmental payable	(10)	(11)	(21)	-
Due to other funds	-	(1)	(1)	-
Deposits	394	4	398	-
Unearned rent	-	(1)	(1)	-
Compensated absences	335	62	397	10
Claims payable	-	-	-	(653)
Proceeds from disposal of assets	-	34	34	-
Estimated closure and post-closure costs	-	(206)	(206)	-
Net cash provided (used) by operating activities	<u>\$ 38,336</u>	<u>\$ 3,189</u>	<u>\$ 41,525</u>	<u>\$ 759</u>
Reconciliation of statement of net position cash and investments to the statement of cash flows:				
Per combined statement of net position:				
Equity in pooled cash and investments	\$ 94,538	\$ 15,596	\$ 110,134	\$ 11,102
Restricted cash and investments	12,359	-	12,359	1,575
Total cash and cash equivalents	<u>\$ 106,897</u>	<u>\$ 15,596</u>	<u>\$ 122,493</u>	<u>\$ 12,677</u>
Noncash investing, capital, and financing activities:				
Contributions of capital assets	\$ 2,455	\$ -	\$ 2,455	\$ -
Loss on joint venture	(3,329)	-	(3,329)	-
Amortization of bond premium/discount	1,702	-	1,702	-
Amortization of debit amounts resulting from refunded debt	590	-	590	-

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2015

(amounts expressed in thousands)

Notes to the Financial Statements

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

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CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

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(amounts expressed in thousands)

I. Summary of significant accounting policies

A. Reporting entity

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

Blended component units

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

City of Glendale, Arizona, Western Loop 101 Public Facilities Corporation (PFC) is a non-profit corporation organized under the laws of the State of Arizona to assist the City to finance, construct and equip a spring training baseball facility for two major league teams and all other related infrastructure. The Board of Directors of the PFC, appointed by the City Council, consists of four City employees and one private citizen. The Board of Directors is responsible for authorizing debt (obligations) of the PFC. The City Council also approves the debt of the PFC. The total debt outstanding, including leases, of the PFC is expected to be repaid entirely or almost entirely with the resources of the primary government. Although the PFC is a legally separate entity from the City, the PFC 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 PFC does not issue separate audited financial statements. The PFC does file a tax return with the Internal Revenue Service. Copies of the tax return are available from the City's Finance and Technology Department.

B. Government-wide and fund financial statements

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

There are several types of transactions that are reported in the financial statements as inter-fund items. Transactions that would be treated as revenue, expenditures or expenses if they involved organizations external to the governmental unit, like the sale of water from the water and sewer fund to various

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

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

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

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

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

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

C. Form of presentation – fund financial statements

The City reports the following major governmental funds:

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

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

The City reports the following major proprietary fund:

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

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Additionally, the City reports internal service funds.

Internal service funds account for risk management, workers' compensation and employee benefits provided to other departments.

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

Governmental funds

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

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

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

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

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

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

Proprietary funds

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

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

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or other purposes. The enterprise funds, which the City currently maintains, are the water and sewer, landfill, sanitation, and housing funds.

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

D. Measurement focus and basis of accounting

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

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

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

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

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

E. Statement of cash flows

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

F. Inter-fund transactions

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

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funds to shift resources from a fund legally authorized to receive revenue to a fund authorized to expend the revenue.

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

G. Inventories and prepaid items

Inventories of the governmental and enterprise funds consist primarily of expendable supplies held for consumption. These inventories are maintained on a perpetual system verified through cyclical physical counts and are valued using a weighted average cost. Generally, expenditures are recorded at the time 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, 2015, the postage portion of the general fund supplies inventory was \$9. Certain expenditures are recorded for financial reporting purposes as prepaid items.

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

H. Restricted assets

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

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

I. Capital assets

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

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred by the enterprise funds

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during the current fiscal year was \$9,718. In addition, \$91 was included as part of the cost of capital assets under construction in connection with water and sewer projects.

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

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

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

J. Water rights

The City has entered into a lease agreement with Salt River Pima-Maricopa Indian Community (SRP-MIC) for the rights to 1,814 acre-feet of water each year through 2099. These rights, costing \$2,693, are being amortized over 40 years on a straight-line basis starting January 1, 2000. Current year amortization was \$67. The net book value of water rights as of June 30, 2015, is \$1,648. 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, 2015, the City has capitalized payment of \$4,463 for these water rights. Current year amortization was \$112. The net book value of these water rights as of June 30, 2015, is \$3,905.

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, 2015, 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 City has implemented GASB No. 54 fund balance reporting and governmental fund type definitions. 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

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projects, debt service, and excise tax revenues collected for voter approved transportation expenditures.

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

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

Unassigned are amounts for any other purpose. If resources were not assigned, they could not be properly reported in a fund other than the general fund. Therefore, only the general fund can report a positive amount of unassigned fund balance. Any governmental fund in a deficit position could report a negative amount of unassigned fund balance.

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

L. Net position

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

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

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

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

M. Property tax

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

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Property Tax Calendar

Lien date	January 1, 2014
Levy (assessment) date (third Monday in August)	August 18, 2014
Due dates:	
First half of assessment	October 1, 2014
Second half of assessment	March 1, 2015
Penalties and interest added (collection dates):	
First half of assessment	November 3, 2014
Second half of assessment	May 1, 2015

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. 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, 2015, is as follows:

<u>Fund</u>	<u>Rate</u>
General fund	\$ 0.49
General obligation debt service fund	1.66
Total	<u>\$ 2.15</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

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June 30, 2015, and 2) sick leave, taken and paid for illness during that period, paid to terminating employees or paid under the optional annual declaration. Long-term liabilities of governmental funds are not shown on the fund financial statements. All of the outstanding vacation, compensatory time, and sick leave are recorded as a liability on the government-wide financial statements, and the proprietary fund financial statements, according to payment policy.

O. Deferred outflow and deferred inflow of resources

Resources transmitted before time requirements are met, but after all other eligibility requirements have been met, are reported as deferred outflows. Reacquisition costs associated with bond refunding is an example of a deferred outflow of resources.

Resources received before time requirements are met, but after all other eligibility requirements are met, are recorded as deferred inflows. Certain grant receipts is an example of deferred inflow of resources.

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

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

R. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of

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employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

S. Deferred compensation

Voluntary Deferred Compensation Plan for Employees of the City of Glendale, State of Arizona; Restated Plan Document (the "Plan document") was adopted by the Mayor and City Council on November 10, 1998, and amended on January 8, 2002 to incorporate the Federal Economic Growth and Tax Relief Reconciliation Act of 2001. In addition, the Mayor and City Council adopted a defined contribution deferred compensation plan document on April 9, 2002, under the Internal Revenue Code Section 401(a). Also, during the fiscal year 2011, the employees had available to them the option of deferring compensation in a Roth IRA administered by ICMA Retirement Corporation (ICMA RC). 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 GREAT WEST LIFE & ANNUITY INSURANCE CO (Great West). Through the Plan document, the City offers its employees a deferred compensation plan that permits them to defer a portion of their current salary until future years. Any contributions made to the deferred compensation plan, in compliance with Section 457 and 401(a) of the Internal Revenue Code, are not available to employees until termination of employment, retirement, death or an unforeseen emergency. Contributions to the plan are administered by the third-party administrator, Empower Retirement. In compliance with the provisions of the U.S. Internal Revenue Code Sections 457(g) and 401(a), the plan assets are in custodial or trust accounts for the exclusive benefit of the plans' participants and beneficiaries.

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

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

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

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

As prescribed in ARS § 38-727, if a person is appointed, elected, or hired on or after January 1, 2014 and does not have money on account with the EORP, but has money on account with the ASRS, that person

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has the option to return to the ASRS. The member has the option to participate in either the EODCRS or the ASRS Plan with each term. That decision is irrevocable during the term in which that election was made. Additionally, the elected official will contribute to and participate in the Long-Term Disability Program administered by ASRS. To choose the ASRS, the person must fill out a form provided by PSPRS opting out of the EODCRS. This election must be made within 30 days after that person's term begins and returned to PSPRS. The City was required by statute to contribution 12.20 percent of elected officials participating as an ASRS members' annual covered payroll to the ASRS Legacy

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

For the year ended June 30, 2015 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. \$205 maximum was the annual contribution limit in 2013 from all contribution sources under the 414(h) employer pick up rules. Employee and employer contributions are immediately vested. In addition, the City was required by statute to contribution 17.50 percent of the EODC members' annual covered payroll to the EORP Legacy.

U. Investments

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

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

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

The City's investment in LGIP represents shares of the pool's portfolio. The fair value of each share in the LGIP is one dollar. These shares are not identified with specific investments and are not subject to custodial credit risk. Neither the County nor LGIP are registered with the Securities and Exchange Commission as investment companies. The State Board of Deposits provides oversight, and the Local Government Investment Pool Advisory Committee provides consultation and advice to the LGIP. There is no regulatory oversight of the County Treasurer's operations. The net increase in the fair value of investments during the fiscal year ended June 30, 2015, was \$263.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2015

(amounts expressed in thousands)

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

The City ended the fiscal year June 30, 2015, with a deficit fund balance/net position in the following funds:

Employee benefits internal service fund

Deficit will be funded by an increase in premiums for fiscal year 2016 and next fiscal year. \$ 4,203

Sanitation

A rate study is expected to be completed in fiscal year 2016. 894

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 \$54,312 and the bank balances were \$56,301. The difference of \$1,989 represents deposits in transit, outstanding checks, and other reconciling items. At year-end, all of the City's deposits were covered by Federal depository insurance and collateral held in the City's name. City deposits held with fiscal agents at June 30, 2015, were \$70,521 and were uncollateralized.

Investments

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

As of June 30, 2015, the City had the following investments:

Investment Type	Investment Maturities (in years)			Fair Value
	0 - 1	1 - 2	2 - 3	
Corporate bonds	\$ 18,146	\$ 26,769	\$ 13,027	\$ 57,942
U.S. Agencies	25,112	20,146	30,578	75,836
U.S. Treasuries	20,031	15,047	9,990	45,068
Arizona LGIP - State Pool	33,539	-	-	33,539
Grand total investments	<u>\$ 96,828</u>	<u>\$ 61,962</u>	<u>\$ 53,595</u>	<u>\$ 212,385</u>
Cash deposits				54,312
Cash with fiscal agents				70,521
Total deposits and investments				<u>\$ 337,218</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 three years. The City also purchases securities to be laddered with staggered maturity dates.

CITY OF GLENDALE, ARIZONA

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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, 2015, 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. Agencies	AA+	Aaa	35.72%	1.06
U.S. Treasury	AA+	Aaa	21.22%	1.59
Arizona LGIP	NR	NR	15.79%	0.00
Corporate	AA-	Aa3	7.10%	1.10
Corporate	A+	A2	3.83%	1.71
Corporate	AA+	A1	3.57%	1.10
Corporate	A+	A1	2.38%	1.76
Corporate	AA	Aa1	2.36%	2.33
Corporate	AA-	A1	2.36%	1.48
Corporate	AA+	Aaa	2.35%	0.07
Corporate	AA	A1	2.22%	1.85
Corporate	AA+	Aa1	1.10%	1.82

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>
T-Note Total	U.S. Treasury	\$ 45,068
FHLB Total	U.S. Agencies	35,243
Arizona LGIP Total	Arizona LGIP	33,539
FFCB Total	U.S. Agencies	25,055

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

IV. Note receivable

On October 22, 2008, the Western Loop 101 Public Facilities Corporation (PFC), a blended component of the City, issued \$199,750 in third lien excise tax revenue bonds to construct a baseball spring training facility. On October 1, 2009, the City finalized an Intergovernmental Agreement with the Arizona Sports and Tourism Authority (AZSTA) for the Glendale Spring Training Facility Project. The AZSTA agreed to contribute to the City \$60,000 for the construction costs plus interest at 4.13% per annum payable semi-annually. A note receivable for the agreed upon contribution amount plus accrued interest on the note in the amount of \$20,293 less an allowance for doubtful accounts in the amount of \$28,985 has been recorded at June 30, 2015. No payments have been received by the City on the note as of June 30, 2015. At the Glendale City Council workshop session held on August 5, 2014, the AZSTA presentation included projections for the AZSTA to begin making payments to the City in the year 2021. On December 27, 2012, the City of Glendale Municipal Property Corporation (MPC), a blended component unit of the City, issued subordinate excise tax revenue bonds to refund the \$199,750 third lien excise tax revenue bonds. The issuance of \$183,405 in tax-exempt bonds and \$16,850 in taxable bonds achieved debt service savings and lowered the next five fiscal years' annual rental payments under the Lease Agreement. In fiscal year 2015, the AZSTA receivable was recorded in the MPC debt service fund.

CITY OF GLENDALE, ARIZONA

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(amounts expressed in thousands)

V. Capital assets

A summary of capital asset activity, for the government-wide financial statements, for the year ended June 30, 2015, is as follows:

	Balances June 30, 2014	Increase	Decrease	Balances June 30, 2015
Governmental activities				
Non-depreciable assets:				
Construction in progress	\$ 30,972	\$ 13,659	\$ (25,423)	\$ 19,208
Land	90,338	743	(844)	90,237
Artwork	2,378	-	-	2,378
Total non-depreciable assets	<u>123,688</u>	<u>14,402</u>	<u>(26,267)</u>	<u>111,823</u>
Depreciable assets:				
Buildings	387,023	-	-	387,023
Improvements other than buildings	263,352	10,622	-	273,974
Infrastructure - streets	720,916	16,307	(1,085)	736,138
Infrastructure - parks	91,121	-	(2,157)	88,964
Infrastructure - flood/storm drains	77,488	106	-	77,594
Infrastructure - airport	14,710	-	-	14,710
Machinery and equipment	44,048	392	(86)	44,354
Computer equipment	4,758	526	(106)	5,178
Software	4,129	1,170	-	5,299
Automotive equipment	41,312	5,611	(2,659)	44,264
Total depreciable assets at historical cost	<u>1,648,857</u>	<u>34,734</u>	<u>(6,093)</u>	<u>1,677,498</u>
Less accumulated depreciation for:				
Buildings	(105,394)	(10,203)	-	(115,597)
Improvements other than buildings	(117,011)	(9,257)	-	(126,268)
Infrastructure - streets	(256,424)	(18,885)	-	(275,309)
Infrastructure - parks	(34,429)	(3,285)	954	(36,760)
Infrastructure - flood/storm drains	(7,870)	(1,098)	-	(8,968)
Infrastructure - airport	(8,779)	(491)	-	(9,270)
Machinery and equipment	(37,040)	(1,047)	82	(38,005)
Computer equipment	(4,068)	(162)	106	(4,124)
Software	(1,746)	(560)	-	(2,306)
Automotive equipment	(30,468)	(2,330)	2,367	(30,431)
Total accumulated depreciation	<u>(603,229)</u>	<u>(47,318)</u>	<u>3,509</u>	<u>(647,038)</u>
Total depreciable assets, net	<u>1,045,628</u>	<u>(12,584)</u>	<u>(2,584)</u>	<u>1,030,460</u>
Governmental activities capital assets, net	<u>\$ 1,169,316</u>	<u>\$ 1,818</u>	<u>\$ (28,851)</u>	<u>\$ 1,142,283</u>

CITY OF GLENDALE, ARIZONA

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June 30, 2015

(amounts expressed in thousands)

	Balances June 30, 2014	Increase	Decrease	Balances June 30, 2015
Business-Type activities:				
Non-depreciable assets:				
Construction in progress - water and sewer	\$ 11,642	\$ 5,786	\$ (5,412)	\$ 12,016
Construction in progress - landfill	496	1,646	(26)	2,116
Construction in progress - housing authority	233	99	(175)	157
Land	26,299	-	-	26,299
Total non-depreciable assets	<u>38,670</u>	<u>7,531</u>	<u>(5,613)</u>	<u>40,588</u>
Depreciable assets:				
Buildings	16,696	161	-	16,857
Water rights	9,183	-	-	9,183
Improvements other than buildings	70,833	129	-	70,962
Water lines	116,486	1,708	-	118,194
Sewer lines	128,843	1,161	-	130,004
Water treatment plant	249,149	4,215	-	253,364
Sewer treatment plant	137,860	661	-	138,521
Meters and services	28,440	-	-	28,440
Fire hydrants	5,187	-	-	5,187
Machinery and equipment	5,288	283	(109)	5,462
Computer equipment	925	-	-	925
System Purchase	1,163	-	-	1,163
Automotive equipment	20,494	3,865	(2,226)	22,133
Total depreciable assets at historical cost	<u>790,547</u>	<u>12,183</u>	<u>(2,335)</u>	<u>800,395</u>
Less accumulated depreciation for:				
Buildings	(9,096)	(548)	-	(9,644)
Water rights	(1,424)	(179)	-	(1,603)
Improvements other than buildings	(23,249)	(2,963)	-	(26,212)
Water lines	(42,606)	(2,565)	-	(45,171)
Sewer lines	(57,029)	(3,044)	-	(60,073)
Water treatment plant	(88,895)	(8,845)	-	(97,740)
Sewer treatment plant	(42,597)	(3,995)	-	(46,592)
Meters and services	(13,442)	(728)	-	(14,170)
Fire hydrants	(2,423)	(103)	-	(2,526)
Machinery and equipment	(3,760)	(318)	98	(3,980)
Computer equipment	(732)	(1)	-	(733)
System Purchase	-	(140)	-	(140)
Automotive equipment	(16,413)	(1,581)	2,129	(15,865)
Total accumulated depreciation	<u>(301,666)</u>	<u>(25,010)</u>	<u>2,227</u>	<u>(324,449)</u>
Total depreciable assets, net	<u>488,881</u>	<u>(12,827)</u>	<u>(108)</u>	<u>475,946</u>
Business-Type activities capital assets, net	<u>\$ 527,551</u>	<u>\$ (5,296)</u>	<u>\$ (5,721)</u>	<u>\$ 516,534</u>

CITY OF GLENDALE, ARIZONA

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(amounts expressed in thousands)

Depreciation was charged to functions/programs as follows:

Governmental activities:

General	\$ 13,351
Public safety	4,182
Public works	14,115
Street maintenance	11,183
Community services	4,475
Community environment	12
Total depreciation expense	<u>\$ 47,318</u>

Business-Type activities:

Water and sewer	\$ 22,370
Landfill	787
Sanitation	1,400
Housing	453
Total depreciation expense	<u>\$ 25,010</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, 2015. 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	\$ 5,522	\$ 606
Community services	113	496
Public safety	2,821	10
Public works	3,253	45
Street maintenance	7,497	11,424
Water and sewer facilities	12,016	7,177
Landfill	2,115	2,904
Housing	157	-
Total primary government	<u>\$ 33,494</u>	<u>\$ 22,662</u>

VII. Self-insurance funds

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

A. Risk management

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

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2015

(amounts expressed in thousands)

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

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

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

B. Workers' compensation

On July 1, 1994, the City established a workers' compensation fund for work-related injuries to employees. The workers' compensation fund provides coverage up to a maximum of \$2,000 for each workers' compensation claim with an \$850 self-insured retention.

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

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

C. Employee benefits

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

Premiums are collected through contributions from employee paychecks and department budgets. Retirees contribute 100% and COBRA participants contribute 100% of premiums for their insurance benefit coverage. Premiums for the medical, vision, dental, and life insurance plans are determined prior to each renewal period by estimating the costs of claims and administration of the plan based on a variety of factors including: the demographics of the group, previous claims history, plan design changes and any new mandated benefits. These insurance benefits are provided through fully insured and self-insured insurance plans. The City is responsible for the first \$200 in medical claims per individual per plan year. Claims exceeding \$200 for an individual are paid by the reinsurance plan.

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

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

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2015

(amounts expressed in thousands)

D. Estimated liability

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

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

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

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

The City reports the estimated liability in net present value dollars using a future investment yield assumption of .51%. These liabilities are reported in the internal service funds at their actuarial determined liability of \$10,369 as of June 30, 2015. Changes in the balances of claims liabilities during the past two years are as follows:

	<u>Risk Management</u>		<u>Workers' Compensation</u>		<u>Employee Benefits</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Unpaid claims, beginning of fiscal year	\$ 3,167	\$ 4,261	\$ 3,706	\$ 3,151	\$ 4,149	\$ 1,995
Current year claims and changes in estimate	599	(655)	546	2,054	21,560	24,333
Claims payments	<u>(909)</u>	<u>(439)</u>	<u>(734)</u>	<u>(1,499)</u>	<u>(21,715)</u>	<u>(22,179)</u>
Balance at fiscal year end	<u>\$ 2,857</u>	<u>\$ 3,167</u>	<u>\$ 3,518</u>	<u>\$ 3,706</u>	<u>\$ 3,994</u>	<u>\$ 4,149</u>

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Notes to the Financial Statements

June 30, 2015

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VIII. Leases**A. Capital leases**

The City's capital lease activity consists principally of leasing various types of heavy equipment and light equipment such as photocopiers for the Fire Department. Leases vary in terms of 6 to 9 years for photocopiers and for fire trucks. Current year principal expenditures are \$10,304 for governmental activities. The future minimum lease obligation and net present value of lease payments at June 30, 2015, are as follows:

Year Ending June 30	Governmental Activities
2016	\$ 54
2017	2
2018	2
2019	1
Total minimum lease payments	59
Less: Amount representing interest	(2)
Present value of net minimum lease payments	<u>\$ 57</u>

The assets acquired through capital leases are as follows:

Class of Property	Governmental Activities
Equipment	\$ 186
Automotive equipment	1,667
Building	197
Other	5,341
	7,391
Less: Accumulated depreciation	(4,559)
Total	<u>\$ 2,832</u>

B. Operating lease expenditures

The City leases office space and vehicles under various cancelable operating lease agreements expiring at various dates. Certain leases contain provisions for possible future increased rentals based upon changes in the Consumer Price Index. Combined annual rental payments in fiscal year 2014-15 were \$222.

C. Operating lease revenue

The City also leases various City-owned properties and buildings under cancelable and non-cancelable long-term lease agreements through fiscal year 2015 and beyond. The carrying value of leased assets is \$328,543 (cost of \$494,442 less accumulated depreciation of \$165,899). The leased properties and buildings are included as capital assets in the government-wide financial statements. Certain leases contain provisions for future increased revenues based upon changes in the Consumer Price Index.

CITY OF GLENDALE, ARIZONA

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June 30, 2015

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

Fiscal Year	Total Revenues
2016	\$ 2,676
2017	2,933
2018	2,274
2019	2,262
2020	2,275
2021 and beyond	44,815
Total	\$ 57,235

IX. Short-term debt

The City did not issue short-term debt for the year ended June 30, 2015.

X. Long-term debt

A. General obligation bonds (GO)

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

B. Revenue bonds

Highway User Revenue Fund (HURF) bonds are used to construct street and highway projects. The \$1,895 HURF bonds outstanding are special obligations of the City and are secured by taxes, fees, charges or other monies collected by the state and returned to the City pursuant to Title 28, Chapter 18, Article 2, A.R.S. as amended. A special revenue fund called highway user gas tax fund has been set up by the City to collect HURF revenues from the state and transferred to the debt service fund to pay for HURF principal and interest. The total principal and interest remaining on the bonds to be paid is \$1,971. The current year principal and interest amounts of \$1,805 and \$148, respectively, were funded with transfers of \$958 from HURF fund; and \$1,000 from transportation fund. The State Legislature has in the past and may in the future alter the type and/or rate of taxes, fees, and charges as well as allocation of such monies.

The transportation revenue bonds are special revenue obligations of the City and are used to construct various transportation projects such as roadway widening, intersection improvements, and right-of-way acquisitions. The \$80,995 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 \$117,947. The current year revenues of \$24,690 collected in the transportation special revenue fund paid the current year principal and interest amounts of \$3,345 and \$3,597, respectively.

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

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2015

(amounts expressed in thousands)

The Excise Tax Revenue Refunding bonds are special obligations of the City and are not a general obligation of the City. Under a purchase agreement the City makes monthly payments to a trustee. The payments are secured by a senior claim and pledge by the City of all of the City's unrestricted excise tax revenues which comprise of all excise tax, transaction privilege, franchise and income tax which it collects or is apportioned by the State or political subdivision of the State. The \$114,130 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 \$175,176. The current year interest amount of \$1,793 was funded with a transfer from the MPC debt service fund.

The \$231,735 in water and sewer revenue bonds/obligations outstanding has been issued for the construction, acquisition, and equipping of water and sewer facilities and related systems and infrastructure. These are special revenue obligations and are pledged and secured solely by the net revenues of the system. The net revenues of the system consist of revenues collected from customers including development impact fees and interest income less such necessary expenses of operation, maintenance, and repair of the system excluding depreciation, amortization and debt service. The total principal and interest remaining to be paid is \$322,209. The current year principal and interest on the bonds were \$24,088 and net revenues of the system were \$37,613.

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. An amount equal to the MPC debt service and related miscellaneous fees, is payable to the MPC in monthly installments by the City.

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

CITY OF GLENDALE, ARIZONA

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\$ 559,216. Excise tax revenues pledged for repayment of MPC was \$151,963. The current year principal and interest paid was \$21,967.

