

CITY OF GLENDALE, ARIZONA

# Comprehensive Annual Financial Report

*For The Fiscal Year Ended June 30, 2004*



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CITY OF GLENDALE, ARIZONA

# Comprehensive Annual Financial Report

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*For the Fiscal Year Ended June 30, 2004*

**Elaine M. Scruggs**  
**Mayor**

Thomas R. Eggleston  
Vice Mayor  
Barrel District

## **Councilmembers**

Joyce V. Clark - Yucca District  
Steven E. Frate - Sahuarro District  
David M. Goulet - Ocotillo District  
H. Philip Lieberman - Cactus District  
Manuel D. Martinez - Cholla District

## **Management Staff**

Ed Beasley - City Manager  
Pam Kavanaugh - Assistant City Manager

Tim Ernster  
Deputy City Manager - Neighborhood Services

Kenneth A. Reedy  
Deputy City Manager - Public Works

Gloria Santiago-Espino  
Deputy City Manager - Community Information & Services

Horatio Skeete  
Deputy City Manager - Community Development

Prepared by the Finance Department  
Arthur R. Lynch  
Chief Financial Officer

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City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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# INTRODUCTORY SECTION

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FOR THE FISCAL YEAR ENDED JUNE 30, 2004

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**City of Glendale, Arizona  
Comprehensive Annual Financial Report  
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October 1, 2004

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

State law requires that cities annually publish after the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards (GAAS) by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Glendale, Arizona (the “City”) for the fiscal year ended June 30, 2004.

This report consists of management’s representations concerning the finances of the City. Consequently, 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 of the City has established a comprehensive internal control framework that is designed both to 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. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City’s financial statements have been audited by Heinfeld, Meech & Co., P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2004, 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.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it.

## **Profile of the Government**

The City, incorporated in 1910, is located in the northwestern part of metropolitan Phoenix, which is considered to be one of the top growth areas in the country. The City currently occupies a land area of 56.7 square miles and serves a population of 233,281. The City is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the city council.

The City has operated under the council-manager form of government since 1910. Policy-making and legislative authority are vested in a city council consisting of the mayor and six other members. The city council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the government's manager, clerk, attorney and municipal judges. The government's manager is responsible for carrying out the policies and ordinances of the city council, for overseeing the day-to-day operations of the government, 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 council members are elected by district. The mayor is elected at large.

The City provides a full range of services, including police and fire protection; water and 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 a legally separate municipal property corporation, which is reported separately within the City's financial statements.

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 government's manager on or before the last week in January each year. The government's manager uses these requests as the starting point for developing a proposed budget. The government's manager then presents this proposed budget to the council for review during the month of April. The council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than June 30th, the close of the City's fiscal year. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department heads may make transfers of appropriations within a department. Transfers of appropriations between funds, however, require the special approval of the governing council. Budget-to-actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted.

## **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

**Local economy.** The City currently enjoys an economic environment that continues to grow and diversify. Local indicators point to continued stability and strength. The economy of Glendale is based on manufacturing, defense activities, services, private graduate schools, retail trade, restaurants and sports and entertainment. The Arizona Department of Economic Security currently lists the total labor force in the City as 130,060 for the period January through June 2004. Average employment for the same period last year is 125,786, demonstrating that the positive growth in jobs has kept pace with population growth.

The City receives significant "State Shared Revenues" that are allocated to various funds. The State's financial condition has improved significantly from last year's economic slowdown. Therefore, the City does not anticipate an adverse impact on revenues received in future years.

The City of Glendale has continued to follow its strategy, developed by the Finance Department, to build fund balances.

The growth in the various sectors of the City's economy is reflective of the positive growth trends of the Phoenix metropolitan area and of the state of Arizona. The County's population is approximately 3.39 million. The state's population reached 5.58 million in 2003, representing a 2.59% increase over the previous fiscal year.

**Long-term financial planning.** The Glendale Arena opened its doors on December 27, 2003, to a standing-room-only crowd of 18,000 hockey fans. The arena will host the National Hockey League's All Star Game in 2006. This major-league hockey arena for the Phoenix Coyotes opened the door to an exciting era for the City, as well as the West Valley region. The arena has been host to a number of major concerts and special events.

The Cardinals Stadium began construction in 2003. It is being built by the State's Tourism and Sports Authority, and is currently the single-largest construction project in Arizona. The multi-purpose stadium will be home to the Arizona Cardinals, the Fiesta Bowl, 2008 Super Bowl, as well as other major events.

The Ellman Companies are continuing to develop the 200-acre, mixed-used project adjacent to the arena, dubbed Westgate City Center. This development is strategically located at Glendale Avenue and the 101 freeway. Build-out for the mixed-use project should occur over the next seven to ten years. High profile tenants for the entertainment district of the project, including themed restaurants, trendy nightspots and a premium, 4,000-seat theater are awaiting the fall start of construction.

As part of the development agreement with the Ellman Companies, a Wal-Mart Super Center opened in April 2004 as part of the Northern Crossing project, located at 57<sup>th</sup> and Northern Avenues. Currently a Lowe's Home Improvement Store is under construction. This redevelopment effort has recharged a blighted property, and many more pads and shops will serve to reinforce this new thriving retail center.

Substantial investments have been made by the City to enact and stay current on issues faced by the water and sewer system in addition to proceeding with the necessary federally mandated upgrades. These have been and continue to be funded with revenue bonds/obligations in order to meet the long-term needs of the City. The City has also updated new rate models and new rate increases have been implemented.

The debt service funds of the City are backed by property taxes or excise taxes. The City has continued its practice of paying off its general obligation and revenue obligation bond debt rapidly.

**Cash management policies and practices.** Staff invests temporarily idle cash in repurchase agreements collateralized by high quality U.S. government securities, the Arizona State Treasurer's Local Government Investment Pool or U.S. Treasury obligations.

The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits are either insured by the Federal Deposit Insurance Corporation or collateralized. All collateral on deposits is held by the City's agent or financial institution's trust department in the City's name. Categorized investments are classified in credit risk category 1 as defined by the Governmental Accounting Standards Board (GASB).

**Risk management.** During 2003-04, the City continued its self-insurance program for public liability and property damage claims. As part of the Risk Management Plan, resources are maintained in the risk management fund to meet potential losses. In the event of a deficit at June 30, premiums charged to other funds are increased in the following fiscal year to cover shortages. The City has implemented various risk control techniques such as employee accident prevention training to minimize accident-related losses. The Risk Management Division also conducts a competitive bidding process to obtain other types of commercial insurance. An employee benefit fund was established in prior years to help offset the rising benefit costs to the City. An actuarial study of health insurance funding indicated that creating a separate

fund, and holding the excess payments and accumulated interest in it would be the best way to develop reserves. Any unused premiums and interest would remain in the fund for future expenses.

**Pension and other post-employment benefits.** Other than the pension benefits provided through the Arizona State Retirement System or the Arizona Public Safety Personnel Retirement System, the City does not provide post-employment benefits. However, the City does allow all of its retired employees to participate in the health care and life insurance plans provided to active employees. The plans provide health, dental, vision, and/or life insurance to participants. The retired employees pay the entire cost of their participation in the plan.

The City makes no contribution to the plan for former employees. Since the number of retirees is small, and their portion of the premium cost is paid to providers at the same time as the general fund's employee portion, the City has chosen to account for monies received from retirees, but not yet paid out, as part of the internal service funds.

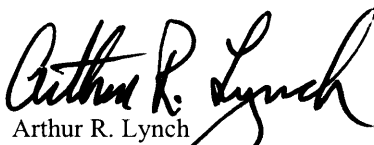
**Awards and acknowledgements.** The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2003. This was the sixteenth consecutive year the City has received this prestigious award, and the eighteenth 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 Comprehensive Annual Financial Report 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 annual budget document dated 2003-04. This is the fifteenth year in a row 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 Department. I would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor, Council and City Manager for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

  
Arthur R. Lynch  
Chief Financial Officer

# 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, 2003

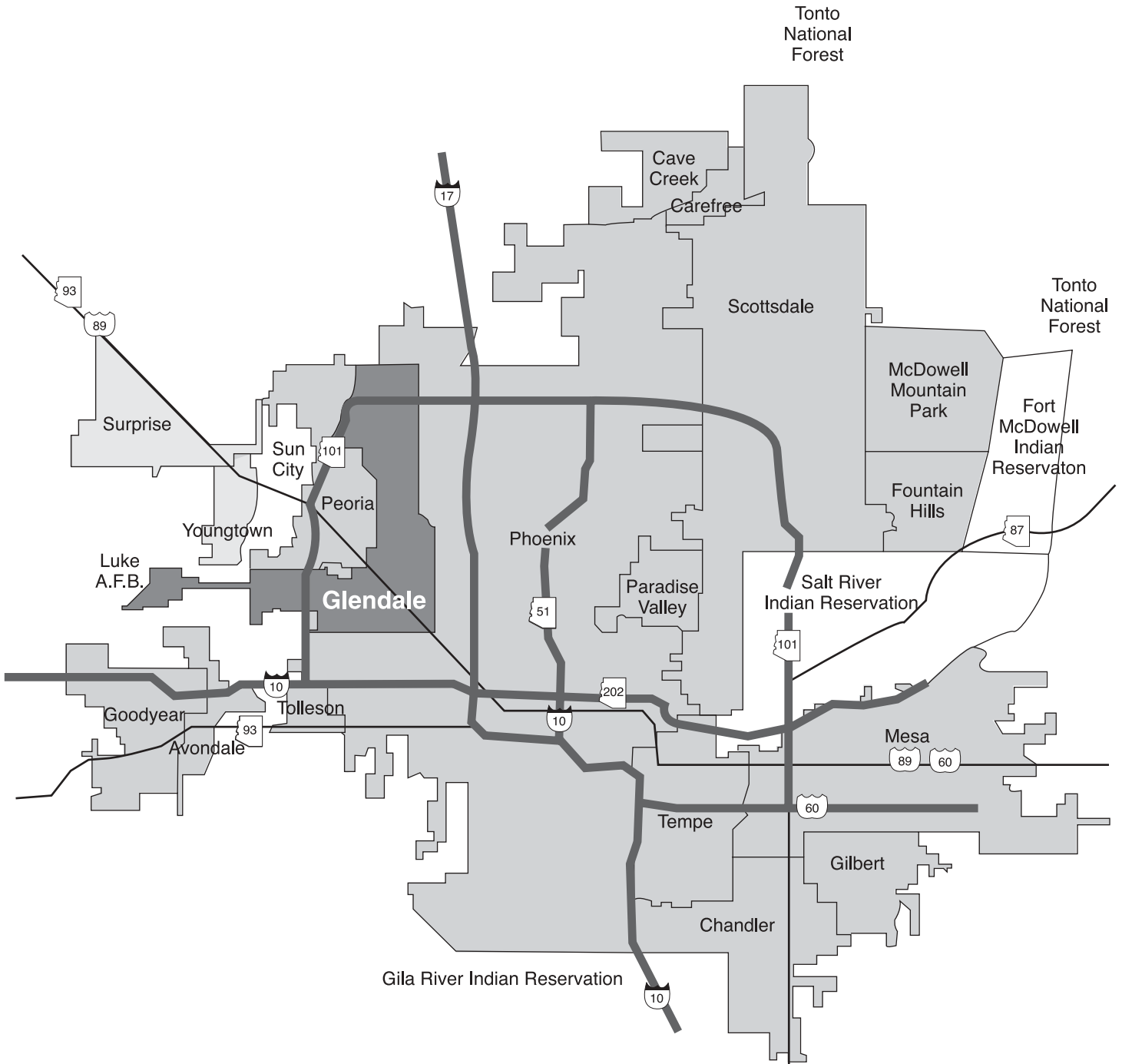
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

# Glendale, Arizona and Neighboring Communities





# City Officials



ELAINE M. SCRUGGS  
*Mayor*



JOYCE V. CLARK  
*Councilmember  
Yucca District*



THOMAS R. EGGLESTON  
*Vice Mayor/  
Councilmember  
Barrel District*



STEVE E. FRATE  
*Councilmember  
Sahuaro District*



DAVID M. GOULET  
*Councilmember  
Ocotillo District*



H. PHILIP LIEBERMAN  
*Councilmember  
Cactus District*

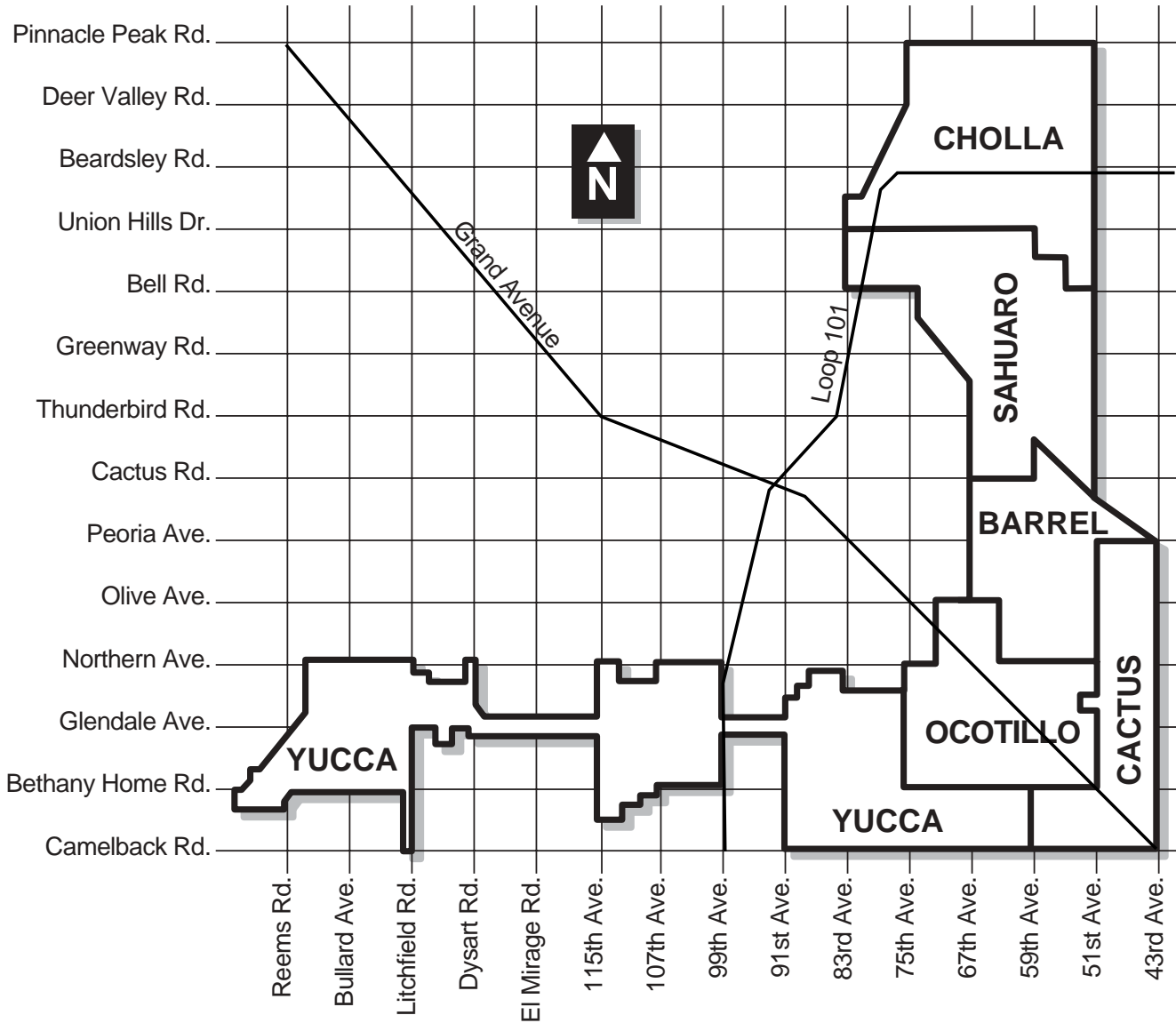


MANUEL D. MARTINEZ  
*Councilmember  
Cholla District*



ED BEASLEY  
*City Manager*

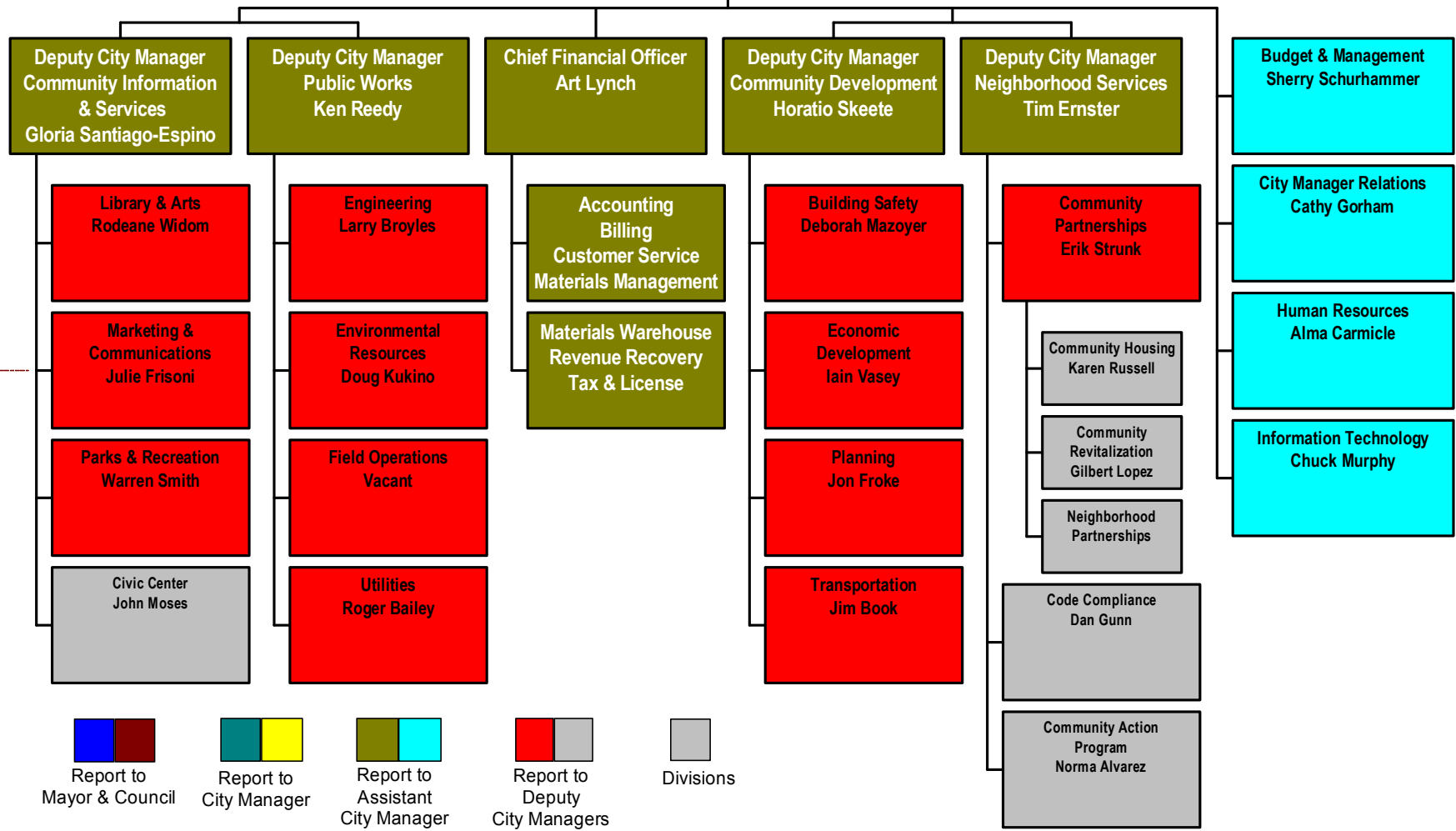
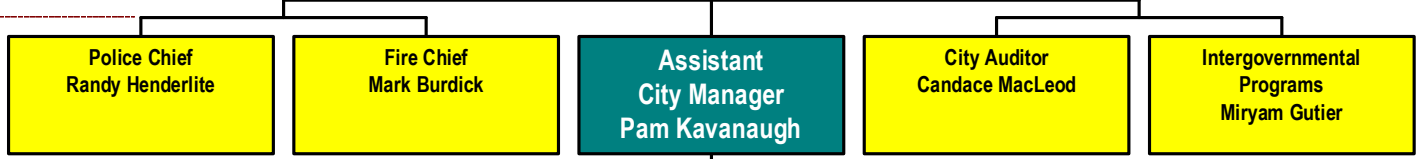
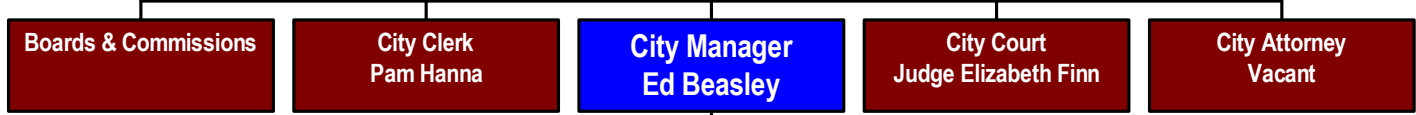
# Glendale Council District Boundaries



# ORGANIZATION CHART

**Citizens of Glendale**

**Mayor & Council**



Report to Mayor & Council

Report to City Manager

Report to Assistant City Manager

Report to Deputy City Managers

Divisions

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City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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# FINANCIAL SECTION

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FOR THE FISCAL YEAR ENDED JUNE 30, 2004

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HEINFELD, MEECH & CO., P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

Gary Heinfeld, CPA, CGFM  
Nancy A. Meech, CPA, CGFM  
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## INDEPENDENT AUDITORS' REPORT

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

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 (the City), as of and for the year ended June 30, 2004, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 1, 2004, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 13 through 23 and pages 75 through 78 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplemental information such as the introductory section, combining statements, Other Supplementary Information and the statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining statements and other supplementary information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects in relation to the basic financial statements taken as a whole. The information included in the introductory section and statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

*Heinfeld, Meech & Co., P.C.*

HEINFELD, MEECH & CO., P.C.  
Certified Public Accountants

October 1, 2004





City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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# MANAGEMENT'S DISCUSSION & ANALYSIS

(Required Supplementary Information)

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FOR THE FISCAL YEAR ENDED JUNE 30, 2004

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## **Management's Discussion and Analysis**

As management of the City of Glendale (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2004. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

### **Financial Highlights**

The financial statements, which follow the Management's Discussion and Analysis, provide these significant key financial highlights for 2003-04 as follows.

- The City's total net assets increased \$64,311 or 7.24%. The governmental net assets increased by \$52,489 or 10.09% and the business-type net assets increased by \$11,822 or 3.21%.
- General revenues from governmental activities increased \$9,448 or 6.07%, and were 74.96% of all revenues from governmental activities. Program specific revenues in the form of charges for services and grants and contributions increased \$2,446 or 4.64%.
- The business-type activities revenue decreased by \$704 or 0.82%.
- The total cost of all City programs increased by \$22,592 or 10.31%.
- A major governmental fund, the general fund, had \$117,358 in revenues, which is an increase of \$8,056 or 7.37% from the prior year. The primary sources of revenue in the general fund are local taxes and intergovernmental taxes. The total expenditures of the general fund were \$102,522, which is a decrease of \$1,448 or 1.39% from the prior year. The fund balance increased \$11,620 or 23.69%. This increase resulted from increased tax and special assessments revenue, combined with planned expenditure reductions in general government.
- The City issued 1) \$80,000 in subordinate lien water and sewer bonds to fund the construction of various water and sewer improvements, 2) \$36,645 in general obligation bonds to fund the construction of public improvements, and 3) \$14,655 in street and highway user revenue bonds to fund the construction of certain street and highway public improvements. In addition, its municipal property corporation (MPC) issued the following: 1) \$10,880 in excise tax revenue bonds to finance the refunding of certain outstanding improvement district bonds, and 2) \$7,250 refunding bond issue to finance the refunding of other outstanding MPC bonds.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**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 *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Net assets are categorized as capital assets less related

**CITY OF GLENDALE, ARIZONA**  
Management's Discussion and Analysis (MD&A)  
For the Fiscal Year Ended June 30, 2004  
(amounts expressed in thousands)

debt, restricted by an outside party, and unrestricted. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets 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 and street maintenance. The business-type activities of the City include water and sewer, landfill, sanitation, and housing.

**Fund financial statements.** 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 three categories: governmental funds, proprietary funds, and fiduciary 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 focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains 16 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the major funds. Data from the other 11 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 separate information for the water and sewer, and landfill services, which are considered to be major funds of the City. Data from the other two

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enterprise funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major enterprise funds are 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.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City has no fiduciary funds.

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

**Additional Required Supplementary Information.** Following the basic financial statements is Required Supplementary Information (RSI) that further explains and supports the financial information in the financial statements. RSI presents the budgetary comparison schedule for general fund and transportation special revenue fund.

**Other information.** The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the notes to the RSI.

#### **Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a City's financial position. In the case of the City, assets exceeded liabilities by \$952,310 as of June 30, 2004.

By far the largest portion of the City's net assets 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.

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.

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**Net Assets**

The following table reflects the condensed Statement of Net Assets compared to prior year.

