



*City of Glendale*  
*Comprehensive Annual*  
*Financial Report*  
*Year Ended June 30, 2014*





# About The Cover

The City of Glendale is committed to the inclusion and addition of public art throughout the community. Public art establishes a cultural legacy for the City by allowing the shared experience of art that is accessible to all. The arts generate employment and economic benefits and a rich cultural climate that attracts business and private investment. They also play a significant role in the City's history and are a priority for the community and City Council.

The arts come to life in many forms, and Glendale offers beautiful spaces for creativity to grow and thrive. The beautiful mansion of Leslie Coombs Brand was donated to the City of Glendale in 1925 and has served music and art lovers from across Southern California since 1956. The City of Glendale underwent a \$9.5 million dollar, two-year renovation project of the 1904 Brand Mansion, which was completed in March 2014. The 5,000 square foot Brand Mansion was restored to its original grandeur, highlighting the late-Victorian interiors and the striking Saracenic inspired exterior. Brand Library & Art Center includes an art and music library, art galleries, recital hall and a unique outdoor performance Plaza. Sponsored events are free and open to the public and include art exhibitions, concerts, art and music lectures, dance events, films, computer classes, children's events and tours of the historic site. The City of Glendale also owns the historic Alex Theatre, offering the more than 130,000 annual patrons a diverse schedule of 250 events. Glendale partners with the Alex Theatre's operator, Glendale Arts, to produce free programming throughout the year.

The City of Glendale actively pursues the creation of new public art features through its Glendale Urban Art Program. By working with private partners, public art is developed in conjunction with new commercial and residential developments. This program provides residents and visitors with public spaces and structures that enhance the character of the City. The program may be met by providing artwork on private property, or an in-lieu fee paid to the Glendale Urban Art Fund. The City's Arts & Culture Commission, whose mission is to raise the visibility of the arts, advises City Council on the distribution of the in-lieu fund which now totals \$1.4 million. Programs supported by the Fund include the recently completed utility box murals in the downtown and the cultural and performing arts series at Brand Library and Art Center that featured a wide variety of musical styles. Upcoming programs include extending the utility box program to other areas of Glendale, temporary art installations and murals on City-owned property, art in vacant storefronts, and a significant art event.

The City has also designated a Downtown Arts & Entertainment District to further develop a culture of public art. The district was established in 2009 to encourage the clustering of theatres, music clubs, comedy clubs, art galleries, and similar uses. The district is anchored at either end by civic and cultural venues - the Alex Theatre to the north and the Central Library and future Museum of Neon Art (MONA) to the south. The Museum of Neon Art will be the downtown's first museum, offering residents and visitors a unique learning and visual experience. The City of Glendale looks forward to its opening in early 2015.



*City of Glendale, California*  
**City Council**



Zareh Sinanyan  
**MAYOR**



Paula Devine  
**COUNCILMEMBER**



Laura Friedman  
**COUNCILMEMBER**



Ara Najarian  
**COUNCILMEMBER**



Dave Weaver  
**COUNCILMEMBER**





*City of Glendale, California*

# **Comprehensive Annual Financial Report**

Fiscal Year Ended June 30, 2014

Prepared by the Finance Department - Accounting Section

Robert Elliot, CPA, Director of Finance  
Lily Fang, Finance Administrator



*City of Glendale, California*

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# *Introductory Section*

The Introductory Section of the Comprehensive Annual Financial Report provides general information of the City of Glendale, California's structure and its personnel, as well as information useful in assessing the City's financial condition. This section includes the:

- Letter of Transmittal
- City's Organizational Chart and List of Principal Officials
- Government Finance Officer Association Certificate of Achievement for Excellence in Financial Reporting







November 25, 2014

The Honorable Mayor and City Council  
City of Glendale  
Glendale, California

Council Members:

It is our pleasure to submit the Comprehensive Annual Financial Report (CAFR) of the City of Glendale (the City) for the fiscal year ended June 30, 2014.

This report consists of management's representations concerning the finances of the City. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City's management. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the City'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 generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

GAAP require 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 the MD&A and should be read in conjunction with it. City of Glendale's MD&A can be found immediately following the independent auditors' report.

The financial reporting entity includes all the funds of the primary government (The City of Glendale), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. Blended component units, although legally separate entities, are in substance, part of the primary government. Accordingly, the Glendale Housing Authority and the City of Glendale Financing Authority are reported in the appropriate funds of the City's financial report.

## **Profile of the City of Glendale**

The City of Glendale is located northeast of Los Angeles in the foothills of the San Gabriel Mountains. The City was incorporated on February 16, 1906 under the general laws of the state of California. The City Charter was adopted on March 29, 1921. The City provides the full range of municipal services. This includes public safety (police, fire and paramedic), streets, sanitation, refuse collection, sewer, hazardous disposal, electric and water utilities, parking, parks and recreation, public improvements, planning and zoning, housing and community development and general administrative and support services.