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

D. Changes in long-term liabilities

The following is a summary of changes in long-term liabilities reported in the governmental activities financial statements for the year ended June 30, 2015:

	June 30, 2014 - restated	Increases	Decreases	June 30, 2015	Amounts Due Within One Year
General obligation (GO) bonds	\$ 147,810	\$ 39,490	\$ (60,995)	\$ 126,305	\$ 18,460
Revenue bonds:					
Highway user revenue	3,700	-	(1,805)	1,895	1,895
Excise Tax Revenue bonds	-	114,130	-	114,130	-
Transportation bonds	88,015	55,635	(62,655)	80,995	3,380
Municipal Property Corporation	459,585	-	(133,210)	326,375	2,775
Total bonds payable	<u>699,110</u>	<u>209,255</u>	<u>(258,665)</u>	<u>649,700</u>	<u>26,510</u>
Other long-term obligations:					
Capital lease obligations	10,361	-	(10,304)	57	52
OPEB obligations	53,689	2,925	-	56,614	-
Compensated absences	19,152	10,930	(8,374)	21,708	13,685
Claims and judgments	11,022	22,705	(23,358)	10,369	10,369
Unamortized premium on debt issuance	24,349	35,751	(4,523)	55,577	3,886
Discount on debt issuance	(1,464)	-	62	(1,402)	-
Net pension obligation	207,362	37,123	-	244,485	-
Developer payable obligations	3,112	294	-	3,406	-
Total other long-term obligations	<u>327,583</u>	<u>109,728</u>	<u>(46,497)</u>	<u>390,814</u>	<u>27,992</u>
Total	<u>\$ 1,026,693</u>	<u>\$ 318,983</u>	<u>\$ (305,162)</u>	<u>\$ 1,040,514</u>	<u>\$ 54,502</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 \$1,040,514 in the total liabilities, \$434,945 is related to net position for the City's net investment in capital assets. Other obligations not included in the calculation of net position for the City's net investment in capital assets are OPEB obligations, compensated absences, and claims and judgments. No governmental funds cash has been used to fund the net other post-employment benefit obligation (OPEB). The net annual OPEB cost for the current fiscal year was 32.3% 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, 2015

(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, 2015:

	June 30, 2014 - restated	Additions	Reductions	June 30, 2015	Amounts Due Within One Year
Water and sewer revenue/obligation bonds	\$ 253,115	\$ 121,245	\$ (142,625)	\$ 231,735	\$ 9,415
Total bonds payable	<u>253,115</u>	<u>121,245</u>	<u>(142,625)</u>	<u>231,735</u>	<u>9,415</u>
Other long-term obligations:					
Estimated closure and post-closure costs	15,166	-	(206)	14,960	-
Unamortized premium on debt issuance	14,139	19,257	(4,164)	29,232	2,250
Net Pension obligations	32,100	-	(3,561)	28,539	-
OPEB obligations	12,089	702	-	12,791	-
Compensated absences	2,749	1,925	(1,528)	3,146	1,944
Housing noncurrent liabilities	93	5	-	98	-
Total other long-term obligations	<u>76,336</u>	<u>21,889</u>	<u>(9,459)</u>	<u>88,766</u>	<u>4,194</u>
Total	<u>\$ 329,451</u>	<u>\$ 143,134</u>	<u>\$ (152,084)</u>	<u>\$ 320,501</u>	<u>\$ 13,609</u>

Of the \$320,501 in total liabilities, \$274,137 (including matured bonds payable) is included in the calculation of net position for the City's net investment in capital assets. Other obligations not included in the calculation of net position for the City's net investment in capital assets are estimated landfill closure and post-closure costs, OPEB obligations, compensated absences, and housing noncurrent liabilities.

E. Current and advance refunded bonds

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

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

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2015

(amounts expressed in thousands)

<u>Issue Refunded</u>	<u>Date Refunded</u>	<u>Remaining Balance</u>
Western Loop 101 Public Facilities Corporation Bonds Series 2008C	December 27, 2012	\$ 10,645
Transportation Excise Tax Bonds 2007	February 25, 2015	59,110
Water and Sewer Revenue Bonds 2006	March 3, 2015	61,145
Water and Sewer Revenue Bonds 2007	March 3, 2015	28,970
Water and Sewer Revenue Bonds 2008	March 3, 2015	39,340
Municipal Property Corporation Bonds Series 2006A	March 5, 2015	24,145
Municipal Property Corporation Bonds Series 2012D	March 5, 2015	8,285
General Obligation Bonds 2006A	March 10, 2015	9,735
General Obligation Bonds 2007	March 10, 2015	20,300

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CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2015

(amounts expressed in thousands)

F. Bonds payable

Bonds payable at June 30, 2015, 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, 2015
<u>GO bonds payable from secondary assessed property taxes</u>					
Various	1.50-5.00	2003	2018	\$ 52,525	\$ 4,335
Various	4.00-5.00	2006	2021	29,365	4,250
Various	4.00-5.00	2007	2022	61,000	12,895
Various	1.50-5.63	2010	2030	41,650	35,155
Refunding	4.00-5.00	2011	2022	38,300	30,180
Refunding	2.00-5.00	2015	2022	39,490	39,490
Total					126,305
<u>Revenue bonds payable from highway user revenue funds</u>					
Streets	4.00-5.00	2006	2016	15,745	1,895
Total					1,895
<u>Revenue bonds payable from the 0.5% transportation sales tax</u>					
Transportation excise tax	4.00-5.00	2008	2032	109,110	25,655
Refunding	2.00-5.00	2015	2032	55,635	55,340
Total					80,995
<u>Excise Tax bonds payable from general fund sales tax</u>					
Refunding 2015A	5.00	2015	2031	100,430	100,430
Refunding 2015B	3.93-4.03	2015	2033	13,700	13,700
Total					114,130
<u>Municipal Property Corporation payable from general fund lease payments</u>					
MPC excise tax 2003B	1.46-5.58	2003	2033	105,260	1,480
MPC refunding	4.70-4.70	2004	2033	7,250	7,250
MPC excise tax 2008A	3.00-5.00	2008	2032	32,315	31,980
MPC excise tax 2008B	5.45-6.16	2008	2033	52,780	47,490
MPC refunding 2012A	3.00-5.00	2012	2021	8,665	8,665
MPC refunding 2012B	5.00	2013	2033	39,620	39,620
MPC refunding 2012C	5.00	2013	2038	183,405	183,405
MPC refunding 2012D	1.30-3.125	2013	2020	16,850	6,485
Total					326,375
Total bonds payable recorded in governmental activities					649,700
Less current portion					(26,510)
Long-term portion of bonds payable recorded in governmental activities					\$ 623,190

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2015

(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, 2015</u>
<u>Revenue bonds/obligations payable from water and sewer fund</u>					
Various	4.25-5.00	2007	2028	44,500	\$ 4,325
Various	3.00-5.00	2008	2028	65,500	8,860
Various	6.20-6.55	2011	2030	25,685	25,685
Various refunding	2.00-5.00	2012	2028	77,635	71,620
Various refunding	2.50-5.00	2015	2028	121,245	121,245
Total					<u>231,735</u>
Total bonds payable recorded in business-type activities					231,735
Less current portion					<u>(9,415)</u>
Long-term portion of bonds payable recorded in business-type activities					<u>\$ 222,320</u>

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

The City's unused bonded debt borrowing capacity as of June 30, 2015, is as follows:

	<u>6%</u>	<u>20%</u>
Capacity to incur bonded debt	\$ 67,877	\$ 226,257
Less: Bonded debt applicable to limit	<u>165</u>	<u>(118,200)</u>
Unused bonded debt capacity	<u>\$ 68,042</u>	<u>\$ 108,057</u>

The various bond indentures contain significant limitations and restrictions on annual debt service requirements, maintenance and flow of monies through various restricted accounts, and minimum revenue and bond coverage. The City is in compliance with all such significant limitations and restrictions.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2015

(amounts expressed in thousands)

G. Bonds authorized, issued and unissued

Bonds authorized but not fully issued as of June 30, 2015, are shown below:

GO bonds	Authorized Amount	Issued through June 30, 2015	Authorized but Unissued
<u>Voter authorized October 20, 1981</u>			
Operations center	\$ 6,750	\$ 550	\$ 6,200
<u>Voter authorized March 10, 1987</u>			
Library	9,698	8,000	1,698
<u>Voter authorized November 2, 1999</u>			
Cultural facility ⁽¹⁾	18,215	4,494	13,721
Economic development	50,500	17,873	32,627
Governmental facilities ⁽¹⁾	40,910	16,910	24,000
Landfill development ⁽¹⁾	17,000	1,460	15,540
Library	15,398	-	15,398
Open spaces	53,700	3,175	50,525
Public safety	64,801	62,966	1,835
Transit ⁽¹⁾	6,935	185	6,750
<u>Voter authorized May 15, 2007</u>			
Flood control	20,554	10,522	10,032
Parks and recreation	16,155	1,518	14,637
Public safety	102,638	-	102,638
Streets and parking	79,065	11,827	67,238
Total GO bonds	\$ 502,319	\$ 139,480	\$ 362,839
<u>Revenue bonds</u>			
<u>Voter authorized November 2, 1999</u>			
Water and sewer ⁽¹⁾	\$ 10,000	\$ -	\$ 10,000
Total revenue bonds	10,000	-	10,000
Total bonds	\$ 512,319	\$ 139,480	\$ 372,839

(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, 2015

(amounts expressed in thousands)

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

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

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

\$ 3,406

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CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2015

(amounts expressed in thousands)

I. Future year debt service requirements

Fiscal Year Ending	HURF Bonds	Trans- portation Bonds	MPC Bonds	Excise Tax Bonds	G.O. Bonds	Water and Sewer Revenue Bonds/ Obligations	Total
2016	\$ 1,971	\$ 7,143	\$ 18,707	\$ 5,566	\$ 24,017	\$ 20,134	\$ 77,538
2017	-	7,144	20,876	5,566	19,999	20,126	73,711
2018	-	7,147	20,575	6,681	18,230	22,640	75,273
2019	-	7,145	22,857	10,695	18,061	25,448	84,206
2020	-	7,143	23,861	10,791	18,028	25,080	84,903
2021	-	6,811	25,717	10,864	18,000	24,409	85,801
2022	-	6,811	25,662	10,919	14,681	24,079	82,152
2023	-	6,806	24,269	12,312	3,444	25,290	72,121
2024	-	6,811	23,603	12,980	3,407	25,288	72,089
2025	-	6,810	23,515	13,065	3,370	25,285	72,045
2026	-	6,808	23,453	13,132	3,328	25,289	72,010
2027	-	6,810	26,041	10,538	3,283	24,162	70,834
2028	-	6,808	25,968	10,608	3,234	20,302	66,920
2029	-	6,809	26,628	9,954	3,184	7,410	53,985
2030	-	6,806	26,535	10,047	3,135	7,267	53,790
2031	-	6,810	26,472	10,110	-	-	43,392
2032	-	7,325	26,404	10,178	-	-	43,907
2033	-	-	35,412	1,170	-	-	36,582
2034	-	-	22,532	-	-	-	22,532
2035	-	-	22,533	-	-	-	22,533
2036	-	-	22,532	-	-	-	22,532
2037	-	-	22,532	-	-	-	22,532
2038	-	-	22,532	-	-	-	22,532
Total	1,971	117,947	559,216	175,176	157,401	322,209	1,333,920
Less interest	76	36,952	232,841	61,046	31,096	90,474	452,485
Principal	\$ 1,895	\$ 80,995	\$ 326,375	\$ 114,130	\$ 126,305	\$ 231,735	\$ 881,435

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2015

(amounts expressed in thousands)

The following table discloses the debt service requirements as of June 30, 2015, 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>
2016	\$ 35,925	\$ 41,613	\$ 77,538
2017	33,560	40,151	73,711
2018	36,605	38,668	75,273
2019	46,990	37,216	84,206
2020	49,790	35,113	84,903
2021-2025	243,655	140,553	384,208
2026-2030	235,290	82,249	317,539
2031-2035	137,720	31,226	168,946
2036-2038	61,900	5,696	67,596
Total	<u>\$ 881,435</u>	<u>\$ 452,485</u>	<u>\$ 1,333,920</u>

J. New bonds

On February 25, 2015, the City issued \$55,635 in Transportation excise tax revenue refunding bonds to advance refund the 2021-31 maturities of the Transportation excise tax revenue bonds issued in 2007. The 2015 bonds mature on various dates starting 2015 to 2031 with an interest rate of 2.00-5.00%. The bonds are not a general obligation of the City, but are a special obligation of the City and are payable from and secured by a 0.50% transportation excise tax approved by voters.

On March 3, 2015, the City issued \$121,245 in Senior Lien Water and Sewer revenue refunding bonds to advance refund the 2016 -28 Water and Sewer Revenue bonds issued in 2006, 2007, and 2008, respectively. The 2015 bonds mature on various dates starting 2018 to 2028 with an interest rate of 2.5-5.00%. 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 net revenues of the water and sewer system.

On March 5, 2015, the City issued \$114,130 in Senior Excise Tax revenue refunding obligations to current refund the MPC bond series 2002 with bonds maturing in 2029-33, current refund the MPC taxable senior bond series 2003B with bonds maturing in 2015-32, advance refund the senior MPC 2006A bonds maturing in 2015-26, and advance refund the MPC subordinate 2012D bonds with maturities in 2015 and 2016. The 2015 bonds mature on various dates starting 2018 to 2033 with various interest rates of 3.979% to 5.00%. The bonds are not a general obligation of the City, but are a limited obligation of the City and are payable from and secured by a senior lien pledge of the city's Unrestricted Excise Taxes.

On March 10, 2015, the City issued \$39,490 in General Obligation refunding bonds to current refund the bond series 2004 with bond maturing in 2016-19, advance refund the 2006A bonds maturing in 2018-2021, and advance refund the 2007 bonds with maturities in 2019-22. The 2015 bonds mature on various dates starting 2016 to 2022 with various interest rates of 2.00-5.00%. 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.

In total, the bonds refunding resulted in a deferred outflow of \$16,691 and will be amortized over the life of the new refunding bonds. The City realized a future cash flow savings in the amount of \$49,454.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2015

(amounts expressed in thousands)

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, 2015, calculated below, represents the cumulative amount reported to date based on the use of estimated capacity of the landfill.

	<u>North Cell</u>	<u>South Cell</u>
Capacity (cubic yards)	31,127	22,429
Capacity used to date	-	19,687
Percentage of capacity used	-	88%
Total closure and post-closure costs in present dollars:		
as of June 30, 2015	\$ 18,148	\$ 17,043
as of June 30, 2014	\$ 18,059	\$ 16,959
Closure and post-closure care costs:		
Amount remaining to be recognized		
as of June 30, 2015	\$ 18,148	\$ 2,083
Liability recognized as of June 30, 2015	\$ -	\$ 14,960

These amounts are based on what it would cost to perform all closure and post-closure care in fiscal year 2014-15. 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 46 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.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2015

(amounts expressed in thousands)

XII. Inter-fund transactions

Inter-fund balances at June 30, 2015, consisted of the following:

A. Due to/due from

Due to general fund from:

Other non-major governmental funds	
Community development block grant	\$ 1,928
Other special revenue	608
Total due to general fund	<u>\$ 2,536</u>

The inter-fund balances at June 30, 2015, 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, 2015, are expected to be repaid within one year.

B. Advance to/advance from

In April 2015, the City Council adopted a resolution to reclassify the remaining balance of \$39,276 on the inter-fund advance to an inter-fund transfer from water & sewer, landfill, and sanitation to general fund.

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CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2015

(amounts expressed in thousands)

C. Inter-fund transfers

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

Transfers to general fund from:

Special revenue funds	
Transportation fund	\$ 19
Highway users gas tax	15
Police and fire sales tax	11,100
Other Special Revenue Funds	4
Capital projects funds	
Streets construction fund	59
Enterprise funds	
Water and sewer enterprise fund	14,909
Non-major proprietary fund	24,563
Total transfers to general fund	<u>50,669</u>

Transfers to municipal property corporation debt service from:

Debt service funds	
Excise tax revenue	135,058
Public facilities corporation	98
General Fund	29,842
Total transfers to municipal property corporation debt service	<u>164,998</u>

Transfers to non-major special revenue fund from:

General fund	1,531
Total transfers to non-major special revenue fund	<u>1,531</u>

Transfers to non-major debt service funds from:

Municipal property corporation	1,793
Transportation fund	8,331
Highway users gas tax	958
Street construction	849
Other construction	5,004
Total transfers to non-major debt service funds	<u>16,935</u>

Transfers to non-major capital projects fund from:

Transportation fund	4,712
Highway users gas tax	1,849
Total transfers to capital projects fund	<u>6,561</u>

Transfers to housing, other non-major proprietary fund from:

General fund	274
Total transfers to housing, other non-major proprietary fund	<u>274</u>

Grand total all transfers	<u>\$ 240,968</u>
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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.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2015

(amounts expressed in thousands)

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, 2015, the City intended to honor \$10,619 of outstanding encumbrances in the new fiscal year.

Fund

Major:

General	\$	12
Transportation		206
Water and sewer		5,867

Non-Major:

Other special revenue		284
Streets capital		2,752
Other capital		29
Landfill		1,469
Total	\$	<u>10,619</u>

XIV. Equity in joint venture

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

Each participant pays for its costs of operation and maintenance based on relative sewage flows and strengths and for purchased capacity in the plant and related transportation facilities based on ownership. The latest available audited financial information on the joint venture is as of and for the fiscal year ended June 30, 2014. The City accounts for its approximate 6.8% investment using the equity method in the water and sewer fund. For the year ended June 30, 2014, the City recognized a loss in the joint venture of \$3,764. 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, 2015

(amounts expressed in thousands)

Summary of audited financial information on the joint venture as of and for the fiscal year ended June 30, 2014, is as follows:

Assets	
Current assets	\$ 46,136
Capital assets, net of accumulated depreciation	<u>782,409</u>
Total assets	<u>828,545</u>
Liabilities	
	<u>28,732</u>
Net assets	<u>\$ 799,813</u>
Total revenues	\$ 50,663
Total expenses	<u>(82,237)</u>
Decrease in net assets	<u>\$ (31,574)</u>

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

XV. Jointly governed organizations

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

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

XVI. Governmental fund balance components and fund type definitions

The City has a formally adopted minimum fund balance policy for the general fund. This policy was adopted through the annual budget process. The policy states that the general fund should maintain a minimum unassigned fund balance between 5% and 10% of general fund revenues received less revenues associated with the sporting facilities, certain rental revenues, replacement fund revenues and monies set aside for court, art commission, and employee groups divisions.

The City's general fund, unassigned fund balance at June 30, 2015 is \$28,409. Per the City's adopted financial policies, 10% of the general fund operating revenue which totals \$19,650 has been earmarked as the Budget Stabilization Reserve and \$8,759 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, 2015 to commit these funds; therefore, the funds are reported as unassigned.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2015

(amounts expressed in thousands)

	General	Municipal Property Corporation Debt Service	Other Non-Major Governmental Funds	Total Governmental Funds
Nonspendable				
Inventories and prepaid items	\$ 216	\$ -	\$ 107	\$ 323
Cemetery perpetual care	-	-	5,661	5,661
Total Nonspendable	<u>216</u>	<u>-</u>	<u>5,768</u>	<u>5,984</u>
Restricted				
Public transit	-	-	36,496	36,496
State drug enforcement	-	-	2,158	2,158
U.S. drug enforcement	-	-	238	238
Debt service	-	7,161	8,516	15,677
Court security	110	-	-	110
Court time payments	121	-	-	121
Court computer upgrade	79	-	-	79
HOME program	-	-	134	134
Highway user gas tax	-	-	23,663	23,663
Police activities	7,995	-	-	7,995
Fire activities	1,166	-	-	1,166
Development impact fees	-	-	14,175	14,175
HURF bond projects	-	-	2,159	2,159
Fire and police construction	-	-	1,560	1,560
Park bond construction	-	-	143	143
Economic development	-	-	45	45
Open space/trails	-	-	227	227
Cultural and historical projects	-	-	262	262
Government facilities	-	-	36	36
Flood control construction	-	-	2,404	2,404
Other	842	-	593	1,435
Total restricted	<u>10,313</u>	<u>7,161</u>	<u>92,809</u>	<u>110,283</u>
Committed				
Artwork	1,005	-	-	1,005
Other	109	-	-	109
Total committed	<u>1,114</u>	<u>-</u>	<u>-</u>	<u>1,114</u>
Assigned				
Equipment replacement	4,610	-	-	4,610
General government capital projects	2,015	-	-	2,015
Computer replacement	444	-	-	444
Telephone service	172	-	-	172
Equipment management	93	-	-	93
Health center	104	-	-	104
Public safety training facility	244	-	-	244
Tourism promotion initiatives	814	-	-	814
Other	67	-	277	344
Total assigned	<u>8,563</u>	<u>-</u>	<u>277</u>	<u>8,840</u>
Unassigned fund balance	<u>28,409</u>	<u>-</u>	<u>-</u>	<u>28,409</u>
	<u>\$ 48,615</u>	<u>\$ 7,161</u>	<u>\$ 98,854</u>	<u>\$ 154,630</u>

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Enterprise Fund Type
Water and Sewer Fund

Restricted for debt service \$ 13,170

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. 10,122

Restricted for other purposes 798

Total restricted for water and sewer \$ 24,090

Total restricted for enterprise fund types \$ 24,090

XVII. Change in accounting principle

Net position as of July 1, 2014, has been restated as follows for the implementation of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date.

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net position - beginning	\$ 539,379	\$ 434,264	\$ 973,643
Adjustment	<u>(207,362)</u>	<u>(32,101)</u>	<u>(239,463)</u>
Net position beginning - restated	<u>\$ 332,017</u>	<u>\$ 402,163</u>	<u>\$ 734,180</u>

Business Type Activities:

	<u>Major Funds Water and Sewer</u>	<u>Other Proprietary Funds</u>	<u>Total</u>	<u>Internal Service Funds</u>
Net position - beginning	\$ 393,302	\$ 43,670	\$ 436,972	\$ (913)
Adjustment	<u>(20,857)</u>	<u>(11,244)</u>	<u>(32,101)</u>	<u>(22)</u>
Net position beginning - restated	<u>\$ 372,445</u>	<u>\$ 32,426</u>	<u>\$ 404,871</u>	<u>\$ (935)</u>

XVIII. Employee retirement systems and pension plans

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

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At June 30, 2015, the City reported the following aggregate amounts related to pensions for all plans to which it contributes:

Statement of Net Position and Statement of Activities	Governmental Activities	Business-Type Activities	Total
Net pension assets	\$ -	\$ -	\$ -
Net pension liabilities	244,485	28,539	273,024
Deferred outflows of resources	50,471	3,317	53,788
Deferred inflows of resources	21,842	6,317	28,159
Pension expense	26,944	1,302	28,246

A. Arizona State Retirement System (ASRS)

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

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

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

**With actuarially reduced benefits*

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

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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, 2015, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.6 percent (11.48 percent for retirement and 0.12 percent for long-term disability) of the members' annual covered payroll. The City was required by statute to contribute at the actuarially determined rate of 11.6 percent (10.89 percent for retirement, 0.59 percent for health insurance premium benefit, and 0.12 percent for long-term disability) of the active members' annual covered payroll. In addition, the City was required by statute to contribute at the actuarially determined rate of 9.57 percent (9.51 percent for retirement and 0.06 percent for long-term disability) of annual covered payroll of retired members who worked for the city in positions that would typically be filled by an employee who contributes to the ASRS. Contributions to the pension plan for the year ended June 30, 2015, were \$5,996. The City's contributions for the current and two preceding years for OPEB, all of which were equal to the required contributions, were as follows:

<u>Year Ended June 30,</u>	<u>Health Benefit</u>		<u>Long-Term</u>	
	<u>Supplement Fund</u>		<u>Disability Fund</u>	
2015	\$	325	\$	66
2014		335		134
2013		379		140

Pension Liability - At June 30, 2015, the City reported a liability of \$91,702 for its proportionate share of the net pension liability of the ASRS. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2013, to the measurement date of June 30, 2014.

The City's reported liability at June 30, 2015, decreased by \$17,441 from the City's prior year liability of \$109,143 because of changes in the ASRS' net pension liability and the City's proportionate share of that liability. The ASRS' publicly available financial report provides details on the change in the net pension liability.

The City's proportion of the net pension liability was based on the City's FY 2014 contributions. The City's proportion measured as of June 30, 2014, was 0.619749 percent, which was a decrease of 0.036775 from its proportion measured as of June 30, 2013.

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Pension Expense and Deferred Outflows/Inflows of Resources - For the year ended June 30, 2015, the City recognized pension expense for ASRS of \$4,179. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,660	\$ -
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	-	16,036
Changes in proportion and differences between City contributions and proportionate share of contributions	-	4,267
City contributions subsequent to the measurement date	5,996	-
Total	<u>\$ 10,656</u>	<u>\$ 20,303</u>

The \$5,996 reported as deferred outflows of resources related to ASRS pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	
2016	\$ (3,838)
2017	(3,838)
2018	(3,958)
2019	(4,009)

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

Actuarial valuation date	June 30, 2013
Actuarial roll forward date	June 30, 2014
Actuarial cost method	Entry age normal
Amortization method:	
Plan amendments	Immediate
Investment gain/loss	5 Years
Assumption gain/loss	Average future service life
Experience gain/loss	Average future service life
Asset valuation	Fair value
Investment rate of return	8%
Projected salary increases	3 - 6.75%
Inflation	3%
Permanent benefit increase	Included
Mortality rates	1994 GAM Scale BB

Actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial study for the 5-year period ended June 30, 2012.