**Condensed Statement of Net Assets**  
As of June 30, 2004, and 2003  
(in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2004	2003	2004	2003	2004	2003
Current and other assets	\$ 276,340	\$ 335,020	\$ 175,854	\$ 111,521	\$ 452,194	\$ 446,541
Capital assets	746,074	628,443	395,684	371,792	1,141,758	1,000,235
<b>Total assets</b>	<b>1,022,414</b>	<b>963,463</b>	<b>571,538</b>	<b>483,313</b>	<b>1,593,952</b>	<b>1,446,776</b>
Current liabilities	67,010	88,803	27,021	22,960	94,031	111,763
Long-term liabilities	382,919	354,664	164,692	92,350	547,611	447,014
<b>Total liabilities</b>	<b>449,929</b>	<b>443,467</b>	<b>191,713</b>	<b>115,310</b>	<b>641,642</b>	<b>558,777</b>
Net assets:						
Invested in capital assets, net of related debt	353,135	259,802	228,252	275,204	581,387	535,006
Restricted	169,434	127,393	10,479	10,235	179,913	137,628
Unrestricted	49,916	132,801	141,094	82,564	191,010	215,365
<b>Total net assets</b>	<b>\$ 572,485</b>	<b>\$ 519,996</b>	<b>\$ 379,825</b>	<b>\$ 368,003</b>	<b>\$ 952,310</b>	<b>\$ 887,999</b>

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, both for the City as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

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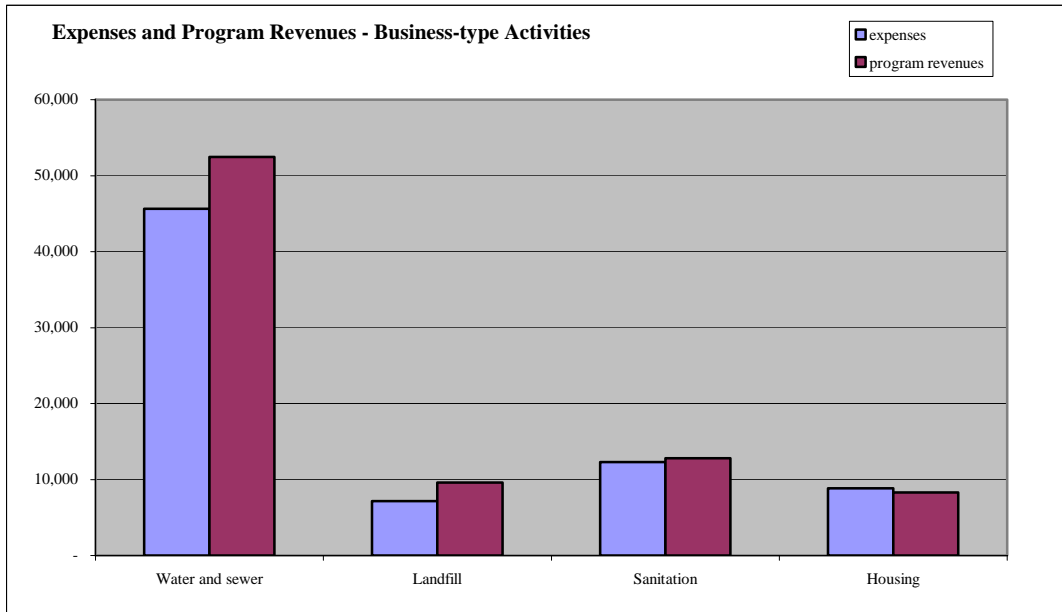
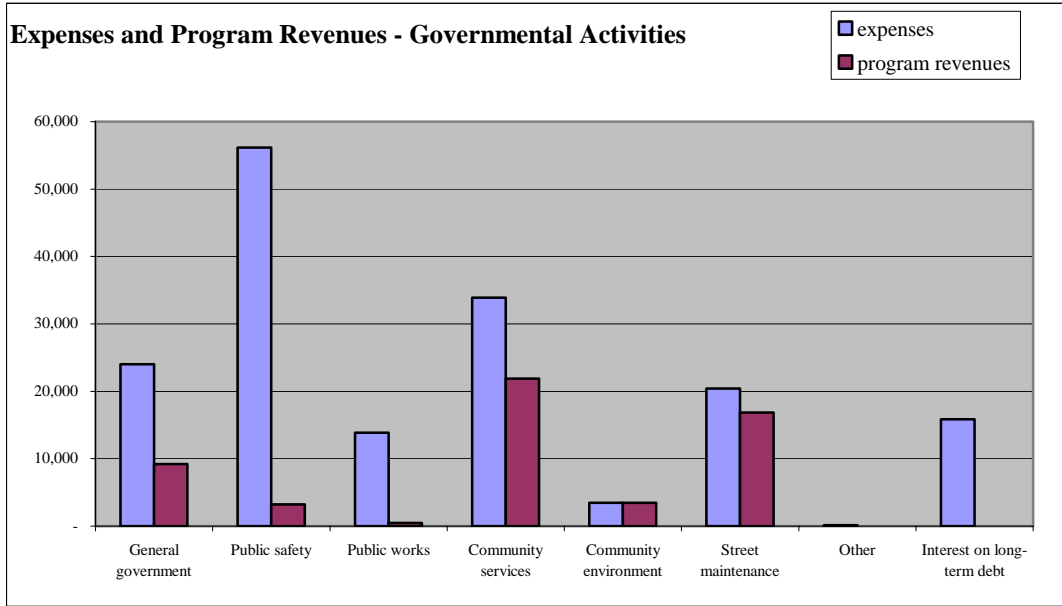
**Changes in net assets.** The City's total revenues for the fiscal year ended June 30, 2004, were \$306,082. The total cost of all programs and services was \$241,771. The following table presents a summary of the changes in net assets for the fiscal years ended June 30, 2004, and 2003.

**Changes in Net Assets**  
(in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2004	2003	2004	2003	2004	2003
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 27,228	\$ 25,898	\$ 75,378	\$ 73,144	\$ 102,606	\$ 99,042
Operating grants and contributions	24,503	22,522	7,643	7,091	32,146	29,613
Capital grants and contributions	3,429	4,294	168	520	3,597	4,814
<b>Total program revenues</b>	<b>55,160</b>	<b>52,714</b>	<b>83,189</b>	<b>80,755</b>	<b>138,349</b>	<b>133,469</b>
General revenues:						
Property taxes	18,321	16,739	-	-	18,321	16,739
Sales taxes	74,763	63,832	-	-	74,763	63,832
State shared sales tax	18,409	17,113	-	-	18,409	17,113
Urban revenue sharing (state shared income tax)	19,731	23,288	-	-	19,731	23,288
Auto in-lieu taxes	8,978	8,619	-	-	8,978	8,619
Investment earnings, unrestricted	315	(1,602)	1,115	(123)	1,430	(1,725)
Gain (loss) on disposal of capital assets	9	445	-	(725)	9	(280)
Loss on joint venture	-	-	(1,285)	(1,011)	(1,285)	(1,011)
Miscellaneous	349	299	-	-	349	299
Capital contributions	24,614	27,042	2,414	7,241	27,028	34,283
<b>Total revenues</b>	<b>220,649</b>	<b>208,489</b>	<b>85,433</b>	<b>86,137</b>	<b>306,082</b>	<b>294,626</b>
<b>Expenses:</b>						
General government	24,003	20,209	-	-	24,003	20,209
Public safety	56,176	52,625	-	-	56,176	52,625
Public works	13,883	11,411	-	-	13,883	11,411
Community services	33,914	32,210	-	-	33,914	32,210
Community environment	3,446	3,433	-	-	3,446	3,433
Street maintenance	20,425	20,308	-	-	20,425	20,308
Other	142	148	-	-	142	148
Interest on long-term debt	15,838	7,223	-	-	15,838	7,223
Water and sewer	-	-	45,628	43,442	45,628	43,442
Landfill	-	-	7,164	7,784	7,164	7,784
Sanitation	-	-	12,294	12,353	12,294	12,353
Housing	-	-	8,858	8,033	8,858	8,033
<b>Total expenses</b>	<b>167,827</b>	<b>147,567</b>	<b>73,944</b>	<b>71,612</b>	<b>241,771</b>	<b>219,179</b>
<b>Excess before transfers</b>	<b>52,822</b>	<b>60,922</b>	<b>11,489</b>	<b>14,525</b>	<b>64,311</b>	<b>75,447</b>
<b>Transfers in (out)</b>	<b>(333)</b>	<b>(67)</b>	<b>333</b>	<b>67</b>	<b>-</b>	<b>-</b>
<b>Increase in net assets</b>	<b>52,489</b>	<b>60,855</b>	<b>11,822</b>	<b>14,592</b>	<b>64,311</b>	<b>75,447</b>
<b>Net assets, beginning</b>	<b>519,996</b>	<b>459,141</b>	<b>368,003</b>	<b>353,411</b>	<b>887,999</b>	<b>812,552</b>
<b>Net assets, ending</b>	<b>\$ 572,485</b>	<b>\$ 519,996</b>	<b>\$ 379,825</b>	<b>\$ 368,003</b>	<b>\$ 952,310</b>	<b>\$ 887,999</b>

The size of the increase in net assets results primarily from sustained economic growth including developer investment in city facilities and infrastructure.

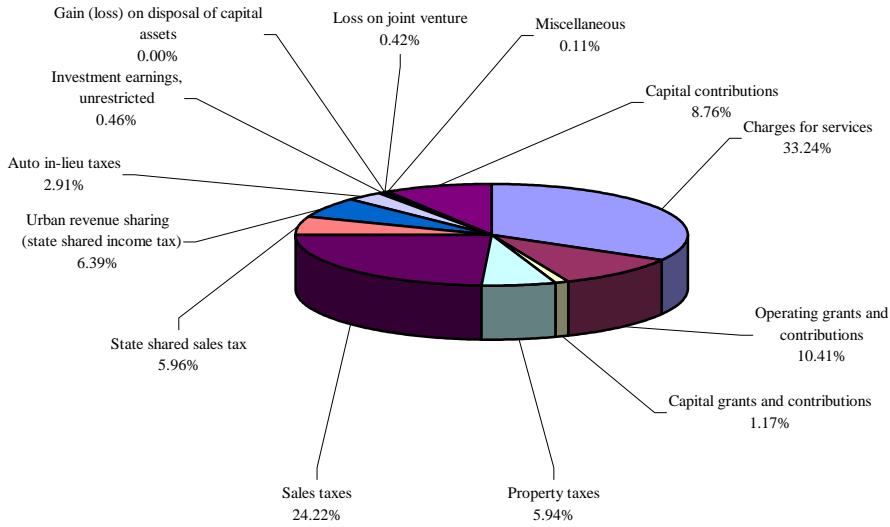
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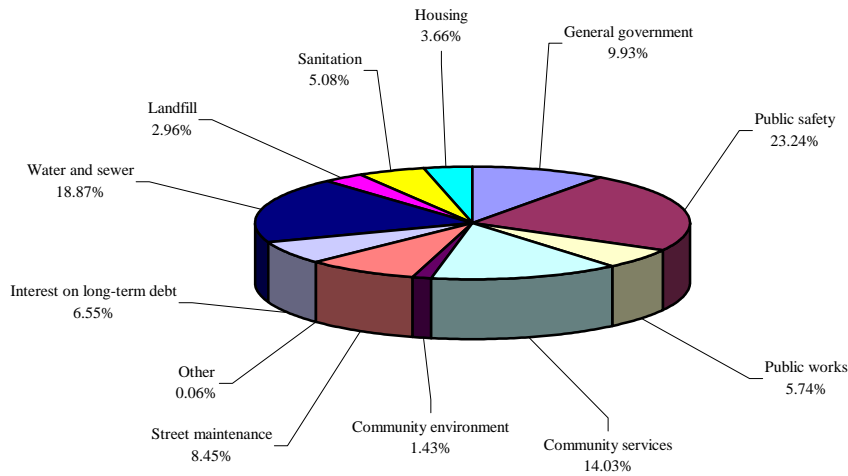


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**Revenue Sources Fiscal Year 2003-04**



**Functional Expenses Fiscal Year 2003-04**



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**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.** The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a City's net resources available for spending at the end of the fiscal year.

The financial performance of the City as a whole is reflected in its governmental funds.

- As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$203,226, a decrease of \$29,148 or 12.54% in comparison with the prior year. This decrease was due to capital outlay in the arena project fund. Excluding the arena project fund the City's governmental funds had combined ending balances of \$198,636, an increase of \$51,161 or 35% in comparison with the prior year.
- *Unreserved undesignated fund balance*, which is available for spending at the City's discretion within a fund, was \$117,165, a decrease of \$42,416 or 26.58% from the prior year. This decrease resulted primarily due to the completion of the Glendale arena. Excluding the arena project fund the City's governmental funds had total unreserved, undesignated funds of \$117,165, an increase of 57% in comparison with the prior year.
- The City also had \$35,291 in unreserved, designated fund balance, which represents self-imposed limitations on the use of otherwise available expendable financial resources in governmental funds as discussed in Note XVI.
- The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed for a variety of restricted purposes, such as perpetual care for the City's cemetery, debt service, and development impact fees.

**Summary of Reserved Fund Balances  
 by Fund Type  
 (in thousands)**

General	\$ 9,582
Special revenue	22,113
Debt service	14,332
Capital projects	98
Permanent	<u>4,645</u>
Total	<u>\$ 50,770</u>

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the unreserved fund balance of the general fund was \$51,080, while total fund balance reached \$60,662. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 49.82% of total general fund expenditures, while total fund balance represents 59.17% of that same amount.

The transportation fund accounts for the City's public transit program. The fund saw an increase in fund balance of \$8,899 for the fiscal year ended June 30, 2004. This increase is due to increased operating revenue over operating expenses.

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The general obligation debt service fund accounts for the accumulation of resources for and payment of general obligation debt. The fund saw an increase in fund balance of \$3,026 for the fiscal year ended June 30, 2004, due to more debt being repaid directly by revenues instead of property taxes.

The special assessment debt service fund accounts for the accumulation of resources for and payment of special assessment debt. The fund saw a decrease in fund balance of \$282 for the fiscal year ended June 30, 2004. This was due to a refunding of special assessment debt.

The arena project fund accounts for bond proceeds received and expenses paid related to the construction of the Glendale arena. The fund saw a decrease in fund balance of \$80,309 for the fiscal year ended June 30, 2004. This decrease is due to completion of construction of the Glendale arena.

**Proprietary funds.** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Net assets of the enterprise funds and the internal service funds increased \$12,447 or 3.32%. The enterprise funds total net assets were 2.75% restricted and 37.24% unrestricted. Internal service funds were 100.0% unrestricted.

The water and sewer fund accounts for operations, maintenance and construction projects of City-owned water and sewer systems. The fund saw an increase in net assets of \$8,801 for the fiscal year ended June 30, 2004. This increase is due to 1) increased operating revenue greater than operating expenses, and 2) capital contributions.

The landfill fund accounts for operations of the City-owned landfill. The fund saw an increase of \$2,733 for the fiscal year ended June 30, 2004. This increase is due to an increase in operating revenues and a decrease in operating expenses.

The internal service fund accounts for risk management, workers' compensation, and employee benefits provided to other departments. The fund saw an increase of \$573 for the fiscal year ended June 30, 2004. This is due to 1) self-insurance premiums being greater than operating expenses, and 2) investment income.

### **General Fund Budgetary Highlights**

Consistent with national economic conditions, the City's investment revenue was adversely impacted by the economic decline.

- Investment revenue was negatively impacted by the decrease in fair market value of the City's investments and decrease in interest rates.
- General fund revenues exceeded the final amended budget by \$10,533 or 8.12%, primarily due to the sale of Northern Crossing.
- General fund expenditures were less than the final amended budget by \$14,776 or 11.32%. This positive variance resulted from \$5,706 in left over contingencies appropriation at fiscal year-end along with expenditure reductions in general government.

### **Capital Asset and Debt Administration**

**Capital Assets.** The City's investment in capital assets (net of accumulated depreciation) as of June 30, 2004, for its governmental type activities was \$746,074 and for the business type activities was \$395,684. The investment in governmental and business type capital assets consisted of land, buildings, machinery and equipment, and infrastructure for streets, parks, airport and street lighting, water and wastewater treatment plants.

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(amounts expressed in thousands)

Major capital asset events during the current fiscal year included the following:

- Construction of the Glendale Arena, \$188,951;
- Three new fire trucks, \$1,105;
- Westside Public Safety Building, \$5,269;
- The City invested an additional \$1,844 on enhancements at the Cholla Water Treatment Plant; and
- Modifications were made to the West Area Water Reclamation Facility totaling \$26,030.

The following table is a summary of capital assets reflected in the June 30, 2004, as compared to last year's financial statements.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2004	2003	2004	2003	2004	2003
Construction in progress	\$ 44,460	\$ 136,486	\$ 52,028	\$ 34,788	\$ 96,488	\$ 171,274
Land	43,930	42,679	9,477	9,477	53,407	52,156
Artwork	1,175	1,166	-	-	1,175	1,166
Buildings	132,054	42,739	9,589	9,844	141,643	52,583
Improvements other than buildings	76,565	21,080	9,345	5,296	85,910	26,376
Infrastructure-streets	359,367	320,097	-	-	359,367	320,097
Infrastructure-parks	23,729	12,031	-	-	23,729	12,031
Infrastructure-airport	7,589	4,159	-	-	7,589	4,159
Infrastructure-flood/storm drains	25,532	25,636	-	-	25,532	25,636
Water lines	-	-	63,698	62,733	63,698	62,733
Sewer lines	-	-	78,953	68,537	78,953	68,537
Water treatment plant	-	-	56,395	58,940	56,395	58,940
Sewer treatment plant	-	-	83,802	85,607	83,802	85,607
Meters and services	-	-	21,479	22,235	21,479	22,235
Fire hydrants	-	-	3,783	3,884	3,783	3,884
Machinery and equipment	22,034	13,636	692	4,583	22,726	18,219
Computer equipment	510	503	327	145	837	648
Software	270	341	-	-	270	341
Automotive equipment	8,859	7,890	6,116	5,723	14,975	13,613
<b>Total</b>	<b>\$ 746,074</b>	<b>\$ 628,443</b>	<b>\$ 395,684</b>	<b>\$ 371,792</b>	<b>\$ 1,141,758</b>	<b>\$ 1,000,235</b>

Additional information on capital assets can be found in Note IV of the financial statements.

**Long-term debt.** At the end of the current fiscal year, the City had total debt outstanding of \$552,323, compared to the \$460,904 last year, a 19.83% net increase. Of this amount, \$170,545 comprises debt backed by the full faith and credit of the City and \$109 is special assessment debt for which the City is liable in the event of default by the property owners subject to the assessment.

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(amounts expressed in thousands)

	Governmental		Business-type		Total	
	Activities		Activities		Primary	
	2004	2003	2004	2003	2004	2003
General obligation	\$ 153,688	\$ 127,104	\$ 16,857	\$ 19,031	\$ 170,545	\$ 146,135
Special assessments	109	12,036	-	-	109	12,036
Highway user revenue bonds	22,730	20,030	-	-	22,730	20,030
Municipal Property Corporation revenue bonds	180,230	170,590	-	-	180,230	170,590
Capital lease obligation	14,704	14,971	11,005	12,838	25,709	27,809
Water and sewer revenue bonds	-	-	121,470	49,280	121,470	49,280
Notes payable	17,098	20,193	14,432	14,831	31,530	35,024
<b>Total</b>	<b>\$ 388,559</b>	<b>\$ 364,924</b>	<b>\$ 163,764</b>	<b>\$ 95,980</b>	<b>\$ 552,323</b>	<b>\$ 460,904</b>

The City's total long-term debt increased by \$91,419 from the prior year. The key factor in this increase was an \$80,000 water and sewer revenue bond issue for various water and sewer improvements.

The City maintains an "AA" rating from Standard & Poor's and an "Aa2" rating from Moody's for general obligation debt. The highway user revenue bonds have been rated "Aa3" by Moody's and "A+" by Standard & Poors.

State statutes limit the amount of general obligation debt a governmental entity may issue to 20% of its total secondary assessed valuation for combined water, sewer, light, parks, open space preserves, playgrounds and recreational facilities nor may outstanding debt for all other purposes exceed 6% of the net secondary assessed valuation. The City's current unused 6% and 20% debt limitation on June 30, 2004, was \$15,402 and \$114,850, respectively.

Additional information on long-term debt can be found in Note IX of the financial statements.

**Economic Factors and Next Year's Budgets and Rates**

The adopted fiscal year 2004-05 budget is \$653,000 (up 10.11% from 2003-04), including a \$268,000 operating budget (an increase of 13.08% from 2004) and \$287,000 in capital outlay (down 2.26% from 2004). The fiscal year 2004-05 budget includes \$51,000 contingency appropriation to cover emergency expenses or revenue shortages.

- Fiscal year 2003-04 saw the national, state and regional economies struggle to recover from the effects of an ongoing recession.
- While the regional economy remains strong, it is traditionally largely driven by construction, due to the continued population growth of the state and metropolitan area, as well as the financial services and tourism sectors. Arizona cities remain dependent on sales taxes and other economically sensitive tax revenues and are susceptible to slowdowns in the economy.
- The City's unemployment rate for June 2004 was 4.1%, which is a decrease from a rate of 6.5% a year ago. This compares favorably to the state's average unemployment rate of 5.1% and the national average rate of 5.4%.

**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 Chief Financial Officer, 5850 West Glendale Avenue, Suite 302, City of Glendale, Arizona, 85301.

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City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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# BASIC FINANCIAL STATEMENTS

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FOR THE FISCAL YEAR ENDED JUNE 30, 2004

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City of Glendale, Arizona  
**Statement of Net Assets**  
June 30, 2004  
(amounts expressed in thousands)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Equity in pooled cash and investments	\$ 225,399	\$ 50,068	\$ 275,467
Receivables (net of allowance for uncollectibles)			
Property taxes	779		779
Accounts	10,254	9,001	19,255
Accrued interest	745	58	803
Intergovernmental receivable	5,788	453	6,241
Internal balances	645	(645)	-
Inventories and prepaid items	4,862	1,410	6,272
Restricted cash and investments	21,337	71,871	93,208
Capital assets:			
Non-depreciable	89,565	61,505	151,070
Depreciable (net)	656,509	334,179	990,688
Deferred receivable	6,531	-	6,531
Water storage right (net)	-	6,490	6,490
Equity in joint venture	-	37,148	37,148
Total assets	<u>1,022,414</u>	<u>571,538</u>	<u>1,593,952</u>
<b>LIABILITIES</b>			
Vouchers payable	23,920	6,631	30,551
Accounts payable	409	49	458
Retainage payable	51	584	635
Accrued expenses	-	1,096	1,096
Accrued interest payable	6,901	3,954	10,855
Intergovernmental payable	148	242	390
Deposits	506	647	1,153
Deferred revenue	8,019	-	8,019
Noncurrent liabilities:			
Due within one year	27,056	13,818	40,874
Due in more than one year	382,919	164,692	547,611
Total liabilities	<u>449,929</u>	<u>191,713</u>	<u>641,642</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	353,135	228,252	581,387
Restricted for:			
Capital projects	102,148	-	102,148
Debt service	14,721	2,255	16,976
Revenue bond retirement, replacement, and extension	-	6,900	6,900
Perpetual care - nonexpendable	4,770	-	4,770
Other purposes	47,795	1,324	49,119
Unrestricted	49,916	141,094	191,010
Total net assets	<u>\$ 572,485</u>	<u>\$ 379,825</u>	<u>\$ 952,310</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, 2004  
(amounts expressed in thousands)

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 24,003	\$ 9,092	\$ 135	\$ -
Public safety	56,176	1,043	2,198	-
Public works	13,883	148	76	262
Community services	33,914	16,942	2,216	2,719
Community environment	3,446	3	3,469	-
Street maintenance	20,425	-	16,409	448
Other	142	-	-	-
Interest on long-term debt	15,838	-	-	-
Total governmental activities	<u>167,827</u>	<u>27,228</u>	<u>24,503</u>	<u>3,429</u>
Business-type activities:				
Water and sewer	45,628	52,456	-	15
Landfill	7,164	9,593	1	-
Sanitation	12,294	12,817	-	-
Housing	8,858	512	7,642	153
Total business-type activities	<u>73,944</u>	<u>75,378</u>	<u>7,643</u>	<u>168</u>
Total primary government	<u>\$ 241,771</u>	<u>\$ 102,606</u>	<u>\$ 32,146</u>	<u>\$ 3,597</u>

General revenues:  
Taxes:  
Property taxes levied for:  
General purposes  
Debt service  
Sales taxes  
Unrestricted state shared sales tax  
Unrestricted urban revenue sharing (state shared income tax)  
Auto in-lieu taxes  
Investment earnings, unrestricted  
Gain on disposal of capital assets  
Loss on joint venture  
Miscellaneous  
Capital contributions  
Transfers  
Total general revenues and transfers  
Change in net assets  
Net assets - beginning  
Net assets - ending

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

Net (Expense) Revenue and Changes in Net Assets		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (14,776)	\$ -	\$ (14,776)
(52,935)	-	(52,935)
(13,397)	-	(13,397)
(12,037)	-	(12,037)
26	-	26
(3,568)	-	(3,568)
(142)	-	(142)
(15,838)	-	(15,838)
<u>(112,667)</u>	<u>-</u>	<u>(112,667)</u>
-	6,843	6,843
-	2,430	2,430
-	523	523
-	(551)	(551)
<u>-</u>	<u>9,245</u>	<u>9,245</u>
<u>(112,667)</u>	<u>9,245</u>	<u>(103,422)</u>
3,480	-	3,480
14,841	-	14,841
74,763	-	74,763
18,409	-	18,409
19,731	-	19,731
8,978	-	8,978
315	1,115	1,430
9	-	9
-	(1,285)	(1,285)
349	-	349
24,614	2,414	27,028
(333)	333	-
<u>165,156</u>	<u>2,577</u>	<u>167,733</u>
52,489	11,822	64,311
519,996	368,003	887,999
<u>\$ 572,485</u>	<u>\$ 379,825</u>	<u>\$ 952,310</u>

City of Glendale, Arizona  
**Balance Sheet**  
**Governmental Funds**  
June 30, 2004  
(amounts expressed in thousands)

	Major Funds					Other Non-major Governmental Funds	Total Governmental Funds
	General	Transportation	General Obligation Debt Service	Special Assessment Debt Service	Arena Project		
<b>ASSETS</b>							
Equity in pooled cash and investments	\$ 63,169	\$ 25,871	\$ 17,889	\$ 174	\$ 1,123	\$ 103,953	\$ 212,179
Receivables, net of allowance for doubtful accounts:							
Property taxes	147	-	632	-	-	-	779
Accounts	7,313	1,592	-	-	-	1,302	10,207
Accrued interest	692	-	-	-	-	53	745
Due from other Funds	1,345	-	-	-	-	-	1,345
Intergovernmental receivable	2,514	124	-	-	-	3,149	5,787
Inventories and prepaid items	356	-	-	-	-	282	638
Restricted cash and investments	441	-	-	-	10,570	10,162	21,173
Deferred receivables	3,522	-	-	32	-	2,976	6,530
Total assets	<u>\$ 79,499</u>	<u>\$ 27,587</u>	<u>\$ 18,521</u>	<u>\$ 206</u>	<u>\$ 11,693</u>	<u>\$ 121,877</u>	<u>\$ 259,383</u>
<b>LIABILITIES AND FUND BALANCE</b>							
Liabilities:							
Vouchers payable	\$ 11,822	\$ 772	\$ 1	\$ -	\$ 7,103	\$ 4,095	\$ 23,793
Accounts payable	395	-	-	-	-	7	402
Retainage payable	-	51	-	-	-	-	51
Compensated absences - current	688	21	-	-	-	71	780
Intergovernmental payable	146	-	-	-	-	2	148
Due to other Funds	-	-	-	-	-	1,288	1,288
Deposits	437	-	-	-	-	69	506
Matured interest payable	-	-	2,411	3	-	4,425	6,839
Deferred revenue	5,349	10	435	33	-	5,385	11,212
Matured bonds payable	-	-	7,115	-	-	4,023	11,138
Total liabilities	<u>18,837</u>	<u>854</u>	<u>9,962</u>	<u>36</u>	<u>7,103</u>	<u>19,365</u>	<u>56,157</u>
Fund Balances:							
Reserved (Note XVI)	9,582	-	8,559	170	-	32,459	50,770
Unreserved:							
Designated (Note XVI):							
General fund	3,791	-	-	-	-	-	3,791
Special revenue funds	-	-	-	-	-	563	563
Capital project funds	-	299	-	-	4,590	26,048	30,937
Undesignated, reported in							
General fund	47,289	-	-	-	-	-	47,289
Special revenue funds	-	26,434	-	-	-	2,810	29,244
Capital projects funds	-	-	-	-	-	40,632	40,632
Total fund balances	<u>60,662</u>	<u>26,733</u>	<u>8,559</u>	<u>170</u>	<u>4,590</u>	<u>102,512</u>	<u>203,226</u>
Total liabilities and fund balances	<u>\$ 79,499</u>	<u>\$ 27,587</u>	<u>\$ 18,521</u>	<u>\$ 206</u>	<u>\$ 11,693</u>	<u>\$ 121,877</u>	<u>\$ 259,383</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 Assets**  
June 30, 2004  
(amounts expressed in thousands)

Amounts reported for governmental activities in the statement of net assets are different because:

Fund balances - Total governmental funds balance sheet		\$	203,226
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			
Governmental capital assets	\$	958,696	
Less accumulated depreciation		<u>(212,622)</u>	
			746,074
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.			4,551
Internal service funds are used by management to change the costs of workers' compensation, risk management, and employee benefits to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.			6,664
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		(345,618)	
Loans payable		(31,802)	
Compensated absences		(9,415)	
Bond premium		<u>(4,381)</u>	
			(391,216)
Unmatured interest payable			(62)
Deferred revenue that is measurable but not yet available for governmental fund activities is recognized as revenue for governmental-wide activities.			3,248
Net assets of governmental activities			<u><u>\$ 572,485</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, 2004

(amounts expressed in thousands)

	Major Funds					Other Non-Major Governmental Funds	Total Governmental Funds
	General	Transportation	General Obligation Debt Service	Special Assessment Debt Service	Arena Project		
<b>REVENUES</b>							
Taxes and special assessments	\$ 54,326	\$ 19,022	\$ 15,005	\$ 372	\$ -	\$ 4,930	\$ 93,655
Licenses and permits	8,887	-	-	-	183	7,597	16,667
Intergovernmental	47,161	1,734	-	-	-	24,271	73,166
Charges for services	2,108	167	-	-	9	2,540	4,824
Fines and forfeitures	3,169	-	-	-	-	-	3,169
Investment income (loss)	(78)	342	-	-	264	983	1,511
Miscellaneous	1,785	3	-	-	-	986	2,774
Total revenues	<u>117,358</u>	<u>21,268</u>	<u>15,005</u>	<u>372</u>	<u>456</u>	<u>41,307</u>	<u>195,766</u>
<b>EXPENDITURES</b>							
Current:							
General government	15,471	-	-	-	484	1,319	17,274
Public safety	47,901	-	-	-	113	5,791	53,805
Public works	12,710	-	-	-	-	106	12,816
Community services	18,729	8,026	-	-	616	2,635	30,006
Community environment	-	-	-	-	-	3,311	3,311
Street maintenance	-	-	-	-	-	9,811	9,811
Miscellaneous	-	-	271	58	-	226	555
Debt service:							
Principal	1,535	-	7,115	982	-	8,458	18,090
Interest	981	-	4,593	692	-	9,732	15,998
Capital outlay	5,613	5,226	-	-	79,552	30,442	120,833
Total expenditures	<u>102,940</u>	<u>13,252</u>	<u>11,979</u>	<u>1,732</u>	<u>80,765</u>	<u>71,831</u>	<u>282,499</u>
Excess (deficiency) of revenues over expenditures	<u>14,418</u>	<u>8,016</u>	<u>3,026</u>	<u>(1,360)</u>	<u>(80,309)</u>	<u>(30,524)</u>	<u>(86,733)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Payment to refunded bonds escrow agent	-	-	-	(10,945)	-	(10,317)	(21,262)
Discount on long-term debt	-	-	-	-	-	(82)	(82)
Long-term debt issued	-	-	-	-	-	69,522	69,522
Premium on long-term debt issued	-	-	-	-	-	1,114	1,114
Proceeds from equipment disposal	8,198	-	-	-	-	-	8,198
Capital lease proceeds	428	-	-	-	-	-	428
Other uses:							
Transfers in	86	900	-	12,023	-	19,934	32,943
Transfers out	(11,510)	(17)	-	-	-	(21,749)	(33,276)
Total other financing sources and uses	<u>(2,798)</u>	<u>883</u>	<u>-</u>	<u>1,078</u>	<u>-</u>	<u>58,422</u>	<u>57,585</u>
Net change in fund balances	<u>11,620</u>	<u>8,899</u>	<u>3,026</u>	<u>(282)</u>	<u>(80,309)</u>	<u>27,898</u>	<u>(29,148)</u>
Fund balances, July 1	49,042	17,834	5,533	452	84,899	74,614	232,374
Fund balances, June 30	<u>\$ 60,662</u>	<u>\$ 26,733</u>	<u>\$ 8,559</u>	<u>\$ 170</u>	<u>\$ 4,590</u>	<u>\$ 102,512</u>	<u>\$ 203,226</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, 2004  
(amounts expressed in thousands)

Amounts for governmental activities in the statement of net assets are different because:

Net change in fund balances - total governmental funds	\$	(29,148)
<p>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 \$120,833 exceeded depreciation of \$25,540 for the current period.</p>		
		95,293
<p>The net effect of various transactions involving capital is to increase net assets.</p>		
Capital contributions	\$	24,614
Disposals		(8,198)
Gain on sales		9
		<u>16,425</u>
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.</p>		
		209
<p>The net effect of long-term debt issuance and the related transactions is to decrease net assets.</p>		
Lease proceeds		(428)
Bond refunded		21,262
Bond premium		(1,114)
Bond discount		82
Bonds issuance costs		1,456
Principal paid		18,090
Debt issued		<u>(69,522)</u>
		(30,174)
<p>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.</p>		
		(544)
<p>Internal service funds are used by management to charge the costs of fleet management and management information systems to individual funds.</p>		
		416
<p>The net revenue of certain activities of internal service funds is reported with governmental activities.</p>		
		11
<p>Interest expense on the statement of activities differ from governmental funds because of the portion not accrued on the governmental funds.</p>		
		1
Change in net assets of governmental activities	<u>\$</u>	<u>52,489</u>

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

City of Glendale, Arizona  
**Statement of Net Assets**  
**Proprietary Funds**  
June 30, 2004  
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Major Funds		Other Proprietary Funds	Total	
	Water and Sewer	Landfill			
<b>ASSETS</b>					
Current assets:					
Equity in pooled cash and investments	\$ 29,928	\$ 18,681	\$ 1,459	\$ 50,068	\$ 13,221
Receivables:					
Accounts	6,870	746	1,600	9,216	47
Allowance for uncollectibles	(187)	(4)	(24)	(215)	-
Accrued interest	58	-	-	58	-
Intergovernment receivable	6	-	447	453	-
Inventories and prepaid items	1,405	-	5	1,410	260
Total current assets	<u>38,080</u>	<u>19,423</u>	<u>3,487</u>	<u>60,990</u>	<u>13,528</u>
Noncurrent assets:					
Restricted cash and investments	69,563	1,835	473	71,871	165
Capital assets:					
Capital assets	476,244	20,477	19,565	516,286	-
Accumulated depreciation	(105,560)	(4,940)	(10,102)	(120,602)	-
Capital assets, net	<u>370,684</u>	<u>15,537</u>	<u>9,463</u>	<u>395,684</u>	<u>-</u>
Water storage rights, net	6,490	-	-	6,490	-
Equity in joint venture	37,148	-	-	37,148	-
Total noncurrent assets	<u>483,885</u>	<u>17,372</u>	<u>9,936</u>	<u>511,193</u>	<u>165</u>
Total assets	<u>521,965</u>	<u>36,795</u>	<u>13,423</u>	<u>572,183</u>	<u>13,693</u>
<b>LIABILITIES</b>					
Current liabilities:					
Vouchers payable	6,213	292	126	6,631	132
Accounts payable	-	-	49	49	-
Retainage payable	584	-	-	584	-
Compensated absences	721	146	201	1,068	-
Accrued expenses	1,096	-	-	1,096	-
Due to other funds	-	-	57	57	-
Intergovernment payable	171	-	71	242	-
Deposits	462	81	101	644	-
Unearned rent	-	-	3	3	-
Estimated claims payable	-	-	-	-	5,259
Current portion of long-term debt:					
General obligation bonds	2,690	162	-	2,852	-
Unamortized premium on debt issuance	198	-	-	198	-
Revenue bonds payable	6,330	-	-	6,330	-
Capital lease payable	27	1,454	1,117	2,598	-
Other long-term debt	772	-	-	772	-
Interest payable	3,825	110	19	3,954	-
Total current liabilities	<u>23,089</u>	<u>2,245</u>	<u>1,744</u>	<u>27,078</u>	<u>5,391</u>
Noncurrent liabilities:					
Deferred revenue	-	-	-	-	56
Compensated absences	313	52	157	522	-
General obligation bonds	13,135	870	-	14,005	-
Unamortized premium on debt issuance	3,469	-	-	3,469	-
Revenue bonds payable	115,140	-	-	115,140	-
Other long-term debt	-	-	43	43	-
Note payable	13,661	-	-	13,661	-
Capital lease obligations	57	6,466	1,886	8,409	-
Claims payable	-	-	-	-	1,582
Estimated closure and post-closure costs	-	9,443	-	9,443	-
Total noncurrent liabilities	<u>145,775</u>	<u>16,831</u>	<u>2,086</u>	<u>164,692</u>	<u>1,638</u>
Total liabilities	<u>168,864</u>	<u>19,076</u>	<u>3,830</u>	<u>191,770</u>	<u>7,029</u>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	215,206	6,585	6,461	228,252	-
Restricted for:					
Debt service	2,255	-	-	2,255	-
Revenue bond retirement, replacement and extension	6,900	-	-	6,900	-
Other purposes	677	-	647	1,324	-
Unrestricted	128,063	11,134	2,485	141,682	6,664
Total net assets	<u>\$ 353,101</u>	<u>\$ 17,719</u>	<u>\$ 9,593</u>	<u>380,413</u>	<u>\$ 6,664</u>
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds				(588)	
Net assets of business-type activities				<u>\$ 379,825</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 Assets**  
**Proprietary Funds**  
Fiscal Year for the Fiscal Year Ended June 30, 2004  
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Major Funds		Other Proprietary Funds	Totals	
	Water and Sewer	Landfill			
Operating revenues:					
Intergovernmental	\$ 14	\$ -	\$ 7,643	\$ 7,657	\$ -
Metered water sales	26,321	-	-	26,321	-
Sewer service charges	19,452	-	-	19,452	-
Container service	-	-	4,564	4,564	-
Curb service	-	-	8,136	8,136	-
Landfill user fees	-	7,117	-	7,117	-
Self-insurance premium	-	-	-	-	16,645
Recycling sales	-	2,239	-	2,239	-
Other fees	1,149	32	520	1,701	-
Total operating revenues	<u>46,936</u>	<u>9,388</u>	<u>20,863</u>	<u>77,187</u>	<u>16,645</u>
Operating expenses:					
Water	13,036	-	-	13,036	-
Sewer	9,149	-	-	9,149	-
Landfill	-	5,064	-	5,064	-
Housing	-	-	8,498	8,498	-
Closure/post-closure care adjustment	-	441	-	441	-
Sanitation	-	-	11,330	11,330	-
Administrative and general	9,260	-	-	9,260	-
Insurance claims	-	-	-	-	16,281
Amortization and depreciation	9,475	1,122	1,168	11,765	-
Total operating expenses	<u>40,920</u>	<u>6,627</u>	<u>20,996</u>	<u>68,543</u>	<u>16,281</u>
Operating income (loss)	<u>6,016</u>	<u>2,761</u>	<u>(133)</u>	<u>8,644</u>	<u>364</u>
Nonoperating revenues (expenses):					
Impact fees	5,485	207	107	5,799	-
Investment income	788	307	20	1,115	209
Interest expense	(4,620)	(461)	(112)	(5,193)	-
Net loss from joint venture	(1,285)	-	-	(1,285)	-
Bond issuance cost	(30)	-	-	(30)	-
Gain (loss) on disposal of assets	50	(81)	(45)	(76)	-
Intergovernmental - capital grants	-	-	153	153	-
Total nonoperating revenue (expenses)	<u>388</u>	<u>(28)</u>	<u>123</u>	<u>483</u>	<u>209</u>
Income before contributions and transfers	6,404	2,733	(10)	9,127	573
Capital contributions	2,414	-	-	2,414	-
Transfers in	-	-	350	350	2,500
Transfers out	(17)	-	-	(17)	(2,500)
Change in net assets	<u>8,801</u>	<u>2,733</u>	<u>340</u>	<u>11,874</u>	<u>573</u>
Total net assets - beginning	344,300	14,986	9,253		6,091
Total net assets - ending	<u>\$ 353,101</u>	<u>\$ 17,719</u>	<u>\$ 9,593</u>		<u>\$ 6,664</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(52)	
Change in net assets of business-type activities				<u>\$ 11,822</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, 2004  
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Major Funds		Other Proprietary Funds	Totals	
	Water and Sewer	Landfill			
<b>Cash flows from operating activities:</b>					
Cash received from customers	\$ 46,638	\$ 9,118	\$ 13,110	\$ 68,866	\$ 16,647
Cash received from federal government	-	-	7,558	7,558	-
Cash paid to suppliers:					
Internal city departments	(5,949)	(1,203)	(6,594)	(13,746)	-
External vendors	(16,217)	(1,860)	(8,483)	(26,560)	-
Cash paid for insurance and in settlement of claims	-	-	-	-	(16,600)
Cash paid to employees for services	(7,586)	(1,866)	(4,616)	(14,068)	-
Net cash provided by operating activities	<u>16,886</u>	<u>4,189</u>	<u>975</u>	<u>22,050</u>	<u>47</u>
<b>Cash flows from (used) for noncapital financing activities:</b>					
Cash received from federal government	73	-	-	73	-
Proceeds from issuance of long-term debt	-	-	14	14	-
Proceeds from sale of investments	-	-	29	29	-
Transfers in	-	-	350	350	-
Transfers out	(17)	-	-	(17)	-
Net cash provided by noncapital financing activities	<u>56</u>	<u>-</u>	<u>393</u>	<u>449</u>	<u>-</u>
<b>Cash flows from capital and related financing activities:</b>					
Proceeds from sale of capital assets	55	-	-	55	-
Proceeds from loans and bonds	85,563	-	-	85,563	-
Proceeds from capital leases	-	-	655	655	-
Principal payments on obligations	(12,759)	(1,633)	(984)	(15,376)	-
Acquisition of capital assets and rights	(38,631)	(107)	(514)	(39,252)	-
Impact fees	5,485	207	107	5,799	-
Interest payments on obligations	(2,457)	(440)	(109)	(3,006)	-
Capital grant proceeds	-	-	153	153	-
Net cash provided by or used for capital and related financing activities	<u>37,256</u>	<u>(1,973)</u>	<u>(692)</u>	<u>34,591</u>	<u>-</u>
<b>Cash flows from investing activities:</b>					
Interest received from investments	823	308	20	1,151	209
Net cash provided by investing activities	<u>823</u>	<u>308</u>	<u>20</u>	<u>1,151</u>	<u>209</u>
Net increase in cash and cash equivalents during fiscal year	55,021	2,524	696	58,241	256
Cash and cash equivalents, July 1	44,470	17,992	1,236	63,698	13,130
Cash and cash equivalents, June 30	<u>\$ 99,491</u>	<u>\$ 20,516</u>	<u>\$ 1,932</u>	<u>\$ 121,939</u>	<u>\$ 13,386</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 Funds	Totals	
	Water and Sewer	Landfill			
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>					
Operating income (loss)	\$ 6,016	\$ 2,761	\$ (133)	\$ 8,644	\$ 364
Adjustments to reconcile operating income to net cash provided by operations:					
Amortization and Depreciation	9,475	1,122	1,168	11,765	-
Less cash received from federal government	(73)	-	-	(73)	-
Changes in assets and liabilities:					
Accounts receivable	(295)	(265)	(106)	(666)	(47)
Intergovernmental receivable	59	-	(100)	(41)	-
Inventories and prepaid items	(958)	-	-	(958)	9
Accounts payable	(61)	-	18	(43)	(42)
Vouchers payable	3,560	107	71	3,738	(427)
Accrued expenses	(924)	-	(1)	(925)	-
Intergovernmental payable	-	-	15	15	-
Due to other funds	-	-	53	53	-
Deposits	11	(4)	(5)	2	-
Unearned rent	-	-	(1)	(1)	-
Deferred revenue	-	-	-	-	49
Compensated absences	76	27	(4)	99	-
Claims payable	-	-	-	-	141
Estimated closure and post-closure costs	-	441	-	441	-
Net cash provided by operating activities	<u>\$ 16,886</u>	<u>\$ 4,189</u>	<u>\$ 975</u>	<u>\$ 22,050</u>	<u>\$ 47</u>
<b>Reconciliation of balance sheet cash and investments to the statement of cash flows:</b>					
Per combined balance sheet:					
Equity in pooled cash and investments	\$ 29,928	\$ 18,681	\$ 1,459	\$ 50,068	\$ 13,221
Restricted cash and investments	69,563	1,835	473	71,871	165
Total cash and cash equivalents	<u>\$ 99,491</u>	<u>\$ 20,516</u>	<u>\$ 1,932</u>	<u>\$ 121,939</u>	<u>\$ 13,386</u>
<b>Noncash investing, capital, and financing activities:</b>					
Contributions of capital assets	\$ 2,414	\$ -	\$ -	\$ 2,414	\$ -
Loss on joint venture	(1,285)	-	-	(1,285)	-

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2004

(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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**I. Summary of significant accounting policies**

**A. Entity-wide and fund financial statements**

The Entity-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the activities of the primary City and its component unit. For the most part, the effect of interfund activity has been removed from these statements. *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.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are 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.

**B. 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 Mayor elected at large, and six district council members. The City operates under a Council-Manager government. As required by GAAP, these financial statements present the government and its component units, an entity 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 unit

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. MPC does not issue separate audited financial statements. However, it does file a separate annual report with the Arizona Corporation Commission (ACC). Copies of the ACC report are available from the City's Finance Department. It is the only blended component unit.

**C. Form of presentation – Government-wide financial statements**

The City reports the following major governmental funds:

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2004

(amounts expressed in thousands)

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

The *transportation fund* accounts for the City's public transit program including activities funded by Federal grants and distributions received from the Arizona State Lottery. Additionally, on November 6, 2001, Glendale voters authorized a new half-cent sales tax to pay for transportation projects and programs for all modes of transportation.

The *general obligation debt service fund* accounts for the resources accumulated through a secondary property tax levy and payments made for principal and interest on long-term general obligation debt of governmental funds.

The *special assessment debt service fund* accumulates monies for payment of the City's improvement districts' debt. Each district makes assessments to pay its debt service.

The *arena project fund* was established to account for bond proceeds received and expenses paid related to the construction of the Coyotes Arena.

The City reports the following major proprietary funds:

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

The *landfill fund* accounts for operations of the City-owned landfill. It provides services to residential and commercial users of the City.

Additionally, the City reports the following fund types:

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the Citywide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Cities also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

**D. Form of presentation – fund financial statements**

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, liabilities, 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,

## CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

June 30, 2004

(amounts expressed in thousands)

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 special assessments, expendable trusts if any, or 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 special assessments, Highway User 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 funds: Permanent funds are used to account for financial resources to be used by cemetery fund.

### **Proprietary funds**

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

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

Fiduciary funds: The City has none.

### **E. Measurement focus and basis of accounting**

The citywide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. 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. Revenues are considered to be *available* when they are collectible within the

## CITY OF GLENDALE, ARIZONA

Notes to the Financial Statements

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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 30 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 include property tax, sales tax, highway users 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. Special assessment levies are reported as revenue when measurable and available.

### F. Interfund transactions

There are several types of transactions that are reported in the financial statements as interfund 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 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 Statement (GASBS) 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 and as non-operating revenues/expenses in proprietary funds).

Activity 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 interfund activity and balances between governmental activities and business-type activities are shown (reported as "internal balances").

### G. 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.



**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

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**H. 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 an expenditure at time of purchase (i.e., the Purchase Method) for budgetary purposes. At June 30, 2004, the postage portion of the general fund supplies inventory was \$46. Certain expenditures are recorded for financial reporting purposes as prepaid items.

Special reporting treatment is applied to governmental fund inventories to indicate that they do not represent *available expendable financial resources*, even though they are a component of current assets. Such amounts have been offset by a fund balance reserve account.

**I. 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 assets, because they are maintained in separate bank accounts and their use is limited by applicable debt covenants. 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.

**J. Capital assets**

Prior to GASB Statement 34, capital assets for governmental funds were recorded in the general fixed assets account group and were not depreciated. The new model requires that all capital assets, whether owned by governmental activities or business-type activities, be recorded and depreciated in the government-wide financial statements. 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 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 during the current fiscal year was \$5,193. In addition, \$630 was included as part of the cost of capital assets under construction in connection with water and sewer projects.

**CITY OF GLENDALE, ARIZONA**

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Property, plant, and equipment is 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 net book value (cost less accumulated depreciation) as of the date of the transfer.

**K. Water storage rights**

The City has entered into a lease agreement with Salt River Pima-Maricopa Indian Community (SRP-MIC) for the rights to 1814 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, 2004, is \$2,390. 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, 2004, the City has capitalized payment of \$4,100 for these water rights. Upon completion, the City will amortize this asset over 40 years on a straight-line basis.

**L. Fund balance/net assets reservations and designations**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation by legislative action by the City Council or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. Only restrictions imposed by external sources are shown as Restricted Net Assets on the government-wide financial statements. Reservations or designations of net assets imposed by the reporting government, whether by administrative policy or legislative action of the reporting government, are shown in aggregate on the governmental fund financial statements.

**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 revenue.

**CITY OF GLENDALE, ARIZONA**

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Property Tax Calendar

Lien date	January 1, 2003
Levy (assessment) date (third Monday in August)	August 18, 2003
Due dates:	
First half of assessment	October 1, 2003
Second half of assessment	March 1, 2004
Penalties and interest added (collection dates):	
First half of assessment	November 3, 2003
Second half of assessment	May 3, 2004

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 ratios 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, 2004, is as follows:

<u>Fund</u>	<u>Rate</u>
General fund	\$ 0.34
General obligation debt service fund	<u>1.38</u>
Total	<u>\$ 1.72</u>

**N. Compensated absences**

Vacation time is accumulated up to a maximum of six workweeks. Compensatory time is earned in lieu of cash payment for overtime and is accumulated up to a maximum of 80 hours. 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. Sick leave is accumulated without limit and can be used in the event of an illness in the immediate family. Accumulated sick leave is convertible to a partial-cash benefit upon termination or retirement after five years of service, or annually through an irrevocable declaration.

The current portion of the liability for compensated absences recorded in the governmental funds, which is equal to: 1) vacation and compensatory time taken and paid during the thirty days following the year ended June 30, 2004, 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. For the government-wide financial statements, as well as the proprietary fund financial statements, all of the outstanding vacation, compensatory time, and sick leave are recorded as a liability.

**O. Deferred revenue**

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

**CITY OF GLENDALE, ARIZONA**

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Revenues related to time payment contracts are recorded as deferred revenue earned but not available in the permanent fund.

Revenues related to Court fines are recorded as unearned revenue until adjudicated by the Court.

Revenues related to property tax levies are recorded as deferred revenue until available to fund current activities.

Special revenue funds' deferred revenue and receivables consist principally of low interest rate loans made with grants from the Community Development Block Grant program for rehabilitation of homes for low to moderate income Glendale residents. Revenue will be recognized in future periods as loans are repaid or forgiven based on the homeowner's loan contract. An expenditure was recorded when the loans were made.

**P. Long-term obligations**

In the citywide 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 assets. Bond premiums and discounts, as well as issuance costs, are deferred 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. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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 of 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 nonoperating revenues and expenses.

**R. 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). 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

## **CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

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emergency. Contributions to the plan are administered by one of two third-party administrators, ICMA Retirement Corporation (ICMA-RC) and PEBSCO Securities Corporation (Nationwide Retirement Solutions). 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.

In accordance with GASBS 32, the City provides neither administrative services nor investment advice to the plans and therefore, no fiduciary relationship exists between the City and the deferred compensation pension plan. Therefore, Plan assets are not included as a fund of the City. To further clarify the legal trust status in Arizona of plan assets with ICMA-RC and Nationwide Retirement Solutions, a Trust Agreement was executed by the City management on May 19, 2001.

### **S. Investments**

The City utilizes 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 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 City's investment in LGIP represents shares of the pool's portfolio. The fair value of each share in the LGIP is \$1. These shares are not identified with specific investments and are not subject to custodial credit risk. Both the County and LGIP are not registered with the Securities and Exchange Commission as investment companies. The State Board of Deposits provides oversight, and the Local Government Investment Pool Advisory Committee provides consultation and advice to the LGIP. There is no regulatory oversight of the County Treasurer's operations. The net decrease in the fair value of investments during fiscal year 2003-04 was \$1,338.

### **II. Compliance - Excess of expenditure over appropriations**

For the year ended June 30, 2004, expenditures exceeded appropriations in the highway user debt service fund and housing fund (the legal level of budgetary control) by \$54 and \$496, respectively. These over-expenditures were funded by available fund balance in the housing fund, in addition to operating transfers in the highway user debt service fund.

### **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, excluding restricted cash, was \$54,218. The bank ledger balances were \$54,216, of which \$270 was insured by the Federal Depository Insurance Corporation (FDIC), \$101,751 was collateralized by the bank's agent in the City's name, covering \$53,946.

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

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At year-end, the carrying amount of the City's cash with fiscal agents totaled \$917. Cash with the fiscal agent is credited to the name of the bondholder upon receipt by the fiscal agent from the City and as such, the monies are not collateralized. Rights to the monies are collateralized by the FDIC in the name of the bondholder. Of this amount, \$677 was held in an escrow account maintained by the Arizona State Treasurer and is not subject to credit risk categorization.

Investments

State Statutes and the City's investment policy authorize the City to invest 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 investments are categorized as follows to give an indication of the level of credit risk assumed at year-end.

Category 1	Investments that are insured or registered or for which the Securities are held by the City or its agent in the City's name.
Category 2	Uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name.
Category 3	Uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the City's name.

	Fair Value
Credit risk category 1	
Commercial paper	\$ 2,068
U.S. Treasury securities	26,633
U.S. instrumentalities	110,337
Investments not subject to credit risk categorization:	
LGIP	153,320
Maricopa County Treasurer's Investment Pool	585
Wells Fargo Money Market	630
Wells Fargo Treasury Plus	6,505
Dreyfus cash	12,964
Bank One Trust Money Market	498
Total investments	<u>\$ 313,540</u>

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

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**IV. Capital assets**

A summary of capital asset activity, for the government-wide financial statements, for the year ended June 30, 2004, is as follows:

	Balances June 30, 2003	Additions	Transfers	Disposals	Balances June 30, 2004
<b>Governmental activities</b>					
Non-depreciable assets:					
Construction in progress	\$ 136,486	\$ 131,614	\$ (223,640)	\$ -	\$ 44,460
Land	42,679	633	618	-	43,930
Artwork	1,166	-	9	-	1,175
Total non-depreciable assets	<u>180,331</u>	<u>132,247</u>	<u>(223,013)</u>	<u>-</u>	<u>89,565</u>
Depreciable assets:					
Buildings	68,158	819	91,942	-	160,919
Improvements other than buildings	58,016	-	60,031	-	118,047
Infrastructure - streets	412,132	6,959	43,216	-	462,307
Infrastructure - parks	19,867	-	12,572	-	32,439
Infrastructure - flood/storm drains	27,975	159	115	-	28,249
Infrastructure - airport	8,199	-	3,699	-	11,898
Machinery and equipment	17,270	813	10,087	(33)	28,137
Computer equipment	1,179	71	186	(23)	1,413
Software	495	20	-	-	515
Automotive equipment	22,771	2,161	1,165	(890)	25,207
Total depreciable assets at historical cost	<u>636,062</u>	<u>11,002</u>	<u>223,013</u>	<u>(946)</u>	<u>869,131</u>
Less accumulated depreciation for:					
Buildings	(25,419)	(3,446)	-	-	(28,865)
Improvements other than buildings	(36,936)	(4,546)	-	-	(41,482)
Infrastructure - streets	(92,035)	(10,905)	-	-	(102,940)
Infrastructure - parks	(7,836)	(874)	-	-	(8,710)
Infrastructure - flood/storm drains	(2,339)	(378)	-	-	(2,717)
Infrastructure - airport	(4,040)	(269)	-	-	(4,309)
Machinery and equipment	(3,634)	(2,505)	-	36	(6,103)
Computer equipment	(676)	(243)	-	16	(903)
Software	(154)	(91)	-	-	(245)
Automotive equipment	(14,881)	(2,287)	-	820	(16,348)
Total accumulated depreciation	<u>(187,950)</u>	<u>(25,544)</u>	<u>-</u>	<u>872</u>	<u>(212,622)</u>
Total depreciable assets, net	<u>448,112</u>	<u>(14,542)</u>	<u>223,013</u>	<u>(74)</u>	<u>656,509</u>
Governmental activities capital assets, net	<u>\$ 628,443</u>	<u>\$ 117,705</u>	<u>\$ -</u>	<u>\$ (74)</u>	<u>\$ 746,074</u>

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2004

(amounts expressed in thousands)

	Balances June 30, 2003	Additions	Transfers	Disposals	Balances June 30, 2004
<b>Business-type activities:</b>					
Non-depreciable assets:					
Construction in progress - water and sewer	\$ 32,653	\$ 32,331	\$ -	\$ (13,284)	\$ 51,700
Construction in progress - landfill	1	149	-	(150)	-
Construction in progress - landfill bonds	1,652	-	-	(1,652)	-
Construction in progress - housing authority	482	113	-	(267)	328
Land	9,477	-	-	-	9,477
Total non-depreciable assets	<u>44,265</u>	<u>32,593</u>	<u>-</u>	<u>(15,353)</u>	<u>61,505</u>
Depreciable assets:					
Buildings	13,520	212	21	-	13,753
Improvements other than buildings	7,276	2,999	2,200	(4)	12,471
Water lines	82,860	2,364	-	-	85,224
Sewer lines	97,159	12,283	-	-	109,442
Water treatment plant	90,596	26	-	-	90,622
Sewer treatment plant	90,384	290	-	-	90,674
Meters and services	27,650	-	-	-	27,650
Fire hydrants	5,187	-	-	-	5,187
Machinery and equipment	8,266	105	(4,315)	(462)	3,594
Computer equipment	934	32	252	(5)	1,213
Automotive equipment	14,090	356	1,842	(1,337)	14,951
Total depreciable assets at historical cost	<u>437,922</u>	<u>18,667</u>	<u>-</u>	<u>(1,808)</u>	<u>454,781</u>
Less accumulated depreciation for:					
Buildings	(3,676)	(488)	-	-	(4,164)
Improvements other than buildings	(1,980)	(505)	(644)	3	(3,126)
Water lines	(20,127)	(1,399)	-	-	(21,526)
Sewer lines	(28,622)	(1,867)	-	-	(30,489)
Water treatment plant	(31,656)	(2,571)	-	-	(34,227)
Sewer treatment plant	(4,777)	(2,095)	-	-	(6,872)
Meters and services	(5,415)	(756)	-	-	(6,171)
Fire hydrants	(1,303)	(101)	-	-	(1,404)
Machinery and equipment	(3,683)	(312)	915	178	(2,902)
Computer equipment	(789)	(98)	-	1	(886)
Automotive equipment	(8,367)	(1,502)	(237)	1,271	(8,835)
Total accumulated depreciation	<u>(110,395)</u>	<u>(11,694)</u>	<u>34</u>	<u>1,453</u>	<u>(120,602)</u>
Total depreciable assets, net	<u>327,527</u>	<u>6,973</u>	<u>34</u>	<u>(355)</u>	<u>334,179</u>
Business-type activities capital assets, net	<u>\$ 371,792</u>	<u>\$ 39,566</u>	<u>\$ 34</u>	<u>\$ (15,708)</u>	<u>\$ 395,684</u>



**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2004

(amounts expressed in thousands)

Depreciation was charged to functions/programs as follows:

Governmental activities:	
General	\$ 7,208
Public safety	2,454
Public works	1,105
Street maintenance	10,654
Community services	3,976
Community environment	<u>147</u>
Total depreciation expense	<u>\$ 25,544</u>
Business-type activities:	
Water and sewer	\$ 9,404
Landfill	1,122
Sanitation	809
Housing	<u>359</u>
Total depreciation expense	<u>\$ 11,694</u>

**V. Construction and other significant commitments**

The City has active construction projects as of June 30, 2004. The projects include street construction, park facilities, field operation complex, and the construction of additional water and sewer facilities. At year-end the government's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Construction Commitment</u>
General government	\$ 606	\$ 127
Community services	10,490	3,267
Public safety	2,479	355
Public works	22,157	3,606
Street maintenance	8,728	6,525
Water and sewer facilities	<u>51,041</u>	<u>14,314</u>
Total governmental activities	<u>\$ 95,501</u>	<u>\$ 28,194</u>

**VI. 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; theft of, damage to, and destruction of assets; errors and omissions; and natural disaster. The City's risk management fund purchases commercial insurance for property, aviation, Inland Marine, errors and omissions, boiler and machinery, special events, and vehicle property damage. The risk management fund was fully self-insured through June 30, 1998, for tort liability loss. Effective July 1, 1998, the City purchased excess public entity liability insurance with \$1 million of self-insurance retention for claims incurred on or after July 1, 1998.