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

Asset Class	Target Allocation	Real Return Arithmetic Basis
Equity	63%	7.03%
Fixed income	25%	3.20%
Real estate	8%	4.75%
Commodities	4%	4.50%
Total	100%	

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

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

	1% Decrease (7%)	Current Discount Rate (8%)	1% Increase (9%)
City's proportionate share of the net pension liability	\$ 115,906	\$ 91,702	\$ 78,570

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

B. Elected Officials’ Retirement Plan (EORP)

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

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Prior to January 1, 2014, the health insurance premium subsidy was considered an agency fund; provided by A.R.S 38-817. The law was amended so all health insurance premium subsidies would be separated from the benefits. The contributions for the health insurance can only be used to pay health insurance benefits.

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

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

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

A retired member or survivor of a retired member, who retired on or after August 1, 2011, may receive a benefit increase from the System if monies are available. However, effective July 1, 2013, and each July 1 thereafter, a benefit increase will be issued as long as the following criteria have been met:

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

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

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

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

Starting in fiscal year 2014 and ending in fiscal year 2043, the Legislature will appropriate five million dollars each year to supplement the Normal Cost an amount to amortize the unfunded accrued liability. The City's proportionate share of the non-employer contributing entity pension expense as of the measurement date of June 30, 2014 is \$213.

The City's contributions to the pension plan for the year ended June 30, 2015, were \$54. The City's contributions for the current and two preceding years for OPEB, all of which were equal to the required contributions, were as follows:

<u>Year Ended June 30,</u>	<u>Health Insurance</u>
2015	\$ 4
2014	4
2013	5

Pension Liability – At June 30, 2015, the City reported a liability of \$2,347 for its proportionate share of the EORPS' net pension liability. The net pension liability was measured as of June 30, 2014. The City's proportion of the net pension liability was based on the City's FY 2014 contributions. The City's proportion measured as of June 30, 2014, was 0.3500380 percent.

The City's reported liability at June 30, 2015, increased by \$1,222 from the City's prior year liability of \$1,125 because of changes in the EORPS' net pension liability and the City's proportionate share of that liability. The EORPS' publicly available financial report provides details on the change in the net pension liability.

Pension Expense and Deferred Outflows/Inflows of Resources – For the year ended June 30, 2015; the City recognized pension expense for EORP of \$696. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 645	\$ -
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	-	45
Changes in proportion and differences between City contributions and proportionate share of contributions	-	-
City contributions subsequent to the measurement date	54	-
Total	<u>\$ 699</u>	<u>\$ 45</u>

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The \$54 reported as deferred outflows of resources related to EORP pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to EORP pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	
2016	\$ 360
2017	262
2018	(11)
2019	(11)

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

Actuarial valuation date	June 30, 2014
Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Asset valuation	Fair value
Investment rate of return	5.67%
Projected salary increases	4.25%
Inflation	4.00%
Permanent benefit increase	Included
Mortality rates	RP-2000 mortality table (unadjusted males and females)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Real Return Geometric Basis</u>
Short term investments	2%	3.25%
Absolute return	4%	6.75%
Risk parity	4%	6.04%
Fixed income	7%	4.75%
Real assets	8%	5.96%
GTAA	10%	5.73%
Private equity	11%	9.50%
Real estate	11%	6.50%
Credit opportunities	13%	8.00%
Non-U.S. equity	14%	8.63%
U.S. equity	16%	7.60%
Total	<u>100%</u>	

Discount Rate – A single discount rate of 5.67 percent was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 7.85 percent and a municipal bond rate of 4.29 percent (20-year Bond Buyer Index as published by the

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Federal Reserve, as of June 26, 2014). The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates set by statute and non-employer contributions. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2030. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2030, and the municipal bond rate was applied to all benefit payments after that date.

Sensitivity of the City's Proportionate Share of the EORP Net Pension Liability to Changes in the Discount Rate – The following table presents the City's proportionate share of the net pension liability calculated using the discount rate of 5.67 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.67 percent) or 1 percentage point higher (6.67 percent) than the current rate.

	1% Decrease (4.67%)	Current Discount Rate (5.67%)	1% Increase (6.67%)
City's proportionate share of the net pension liability	\$ 2,740	\$ 2,347	\$ 2,015

C. Public Safety Personnel Retirement System (PSPRS)

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

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

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

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

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Employees Covered by Benefit Terms - At June 30, 2015, the following employees were covered by the agent pension plans' benefit terms:

	PSPRS Police	PSPRS Firefighters
Inactive employees or beneficiaries currently receiving benefits	163	83
Inactive employees entitled to but not yet receiving benefits	43	21
Active employees	385	208
Total	<u>591</u>	<u>312</u>

Contributions and Annual OPEB Cost – State statutes establish the pension contribution requirements for active PSPRS employees. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for PSPRS pension and health insurance premium benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contribution rates for the year ended June 30, 2015, are indicated below. Rates are a percentage of active members' annual covered payroll.

	PSPRS Police	PSPRS Firefighters
Active Members - Pension	11.05%	11.05%
City:		
Pension	29.20%	24.04%
Health Insurance Premium Benefit	1.47%	1.17%

For the agent plans, the City's contributions to the pension plan and annual OPEB cost and contributions for the health insurance premium benefit for the year ended June 30, 2015, were:

	PSPRS Police	PSPRS Firefighters
Contributions Made:		
Pension	\$ 9,693	\$ 4,575
Health Insurance Premium Benefit	488	223

During fiscal year 2015, the City paid for PSPRS pension and OPEB contributions 100 percent from the General Fund.

Pension Liability – At June 30, 2015, the City reported the following net pension liabilities:

	Liability
PSPRS Police	\$ 121,280
PSPRS Firefighters	57,695

The net pension liabilities were measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total

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pension liabilities as of June 30, 2014, reflect the following changes of benefit terms and actuarial assumptions.

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

Actuarial valuation date	June 30, 2014
Actuarial cost method	Entry age normal
Discount rate	7.85%
Projected salary increases	4.0% - 8.0% including inflation
Inflation	3.0% - 4.0%
Permanent benefit increase	Included
Mortality rates	RP-2000 mortality table (adjusted by 105% for both males and females)

Actuarial assumptions used in the June 30, 2014, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2011.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Short Term Investments	2%	3.25%
Absolute Return	4%	6.75%
Risk Parity	4%	6.04%
Fixed Income	7%	4.75%
Real Assets	8%	5.96%
GTAA	10%	5.73%
Private Equity	11%	9.50%
Real Estate	11%	6.50%
Credit Opportunities	13%	8.00%
Non-U.S. Equity	14%	8.63%
U.S. Equity	16%	7.60%
Total	<u>100%</u>	

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

	<u>PSPRS</u>	<u>PSPRS</u>
	<u>Police</u>	<u>Firefighters</u>
Discount rates	7.85%	7.85%

The projection of cash flows used to determine the PSPRS discount rates assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be

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

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

PSPRS - Police	Total Pension Liability (Asset)	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balance at June 30, 2014	\$ 192,310	\$ 92,963	\$ 99,347
Changes for the year:			
Service cost	5,483	-	5,483
Interest on the total pension liability	14,973	-	14,973
Changes of benefit terms	3,331	-	3,331
Differences between expected and actual experience in the measurement of the pension liability	2,845	-	2,845
Changes of assumptions or other inputs	19,686		19,686
Contributions - employer	-	8,221	(8,221)
Contributions - employee	-	3,432	(3,432)
Net investment income	-	12,960	(12,960)
Benefit payments, including refunds of employee contributions	(8,616)	(8,616)	-
Administrative expenses	-	(104)	104
Other changes	-	(124)	124
Net changes	37,702	15,769	21,933
Balances as of June 30, 2015	\$ 230,012	\$ 108,732	\$ 121,280

CITY OF GLENDALE, ARIZONA
Notes to the Financial Statements
June 30, 2015
(amounts expressed in thousands)

PSPRS - Firefighters	Total Pension Liability (Asset)	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balance at June 30, 2014	\$ 124,713	\$ 75,960	\$ 48,753
Changes for the year:			
Service cost	3,805	-	3,805
Interest on the total pension liability	9,672	-	9,672
Changes of benefit terms	1,658	-	1,658
Differences between expected and actual experience in the measurement of the pension liability	1,452	-	1,452
Changes of assumptions or other inputs	9,623	-	9,623
Contributions - employer	-	4,630	(4,630)
Contributions - employee	-	2,265	(2,265)
Net investment income	-	10,457	(10,457)
Benefit payments, including refunds of employee contributions	(6,800)	(6,800)	-
Administrative expenses	-	(84)	84
Other changes	-	-	-
Net changes	19,410	10,468	8,942
Balances as of June 30, 2015	\$ 144,123	\$ 86,428	\$ 57,695

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

	1% Decrease	Current Discount Rate	1% Increase
	PSPRS Police		
Rate	6.85%	7.85%	8.85%
Net Pension Liability	\$ 150,553	\$ 121,280	\$ 96,997
PSPRS Firefighters			
Rate	6.85%	7.85%	8.85%
Net Pension Liability	75,462	57,695	42,850

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

Pension Expense – For the year ended June 30, 2015, the City recognized the following pension expense:

	Pension Expense
PSPRS Police	\$ 15,871
PSPRS Firefighters	7,500

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2015

(amounts expressed in thousands)

Pension Deferred Outflows/Inflows of Resources – At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PSPRS - Police	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,349	\$ -
Changes of assumptions or other inputs	16,256	-
Net difference between projected and actual earnings on pension plan investments	-	4,323
City contributions subsequent to the measurement date	9,693	-
Total	\$ 28,298	\$ 4,323

PSPRS - Firefighters	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,253	\$ -
Changes of assumptions or other inputs	8,307	-
Net difference between projected and actual earnings on pension plan investments	-	3,488
City contributions subsequent to the measurement date	4,575	-
Total	\$ 14,135	\$ 3,488

The amounts reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	PSPRS Police	PSPRS Firefighters
	2016	\$ 2,845
2017	2,845	642
2018	2,845	642
2019	2,845	642
2020	2,902	1,514
Thereafter	-	1,990

Agent Plan OPEB Actuarial Assumptions – The health insurance premium benefit contribution requirements for the year ended June 30, 2015, were established by the June 30, 2013 actuarial valuations, and those actuarial valuations were based on the following actuarial methods and assumptions.

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

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2015

(amounts expressed in thousands)

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

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

PSPRS - OPEB Contribution Requirements

Actuarial Valuation Date	June 30, 2013
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent closed for underfunded actuarial accrued liability, open for excess
Remaining Amortization Period	23 years for unfunded actuarial accrued liability, 20 years for excess
Asset Valuation Method	7-year smoothed market value; 20% corridor
Actuarial Assumptions:	
Investment Rate of Return	7.85%
Projected Salary Increases	4.5% - 8.5%
Wage Growth	4.50%

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

Year Ended June 30	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation
PSPRS Police			
2015	\$ 488	100.00%	\$ -
2014	401	100.00	-
2013	427	100.00	-
PSPRS Firefighters			
2015	\$ 223	100.00%	\$ -
2014	213	100.00	-
2013	207	100.00	-

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2015

(amounts expressed in thousands)

Agent Plan OPEB Funded Status – The funded status of the health insurance premium benefit plans as of the most recent valuation date, June 30, 2014 is as follows:

	PSPRS Police	PSPRS Firefighters
Actuarial Value of Assets (a)	\$ 4,369	\$ 3,916
Actuarial Accrued Liability (b)	5,928	3,104
Unfunded Actuarial Accrued Liability (Funding Excess) (b) - (a)	\$ 1,559	\$ (812)
Funded Ratio (a) / (b)	73.70%	126.16%
Annual Covered Payroll (c)	\$ 31,816	\$ 19,291
Unfunded Actuarial Accrued Liability (Funding Excess) as a Percentage of Covered Payroll (b) - (a) / (c)	4.90%	0.00%

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

PSPRS - OPEB Funded Status

Actuarial Valuation Date	June 30, 2014
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent closed for underfunded actuarial accrued liability, open for excess
Remaining Amortization Period	22 years for unfunded actuarial accrued liability, 20 years for excess
Asset Valuation Method	7-year smoothed market value; 80%/120% market
Actuarial Assumptions:	
Investment Rate of Return	7.85%
Projected Salary Increases	4.0% - 8.0%
Wage Growth	4.00%

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

The City of Glendale post-employment healthcare plan is a single-employer defined benefit plan administered by the City of Glendale. The plan provides medical, dental, and vision coverage for eligible retirees and their dependents. Retirees can also continue their basic life insurance benefit. Retirees pay their own insurance premiums. In order for employees to be eligible for this benefit, they need 5 years of service if they were hired prior to July 1, 2005, and 10 years of service if they were hired after July 1, 2005. The Mayor and Council have authority each budget year to establish, eliminate, or amend benefit provisions through the annual budget process. A separate report is not provided as the plan financial information is included in the governmental-wide basis and proprietary funds as part of the City of Glendale reporting entity.

B. Funding policy

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 OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2015

(amounts expressed in thousands)

City makes no contribution to the retirees' premiums other than allowing them to participate through the City's pooled benefits. By providing retirees with access to the City's healthcare plans based on the same rates it charges to active employees, the City is in effect providing a subsidy to retirees.

For the fiscal year ending June 30, 2015, the amount of \$3,697 was contributed to the plan by active retirees, in the form of current premiums and the City contributed \$1,728 (implied subsidy). The required contribution was 3.72% of covered payroll.

C. Annual OPEB cost and net OPEB obligation

The City of Glendale's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), and the amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The City had 1,495 active and 306 retiree members for the plan year ending June 30, 2015. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and any changes in the net OPEB obligation as of June 30, 2015.

Normal cost	\$ 2,677
Minimum amortization of unfunded actuarial liability (UAL)	<u>2,315</u>
Annual required contribution	<u>4,992</u>
ARC adjustment	(2,268)
Interest adjustment to net obligation	<u>2,631</u>
OPEB cost	<u>5,355</u>
Contributions made	(1,728)
Net OPEB obligation beginning of year	<u>65,778</u>
Net OPEB obligation end of year	<u>\$ 69,405</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 is as follows:

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2015	\$ 5,355	32.3%	\$ 69,405
2014	5,094	34.3	65,778
2013	16,106	12.0	62,432

D. Funding status

The City's funding status for OPEB is as follows (determined by an actuarial study):

	<u>June 30, 2014</u>	<u>June 30, 2012</u>	<u>July 1, 2009</u>
Actuarial valuation date			
Actuarial value of assets	\$ -	\$ -	\$ -
Actuarial accrued liability	69,463	152,974	106,578
Unfunded Actuarial Liability (UAL)	69,463	152,974	106,578
Funded ratio	- %	- %	- %
Annual covered payroll	95,562	105,550	109,704
Ratio of UAL to annual covered payroll	72.7%	144.9%	97.2%

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2015

(amounts expressed in thousands)

Multi-year trend information regarding the actuarial value of plan assets increasing or decreasing over time relative to the actuarial accrued liability is available in the Required Supplementary Information on page 102.

E. Actuarial methods and assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and actuarial value of assets, consistent with the long-term perspective of the calculations. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

For June 30, 2014, the last actuarial valuation, the actuarial cost method used is the entry age normal method. A 3.50% pay as you go discount/investment rate was used. No actuarial valuation of assets was done as there were no assets at the valuation date. The amortization method is level percent of payroll amortized over 30 years and the period is open. The actuarial valuations did not include an assumption for inflation rate. The healthcare cost trend rate used in the actuarial assumptions averaged 6.5% for the medical and dental plans in fiscal year 2013-2014. No salary or post-retirement benefit increases were projected.

XX. Contingent liabilities and commitments

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

The City is subject to claims and litigation, which arise in the ordinary course of its operations. In the opinion of City management, based on the advice of the City attorney, the resolution of such claims and litigation are believed to either have no material adverse effect on the financial position or the future operations of the City or likelihood of a negative outcome to the City is not determinable.

The City, under the memorandum of agreement with the Arizona Sports and Tourism Authority (AZSTA) and B & B Holdings (DBA Arizona Cardinals), irrevocably assigns, transfers, and pledges unrestricted excise taxes collected at the Multipurpose Facility site (Stadium) to AZSTA. In consideration for the pledge of unrestricted excise tax revenues, the AZSTA issued bonds to improve the Stadium infrastructure. The City's obligation is to make monthly payments to the AZSTA for sales tax payments collected from the site only. The AZSTA bonds do not constitute a legal debt of the City.

XXI. Implementation of new accounting principles

GASB statement No. 68, Accounting and Financial Reporting for Pensions, addresses accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses. Note disclosure and required supplementary information requirements about pensions also are addressed. In addition, this Statement details the recognition and disclosure requirements for employers with liabilities (payables) to a defined benefit pension plan and for employers whose employees are provided with defined contribution pensions.

CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2015

(amounts expressed in thousands)

XXII. Subsequent events

Effective July 1, 2015, several sub-funds of the General Fund, as presented in the Comprehensive Annual Financial Report and the Annual Budget Book, were reclassified to other fund types as follows:

Sub Fund Name	Old Fund Type	New Fund Type
General Services – Fleet	General	Internal Service Fund
Telephone Services	General	Internal Service Fund
PC Replacement	General	Internal Service Fund
Utility Bill Donation	General	Special Revenue Fund
Arts Commission	General	Special Revenue Fund
Court Security	General	Special Revenue Fund
Training Facility Revenue	General	Special Revenue Fund

On July 24, 2015, the City of Glendale, the Arena Manager and Coyotes Hockey team owner signed a first amendment to the professional management services and arena lease agreement. This amendment changed several terms and conditions of the original agreement. The significant changes are as follows: the management fee paid by the city annually was reduced from \$15,000 to \$6,500; the surcharge and parking revenues received by the city were redefined as exclusive arena manager revenue to be received by the arena manager; the termination was also redefined in its entirety to mean June 30, 2017; and a change of manager clause was added whereby the City has the option to replace the arena manager at any time after June 30, 2016, provided that the City delivers a notice of such election not less than 90 days of the effective date.

On October 13, 2015, the City Council adopted a resolution authorizing the City Manager to execute all documents necessary to authorize the purchase of real property located at the southwest corner of Bethany Home Road and 91st Avenue in Glendale, Arizona in the amount of \$15,527. The purchase of real property at the southwest corner of Bethany Home Road and 91st Avenue is contingent upon the purchase of the real property at the southwest corner of Maryland Avenue and 91st Avenue, located in Glendale, Arizona, for a purchase price of \$6,812. It is anticipated that this transaction, and subsequent eligible improvements, will be funded through the issuance of General Obligation (GO) bonds. As the issuance of the GO bonds, anticipated in early 2016, is subsequent to the close of the transaction, the GO bond proceeds will be used to reimburse the City for the cost of the land purchase.

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City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

REQUIRED SUPPLEMENTARY INFORMATION

(other than MD&A)

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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CITY OF GLENDALE, ARIZONA

Schedule of Pension Liability

June 30, 2015

(amounts expressed in thousands)

	Reporting Fiscal Year (Measurement Date)		
	2015 (2014)	2014 (2013)	2013 - 2006 (2012 - 2005)
Arizona State Retirement System:			
City's Proportion of the Net Pension Liability	0.619749%	0.656524%	Information
City's Proportionate Share of the Net Pension Liability	\$ 91,702	\$ 109,143	Not Available
City's Covered-Employee Payroll	\$ 54,523	\$ 57,475	
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered -Employee Payroll	168.19%	189.90%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.49%	NA	

	Reporting Fiscal Year (Measurement Date)	
	2015 (2014)	2014 - 2006 (2013 - 2005)
Elected's Official Plan:		
City's Proportion of the Net Pension Liability	0.350038%	Information
City's Proportionate Share of the Net Pension Liability	\$ 2,347	Not Available
City's Covered-Employee Payroll	\$ 252	
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered -Employee Payroll	931.35%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	31.91%	

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CITY OF GLENDALE, ARIZONA

Schedule of Pension Liability

June 30, 2015

(amounts expressed in thousands)

Public Safety Personnel Retirement System - Police:

	Reporting Fiscal Year (Measurement Date)	
	2015 (2014)	2014 - 2006 (2013 - 2005)
Total Pension Liability:		
Service Cost	\$ 5,483	Information
Interest on the Total Pension Liability	14,973	Not Available
Changes of Benefit Terms	3,331	
Differences Between Expected and Actual Experience in the Measurement of the Pension Liability	2,845	
Changes of Assumptions or Other Inputs	19,686	
Benefit Payments, Including Refunds of Employee Contributions	(8,616)	
Net Change in Total Pension Liability	37,702	
Total Pension Liability - Beginning	192,310	
Total Pension Liability - Ending (a)	<u>\$ 230,012</u>	
Plan Fiduciary Net Position:		
Contributions - Employer	\$ 8,221	
Contributions - Employee	3,432	
Net Investment Income	12,960	
Benefit Payments, Including Refunds of Employee Contributions	(8,616)	
Administrative Expenses	(104)	
Other Changes	(124)	
Net Change in Plan Fiduciary Net Position	15,769	
Plan Fiduciary Net Position - Beginning	92,963	
Plan Fiduciary Net Position - Ending (b)	<u>\$ 108,732</u>	
City's Net Pension Liability (Asset) - Ending (a) - (b)	121,280	
Plan Fiduciary Net Position as a Percentage of the Total Pension	47.27%	
Covered-employee Payroll	31,815	
City's Net Pension Liability (Asset) as a Percentage of Covered-employee Payroll	381.20%	

CITY OF GLENDALE, ARIZONA

Schedule of Pension Liability

June 30, 2015

(amounts expressed in thousands)

Public Safety Personnel Retirement System - Fire:

	Reporting Fiscal Year (Measurement Date)	
	2015 (2014)	2014 - 2006 (2013 - 2005)
Total Pension Liability:		
Service Cost	\$ 3,805	Information
Interest on the Total Pension Liability	9,672	Not Available
Changes of Benefit Terms	1,658	
Differences Between Expected and Actual Experience in the Measurement of the Pension Liability	1,452	
Changes of Assumptions or Other Inputs	9,623	
Benefit Payments, Including Refunds of Employee Contributions	(6,800)	
Net Change in Total Pension Liability	19,410	
Total Pension Liability - Beginning	124,713	
Total Pension Liability - Ending (a)	<u>\$ 144,123</u>	
Plan Fiduciary Net Position:		
Contributions - Employer	\$ 4,630	
Contributions - Employee	2,265	
Net Investment Income	10,457	
Benefit Payments, Including Refunds of Employee Contributions	(6,800)	
Administrative Expenses	(84)	
Other Changes	-	
Net Change in Plan Fiduciary Net Position	10,468	
Plan Fiduciary Net Position - Beginning	75,960	
Plan Fiduciary Net Position - Ending (b)	<u>\$ 86,428</u>	
City's Net Pension Liability (Asset) - Ending (a) - (b)	57,695	
Plan Fiduciary Net Position as a Percentage of the Total Pension	59.97%	
Covered-employee Payroll	19,291	
City's Net Pension Liability (Asset) as a Percentage of Covered-employee Payroll	299.08%	

CITY OF GLENDALE, ARIZONA

Schedule of Pension Contributions

June 301, 2015

(amounts expressed in thousands)

Arizona State Retirement System:

	2015	2014	2013
Statutorily Required Contribution	\$ 5,996	\$ 5,978	\$ 5,971
City's Contribution in Relation to the Statutorily Required Contribution	5,996	5,978	5,971
City's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
City's Covered-Employee Payroll	\$ 54,853	\$ 54,523	\$ 57,475
City's Contributions as a Percentage of Covered-Employee Payroll	10.93%	10.96%	10.39%

Elected's Official Retirement Plan:

	Reporting Fiscal Year		
	2015	2014	2013 -2006
Statutorily Required Contribution	\$ 54	\$ 75	Information
City's Contribution in Relation to the Statutorily Required Contribution	54	75	Not Available
City's Contribution Deficiency (Excess)	\$ -	\$ -	
City's Covered-Employee Payroll	\$ 197	\$ 252	
City's Contributions as a Percentage of Covered-Employee Payroll	27.41%	29.76%	

Public Safety Personnel Retirement System - Police:

	Reporting		
	2015	2014	2013
Statutorily Required Contribution	\$ 9,693	\$ 8,221	\$ 6,787
City's Contribution in Relation to the Statutorily Required Contribution	9,693	8,221	6,787
City's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
City's Covered-Employee Payroll	\$ 39,992	\$ 31,815	\$ 29,041
City's Contributions as a Percentage of Covered-Employee Payroll	24.24%	25.84%	23.37%

Public Safety Personnel Retirement System - Fire:

	Reporting		
	2015	2014	2013
Statutorily Required Contribution	\$ 4,575	\$ 4,630	\$ 3,454
City's Contribution in Relation to the Statutorily Required Contribution	4,575	4,630	3,454
City's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
City's Covered-Employee Payroll	\$ 20,910	\$ 19,291	\$ 18,664
City's Contributions as a Percentage of Covered-Employee Payroll	21.88%	24.00%	18.51%

Reporting Fiscal Year

2012	2011	2010	2009	2008	2007	2006
\$ 5,997	\$ 5,743	\$ 5,685	\$ 6,479	\$ 6,045	\$ 5,269	\$ 3,628
5,997	5,743	5,685	6,479	6,045	5,269	3,628
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 65,443	\$ 65,143	\$ 71,338	\$ 81,655	\$ 79,680	\$ 74,388	\$ 68,780
9.16%	8.82%	7.97%	7.93%	7.59%	7.08%	5.27%

Fiscal Year

2012	2011	2010 - 2006
\$ 5,907	\$ 5,248	Information Not Available
5,907	5,248	
\$ -	\$ -	
\$ 29,849	\$ 28,006	
19.79%	18.74%	

Fiscal Year

2012	2011	2010 - 2006
\$ 2,828	\$ 2,546	Information Not Available
2,828	2,546	
\$ -	\$ -	
\$ 18,483	\$ 17,195	
15.30%	14.80%	

CITY OF GLENDALE, ARIZONA
Schedule of Funding Progress
June 30, 2015
(amounts expressed in thousands)

GASB Statement No. 45 Supplementary Information

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

Valuation Date June 30	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfund AAL (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a % of Covered Payroll
Fire						
2014	\$ 3,916	\$ 3,104	\$ (812)	126.2 %	\$ 19,291	0.00 %
2013	-	2,942	2,942	0.0 %	18,548	15.86
2012	-	2,902	2,902	0.0	18,406	15.77
Police						
2014	\$ 4,369	\$ 5,928	\$ 1,559	73.7 %	\$ 31,816	4.90 %
2013	-	5,603	5,603	0.0 %	28,336	19.77
2012	-	5,437	5,437	0.0	29,356	18.52

Other Post-Employment Benefits (OPEB)

Valuation Date June 30	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfund AAL (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a % of Covered Payroll
7/1/2009	\$ -	\$ 106,578	\$ 106,578	0.0 %	\$ 109,704	97.2 %
6/30/2012	-	152,974	152,974	0.0	105,550	144.9
6/30/2014	-	69,463	69,463	0.0	95,562	72.7

The actuarial accrued liability and OPEB cost are significantly lower than the prior valuation. The large increase in retiree contributions have decreased the City's cost of providing the benefits to the retirees and have reduced current and expected future retiree participation in the plan. In fiscal year 2014 the retiree contributions increased an average of 58% for medical coverage and 48% for dental. Due to the increase in retiree contributions, the assumption for participation rate was also decreased.