Funds receiving insurance coverage pay monthly premiums to the risk management fund based upon an actuarial review and recommendation made by the insurance advisor.

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2004

(amounts expressed in thousands)

Premium payments to insurance carriers are made directly from the risk management 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.

**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 \$500 for each workers' compensation claim and purchases commercial insurance for claims in excess of \$500.

Funds receiving insurance coverage pay monthly premiums to the workers' compensation fund based upon an actuarial review and recommendation made by the insurance advisor.

Premium payments to insurance carriers 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 and COBRA participants contribute 100% of premiums for their insurance benefit coverage. Premiums for the vision, dental, and life insurance plans are determined prior to each renewal period by a variety of factors including: the number of plan participants, the demographics of the group and previous claims history. These insurance benefits are provided through fully insured, mini-premium and self-insured insurance plans. The medical insurance plan covers individual claims in excess of \$150 for each plan year.

These premiums are set prior to the beginning of each plan year equal to 105% 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.

**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. None of the self-insurance programs include a provision for unallocated claim adjustment expenses.

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.

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2004

(amounts expressed in thousands)

The City reports the estimated liability in net present value dollars using a future investment yield assumption of 5%. These liabilities are reported in the internal service funds at their present value of \$6,841 as of June 30, 2004. Changes in the balances of claims liabilities during the past two years are as follows:

	Risk Management		Workers' Compensation		Employee Benefits	
	2004	2003	2004	2003	2004	2003
Unpaid claims, beginning of fiscal year	\$ 2,318	\$ 1,644	\$ 2,503	\$ 1,868	\$ 1,879	\$ 1,448
Current year claims and changes in estimate	1,462	3,208	435	2,060	11,847	11,653
Claims payments	(1,212)	(2,534)	(744)	(1,425)	(11,647)	(11,222)
Balance at fiscal year end	<u>\$ 2,568</u>	<u>\$ 2,318</u>	<u>\$ 2,194</u>	<u>\$ 2,503</u>	<u>\$ 2,079</u>	<u>\$ 1,879</u>

**VII. Leases****A. Capital leases**

The City's capital lease activity consists principally of leasing various types of heavy equipment for landfill, sanitation, and fire. Additionally, the City has entered into capital leases involving real property for various funds. The City's lease obligations meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases," and have been recorded on the government-wide statements. The future minimum lease obligation and net present value of lease payments for the leases at June 30, 2004, is as follows:

<u>Year Ending June 30</u>	<u>Capital Leases</u>
2005	\$ 4,556
2006	4,210
2007	3,712
2008	3,295
2009	3,137
2010-2014	13,436
2015-2019	303
Total minimum lease payments	<u>32,649</u>
Less: Amount representing interest	<u>(6,941)</u>
Present value of net minimum lease payments	<u>\$ 25,708</u>

**CITY OF GLENDALE, ARIZONA**  
Notes to the Financial Statements  
June 30, 2004  
(amounts expressed in thousands)

The assets acquired through capital leases are as follows:

Class of Property	Governmental Activities	Business-type Activities
Equipment	\$ 472	\$ 2,905
Automotive equipment	2,975	5,108
Building	197	6,800
Other	5,493	2,498
	9,137	17,311
Less: Accumulated depreciation	(2,943)	(5,102)
Total	\$ 6,194	\$ 12,209

**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 2003-04 were \$216.

**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 2007 and beyond. The carrying value of leased assets is \$204,806 (cost of \$209,466 less accumulated depreciation of \$4,660). The leased properties and buildings are included as capital assets in the government-wide financial statements. Certain leases contain provisions for future increased revenues based upon changes in the Consumer Price Index.

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

Fiscal Year	Total Revenues
2005	\$ 1,072
2006	1,065
2007	955
2008	397
Beyond 2009	980
Total	\$ 4,469

**VIII. Short-term debt**

The City did not issue short-term debt for the year ended June 30, 2004.

**IX. Long-term debt**

**A. General obligation bonds**

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.

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2004

(amounts expressed in thousands)

**B. Revenue bonds**

Highway User Revenue Bonds are used to construct street and highway projects. The debt service is repaid through the highway user revenue fund, a special revenue fund, from the City's share of the gasoline taxes that are collected by the State of Arizona and distributed to cities and towns based on a formula of population and gasoline sales within the county.

Water and Sewer Revenue Bonds are issued, pursuant to voter authorization, for the construction, acquisition, and equipping of water and sewer facilities and related systems and infrastructure. The bonds are backed by the revenues of the water and sewer systems.

**C. Municipal property corporation bonds (MPC)**

In 1982, 2002, and 2003 the MPC, a non-profit corporation, issued bonds to finance the construction of a new municipal office complex and hockey arena, respectively. On October 19, 1982, July 31, 2002, and May 1, 2003, the City entered into a lease purchase agreement with MPC, whereby the City is purchasing the constructed municipal office complex and hockey arena, 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. An amount equal to the MPC debt service and related miscellaneous fees, is payable to the MPC in monthly installments by the City, which commenced July 1, 1983, February 1, 2003, July 1, 2003, and January 1, respectively.

Under the provisions of the purchase agreement, the City has pledged for the payment of the purchase price: 1) all net revenues derived by it from the municipal office complex and arena, and 2) all excise, transaction, privilege and franchise taxes which it currently collects, which it may collect or which are allocated to it by any other governmental unit or municipal corporation, except its 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 or will the purchase price be payable from the proceeds of ad valorem taxes.

**D. Special assessment bonds**

The City has a trust relationship for special assessment districts whereby it collects the assessments levied against owners of property within established districts and disburses the amounts collected to retire the bonds issued to finance related improvements. The City is required to annually appropriate from the tax revenues of the general fund monies to be applied in payment of the outstanding bonds to the extent that the funds derived from the collection of the unpaid special assessments are insufficient for the payment of the principal and interest falling due in any year. At June 30, 2004, special assessments receivable, together with amounts paid in advance and interest to be received over the life of the assessment period, are adequate to meet the scheduled maturities of the bonds payable and related interest. Improvement bonds are collateralized by properties within the districts. In the event of default by the property owner, the City may auction the property to satisfy debt service requirements subject to federal bankruptcy laws. The City is contingently liable on special assessment bonds to the extent that proceeds from auction sales are insufficient to retire outstanding bonds.

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2004

(amounts expressed in thousands)

**E. 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, 2004.

	June 30, 2003	Additions	Reductions	June 30, 2004	Amounts Due Within One Year
General obligation (G.O.) bonds	\$ 127,104	\$ 36,645	\$ (10,061)	\$ 153,688	\$ 8,583
Special assessment debt					
with governmental commitment	12,036	-	(11,927)	109	34
Revenue bonds:					
Street and highway	20,030	14,655	(11,955)	22,730	275
Municipal property corporation	170,590	18,222	(8,582)	180,230	2,280
Total bonds payable	<u>329,760</u>	<u>69,522</u>	<u>(42,525)</u>	<u>356,757</u>	<u>11,172</u>
Capital leases and other debt:					
Capital lease obligations	14,971	428	(695)	14,704	963
Notes payable	20,193	-	(3,095)	17,098	2,336
Total capital leases and other debt	<u>35,164</u>	<u>428</u>	<u>(3,790)</u>	<u>31,802</u>	<u>3,299</u>
Other long-term obligations:					
Compensated absences	9,539	655	-	10,194	7,081
Claims and judgments	6,700	13,747	(13,606)	6,841	5,259
Unamortized premium on debt issuance	3,425	1,114	(158)	4,381	245
Arbitrage rebate payable	291	-	(291)	-	-
Total other long-term obligations	<u>19,955</u>	<u>15,516</u>	<u>(14,055)</u>	<u>21,416</u>	<u>12,585</u>
Total	<u>\$ 384,879</u>	<u>\$ 85,466</u>	<u>\$ (60,370)</u>	<u>\$ 409,975</u>	<u>\$ 27,056</u>

General fund typically has been used to liquidate compensated absences in prior years, since most employees engaged in governmental activities are paid from that fund. Paychecks include payment for leave taken during the current pay period. General obligation (G.O.) bond debt service fund typically has been used to liquidate arbitrage rebate in prior years, since most arbitrage liability was generated by related G.O. bond proceeds.

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2004

(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, 2004.

	June 30, 2003	Additions	Reductions	June 30, 2004	Amounts Due Within One Year
Water and sewer G.O. bonds	\$ 17,845	\$ -	\$ (2,020)	\$ 15,825	\$ 2,690
Landfill G.O. bonds	1,186	-	(154)	1,032	162
Unamortized premium on debt issuance	609	3,203	(145)	3,667	198
Water and sewer revenue bonds	49,280	80,000	(7,810)	121,470	6,330
Note payable	14,831	907	(1,305)	14,433	772
Capital lease obligations	12,838	655	(2,486)	11,007	2,598
Estimated closure and post-closure costs	9,003	440	-	9,443	-
Compensated absences	1,492	98	-	1,590	1,068
Housing noncurrent liabilities	29	14	-	43	-
Total	<u>\$ 107,113</u>	<u>\$ 85,317</u>	<u>\$ (13,920)</u>	<u>\$ 178,510</u>	<u>\$ 13,818</u>

**F. Advance refunded bonds**

In prior years, 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 irrevocable escrow accounts with a trust agent, which will provide amounts sufficient for future payment of principal and interest of the issues 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 these earlier issues will not be actually retired until the call dates have come due or until maturity if they are not callable issues. No advance refundings were done by the City for the fiscal year ending June 30, 2004. However, a current refunding was done. The remaining balance of bonds considered defeased at June 30, 2004, are as follows:

Issue Refunded	Date Refunded	Remaining Balance
Water and sewer G.O. bonds: Series 1984	May 1, 1985	\$ 2,225

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2004

(amounts expressed in thousands)

**G. Bonds payable**

Bonds payable at June 30, 2004, are comprised of the following:  
 Classified in governmental activities on the government-wide financial statements:  
 General Obligation Bonds:

Purpose	Interest Rate	Issued Fiscal Year Ending June 30	Year Series Matures	Amount of Original Issue	Bonds Outstanding June 30, 2004
<u>G.O. bonds payable from secondary assessed property taxes</u>					
Refunding	5.05-5.55	1993	2007	\$ 36,125	\$ 4,210
Various	4.15-4.60	1998	2008	12,000	6,696
Various	5.00-5.40	2000	2015	20,215	17,627
Various	2.50-5.00	2002	2022	40,235	37,985
Various	1.50-5.00	2003	2022	52,525	50,525
Various	3.00-5.00	2004	2019	36,645	36,645
Total					<u>153,688</u>
<u>Revenue bonds payable from highway user revenue funds</u>					
Streets	5.00-5.37	2000	2010	8,750	8,075
Streets	2.50-4.00	2004	2014	14,655	14,655
Total					<u>22,730</u>
<u>Municipal property corporation payable from general fund lease payments</u>					
Refunding	4.25-4.90	2000	2009	12,615	9,095
MPC excise tax	5.00-5.38	2003	2033	5,055	5,055
MPC excise tax 2003A	2.50-5.00	2003	2024	49,940	49,940
MPC excise tax 2003B	1.46-5.58	2003	2033	105,260	98,010
MPC refunding	4.70-4.70	2004	2033	7,250	7,250
MPC excise tax 2004A	2.00-5.00	2004	2014	10,880	10,880
Total					<u>180,230</u>
<u>Special assessment bonds payable due from assessments on property owners</u>					
District 73	5.35	1997	2007	299	109
Total					<u>109</u>
Total bonds payable recorded in governmental activities					356,757
Less current portion					(11,172)
Long-term portion of bonds payable recorded in governmental activities					<u>\$ 345,585</u>



**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2004

(amounts expressed in thousands)

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

Purpose	Interest Rate	Issued Fiscal Year Ending June 30	Year Series Matures	Amount of Original Issue	Bonds Outstanding June 30, 2004
<u>G.O. bonds payable from landfill fund</u>					
Landfill	5.00-5.40	2000	2015	\$ 1,460	\$ 1,032
<u>G.O. bonds payable from water and sewer fund</u>					
Refunding	5.05-5.55	1993	2007	20,375	1,950
Water and sewer	1.50-5.00	2003	2022	13,875	13,875
Total					15,825
<u>Revenue bonds payable from water and sewer fund</u>					
Refunding	4.25-4.50	1994	2005	17,010	1,465
Various	4.75-5.75	2000	2010	5,300	40,005
Various	4.00-5.00	2004	2023	80,000	80,000
Total					121,470
Total bonds payable recorded in business-type activities					138,327
Less current portion					(9,182)
Long-term portion of bonds payable recorded in business-type activities					\$ 129,145

Under the provisions of the State Constitution, outstanding G.O. bonded debt for combined water, sewer, light, parks, open space preserves, playgrounds and recreational facilities may not exceed 20% of the City's net secondary assessed valuation, nor may outstanding G.O. bonded debt for all other purposes exceed 6% of the City's net secondary assessed valuation.

The City's unused bonded debt borrowing capacity as of June 30, 2004, is as follows:

	6%	20%
Capacity to incur bonded debt	\$ 64,801	\$ 216,003
Less: Bonded debt applicable to limit	(49,399)	(101,153)
Unused bonded debt capacity	\$ 15,402	\$ 114,850

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, 2004

(amounts expressed in thousands)

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

Bonds authorized but not fully issued as of July 1, 2004, as shown below:

G.O. Bonds	Authorized Amount	Issued through June 30, 2004	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 <sup>(1)</sup>	18,215	-	18,215
Economic development	50,500	15,088	35,412
Flood control	38,860	15,023	23,837
Governmental facilities <sup>(1)</sup>	40,910	12,055	28,855
Landfill development <sup>(1)</sup>	17,000	1,460	15,540
Library	15,398	-	15,398
Open spaces	53,700	3,175	50,525
Parks and recreation	57,188	41,981	15,207
Public safety	64,801	3,438	61,363
Streets and parking <sup>(1)</sup>	38,050	22,787	15,263
Transit <sup>(1)</sup>	6,935	185	6,750
Total G.O. bonds	\$ 418,005	\$ 123,742	\$ 294,263
<u>Revenue bonds</u>			
<u>Voter authorized March 10, 1987</u>			
Streets and highway	\$ 57,770	\$ 47,890	\$ 9,880
Water and sewer	56,000	49,657	6,343
<u>Voter authorized November 2, 1999</u>			
Water and sewer <sup>(1)</sup>	10,000	-	10,000
Total revenue bonds	123,770	97,547	26,223
Total bonds	\$ 541,775	\$ 221,289	\$ 320,486

(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, 2004

(amounts expressed in thousands)

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

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

Downtown Glendale Building Purchase - The \$3,500 note dated June 5, 2000, is payable in fourteen semi-annual installments at an interest rate of 8.20% with the final payment due on or before June 1, 2007.	\$ 1,500
Downtown Glendale Building Purchase - The \$1,779 note dated June 5, 2000, is an assumed loan payable in 98 installments at an interest rate of 9.00% with the final payment due on or before September 1, 2008.	1,089
Northern Crossing Land Purchase - The \$14,500 note dated November 15, 2002, is payable in nine annual installments at a variable interest rate with the final payment due on or before September 15, 2012. The interest rate assumption stays level after the 2008 fiscal year.	14,500
Fraternal Order of Police Land Purchase - The \$30 note dated July 9, 2002, is payable in three annual installments at an interest rate of 6.00%. The final payment is due on or before July 1, 2004.	<u>9</u>
Total notes payable recorded in governmental activities	17,098
Less current portion	<u>(2,336)</u>
Long-term portion of notes payable recorded in governmental activities	<u>\$ 14,762</u>

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

Arrowhead Ranch Wastewater Reclamation Facility - The total loan amount of \$7,171 is scheduled to be paid in 10 annual installments through July 1, 2006, with an interest rate of 3.69%. Principal and interest are payable from water and sewer fund on a parity with outstanding revenue bond obligations pursuant to the provisions of the City's Master Ordinance 1323 new series.	\$ 2,391
Cholla Water Treatment Plant Solids Handling Facilities - The maximum available under the loan is \$15,400 of which \$12,598 was drawn down and recorded as a liability as of June 30, 2004. The loan is scheduled to be paid in annual installments over 20 years with an interest rate of 4.40%. Principal and interest are payable from the water and sewer fund.	<u>12,041</u>
Total notes payable recorded in business-type activities	14,432
Less current portion	<u>(771)</u>
Long-term portion of notes payable recorded in business-type activities	<u>\$ 13,661</u>

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2004

(amounts expressed in thousands)

**J. Debt service requirements**

Fiscal Year Ending	Highway User Revenue	Landfill G.O. Bonds	Municipal Property Corporation Bonds	Special Assessment District Bonds	Various Purposes		Water and Sewer			Total
	Bonds	Bonds	Bonds	Bonds	G.O. Bonds	Notes Payable	G.O. Bonds	Notes Payable	Revenue Bonds	
2005	\$ 3,179	\$ 215	\$ 10,902	\$ 39	\$ 17,219	\$ 3,220	\$ 1,270	\$ 1,977	\$ 10,961	\$ 48,982
2006	2,727	215	11,656	39	16,676	3,330	1,275	1,977	10,975	48,870
2007	2,723	216	11,486	40	14,727	3,337	1,267	1,129	10,996	45,921
2008	2,723	216	11,442	-	14,098	2,669	1,263	1,129	11,017	44,557
2009	2,728	139	12,509	-	12,634	2,466	1,264	1,129	11,012	43,881
2010	2,727	-	11,006	-	12,768	2,364	1,256	1,129	11,010	42,260
2011	2,723	-	11,542	-	12,759	2,364	1,251	1,129	6,568	38,336
2012	2,726	-	11,657	-	12,777	2,364	1,251	1,129	6,568	38,472
2013	2,728	-	11,689	-	12,820	2,364	1,259	1,129	6,564	38,553
2014	2,725	-	11,753	-	12,835	-	1,260	1,129	6,568	36,270
2015	-	-	9,848	-	12,815	-	1,249	1,129	6,564	31,605
2016	-	-	9,906	-	10,652	-	1,236	1,129	6,568	29,491
2017	-	-	12,275	-	10,583	-	1,226	1,129	6,569	31,782
2018	-	-	12,330	-	10,530	-	1,214	1,129	6,567	31,770
2019	-	-	12,384	-	6,092	-	-	1,129	6,566	26,171
2020	-	-	12,442	-	2,759	-	-	1,129	6,566	22,896
2021	-	-	12,497	-	2,761	-	-	1,129	6,567	22,954
2022	-	-	12,549	-	2,762	-	-	1,129	6,568	23,008
2023	-	-	12,605	-	-	-	-	-	7,693	20,298
2024	-	-	13,249	-	-	-	-	-	7,696	20,945
2025	-	-	13,308	-	-	-	-	-	7,694	21,002
2026	-	-	13,363	-	-	-	-	-	7,693	21,056
2027	-	-	13,420	-	-	-	-	-	7,696	21,116
2028	-	-	13,478	-	-	-	-	-	7,697	21,175
2029	-	-	12,674	-	-	-	-	-	-	12,674
2030	-	-	13,611	-	-	-	-	-	-	13,611
2031	-	-	13,671	-	-	-	-	-	-	13,671
2032	-	-	13,732	-	-	-	-	-	-	13,732
2033	-	-	6,532	-	-	-	-	-	-	6,532
2034	-	-	8,563	-	-	-	-	-	-	8,563
Total	27,709	1,001	358,079	118	198,267	24,478	17,541	22,018	190,943	840,154
Less interest	5,254	131	180,129	9	53,162	9,716	4,406	8,358	75,803	336,968
Principal	\$ 22,455	\$ 870	\$ 177,950	\$ 109	\$ 145,105	\$ 14,762	\$ 13,135	\$ 13,660	\$ 115,140	\$ 503,186

The following table discloses the debt service requirements as of June 30, 2004, 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>
2005	\$ 25,025	\$ 23,957	\$ 48,982
2006	25,730	23,140	48,870
2007	23,705	22,216	45,921
2008	23,409	21,148	44,557
2009	23,682	20,199	43,881
2010-2014	102,447	91,444	193,891
2015-2019	89,303	61,516	150,819
2020-2024	67,690	42,411	110,101
2025-2029	72,850	24,173	97,023
2030-2034	49,345	6,764	56,109
Total	\$ 503,186	\$ 336,968	\$ 840,154

## **CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2004

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### **K. New bonds**

On July 1, 2003, the City issued \$7,250 Refunding Certificates of Participation Series 16 of Subordinate Excise Tax Revenue Bonds (the 2003D MPC Bonds) under the Arizona Municipal Financing Program of 1992. The proceeds of the loan were used to redeem a portion of the 2033 maturity of the MPC Series 2003B Taxable Bonds. The bonds mature on August 1, 2033, with an interest rate of 4.7%. The principal and interest on the bonds are payable solely from and are secured by a subordinate and junior pledge of the City's unrestricted excise taxes. The bonds do not constitute a general obligation debt of the City. This transaction resulted in a total economic gain of \$455 and a reduction of \$1,886 in future debt service payments. This current refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$0.

On December 1, 2003, the City issued \$80,000 in subordinate lien water and sewer bonds to fund the construction of various water and sewer improvements in the City. The bonds mature on various dates starting 2011 through 2023 with various interest rates of 4.0% to 5.0%. The bonds are not general obligations of the City, but are a limited obligation of the City and are payable as to both principal and interest solely from and secured by a subordinate pledge of net revenues of the system.

On May 1, 2004, the City issued \$10,880 of Municipal Property Corporation (MPC) Excise Tax Revenue Bonds Series 2004A to finance the refunding of certain outstanding improvement district bonds. The bonds mature on various dates starting 2005 through 2014 with various interest rates of 2.0% to 5.0%. The principal and interest on the bonds are not a general obligation of the Corporation and City, but a limited obligation of the Corporation and City payable solely from and are secured by a pledge of the City's unrestricted excise taxes. This transaction resulted in a total economic gain of \$1,118 and a reduction of \$655 in future debt service payments. This current refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of (\$65).

On June 1, 2004, the City issued \$36,645 in general obligation bonds to fund the construction of public improvements in the City. The bonds mature on various dates starting 2005 through 2014 with various interest rates of 3.0% to 5.0%. The bonds are direct and general obligations of the City and are payable as to both principal and interest from ad valorem taxes levied against all taxable property within the City subject to taxation.

On June 1, 2004, the City issued \$14,655 in street and highway user revenue bonds to fund the construction of certain street and highway public improvements in the City as well as refund portions of the City's highway revenue bonds. The bonds mature on various dates starting 2005 through 2019 with various interest rates of 2.5% to 4.0%. The bonds are not general obligations of the City, but are limited obligations of the city and are payable as to both principal and interest solely from revenues received by the City from highway user taxes collected by the State. This transaction resulted in a total economic gain of \$131 and a reduction of \$140 in future debt service payments. This current refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$40.

### **X. Landfill obligations**

The City operates a municipal sanitary landfill under an Aquifer Protection Permit and Solid Waste Facility Plan approval issued by the Arizona Department of Environmental Quality requiring future closure work and post-closure monitoring. The permit meets federal and state regulations. These laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and post-closure care costs will not be paid until near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and post-closure costs as an operating expense in each period based on landfill capacity used.

**CITY OF GLENDALE, ARIZONA**

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The landfill closure and post-closure care liability at June 30, 2004, calculated below, represents the cumulative amount reported to date based on the use of estimated capacity of the landfill.

	North Cell	South Cell
Capacity (cubic yards)	32,100	22,594
Capacity used to date	-	15,910
Percentage of capacity used	0%	70%
Total closure and post-closure costs in present dollars:		
as of June 30, 2004	\$ 14,322	\$ 13,411
as of June 30, 2003	14,099	13,202
Closure and post-closure care costs:		
Amount remaining to be recognized as of June 30, 2004	\$ 14,322	\$ 3,968
Liability recognized as of June 30, 2004	\$ -	\$ 9,443

These amounts are based on what it would cost to perform all closure and post-closure care in fiscal year 2003-04. The estimated costs are subject to changes due in 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 41 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.

**XI. Interfund transactions****A. Interfund receivables**

Interfund balances at June 30, 2004, consisted of the following (amounts in thousands):

	<u>Due To</u>	<u>Due From</u>
<b>General</b>	\$ 1,345	\$ -
<b>Non-major governmental funds:</b>		
Community development block grant fund	-	148
Highway user revenue fund	-	791
Other special revenue fund	-	349
<b>Non-major enterprise funds:</b>		
Housing fund	-	57
Total	<u>\$ 1,345</u>	<u>\$ 1,345</u>

The interfund balances at June 30, 2004, are short-term loans to cover temporary cash deficits in various funds. This occasionally occurs prior to bond sales or grant reimbursements. All interfund balances outstanding at June 30, 2004, are expected to be repaid within one year.

**CITY OF GLENDALE, ARIZONA**  
Notes to the Financial Statements  
June 30, 2004  
(amounts expressed in thousands)

**B. Interfund transfers**

Interfund transfers for the year ended June 30, 2004, consisted of the following:

<b>Transfers to general fund from:</b>	
Transportation special revenue fund	\$ 17
Non-major governmental funds	
Highway users gas tax special revenue fund	8
Streets construction capital project fund	30
Parks bond construction fund	14
Water and sewer enterprise fund	17
Total transfers to general fund	<u>86</u>
<b>Transfers to transportation special revenue fund from:</b>	
General fund	<u>900</u>
<b>Transfers to special assessment debt service funds from:</b>	
General fund	695
MPC debt service fund	11,328
Total transfers to special assessment debt service funds	<u>12,023</u>
<b>Transfers to non-major governmental funds from:</b>	
General fund	<u>2,327</u>
<b>Transfers to non-major debt service funds from:</b>	
General fund	7,087
MPC special revenue fund	4,914
Non-major governmental funds	
Highway users gas tax special revenue fund	5,455
Total transfers to non-major debt service funds	<u>17,456</u>
<b>Transfers to non-major capital projects funds from:</b>	
General Fund	<u>151</u>
<b>Transfers to non-major enterprise funds from:</b>	
General fund	<u>350</u>
Grand total all transfers	<u>\$ 33,293</u>

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 interfund transfers are all classified as transfers and are included in the results of operations of both governmental and proprietary funds. There were no significant transfers during fiscal year 2004 that were either non-routine in nature or inconsistent with the activities of the fund making the transfer.

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2004

(amounts expressed in thousands)

**XII. 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 rebudgeted in the new fiscal year. At June 30, 2004, the City intended to honor \$26,372 of outstanding encumbrances in the new year.

**XIII. 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 plant and related transportation facilities based on ownership. The City accounts for its approximate 8.59% investment using the equity method in the water and sewer fund. For the year ended June 30, 2004, the City recognized a loss of \$1,285. 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.

Summary financial information on the joint venture as of and for the fiscal year ended June 30, 2004, (unaudited) is as follows:

**Assets**

Current assets	\$ 59,316
Capital assets, net of accumulated depreciation	538,533
Total assets	<u>597,849</u>

**Liabilities**

48,209

**Net assets**\$ 549,640

Total revenues	\$ 130,536
Total expenses	(48,739)
Increase in net assets	<u>\$ 81,797</u>



**CITY OF GLENDALE, ARIZONA**

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June 30, 2004

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**Calculation of the City's equity:**

City's share of SROG equity	\$ 33,497
(Total equity of \$549,640 plus unrealized loss of \$535 less assets not owned by the City of \$160,226 multiplied by 8.59 %)	
Net capitalized interest on the City's records	1,080
City contributions not yet received by SROG	<u>2,571</u>
Total City equity	<u>\$ 37,148</u>

**Change in the City's equity:**

Capital contributed to the joint venture	\$ 5,951
Net loss on joint venture	<u>(1,285)</u>
Net increase in equity	<u>\$ 4,666</u>

Copies of separate financial statements of the joint venture can be obtained from the AMWUA office, 4041 North Central Avenue, Phoenix, Arizona 85012.

**XIV. 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.

**XV. Related party transaction**

Included in the special assessment debt service fund deferred receivables at June 30, 2004, is \$7 owed by the City's governmental funds.

**XVI. Fund balance/net assets reservation, designation, and restriction**

The following is a list of reserves, designations, and restrictions with an explanation for each by fund type.

**General Fund Type**

**Reserved for inventory**

Amount available only for expenditure (i.e., consumption of existing supplies inventories that have already been purchased). \$ 356

**Reserved for capital leases**

The City periodically enters into capital leases. In governmental funds, revenue is recognized when the proceeds are received. However, the unspent portion of the proceeds is restricted to the capital items identified in the lease agreement. 2,121

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

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**Reserved for cable equipment (PEG)**

Amount to be used only for expenditure by City's cable television station as required by agreement with cable system providers. \$ 4

**Reserved for "From the Heart" program**

Certain donations made to the City are required by ordinance to benefit Glendale residents through providing grants to non-profit social service organizations. 52

**Reserved for court security**

Security surcharges collected by the City Court are required by ordinance to be spent solely on court security. 85

**Reserved for court computer upgrade**

Surcharge that provides for monies to improve, maintain and enhance the ability to collect and manage monies received by courts and to improve court automation and improve case processing (administration of justice). 92

**Reserved for court time payment**

Court Time Payment fees are used by the City Court to improve, maintain and enhance the ability to collect and manage monies assessed or received by the court, to improve court automation and to improve case processing or the administration of justice. 61

**Reserved for garden for visually impaired**

A donation was made to the City for the purpose of establishing a tactile garden for the visually impaired. 259

**Reserved for acquisition of artwork**

Acquisition of artwork by the City's Arts Commission is provided through a surcharge on eligible capital projects as directed by the City Council. 1,064

**Reserved for vehicle/equipment replacement**

For future scheduled replacement of existing equipment and vehicles. 5,488

**Total reserved for general fund type** \$ 9,582

**Designated for computer replacement**

For future schedule replacement of existing personal computers. \$ 2,877

**Designation for library activities**

A minor portion of future operating expenditures of the library has been authorized through the City budget to be paid from net revenues collected through library activities. 178

**Designated for cable television station**

Amount to be used only for expenditure by the City's cable television station from net revenues collected by Cable from special activities. 26

**Designated for local improvement districts administration**

Portion of City special assessment bond proceeds identified exclusively for future costs of administering and accounting for existing improvement districts. 124

**Designated for equipment management**

For maintenance of City equipment. 398

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

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**Designated for telephone**

For payment of future telephone charges and maintenance. \$ 188

**Total designated for general fund type** \$ 3,791

**Special Revenue Fund Type**

**Reserved for inventory**

Amount available only for expenditure (i.e., consumption of existing supplies inventories that have already been purchased). \$ 184

**Reserved for capital leases**

The City periodically enters into capital leases. In governmental funds, revenue is recognized when the proceeds are received. However, the unspent portions of the proceeds are restricted to the capital items identified in the lease agreement. 47

**Reserved for drug enforcement**

Reserved by agreement with state and federal authorities for use in furthering the drug enforcement effort. Revenues for this reserve are received through the public courts' prosecution of drug offenses.

State	389
Federal	<u>43</u>
Total reserved for Drug Enforcement	<u>432</u>

**Reserved for development impact fees**

The development impact fees are covered by Chapter 28, Article VI of the Municipal Code. Development impact fees are used exclusively to provide the necessary public facilities and services to development. Residential development impact fees may be spent only in the district (residential development district, not political district) in which they were collected. This reserve is categorized as follows:

Parks and Recreation:	
Citywide Parks	1,108
Citywide Recreation Facilities	609
Citywide Open Space & Trails	207
District No. 1	249
District No. 2	1,180
District No. 3	509
Library:	
Buildings	2,582
Books	376
Library	1,742
Fire protection facilities	1,296
Police facilities	1,645
Transportation	5,757
General government	<u>2,728</u>
Total reserved for Development Impact fees	<u>19,988</u>

**Reserved for police and fire activities**

In accordance with a voter initiative, beginning April 1994 the City collected an additional separate sales tax for Police and Fire activities.

Police	1,142
Fire	<u>320</u>

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2004

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Total reserved for Police and Fire activities	\$ 1,462
<b>Total reserved for special revenue fund type</b>	<b>\$ 22,113</b>
<b>Designated for home program</b>	
For community development block grant home program activities.	\$ 48
<b>Designated for pool/park repair</b>	
For repair of area schools and City recreational facilities. The City contributes to maintenance of area school's facilities in which the City has no equity interest.	515
<b>Total designated for special revenue fund type</b>	<b>\$ 563</b>
<b><u>Debt Service Fund Type</u></b>	
<b>Reserved for debt service</b>	
Certain assets have been reserved for future payment of debt service based upon the requirements of the various bond ordinances.	\$ 14,332
<b>Total reserved for debt service fund type</b>	<b>\$ 14,332</b>
<b><u>Capital Projects Fund Type</u></b>	
<b>Reserved for capital projects</b>	
Certain assets have been reserved for future flood control storm drain construction.	\$ 98
<b>Total reserved for capital projects fund type</b>	<b>\$ 98</b>
<b>Designated for street G.O. bond projects</b>	
Accounts for the construction of street lights, traffic signals, street landscaping, streets and parking funded by authorization approved by voters on March 10, 1987, and November 2, 1999.	\$ 8,753
<b>Designated for HURF bond projects</b>	
Accounts for the construction of streets and sidewalks. Funding is provided through bonds issued under an authorization approved by voters on March 10, 1987.	11,438
<b>Designated for transit projects</b>	
Accounts for G.O. bond funds used to plan, acquire, construct and expand transit services, passenger amenities and park-and-ride facilities; replacement of transit buses, cars and computer equipment; transit administrative facilities upgrades and renovations; and acquiring land as necessary for such facilities and purposes. Funding is provided under an authorization approved by voters on November 2, 1999.	139
<b>Designated for airport projects</b>	
Accounts for grant funds used to plan, acquire, construct and expand airport runways, taxiways, aprons and certain roads within airport boundaries, as well as other improvements to airport facilities.	99

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

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**Designated for government facilities**

Accounts for G.O. bond funds used to plan and construct a new public works operations center; housing, streets and park maintenance; transit, utilities, a tourism visitor center and similar projects. Funding is provided under an authorization approved by voters on November 2, 1999. \$ 3,012

**Designated for economic development**

Accounts for G.O. bond funds used to promote new private sector job creation through development and redevelopment in the City. Funding is provided under an authorization approved by voters on November 2, 1999. 487

**Designated for open space/trails**

Accounts for G.O. bond funds used to plan and acquire land and interests for the preservation of open space; and planning, acquiring and constructing multi-use trails and linear parks. Funding is provided under an authorization approved by voters on November 2, 1999. 2,120

**Total designated for capital projects fund type** \$ 26,048

**Enterprise Fund Type**

**Restricted for debt service**

The City is also required by ordinance to have accumulated sufficient funds to pay all principal and interest due on the following July 1 and January 1 payment dates. Since the July 1 payment is already accrued as a current liability at year-end, only the January 1 payment is included in the reserve. \$ 301

The City's bond ordinances require an additional reserve for any Water and Sewer Bond debt that is not insured by a surety bond. This reserve must be maintained at a balance equal to the highest principal and interest coming due in any twelve-month period. As of June 30, 2004, only the loan with the State Revolving Fund (authorized by revenue bond election in 1961) was not covered by a surety bond. 1,954

**Restricted for revenue bond retirement/replacement and extension**

Two percent of net water revenues must, by bond ordinance, be 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 fixed assets of the water and sewer fund. 6,900

**Restricted for other purposes**

Deposits related to a multi-jurisdictional water project are held in an escrow account maintained by the State Treasurer, and are restricted as to use. 677

Net assets held by the housing fund may only be used for that purpose. 647

**Total restricted for enterprise fund type** \$ 10,479

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

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**Permanent Fund Type**

**Reserved for cemetery perpetual care**

Funds are reserved by ordinance for future cemetery maintenance and operational expenses.

\$ 4,645

**Total reserved for permanent fund type**

\$ 4,645

**XVII. Employee retirement systems and pension plans**

**A. Plan descriptions**

The City contributes to the three retirement plans described below. Benefits are established by state statute and generally provide retirement, death, long-term disability, survivor, and health insurance premium benefits.

The *Arizona State Retirement System (ASRS)* administers a cost-sharing multiple-employer defined benefit pension plan that covers general employees of the City. The ASRS is governed by the Arizona State Retirement System Board according to the provisions of ARS Title 38, Chapter 5, Article 2.

The *Public Safety Personnel Retirement System (PSPRS)* is an agent multiple-employer defined benefit pension plan that covers public safety personnel who are regularly assigned hazardous duty as employees of the State of Arizona or one of its political subdivisions. The PSPRS, acting as a common investment and administrative agent, is governed by a five member board, known as The Fund Manager, and 162 local boards according to the provisions of ARS Title 38, Chapter 5, Article 4. PSPRS is agent for the eligible Glendale Fire and Glendale Police personnel.

The *Elected Officials Retirement Plan (EORP)* is a cost-sharing multiple-employer defined benefit pension plan that covers elected officials and judges of certain state and local governments. The EORP is administered by The Fund Manager of PSPRS according to the provisions of ARS Title 38, Chapter 5, Article 3.

**B. Financial reports**

Each plan issues a publicly available financial report that includes its financial statements and required supplementary information. A report may be obtained by writing or calling the applicable plan.

ASRS  
3300 North Central Avenue  
P.O. Box 33910  
Phoenix, Arizona 85067-3910

PSPRS or EORP  
3010 East Camelback Road #200  
Phoenix, Arizona 85016

(602) 240-2000 or (800) 621-3778

(602) 255-5575

**C. Funding policy**

The Arizona State Legislature establishes and may amend contribution rates for active plan members and the City.

*Cost Sharing Plans.* For the year ended June 30, 2004, active ASRS members and the City were each required by statute to contribute at the actuarially determined rate of 5.7% (5.2% retirement and 0.5% long-term disability) of the members' annual covered payroll. The City's contributions from employer

**CITY OF GLENDALE, ARIZONA**

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(amounts expressed in thousands)

and employees to ASRS for the years ended June 30, 2004, 2003 and 2002 were \$6,860, \$2,940 and \$2,800, respectively, which were equal to the required contributions for the year.

In addition, active EORP members were required by statute to contribute 7.0% of the members' annual covered payroll. The City was required to remit contributions of 13.49% of the members' annual covered payroll, as determined by actuarial valuation. The City's contributions from employer and employees to EORP for the years ended June 30, 2004, 2003 and 2002 were \$29, \$20 and \$20, respectively, which were equal to the required contributions for the year.

*Agent Plans.* For the year ended June 30, 2004, PSPRS members were required by statute to contribute 7.65% of the members' annual covered payroll, and the City was required to contribute at the actuarially determined rate of 5.76% and 11.11% for Fire and Police, respectively.

*Annual Pension Cost (APC).* The City's pension cost for Police and for Fire for the year ended June 30, 2004, the date of the most recent available actuarial valuation, and related information follow.

	Fire	Police
Contribution rates:		
City	5.76%	11.11%
Plan members	7.65%	7.65%
Annual pension cost	\$ 622	\$ 1,906
Actuarial cost method	Entry Age	Entry Age
Actuarial assumptions:		
Investment rate of return	8.75%	8.75%
Projected salary increases	6.25% - 9.25%	6.25% - 9.25%
Includes inflation at	5.25%	5.25%
Amortization method	Level % open	Level % open
Remaining amortization period	20 years	20 years
Asset Valuation method	Smoothed market value	Smoothed market value

**D. Three year trend information for PSPRS**

Information for the agent plan for PSPRS for Glendale Fire and Police as of the most recent available actuarial valuations for June 30, 2004, follows.

**Contributions required and contributions made**

Year Ended June 30	APC	Percentage of APC Contributed	Net Pension Obligation
<b>Police</b>			
2004	\$1,906	100.0%	\$ -
2003	\$1,489	100.0%	\$ -
2002	\$1,764	100.0%	\$ -
<b>Fire</b>			
2004	\$ 622	100.0%	\$ -
2003	\$ 443	100.0%	\$ -
2002	\$ 337	100.0%	\$ -

Includes insurance premium tax, where applicable.

**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2004

(amounts expressed in thousands)

**E. Required supplementary information**

Analysis of funding progress for the agent plan as of the most recent available actuarial valuation, June 30, 2004, follows.

Valuation Date June 30	Actuarial Value of Plan Assets	Actuarial Accrued Liability	Funding Liability (Excess)	Funded Ratio	Annual Covered Payroll	Unfunded Liability as Percentage of Covered Payroll
<b>Police</b>						
2004	\$ 72,743	\$ 86,792	\$ 14,050	83.8%	\$ 17,343	81.0%
2003	\$ 71,955	\$ 79,669	\$ 7,714	90.3%	\$ 16,906	45.6%
2002	\$ 69,747	\$ 71,892	\$ 2,145	97.0%	\$ 17,147	12.5%
<b>Fire</b>						
2004	\$ 56,727	\$ 54,893	\$ (1,834)	103.3%	\$ 9,849	- %
2003	\$ 56,183	\$ 50,467	\$ (5,716)	111.3%	\$ 9,236	- %
2002	\$ 54,913	\$ 44,743	\$ (10,170)	122.7%	\$ 9,468	- %

**XVIII. Other post-employment benefits**

Other than the pension benefits through the Arizona State Retirement System or the Arizona Public Safety Personnel Retirement System, the City does not provide post-employment benefits. However, the City does allow all of its retired employees to participate in the health care and life insurance plan provided to active employees. The plan provides health, dental, and/or life insurance to participants. The retired employees pay the entire cost of their participation in the plan.

The City makes no contribution to the plan for former employees. Since the number of retirees is small, and their portion of the premium cost is paid to providers at the same time as the City's active employee portion, the City has chosen to account for monies received from retirees, but not yet paid out, as a part of employee benefits fund liability.

**XIX. 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 the City Attorney, the resolution of such claims and litigation will have no material adverse effect on the financial position or the future operations of the City.



**CITY OF GLENDALE, ARIZONA**

Notes to the Financial Statements

June 30, 2004

(amounts expressed in thousands)

**XX. Subsequent events**

On July 13, 2004, the Mayor and Council adopted a resolution to conceptually approve an alternative Arizona Sports and Tourism Authority (AZSTA) funding approach. On September 28, 2004, the Mayor and Council approved a resolution to enter into a memorandum of agreement with the City, AZSTA, and B & B Holdings (DBA Arizona Cardinals) for improving the land around the Stadium.

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City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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# **REQUIRED SUPPLEMENTARY INFORMATION**

(other than MD&A)

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FOR THE FISCAL YEAR ENDED JUNE 30, 2004

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City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**General Fund**  
For the Fiscal Year Ended June 30, 2004  
(amounts expressed in thousands)

1 of 2

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary fund balance, July 1, 2003	\$ 23,771	\$ 23,771	\$ 49,409	\$ 25,638
<b>RESOURCES (INFLOWS):</b>				
Taxes	47,697	47,697	54,326	6,629
Licenses and permits	9,051	9,051	8,887	(164)
Intergovernmental	45,086	45,086	47,161	2,075
Charges for services	17,394	17,394	17,560	166
Fines and forfeitures	3,280	3,280	3,169	(111)
Investment income (loss)	844	844	(79)	(923)
Proceeds from disposal of assets	-	-	7,353	7,353
Capital lease proceeds	400	400	10	(390)
Miscellaneous	5,887	5,887	1,785	(4,102)
Total revenues	<u>129,639</u>	<u>129,639</u>	<u>140,172</u>	<u>10,533</u>
Add: Transfers in	558	558	669	111
Less: Transfers out	(9,542)	(6,971)	(12,092)	(5,121)
Amounts available for appropriation	<u>144,426</u>	<u>146,997</u>	<u>178,158</u>	<u>31,161</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
General government	25,468	25,174	22,957	2,217
Public safety	46,506	47,949	47,121	828
Public works	20,252	20,573	19,429	1,144
Community services	19,778	20,553	19,358	1,195
Contingencies	8,020	5,706	-	5,706
Debt service:				
Principal	1,377	1,377	1,507	(130)
Interest	1,058	1,058	981	77
Capital outlay	6,037	8,089	4,350	3,739
Total charges to appropriations	<u>128,496</u>	<u>130,479</u>	<u>115,703</u>	<u>14,776</u>
Budgetary fund balance, June 30, 2004	<u>\$ 15,930</u>	<u>\$ 16,518</u>	<u>\$ 62,455</u>	<u>\$ 45,937</u>

(Continued)

City of Glendale, Arizona  
**Budgetary Comparison Schedule** (continued)  
**General Fund**  
For the Fiscal Year Ended June 30, 2004  
(amounts expressed in thousands)

**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	\$ 178,158
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(49,409)
Internal charges for services provided	(15,452)
Proceeds from disposal of assets	(7,353)
Capital lease proceeds	(10)
Less: Transfers in	(669)
Add: Transfers out	12,092
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 117,357</u>

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 115,703
Noncash exchange for capital outlay	845
Principal retirement	28
Change in compensated absences liability	107
Salaries payable	1,310
Change in prepaid assets or inventory	(19)
Internal charges for services provided	(15,452)
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 102,522</u>

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Transportation Fund**  
For the Fiscal Year Ended June 30, 2004  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2003	\$ 14,481	\$ 14,481	\$ 17,844	\$ 3,363
<b>RESOURCES (INFLOWS):</b>				
Taxes	17,633	17,632	19,022	1,390
Intergovernmental	5,827	5,827	1,734	(4,093)
Charges for services	160	160	167	7
Investments	250	250	342	92
Miscellaneous	1	1	3	2
Total revenues	23,871	23,870	21,268	(2,602)
Add: Transfers in	900	900	900	-
Less: Transfers out	-	-	(17)	(17)
Amounts available for appropriation	39,252	39,251	39,995	744
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
Community services	10,019	10,019	7,980	2,039
Capital outlay	27,794	15,109	5,226	9,883
Total charges to appropriations	37,813	25,128	13,206	11,922
Budgetary fund balance, June 30, 2004	\$ 1,439	\$ 14,123	\$ 26,789	\$ 12,666

**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	\$ 39,995
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(17,844)
Less: Transfers in	(900)
Add: Transfers out	17
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 21,268

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 13,206
Change in compensated absences liability	11
Salaries payable	35
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 13,252

## **CITY OF GLENDALE, ARIZONA**

Notes to Required Supplementary Information

June 30, 2004

(amounts expressed in thousands)

### **I. Budgetary 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 the 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 change in net assets on a budgetary basis, to revenues and expenditures/expenses or change in net assets on a GAAP basis.

### **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 and capital expenditures and the means of financing them.
2. The projected beginning budgeted fund balances for each fund are based on preliminary estimates of the June 30<sup>th</sup> ending actual budget basis fund balances rather than the June 30<sup>th</sup> ending budgeted fund balances. These two amounts will differ because of differences in actual results for the year versus planned results and by unused contingency appropriations.
3. Prior to July 1, after receiving comments in a public hearing, a tentative budget is adopted by the City Council, which fixes 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 fixes appropriations for each fund, except for the nonexpendable trust fund.
4. Budget basis expenditures may not exceed appropriations for each fund, except in conjunction with the transfer of contingency funds. 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 amendment, but may not increase total appropriations above the total budget, which was legally adopted for the fiscal year.
5. The Director of Management and Budget is generally authorized to transfer budgeted amounts within departments' approved capital or operating budgets, and the City Manager is authorized to transfer appropriations between departments. Any new capital improvement projects or any nonbudgeted projects require City Council approval.
6. Formal budgetary integration is employed as a management control device during the year for all funds.

### **III. Contingency appropriation**

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

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





City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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# COMBINING STATEMENTS

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FOR THE FISCAL YEAR ENDED JUNE 30, 2004

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## **NON-MAJOR GOVERNMENTAL FUNDS**

### **Special Revenue Funds**

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

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

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

#### **Highway Users 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.

#### **Development Impact Fees Fund**

This fund accounts for fees covered by Chapter 28, Article VI of the Municipal Code. 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.

#### **Other Special Revenue Fund**

This fund accounts for various activities, including both the airport and civic center. Neither is considered to be an enterprise fund for financial reporting purposes and the City Council's present intent is not to have user fees cover the total costs of providing services.

- Municipal airport and civic center operations
- Miscellaneous grants received from Federal, State or local governments
- Recreation programs and site maintenance
- Police and fire activities funded by a one percent sales tax levied directly by voter initiative

### **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 Users 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 a special revenue fund to fund this debt.

#### **Municipal Property Corporation Debt Service Fund**

This fund accounts for building lease payments received from the general fund and subsequently paid as debt service to Municipal Property Corporation bondholders.

### **Capital Projects Funds**

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

### **Streets Construction Fund**

This fund accounts for the construction of streets, sidewalks, streetlights, traffic signals, and street landscaping funded through G.O. and revenue bonds issued under authorizations approved by voters on March 10, 1987, and November 2, 1999.