CITY OF GLENDALE, ARIZONA
Notes to Pension Liability and Contributions
June 30, 2015
(amounts expressed in thousands)

PSPRS Actuarial Methods and Assumptions:

Actuarial Cost Method	Entry age normal
Amortization Level	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining Amortization Period as of the 2013 Actuarial Valuation	23 years for unfunded actuarial accrued liability, 20 years for excess
Asset Valuation Method	7-year smoothed market value; 20% corridor
Actuarial Assumptions: Investment Rate of Return	In the 2013 actuarial valuation, the investment rate of return was decreased from 8.0% to 7.85%
Projected Salary Increases	In the 2013 actuarial valuation, projected salary increases were from 5.0%-9.0% to 4.5%-8.5%
Wage Growth	In the 2013 actuarial valuation, wage growth was decreased from 5.0% to 4.5%
Retirement Age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006-June 30, 2011
Mortality	RP-2000 mortality table (adjusted by 105% for both males and females)

City of Glendale, Arizona
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2014	\$ 30,752	\$ 30,752	\$ 42,550	\$ 11,798
RESOURCES (INFLOWS):				
Taxes	102,144	102,144	104,860	2,716
Licenses and permits	8,459	8,459	8,867	408
Intergovernmental	56,414	56,414	57,425	1,011
Charges for services	35,580	35,580	35,007	(573)
Fines and forfeitures	3,298	3,298	3,556	258
Investment income (loss)	265	265	595	330
Proceeds from disposal of assets	250	250	257	7
Loan proceeds	26	26	26	-
Miscellaneous	2,406	2,406	5,042	2,636
Total revenues	208,842	208,842	215,635	6,793
Add: Transfers in	45,290	46,230	24,736	(21,494)
Less: Transfers out	(53,298)	(54,453)	(31,647)	22,806
Amounts available for appropriation	231,586	231,371	251,274	19,903
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General government	41,679	42,243	41,632	611
Public safety	113,537	113,507	109,896	3,611
Public works	21,768	21,489	19,859	1,630
Community services	15,137	15,252	13,808	1,444
Community environment	20	20	20	-
Street maintenance	880	877	717	160
Contingencies	5,000	2,563	-	2,563
Miscellaneous	2,696	5,427	3,885	1,542
Debt service:				
Principal	1,496	10,746	10,538	208
Interest	807	807	868	(61)
Capital outlay	7,032	9,812	5,874	3,938
Total charges to appropriations	210,052	222,743	207,097	15,646
Budgetary fund balance, June 30, 2015	\$ 21,534	\$ 8,628	\$ 44,177	\$ 35,549

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.	\$ 251,274
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.	(42,550)
Indirect cost allocation	(9,700)
Interest earned on restricted investments not available for appropriation	415
Internal charges for services provided.	(9,613)
Proceeds from disposal of assets.	(257)
Interfund loan from water and sewer.	(26)
Revenue reported on a GAAP basis.	(59)
Police and fire sales tax revenue.	22,495
Less: Transfers in.	(24,736)
Add: Transfers out.	31,647
Total revenues as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 218,890</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 207,097
Differences - budget to GAAP:	
Principal retirement.	(235)
Capital outlay funded by long-term debt.	138
Internal charges for services provided.	(19,430)
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 187,570</u>

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

CITY OF GLENDALE, ARIZONA

Notes to Required Supplementary Information

June 30, 2015

(amounts expressed in thousands)

I. Basis of accounting

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

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

II. Budgetary information

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

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

III. Contingency appropriation

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

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



City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

COMBINING STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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City of Glendale, Arizona
Budgetary Comparison Schedule
Municipal Property Corporation Debt Service Fund
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2014	\$ 952	\$ 952	\$ 1,009	\$ 57
RESOURCES (INFLOWS):				
Add: Transfers in	31,289	31,347	164,998	133,651
Less: Transfers out	-	(1,793)	(1,793)	-
Amounts available for appropriation	<u>32,241</u>	<u>30,506</u>	<u>164,214</u>	<u>133,708</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General administration	-	-	9	(9)
Miscellaneous	35	35	20	15
Bond issuance cost	-	-	885	(885)
Debt service:				
Principal	8,745	8,745	2,585	6,160
Interest	22,699	20,879	19,382	1,497
Payment to escrow agent	-	-	35,067	(35,067)
Principal - current bond refunding	-	-	98,195	(98,195)
Interest - current bond refunding	-	-	910	(910)
Total charges to appropriations	<u>31,479</u>	<u>29,659</u>	<u>157,053</u>	<u>(127,394)</u>
Budgetary fund balance, June 30, 2015	<u>\$ 762</u>	<u>\$ 847</u>	<u>\$ 7,161</u>	<u>\$ 6,314</u>

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule.	\$ 164,214
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(1,009)
Less: Transfers in.	(164,998)
Add: Transfers out.	1,793
Total revenues as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ -</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 157,053
Differences - budget to GAAP:	
Other financing uses on bond refunding.	
Payment to escrow agent.	(35,067)
Principal - current bond refunding.	(98,195)
Interest - current bond refunding.	(910)
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 22,881</u>

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

Transportation Fund

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

Community Development Block Grants Fund

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

Highway User Gas Tax Fund

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

Police and Fire Sales Tax Fund

This fund accounts for police and fire activities funded by a .5 percent sales tax levied directly by voter initiative.

Federal Stimulus Fund

This fund accounts for the three-year federal stimulus grants that were started in FY 2010 and were allocated to the City of Glendale as part of the American Reinvestment and Recovery Act (ARRA), the federal stimulus package.

Other Special Revenue Fund

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

Debt Service Funds

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

Highway User Debt Service Fund

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

Western Loop 101 Public Facilities Corporation Debt Service Fund

This fund accounts for the debt service payments on the bonds issued to finance the spring training baseball facility and the note receivable from AZSTA.

Transportation Debt Service Fund

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

Excise Tax Revenue Debt Service Fund

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

General Obligation Debt Service Fund

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

Permanent Fund

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

Cemetery Perpetual Care Fund

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

Capital Projects Funds

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

Development Impact Fees Fund

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

Streets Construction Fund

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

Fire and Police Construction Fund

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

Parks Bond Construction Fund

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

Other Construction Fund

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

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

City of Glendale, Arizona
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2015
(amounts expressed in thousands)

Special Revenue Funds

	Transportation	Community Development Block Grants	Highway User Gas Tax	Police and Fire Sales Tax	Federal Stimulus	Other
ASSETS						
Assets:						
Equity in pooled cash and investments	\$ 33,712	\$ 91	\$ 22,642	\$ -	\$ -	\$ 844
Receivables, net of allowance for doubtful accounts:						
Property taxes	-	-	-	-	-	-
Accounts	2,592	7	-	-	-	-
Intergovernmental receivable	1,768	6,401	1,312	-	-	3,067
Inventories and prepaid items	99	-	-	-	-	8
Restricted cash and investments	-	-	-	-	-	4,141
Total assets	<u>\$ 38,171</u>	<u>\$ 6,499</u>	<u>\$ 23,954</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,060</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Vouchers payable	\$ 1,134	\$ 172	\$ 283	\$ -	\$ -	\$ 2,370
Retainage payable	-	-	-	-	-	-
Compensated absences - current	22	4	8	-	-	19
Intergovernmental payable	-	-	-	-	-	1
Due to other funds	-	1,928	-	-	-	608
Deposits	-	-	-	-	-	5
Unearned revenue	15	4,168	-	-	-	1,476
Matured interest payable	-	-	-	-	-	-
Matured bonds payable	-	-	-	-	-	-
Total liabilities	<u>1,171</u>	<u>6,272</u>	<u>291</u>	<u>-</u>	<u>-</u>	<u>4,479</u>
Deferred Inflows of Resources	<u>405</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:						
Nonspendable	99	-	-	-	-	8
Restricted	36,496	227	23,663	-	-	3,296
Assigned	-	-	-	-	-	277
Total fund balances	<u>36,595</u>	<u>227</u>	<u>23,663</u>	<u>-</u>	<u>-</u>	<u>3,581</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 38,171</u>	<u>\$ 6,499</u>	<u>\$ 23,954</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,060</u>

Debt Service Funds					Permanent Fund
Western Loop 101					
Highway User	Public Facilities Corporation	Transportation	Excise Tax Revenue	General Obligation	Cemetery Perpetual Care
\$ 39	\$ -	\$ 199	\$ 1,801	\$ 8,386	\$ 5,661
-	-	-	-	631	-
-	-	-	-	-	105
-	-	-	-	-	-
-	-	-	-	-	-
1,879	-	5,104	-	21,584	-
<u>\$ 1,918</u>	<u>\$ -</u>	<u>\$ 5,303</u>	<u>\$ 1,801</u>	<u>\$ 30,601</u>	<u>\$ 5,766</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
74	-	1,559	1,793	2,868	-
1,805	-	3,545	-	19,010	-
<u>1,879</u>	<u>-</u>	<u>5,104</u>	<u>1,793</u>	<u>21,878</u>	<u>-</u>
-	-	-	-	453	105
-	-	-	-	-	5,661
39	-	199	8	8,270	-
-	-	-	-	-	-
<u>39</u>	<u>-</u>	<u>199</u>	<u>8</u>	<u>8,270</u>	<u>5,661</u>
<u>\$ 1,918</u>	<u>\$ -</u>	<u>\$ 5,303</u>	<u>\$ 1,801</u>	<u>\$ 30,601</u>	<u>\$ 5,766</u>

(Continued)

City of Glendale, Arizona
Combining Balance Sheet (continued)
Non-Major Governmental Funds
June 30, 2015
(amounts expressed in thousands)

	Capital Project Funds					Total Non-Major Governmental Funds
	Development Impact Fees	Streets Construction	Fire and Police Construction	Parks Bond Construction	Other Construction	
ASSETS						
Assets:						
Equity in pooled cash and investments	\$ 14,299	\$ 2,978	\$ 1,560	\$ 143	\$ 2,996	\$ 95,351
Receivables, net of allowance for doubtful accounts:						
Property taxes	-	-	-	-	-	631
Accounts	-	-	-	-	-	2,704
Intergovernmental receivable	-	-	-	-	-	12,548
Inventories and prepaid items	-	-	-	-	-	107
Restricted cash and investments	-	-	-	-	-	32,708
Total assets	<u>\$ 14,299</u>	<u>\$ 2,978</u>	<u>\$ 1,560</u>	<u>\$ 143</u>	<u>\$ 2,996</u>	<u>\$ 144,049</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Vouchers payable	\$ 117	\$ 619	\$ -	\$ -	\$ -	\$ 4,695
Retainage payable	7	190	-	-	-	197
Compensated absences - current	-	-	-	-	-	53
Intergovernmental payable	-	-	-	-	-	1
Due to other funds	-	-	-	-	-	2,536
Deposits	-	-	-	-	-	5
Unearned revenue	-	410	-	-	22	6,091
Matured interest payable	-	-	-	-	-	6,294
Matured bonds payable	-	-	-	-	-	24,360
Total liabilities	<u>124</u>	<u>1,219</u>	<u>-</u>	<u>-</u>	<u>22</u>	<u>44,232</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>963</u>
Fund balances:						
Nonspendable	-	-	-	-	-	5,768
Restricted	14,175	1,759	1,560	143	2,974	92,809
Assigned	-	-	-	-	-	277
Total fund balances	<u>14,175</u>	<u>1,759</u>	<u>1,560</u>	<u>143</u>	<u>2,974</u>	<u>98,854</u>
Total liabilities, deferred outflows of resources and fund balances	<u>\$ 14,299</u>	<u>\$ 2,978</u>	<u>\$ 1,560</u>	<u>\$ 143</u>	<u>\$ 2,996</u>	<u>\$ 144,049</u>

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

Non-Major Governmental Funds

For the Fiscal Year Ended June 30, 2015

(amounts expressed in thousands)

	Special Revenue Funds					
	Transportation	Community Development Block Grants	Highway User Gas Tax	Police and Fire Sales Tax	Federal Stimulus	Other
REVENUES						
Taxes and special assessments	\$ 24,690	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	3
Intergovernmental	4,053	3,591	14,037	-	-	7,679
Charges for services	110	-	-	-	-	975
Investment income	146	-	-	-	-	16
Local	-	-	-	-	-	525
Miscellaneous	-	313	37	-	-	895
Total revenues	<u>28,999</u>	<u>3,904</u>	<u>14,074</u>	<u>-</u>	<u>-</u>	<u>10,093</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	56
Public safety	-	-	-	-	-	3,977
Public works	-	-	-	-	-	24
Community services	10,665	-	-	-	34	1,942
Community environment	-	3,752	-	-	-	1,205
Street maintenance	-	-	7,234	-	-	-
Miscellaneous	-	-	-	-	-	-
Debt service:						
Principal	-	2	-	-	-	-
Interest	-	1	-	-	-	-
Capital outlay:	<u>1,909</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,852</u>
Total expenditures	<u>12,574</u>	<u>3,758</u>	<u>7,234</u>	<u>-</u>	<u>34</u>	<u>11,056</u>
Excess (deficiency) of revenues over expenditures	<u>16,425</u>	<u>146</u>	<u>6,840</u>	<u>-</u>	<u>(34)</u>	<u>(963)</u>
OTHER FINANCING SOURCES (USES)						
Payment to refunded bond escrow agent	-	-	-	-	-	-
Principal-current bond refunding	-	-	-	-	-	-
Interest-current bond refunding	-	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-	-
Premium on long-term debt issued	-	-	-	-	-	-
Proceeds from equipment disposal	692	-	-	-	-	133
Transfers in	900	-	-	-	-	631
Transfers out	(13,062)	-	(2,822)	(11,100)	-	(4)
Total other financing sources and uses	<u>(11,470)</u>	<u>-</u>	<u>(2,822)</u>	<u>(11,100)</u>	<u>-</u>	<u>760</u>
Net change in fund balances	4,955	146	4,018	(11,100)	(34)	(203)
Fund balances, July 1	<u>31,640</u>	<u>81</u>	<u>19,645</u>	<u>11,100</u>	<u>34</u>	<u>3,784</u>
Fund balances, June 30	<u>\$ 36,595</u>	<u>\$ 227</u>	<u>\$ 23,663</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,581</u>

Debt Service Funds					Permanent Fund
Western Loop 101					Cemetery Perpetual Care
Highway User	Public Facilities Corporation	Transportation	Excise Tax Revenue	General Obligation	
\$ -	\$ -	\$ -	\$ -	\$ 18,618	\$ -
-	-	-	-	-	-
-	-	-	-	587	-
-	-	-	-	-	-
-	-	-	-	-	24
-	-	-	-	-	-
-	-	-	8	-	-
-	-	-	8	19,205	24
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1	-	534	-	455	-
1,805	-	3,545	-	19,010	-
148	-	3,597	1,793	7,082	-
-	-	-	-	-	-
1,954	-	7,676	1,793	26,547	-
(1,954)	-	(7,676)	(1,785)	(7,342)	24
-	-	(65,055)	-	(31,844)	-
-	-	-	-	(11,950)	-
-	-	-	-	(112)	-
-	-	55,635	114,130	39,490	-
-	-	9,958	20,928	4,865	-
-	-	-	-	-	-
1,958	-	7,331	1,793	5,853	-
-	(98)	-	(135,058)	-	-
1,958	(98)	7,869	1,793	6,302	-
4	(98)	193	8	(1,040)	24
35	98	6	-	9,310	5,637
<u>\$ 39</u>	<u>\$ -</u>	<u>\$ 199</u>	<u>\$ 8</u>	<u>\$ 8,270</u>	<u>\$ 5,661</u>

(Continued)

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

Non-Major Governmental Funds

For the Fiscal Year Ended June 30, 2015

(amounts expressed in thousands)

	Capital Projects Funds					Total Non-Major Governmental Funds
	Development	Streets	Fire and Police	Parks Bond	Other	
	Impact Fees	Construction	Construction	Construction	Construction	
REVENUES						
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,308
Licenses and permits	1,740	-	-	-	-	1,743
Intergovernmental	-	-	-	-	-	29,947
Charges for services	-	-	-	-	-	1,085
Investments	56	3	-	-	3	248
Local	-	-	-	-	-	525
Miscellaneous	-	14	-	-	-	1,267
Total revenues	<u>1,796</u>	<u>17</u>	<u>-</u>	<u>-</u>	<u>3</u>	<u>78,123</u>
EXPENDITURES						
Current:						
General government	-	-	-	4	8	68
Public safety	-	-	-	-	-	3,977
Public works	-	-	-	-	12	36
Community services	192	-	-	-	-	12,833
Community environment	-	-	-	-	-	4,957
Street maintenance	-	-	-	-	-	7,234
Miscellaneous	-	12	-	-	-	1,002
Debt service:						
Principal	-	-	-	-	-	24,362
Interest	-	-	-	-	-	12,621
Capital outlay:	<u>176</u>	<u>8,410</u>	<u>369</u>	<u>7</u>	<u>211</u>	<u>14,937</u>
Total expenditures	<u>368</u>	<u>8,422</u>	<u>369</u>	<u>11</u>	<u>231</u>	<u>82,027</u>
Excess (deficiency) of revenues over expenditures	<u>1,428</u>	<u>(8,405)</u>	<u>(369)</u>	<u>(11)</u>	<u>(228)</u>	<u>(3,904)</u>
OTHER FINANCING SOURCES (USES)						
Payment to refunded bond escrow agent	-	-	-	-	-	(96,899)
Principal-current bond refunding	-	-	-	-	-	(11,950)
Interest-current bond refunding	-	-	-	-	-	(112)
Refunding bonds issued	-	-	-	-	-	209,255
Premium on long-term debt issued	-	-	-	-	-	35,751
Proceeds from equipment disposal	-	1,559	-	-	-	2,384
Transfers in	-	6,561	-	-	-	25,027
Transfers out	-	(908)	-	-	(5,004)	(168,056)
Total other financing sources and uses	<u>-</u>	<u>7,212</u>	<u>-</u>	<u>-</u>	<u>(5,004)</u>	<u>(4,600)</u>
Net change in fund balances	1,428	(1,193)	(369)	(11)	(5,232)	(8,504)
Fund balances, July 1	<u>12,747</u>	<u>2,952</u>	<u>1,929</u>	<u>154</u>	<u>8,206</u>	<u>107,358</u>
Fund balances, June 30	<u>\$ 14,175</u>	<u>\$ 1,759</u>	<u>\$ 1,560</u>	<u>\$ 143</u>	<u>\$ 2,974</u>	<u>\$ 98,854</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Transportation Fund
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Budgetary fund balance, July 1, 2014	\$ 29,790	\$ 29,790	\$ 31,479	\$ 1,689
RESOURCES (INFLOWS):				
Taxes	23,433	23,433	24,705	1,272
Intergovernmental	5,489	5,489	3,972	(1,517)
Charges for services	129	129	110	(19)
Investments	80	80	146	66
Proceeds from disposal of assets	-	-	241	241
Miscellaneous revenues	2,000	2,000	1	(1,999)
Total revenues	<u>31,131</u>	<u>31,131</u>	<u>29,175</u>	<u>(1,956)</u>
Add: Transfers in	1,567	1,567	900	(667)
Less: Transfers out	(30,319)	(30,338)	(13,062)	17,276
Amounts available for appropriation	<u>32,169</u>	<u>32,150</u>	<u>48,492</u>	<u>16,342</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Community services	14,317	15,768	10,651	5,117
Street maintenance	-	425	-	425
Capital outlay	6,191	4,314	1,458	2,856
Total charges to appropriations	<u>20,508</u>	<u>20,507</u>	<u>12,109</u>	<u>8,398</u>
Budgetary fund balance, June 30, 2015	<u>\$ 11,661</u>	<u>\$ 11,643</u>	<u>\$ 36,383</u>	<u>\$ 24,740</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.	\$ 48,492
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.	(31,479)
Proceeds from disposal of assets.	(241)
Revenue reported on a GAAP basis.	65
Less: Transfers in.	(900)
Add: Transfers out.	13,062
Total revenues as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 28,999</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 12,109
Differences - budget to GAAP:	
Internal charges for services provided.	14
Capital outlay.	451
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 12,574</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Community Development Block Grants Fund
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Budgetary fund balance, July 1, 2014	\$ -	\$ -	\$ 85	\$ 85
RESOURCES (INFLOWS):				
Intergovernmental	7,532	7,532	3,591	(3,941)
Miscellaneous	<u>567</u>	<u>567</u>	<u>313</u>	<u>(254)</u>
Total revenues	<u>8,099</u>	<u>8,099</u>	<u>3,904</u>	<u>(4,195)</u>
Amounts available for appropriation	<u>8,099</u>	<u>8,099</u>	<u>3,989</u>	<u>(4,110)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Community environment	8,095	8,093	3,751	4,342
Principal paid	-	2	2	-
Interest expense	-	1	1	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>3</u>	<u>(3)</u>
Total charges to appropriations	<u>8,095</u>	<u>8,096</u>	<u>3,757</u>	<u>4,339</u>
Budgetary fund balance, June 30, 2015	<u>\$ 4</u>	<u>\$ 3</u>	<u>\$ 232</u>	<u>\$ 229</u>

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule.	\$ 3,989
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	<u>(85)</u>
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balance - governmental funds.	<u>\$ 3,904</u>

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 3,757
Differences - budget to GAAP:	
Community environment.	<u>1</u>
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 3,758</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Highway Users Gas Tax Fund
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u></u>
Budgetary fund balance, July 1, 2014	\$ 18,400	\$ 18,400	\$ 19,723	\$ 1,323
RESOURCES (INFLOWS):				
Intergovernmental	12,903	12,903	14,037	1,134
Miscellaneous	-	-	37	37
Total revenues	<u>12,903</u>	<u>12,903</u>	<u>14,074</u>	<u>1,171</u>
Amounts available for appropriation	<u>31,303</u>	<u>31,303</u>	<u>33,797</u>	<u>2,494</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Street maintenance	9,028	9,028	7,234	1,794
Capital outlay	44	44	-	44
Transfers out	<u>19,310</u>	<u>19,325</u>	<u>2,822</u>	<u>16,503</u>
Total charges to appropriations	<u>28,382</u>	<u>28,397</u>	<u>10,056</u>	<u>18,341</u>
Budgetary fund balance, June 30, 2015	<u>\$ 2,921</u>	<u>\$ 2,906</u>	<u>\$ 23,741</u>	<u>\$ 20,835</u>

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule. \$ 33,797

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. (19,723)

Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds. \$ 14,074

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule. \$ 10,056

Differences - budget to GAAP:

Transfers out (2,822)

Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds. \$ 7,234

City of Glendale, Arizona
Budgetary Comparison Schedule
Police and Fire Sales Tax Fund
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance, July 1, 2014	\$ 9,998	\$ 9,998	\$ 10,907	\$ 909
RESOURCES (INFLOWS):				
Taxes	21,900	21,900	22,511	611
Proceeds from disposal of assets	-	-	8	8
Total revenues	<u>21,900</u>	<u>21,900</u>	<u>22,519</u>	<u>619</u>
Less: Transfers out	<u>(24,442)</u>	<u>(24,442)</u>	<u>(24,442)</u>	<u>-</u>
Amounts available for appropriation	<u>7,456</u>	<u>7,456</u>	<u>8,984</u>	<u>1,528</u>
Budgetary fund balance, June 30, 2015	<u>\$ 7,456</u>	<u>\$ 7,456</u>	<u>\$ 8,984</u>	<u>\$ 1,528</u>

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule. \$ 8,984

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. (10,907)

Revenue reported on a GAAP basis. (16)

Proceeds from disposal of assets. (8)

Add: Transfers out. 24,442

Total revenues of the police and fire sales tax fund included in the general fund. \$ 22,495

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule. \$ -

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

City of Glendale, Arizona
Budgetary Comparison Schedule
Federal Stimulus Fund
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Budgetary fund balance, July 1, 2014	\$ -	\$ -	\$ 33	\$ 33
RESOURCES (INFLOWS):				
Amounts available for appropriation	<u>-</u>	<u>-</u>	<u>33</u>	<u>33</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Community services	<u>-</u>	<u>-</u>	<u>33</u>	<u>(33)</u>
Total charges to appropriations	<u>-</u>	<u>-</u>	<u>33</u>	<u>(33)</u>
Budgetary fund balance, June 30, 2015	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule.	\$ 33
Differences - budget to GAAP: The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	<u>(33)</u>
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u><u>\$ -</u></u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 33
Differences - budget to GAAP: Miscellaneous.	<u>1</u>
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u><u>\$ 34</u></u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Other Special Revenue Fund
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Budgetary fund balance, July 1, 2014	\$ 1,629	\$ 1,629	\$ 3,801	\$ 2,172
RESOURCES (INFLOWS):				
Licenses and permits	-	-	2	2
Intergovernmental	17,337	17,337	7,418	(9,919)
Charges for services	1,038	1,038	953	(85)
Investments	-	-	16	16
Proceeds from equipment disposal	-	-	133	133
Local	-	-	525	525
Miscellaneous	14,616	14,616	686	(13,930)
Total revenues	<u>32,991</u>	<u>32,991</u>	<u>9,733</u>	<u>(23,258)</u>
Add: Transfers in	260	646	631	(15)
Less: Transfers out	-	(4)	(4)	-
Amounts available for appropriation	<u>34,880</u>	<u>35,262</u>	<u>14,161</u>	<u>(21,101)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General government	-	-	58	(58)
Public safety	15,560	15,310	3,967	11,343
Public works	100	100	25	75
Community services	2,325	2,585	1,916	669
Community environment	1,508	1,508	1,206	302
Capital outlay	15,347	14,896	3,852	11,044
Total charges to appropriations	<u>34,840</u>	<u>34,399</u>	<u>11,024</u>	<u>23,375</u>
Budgetary fund balance, June 30, 2015	<u>\$ 40</u>	<u>\$ 863</u>	<u>\$ 3,137</u>	<u>\$ 2,274</u>

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule.	\$ 14,161
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(3,801)
Intergovernmental.	262
Charges for services.	22
Proceeds fro equipment disposal.	(133)
Miscellaneous.	209
Less: Transfers in.	(631)
Add: Transfers out.	4
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 10,093</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 11,024
Differences - budget to GAAP:	
Change in compensated absences liability.	32
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 11,056</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Highway User Debt Service Fund
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance, July 1, 2014	\$ 25	\$ 25	\$ 35	\$ 10
RESOURCES (INFLOWS):				
Add: Transfers in	<u>1,958</u>	<u>1,958</u>	<u>1,958</u>	<u>-</u>
Amounts available for appropriation	<u>1,983</u>	<u>1,983</u>	<u>1,993</u>	<u>10</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Miscellaneous	5	5	1	4
Debt service:				
Principal	1,805	1,805	1,805	-
Interest	<u>148</u>	<u>148</u>	<u>148</u>	<u>-</u>
Total charges to appropriations	<u>1,958</u>	<u>1,958</u>	<u>1,954</u>	<u>4</u>
Budgetary fund balance, June 30, 2015	<u>\$ 25</u>	<u>\$ 25</u>	<u>\$ 39</u>	<u>\$ 14</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.	\$ 1,993
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.	(35)
Less: Transfers in.	<u>(1,958)</u>
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ -</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 1,954
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 1,954</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Western Loop 101 Public Facilities Corporation Debt Service Fund
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Budgetary fund balance, July 1, 2014	\$ 58	\$ 58	\$ 98	\$ 40
RESOURCES (INFLOWS):				
Add: Transfers out	<u>-</u>	<u>(58)</u>	<u>(98)</u>	<u>(40)</u>
Amounts available for appropriation	<u>58</u>	<u>-</u>	<u>-</u>	<u>-</u>
Budgetary fund balance, June 30, 2015	<u>\$ 58</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Sources/inflows of resources:			
Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule.			\$ -
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.			(98)
Add: Transfers out.			<u>98</u>
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.			<u>\$ -</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Transportation Debt Service Fund
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Budgetary fund balance, July 1, 2014	\$ 3	\$ 3	\$ 6	\$ 3
RESOURCES (INFLOWS):				
Add: Transfers in	<u>7,331</u>	<u>7,331</u>	<u>7,331</u>	<u>-</u>
Amounts available for appropriation	<u>7,334</u>	<u>7,334</u>	<u>7,337</u>	<u>3</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Miscellaneous	5	5	-	5
Debt service:				
Principal	3,250	3,250	3,545	(295)
Interest	<u>4,076</u>	<u>4,076</u>	<u>3,593</u>	<u>483</u>
Total charges to appropriations	<u>7,331</u>	<u>7,331</u>	<u>7,138</u>	<u>193</u>
Budgetary fund balance, June 30, 2015	<u>\$ 3</u>	<u>\$ 3</u>	<u>\$ 199</u>	<u>\$ 196</u>

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 7,337
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.	(6)
Less: Transfers in.	<u>(7,331)</u>
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ -</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 7,138
Bond costs related to refunding.	<u>538</u>
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 7,676</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Excise Tax Revenue Debt Service Fund
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Budgetary fund balance, July 1, 2014	\$ -	\$ -	\$ -	\$ -
RESOURCES (INFLOWS):				
Miscellaneous revenue	-	-	8	8
Total revenues	-	-	8	8
Add: Transfers in	-	1,793	1,793	-
Amounts available for appropriation	-	1,793	1,801	8
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Debt service:				
Interest	-	1,793	1,793	-
Total charges to appropriations	-	1,793	1,793	-
Budgetary fund balance, June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8</u>	<u>\$ 8</u>

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 1,801
Differences - budget to GAAP:	
Less: Transfers in.	(1,793)
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 8</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 1,793
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 1,793</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
General Obligation Debt Service Fund
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Budgetary fund balance, July 1, 2014	\$ 10,003	\$ 10,003	\$ 9,310	\$ (693)
RESOURCES (INFLOWS):				
Taxes	19,065	19,065	18,618	(447)
Intergovernmental	<u>634</u>	<u>634</u>	<u>587</u>	<u>(47)</u>
Total inflows	19,699	19,699	19,205	(494)
Add: Transfers in	<u>210</u>	<u>6,063</u>	<u>5,853</u>	<u>(210)</u>
Amounts available for appropriation	<u>29,912</u>	<u>35,765</u>	<u>34,368</u>	<u>(1,397)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Miscellaneous	335	335	7	328
Debt service:				
Principal	19,010	19,010	19,010	-
Interest	<u>6,728</u>	<u>6,755</u>	<u>7,082</u>	<u>(327)</u>
Total charges to appropriations	<u>26,073</u>	<u>26,100</u>	<u>26,099</u>	<u>1</u>
Budgetary fund balance, June 30, 2015	<u>\$ 3,839</u>	<u>\$ 9,665</u>	<u>\$ 8,269</u>	<u>\$ (1,396)</u>

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule.	\$ 34,368
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.	(9,310)
Less transfers in.	<u>(5,853)</u>
Total revenues as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 19,205</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 26,099
Differences - budget to GAAP:	
Other financing uses on bond refunding.	
Interest - current bond refunding.	<u>448</u>
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 26,547</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Cemetery Perpetual Care Fund
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u></u>
Budgetary fund balance, July 1, 2014	\$ 5,636	\$ 5,636	\$ 5,637	\$ 1
RESOURCES (INFLOWS):				
Investments	<u>20</u>	<u>20</u>	<u>24</u>	<u>4</u>
Total revenues	<u>20</u>	<u>20</u>	<u>24</u>	<u>4</u>
Amounts available for appropriation	<u>5,656</u>	<u>5,656</u>	<u>5,661</u>	<u>5</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Public works	<u>5,656</u>	<u>5,656</u>	<u>-</u>	<u>5,656</u>
Total charges to appropriations	<u>5,656</u>	<u>5,656</u>	<u>-</u>	<u>5,656</u>
Budgetary fund balance, June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,661</u>	<u>\$ 5,661</u>

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule. \$ 5,661

Differences - budget to GAAP:

The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes. (5,637)

Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds. \$ 24

City of Glendale, Arizona
Budgetary Comparison Schedule
Development Impact Fees Fund
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Budgetary fund balance, July 1, 2014	\$ 12,358	\$ 12,358	\$ 12,747	\$ 389
RESOURCES (INFLOWS):				
Licenses and permits	1,653	1,653	1,740	87
Investments	<u>47</u>	<u>47</u>	<u>56</u>	<u>9</u>
Total revenues	<u>1,700</u>	<u>1,700</u>	<u>1,796</u>	<u>96</u>
Less: Transfers out	<u>(212)</u>	<u>(212)</u>	<u>-</u>	<u>212</u>
Amounts available for appropriation	<u>13,846</u>	<u>13,846</u>	<u>14,543</u>	<u>697</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
General administration	190	190	-	190
Public safety	2,457	2,457	-	2,457
Community services	9,544	9,672	192	9,480
Capital outlay	<u>1,655</u>	<u>1,527</u>	<u>176</u>	<u>1,351</u>
Total charges to appropriations	<u>13,846</u>	<u>13,846</u>	<u>368</u>	<u>13,478</u>
Budgetary fund balance, June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,175</u>	<u>\$ 14,175</u>

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule. \$ 14,543

Differences - budget to GAAP:

The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes. (12,747)

Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds. \$ 1,796

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule. \$ 368

Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds. \$ 368

City of Glendale, Arizona
Budgetary Comparison Schedule
Streets Construction Fund
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2014	\$ 3,027	\$ 3,027	\$ 2,952	\$ (75)
RESOURCES (INFLOWS):				
Investments	21	21	3	(18)
Proceeds from asset disposal	-	-	1,559	1,559
Miscellaneous	-	-	14	14
Long-term debt issued	20,000	20,000	-	(20,000)
Total revenues	<u>20,021</u>	<u>20,021</u>	<u>1,576</u>	<u>(18,445)</u>
Add: Transfers in	39,674	39,674	6,561	(33,113)
Less: Transfers out	(238)	(1,101)	(908)	193
Amounts available for appropriation	<u>62,484</u>	<u>61,621</u>	<u>10,181</u>	<u>(51,440)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General administration	628	628	-	628
Community services	973	1,008	-	1,008
Street maintenance	-	-	12	(12)
Capital outlay	<u>60,883</u>	<u>48,585</u>	<u>8,410</u>	<u>40,175</u>
Total charges to appropriations	<u>62,484</u>	<u>50,221</u>	<u>8,422</u>	<u>41,799</u>
Budgetary fund balance, June 30, 2015	<u>\$ -</u>	<u>\$ 11,400</u>	<u>\$ 1,759</u>	<u>\$ (9,641)</u>

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule.	\$ 10,181
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(2,952)
Less: Transfers In.	(6,561)
Add: Transfers out.	908
Proceeds from disposal of asset.	<u>(1,559)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 17</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 8,422
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 8,422</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Fire and Police Construction Fund
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Budgetary fund balance, July 1, 2014	\$ 2,097	\$ 2,097	\$ 1,929	\$ (168)
RESOURCES (INFLOWS):				
Investments	<u>1</u>	<u>1</u>	<u>-</u>	<u>(1)</u>
Total revenues	<u>1</u>	<u>1</u>	<u>-</u>	<u>(1)</u>
Amounts available for appropriation	<u>2,098</u>	<u>2,098</u>	<u>1,929</u>	<u>(169)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Public safety	1,562	1,562	-	1,562
Capital outlay	<u>536</u>	<u>536</u>	<u>369</u>	<u>167</u>
Total charges to appropriations	<u>2,098</u>	<u>2,098</u>	<u>369</u>	<u>1,729</u>
Budgetary fund balance, June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,560</u>	<u>\$ 1,560</u>

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule.	\$ 1,929
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	<u>(1,929)</u>
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ -</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 369
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 369</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Parks Bond Construction Fund
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance, July 1, 2014	\$ 272	\$ 272	\$ 154	\$ (118)
RESOURCES (INFLOWS):				
Less: Transfers out	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amounts available for appropriation	<u>271</u>	<u>272</u>	<u>154</u>	<u>(118)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General administration	19	19	4	15
Capital outlay	<u>252</u>	<u>253</u>	<u>7</u>	<u>246</u>
Total charges to appropriations	<u>271</u>	<u>272</u>	<u>11</u>	<u>261</u>
Budgetary fund balance, June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 143</u>	<u>\$ 143</u>

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 154
Differences - budget to GAAP: The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	<u>(154)</u>
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ -</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 11
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 11</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Other Construction Fund
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2014	\$ 8,255	\$ 8,255	\$ 8,206	\$ (49)
RESOURCES (INFLOWS):				
Investments	<u>2</u>	<u>2</u>	<u>3</u>	<u>1</u>
Total revenues	<u>2</u>	<u>2</u>	<u>3</u>	<u>1</u>
Less: Transfers out	<u>(41)</u>	<u>(5,045)</u>	<u>(5,004)</u>	<u>41</u>
Amounts available for appropriation	<u>8,216</u>	<u>3,212</u>	<u>3,205</u>	<u>(7)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General administration	-	-	8	(8)
Community services	4,205	4,258	-	4,258
Public Works	2	2	12	(10)
Capital outlay	<u>4,009</u>	<u>3,956</u>	<u>211</u>	<u>3,745</u>
Total charges to appropriations	<u>8,216</u>	<u>8,216</u>	<u>231</u>	<u>7,985</u>
Budgetary fund balance, June 30, 2015	<u>\$ -</u>	<u>\$ (5,004)</u>	<u>\$ 2,974</u>	<u>\$ 7,978</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.	\$ 3,205
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(8,206)
Add: Transfers out	<u>5,004</u>
Total revenues as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 3</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 231
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 231</u>

NON-MAJOR PROPRIETARY FUNDS – BUSINESS-TYPE ACTIVITIES

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

Landfill

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

Sanitation

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

Housing

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

City of Glendale, Arizona
Combining Statement of Net Position
Non-Major Proprietary Funds - Business-Type Activities
June 30, 2015
(amounts expressed in thousands)

	<u>Landfill</u>	<u>Sanitation</u>	<u>Housing</u>	<u>Total</u>
ASSETS				
Current assets:				
Equity in pooled cash and investments	\$ 12,014	\$ 1,353	\$ 2,229	\$ 15,596
Receivables:				
Accounts	658	2,065	-	2,723
Allowance for uncollectibles	(4)	(398)	-	(402)
Intergovernmental receivable	-	-	2	2
Inventories and prepaid items	-	-	17	17
Total current assets	<u>12,668</u>	<u>3,020</u>	<u>2,248</u>	<u>17,936</u>
Noncurrent assets:				
Capital assets:				
Capital assets	27,434	14,796	14,121	56,351
Accumulated depreciation	<u>(12,924)</u>	<u>(9,566)</u>	<u>(9,439)</u>	<u>(31,929)</u>
Capital assets, net	<u>14,510</u>	<u>5,230</u>	<u>4,682</u>	<u>24,422</u>
Total noncurrent assets	<u>14,510</u>	<u>5,230</u>	<u>4,682</u>	<u>24,422</u>
Total assets	<u>27,178</u>	<u>8,250</u>	<u>6,930</u>	<u>42,358</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>378</u>	<u>596</u>	<u>188</u>	<u>1,162</u>
LIABILITIES				
Current liabilities:				
Vouchers payable	554	213	-	767
Accounts payable	-	-	64	64
Retainage payable	93	-	-	93
Compensated absences	326	258	14	598
Intergovernmental payable	-	4	-	4
Deposits	81	113	41	235
Unearned Rent	-	-	5	5
Total current liabilities	<u>1,054</u>	<u>588</u>	<u>124</u>	<u>1,766</u>
Noncurrent liabilities:				
Compensated absences	203	133	175	511
Pension obligations	3,256	5,126	1,614	9,996
OPEB long-term obligations	1,350	2,758	785	4,893
Other long-term debt	-	-	98	98
Estimated closure and post-closure costs	<u>14,960</u>	<u>-</u>	<u>-</u>	<u>14,960</u>
Total noncurrent liabilities	<u>19,769</u>	<u>8,017</u>	<u>2,672</u>	<u>30,458</u>
Total liabilities	<u>20,823</u>	<u>8,605</u>	<u>2,796</u>	<u>32,224</u>
DEFERRED INFLOWS OF RESOURCES	<u>721</u>	<u>1,135</u>	<u>357</u>	<u>2,213</u>
NET POSITION				
Net investment in capital assets	14,510	5,230	4,682	24,422
Unrestricted	<u>(8,498)</u>	<u>(6,124)</u>	<u>(717)</u>	<u>(15,339)</u>
Total net position	<u>\$ 6,012</u>	<u>\$ (894)</u>	<u>\$ 3,965</u>	<u>\$ 9,083</u>

City of Glendale, Arizona

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position

Non-Major Proprietary Funds - Business-Type Activities

For the Fiscal Year Ended June 30, 2015

(amounts expressed in thousands)

	Business-Type Activities			Total
	Landfill	Sanitation	Housing	
Enterprise Funds				
Operating revenues:				
Intergovernmental	\$ -	\$ -	\$ 8,696	\$ 8,696
Container service	-	4,216	-	4,216
Curb service	-	10,728	-	10,728
Landfill user fees	7,594	-	-	7,594
Recycling sales	1,771	-	-	1,771
Other fees	392	-	3,265	3,657
Total operating revenues	<u>9,757</u>	<u>14,944</u>	<u>11,961</u>	<u>36,662</u>
Operating expenses:				
Landfill	7,099	-	-	7,099
Housing	-	-	12,676	12,676
Closure/post-closure care adjustment	(206)	-	-	(206)
Sanitation	-	13,567	-	13,567
Depreciation	787	1,400	453	2,640
Total operating expenses	<u>7,680</u>	<u>14,967</u>	<u>13,129</u>	<u>35,776</u>
Operating income (loss)	<u>2,077</u>	<u>(23)</u>	<u>(1,168)</u>	<u>886</u>
Nonoperating revenues (expenses):				
Investment income	177	32	1	210
Gain (loss) on disposal of assets	87	34	-	121
OPEB expense	(67)	(162)	(42)	(271)
Total nonoperating revenue (expenses)	<u>197</u>	<u>(96)</u>	<u>(41)</u>	<u>60</u>
Income (loss) before contributions and transfers	2,274	(119)	(1,209)	946
Transfers in	-	-	274	274
Transfers out	(20,614)	(3,949)	-	(24,563)
Change in net position	<u>(18,340)</u>	<u>(4,068)</u>	<u>(935)</u>	<u>(23,343)</u>
Total net position - beginning - restated	24,352	3,174	4,900	32,426
Total net position - ending	<u>\$ 6,012</u>	<u>\$ (894)</u>	<u>\$ 3,965</u>	<u>\$ 9,083</u>

City of Glendale, Arizona
Combining Statement of Cash Flows
Non-Major Proprietary Funds - Business-Type Activities
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Landfill	Sanitation	Housing	Total
Cash flows from operating activities:				
Cash received from customers	\$ 9,672	\$ 15,044	\$ 3,266	\$ 27,982
Cash received from federal operating grants	-	-	8,691	8,691
Cash paid to suppliers:				
Internal city departments	(1,287)	(8,040)	-	(9,327)
External vendors	(3,087)	(1,208)	(11,475)	(15,770)
Cash paid to employees for services	(2,859)	(4,352)	(1,176)	(8,387)
Net cash provided (used) by operating activities	<u>2,439</u>	<u>1,444</u>	<u>(694)</u>	<u>3,189</u>
Cash flows from noncapital financing activities:				
Transfers in	-	-	274	274
Transfers out	(20,614)	(3,949)	-	(24,563)
Advances to/due from other funds	20,694	3,941	(2)	24,633
Net cash provided (used) by noncapital financing activities	<u>80</u>	<u>(8)</u>	<u>272</u>	<u>344</u>
Cash flows from capital and related financing activities:				
Increase principal obligations	-	-	5	5
Acquisition of capital assets and rights	(2,849)	(2,484)	(107)	(5,440)
Net cash used capital and related financing activities	<u>(2,849)</u>	<u>(2,484)</u>	<u>(102)</u>	<u>(5,435)</u>
Cash flows from investing activities:				
Interest received from investments	177	32	1	210
Net cash provided by investing activities	<u>177</u>	<u>32</u>	<u>1</u>	<u>210</u>
Net increase (decrease) in cash and cash equivalents during fiscal year	(153)	(1,016)	(523)	(1,692)
Cash and cash equivalents, July 1	12,167	2,369	2,752	17,288
Cash and cash equivalents, June 30	<u>\$ 12,014</u>	<u>\$ 1,353</u>	<u>\$ 2,229</u>	<u>\$ 15,596</u>

	<u>Landfill</u>	<u>Sanitation</u>	<u>Housing</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 2,077	\$ (23)	\$ (1,168)	\$ 886
Adjustments to reconcile operating income (loss) to net cash provided (used) by operations:				
Depreciation	787	1,400	453	2,640
Net pension expense and contributions	(64)	(101)	(32)	(197)
Changes in assets and liabilities:				
Accounts receivable	(86)	65	1	(20)
Intergovernmental receivable	-	-	7	7
Inventories and prepaid items	-	-	4	4
Vouchers payable	(71)	41	-	(30)
Accounts payable	-	-	26	26
Accrued expenses	(8)	-	-	(8)
Intergovernmental payable	-	1	(12)	(11)
Due to other funds	-	-	(1)	(1)
Deposits	2	-	2	4
Unearned rent	-	-	(1)	(1)
Compensated absences	8	27	27	62
Proceeds from disposal of assets	-	34	-	34
Estimated closure and post-closure costs	(206)	-	-	(206)
Net cash provided by (used) operating activities	<u>\$ 2,439</u>	<u>\$ 1,444</u>	<u>\$ (694)</u>	<u>\$ 3,189</u>

Reconciliation of statement of net position cash and investments to the statement of cash flows:

Per combining statement of net position:				
Equity in pooled cash and investments	\$ 12,014	\$ 1,353	\$ 2,229	\$ 15,596
Total cash and cash equivalents	<u>\$ 12,014</u>	<u>\$ 1,353</u>	<u>\$ 2,229</u>	<u>\$ 15,596</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Water and Sewer Fund
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Budgetary fund balance, July 1, 2014	\$ 75,473	\$ 75,473	\$ 84,752	\$ 9,279
RESOURCES (INFLOWS):				
Intergovernmental	-	-	266	266
Charges for services:				
Metered water sales	47,775	47,775	42,972	(4,803)
Sewer service charges	33,399	33,399	32,033	(1,366)
Impact fees	1,115	1,115	967	(148)
Other fees	1,504	1,504	1,902	398
Investments	209	209	433	224
Miscellaneous	65	65	494	429
Proceeds from loan	78	78	79	1
Proceeds from equipment disposal	10	10	6	(4)
Total revenues	<u>84,155</u>	<u>84,155</u>	<u>79,152</u>	<u>(5,003)</u>
Add: Transfers in	-	-	-	-
Less: Transfers out	<u>(146)</u>	<u>(222)</u>	<u>(138)</u>	<u>84</u>
Amounts available for appropriation	<u>159,482</u>	<u>159,406</u>	<u>163,766</u>	<u>4,360</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General administration	13,229	13,190	11,922	1,268
Water	22,194	22,314	18,267	4,047
Sewer	14,128	14,537	12,021	2,516
Contingencies	4,200	4,200	-	4,200
Capital outlay	35,961	35,484	5,915	29,569
Debt service:				
Principal	13,170	13,170	13,170	-
Interest	<u>12,283</u>	<u>12,283</u>	<u>10,918</u>	<u>1,365</u>
Total charges to appropriations	<u>115,165</u>	<u>115,178</u>	<u>72,213</u>	<u>42,965</u>
Budgetary fund balance, June 30, 2015	<u>\$ 44,317</u>	<u>\$ 44,228</u>	<u>\$ 91,553</u>	<u>\$ 47,325</u>

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 163,766
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(84,752)
Revenues offset directly by bad debt expense on budgetary basis.	340
Proceeds from loan.	(79)
Internal staff and administrative charges reported as revenue only on budgetary basis.	(82)
Less: Transfers in.	-
Add: Transfers out.	138
Total revenues as reported on the statement of revenues, expenses, and changes in fund net position, excluding capital contributions.	<u>\$ 79,331</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 72,213
Differences - budget to GAAP:	
Capital outlay expenditure.	(5,915)
Change in compensated absences liability.	(74)
Amortization and depreciation expense.	22,370
Loss on Joint Venture.	3,329
Bond issuance costs.	700
Principal payments on long-term obligations.	(13,170)
OPEB expense.	430
Interest expense.	(1,200)
Indirect cost allocation.	(424)
Total expenses as reported in the statement of revenues, expenses, and changes in fund net position.	<u>\$ 78,259</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Landfill Fund
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2014	\$ 11,453	\$ 11,453	\$ 12,103	\$ 650
RESOURCES (INFLOWS):				
Charges for services:				
Landfill user fees	7,380	7,380	7,594	214
Recycling fees	2,000	2,000	1,771	(229)
Other fees	1,232	1,232	823	(409)
Proceeds from equipment disposal	5	5	12	7
Proceeds from interfund loan	234	234	109	(125)
Investments	164	164	177	13
Total revenues	<u>11,015</u>	<u>11,015</u>	<u>10,486</u>	<u>(529)</u>
Less: Transfers out	(78)	(89)	(30)	59
Amounts available for appropriation	<u>22,390</u>	<u>22,379</u>	<u>22,559</u>	<u>180</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Contingencies	600	600	-	600
Landfill	8,763	8,763	7,571	1,192
Capital outlay	12,177	11,763	2,953	8,810
Debt service:				
Interest	-	418	-	418
Total charges to appropriations	<u>21,540</u>	<u>21,544</u>	<u>10,524</u>	<u>11,020</u>
Budgetary fund balance, June 30, 2015	<u>\$ 850</u>	<u>\$ 835</u>	<u>\$ 12,035</u>	<u>\$ 11,200</u>