### **Fire and Police Construction Fund**

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

### **Other Construction Fund**

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

- Flood control facilities
- Library
- Airport
- Transit projects
- Economic development
- Open Space/Trails
- Government facilities

### **Permanent Funds**

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 Permanent Fund**

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

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City of Glendale, Arizona  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
June 30, 2004  
(amounts expressed in thousands)

	Special Revenue Funds			
	Community Development Block Grants	Highway Users Gas Tax	Development Impact Fees	Other Special Revenue Fund
<b>ASSETS</b>				
Equity in pooled cash and investments	\$ -	\$ -	\$ 21,827	\$ 2,255
Receivables, net of allowance for doubtful accounts:				
Accounts	2	-	61	364
Accrued interest	-	-	-	2
Intergovernmental receivable	446	1,309	-	1,151
Inventories and prepaid items	-	184	-	-
Restricted cash and investments	-	47	-	3,479
Deferred receivables	2,976	-	-	-
Total assets	<u>\$ 3,424</u>	<u>\$ 1,540</u>	<u>\$ 21,888</u>	<u>\$ 7,251</u>
<b>LIABILITIES AND FUND BALANCES:</b>				
Liabilities:				
Vouchers payable	\$ 250	\$ 416	\$ 184	\$ 462
Accounts payable	-	-	-	7
Compensated absences - current	2	44	-	25
Intergovernmental payable	-	-	-	2
Due to other funds	148	791	-	349
Deposits	-	58	-	11
Matured interest payable	-	-	187	-
Deferred revenue	2,976	-	61	1,176
Matured bonds payable	-	-	1,468	-
Total liabilities	<u>3,376</u>	<u>1,309</u>	<u>1,900</u>	<u>2,032</u>
Fund balances:				
Reserved	-	231	19,988	1,894
Unreserved:				
Designated	48	-	-	515
Undesignated	-	-	-	2,810
Total fund balances	<u>48</u>	<u>231</u>	<u>19,988</u>	<u>5,219</u>
Total liabilities and fund balances	<u>\$ 3,424</u>	<u>\$ 1,540</u>	<u>\$ 21,888</u>	<u>\$ 7,251</u>

Debt Service Funds		Capital Project Funds				Permanent Fund	Total Non-major Governmental Funds
Highway Users	Municipal Property Corporation	Streets Construction	Fire and Police Construction	Parks Bond Construction	Other Construction	Cemetery Perpetual Care	
\$ 543	\$ 5,233	\$ 20,544	\$ 3,838	\$ 30,532	\$ 14,536	\$ 4,645	\$ 103,953
-	-	-	-	750	-	125	1,302
-	-	5	-	38	8	-	53
-	-	-	-	-	243	-	3,149
-	-	-	-	-	98	-	282
-	6,636	-	-	-	-	-	10,162
-	-	-	-	-	-	-	2,976
<u>\$ 543</u>	<u>\$ 11,869</u>	<u>\$ 20,549</u>	<u>\$ 3,838</u>	<u>\$ 31,320</u>	<u>\$ 14,885</u>	<u>\$ 4,770</u>	<u>\$ 121,877</u>
\$ 16	\$ -	\$ 213	\$ 54	\$ 480	\$ 2,020	\$ -	\$ 4,095
-	-	-	-	-	-	-	7
-	-	-	-	-	-	-	71
-	-	-	-	-	-	-	2
-	-	-	-	-	-	-	1,288
-	-	-	-	-	-	-	69
252	3,986	-	-	-	-	-	4,425
-	-	145	-	750	152	125	5,385
275	2,280	-	-	-	-	-	4,023
<u>543</u>	<u>6,266</u>	<u>358</u>	<u>54</u>	<u>1,230</u>	<u>2,172</u>	<u>125</u>	<u>19,365</u>
-	5,603	-	-	-	98	4,645	32,459
-	-	20,191	-	-	5,857	-	26,611
-	-	-	3,784	30,090	6,758	-	43,442
-	5,603	20,191	3,784	30,090	12,713	4,645	102,512
<u>\$ 543</u>	<u>\$ 11,869</u>	<u>\$ 20,549</u>	<u>\$ 3,838</u>	<u>\$ 31,320</u>	<u>\$ 14,885</u>	<u>\$ 4,770</u>	<u>\$ 121,877</u>

City of Glendale, Arizona  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
For the Fiscal Year Ended June 30, 2004  
(amounts expressed in thousands)

	Special Revenue Funds			Other Special Revenue Fund
	Community Development Block Grants	Highway Users Gas Tax	Development Impact Fees	
<b>REVENUES</b>				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ 4,930
Licenses and permits	-	-	7,597	-
Intergovernmental	3,105	15,149	150	3,875
Charges for services	-	-	-	2,540
Investments	-	-	325	50
Miscellaneous	204	-	-	752
Total revenues	<u>3,309</u>	<u>15,149</u>	<u>8,072</u>	<u>12,147</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	650
Public safety	-	-	37	5,495
Public works	-	-	-	31
Community services	-	-	-	2,523
Community environment	3,000	-	-	311
Street maintenance	-	9,811	-	-
Miscellaneous	-	-	-	-
Debt service:				
Principal	-	26	1,476	21
Interest	-	10	375	2
Capital outlay	303	1,282	2,955	1,196
Total expenditures	<u>3,303</u>	<u>11,129</u>	<u>4,843</u>	<u>10,229</u>
Excess (deficiency) of revenues over expenditures	<u>6</u>	<u>4,020</u>	<u>3,229</u>	<u>1,918</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Payment to refunded bonds escrow agent	-	-	-	-
Discount on long-term debt issued	-	-	-	-
Long-term debt issued	-	-	-	-
Premium on long-term debt issued	-	-	-	-
Transfers in	-	1,490	-	837
Transfers out	-	(5,463)	-	(4,914)
Total other financing sources and uses	<u>-</u>	<u>(3,973)</u>	<u>-</u>	<u>(4,077)</u>
Excess (deficiency) of revenues and other sources over Net change in fund balances	6	47	3,229	(2,159)
Fund balances, July 1	42	184	16,759	7,378
Fund balances, June 30	<u>\$ 48</u>	<u>\$ 231</u>	<u>\$ 19,988</u>	<u>\$ 5,219</u>



Debt Service Funds		Capital Projects Funds				Permanent Fund	Total Non-major Governmental Funds
Highway Users	Municipal Property Corporation	Streets Construction	Fire and Police Construction	Parks Bond Construction	Other Construction	Cemetery Perpetual Care	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,930
-	-	-	-	-	-	-	7,597
-	-	-	-	-	1,992	-	24,271
-	-	-	-	-	-	-	2,540
-	178	44	24	198	88	76	983
-	-	-	-	-	-	30	986
-	178	44	24	198	2,080	106	41,307
40	-	173	10	274	172	-	1,319
-	-	-	259	-	-	-	5,791
-	-	-	-	-	75	-	106
-	-	-	-	112	-	-	2,635
-	-	-	-	-	-	-	3,311
-	-	-	-	-	-	-	9,811
2	224	-	-	-	-	-	226
4,655	2,280	-	-	-	-	-	8,458
815	8,530	-	-	-	-	-	9,732
-	-	2,549	199	3,577	18,381	-	30,442
5,512	11,034	2,722	468	3,963	18,628	-	71,831
(5,512)	(10,856)	(2,678)	(444)	(3,765)	(16,548)	106	(30,524)
(3,065)	(7,252)	-	-	-	-	-	(10,317)
-	-	(82)	-	-	-	-	(82)
3,105	18,222	16,616	-	16,357	15,222	-	69,522
17	555	75	-	242	225	-	1,114
5,455	12,001	-	-	-	151	-	19,934
-	(11,328)	(30)	-	(14)	-	-	(21,749)
5,512	12,198	16,579	-	16,585	15,598	-	58,422
-	1,342	13,901	(444)	12,820	(950)	106	27,898
-	4,261	6,290	4,228	17,270	13,663	4,539	74,614
\$ -	\$ 5,603	\$ 20,191	\$ 3,784	\$ 30,090	\$ 12,713	\$ 4,645	\$ 102,512

City of Glendale, Arizona  
**Combining Statement of Net Assets**  
**Non-Major Proprietary Funds - Business-type Activities**  
June 30, 2004  
(amounts expressed in thousands)

	<u>Sanitation</u>	<u>Housing</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets:			
Equity in pooled cash and investments	\$ 993	\$ 466	\$ 1,459
Receivables:			
Accounts	1,600	-	1,600
Allowance for uncollectibles	(24)	-	(24)
Intergovernmental receivable	-	447	447
Inventories and prepaid items	-	5	5
Total current assets	<u>2,569</u>	<u>918</u>	<u>3,487</u>
Noncurrent assets:			
Restricted cash and investments	430	43	473
Capital assets:			
Capital assets	8,729	10,836	19,565
Accumulated depreciation	(5,145)	(4,957)	(10,102)
Capital assets, net	<u>3,584</u>	<u>5,879</u>	<u>9,463</u>
Total noncurrent assets	<u>4,014</u>	<u>5,922</u>	<u>9,936</u>
Total assets	<u>6,583</u>	<u>6,840</u>	<u>13,423</u>
<b>LIABILITIES</b>			
Current liabilities:			
Vouchers payable	126	-	126
Accounts payable	-	49	49
Compensated absences	193	8	201
Due to other funds	-	57	57
Intergovernmental payable	22	49	71
Deposits	68	33	101
Unearned rent	-	3	3
Current portion of long-term debt:			
Capital lease payable	1,117	-	1,117
Interest payable	19	-	19
Total current liabilities	<u>1,545</u>	<u>199</u>	<u>1,744</u>
Noncurrent liabilities:			
Compensated absences	85	72	157
Other long-term debt	-	43	43
Capital lease obligations	1,886	-	1,886
Total noncurrent liabilities	<u>1,971</u>	<u>115</u>	<u>2,086</u>
Total liabilities	<u>3,516</u>	<u>314</u>	<u>3,830</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	582	5,879	6,461
Restricted for:			
Other purposes	-	647	647
Unrestricted	2,485	-	2,485
Total net assets	<u>\$ 3,067</u>	<u>\$ 6,526</u>	<u>\$ 9,593</u>

City of Glendale, Arizona

**Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets**

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

For the Fiscal Year Ended June 30, 2004

(amounts expressed in thousands)

	Business-type Activities		
	Enterprise Funds		
	Sanitation	Housing	Total
Operating revenues:			
Intergovernmental	\$ -	\$ 7,643	\$ 7,643
Container service	4,564	-	4,564
Curb service	8,136	-	8,136
Other fees	8	512	520
Total operating revenues	<u>12,708</u>	<u>8,155</u>	<u>20,863</u>
Operating expenses:			
Housing	-	8,498	8,498
Sanitation	11,330	-	11,330
Depreciation	809	359	1,168
Total operating expenses	<u>12,139</u>	<u>8,857</u>	<u>20,996</u>
Operating income (loss)	<u>569</u>	<u>(702)</u>	<u>(133)</u>
Nonoperating revenues (expenses):			
Impact fees	107	-	107
Investments	20	-	20
Interest expense	(112)	-	(112)
Loss on disposal of assets	(45)	-	(45)
Intergovernmental - capital grants	-	153	153
Total nonoperating revenue (expenses)	<u>(30)</u>	<u>153</u>	<u>123</u>
Income before contributions and transfers	539	(549)	(10)
Transfers in	<u>-</u>	<u>350</u>	<u>350</u>
Change in net assets	<u>539</u>	<u>(199)</u>	<u>340</u>
Total net assets - beginning	2,528	6,725	9,253
Total net assets - ending	<u>\$ 3,067</u>	<u>\$ 6,526</u>	<u>\$ 9,593</u>

City of Glendale, Arizona  
**Combining Statement of Cash Flows**  
**Non-Major Proprietary Funds - Business-type Activities**  
For the Fiscal Year Ended June 30, 2004  
(amounts expressed in thousands)

	<u>Sanitation</u>	<u>Housing</u>	<u>Total</u>
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ 12,600	\$ 510	\$ 13,110
Cash received from federal government	-	7,558	7,558
Cash paid to suppliers:			
Internal city departments	(6,594)	-	(6,594)
External vendors	(1,347)	(7,136)	(8,483)
Cash paid to employees for services	(3,306)	(1,310)	(4,616)
Net cash provided by (used in) operating activities	<u>1,353</u>	<u>(378)</u>	<u>975</u>
<b>Cash flows from noncapital financing activities:</b>			
Proceeds from issuance of long-term debt	-	14	14
Proceeds from sale of investments	-	29	29
Transfers in	-	350	350
Net cash provided by noncapital financing activities	<u>-</u>	<u>393</u>	<u>393</u>
<b>Cash flows from capital and related financing activities:</b>			
Proceeds from capital leases	655	-	655
Principal payments on obligations	(984)	-	(984)
Acquisition of capital assets and rights	(321)	(193)	(514)
Impact fees	107	-	107
Interest payments on obligations	(109)	-	(109)
Capital grant proceeds	-	153	153
Net cash used for capital and related financing activities	<u>(652)</u>	<u>(40)</u>	<u>(692)</u>
<b>Cash flows from investing activities:</b>			
Interest received from investments	20	-	20
Net cash provided by investing activities	<u>20</u>	<u>-</u>	<u>20</u>
Net increase (decrease) in cash and cash equivalents during fiscal year	721	(25)	696
Cash and cash equivalents, July 1	702	534	1,236
Cash and cash equivalents, June 30	<u>\$ 1,423</u>	<u>\$ 509</u>	<u>\$ 1,932</u>

	<u>Sanitation</u>	<u>Housing</u>	<u>Total</u>
<b>Reconciliation of operating loss to net cash provided by (used by) operating activities:</b>			
Operating income (loss)	\$ 569	\$ (702)	\$ (133)
Adjustments to reconcile operating income to net cash provided by operations:			
Depreciation	809	359	1,168
Changes in assets and liabilities:			
Accounts receivable	(106)	-	(106)
Intergovernmental receivable	-	(100)	(100)
Vouchers payable	70	18	88
Intergovernmental payable	-	15	15
Deposits	(4)	(1)	(5)
Unearned rent	-	(1)	(1)
Due to other funds	-	53	53
Compensated absences	15	(19)	(4)
Net cash provided by (used in) operating activities	<u>\$ 1,353</u>	<u>\$ (378)</u>	<u>\$ 975</u>

**Reconciliation of balance sheet cash and investments to the statement of cash flows:**

Per combined balance sheet:			
Equity in pooled cash and investments	\$ 993	\$ 466	\$ 1,459
Restricted cash and investments	430	43	473
Total cash and cash equivalents	<u>\$ 1,423</u>	<u>\$ 509</u>	<u>\$ 1,932</u>

City of Glendale, Arizona  
**Combining Statement of Net Assets**  
**Internal Service Funds**  
June 30, 2004  
(amounts expressed in thousands)

	<u>Risk Management</u>	<u>Workers' Compensation</u>	<u>Employee Benefits</u>	<u>Total</u>
<b>ASSETS</b>				
Current assets:				
Equity in pooled				
cash and investments	\$ 3,837	\$ 4,676	\$ 4,708	\$ 13,221
Accounts receivable, net	-	-	47	47
Inventories and prepaid items	260	-	-	260
Total current assets	<u>4,097</u>	<u>4,676</u>	<u>4,755</u>	<u>13,528</u>
Noncurrent assets:				
Restricted cash and investments	-	150	15	165
Total assets	<u>4,097</u>	<u>4,826</u>	<u>4,770</u>	<u>13,693</u>
<b>LIABILITIES</b>				
Current liabilities:				
Vouchers payable	64	18	50	132
Estimated claims payable	2,150	1,030	2,079	5,259
Total current liabilities	<u>2,214</u>	<u>1,048</u>	<u>2,129</u>	<u>5,391</u>
Noncurrent liabilities:				
Deferred revenue	-	-	56	56
Estimated claims payable	418	1,164	-	1,582
Total noncurrent liabilities	<u>418</u>	<u>1,164</u>	<u>56</u>	<u>1,638</u>
Total liabilities	<u>2,632</u>	<u>2,212</u>	<u>2,185</u>	<u>7,029</u>
<b>NET ASSETS</b>				
Unrestricted	<u>1,465</u>	<u>2,614</u>	<u>2,585</u>	<u>6,664</u>
Total net assets	<u>\$ 1,465</u>	<u>\$ 2,614</u>	<u>\$ 2,585</u>	<u>\$ 6,664</u>

City of Glendale, Arizona

**Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets**

**Internal Service Funds**

For the Fiscal Year Ended June 30, 2004

(amounts expressed in thousands)

	<u>Risk Management</u>	<u>Workers' Compensation</u>	<u>Employee Benefits</u>	<u>Total</u>
Operating revenues:				
Self-insurance premiums	\$ 2,300	\$ 1,133	\$ 13,212	\$ 16,645
Operating expenses:				
Insurance claims and premiums	<u>2,933</u>	<u>788</u>	<u>12,560</u>	<u>16,281</u>
Operating income (loss)	(633)	345	652	364
Nonoperating revenues:				
Investments	<u>19</u>	<u>116</u>	<u>74</u>	<u>209</u>
Income (loss) before transfers	(614)	461	726	573
Operating transfers in	2,500	-	-	2,500
Operating transfers out	<u>-</u>	<u>(2,500)</u>	<u>-</u>	<u>(2,500)</u>
Change in net assets	1,886	(2,039)	726	573
Net assets - beginning	<u>(421)</u>	<u>4,653</u>	<u>1,859</u>	<u>6,091</u>
Net assets - ending	<u>\$ 1,465</u>	<u>\$ 2,614</u>	<u>\$ 2,585</u>	<u>\$ 6,664</u>

City of Glendale, Arizona  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
For the Fiscal Year Ended June 30, 2004  
(amounts expressed in thousands)

	Risk Management	Workers' Compensation	Employee Benefits	Total
<b>Cash flows from operating activities:</b>				
Cash received from customers	\$ 2,300	\$ 1,133	\$ 13,212	\$ 16,645
Cash paid for insurance and in settlement of claims	(2,667)	(1,079)	(12,852)	(16,598)
Net cash provided by (used for) operating activities	(367)	54	360	47
<b>Cash flows from noncapital financing activities:</b>				
Operating transfers in (out)	2,500	(2,500)	-	-
<b>Cash flows from investing activities:</b>				
Interest received	19	116	74	209
Net increase (decrease) in cash during fiscal year	2,152	(2,330)	434	256
Cash and cash equivalents, July 1	1,685	7,156	4,289	13,130
Cash and cash equivalents, June 30	<u>\$ 3,837</u>	<u>\$ 4,826</u>	<u>\$ 4,723</u>	<u>\$ 13,386</u>

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

Operating income (loss)	\$ (633)	\$ 345	\$ 652	\$ 364
Adjustments to reconcile operating income to net cash provided by operations:				
Change in accounts receivable	-	-	(47)	(47)
Change in inventories and prepaid items	(30)	-	39	9
Change in vouchers payable	46	18	(491)	(427)
Change in accounts payable	-	-	(42)	(42)
Change in claims payable	250	(309)	200	141
Change in deferred revenue	-	-	49	49
Net cash provided by operating activities	<u>\$ (367)</u>	<u>\$ 54</u>	<u>\$ 360</u>	<u>\$ 47</u>

**Reconciliation of balance sheet cash and investments to the statement of cash flows:**

Per combined balance sheet:				
Equity in pooled cash and investments	\$ 3,837	\$ 4,676	\$ 4,708	\$ 13,221
Restricted cash and investments	-	150	15	165
Total cash and cash equivalents	<u>\$ 3,837</u>	<u>\$ 4,826</u>	<u>\$ 4,723</u>	<u>\$ 13,386</u>





City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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# OTHER SUPPLEMENTARY INFORMATION

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FOR THE FISCAL YEAR ENDED JUNE 30, 2004

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City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Community Development Block Grants Fund**  
For the Fiscal Year Ended June 30, 2004  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2003	\$ -	\$ -	\$ 45	\$ 45
<b>RESOURCES (INFLOWS):</b>				
Intergovernmental	5,488	5,488	3,103	(2,385)
Miscellaneous	45	45	204	159
Total revenues	<u>5,533</u>	<u>5,533</u>	<u>3,307</u>	<u>(2,226)</u>
Amounts available for appropriation	<u>5,533</u>	<u>5,533</u>	<u>3,352</u>	<u>(2,181)</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
Community environment	5,533	5,219	2,994	2,225
Capital outlay	-	327	303	24
Total charges to appropriations	<u>5,533</u>	<u>5,546</u>	<u>3,297</u>	<u>2,249</u>
Budgetary fund balance, June 30, 2004	<u>\$ -</u>	<u>\$ (13)</u>	<u>\$ 55</u>	<u>\$ 68</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.	\$ 3,352
Change in intergovernmental revenue due to receivable for reimbursement of payroll accrual.	2
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>(45)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 3,309</u>

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 3,297
Change in compensated absences liability.	(1)
Salaries payable.	<u>7</u>
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 3,303</u>

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Highway Users Gas Tax Fund**  
For the Fiscal Year Ended June 30, 2004  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2003	\$ -	\$ -	\$ 185	\$ 185
<b>RESOURCES (INFLOWS):</b>				
Intergovernmental	15,155	15,155	15,149	(6)
Total revenues	15,155	15,155	15,149	(6)
Add: Transfers in	2,236	2,236	1,490	(746)
Less: Transfers out	(5,396)	(5,396)	(5,463)	(67)
Amounts available for appropriation	11,995	11,995	11,361	(634)
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
Street maintenance	10,205	10,387	9,735	652
Capital outlay	1,754	1,704	1,282	422
Debt service:				
Principal	26	26	26	-
Interest	10	10	10	-
Total charges to appropriations	11,995	12,127	11,053	1,074
Budgetary fund balance, June 30, 2004	\$ -	\$ (132)	\$ 308	\$ 440

**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.	\$ 11,361
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(185)
Less: Transfers in.	(1,490)
Add: Transfers out.	5,463
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 15,149

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 11,053
Change in compensated absences liability.	2
Salaries payable.	74
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 11,129

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Development Impact Fees Fund**  
For the Fiscal Year Ended June 30, 2004  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2003	\$ 17,313	\$ 17,313	\$ 16,759	\$ (554)
<b>RESOURCES (INFLOWS):</b>				
Licenses and permits	7,595	7,595	7,597	2
Intergovernmental			150	150
Investments	418	418	325	(93)
Total revenues	<u>8,013</u>	<u>8,013</u>	<u>8,072</u>	<u>59</u>
Amounts available for appropriation	<u>25,326</u>	<u>25,326</u>	<u>24,831</u>	<u>(495)</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Public safety			37	(37)
Capital outlay	12,455	11,761	2,955	8,806
Principal retirement		1,468	1,476	(8)
Interest expense		374	375	(1)
Total charges to appropriations	<u>12,455</u>	<u>13,603</u>	<u>4,843</u>	<u>8,760</u>
Budgetary fund balance, June 30, 2004	<u>\$ 12,871</u>	<u>\$ 11,723</u>	<u>\$ 19,988</u>	<u>\$ 8,265</u>

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

**Sources/inflows of resources:**

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule.	\$ 24,831
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>(16,759)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 8,072</u>

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 4,843
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 4,843</u>

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Other Special Revenue Fund**  
For the Fiscal Year Ended June 30, 2004  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2003	\$ 7,313	\$ 7,313	\$ 7,405	\$ 92
<b>RESOURCES (INFLOWS):</b>				
Taxes	3,335	3,335	4,930	1,595
Intergovernmental	10,426	10,423	3,875	(6,548)
Charges for services	3,605	3,607	2,540	(1,067)
Investments	40	40	50	10
Miscellaneous	1,874	1,874	752	(1,122)
Total revenues	19,280	19,279	12,147	(7,132)
Add: Transfers in	875	875	837	(38)
Less: Transfers out	(8,000)	(8,000)	(4,914)	3,086
Amounts available for appropriation	19,468	19,467	15,475	(3,992)
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
General government	671	679	647	32
Public safety	8,190	8,176	5,444	2,732
Public works	985	985	31	954
Community services	3,588	3,986	2,514	1,472
Community environment	365	372	311	61
Contingencies	250	203	-	203
Capital outlay	4,191	1,962	1,196	766
Debt service:				
Principal	21	21	21	-
Interest	2	2	2	-
Total charges to appropriations	18,263	16,386	10,166	6,220
Budgetary fund balance, June 30, 2004	\$ 1,205	\$ 3,081	\$ 5,309	\$ 2,228

**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.	\$ 15,475
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(7,405)
Less: Transfers in.	(837)
Add: Transfers out.	4,914
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 12,147

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 10,166
Change in compensated absences liability.	(4)
Salaries payable.	67
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 10,229

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**General Obligation Debt Service Fund**  
For the Fiscal Year Ended June 30, 2004  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2003	\$ 5,294	\$ 5,294	\$ 5,533	\$ 239
<b>RESOURCES (INFLOWS):</b>				
Taxes	14,909	14,909	15,005	96
Total inflows	14,909	14,909	15,005	96
Amounts available for appropriation	20,203	20,203	20,538	335
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
Miscellaneous	336	336	271	65
Debt service:				
Principal	10,339	9,773	7,115	2,658
Interest	6,629	6,557	4,593	1,964
Total charges to appropriations	17,304	16,666	11,979	4,687
Budgetary fund balance, June 30, 2004	\$ 2,899	\$ 3,537	\$ 8,559	\$ 5,022

**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.	\$ 20,538
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(5,533)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 15,005

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 11,979
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 11,979

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Special Assessment Debt Service Fund**  
For the Fiscal Year Ended June 30, 2004  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2003	\$ 441	\$ 441	\$ 452	\$ 11
<b>RESOURCES (INFLOWS):</b>				
Special assessments	740	740	372	(368)
Miscellaneous	853	853	-	(853)
Total revenues	1,593	1,593	372	(1,221)
Add: Transfers in	-	-	695	695
Amounts available for appropriation	2,034	2,034	1,519	(515)
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
Miscellaneous	2	2	4	(2)
Debt service:				
Principal	982	982	982	-
Interest	692	692	363	329
Total charges to appropriations	1,676	1,676	1,349	327
Budgetary fund balance, June 30, 2004	\$ 358	\$ 358	\$ 170	\$ (188)

**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.	\$ 1,519
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(452)
Less: Transfers in.	(695)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 372

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 1,349
Differences - budget to GAAP:	
Other financing uses on bond refunding.	55
Net effect of other financing sources/(uses) on interest expenditures.	329
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 1,733



City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Highway User Debt Service Fund**  
For the Fiscal Year Ended June 30, 2004  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2003	\$ 62	\$ 62	\$ -	\$ (62)
<b>RESOURCES (INFLOWS):</b>				
Long term debt issued	-	-	57	57
Total Revenues	-	-	57	57
Transfers in	5,396	5,396	5,455	59
Amounts available for appropriation	5,458	5,458	5,512	54
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
General Administration	-	-	40	(40)
Miscellaneous	5	5	2	3
Debt service:				
Principal	4,655	4,655	4,655	-
Interest	798	798	815	(17)
Total charges to appropriations	5,458	5,458	5,512	(54)
Budgetary fund balance, June 30, 2004	\$ -	\$ -	\$ -	\$ -

**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.	\$ 5,512
Less: Transfers in.	(5,455)
Less: Long term debt issued.	(57)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ -

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 5,512
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 5,512

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Municipal Property Corporation Debt Service Fund**  
For the Fiscal Year Ended June 30, 2004  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2003	\$ 6,118	\$ 6,118	\$ 4,261	\$ (1,857)
<b>RESOURCES (INFLOWS):</b>				
Investments	320	320	178	(142)
Total revenues	320	320	178	(142)
Add: Transfers in	9,734	9,734	12,001	2,267
Amounts available for appropriation	16,172	16,172	16,440	268
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
Miscellaneous	11	11	27	(16)
Debt service:				
Principal	2,280	2,280	2,280	-
Interest	8,854	8,854	8,530	324
Total charges to appropriations	11,145	11,145	10,837	308
Budgetary fund balance, June 30, 2004	\$ 5,027	\$ 5,027	\$ 5,603	\$ 576

**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.	\$ 16,440
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(4,261)
Less: Transfers in.	(12,001)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 178

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 10,837
Differences - budget to GAAP:	
Other Financing uses on bond refunding.	197
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 11,034

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Arena Construction Fund**  
For the Fiscal Year Ended June 30, 2004  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2003	\$ 78,355	\$ 78,355	\$ 84,899	\$ 6,544
<b>RESOURCES (INFLOWS):</b>				
Licenses and permits	930	930	183	(747)
Charges for services	25	25	9	(16)
Investments	-	-	264	264
Total revenues	955	955	456	(499)
Amounts available for appropriation	79,310	79,310	85,355	6,045
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
General administration	1,000	687	483	204
Community services	657	741	616	125
Public safety	214	214	113	101
Capital outlay	75,898	79,424	79,553	(129)
Total charges to appropriations	77,769	81,066	80,765	301
Budgetary fund balance, June 30, 2004	\$ 1,541	\$ (1,756)	\$ 4,590	\$ 6,346

**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.	\$ 85,355
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(84,899)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 456

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 80,765
Changes in compensated absences liability	(2)
Salaries payable.	2
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 80,765

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Streets Construction Fund**  
For the Fiscal Year Ended June 30, 2004  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2003	\$ 7,220	\$ 7,220	\$ 6,290	\$ (930)
<b>RESOURCES (INFLOWS):</b>				
Investments	262	262	44	(218)
Long-term debt issued	6,891	6,891	16,691	9,800
Total revenues	7,153	7,153	16,735	9,582
Less: Transfers out	-	-	(30)	(30)
Amounts available for appropriation	14,373	14,373	22,995	8,622
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
General administration	-	-	173	(173)
Capital outlay	11,521	9,837	2,549	7,288
Payment to refunded bond escrow agent	-	-	82	(82)
Total charges to appropriations	11,521	9,837	2,804	7,033
Budgetary fund balance, June 30, 2004	\$ 2,852	\$ 4,536	\$ 20,191	\$ 15,655

**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.	\$ 22,995
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(6,290)
Less: Long-term debt issued.	(16,691)
Add: Transfers out.	30
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 44

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 2,804
Differences - budget to GAAP:	
Less: Payment to refunded bond escrow agent.	(82)
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 2,722

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Fire and Police Construction Fund**  
For the Fiscal Year Ended June 30, 2004  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2003	\$ 10,339	\$ 10,339	\$ 4,228	\$ (6,111)
<b>RESOURCES (INFLOWS):</b>				
Investments	414	414	24	(390)
Total revenues	414	414	24	(390)
Amounts available for appropriation	10,753	10,753	4,252	(6,501)
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
General administration	-	-	10	(10)
Public safety	-	-	259	(259)
Capital outlay	6,506	5,673	199	5,474
Total charges to appropriations	6,506	5,673	468	5,205
Budgetary fund balance, June 30, 2004	\$ 4,247	\$ 5,080	\$ 3,784	\$ (1,296)

**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.	\$ 4,252
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(4,228)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 24

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 468
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 468

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Parks Bond Construction Fund**  
For the Fiscal Year Ended June 30, 2004  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2003	\$ 16,847	\$ 16,847	\$ 17,270	\$ 423
<b>RESOURCES (INFLOWS):</b>				
Investments	674	674	198	(476)
Long-term debt issued	6,720	6,720	16,599	9,879
Total revenues	7,394	7,394	16,797	9,403
Less: Transfers out	-	-	(14)	(14)
Amounts available for appropriation	24,241	24,241	34,053	9,812
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
General administration	-	-	274	(274)
Community services	-	-	112	(112)
Capital outlay	22,840	21,885	3,577	18,308
Total charges to appropriations	22,840	21,885	3,963	17,922
Budgetary fund balance, June 30, 2004	\$ 1,401	\$ 2,356	\$ 30,090	\$ 27,734

**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.	\$ 34,053
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(17,270)
Long-term debt issued.	(16,599)
Add: Transfers out.	14
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 198

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 3,963
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 3,963

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Other Construction Fund**  
For the Fiscal Year Ended June 30, 2004  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2003	\$ 13,656	\$ 13,656	\$ 13,565	\$ (91)
<b>RESOURCES (INFLOWS):</b>				
Intergovernmental	3,000	3,000	1,992	(1,008)
Investments	415	415	88	(327)
Long-term debt issued	7,300	7,300	15,447	8,147
Total revenues	10,715	10,715	17,527	6,812
Add: Transfers in	2,998	427	151	(276)
Amounts available for appropriation	27,369	24,798	31,243	6,445
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
General government	-	10	172	(162)
Public works	-	-	75	(75)
Capital outlay	24,861	29,325	18,381	10,944
Total charges to appropriations	24,861	29,335	18,628	10,707
Budgetary fund balance, June 30, 2004	\$ 2,508	\$ (4,537)	\$ 12,615	\$ 17,152

**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.	\$ 31,243
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(13,565)
Less: Transfers in.	(151)
Long-term debt issued.	(15,447)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 2,080

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 18,628
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 18,628

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Cemetery Perpetual Care Permanent Fund**  
For the Fiscal Year Ended June 30, 2004  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2003	\$ 4,493	\$ 4,493	\$ 4,539	\$ 46
<b>RESOURCES (INFLOWS):</b>				
Investments	-	-	76	76
Miscellaneous	470	470	30	(440)
Total revenues	470	470	106	(364)
Amounts available for appropriation	4,963	4,963	4,645	(318)
Budgetary fund balance, June 30, 2004	\$ 4,963	\$ 4,963	\$ 4,645	\$ (318)

**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.	\$ 4,645
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(4,539)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 106



City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Water and Sewer Fund**  
For the Fiscal Year Ended June 30, 2004  
(amounts expressed in thousands)  
**UNAUDITED**

Amended

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2003	\$ 17,549	\$ 17,549	\$ 31,881	\$ 14,332
<b>RESOURCES (INFLOWS):</b>				
Intergovernmental	-	-	14	14
Charges for services:				
Metered water sales	28,468	28,468	26,440	(2,028)
Sewer service charges	19,819	19,819	19,452	(367)
Impact fees	6,400	6,400	5,485	(915)
Other fees	450	450	1,146	696
Investments	315	315	778	463
Miscellaneous	-	-	3	3
Proceeds from bonds sold	80,000	80,000	83,203	3,203
Proceeds from loan	2,406	2,406	893	(1,513)
Proceeds from equipment disposal	-	-	55	55
Total revenues	<u>137,858</u>	<u>137,858</u>	<u>137,469</u>	<u>(389)</u>
Less: Transfers out	-	-	(17)	(17)
Amounts available for appropriation	<u>155,407</u>	<u>155,407</u>	<u>169,333</u>	<u>13,926</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
General administration	9,080	9,351	9,412	(61)
Water	13,013	14,045	12,889	1,156
Sewer	8,974	10,184	9,128	1,056
Bond issuance cost	-	-	1,096	(1,096)
Contingencies	2,000	1,747	-	1,747
Capital outlay	102,942	98,438	38,000	60,438
Debt service:				
Principal	9,068	9,068	9,818	(750)
Interest	3,254	5,588	5,304	284
Total charges to appropriations	<u>148,331</u>	<u>148,421</u>	<u>85,647</u>	<u>62,774</u>
Budgetary fund balance, June 30, 2004	<u>\$ 7,076</u>	<u>\$ 6,986</u>	<u>\$ 83,686</u>	<u>\$ 76,700</u>

(Continued)

City of Glendale  
**Budgetary Comparison Schedule** (continued)  
**Water and Sewer Fund**  
For the Fiscal Year Ended June 30, 2004  
(amounts expressed in thousands)  
**UNAUDITED**

Amended

**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.	\$ 169,333
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(31,881)
Interest earned on restricted assets not available for appropriation.	11
Bond proceeds.	(83,203)
Loan proceeds.	(893)
Proceeds from disposal of capital assets.	(55)
Internal staff and administrative charges reported as revenue only on budgetary basis.	(120)
Add: Transfers out.	17
Total revenues as reported on the statement of revenues, expenses, and changes in fund net assets.	<u>\$ 53,209</u>

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 85,647
Amortization of capitalized bond issuance expense.	(55)
Capital outlay expenditure.	(38,000)
Change in compensated absences liability.	76
Change in prepaid assets or inventory.	(42)
Amortization and depreciation expense.	9,475
Bond issuance costs.	(1,066)
Principal payments on long-term obligations.	(9,818)
Interest expense.	(684)
Internal staff and administrative charges reported as revenue only on budgetary basis.	(120)
Accrued payroll.	157
Total expenses as reported in the statement of revenues, expenses, and changes in fund net assets, excluding loss from joint venture and disposal of assets.	<u>\$ 45,570</u>

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Landfill Fund**  
For the Fiscal Year Ended June 30, 2004  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2003	\$ 17,847	\$ 17,847	\$ 18,072	\$ 225
<b>RESOURCES (INFLOWS):</b>				
Charges for services:				
Landfill user fees	6,344	6,344	7,487	1,143
Recycling fees	1,550	1,550	2,238	688
Other fees	911	911	33	(878)
Proceeds from equipment disposal	-	-	189	189
Investments	525	525	307	(218)
Impact fees	242	242	207	(35)
Total revenues	<u>9,572</u>	<u>9,572</u>	<u>10,461</u>	<u>889</u>
Amounts available for appropriation	<u>27,419</u>	<u>27,419</u>	<u>28,533</u>	<u>1,114</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Contingencies	2,000	1,953	-	1,953
Landfill	6,392	6,290	5,382	908
Capital outlay	-	149	295	(146)
Debt service:				
Principal	1,650	1,650	1,640	10
Interest	566	566	433	133
Total charges to appropriations	<u>10,608</u>	<u>10,608</u>	<u>7,750</u>	<u>2,858</u>
Budgetary fund balance, June 30, 2004	<u>\$ 16,811</u>	<u>\$ 16,811</u>	<u>\$ 20,783</u>	<u>\$ 3,972</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.	\$ 28,533
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(18,072)
Internal staff and administrative charges reported as revenue only on budgetary basis.	(370)
Proceeds from disposal of capital assets.	(189)
Total revenues as reported on the statement of revenues, expenses, and changes in fund net assets, excluding gain on disposal of assets.	<u>\$ 9,902</u>

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 7,750
Capital outlay expenditures.	(295)
Change in compensated absences liability.	27
Change in estimated landfill post-closure liability.	441
Depreciation expense.	1,122
Principal payments on long-term obligations.	(1,640)
Interest expense.	28
Accrued payroll.	26
Internal staff and administrative charges reported as revenue only on budgetary basis.	(370)
Loss on disposal of assets.	80
Total expenses as reported in the statement of revenues, expenses, and changes in fund net assets.	<u>\$ 7,169</u>

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Sanitation Fund**  
For the Fiscal Year Ended June 30, 2004  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2003	\$ 1,837	\$ 1,837	\$ 2,250	\$ 413
<b>RESOURCES (INFLOWS):</b>				
Charges for services:				
Container service	4,846	4,846	4,564	(282)
Curb service	8,222	8,222	8,137	(85)
Impact fees	257	257	107	(150)
Recycle sales	-	-	8	8
Investments	10	10	19	9
Proceeds from equipment disposal	-	-	22	22
Proceeds from lease	737	737	655	(82)
Total revenues	<u>14,072</u>	<u>14,072</u>	<u>13,512</u>	<u>(560)</u>
Amounts available for appropriation	<u>15,909</u>	<u>15,909</u>	<u>15,762</u>	<u>(147)</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
Sanitation	12,196	12,196	11,268	928
Capital outlay	1,645	1,645	347	1,298
Debt service:				
Principal	1,113	1,113	984	129
Interest	149	149	109	40
Total charges to appropriations	<u>15,103</u>	<u>15,103</u>	<u>12,708</u>	<u>2,395</u>
Budgetary fund balance, June 30, 2004	<u>\$ 806</u>	<u>\$ 806</u>	<u>\$ 3,054</u>	<u>\$ 2,248</u>

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

**Sources/inflows of resources:**

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 15,762
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(2,250)
Proceeds from disposal of capital assets.	(22)
Capital lease proceeds.	(655)
Total revenues as reported on the combining statement of revenues, expenses, and changes in fund net assets - non-major proprietary funds, excluding gain on disposal of goods.	<u>\$ 12,835</u>

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 12,708
Depreciation expense.	809
Interest expense.	3
Change in compensated absences liability.	15
Accrued payroll.	46
Principal payments on long-term obligations.	(984)
Capital outlay.	(346)
Total expenses as reported in the combining statement of revenues, expenses, and changes in fund net assets - non-major proprietary funds.	<u>\$ 12,251</u>

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Housing Fund**  
For the Fiscal Year Ended June 30, 2004  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2003	\$ 207	\$ 207	\$ 783	\$ 576
<b>RESOURCES (INFLOWS):</b>				
Intergovernmental	7,530	7,530	7,795	265
Miscellaneous	-	-	512	512
Investments	390	390		(390)
Total revenues	7,920	7,920	8,307	387
Add: Transfers in	241	241	350	109
Amounts available for appropriation	8,368	8,368	9,440	1,072
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
Housing	8,003	8,003	8,518	(515)
Capital outlay	365	365	346	19
Total charges to appropriations	8,368	8,368	8,864	(496)
Budgetary fund balance, June 30, 2004	\$ -	\$ -	\$ 576	\$ 576

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

**Sources/inflows of resources:**

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 9,440
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(783)
Less: Transfers in.	(350)
Total revenues as reported on the statement of revenues, expenses, and changes in fund net assets - non-major proprietary funds.	\$ 8,307

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 8,864
Change in compensated absences liability.	8
Accrued payroll.	(28)
Depreciation expense.	359
Capital outlay.	(346)
Total expenses as reported in the statement of revenues, expenses, and changes in fund net assets - non-major proprietary funds.	\$ 8,857

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Risk Management Fund**  
For the Fiscal Year Ended June 30, 2004  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2003	\$ 1,772	\$ 1,772	\$ 1,667	\$ (105)
<b>RESOURCES (INFLOWS):</b>				
Self-insurance premiums	2,300	2,300	2,300	-
Investments	55	55	19	(36)
Total revenues	<u>2,355</u>	<u>2,355</u>	<u>2,319</u>	<u>(36)</u>
Transfers in			2,500	2,500
Amounts available for appropriation	<u>4,127</u>	<u>4,127</u>	<u>6,486</u>	<u>2,359</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
Insurance and claims	2,250	2,650	2,713	(63)
Contingencies	500	500	-	500
Total charges to appropriations	<u>2,750</u>	<u>3,150</u>	<u>2,713</u>	<u>437</u>
Budgetary fund balance, June 30, 2004	<u>\$ 1,377</u>	<u>\$ 977</u>	<u>\$ 3,773</u>	<u>\$ 2,796</u>

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

**Sources/inflows of resources:**

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 6,486
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(1,667)
Less: Transfers in.	<u>(2,500)</u>
Total revenues as reported on the combining statement of revenues, expenses, and changes in fund net assets.	<u>\$ 2,319</u>

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 2,713
Change in estimated claims payable.	250
Change in prepaid assets or inventory.	(30)
Total expenses as reported in the statement of revenues, expenses, and changes in fund net assets.	<u>\$ 2,933</u>

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Workers' Compensation Fund**  
For the Fiscal Year Ended June 30, 2004  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2003	\$ 6,908	\$ 6,908	\$ 7,156	\$ 248
<b>RESOURCES (INFLOWS):</b>				
Self-insurance premiums	1,133	1,133	1,133	-
Investments	190	190	116	(74)
Total revenues	1,323	1,323	1,249	(74)
Less: Transfers out			(2,500)	(2,500)
Amounts available for appropriation	8,231	8,231	5,905	(2,326)
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
Insurance and claims	1,407	1,407	1,196	211
Total charges to appropriations	1,407	1,407	1,196	211
Budgetary fund balance, June 30, 2004	\$ 6,824	\$ 6,824	\$ 4,709	\$ (2,115)

**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.	\$ 5,905
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(7,156)
Add: Transfers out.	2,500
Total revenues as reported on the statement of revenues, expenses, and changes in fund net assets.	\$ 1,249

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 1,196
Change in estimated claims payable.	(408)
Total expenses as reported in the statement of revenues, expenses, and changes in fund net assets.	\$ 788

City of Glendale, Arizona  
**Budgetary Comparison Schedule**  
**Employee Benefits Fund**  
For the Fiscal Year Ended June 30, 2004  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2003	\$ 2,129	\$ 2,129	\$ 3,738	\$ 1,609
<b>RESOURCES (INFLOWS):</b>				
Self-insurance premiums	12,141	12,141	13,268	1,127
Investments	-	-	74	74
Total revenues	12,141	12,141	13,342	1,201
Amounts available for appropriation	14,270	14,270	17,080	2,810
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
Insurance and claims	12,577	12,577	12,360	217
Total charges to appropriations	12,577	12,577	12,360	217
Budgetary fund balance, June 30, 2004	\$ 1,693	\$ 1,693	\$ 4,720	\$ 3,027

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

**Sources/inflows of resources:**

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule.	\$ 17,080
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(3,738)
Miscellaneous.	(56)
Total revenues as reported on the statement of revenues, expenses, and changes in fund net assets.	\$ 13,286

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 12,360
Change in estimated claims payable liability.	200
Total expenses as reported in the statement of revenues, expenses, and changes in fund net assets.	\$ 12,560



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City of Glendale, Arizona  
**Federal Financial Data Schedule (PHA: AZ003)**  
 For the Fiscal Year Ended June 30, 2004  
 (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 Item No.	Account Description	Low Rent Public Housing	Public and Indian Housing Drug Elimination Program	Section 8 Rental Voucher Program	Resident Opportunity and Supportive Services	Housing Choice Vouchers	Public Housing Capital Fund Program	Total
ASSETS:								
Current assets:								
Cash:								
111	Cash - unrestricted	\$ 364,045	\$ -	\$ -	\$ -	\$ 101,998	\$ -	\$ 466,043
100	Total cash	364,045	-	-	-	101,998	-	466,043
Accounts receivables:								
121	Accounts receivable - PHA projects	-	-	-	-	242,119	-	242,119
122	Accounts receivable - HUD other projects	-	-	-	7,984	166,187	30,588	204,759
125	Accounts receivable - miscellaneous	100	-	-	-	-	-	100
126	Accounts receivable - tenants - dwelling rents	144	-	-	-	-	-	144
126.1	Allowance for doubtful accounts - dwelling rents	-	-	-	-	-	-	-
126.2	Allowance for doubtful accounts - other	-	-	-	-	-	-	-
120	Total receivables, net of allowances for doubtful accounts	244	-	-	7,984	408,306	30,588	447,122
Current investments								
132	Investments - restricted	-	-	-	-	43,305	-	43,305
143	Inventories	4,500	-	-	-	-	-	4,500
143.1	Allowance for obsolete inventories	-	-	-	-	-	-	-
144	Interprogram - due from	266,453	-	-	-	-	-	266,453
150	Total current assets	635,242	-	-	7,984	553,609	30,588	1,227,423
Non-current assets								
Fixed assets:								
161	Land	135,533	-	-	-	-	-	135,533
162	Buildings	7,675,067	-	-	-	149,998	-	7,825,065
163	Furniture, equipment & machinery - dwellings	362,029	-	-	-	-	24,883	386,912
164	Furniture, equipment & machinery - administration	114,710	38,081	-	-	125,577	22,232	300,600
165	Leasehold improvements	1,860,800	-	-	-	-	-	1,860,800
166	Accumulated depreciation	(4,812,334)	(927)	-	-	(133,162)	(10,983)	(4,957,406)
167	Construction in progress	-	-	-	-	-	327,500	327,500
160	Total fixed assets, net of accumulated depreciation	5,335,805	37,154	-	-	142,413	363,632	5,879,004
180	Total non-current assets	5,335,805	37,154	-	-	142,413	363,632	5,879,004
190	Total assets	\$ 5,971,047	\$ 37,154	\$ -	\$ 7,984	\$ 696,022	\$ 394,220	\$ 7,106,427

City of Glendale, Arizona  
**Federal Financial Data Schedule (PHA: AZ003)**  
For the Fiscal Year Ended June 30, 2004  
(Rounded to nearest dollar)

(continued)

Line Item No.	Account Description	Low Rent Public Housing	Public and Indian Housing Drug Elimination Program	Section 8 Rental Voucher Program	Resident Opportunity and Supportive Services	Housing Choice Vouchers	Public Housing Capital Fund Program	Total
<b>LIABILITIES AND EQUITY/NET ASSETS</b>								
<b>LIABILITIES:</b>								
Current liabilities								
312	Accounts payable <= 90 days	\$ 66,296	\$ -	\$ -	\$ -	\$ 40,002	\$ -	\$ 106,298
322	Accrued compensated absences - current portion	3,815	-	-	-	4,133	-	7,948
332	Accounts payable - PHA projects	-	-	-	-	-	-	-
333	Accounts payable - other government	49,295	-	-	-	-	-	49,295
341	Tenant security deposits	33,030	-	-	-	-	-	33,030
342	Deferred revenues	3,222	-	-	-	-	-	3,222
347	Interprogram - due to	-	-	-	7,984	227,881	30,588	266,453
310	Total current liabilities	155,658	-	-	7,984	272,016	30,588	466,246
Noncurrent liabilities								
353	Noncurrent liabilities- other	-	-	-	-	43,305	-	43,305
354	Accrued compensated absences - noncurrent	34,338	-	-	-	37,199	-	71,537
350	Total noncurrent liabilities	34,338	-	-	-	80,504	-	114,842
300	Total liabilities	189,996	-	-	7,984	352,520	30,588	581,088
<b>EQUITY/NET ASSETS:</b>								
508	Total contributed capital	-	-	-	-	-	-	-
508.1	Invested in capital assets, net of related debt	5,335,805	37,154	-	-	142,413	363,632	5,879,004
511	Total reserved fund balance	-	-	-	-	-	-	-
511.1	Restricted net assets	-	-	-	-	-	-	-
512.1	Unrestricted net assets	445,246	-	-	-	201,089	-	646,335
513	Total equity/net assets	5,781,051	37,154	-	-	343,502	363,632	6,525,339
600	Total liabilities and equity/net assets	\$ 5,971,047	\$ 37,154	\$ -	\$ 7,984	\$ 696,022	\$ 394,220	\$ 7,106,427

(continued)

City of Glendale, Arizona  
**Federal Financial Data Schedule (PHA: AZ003)**  
 For the Fiscal Year Ended June 30, 2004  
 (Rounded to nearest dollar)

(continued)

Line Item No.	Account Description	Low Rent Public Housing	Public and Indian Housing Drug Elimination Program	Section 8 Rental Voucher Program	Resident Opportunity and Supportive Services	Housing Choice Vouchers	Public Housing Capital Fund Program	Total
<b>REVENUE:</b>								
703	Net tenant rental revenue	\$ 256,534	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 256,534
704	Tenant revenue - other	8,179	-	-	-	-	-	8,179
705	Total tenant revenue	264,713	-	-	-	-	-	264,713
706	HUD PHA operating grants	337,902	-	-	90,786	7,167,445	45,714	7,641,847
706.1	Capital grants	-	21,554	-	-	-	131,497	153,051
715	Other revenue	201	-	-	-	246,888	-	247,089
720	Investment income - restricted	-	-	-	-	-	-	-
700	Total revenue	602,816	21,554	-	90,786	7,414,333	177,211	8,306,700
<b>EXPENDITURES:</b>								
911	Administrative salaries	338,787	-	-	-	512,452	-	851,239
912	Auditing fees	-	-	-	-	-	-	-
914	Compensated absences	(9,431)	-	-	-	(10,217)	-	(19,648)
915	Employee benefit contributions - administrative	90,759	-	-	-	130,731	-	221,490
916	Other operating - administrative	51,744	-	-	16,283	94,759	36,596	199,382
924	Tenant services - other	400	-	-	74,503	-	-	74,903
931	Water	50,433	-	-	-	-	-	50,433
932	Electricity	15,674	-	-	-	-	-	15,674
933	Gas	1,238	-	-	-	-	-	1,238
938	Other utilities expense	26,191	-	-	-	-	-	26,191
941	Ordinary maintenance and operations - labor	221,215	-	-	-	-	-	221,215
942	Ordinary maintenance and operations - materials & other	40,515	-	-	-	5,502	9,118	55,135
943	Ordinary maintenance and operations - contract costs	68,910	-	-	-	-	-	68,910
945	Employee benefit contributions - ordinary maintenance	57,829	-	-	-	-	-	57,829
952	Protective services - other contract costs	-	-	-	-	-	-	-
961	Insurance premiums	15,153	-	-	-	22,868	-	38,021
962	Other general expenses	-	-	-	-	42,724	-	42,724
963	Payments in lieu of taxes	16,300	-	-	-	-	-	16,300
964	Bad debt - tenant rents	(1,264)	-	-	-	-	-	(1,264)
969	Total operating expenditures	984,453	-	-	90,786	798,819	45,714	1,919,772
970	Excess operating revenue over expenditures	(381,637)	21,554	-	-	6,615,514	131,497	6,386,928
973	Housing assistance payments	-	-	-	-	6,578,481	-	6,578,481
974	Depreciation expense	336,910	840	-	-	12,542	8,517	358,809
900	Total expenditures	1,321,363	840	-	90,786	7,389,842	54,231	8,857,062
<b>OTHER FINANCING SOURCES (USES)</b>								
1004	Operating transfers from/to component unit	350,000	-	-	-	-	-	350,000
1010	Total other financing sources (Uses)	350,000	-	-	-	-	-	350,000
1000	Excess (deficiency) of total revenues over (under) total expenditures	\$ (368,547)	\$ 20,714	\$ -	\$ -	\$ 24,491	\$ 122,980	\$ (200,362)

(continued)

City of Glendale, Arizona

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

For the Fiscal Year Ended June 30, 2004

(Rounded to nearest dollar)

(continued)

Line Item No.	Account Description	Low Rent Public Housing	Public and Indian Housing Drug Elimination Program	Section 8 Rental Voucher Program	Resident Opportunity and Supportive Services	Housing Choice Vouchers	Public Housing Capital Fund Program	Total
MEMO ACCOUNT INFORMATION								
1102	Debt principal payments - enterprise funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1103	Beginning equity	5,873,456	16,440	-	-	319,011	516,794	6,725,701
1104	Total prior period adjustments, equity transfers and correction of errors	276,142	-	-	-	-	(276,142)	-
1113	Maximum annual contributions commitment (Per ACC)	-	-	-	-	11,085,157	-	11,085,157
1114	Prorata maximum annual contributions applicable to a period of less than twelve months	-	-	-	-	-	-	-
1115	Contingency reserve, ACC program reserve	-	-	-	-	1,322,028	-	1,322,028
1116	Total annual contributions available	-	-	-	-	12,407,185	-	12,407,185
1120	Unit months available	1,860	-	-	-	12,648	-	14,508
1121	Number of unit months leased	1,830	-	-	-	12,352	-	14,182

City of Glendale, Arizona  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule By Function and Activity<sup>(1)</sup>**  
For the Fiscal Year Ended June 30, 2004  
(amounts expressed in thousands)

Function and Activity	Land	Buildings	Improvements Other Than Buildings	Machinery and Equipment
General government	\$ 11,604	\$ 103,029	\$ 65,012	\$ 20,453
Public safety	434	24,852	9,703	4,914
Public works	6,347	13,659	3,429	334
Community services	23,680	19,379	32,529	1,997
Community environment	1,033	-	2,873	-
Street maintenance	732	-	4,501	439
Cemetery	100	-	-	-
Total governmental funds capital assets	\$ 43,930	\$ 160,919	\$ 118,047	\$ 28,137

(1) This schedule presents only the capital asset balances related to governmental funds.

<u>Computer Equipment</u>	<u>Software</u>	<u>Automotive Equipment</u>	<u>Infrastructure</u>	<u>Construction in Process</u>	<u>Other</u>	<u>Total</u>
\$ 1,250	\$ 97	\$ 10,400	\$ 44,095	\$ 605	\$ -	\$ 256,545
73	338	7,647	-	2,479	-	50,440
9	-	1,036	28,134	22,157	-	75,105
73	-	2,960	42,430	10,490	1,175	134,713
-	-	13	-	-	-	3,919
8	80	3,151	420,234	8,729	-	437,874
-	-	-	-	-	-	100
<u>\$ 1,413</u>	<u>\$ 515</u>	<u>\$ 25,207</u>	<u>\$ 534,893</u>	<u>\$ 44,460</u>	<u>\$ 1,175</u>	<u>\$ 958,696</u>

City of Glendale, Arizona

**Capital Assets Used in the Operation of Governmental Funds**

**Schedule of Changes By Function and Activity<sup>(1)</sup>**

For the Fiscal Year Ended June 30, 2004

(amounts expressed in thousands)

Function and Activity	Governmental Funds Capital Assets July 1, 2003	Additions	Deductions	Governmental Funds Capital Assets June 30, 2004
General government	\$ 153,386	\$ 300,018	\$ (196,859)	\$ 256,545
Public safety	48,022	8,846	(6,428)	50,440
Public works	54,188	21,306	(389)	75,105
Community services	127,458	23,327	(16,072)	134,713
Community environment	3,919	-	-	3,919
Street maintenance	429,320	13,392	(4,838)	437,874
Cemetery	100	-	-	100
Total governmental funds capital assets	\$ 816,393	\$ 366,889	\$ (224,586)	\$ 958,696

(1) This schedule presents only the capital asset balances related to governmental funds.





City of Glendale, Arizona

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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# STATISTICAL SECTION

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FOR THE FISCAL YEAR ENDED JUNE 30, 2004

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**General Governmental Expenditures by Function** <sup>(1)</sup>

Last Ten Fiscal Years

(amounts expressed in thousands)

**Table 1**

Fiscal Year	General Government	Public Safety	Public Works	Community Services	Community Environment	Street Maintenance	Community Housing <sup>(2)</sup>	Miscellaneous and Contingency	Capital Outlay	Debt Service	Total
1994-95	\$ 10,187	\$ 26,686	\$ 7,400	\$ 12,596	\$ 1,447	\$ 7,153	\$ 4,603	\$ 195	\$ 27,160	\$ 17,659	\$ 115,086
1995-96	11,449	30,006	7,858	13,917	1,615	7,676	4,763	241	31,094	20,559	129,178
1996-97	13,287	34,318	9,114	15,522	1,883	8,600	4,887	466	41,520	18,330	147,927
1997-98	14,666	36,847	9,797	16,697	2,991	9,109	5,064	127	37,130	19,205	151,633
1998-99	15,340	37,912	10,456	18,514	2,508	9,516	5,312	22	42,363	20,539	162,482
1999-00	17,122	41,155	11,884	21,332	2,052	9,541	5,645	458	42,177	32,997	184,363
2000-01	21,583	43,741	12,688	22,832	2,379	10,320	6,201	475	37,028	23,106	180,353
2001-02	20,064	49,126	11,364	27,502	3,223	11,493	-	71	38,636	26,499	187,978
2002-03	20,321	49,571	10,118	28,391	3,282	9,994	-	80	142,213	29,835	293,805
2003-04	17,274	53,805	12,816	30,006	3,311	9,811	-	556	120,415	34,088	282,082

Notes:

(1) Includes all Governmental Fund Types.

(2) In fiscal year 2001-02, the City reclassified the Housing function to be accounted for within a proprietary fund. This function will be eliminated from the table prospectively.