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 22,559
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(12,103)
Internal staff and administrative charges reported as revenue only on budgetary basis.	(430)
Revenues offset directly by bad debt expense on budgetary basis.	(1)
Proceeds from disposal of capital assets.	(12)
Gain on disposal of assets.	87
Proceeds from loan.	(109)
Add: Transfers out.	30
Total revenues as reported in the combining statement of revenues, expenses, and changes in fund net position.	<u>\$ 10,021</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 10,524
Differences - budget to GAAP:	
Bad debt expense.	1
Capital outlay expenditures.	(2,955)
Change in compensated absences liability.	(472)
Change in estimated landfill post-closure liability.	(206)
Depreciation expense.	787
OPEB expense.	68
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net position.	<u>\$ 7,747</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Sanitation Fund
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2014	\$ 3,568	\$ 3,568	\$ 4,068	\$ 500
RESOURCES (INFLOWS):				
Charges for services:				
Container service	4,250	4,250	4,216	(34)
Curb service	10,664	10,664	10,685	21
Investments	28	28	32	4
Proceeds from equipment disposal	32	32	34	2
Proceeds from interfund loan	21	21	21	-
Total revenues	<u>14,995</u>	<u>14,995</u>	<u>14,988</u>	<u>(7)</u>
Less: Transfers out	-	(28)	(28)	-
Amounts available for appropriation	<u>18,563</u>	<u>18,535</u>	<u>19,028</u>	<u>493</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Sanitation	14,033	14,033	13,581	452
Capital outlay	<u>3,986</u>	<u>3,986</u>	<u>2,484</u>	<u>1,502</u>
Total charges to appropriations	<u>18,019</u>	<u>18,019</u>	<u>16,065</u>	<u>1,954</u>
Budgetary fund balance, June 30, 2015	<u>\$ 544</u>	<u>\$ 516</u>	<u>\$ 2,963</u>	<u>\$ 2,447</u>

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 19,028
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.	(4,068)
Revenues offset directly by bad debt expense on budgetary basis.	43
Proceeds from interfund loan.	(21)
Add: Transfers out.	<u>28</u>
Total revenues as reported in the combining statement of revenues, expenses, and changes in fund net position.	<u>\$ 15,010</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 16,065
Differences - budget to GAAP:	
Bad debt expense.	42
Capital outlay.	(2,484)
Change in compensated absences liability.	(290)
Depreciation expense.	1,400
Pension expense.	234
OPEB expense.	<u>162</u>
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net position	<u>\$ 15,129</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Housing Fund
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2014	\$ 1,922	\$ 1,922	\$ 2,434	\$ 512
RESOURCES (INFLOWS):				
Intergovernmental	15,522	15,522	8,696	(6,826)
Miscellaneous	-	-	3,265	3,265
Investments	-	-	1	1
Total revenues	<u>15,522</u>	<u>15,522</u>	<u>11,962</u>	<u>(3,560)</u>
Add: Transfers in	274	274	274	-
Amounts available for appropriation	<u>17,718</u>	<u>17,718</u>	<u>14,670</u>	<u>(3,048)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Housing	15,696	15,696	12,708	2,988
Capital outlay	<u>188</u>	<u>188</u>	<u>-</u>	<u>188</u>
Total charges to appropriations	<u>15,884</u>	<u>15,884</u>	<u>12,708</u>	<u>3,176</u>
Budgetary fund balance, June 30, 2015	<u>\$ 1,834</u>	<u>\$ 1,834</u>	<u>\$ 1,962</u>	<u>\$ 128</u>

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 14,670
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(2,434)
Less: Transfers in.	<u>(274)</u>
Total revenues as reported in the combining statement of revenues, expenses, and changes in fund net position, excluding capital grant proceeds.	<u>\$ 11,962</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 12,708
Differences - budget to GAAP:	
Depreciation expense.	453
Pension expense.	(32)
OPEB expense.	<u>42</u>
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net position.	<u>\$ 13,171</u>



City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

INTERNAL SERVICE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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City of Glendale, Arizona
Combining Statement of Net Position
Internal Service Funds
June 30, 2015
(amounts expressed in thousands)

	<u>Risk Management</u>	<u>Workers' Compensation</u>	<u>Employee Benefits</u>	<u>Total</u>
ASSETS				
Current assets:				
Equity in pooled cash and investments	\$ 3,634	\$ 7,253	\$ 215	\$ 11,102
Accounts receivable, net	-	-	6	6
Inventories and prepaid items	59	-	-	59
Total current assets	<u>3,693</u>	<u>7,253</u>	<u>221</u>	<u>11,167</u>
Noncurrent assets:				
Restricted deposits	-	150	1,425	1,575
Total assets	<u>3,693</u>	<u>7,403</u>	<u>1,646</u>	<u>12,742</u>
Deferred Outflows of Resources	<u>2</u>	<u>-</u>	<u>-</u>	<u>2</u>
LIABILITIES				
Current liabilities:				
Vouchers payable	114	32	1,855	2,001
Compensated absences	10	-	-	10
Estimated claims payable	2,857	3,518	3,994	10,369
Total current liabilities	<u>2,981</u>	<u>3,550</u>	<u>5,849</u>	<u>12,380</u>
Noncurrent liabilities:				
Compensated absences	1	-	-	1
Pension obligations	18	-	-	18
Total noncurrent liabilities	<u>19</u>	<u>-</u>	<u>-</u>	<u>19</u>
Total liabilities	<u>3,000</u>	<u>3,550</u>	<u>5,849</u>	<u>12,399</u>
Deferred Inflows of Resources	<u>4</u>	<u>-</u>	<u>-</u>	<u>4</u>
NET POSITION				
Unrestricted	<u>691</u>	<u>3,853</u>	<u>(4,203)</u>	<u>341</u>
Total net position	<u>\$ 691</u>	<u>\$ 3,853</u>	<u>\$ (4,203)</u>	<u>\$ 341</u>

City of Glendale, Arizona

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position

Internal Service Funds

For the Fiscal Year Ended June 30, 2015

(amounts expressed in thousands)

	<u>Risk Management</u>	<u>Workers' Compensation</u>	<u>Employee Benefits</u>	<u>Total</u>
Operating revenues:				
Self-insurance premiums	\$ 2,502	\$ 1,894	\$ 22,718	\$ 27,114
Other fees	137	50	28	215
Total operating revenues	<u>2,639</u>	<u>1,944</u>	<u>22,746</u>	<u>27,329</u>
Operating expenses:				
Administrative and general	55	-	-	55
Insurance claims and premiums	<u>2,019</u>	<u>1,148</u>	<u>22,876</u>	<u>26,043</u>
Total operating expenses	<u>2,074</u>	<u>1,148</u>	<u>22,876</u>	<u>26,098</u>
Operating income (loss)	565	796	(130)	1,231
Nonoperating revenues:				
Investment income (loss)	<u>13</u>	<u>29</u>	<u>3</u>	<u>45</u>
Change in net position	578	825	(127)	1,276
Net position - beginning - restated	<u>113</u>	<u>3,028</u>	<u>(4,076)</u>	<u>(935)</u>
Net position - ending	<u>\$ 691</u>	<u>\$ 3,853</u>	<u>\$ (4,203)</u>	<u>\$ 341</u>

City of Glendale, Arizona
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Risk Management	Workers' Compensation	Employee Benefits	Total
Cash flows from operating activities:				
Cash received from customers	\$ 2,638	\$ 1,944	\$ 22,744	\$ 27,326
Cash paid for insurance and in settlement of claims	(2,370)	(1,460)	(22,693)	(26,523)
Cash paid to employees for services	(44)	-	-	(44)
Net cash provided by (used for) operating activities	224	484	51	759
Cash flows from investing activities:				
Interest received from investments	13	29	3	45
Net increase (decrease) in cash during fiscal year	237	513	54	804
Cash and cash equivalents, July 1	3,397	6,890	1,586	11,873
Cash and cash equivalents, June 30	<u>\$ 3,634</u>	<u>\$ 7,403</u>	<u>\$ 1,640</u>	<u>\$ 12,677</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ 565	\$ 796	\$ (130)	\$ 1,231
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operations:				
Change in accounts receivable	-	-	(3)	(3)
Change in vouchers payable	(41)	(124)	339	174
Change in compensated absences	11	-	(1)	10
Change in claims payable	(311)	(188)	(154)	(653)
Net cash provided by (used for) operating activities	<u>\$ 224</u>	<u>\$ 484</u>	<u>\$ 51</u>	<u>\$ 759</u>
Reconciliation of statement of net position cash and investments to the statement of cash flows:				
Per combined statement of net position:				
Equity in pooled cash and investments	\$ 3,634	\$ 7,253	\$ 215	\$ 11,102
Restricted cash and investments	-	150	1,425	1,575
Total cash and cash equivalents	<u>\$ 3,634</u>	<u>\$ 7,403</u>	<u>\$ 1,640</u>	<u>\$ 12,677</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Risk Management Fund
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2014	\$ 2,405	\$ 2,405	\$ 3,245	\$ 840
RESOURCES (INFLOWS):				
Self-insurance premiums	2,500	2,500	2,502	2
Investments	8	8	13	5
Other	25	25	137	112
Total revenues	<u>2,533</u>	<u>2,533</u>	<u>2,652</u>	<u>119</u>
Amounts available for appropriation	<u>4,938</u>	<u>4,938</u>	<u>5,897</u>	<u>959</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General Administration	-	46	43	3
Insurance and claims	<u>4,000</u>	<u>3,954</u>	<u>2,330</u>	<u>1,624</u>
Total charges to appropriations	<u>4,000</u>	<u>4,000</u>	<u>2,373</u>	<u>1,627</u>
Budgetary fund balance, June 30, 2015	<u>\$ 938</u>	<u>\$ 938</u>	<u>\$ 3,524</u>	<u>\$ 2,586</u>

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 5,897
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(3,245)
Total revenues as reported on the combining statement of revenues, expenses, and changes in fund net position.	<u>\$ 2,652</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 2,373
Differences - budget to GAAP:	
Insurance and claims recorded gaap basis only.	(311)
Pension contributions that were reclassified as deferred outflows of resources.	12
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net position.	<u>\$ 2,074</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Workers' Compensation Fund
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2014	\$ 6,585	\$ 6,585	\$ 6,704	\$ 119
RESOURCES (INFLOWS):				
Self-insurance premiums	1,894	1,894	1,894	-
Miscellaneous	-	-	50	50
Investments	11	11	29	18
Other	25	25	30	5
Total revenues	<u>1,930</u>	<u>1,930</u>	<u>2,003</u>	<u>73</u>
Amounts available for appropriation	<u>8,515</u>	<u>8,515</u>	<u>8,707</u>	<u>192</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Insurance and claims	<u>1,608</u>	<u>1,608</u>	<u>1,335</u>	<u>273</u>
Total charges to appropriations	<u>1,608</u>	<u>1,608</u>	<u>1,335</u>	<u>273</u>
Budgetary fund balance, June 30, 2015	<u>\$ 6,907</u>	<u>\$ 6,907</u>	<u>\$ 7,372</u>	<u>\$ 465</u>

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 8,707
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.	(6,704)
Miscellaneous	(30)
Total revenues as reported in the combining statement of revenues, expenses, and changes in fund net position.	<u>\$ 1,973</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 1,335
Differences - budget to GAAP:	
Insurance and claims recorded gaap basis only.	(187)
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net position.	<u>\$ 1,148</u>

City of Glendale, Arizona
Budgetary Comparison Schedule
Employee Benefits Fund
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2014	\$ 748	\$ 748	\$ 75	\$ (673)
RESOURCES (INFLOWS):				
Self-insurance premiums	23,000	23,000	22,718	(282)
Miscellaneous	91	91	28	(63)
Investments	-	-	3	3
Total revenues	<u>23,091</u>	<u>23,091</u>	<u>22,749</u>	<u>(342)</u>
Amounts available for appropriation	<u>23,839</u>	<u>23,839</u>	<u>22,824</u>	<u>(1,015)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Insurance and claims	<u>23,291</u>	<u>23,291</u>	<u>23,032</u>	<u>259</u>
Total charges to appropriations	<u>23,291</u>	<u>23,291</u>	<u>23,032</u>	<u>259</u>
Budgetary fund balance, June 30, 2015	<u>\$ 548</u>	<u>\$ 548</u>	<u>\$ (208)</u>	<u>\$ (756)</u>

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule.	\$ 22,824
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource, but is not a current year revenue for financial reporting purposes.	<u>(75)</u>
Total revenues as reported in the combining statement of revenues, expenses, and changes in fund net position.	<u>\$ 22,749</u>

Uses/outflows or resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 23,032
Differences - budget to GAAP:	
Insurance and claims recorded gaap basis only.	<u>(156)</u>
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net position.	<u>\$ 22,876</u>



City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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Federal Financial Data Schedule (PHA: AZ003)

For the Fiscal Year Ended June 30, 2015

(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.

Line	Balance Sheet						
Item No.	Account Description	Project Total	Housing Choice Vouchers	Disaster Voucher Program	Disaster Housing Assistance Grants	Eliminations	Total
	ASSETS:						
	Current assets:						
	Cash:						
111	Cash - unrestricted	\$ 954,310	\$ 1,133,395	\$ -	\$ -	\$ -	\$ 2,087,705
112	Cash - restricted - modernization and development	-	-	-	-	-	-
113	Cash - other restricted	-	100,140	-	-	-	100,140
114	Cash - tenant security deposits	41,655	-	-	-	-	41,655
115	Cash - restricted for payment of current liability	-	-	-	-	-	-
100	Total cash	995,965	1,233,535	-	-	-	2,229,500
	Accounts receivables:						
121	Accounts receivable - PHA projects	-	-	-	-	-	-
122	Accounts receivable - HUD other projects	2,088	-	-	-	-	2,088
124	Accounts receivable - other government	-	-	-	-	-	-
125	Accounts receivable - miscellaneous	-	-	-	-	-	-
126	Accounts receivable - tenants	117	-	-	-	-	117
126.1	Allowance for doubtful accounts - tenants	-	-	-	-	-	-
126.2	Allowance for doubtful accounts - other	-	-	-	-	-	-
127	Notes, loans, & mortgages receivable - current	-	-	-	-	-	-
128	Fraud recovery	-	-	-	-	-	-
128.1	Allowance for doubtful accounts - fraud	-	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-	-
120	Total receivables, net of allowances for doubtful accounts	2,205	-	-	-	-	2,205
	Current investments:						
131	Investments - unrestricted	-	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-	-
135	Investments - restricted for payment of current liability	-	-	-	-	-	-
142	Prepaid expenses and other assets	-	-	-	-	-	-
143	Inventories	18,157	-	-	-	-	18,157
143.1	Allowance for obsolete inventories	(908)	-	-	-	-	(908)
144	Inter program - due from	-	-	-	-	-	-
145	Assets held for sale	-	-	-	-	-	-
150	Total current assets	1,015,419	1,233,535	-	-	-	2,248,954
	Non-current assets:						
	Capital assets:						
161	Land	135,533	-	-	-	-	135,533
162	Buildings	10,578,489	149,998	-	-	-	10,728,487
163	Furniture, equipment & machinery - dwellings	537,120	-	-	-	-	537,120
164	Furniture, equipment & machinery - administration	188,414	102,908	-	-	-	291,322
165	Leasehold improvements	2,271,173	-	-	-	-	2,271,173
166	Accumulated depreciation	(9,568,155)	(170,690)	-	-	-	(9,738,845)
167	Construction in progress	157,481	-	-	-	-	157,481
168	Infrastructure	-	-	-	-	-	-
160	Total capital assets, net of accumulated depreciation	4,600,655	82,216	-	-	-	4,682,871
171	Notes, loans, & mortgages receivable - non-current	-	-	-	-	-	-
172	Notes, loans, & mortgages receivable - non-current - past due	-	-	-	-	-	-
173	Grants receivable - non-current	-	-	-	-	-	-
174	Other assets	-	-	-	-	-	-
176	Investment in joint venture	-	-	-	-	-	-
180	Total non-current assets	4,600,655	82,216	-	-	-	4,682,871
190	Total assets	5,615,474	1,315,751	-	-	-	6,931,225
200	Deferred outflow of resource:	85,141	102,410	-	-	-	187,551
290	Total assets and deferred outflow of resources	\$ 5,700,615	\$ 1,418,161	\$ -	\$ -	\$ -	\$ 7,118,776

(continued)

City of Glendale, Arizona
Federal Financial Data Schedule (PHA: AZ003)
 For the Fiscal Year Ended June 30, 2015
 (rounded to nearest dollar)

(continued)

Line	Balance Sheet	Project Total	Housing Choice Vouchers	Disaster Voucher Program	Disaster Housing Assistance Grants	Eliminations	Total
Item No.	Account Description						
LIABILITIES AND EQUITY-NET ASSETS/POSITION:							
LIABILITIES:							
Current liabilities:							
311	Bank overdraft	-	-	-	-	-	-
312	Accounts payable <= 90 days	25,149	2,031	-	-	-	27,180
313	Accounts payable > 90 days past due	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	-	-	-	-	-	-
322	Accrued compensated absences - current portion	633	13,042	-	-	-	13,675
324	Accrued contingency liability	-	-	-	-	-	-
325	Accrued interest payable	-	-	-	-	-	-
331	Accounts payable - HUD PHA Programs	-	-	-	-	-	-
332	Accounts payable - PHA projects	-	37,760	-	-	-	37,760
333	Accounts payable - other government	-	-	-	-	-	-
341	Tenant security deposits	41,655	-	-	-	-	41,655
342	Unearned revenues	4,579	-	-	-	-	4,579
343	Total Current portion of LT debt - capital pjs/mortgage revenue	-	-	-	-	-	-
344	Current portion of LT debt - operating borrowings	-	-	-	-	-	-
345	Other current liabilities	-	-	-	-	-	-
346	Accrued liabilities - other	-	-	-	-	-	-
347	Inter program - due to	-	-	-	-	-	-
348	Loan liability - current	-	-	-	-	-	-
310	Total current liabilities	72,016	52,833	-	-	-	124,849
Noncurrent liabilities:							
351	Long-term debt, net of current- capital pjs/mortgage revenue	-	-	-	-	-	-
352	Long-term debt, net of current- operating borrowings	-	-	-	-	-	-
353	Noncurrent liabilities- other	-	98,221	-	-	-	98,221
354	Accrued compensated absences - noncurrent	56,975	117,375	-	-	-	174,350
355	Loan Liability - noncurrent	-	-	-	-	-	-
356	FASB 5 liabilities	-	-	-	-	-	-
357	Accrued pension and OPEB liability	1,089,134	1,310,041	-	-	-	2,399,175
350	Total noncurrent liabilities	1,146,109	1,525,637	-	-	-	2,671,746
300	Total liabilities	1,218,125	1,578,470	-	-	-	2,796,595
400	Deferred inflow of resources:	162,215	195,117	-	-	-	357,332
EQUITY - NET ASSETS/POSITION:							
508.4	Net investment in capital asset	4,600,055	82,216	-	-	-	4,682,271
511.4	Restricted net position	-	1,919	-	-	-	1,919
512.4	Unrestricted net position	(279,780)	(439,561)	-	-	-	(719,341)
513	Total equity - net assets / position	4,320,275	(355,426)	-	-	-	3,964,849
600	Total liabilities, deferred inflow of resources and equity - net assets/position	\$ 5,706,665	\$ 1,418,161	\$ -	\$ -	\$ -	\$ 7,124,826

(continued)

City of Glendale, Arizona
Federal Financial Data Schedule (PHA: AZ003)
 For the Fiscal Year Ended June 30, 2015
 (rounded to nearest dollar)

(continued)

Line Item No.	Income Statement		Project Total	Housing Choice Vouchers	Disaster Voucher Program	Disaster Housing Assistance Grants	Eliminations	Total
	Account Description							
	REVENUE:							
70300	Net tenant rental revenue	\$ 330,982						\$ 330,982
70400	Tenant revenue - other	12,915						12,915
70500	Total tenant revenue	343,897						343,897
70600	HUD PHA operating grants	571,210	8,017,626					8,588,836
70610	Capital grants	107,244						107,244
70710	Management fee	-						-
70720	Asset management fee	-						-
70730	Bookkeeping fee	-						-
70740	Front line service fee	-						-
70750	Other fees	-						-
70700	Total fee revenue	-						-
70800	Other government grants	-						-
71100	Investment income - unrestricted	365	841					1,206
71200	Mortgage interest income	-						-
71300	Proceeds from disposition of assets held for sale	-						-
71310	Cost of sale of assets	-						-
71400	Fraud recovery	-						-
71500	Other revenue	35,916	20,546					20,546
71600	Gain or loss on sale of capital assets	-	2,863,765		2,761			2,900,442
72000	Investment income - restricted	-						-
70000	Total revenue	\$ 1,056,632	\$ 10,902,778	\$ 2,761	\$ -	\$ -	\$ -	\$ 11,962,171

City of Glendale, Arizona
Federal Financial Data Schedule (PHA: AZ003)
For the Fiscal Year Ended June 30, 2015
(rounded to nearest dollar)

(continued)

Line Item No.	Income Statement Account Description	Project Total	Housing Choice Vouchers	Disaster Voucher Program	Disaster Housing Assistance Grants	Eliminations	Total
	EXPENSES:						
91100	Administrative salaries	\$ 214,430	\$ 562,156	\$ -	\$ -	\$ -	\$ 776,586
91200	Auditing fees	-	-	-	-	-	-
91300	Management fee	-	-	-	-	-	-
91310	Bookkeeping fee	-	-	-	-	-	-
91400	Advertising and marketing	-	-	-	-	-	-
91500	Employee benefit contributions - administrative	93,462	258,911	-	-	-	352,373
91600	Office expenses	31,164	40,756	-	-	-	71,920
91700	Legal expense	75	1,000	-	-	-	1,075
91800	Travel	87	-	-	-	-	87
91810	Allocated overhead	-	-	-	-	-	-
91900	Other	28,007	21,037	-	-	-	49,044
91000	Total operating - administrative	367,225	883,860	-	-	-	1,251,085
92000	Asset management fee	-	-	-	-	-	-
92100	Tenant services - salaries	-	-	-	-	-	-
92200	Relocation costs	-	-	-	-	-	-
92300	Employee benefit contributions - tenant services	-	-	-	-	-	-
92400	Tenant services - other	11,066	-	-	-	-	11,066
92500	Total Tenant services	11,066	-	-	-	-	11,066
93100	Water	58,761	-	-	-	-	58,761
93200	Electricity	25,259	-	-	-	-	25,259
93300	Gas	3,497	-	-	-	-	3,497
93400	Fuel	-	-	-	-	-	-
93500	Labor	-	-	-	-	-	-
93600	Sewer	29,428	-	-	-	-	29,428
93700	Employee benefit contributions- utilities	-	-	-	-	-	-
93800	Other utilities expense	-	-	-	-	-	-
93000	Total utilities	116,945	-	-	-	-	116,945
94100	Ordinary maintenance and operations - labor	254,177	-	-	-	-	254,177
94200	Ordinary maintenance and operations - materials & other	99,439	2,225	-	-	-	101,664
94300	Ordinary maintenance and operations - contract costs	185,903	-	-	-	-	185,903
94500	Employee benefit contributions - ordinary maintenance	111,553	-	-	-	-	111,553
94000	Total maintenance	651,072	2,225	-	-	-	653,297

(continued)

City of Glendale, Arizona
Federal Financial Data Schedule (PHA: AZ003)
 For the Fiscal Year Ended June 30, 2015
 (rounded to nearest dollar)

(continued)

Income Statement							
Line	Account Description	Project Total	Housing Choice Vouchers	Disaster Voucher Program	Disaster Housing Assistance Grants	Eliminations	Total
Item No.							
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	44,158	29,438	-	-	-	73,596
96120	Liability insurance	-	-	-	-	-	-
96130	Workmen's compensation	2,773	1,849	-	-	-	4,622
96140	All other insurance	-	-	-	-	-	-
96100	Total insurance premiums	46,931	31,287	-	-	-	78,218
96200	Other general expenses	-	23,922	-	-	-	23,922
96210	Compensated absences	-	-	-	-	-	-
96300	Payments in lieu of taxes	-	-	-	-	-	-
96400	Bad debt - tenant rents	-	-	-	-	-	-
96500	Bad debt - mortgages	-	-	-	-	-	-
96600	Bad debt - other	-	-	-	-	-	-
96800	Severance expense	-	-	-	-	-	-
96000	Total other general expenses	-	23,922	-	-	-	23,922
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	1,193,239	941,294	-	-	-	2,134,533
97000	Excess of operating revenue over operating expenses	(136,607)	9,961,484	2,761	-	-	9,827,638
97100	Extraordinary maintenance	-	-	-	-	-	-
97200	Casualty losses - non-capitalized	-	-	-	-	-	-
97300	Housing assistance payments	-	7,983,316	-	-	-	7,983,316
97350	HAP Portability-in	-	2,701,866	-	-	-	2,701,866
97400	Depreciation expense	448,911	4,061	-	-	-	452,972
97500	Fraud losses	-	-	-	-	-	-
97600	Capital outlays - governmental fund:	-	-	-	-	-	-
97700	Debt principal payment - governmental fund	-	-	-	-	-	-
97800	Dwelling units rent expense	-	-	-	-	-	-
90000	Total expenses	\$ 1,642,150	\$ 11,630,537	\$ -	\$ -	\$ -	\$ 13,272,687

(continued)

City of Glendale, Arizona
Federal Financial Data Schedule (PHA: AZ003)
 For the Fiscal Year Ended June 30, 2015
 (rounded to nearest dollar)

(continued)

Line Item No.	Income Statement Account Description	Project Total	Housing Choice Vouchers	Disaster Voucher Program	Disaster Housing Assistance Grants	Eliminations	Total
OTHER FINANCING SOURCES (USES)							
10010	Operating transfers in	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10020	Operating transfers out	-	-	-	-	-	-
10030	Operating transfers from/to primary government	274,269	-	-	-	-	274,269
10040	Operating transfers from/to component unit	-	-	-	-	-	-
10050	Proceeds from notes, loans and bond:	-	-	-	-	-	-
10060	Proceeds from property sale:	-	-	-	-	-	-
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)	274,269	(727,759)	2,761	-	-	274,269
10000	Excess (deficiency) of total revenues over (under) total expenses	(311,249)					(1,036,247)
MEMO ACCOUNT INFORMATION							
11020	Required annual debt principal payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11030	Beginning equity	5,332,322	1,363,035	9,913	8,481	-	6,713,751
11040	Prior period adjustments, equity transfers & correction of errors	(700,798)	(990,702)	(12,674)	(8,481)	-	(1,712,655)
11050	Changes in compensated absence balance	-	-	-	-	-	-
11060	Changes in contingent liability balance	-	-	-	-	-	-
11070	Changes in unrecognized pension transition liability	-	-	-	-	-	-
11080	Changes in special termseverance benefits liability	-	-	-	-	-	-
11090	Changes in allowance for doubtful accounts - dwelling rent	-	-	-	-	-	-
11100	Changes in allowance for doubtful accounts - other	-	-	-	-	-	-
11170	Administrative fee equity	-	(357,345)	-	-	-	(357,345)
11180	Housing assistance payments equity	-	1,919	-	-	-	1,919
11190	Unit months available	1,728	12,605	-	-	-	14,333
11210	Unit months leased	1,678	12,602	-	-	-	14,280
11270	Excess cash	827,961	-	-	-	-	827,961
11610	Land purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11620	Building purchases	70,716	-	-	-	-	70,716
11630	Furniture & equipment - dwelling purchases	5,809	-	-	-	-	5,809
11640	Furniture & equipment - administrative purchases	2,316	-	-	-	-	2,316
11650	Leasehold improvements purchases	28,403	-	-	-	-	28,403
11660	Infrastructure purchases	-	-	-	-	-	-
13510	CFPP debt service payments	-	-	-	-	-	-
13901	Replacement housing factor funds	-	-	-	-	-	-



City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

STATISTICAL SECTION

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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STATISTICAL SECTION

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

Contents

	<u>Pages</u>
Financial Trends These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	158-165
Revenue Capacity These schedules contain information to help the reader assess the city's local revenue source, the property tax and sales tax.	166-171
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.	172-179
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.	180-181
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.	182-187

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

	<u>2015</u>	<u>2014, restated</u>	<u>2013</u>	<u>2012, restated</u>
Government activities				
Net investment in				
capital assets	\$ 456,897	\$ 448,083	\$ 438,366	\$ 460,639
Restricted	168,714	161,027	186,106	183,829
Unrestricted	<u>(248,733)</u>	<u>(277,093)</u>	<u>(59,797)</u>	<u>(73,375)</u>
Total governmental activities				
net position	<u>376,878</u>	<u>332,017</u>	<u>564,675</u>	<u>571,093</u>
Business-type activities				
Net investment in				
capital assets	253,134	256,164	251,765	262,554
Restricted	24,090	22,300	12,264	12,921
Unrestricted	<u>90,440</u>	<u>123,699</u>	<u>161,999</u>	<u>139,934</u>
Total business-type activities				
net position	<u>367,664</u>	<u>402,163</u>	<u>426,028</u>	<u>415,409</u>
Primary government				
Net investment in				
capital assets	710,031	704,247	690,131	723,193
Restricted	192,804	183,327	198,370	196,750
Unrestricted	<u>(158,293)</u>	<u>(153,394)</u>	<u>102,202</u>	<u>66,559</u>
Total primary government				
net position	<u>\$ 744,542</u>	<u>\$ 734,180</u>	<u>\$ 990,703</u>	<u>\$ 986,502</u>

Schedule 1

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 463,961	\$ 457,773	\$ 471,484	\$ 499,322	\$ 446,828	\$ 398,517
204,645	176,400	144,422	133,695	180,303	155,163
<u>(22,532)</u>	<u>11,684</u>	<u>51,500</u>	<u>51,850</u>	<u>44,573</u>	<u>75,417</u>
<u>646,074</u>	<u>645,857</u>	<u>667,406</u>	<u>684,867</u>	<u>671,704</u>	<u>629,097</u>
271,708	271,969	286,452	297,329	249,569	233,387
29,988	13,988	13,249	12,836	11,881	12,437
<u>112,323</u>	<u>124,550</u>	<u>114,814</u>	<u>107,384</u>	<u>155,325</u>	<u>158,753</u>
<u>414,019</u>	<u>410,507</u>	<u>414,515</u>	<u>417,549</u>	<u>416,775</u>	<u>404,577</u>
735,669	729,742	757,936	796,651	696,397	631,904
234,633	190,388	157,671	146,531	192,184	167,600
<u>89,791</u>	<u>136,234</u>	<u>166,314</u>	<u>159,234</u>	<u>199,898</u>	<u>234,170</u>
<u>\$ 1,060,093</u>	<u>\$ 1,056,364</u>	<u>\$ 1,081,921</u>	<u>\$ 1,102,416</u>	<u>\$ 1,088,479</u>	<u>\$ 1,033,674</u>

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses										
Governmental activities:										
General government	\$ 60,490	\$ 73,637	\$ 37,447	\$ 35,962	\$ 46,233	\$ 42,530	\$ 39,545	\$ 39,998	\$ 37,992	\$ 33,329
Public safety	127,870	116,070	115,694	112,689	111,217	108,308	109,136	113,285	92,405	75,277
Public works	21,482	20,524	19,230	18,435	20,099	16,627	15,040	16,006	14,816	13,995
Community services	31,311	30,796	33,831	39,478	41,136	44,524	48,143	52,185	45,481	40,275
Community environment	4,980	5,895	5,655	6,828	7,061	6,316	3,539	5,164	4,698	4,125
Street maintenance	19,180	25,207	20,000	20,045	21,721	23,058	23,978	26,175	24,906	22,720
Other	-	-	-	-	-	-	-	-	-	3,020
Interest on long-term debt	32,106	34,808	42,413	41,913	41,967	42,286	38,982	28,475	23,551	16,883
Total governmental activities expenses	297,419	306,937	274,270	275,350	289,434	283,649	278,363	281,288	243,849	209,624
Business-type activities:										
Water and sewer	74,807	77,243	73,460	78,917	79,444	81,910	74,424	74,581	63,289	55,607
Landfill	7,727	7,554	7,486	7,602	7,280	8,454	8,045	8,067	8,264	7,950
Sanitation	15,059	14,471	16,122	15,437	14,814	14,093	14,039	15,209	13,847	13,257
Housing	13,159	13,088	14,037	14,827	14,687	14,180	11,840	9,862	8,951	9,466
Total business-type activities expenses	110,752	112,356	111,105	116,783	116,225	118,637	108,348	107,719	94,351	86,280
Total primary government expenses	\$ 408,171	\$ 419,293	\$ 385,375	\$ 392,133	\$ 405,659	\$ 402,286	\$ 386,711	\$ 389,007	\$ 338,200	\$ 295,904
Program revenues										
Governmental activities:										
Charges for services:										
General government	\$ 18,498	\$ 17,666	\$ 12,520	\$ 12,334	\$ 24,822	\$ 14,232	\$ 11,879	\$ 12,132	\$ 11,610	\$ 10,726
Public safety	6,084	6,369	5,778	5,624	5,094	5,824	4,670	5,744	1,964	1,375
Public works	631	1,126	1,149	512	495	7,447	588	543	531	516
Community services	11,704	10,486	11,003	17,910	11,733	11,918	15,661	22,859	22,285	20,121
Community environment	309	-	-	-	-	-	3,045	-	-	31
Street maintenance	25	-	-	-	-	2	36	-	48	-
Operating grants and contributions	25,665	25,168	25,156	27,636	27,137	29,596	24,146	33,191	36,566	31,973
Capital grants and contributions	11,403	10,748	7,904	5,274	70,552	3,755	2,600	14,491	26,247	6,406
Total governmental activities program revenues	74,319	71,563	63,510	69,290	139,833	72,774	62,625	88,960	99,251	71,148

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Business-type activities:										
Charges for services:										
Water and sewer	78,541	81,065	81,963	82,730	80,513	76,603	67,810	66,316	62,125	56,153
Landfill	9,757	8,646	7,994	7,185	8,027	6,987	7,304	9,196	9,742	8,362
Sanitation	14,944	14,836	14,791	14,562	14,733	15,048	15,258	14,684	14,653	14,167
Housing	3,265	3,504	4,137	4,886	4,829	4,870	2,042	816	662	569
Operating grants and contributions	8,855	9,357	9,376	9,423	9,342	9,331	8,701	8,348	8,254	8,020
Capital grants and contributions	2,562	2,423	831	705	1,155	690	1,207	4,346	5,125	5,403
Total business-type activities program revenues	117,924	119,831	119,092	119,491	118,599	113,529	102,322	103,706	100,561	92,674
Total primary government program revenues	192,243	191,394	182,602	188,781	258,432	186,303	164,947	192,666	199,812	163,822
Net (expense)/revenue										
Governmental activities	(223,100)	(235,374)	(210,760)	(206,060)	(149,601)	(210,875)	(215,738)	(192,328)	(144,598)	(138,476)
Business-type activities	7,172	7,475	7,987	2,708	2,374	(5,108)	(6,026)	(4,013)	6,210	6,394
Total primary government net expense	\$ (215,928)	\$ (227,899)	\$ (202,773)	\$ (203,352)	\$ (147,227)	\$ (215,983)	\$ (221,764)	\$ (196,341)	\$ (138,388)	\$ (132,082)
General revenues and other changes in net position										
Governmental activities:										
Taxes:										
Property taxes	\$ 23,881	\$ 23,577	\$ 21,372	\$ 20,232	\$ 27,189	\$ 33,749	\$ 32,890	\$ 28,826	\$ 23,085	\$ 21,386
Sales taxes	147,175	131,983	132,872	97,451	93,260	92,717	97,054	105,175	97,825	90,968
Unrestricted state shared sales tax	20,695	19,734	18,558	17,716	18,438	17,786	19,321	22,237	23,037	23,298
Unrestricted urban revenue sharing										
(state shared income tax)	27,446	25,271	23,159	19,135	23,590	31,292	36,267	34,109	27,518	22,909
Auto in-lieu taxes	8,664	8,086	7,586	7,277	7,917	8,130	8,808	9,730	10,044	10,444
Investment earnings, unrestricted	1,070	726	716	975	1,482	286	1,668	4,742	5,557	4,395
Gain (loss) on disposal of capital assets	(688)	78	353	56	(677)	330	(52)	879	202	348
Miscellaneous	520	687	367	489	3,936	5,406	2,872	302	301	272
Capital contributions	-	-	-	-	-	-	-	-	-	-
Transfers	39,198	(64)	(641)	(307)	(317)	(370)	(551)	(509)	(364)	700
Special item	-	-	-	(25,000)	(25,000)	-	-	-	-	-
Total governmental activities	267,961	210,078	204,342	138,024	149,818	189,326	198,277	205,491	187,205	174,720
Business-type activities:										
Investment earnings, unrestricted	643	463	1,878	1,126	614	460	2,069	4,044	5,381	3,466
Gain (loss) on disposal of capital assets	127	167	43	(40)	137	187	282	126	103	844
Loss on joint venture	(3,329)	-	-	-	-	-	-	-	-	-
Miscellaneous	86	67	70	72	70	83	90	108	140	100
Transfers	(39,198)	64	641	307	317	370	551	509	364	(700)
Total business-type activities	(41,671)	761	2,632	1,465	1,138	1,100	2,992	4,787	5,988	3,710
Total primary government	\$ 226,290	\$ 210,839	\$ 206,974	\$ 139,489	\$ 150,956	\$ 190,426	\$ 201,269	\$ 210,278	\$ 193,193	\$ 178,430
Changes in net position										
Governmental activities	\$ 44,861	\$ (25,296)	\$ (6,418)	\$ (68,036)	\$ 217	\$ (21,549)	\$ (17,461)	\$ 13,163	\$ 42,607	\$ 36,244
Business-type activities	(34,499)	8,236	10,619	4,173	3,512	(4,008)	(3,034)	774	12,198	10,104
Total primary government	\$ 10,362	\$ (17,060)	\$ 4,201	\$ (63,863)	\$ 3,729	\$ (25,557)	\$ (20,495)	\$ 13,937	\$ 54,805	\$ 46,348

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

	2015 ⁽¹⁾	2014 ⁽¹⁾	2013 ⁽¹⁾	2012 ⁽¹⁾	2011 ⁽¹⁾	2010	2009	2008	2007	2006
General fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,383	\$ 10,450	\$ 9,271	\$ 10,500	\$ 10,287
Unreserved	-	-	-	-	-	29,463	42,180	57,117	50,880	62,166
Total general fund	\$ -	\$ 38,846	\$ 52,630	\$ 66,388	\$ 61,380	\$ 72,453				
General fund										
Nonspendable	\$ 216	\$ 600	\$ 650	\$ 197	\$ 463	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	10,313	688	311	368	5,403	-	-	-	-	-
Committed	1,114	1,554	1,676	2,351	1,965	-	-	-	-	-
Assigned	8,563	-	-	-	9,253	-	-	-	-	-
Unassigned	28,409	(4,835)	(14,438)	(29,565)	(5,414)	-	-	-	-	-
Total general fund	\$ 48,615	\$ (1,993)	\$ (11,801)	\$ (26,649)	\$ 11,670	\$ -				
All other governmental funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,055	\$ 83,966	\$ 58,146	\$ 45,029	\$ 42,910
Unreserved, report in:	-	-	-	-	-	-	-	-	-	-
Special revenue funds	-	-	-	-	-	50,478	57,555	76,493	34,369	30,584
Capital projects funds	-	-	-	-	-	41,046	27,474	18,436	68,932	64,106
Total all other governmental funds	\$ -	\$ 167,579	\$ 168,995	\$ 153,075	\$ 148,330	\$ 137,600				
All other governmental funds										
Nonspendable	\$ 5,768	\$ 5,801	\$ 5,774	\$ 5,829	\$ 5,822	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	99,970	102,241	103,772	117,964	129,635	-	-	-	-	-
Committed	-	123	115	129	11,464	-	-	-	-	-
Assigned	277	202	144	82	199	-	-	-	-	-
Total all other governmental funds	\$ 106,015	\$ 108,367	\$ 109,805	\$ 124,004	\$ 147,120	\$ -				

Note: (1) Changes made per GASB 54 requirement fund balance reporting, effective June 30, 2011.

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

Schedule 4

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues										
Taxes and special assessments	\$ 170,605	\$ 159,328	\$ 149,705	\$ 118,218	\$ 120,974	\$ 126,291	\$ 130,119	\$ 133,746	\$ 121,122	\$ 112,576
Licenses and permits	10,610	11,522	10,373	10,798	9,367	9,734	10,503	17,385	17,839	16,039
Intergovernmental	87,112	81,364	76,520	73,009	79,760	90,047	91,642	101,821	107,699	86,994
Local revenues	525	18	36	-	-	-	-	-	-	-
Charges for services	17,685	14,781	11,896	11,487	10,461	13,640	9,881	14,125	10,086	8,838
Fines and forfeitures	3,556	3,735	3,469	3,374	3,806	4,052	4,064	4,507	3,932	3,564
Investment income (loss)	1,258	900	762	1,180	1,841	774	3,805	9,986	10,905	7,825
Miscellaneous	5,662	4,500	3,822	11,700	22,054	18,000	9,346	4,915	4,212	4,136
Total revenues	297,013	276,148	256,583	229,766	248,263	262,538	259,360	286,485	275,795	239,972
Expenditures										
General government	33,494	29,666	16,065	18,147	19,668	23,085	26,048	25,364	24,524	21,868
Public safety	114,143	108,397	103,610	100,368	95,270	96,161	103,624	100,384	86,753	72,745
Public works	8,673	7,463	7,859	7,709	8,859	11,569	11,072	11,743	12,155	12,252
Community services	26,379	25,536	27,966	33,597	33,887	37,518	42,294	44,767	39,150	35,604
Community environment	4,977	5,826	5,554	6,703	6,853	6,160	3,478	4,972	4,657	3,978
Street maintenance	7,951	8,352	8,305	8,311	9,038	10,388	11,901	13,045	13,372	11,609
Miscellaneous	5,791	2,323	4,617	1,782	1,577	2,026	1,666	1,629	3,059	2,918
Capital outlay	20,949	14,662	13,980	19,634	22,093	63,529	186,175	141,060	179,421	131,243
Debt service:										
Principal	37,251	30,043	26,441	24,947	31,640	29,451	29,670	32,151	28,096	20,328
Interest	32,870	35,628	43,038	42,515	42,593	42,913	39,571	32,294	20,630	17,222
Total expenditures	292,478	267,896	257,435	263,713	271,478	322,800	455,499	407,409	411,817	329,767
Excess of revenues over (under) expenditures	4,535	8,252	(852)	(33,947)	(23,215)	(60,262)	(196,139)	(120,924)	(136,022)	(89,795)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Other financing sources (uses)										
Refunding lease issued	-	-	-	-	11,503	-	-	-	-	-
Discount on long-term debt	-	-	(1,557)	-	-	-	(3,136)	-	-	-
Long-term debt issued	-	-	-	8,665	38,300	41,650	199,750	109,986	133,327	93,033
Refunding bonds issued	209,255	-	239,875	-	(11,355)	-	-	93,815	-	9,065
Payment to redeem lease	-	-	-	-	-	-	-	-	-	-
Premium on long-term debt issued	35,751	-	19,779	898	3,369	10	1,894	2,192	1,198	1,782
Proceeds from equipment disposal	2,650	174	589	546	331	482	344	8,714	850	3,166
Capital lease proceeds	-	8	-	-	-	44	-	-	668	-
Payment to redeem/refunded bonds escrow agent	(131,966)	-	(256,054)	(9,320)	(41,251)	-	-	(83,521)	-	(9,582)
Current bond refunding principal	(110,145)	-	-	-	-	-	-	-	-	-
Current bond refunding interest	(1,022)	-	-	-	-	-	-	-	-	-
Transfers in	240,694	48,704	52,136	32,977	38,728	36,306	21,914	51,626	24,945	20,014
Transfers out	(201,496)	(48,768)	(53,267)	(33,919)	(39,045)	(33,430)	(22,465)	(52,135)	(25,309)	(19,314)
Special item	-	-	-	(25,000)	(25,000)	-	-	-	-	-
Total other financing sources (uses)	43,721	118	1,501	(25,153)	(10,923)	45,062	198,301	130,677	135,679	98,164
Net change in fund balances	\$ 48,256	\$ 8,370	\$ 649	\$ (59,100)	\$ (34,138)	\$ (15,200)	\$ 2,162	\$ 9,753	\$ (343)	\$ 8,369
Debt service as a percentage of noncapital expenditures	25.82%	25.93%	28.54%	27.64%	29.77%	27.91%	25.71%	24.20%	20.97%	18.91%

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

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

Fiscal Year	Major Components										Total Direct Tax Rate	Estimated Actual Value ⁽¹⁾	Assessed Value as a Percentage of Actual Value ⁽²⁾
	Real Estate	Improvements	Personal ⁽³⁾	Utilities Rails and Wires	Less: Tax Exempt Property	Net Assessed Value ⁽¹⁾							
2005-06	\$ 368,181	\$ 989,418	\$ 46,475	\$ 58,101	\$ 192,607	\$ 1,269,568					\$ 11,296,734	12.943	
2006-07	463,560	1,033,129	47,129	58,111	230,940	1,370,989					12,107,926	13.230	
2007-08	593,311	1,406,513	51,889	60,680	285,374	1,827,019					16,733,846	12.624	
2008-09	739,936	1,821,057	56,528	61,347	485,193	2,193,675					21,034,639	12.736	
2009-10	739,388	1,844,506	60,888	62,176	576,051	2,130,907					20,635,557	13.118	
2010-11	654,550	1,593,536	59,049	56,217	609,782	1,753,570					17,333,074	13.635	
2011-12	330,057	1,189,718	49,391	53,746	473,388	1,149,524					12,040,482	13.479	
2012-13	304,041	1,130,460	45,507	53,158	485,894	1,047,273					11,471,039	13.366	
2013-14	316,206	1,213,829	41,750	53,581	477,258	1,148,108					12,489,163	13.014	
2014-15	379,087	1,451,325	40,191	55,687	518,191	1,408,099					12,452,875	15.469	

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

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
2005-06	0.31	1.41	1.72	20.96	18.45	16.98
2006-07	0.29	1.43	1.72	19.84	17.26	15.34
2007-08	0.27	1.35	1.62	17.74	15.33	13.97
2008-09	0.24	1.35	1.59	15.85	14.09	13.03
2009-10	0.22	1.37	1.59	15.18	13.81	12.74
2010-11	0.22	1.37	1.59	16.35	14.13	14.18
2011-12	0.22	1.37	1.59	20.69	15.54	16.47
2012-13	0.22	1.68	1.90	22.93	18.08	17.75
2013-14	0.50	1.79	2.29	25.06	19.82	18.91
2014-15	0.49	1.66	2.15	23.58	19.64	18.85

Source: Maricopa County 2014 Tax Rates

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

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

City of Glendale, Arizona
Principal Property Taxpayers
 Current Year and Ten Years Ago
 June 30, 2015
 (amounts expressed in thousands)

Schedule 7

Taxpayer	Tax Year 2015			Tax Year 2005		
	Rank	Assessed Valuation	Percentage of Total City Taxable Assessed Value	Rank	Assessed Valuation	Percentage of Total City Taxable Assessed Value
Arizona Public Service Company	1	\$ 17,801	1.26 %	2	\$ 14,691	1.28 %
New Westgate LLC	2	12,883	0.91			
VHS of Arrowhead, Inc.	3	11,861	0.84	8	4,235	0.37
Wal-Mart Stores, Inc.	4	9,030	0.64	5	6,119	0.53
Arrowhead Towne Center LLC	5	8,685	0.62			
Centurylink (Qwest Corporation)	6	6,493	0.46	1	15,872	1.39
American Furniture Warehouse	7	5,733	0.41			
JQH-Glendale Az Development LLC	8	5,365	0.38			
Thunderbird School of Global Management	9	4,852	0.35			
Stadium Development LLC	10	4,823	0.34			
New River Associates				3	9,293	0.81
Honeywell, Inc.				4	7,596	0.66
Southwest Gas Corporation				6	5,965	0.52
Toys DC South LLC				7	4,704	0.41
51 Bell Limited Partnership				9	4,000	0.35
Corning Gilbert, Inc.				10	3,786	0.33
Total principal taxpayers		\$ 87,526	6.21 %		\$ 76,261	6.65 %

Source: Maricopa County Treasurer's Office

Note: 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.

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
2005-06	\$ 21,566	\$ 20,980	97.28 %	\$ 493	\$ 21,473	99.57 %
2006-07	23,423	22,721	97.00	407	23,128	98.74
2007-08	28,728	27,823	96.85	549	28,372	98.76
2008-09	33,927	32,411	95.53	1,001	33,412	98.48
2009-10	33,617	32,260	95.96	536	32,796	97.56
2010-11	27,534	26,469	96.13	65	26,534	96.37
2011-12	20,787	20,090	96.65	74	20,194	97.15
2012-13	21,841	21,268	97.38	(5)	21,263	97.35
2013-14	23,943	23,490	98.11	159	23,649	98.77
2014-15	24,429	23,729	97.13	-	23,729	97.13

Source: Maricopa County Treasurer's Office

(1) Total levy includes only secured property.

(2) Includes collections and resolutions.