**General Governmental Revenues by Source** <sup>(1)</sup>

Last Ten Fiscal Years

(amounts expressed in thousands)

Fiscal Year	Taxes and Special Assessments	Licenses and Permits	Inter-governmental	Local	Charges for Services	Fines and Forfeitures	Investments	Miscellaneous	Total
1994-95	\$ 40,934	\$ 5,131	\$ 44,780	\$ 15,038	\$ 2,629	\$ 1,516	\$ 3,254	\$ 1,764	\$ 115,046
1995-96	44,313	5,739	48,219	15,941	3,425	2,029	3,706	1,757	125,129
1996-97	47,892	6,691	55,558	23,131	3,813	2,701	4,556	2,943	147,285
1997-98	51,253	9,197	61,845	12,355	4,735	2,646	5,185	1,971	149,187
1998-99	54,355	7,902	66,609	10,904	4,737	2,951	5,017	1,770	154,245
1999-00	57,681	8,280	70,269	11,020	4,861	2,413	4,533	1,905	160,962
2000-01	60,911	9,897	72,216	6,417	5,347	2,381	8,303	3,686	169,158
2001-02	70,526	10,663	68,479	-	2,516	2,859	2,572	2,728	160,343
2002-03	82,458	16,771	73,836	-	3,313	3,246	(805)	2,834	181,653
2003-04	93,655	16,667	73,166	-	4,824	3,169	1,510	2,774	195,765

Notes:

- (1) Includes all Governmental Fund Types.
- (2) In accordance with implementation of GASB Statement 34, the City no longer recognizes certain developer contributions of infrastructure as revenue.
- (3) In fiscal year 2001-02, the City reclassified the Housing function to be accounted for within a proprietary fund. This function will be eliminated from the table prospectively.

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

**Table 3**

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Current Tax Collections</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Ratio of Total Tax Collections to Total Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Ratio of Delinquent to Total Tax Levy</u>
1994-95	\$ 9,718	\$ 9,412	96.85 %	\$ 238	\$ 9,650	99.30 %	\$ 335	3.45 %
1995-96	10,506	10,241	97.48	254	10,496	99.90	294	2.80
1996-97	10,761	10,448	97.09	211	10,659	99.05	292	2.71
1997-98	12,051	11,661	96.76	245	11,906	98.79	342	2.84
1998-99	12,131	11,764	96.98	312	12,076	99.55	327	2.69
1999-00	12,978	12,507	96.37	288	12,795	98.59	376	2.89
2000-01	14,227	13,833	97.23	339	14,172	99.62	397	2.79
2001-02	16,136	15,529	96.24	291	15,820	98.04	556	3.45
2002-03	16,743	16,289	97.29	440	16,729	99.92	484	2.89
2003-04	18,468	17,899	96.92	397	18,296	99.07	537	2.91

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

**Table 4**

Fiscal Year	Real Estate	Improvements	Secured Personal	Unsecured Personal	Utilities Rails and Wires	Gross Valuation <sup>(1)</sup>	Less: Exemptions <sup>(1)</sup>	Net Assessed Value <sup>(1)</sup>	Estimated Actual Value
1994-95	\$ 160,082	\$ 302,623	\$ 1,951	\$ 31,215	\$ 30,192	\$ 526,063	\$ 796	\$ 525,267	\$ 4,321,468
1995-96	161,175	358,969	2,045	25,714	31,092	578,995	815	578,180	4,809,344
1996-97	191,755	401,560	2,564	23,711	46,017	665,607	65,362	600,245	5,022,245
1997-98	206,083	475,031	2,688	29,718	46,299	759,819	62,626	697,193	5,824,504
1998-99	215,309	485,708	2,974	29,627	44,837	778,455	61,065	717,390	5,931,081
1999-00	223,785	548,672	2,748	30,259	45,209	850,673	62,981	787,692	6,526,885
2000-01	233,712	619,842	2,609	39,388	46,580	942,131	65,228	876,903	7,288,261
2001-02	253,580	686,608	2,609	43,470	51,547	1,037,814	83,695	954,119	8,010,100
2002-03	258,224	733,234	2,383	39,629	54,189	1,087,659	98,565	989,094	8,331,442
2003-04	298,152	820,414	2,113	35,832	58,517	1,215,028	135,011	1,080,017	9,391,120

Notes:

Source: Maricopa County Assessor's Office.

(1) Fiscal year 1996-97 gross valuation and exemptions increased due to a change in methodology by Maricopa County. Beginning that year, items such as churches and universities were included in both the gross valuation and the exemption amounts. The net effect of this change to the assessed value is zero.

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

Fiscal Year	City of Glendale	Glendale Elementary District	Glendale High School District	Peoria Unified School District	Deer Valley Unified School District	State	Maricopa County/ Education Equalization	Community College District	Flood Control District	Central Arizona Water Conservation District	County Library District	Fire District Assistance
1994-95	\$ 1.98	\$ 7.19	\$ 3.82	\$ 8.30	\$ 10.27	\$ 0.47	\$ 1.77	\$ 0.90	\$ 0.36	\$ 0.14	\$ 0.04	\$ 0.01
1995-96	1.93	7.93	4.20	8.51	9.42	0.47	1.83	1.11	0.33	0.14	0.01	0.01
1996-97	1.88	7.07	4.12	8.78	10.22	0.00	1.79	1.05	0.34	0.14	0.04	0.01
1997-98	1.83	7.45	3.89	9.47	9.73	0.00	1.79	1.13	0.34	0.14	0.04	0.01
1998-99	1.78	7.98	3.95	9.98	9.81	0.00	1.81	1.11	0.33	0.14	0.04	0.01
1999-00	1.73	7.71	3.85	9.70	9.17	0.00	1.82	1.13	0.29	0.14	0.04	0.01
2000-01	1.72	7.19	3.56	9.49	8.06	0.00	1.79	1.12	0.25	0.13	0.04	0.01
2001-02	1.72	6.89	3.46	8.72	8.11	0.00	1.77	1.11	0.23	0.13	0.04	0.01
2002-03	1.72	6.87	3.63	8.69	7.59	0.00	1.78	1.11	0.21	0.13	0.04	0.01
2003-04	1.72	6.50	3.35	8.60	7.12	0.00	1.75	1.08	0.21	0.12	0.05	0.01

Total Within Following Districts:

	Glendale Elementary and High School Districts	Peoria Unified School District	Deer Valley Unified School District
1994-95	\$ 16.68	\$ 13.97	\$ 15.94
1995-96	17.96	14.34	15.25
1996-97	16.44	14.03	15.47
1997-98	16.62	14.75	15.01
1998-99	17.15	15.20	15.03
1999-00	16.72	14.86	14.33
2000-01	15.81	14.55	13.12
2001-02	15.36	13.73	13.12
2002-03	15.51	13.69	12.59
2003-04	14.79	13.59	12.06

Source: Maricopa County 2001 Tax Rates.

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

City of Glendale, Arizona  
**Principal Property Taxpayers**  
 June 30, 2004  
 (amounts expressed in thousands)

**Table 6**

Taxpayer	Type of Property	Assessed Valuation	Percentage of Total Secondary Assessed Valuation
Qwest Corporation	Telephone Utility	\$ 16,477	1.53 %
Arizona Public Service	Electrical Utility	14,716	1.36
Honeywell Inc.	Industrial Park	10,708	0.99
New River Associates	Shopping Center	8,308	0.77
Southwest Gas Corporation	Gas & Electric	5,318	0.49
Corning Gilbert Inc.	Industrial Park	4,310	0.40
Toys DC South LLC	Warehouse/Truck Terminal	4,101	0.38
Alliance WE Limited Partnership	Apartments	3,754	0.35
Lexington Glendale LLC	Industrial Park	3,546	0.33
Chase Commercial Mtg Banking	Shopping Center	3,435	0.32
Monadnock Property Trust LLC	Apartments	3,192	0.30
VHS of Arrowhead Inc.	Medical Building	3,187	0.30
51 Bell Limited Partnership	Warehouse/Truck Terminal	3,045	0.28
Wal-Mart Stores Inc.	Shopping Center	2,958	0.27
May Department Stores	Shopping Center	2,845	0.26
Burlington Northern/Santa Fe Railway	Railroad Operating Property	2,841	0.26
Condev West Inc.	Shopping Center	2,787	0.26
Banner Health System	Medical Building	2,731	0.25
Sanderson Ford	Auto Sales	2,646	0.25
The Home Depot USA	Commercial Building	2,624	0.24
Total principal taxpayers		103,529	9.59
Other taxpayers		976,488	90.41
Total secondary assessed valuation		\$1,080,017	100.00 %

Source: Maricopa County Treasurer's Office.

Notes: (1) 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  
**Special Assessment Billings and Collections**  
 Last Ten Fiscal Years  
 (amounts expressed in thousands)

**Table 7**

Fiscal Year	Special Assessment Billing	Special Assessment Collected <sup>(1)</sup>
1994-95	\$ 844	\$ 1,233
1995-96	837	900
1996-97	801	1,431
1997-98	706	1,616
1998-99	740	921
1999-00	782	790
2000-01	827	1,078
2001-02	825	844
2002-03	752	767
2003-04	29	322

Notes:

(1) Includes prepayments and billings that assessees paid before assessment went to bond.

City of Glendale, Arizona  
**Computation of Legal Debt Margins**  
 June 30, 2004  
 (amounts expressed in thousands)

**Table 8**

Secondary assessed value, February 10, 2003		\$	1,080,017
Debt limit: 6% of assessed value		\$	64,801
<b>Amount of 6% type debt applicable to debt limit:<sup>(1)</sup></b>			
1993	Refunding	\$	4,005
1993	Refunding water & sewer		20
1998	Library		2,982
1998	Public safety		1,193
1998	Streets		795
2000	Economic development		707
2000	Governmental facilities		644
2000	Landfill		1,033
2000	Public safety		424
2000	Streets and parking		3,038
2000	Streets and traffic signals		1,308
2000	Transit		131
2002	Streets, traffic and parking		1,892
2002	Streets		10,213
2003	Governmental facilities		2,385
2003	Maintenance		4,950
2003	Public safety		13,569
2003	Streets and parking		1,146
2004	Governmental facilities		8,545
2004	Streets		5,065
Total amount of 6% type debt applicable to debt limit		\$	64,045
Less amount available in debt service fund and water & sewer fund:			
6% G.O. principal payment 7/1/04			7,480
Debt service fund			7,166
Total amount available			14,646
Total debt applicable to debt limit			49,399
6% type debt--legal debt margin		\$	15,402
Debt limit: 20% of assessed value		\$	216,003
<b>Amount of 20% type debt applicable to debt limit:<sup>(1)</sup></b>			
1993	Refunding		205
1993	Refunding water & sewer		1,930
1998	Parks		1,725
2000	Flood control		5,625
2000	Open space/trails		450
2000	Parks		5,300
2002	Refunding		4,368
2002	Flood control		2,883
2002	Parks		2,499
2002	Water feature		2,335
2002	Multipurpose recreational facility		13,795
2003	Flood control		4,390
2003	Open space/trails		2,725
2003	Parks		1,033
2003	Parks and recreation		20,327
2003	Water and sewer		13,875
2004	Flood control		6,678
2004	Parks		16,357
Total amount of 20% type debt applicable to debt limit		\$	106,500
Less amount available in debt service fund and water and sewer fund:			
20% G.O. principal payment 7/1/04			3,955
Debt service fund			1,392
Total amount available			5,347
Total debt applicable to debt limit			101,153
20% type debt--legal debt margin		\$	114,850

Notes: (1) Includes the July 1, 2004, debt service payment.

City of Glendale, Arizona  
**Ratio of General Obligation Bonded Debt  
to Assessed Value and Net Direct Bonded Debt Per Capita**  
Last Ten Fiscal Years  
(amounts expressed in thousands)

**Table 9**

Fiscal Year	Population <sup>(1)</sup>	Assessed Value <sup>(2)</sup>	Gross Bonded Debt <sup>(3)</sup>	Debt Service Monies Available	Debt Payable from Enterprise Revenues	Net Direct Bonded Debt	Direct Bonded Debt to Assessed Value	Net Direct Bonded Debt per Capita
1994-95	173	\$ 525,267	\$ 71,855	\$ 7,040	\$ 19,690	\$ 45,125	8.59	0.26132
1995-96	186	578,180	74,815	9,382	16,750	48,683	8.42	0.26103
1996-97	192	600,245	67,160	9,998	14,000	43,162	7.19	0.22526
1997-98	197	697,193	70,800	10,892	11,835	48,073	6.90	0.24437
1998-99	207	717,390	62,575	11,611	10,000	40,964	5.71	0.19775
1999-00	213	787,692	74,830	12,416	9,635	52,779	6.70	0.24752
2000-01	224	876,903	64,690	13,241	7,498	43,951	5.01	0.19660
2001-02	228	954,119	90,135	15,955	5,156	69,024	7.23	0.30325
2002-03	231	989,092	146,135	17,478	16,858	111,799	11.30	0.48397
2003-04	233	1,080,017	170,545	18,236	14,006	138,303	12.81	0.59286

Notes:

- (1) Source: Maricopa Association of Governments through 1995, City of Glendale Planning Department 1995-96 to present.
- (2) Source: Maricopa County Assessor's Office.
- (3) Includes all bonded general obligation debt, which includes landfill debt of \$1,460 for 1999-00, \$1,333 for 2000-01, \$1,186 for 2001-02, \$1,032 for 2002-03 and \$870 for 2003-04.

City of Glendale, Arizona  
**Ratio of Annual Debt Service Expenditures for  
 General Bonded Debt to Total General Expenditures**  
 Last Ten Fiscal Years  
 (amounts expressed in thousands)

**Table 10**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Government Expenditures</u>	<u>Ratio of Debt Service to Total Expenditures</u>
1994-95	\$ 9,570	\$ 7,198	\$ 16,768	\$ 115,087	14.57 %
1995-96	9,921	6,797	16,718	129,309	12.93
1996-97	11,015	6,820	17,835	147,927	12.06
1997-98	11,643	6,099	17,742	151,633	11.70
1998-99	12,970	5,996	18,966	162,482	11.67
1999-00	26,490	5,283	31,773	184,363	17.23
2000-01	14,650	5,769	20,419	180,353	11.32
2001-02	14,592	5,203	19,795	187,978	10.53
2002-03	20,022	7,376	27,398	292,622	9.36
2003-04	15,032	14,630	29,662	282,082	10.52

Note: Principal and interest expenditures for 1999-00 include a current refunding transaction.

City of Glendale, Arizona  
**Computation of Net Direct and Overlapping  
 General Obligation Bonded Debt**  
 June 30, 2004  
 (amounts expressed in thousands)

**Table 11**

Jurisdiction	Net Debt Outstanding	Percentage Applicable to Glendale	Amount Applicable to Glendale
Peoria Unified School District No. 11	\$ 220,454	26.5414 %	\$ 58,512
Glendale Elementary School District No. 40	22,915	98.8551	22,653
Deer Valley Unified School District No. 97	198,370	28.0201	55,583
Alhambra Elementary School District No. 68	35,360	18.7091	6,616
Glendale Union High School District No. 205	64,545	20.4157	13,177
Maricopa County	20,165	4.0442	816
Maricopa County Community College District	261,015	4.0442	10,556
Phoenix Union High School District No. 210	170,935	1.5621	2,670
Pendergast Elementary School District No. 92	22,035	10.6790	2,353
Tolleson Union High School District No. 214	34,940	4.1692	1,457
Washington Elementary School District No. 6	131,765	2.8359	3,737
Dysart Unified School District No. 89	21,000	0.3287	69
Agua Fria Union High School District No. 216	40,270	0.0878	35
Litchfield Elementary School District No. 79	21,890	0.1444	32
Cartwright Elementary School District No. 83	1,560	0.0415	1
Total Overlapping Debt	1,267,219		178,267
City of Glendale Debt	111,800		111,800
Total	\$ 1,379,019		\$ 290,067

Source: Maricopa County - Abstract by tax authority and class,  
 Abstract by tax area code and Annual Report of Bonded Indebtedness.

City of Glendale, Arizona  
**Water and Sewer Revenue Bond Coverage**  
 Last Ten Fiscal Years  
 (amounts expressed in thousands)

**Table 12**

Fiscal Year	Gross Revenue <sup>(1)</sup>	Operating and Maintenance Expenses <sup>(2)</sup>	Net Revenue Available for Debt Service	Revenue Bond Debt Service Requirements			Coverage
				Principal <sup>(3)</sup>	Interest <sup>(3)</sup>	Total	
1994-95	\$ 37,898	\$ 15,509	\$ 22,389	\$ 4,705	\$ 1,828	\$ 6,533	3.43
1995-96	42,265	18,231	24,034	4,905	1,574	6,479	3.71
1996-97	46,204	20,273	25,931	5,350	1,383	6,733	3.85
1997-98	50,249	21,004	29,245	5,635	1,153	6,788	4.31
1998-99	49,843	22,429	27,414	4,521	923	5,444	5.03
1999-00	49,243	24,071	25,172	3,426	753	4,179	6.02
2000-01	52,482	28,334	24,148	7,558	3,387	10,945	2.21
2001-02	50,549	27,620	22,929	8,463	3,022	11,485	2.00
2002-03	51,922	30,537	21,385	9,116	2,745	11,861	1.80
2003-04	53,209	31,445	21,764	7,102	4,760	11,862	1.83

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 Waste Infrastructure Financing Authority of Arizona for the 96-97 and 00-01 loans. The City used its 1961 Revenue Bond authorization in obtaining both loans. Therefore, this table includes the loan activity to calculate revenue bond coverage.

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

**Table 13**

Fiscal Year	City Population <sup>(1)</sup>	County-Wide Per Capita Income <sup>(2)</sup>	County-Wide School Enrollment <sup>(3)</sup>	County-Wide Unemployment Rate <sup>(4)</sup>	County-Wide Population <sup>(4)</sup>
1994-95	173	20	419	3.9	2,356
1995-96	186	21	419	3.5	2,552
1996-97	192	22	453	3.0	2,722
1997-98	197	24	476	2.6	2,803
1998-99	207	25	503	2.7	2,879
1999-00	213	27	518	2.9	2,954
2000-01	224	28	545	2.6	3,072
2001-02	228	28	566	3.9	3,192
2002-03	231	29	-	5.6	3,296
2003-04	233	33	626	4.2	3,397

Source:

- (1) Maricopa Association of Governments through 1994-95, City Planning Department from 1995-96 to present.
- (2) Arizona Department of Economic Security through 1999-00, Bureau of Economic Analysis 2000-01 to present.
- (3) State Department of Education; 2002-03 data not available.
- (4) Arizona Department of Economic Security 1992-93 to 1999-00, Census 2000 for 2000-01 to present.

City of Glendale, Arizona  
**Property Value, Construction and Bank Deposits**  
 Last Ten Fiscal Years  
 (amounts expressed in thousands)

**Table 14**

Fiscal Year	Estimated Actual Property Value <sup>(1)</sup>	Construction <sup>(2)</sup>				Bank Deposits <sup>(3)</sup>
		Residential	Commercial and Industrial	Others	Totals	
1994-95	\$ 4,321,468	\$ 185,913	\$ 34,736	\$ 31,782	\$ 252,431	\$ 20,754
1995-96	4,809,344	206,646	33,528	25,622	265,796	21,125
1996-97	5,022,246	246,524	35,947	32,053	314,524	20,998
1997-98	5,824,504	336,900	45,426	18,908	401,234	20,568
1998-99	5,931,081	260,658	40,564	31,916	333,138	25,214
1999-00	6,526,885	217,219	46,693	28,194	292,106	26,490
2000-01	7,288,261	202,341	74,479	10,903	287,723	28,380
2001-02	8,010,100	127,085	83,132	9,322	219,539	29,293
2002-03	8,331,442	195,770	120,706	10,877	327,353	34,753
2003-04	9,391,120	182,012	157,536	53,832	393,380	37,333

Source:

- (1) Maricopa County Assessor's Office.
- (2) City of Glendale Community Development Group.
- (3) Arizona Banker's Association (County-wide bank deposits activity).  
 Total deposits for Quarter Ending June 30, 2003.



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Date of Incorporation	1910
Form of Government	Council-Manager
Area	56.7 square miles
Miles of streets	702
Building permits issued	6,330
Number of employees (full time equivalents)	1,654
Fire Protection:	
Number of stations	Eight
Number of firefighters (excluding volunteer firefighters)	192
Fire hydrants	7,600
Police Protection:	
Number of stations	Three
Number of police officers (exclusive of police reserve)	351
Recreation and Culture:	
Number of parks	93 parks with 1,998 acres
Number of libraries	Three
Number of library books	601,440

**Insurance Coverage**

For the Fiscal Year Ended June 30, 2004

(amounts expressed in thousands)

Type of Insurance	Insuring Company	Policy Limits	Deduction Amount	Annual Premium	Expiration Date
<b>Property/Inland Marine</b>	Travelers Ins. Co.			\$ 206	1/26/2005
Boiler and Machinery		\$ 100,000	\$ 50		
Real & Personal Property		244,554	50		
Fire Prevention / Service Vehicles		2,857	50		
Unlicensed mobile equipment		45,442	50		
Sublimits					
Earthquake & Flood per occurrence / aggregate except \$5,000,000 on Flood Zone A,V,B		100,000	100		
Business Interruption		10,000	50		
Transit		5,000	50		
Miscellaneous Equipment		3,000	50		
Pollutant Clean Up and Removal		1,000	50		
<b>Automobile Physical Damage</b>	American Insurance Co. (Fireman's Fund)	Actual cash value	5	118	1/26/2005
<b>Airport Owners' and Operators' General Liability</b>	Westchester Fire Ins. Co. (ACE USA)	20,000		14	1/26/2005
<b>Commercial Crime Policy</b>	National Union Fire Ins. (AIG)		50	37	4/9/2005
Public employee dishonesty		15,000			
Faithful performance		2,000			
<b>Workers' Compensation</b>	Midwest Employers		500	127	6/30/2005
Limit each accident/disease					
a) Workers' compensation		Statutory limits			
b) Employer liability		2,000			
<b>Excess Public Entity Liability First Layer</b>	Genesis Ins. Co.	10,000	1,000	605	7/1/2005
<b>Excess Public Liability Second Layer</b>	Princeton Ins.	10,000	11,000	370	7/1/2005
<b>Excess Public Liability Third Layer</b>	Gulf Ins.	5,000	16,000	65	7/1/2005
<b>Excess Public Liability Fourth Layer</b>	Westchester Ins. Co.	25,000	31,000	134	7/1/2005
<b>Kidnap, Ransom, and Extortion</b>	National Union Fire Ins. Co.	10,000	N/A	4	5/2/2007

The City's insurance is administered by Risk Management and Workers' Compensation divisions. Commercial insurance coverage is obtained by competitive bidding. Funding levels for self-insurance programs are provided by independent actuarial firms. The City Council has final approval on all insurance programs.

**WATER RATES PER METER SIZE**

Meter Size (inch)	Commercial Monthly Base Charge	
	Inside City	Outside City
3/4	\$ 12.02	\$ 15.63
1	13.15	17.10
1 1/2	19.84	25.79
2	26.53	34.50
3	53.02	68.93
4	77.65	100.95
6	132.69	172.50

Meter Size	Residential Monthly Base Charge	
	Inside City	Outside City
All Sizes	\$ 12.02	\$ 15.63

Gallons per Month	Residential and 3/4 Commercial Meter Size		Commercial 1 inch Meter Size and Greater <sup>(1)</sup>			
	All Year		All Year		Summer Excess Rate	
	Inside City	Outside City	Inside City	Outside City	Inside City	Outside City
0 - 3,000	--	--	\$ 1.22	\$ 1.58	\$ 1.81	\$ 2.36
4,000 - 15,000	\$ 1.27	\$ 1.65	1.22	1.58	1.81	2.36
16,000 - 30,000	1.51	1.97	1.22	1.58	1.81	2.36
over 31,000	1.81	2.36	1.22	1.58	1.81	2.36

**SEWER SERVICE RATES**

Type of Service	Inside City	Outside City
Single Family Dwelling Unit	\$ 20.92	\$ 37.03
Office Building	31.99	N/A
Apartment - Average 5 units	60.26	67.21
Apartment - Average 35 units	339.51	185.49
Retail/Wholesale	45.85	N/A

(1) Per 1,000 gallons

SOURCE: City of Glendale Finance Department

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

Fiscal Year Ending June 30	Residential	Commercial <sup>(2)</sup>	Total
1995	41,317	3,789	45,106
1996	43,230	3,964	47,194
1997	45,421	4,165	49,586
1998	47,363	4,343	51,706
1999	49,556	4,544	54,100
2000 <sup>(3)</sup>	50,324	4,590	54,914
2001	51,169	4,649	55,818
2002	52,736	5,197	57,933
2003	53,654	5,431	59,085
2004	54,349	4,361	58,710

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

(2) Includes multi-family housing facilities.

(3) As of April 3, 2000.

SOURCE: City of Glendale Finance Department.

**WATER DELIVERIES**

Acre Feet

Calendar Year	Residential <sup>(1)</sup>	Commercial	Other	Total
1995	27,361	5,616	8,998	41,975
1996	29,458	6,202	9,081	44,741
1997	31,294	4,562	8,667	44,523
1998	30,477	4,491	6,344	41,312
1999	32,779	4,739	8,942	46,460
2000	35,135	9,413	893	45,441
2001	34,667	8,865	722	44,254
2002	36,044	8,865	1,031	45,940
2003	34,348	5,342	1,042	40,732

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

SOURCE: Annual Report of Arizona Department of Water Resources.

**SEWERAGE ACCOUNTS BILLED AND SEWAGE TREATED**

Fiscal Year	No. of Sewer Accounts Billed	Multi-City Plant (MGD) Actual	Arrowhead (MGD) <sup>(1)</sup>	West <sup>(3)</sup> (MGD)	Peak (MGD) <sup>(2)</sup>
1995	41,498	10.0	1.1		15.0
1996	44,090	11.0	1.6		16.5
1997	45,813	12.3	1.9		18.5
1998	47,064	10.4	2.2		15.6
1999	49,021	10.9	2.7		16.4
2000	50,564	11.7	2.8	4.3	17.6
2001	52,688	11.4	2.8	4.3	17.1
2002	55,506	11.9	2.8	4.3	17.9
2003	55,239 <sup>(4)</sup>	10.8	3.0	7.0	16.2

(1) Estimated.

(2) Peak Day is based on 150% of the Multi-City Plant Use.

(3) Began operations in 2000.

(4) As of July 29, 2004.

SOURCE: City of Glendale Finance and Utilities Departments.

City of Glendale, Arizona  
**Government-wide Expenses by Function**  
 Last Three Fiscal Years <sup>(1)</sup>  
 (amounts expressed in thousands)

**Table 19**

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Public Works</u>	<u>Community Services</u>	<u>Community Environment</u>	<u>Street Maintenance</u>	<u>Other</u>	<u>Interest on Long-Term Debt</u>	<u>Water and Sewer</u>	<u>Landfill</u>	<u>Sanitation</u>	<u>Housing</u>	<u>Total</u>
2001-02	\$ 22,490	\$ 53,779	\$ 12,766	\$ 30,919	\$ 3,414	\$ 12,534	\$ 19	\$ 5,864	\$ 39,909	\$ 1,189	\$ 10,180	\$ 7,513	\$ 200,576
2002-03	20,209	52,625	11,411	32,210	3,433	20,308	148	7,223	43,442	7,784	12,353	8,033	219,179
2003-04	24,003	56,176	13,883	33,914	3,446	20,425	142	15,838	45,628	7,164	12,294	8,858	241,771

Notes:

(1) Only three years' data is available. In subsequent years this table will be expanded to include ten fiscal years.

City of Glendale, Arizona  
**Government-wide Revenues**

**Table 20**

Last Three Fiscal Years <sup>(1)</sup>  
 (amounts expressed in thousands)

Fiscal Year	PROGRAM REVENUES			GENERAL REVENUES				Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Taxes	Grants and Contributions Not Restricted to Specific Programs	Unrestricted Investment Earnings	Gains or (losses) and Miscellaneous	
2001-02	\$ 90,250 <sup>(2)</sup>	\$ 29,232	\$ 3,262	\$ 115,942	\$ 10,796	\$ 2,612	\$ (1,278)	\$ 250,816
2002-03	99,042	29,613	4,814	129,591	34,283	(1,725)	(992)	294,626
2003-04	102,606	32,146	3,597	140,202	27,028	1,235	(927)	305,887

Notes:

- (1) Only three years' data is available. In subsequent years this table will be expanded to include ten fiscal years.
- (2) For 2001-02 the franchise, license, and impact fees are reclassified and reported as Charges for Services instead of General Revenues, to be consistent with treatment in subsequent years.

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