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

(amounts expressed in thousands)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Retail sales	\$ 79,062	\$ 73,924	\$ 67,133	\$ 49,686	\$ 48,089	\$ 49,127	\$ 48,353	\$ 54,416	\$ 50,733	\$ 48,743
Contracting	6,457	7,948	4,721	5,170	6,742	4,458	6,378	9,540	10,483	9,729
Rentals	16,146	14,502	14,182	11,550	11,854	12,729	11,511	12,082	9,895	8,897
Utilities	8,678	8,732	8,028	6,393	6,449	6,829	6,449	5,359	4,724	4,168
Telecom/cable TV	4,773	5,072	5,540	5,144	6,093	6,156	6,722	6,174	5,914	5,300
Restaurant/bar	17,651	15,842	14,284	11,975	11,207	10,791	10,863	10,995	9,335	8,163
Amusement	5,673	2,110	2,154	2,896	1,860	3,697	3,659	3,034	3,288	1,934
Other	6,686	5,808	6,920	3,816	5,568	4,018	4,002	3,575	3,453	4,034
Total	\$ 145,126	\$ 133,938	\$ 122,962	\$ 96,630	\$ 97,862	\$ 97,805	\$ 97,937	\$ 105,175	\$ 97,825	\$ 90,968
% Growth by year										
Retail sales	7.0 %	10.1 %	35.1 %	3.3 %	(2.0) %	1.6 %	(11.1) %	7.3 %	4.1 %	16.4 %
Contracting	(18.8)	68.4	(8.7)	(23.3)	51.0	(30.1)	(33.1)	(9.0)	7.8	26.1
Rentals	11.3	2.3	22.8	(2.6)	(7.0)	10.6	(4.7)	22.1	11.2	8.1
Utilities	(0.6)	8.8	25.6	(0.9)	(6.0)	5.9	20.3	13.4	13.3	111.9
Telecom/cable TV	(5.9)	(8.4)	7.7	(15.6)	(1.0)	(8.4)	8.9	4.4	11.6	2.3
Restaurant/bar	11.4	10.9	19.3	6.9	4.0	(0.7)	(1.2)	17.8	14.4	16.1
Amusement	168.9	(2.0)	(25.6)	55.7	(50.0)	1.0	20.6	(7.7)	70.0	85.4
Other	15.1	(16.1)	81.3	(31.5)	39.0	0.4	11.9	3.5	(14.5)	(2.1)
Total	8.4 %	8.9 %	27.3 %	(1.3) %	0.1 %	(0.1) %	(6.9) %	7.5 %	7.5 %	17.9 %

Source: City of Glendale Tax and License Division

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

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

Schedule 10

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

Fiscal Year	Government Activities							
	General Obligation Bonds	Special Assessment Bonds	Street and Highway Revenue Bonds	Excise Tax Revenue Bonds	Transportation Bonds	Capital Leases	Notes Payable	
2005-06	\$ 175,155	\$ 39	\$ 35,940	\$ 223,988	\$ -	\$ 12,875	\$ 15,689	
2006-07	224,234	-	34,065	293,530	-	12,492	6,279	
2007-08	212,524	-	30,895	298,050	109,110	10,838	9,045	
2008-09	197,738	-	27,480	493,880	105,035	9,076	7,637	
2009-10	225,595	-	23,910	487,305	102,490	7,493	6,288	
2010-11	194,270 ⁽⁴⁾	-	16,290 ⁽⁴⁾	481,705	99,815	11,833	-	
2011-12	179,010 ⁽⁴⁾	-	12,250 ⁽⁴⁾	474,840	97,035	11,667	-	
2012-13	163,130 ⁽⁴⁾	-	8,055 ⁽⁴⁾	468,875	91,140	11,094	-	
2013-14	151,206 ⁽⁴⁾⁽⁵⁾	-	3,736 ⁽⁴⁾⁽⁵⁾	477,736 ⁽⁴⁾⁽⁵⁾	89,317 ⁽⁴⁾⁽⁵⁾	10,361	-	
2014-15	133,168 ⁽⁴⁾⁽⁵⁾	-	1,912 ⁽⁴⁾⁽⁵⁾	477,747 ⁽⁴⁾⁽⁵⁾	91,047 ⁽⁴⁾⁽⁵⁾	57	-	

Business Activities											
Fiscal Year	Water			Sewer			Notes Payable	Capital Leases	Total Primary Government	Total Debt per Capita ⁽³⁾	Percentage of Personal Income ⁽²⁾
	G.O. Bonds	Landfill G.O. Bonds	Revenue Bonds	Revenue Bonds	Notes Payable	Capital Leases					
2005-06	\$ 12,375	\$ 700	\$ 190,020	\$ 2,613	\$ 12,285	\$ 2,613	\$ 681,679 ⁽¹⁾	\$ 2,794	%	9.08	
2006-07	11,595	520	229,130	2,349	10,862	2,349	825,056 ⁽¹⁾	3,354		9.86	
2007-08	10,805	331	288,950	1,688	10,240	1,688	982,476 ⁽¹⁾	3,946		11.32	
2008-09	9,995	132	282,345	1,080	12,425	1,080	1,146,823 ⁽¹⁾	4,587		13.11	
2009-10	9,160	-	273,140	592	14,278	592	1,150,251 ⁽¹⁾	4,601		13.56	
2010-11	8,300	-	289,175	151	11,901	151	1,113,440 ⁽¹⁾	4,901		14.12	
2011-12	6,485 ⁽⁴⁾	-	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	-	-	267,254 ⁽⁴⁾⁽⁵⁾	-	-	-	999,610 ⁽⁵⁾	4,327		11.52	
2014-15	-	-	260,967 ⁽⁴⁾⁽⁵⁾	-	-	-	964,898 ⁽⁵⁾	4,141		10.18	

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

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

(3) Numbers not expressed in thousands.

(4) Amounts outstanding less July 1.

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

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

Schedule 11

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service Funds⁽²⁾</u>	<u>Total</u>	<u>Percentage of Net Assessed Value of Property</u>	<u>Per Capita⁽³⁾</u>
2005-06	\$ 188,230 ⁽¹⁾	\$ 22,507	\$ 165,723	13.05 %	\$ 679.19
2006-07	236,349 ⁽¹⁾	24,600	211,749	15.45	859.44
2007-08	223,660 ⁽¹⁾	30,145	193,515	10.59	778.01
2008-09	207,865 ⁽¹⁾	37,418	170,447	7.77	682.30
2009-10	234,755 ⁽¹⁾	41,934	192,821	9.05	770.75
2010-11	201,680 ⁽¹⁾	21,250	180,430	10.29	794.09
2011-12	185,495 ^{(1) (4)}	16,765	168,730	14.68	744.22
2012-13	168,645 ^{(1) (4)}	12,641	156,004	14.90	681.22
2013-14	147,810 ⁽⁴⁾	9,310	138,500	12.06	599.28
2014-15	126,305 ^{(4) (5)}	8,270	118,035	10.43	507.29

Source: Maricopa County - Abstract by tax authority and class
 ADOA Office of Employment and Population Statistics - Population estimates for July 1, 2014

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

City of Glendale, Arizona
Net Direct and Overlapping Governmental Activities Debt
 June 30, 2015
 (amounts expressed in thousands)

Schedule 12

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to Glendale</u>	<u>Amount Applicable to Glendale ⁽²⁾</u>
Peoria Unified School District No. 11	\$ 226,970	22.5308 %	\$ 51,138
Glendale Elementary School District No. 40	19,390	99.0637	19,208
Deer Valley Unified School District No. 97	180,160	19.6202	35,348
Alhambra Elementary School District No. 68	-	17.5081	-
Glendale Union High School District No. 205	102,965	21.3865	22,021
Maricopa County			
Maricopa County Community College District	593,820	3.4138	20,272
Phoenix Union High School District No. 210	282,795	1.1245	3,180
Pendergast Elementary School District No. 92	30,220	25.0702	7,576
Tolleson Union High School District No. 214	35,800	7.4898	2,681
Washington Elementary School District No. 6	67,600	3.0869	2,087
Dysart Unified School District No. 89	160,327	0.0722	116
Agua Fria Union High School District No. 216	51,855	0.0776	40
Litchfield Elementary School District No. 79	42,475	0.1153	49
Cartwright Elementary School District No. 83	25,250	-	-
Total Overlapping Debt	<u>1,819,627</u>		<u>163,716</u>
City of Glendale Debt ⁽¹⁾	<u>688,313</u>		<u>688,313</u>
Total	<u><u>\$ 2,507,940</u></u>		<u><u>\$ 852,029</u></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 revenue bonds debt outstanding, capital leases, premiums and discounts.
- (2) Calculation based on Net Debt Outstanding multiplied by Percentage Applicable to Glendale, which is determined by dividing the tax area code net secondary assessed value by the tax authority net secondary assessed value.

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Legal Debt Margin Calculation for Fiscal Year 2015

		2006	2007	2008	2009	2010	2011 ⁽¹⁾	2012 ⁽¹⁾	2013 ⁽¹⁾	2014 ⁽¹⁾	2015 ⁽¹⁾⁽²⁾
6% Type Bonds											
Assessed value											
Debt limit (6% of assessed value)											
											\$ 1,131,284
											67,877
											-
											(165)
											(165)
											\$ 68,042
											2015 ⁽¹⁾⁽²⁾
Debt limit		\$ 76,174	\$ 82,259	\$ 109,621	\$ 131,621	\$ 127,854	\$ 105,214	\$ 68,971	\$ 62,836	\$ 68,886	\$ 67,877
Total net debt applicable to limit		52,539	38,998	43,358	32,121	29,010	14,399	11,455	7,309	2,415	(165)
Legal debt margin		\$ 23,635	\$ 43,261	\$ 66,263	\$ 99,500	\$ 98,844	\$ 90,815	\$ 57,516	\$ 55,527	\$ 66,471	\$ 68,042
Total net debt applicable to the limit as a percentage of debt limit		68.97%	47.41%	39.55%	24.40%	22.69%	13.69%	16.61%	11.63%	3.51%	-0.24%

		2006	2007	2008	2009	2010	2011 ⁽¹⁾	2012 ⁽¹⁾	2013 ⁽¹⁾	2014 ⁽¹⁾	2015 ⁽¹⁾⁽²⁾
20% Type Bonds											
Assessed value											
Debt limit (20% of assessed value)											
											\$ 1,131,284
											226,257
											126,305
											(8,105)
											118,200
											\$ 108,057
											2015 ⁽¹⁾⁽²⁾
Debt limit		\$ 253,914	\$ 274,198	\$ 365,404	\$ 438,735	\$ 426,181	\$ 350,714	\$ 229,905	\$ 209,455	\$ 229,622	\$ 226,257
Total net debt applicable to limit		113,184	172,751	150,157	138,326	163,811	166,031	159,306	148,695	136,085	118,200
Legal debt margin		\$ 140,730	\$ 101,447	\$ 215,247	\$ 300,409	\$ 262,370	\$ 184,683	\$ 70,599	\$ 60,760	\$ 93,537	\$ 108,057
Total net debt applicable to the limit as a percentage of debt limit		44.58%	63.00%	41.09%	31.53%	38.44%	47.34%	69.29%	70.99%	59.26%	52.24%

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

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

Schedule 14

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

Fiscal Year	Water and Sewer Revenue Bonds						
	Utility Service Charges ⁽¹⁾	Less:		Net Available Revenue	Debt Service		Coverage
		Operating Expenses ⁽²⁾			Principal	Interest	
2005-06	\$ 59,426	\$ 35,916	\$ 23,510	\$ 6,813 ⁽³⁾	\$ 7,143 ⁽³⁾	1.68	
2006-07	66,646	40,825	25,821	6,303 ⁽³⁾	9,280 ⁽³⁾	1.66	
2007-08	69,490	44,247	25,243	7,252 ⁽³⁾	11,918 ⁽³⁾	1.32	
2008-09	69,300	40,175	29,125	9,876 ⁽³⁾	13,539 ⁽³⁾	1.24	
2009-10	76,987	43,628	33,359	10,347 ⁽³⁾	13,082 ⁽³⁾	1.42	
2010-11	81,127	41,550	39,577	11,107 ⁽³⁾	13,598 ⁽³⁾	1.60	
2011-12	83,496	41,555	41,941	9,545 ⁽⁶⁾	13,306 ⁽³⁾	1.84	
2012-13	83,454	39,203	44,251	9,755	13,152	1.93	
2013-14	81,733	42,544	39,189	10,210	12,706	1.71	
2014-15	79,325	41,712	37,613	13,170	10,918	1.56	

Fiscal Year	Transportation Bonds ⁽⁴⁾				Excise Tax Revenue Bonds ⁽⁵⁾			
	Transportation Sales Tax		Debt Service		Excise Tax Revenue	Debt Service		Coverage
	Tax	Principal	Interest	Principal		Interest	Coverage	
2005-06	\$ -	\$ -	\$ -	\$ -	\$ 114,066	\$ 2,785	\$ 8,871	9.79
2006-07	-	-	-	-	123,602	2,715	10,343	9.47
2007-08	23,672	4,075	3,255	3.23	127,373	7,399	17,617	5.09
2008-09	20,875	2,545	4,782	2.85	118,277	6,575	24,074	3.86
2009-10	19,488	2,675	4,655	2.66	109,536	5,600	27,812	3.28
2010-11	19,486	2,780	4,548	2.66	102,962	6,585	27,612	3.01
2011-12	20,665	2,890	4,437	2.82	100,081 ⁽⁷⁾	2,590 ⁽⁶⁾	27,279	3.35
2012-13	21,691	3,005	4,321	2.96	131,931 ⁽⁷⁾	2,790 ⁽⁶⁾	30,713 ⁽⁸⁾	3.94
2013-14	23,112	3,125	4,201	3.15	141,674 ⁽⁷⁾	6,500	22,951	4.81
2014-15	24,690	3,545	3,597	3.46	151,963	2,585	21,175	6.40

Source: City of Glendale Finance Department

Notes:

- (1) Operating revenues and nonoperating revenues excluding non-cash contributions, gains and losses.
- (2) Excluding depreciation.
- (3) Principal and interest amounts include debt service on the note payable to the Water Infrastructure Financing Authority of Arizona for the 00-01 loan and the 09-10 loan for fiscal years through 2010-11.
- (4) FY 2008 is the first year the City of Glendale has issued transportation bonds.
- (5) Excise tax revenue bonds include the Municipal Property Corporation and the Western Loop 101 Public Facilities Corporation (through FY 2012-13).
- (6) Excluding reductions to principal by refunded bonds - 2011-12 Water & Sewer Revenue Bond \$74,050 and Excise Tax Revenue Bonds \$8,945; and 2012-13 Excise Tax Revenue Bonds \$243,250.
- (7) Excise tax revenue amounts include state shared revenues.
- (8) Includes interest expense from refunding the Western Loop 101 Public Facilities Bonds in December 2012.

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

Schedule 15

<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</u>
2005-06	244	3,793	\$ 134,339,487	\$ 35,418	3.9 %
2006-07	246	3,907	139,665,253	35,747	3.1
2007-08	249	3,988	145,880,680	36,580	3.6
2008-09	250	4,116	146,898,132	35,690	8.4
2009-10	250	4,023	140,351,646	34,886	9.1
2010-11	227	3,817	147,724,392 ⁽³⁾	38,701	9.2
2011-12	229 ⁽⁵⁾	3,885 ⁽³⁾	156,763,179 ⁽³⁾	40,351	8.6 ⁽⁵⁾
2012-13	231 ⁽⁵⁾	3,934 ⁽³⁾	160,497,824 ⁽³⁾	40,798	7.6 ⁽⁵⁾
2013-14	233 ⁽⁵⁾	3,945 ⁽³⁾	160,497,824 ⁽³⁾	40,684	6.6 ⁽⁵⁾
2014-15	233 ⁽⁵⁾	3,945 ⁽³⁾	160,497,824 ⁽³⁾	40,684	5.6 ⁽⁵⁾

Note: (1) Personal Income and Per Capita Income figures are for Maricopa County. City of Glendale is one of several Valley cities that comprise Maricopa County, including Phoenix, Mesa and Scottsdale.
 (2) Estimate provided by City of Glendale Planning Department.
 (3) The previous fiscal year Maricopa County CAFR provides the most current number.
 (4) Calculation based on personal income divided by Maricopa County population.
 (5) Estimate provided by Arizona Department of Administration, Office of Employment and Population Statistics website for the prior fiscal year.
 (6) Maricopa County population extracted from Maricopa County CAFR statistical section.

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

Schedule 16

Employer	2015			2005		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Luke Air Force Base	5,100	1	4.44 %	7,907	1	7.64 %
Banner Thunderbird Health System	3,000	2	2.61	2,036	4	1.97
Arrowhead Towne Center	2,650	3	2.30	2,500	3	2.42
Walmart	2,175	4	1.89			
Glendale Union High School District	1,974	5	1.72	1,862	6	1.80
Glendale Community College	1,948	6	1.69	1,220	9	1.18
City of Glendale	1,610	7	1.40	2,021	5	1.95
Deer Valley Unified School District	1,594	8	1.39	1,432	8	1.38
Glendale Elementary School District	1,400	9	1.22	1,684	7	1.63
AAA	1,067	10	0.93			
Honeywell, Inc.				2,762	2	2.67
Schuck and Sons				1,150	10	1.11
Total	22,518		19.59 %	24,574		23.75 %

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

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

Function/Program	Full-Time Equivalent Employees as of June 30									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General government										
Management services	24.00	31.00	34.00	36.00	45.00	43.00	38.00	35.00	35.00	34.00
Finance	56.00	49.00	54.00	57.00	59.00	61.00	69.00	86.75	86.75	86.75
Planning	11.00	10.00	13.00	14.00	15.00	24.00	33.00	28.50	28.50	26.50
Building	22.00	21.00	21.00	24.00	26.00	32.00	43.00	53.75	51.75	55.75
Legal	69.00	69.00	67.00	66.00	70.00	73.00	70.00	78.00	78.00	67.00
Other	66.00	63.00	73.00	77.00	90.00	96.00	104.00	108.50	105.50	101.00
Police	517.00	534.00	505.00	534.00	544.00	554.00	567.00	557.50	543.50	506.50
Fire	259.00	253.00	260.00	269.00	270.00	276.00	278.00	263.50	251.50	237.50
Homeland security	-	-	-	-	-	-	6.00	7.00	7.00	-
Community service	57.00	48.00	56.00	60.00	72.00	72.00	69.00	93.75	87.25	84.25
Parks and recreation	58.00	59.00	75.00	92.00	123.00	122.00	85.00	99.25	98.75	89.75
Library	31.00	32.00	32.00	48.00	56.00	57.00	65.00	87.76	88.76	87.76
Public works	180.00	173.00	165.00	179.00	203.00	225.00	256.00	281.00	271.00	266.00
Engineering	19.00	17.00	18.00	19.00	26.00	27.00	39.00	45.00	45.00	46.00
Transportation	56.00	57.00	60.00	65.00	69.00	63.00	67.00	89.25	88.25	81.25
Utilities	185.00	176.00	172.00	185.00	167.00	170.00	171.00	186.00	165.00	146.00
Total	1,610.00	1,592.00	1,605.00	1,725.00	1,835.00	1,895.00	1,960.00	2,100.51	2,031.51	1,916.01

Sources:
 City Budget Division for 2006-08
 City of Glendale Human Resources Department for 2009-15

Function/Program	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Police										
Calls for service	174,535	146,538	127,333	127,829	129,161	129,868	137,586	146,489	154,176	148,633
Bookings	17,871	18,939	8,588	7,083	9,902	11,015	11,990	12,902	12,119	8,640
Criminal offense reports	31,873	31,481	34,995	33,938	27,304	29,765	32,599	32,918	35,169	34,271
Fire										
EMS calls	32,250	30,262	30,082	29,321	27,751	26,591	24,419	25,851	25,819	22,284 ⁽¹⁾
Fire calls	3,467	3,461	3,478	3,495	3,573	3,847	3,900	4,216	4,322	5,886 ⁽¹⁾
Water										
Number of billed accounts	61,117	60,932	60,450	60,109	59,732	59,579	59,079	59,807	60,700	60,004
Water produced (millions gallons)	12,057	13,768	13,667	14,064	13,569	14,284	15,375	14,943	16,231	16,075
Sewer										
Number of billed accounts	59,960	56,791	56,357	55,987	55,609	55,439	56,709	54,936	54,662	56,737
Treated influent (millions gallons)	6,117	6,244	6,065	5,970	5,998	6,405	6,570	6,661	7,227	7,410
Refuse collection										
Residential curb service (tons per year)	48,993	45,942	46,833	48,187	49,784	52,634	53,493	58,865	60,914	63,521
Commercial container service (tons per year)	45,693	41,879	40,272	39,722	40,451	41,797	44,600	48,267	51,425	49,517
Airport										
Departures/arrivals ⁽²⁾	74,217	70,679	76,390	80,416	80,291	69,834	91,998	137,762	152,194	143,798
General government										
Building permits	5,449	4,799	6,383	5,304	5,619	5,194	5,289	6,931	6,310	7,888
Library										
Volumes in collection ⁽³⁾	528,835	408,516	415,695	446,010	529,113	523,512	540,352	546,136	557,342	596,266
Transit										
Dial-A-Ride passengers	77,318	78,271	85,798	90,577	92,134	89,808	91,841	88,638	84,132	89,055

Source: Various city departments and FAA ATADS report

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

(1) Fire department figures are on a calendar year, January 1, 2006, through November 3, 2006.

(2) Departures/arrivals are based on calendar year prior to 2005-2006. 2009 figures are through October 30, 2009. Year 2010 and forward are based on fiscal year.

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

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

Function/Program	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Police										
Stations	3	3	3	3	3	3	3	3	3	3
Patrol vehicles	178	176	139	154	174	157	159	158	157	156
Fire stations	9	9	9	9	9	9	9	9	9	9
General government										
City square miles	59	59	59	59	59	59	59	58	57	57
Water										
Treatment capacity (millions gallons per day)	104.1	104.1	104.1	104.1	104.1	94.1	94.1	81.6	81.6	81.6
Storage capacity (millions gallons)	67	67	67	67	67	67	67	62	62	62
Miles of water mains	994	994	994	994	994	994	850	800	750	750
Sewer										
Treatment capacity (millions gallons per day)	29.2	29.2	29.2	29.2	29.2	29.2	29.2	29.2	29.2	29.2
Miles of sewer lines	707	707	707	700	690	680	670	659	659	659
Landfill										
Landfill capacity - south cell	22,429	21,493	21,218	22,065	21,912	21,666	21,666	22,594	22,594	22,594
Landfill capacity used - south cell	19,687	19,220	18,849	19,257	18,444	18,529	18,126	17,776	17,358	16,790
Other public works										
Streets (miles)	718	718	718	717	802	736	736	736	736	733
Parks and recreation										
Number of parks/retention basins/facilities	100	100	100	100	100	100	99	99	95	92
Acres of parks	2,189	2,189	2,189	2,189	2,189	2,189	2,199	2,125	2,125	2,058
Transit										
Dial-A-Ride minibuses	22	20	21	21	21	22	23	22	22	25

Source: Various city departments
 Note: Landfill capacity in thousands

WATER RATES PER METER SIZE

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

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

SEWER SERVICE RATES

Type of Service	Inside City	Outside City
Single Family Dwelling Unit	\$ 31.56	\$ 57.94
Office Building	48.25	N/A
Apartment - Average 5 units	86.05	93.82
Apartment - Average 35 units	562.68	161.51
Retail/Wholesale	69.53	N/A

(1) Per 1,000 gallons

SOURCE: City of Glendale Finance as of May 2015

City of Glendale, Arizona
Miscellaneous Water and Sewer Statistics
 June 30, 2015

HISTORICAL AVERAGE NUMBER OF WATER ACCOUNTS ⁽¹⁾

Fiscal Year					
Ending June 30	Residential	Multi-Family ⁽²⁾	Commercial	Sprinkler ⁽²⁾	Total
2006	55,354		4,650		60,004
2007	55,395		5,305		60,700
2008	54,396		5,411		59,807
2009 ⁽³⁾	53,523		5,556		59,079
2010 ⁽³⁾	53,522	1,672	4,247	1,647	61,088
2011 ⁽³⁾	53,663	1,674	4,264	1,655	61,256
2012 ⁽⁴⁾	53,858	1,673	4,281	1,666	61,478
2013 ⁽³⁾	54,056	1,680	4,296	1,669	61,701
2014 ⁽³⁾⁽⁵⁾	53,914	1,799	4,264	1,819	61,796
2015 ⁽³⁾	54,126	1,800	4,379	1,862	62,167

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

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

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

(4) As of August 2012.

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

SOURCE: City of Glendale Water Services Department

WATER DELIVERIES

Acre Feet

Calendar Year	Residential ⁽¹⁾	Commercial	Other ⁽²⁾	Total
2005	33,567	9,580	5,636	48,783
2006	34,660	10,951	3,730	49,341
2007	34,594	11,281	3,937	49,812
2008	32,278	10,764	2,818	45,860
2009	31,457	10,122	5,606	47,185
2010	27,537	10,482	4,455	42,474
2011	27,409	11,143	9,558	48,110
2012	27,695	11,278	3,683	42,656
2013	26,921	10,634	3,050	40,605
2014	26,946	10,587	2,467	40,000

(1) Residential includes both single and multi-family housing.

(2) Starting in 2005, *Other* represents unbilled water and system losses.

SOURCE: Annual Report of Arizona Department of Water Resources.

SEWERAGE ACCOUNTS BILLED AND SEWAGE TREATED

Fiscal Year Ending June 30	No. of Sewer ⁽¹⁾ Accounts Billed	91st Ave WWTP ⁽²⁾ (MGD) Actual	Arrowhead (MGD)	West (MGD)	Total Treated
2006	55,995	8.2	3.0	8.5	19.7
2007	56,737	8.2	2.9	9.2	20.3
2008	54,662	7.8	2.9	9.1	19.8
2009	54,936	6.8	2.8	8.6	18.2
2010	56,709	6.8	2.8	8.4	18.0
2011	56,868	8.3	2.3	5.4	16.0
2012	57,087	7.9	2.3	4.4	14.6
2013	57,300	7.3	2.5	5.8	15.6
2014	57,385	8.4	2.7	6.0	17.1
2015	57,588	6.9	2.7	7.2	16.8

(1) The number of billed accounts is less than the number of connections due to vacant properties.

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

SOURCE: City of Glendale Water Services Department

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