Noted for its high quality of life and fiscal stability, Glendale is the fourth largest city in Los Angeles County, encompassing 30.6 square miles and serving over 195,000 residents. The City operates under a council-manager form of government, with a five-member council elected at large to four-year overlapping terms, in addition to an elected City Clerk and City Treasurer. The mayor is elected by the City Council for a one-year term and is the presiding officer of the Council. The City Council is responsible for passing ordinances, adopting the budget, appointing various boards and commissions, and hiring the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments.

## **Factors Affecting the Glendale Economy**

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 of Glendale operates.

**The Local Economy.** New investment continues to take place throughout the City in the form of business expansion as well as businesses attracted to Glendale's central location, public safety record and robust business environment. Of particular note is the entertainment industry which remains rooted in Southern California, with the Verdugo Region (Glendale/Burbank) particularly known for production (pre & post), animation, visual effects, and digital distribution. Glendale will benefit from growth in this sector through expansions by Disney, DreamWorks and hundreds of ancillary production and equipment firms. Also of note are Glendale's regional shopping centers, the Glendale Galleria and Americana at Brand. Both have undergone expansion and renovation, which have reaffirmed Glendale as one of the region's leading shopping destinations. Several large development projects either recently completed or underway in Glendale, will provide approximately 3,000 new residential units and 210,000 square feet of commercial space. Such investments by the business community indicate a continued confidence in Glendale.

Overall, Glendale's economy is one of the most diverse within the Los Angeles region largely due to a healthy mix of business and industry that operates within its borders. Industry clusters include:

- Retail Trade
- Healthcare
- Business Services
- Animation & Entertainment
- Manufacturing & Wholesale Trade
- Automotive Sales & Service
- Financial Services
- Technology and New Media

### **Economic Development Highlights**

Economic development accomplishments for 2014 in Glendale are numerous and vary in size and scope. Highlights include:

- **Glendale Economic Development Corporation** – has been formed, installing the City Council as its Board of Directors and senior staff as corporate officers. The corporation can carry out the City's objectives for economic development in a business structure better aligned for responsiveness and partnerships with private industry.
- **Class A Office Attraction** – Class A office, the highest level of luxury in office accommodations, made tremendous strides in occupancy growth in 2014, with a 3% improvement in occupancy making up the absorption of nearly 200,000 square feet of office space. DreamWorks represented one of the largest new leases, expanding into 44,000 square feet of office space in a downtown tower.
- **Glendale's "18-hour City"** – Sales tax records confirm that 2014 was a banner year for Glendale as a destination; new retail continues to broaden the reach of Glendale trade area. With new urban housing options and amenities for visitors, residents and business inhabitants, Glendale has been cited in numerous articles as being a new regional hotspot. New retail growth includes Zara, Uniqlo, DSW Shoes, Buffalo Wild Wings, Panini Café, Gauchos Village, and the 103 Bar and many other stores and restaurants. Trader Joes and Walgreens opened in the north office tower community, providing 18-hour amenities for that neighborhood as well.
- **Trade Area Branding** – Equinox leased space at the state-of-the-art 207 Goode Building adjacent to the 134 Freeway, providing a much needed upscale fitness amenity to the Class A office corridor, and helping to brand the City of Glendale as an upscale business environment. Other new Class A tenants also installed their marquees along the 134 Freeway, creating an exciting cluster of corporate identity to commuters.
- **Media Campaign** – A multi-faceted media effort was launched to complement business attraction efforts. Under the campaign GlendaleBiz, a new social media platform has

been initiated for the Glendale Economic Development Corporation with Facebook, Twitter and Instagram accounts. A series of advertisements in the Los Angeles Business Journal and the Pasadena Weekly were placed to highlight Glendale's strategic location for business and visitation. News releases have been disseminated to garner further publicity.

- **Neighborhood Business Districts** – including the Downtown Glendale Association (DGA), Montrose Shopping Park (MSP) and others continue to be a focus. In 2014, through their partnerships with economic development staff, these organizations protected their constituents' success by providing safe, clean environments in which to do business.
- **Job Growth** – Glendale's employment outpaced the Region and the State, with a 2% improvement landing overall unemployment at approximately 6%. The Verdugo Jobs Center continues to provide a conduit for new companies to fill vacancies with pre-screened workers.

**Employment.** As of June 2014, the City of Glendale had a workforce of 98,700 people working at companies or institutions within the city. According to the 2012 American Fact Finder, U.S. Census, 38,113 residents were in management, business, arts or science occupations with a median annual salary of \$57,109. The second leading category of occupations was related to sales/office occupations with 24,261 residents earning a median salary of \$30,482. The third leading occupational area was service sector jobs with 14,161 residents in this field at a median wage of \$17,113. About 11,211 residents were in the professional, scientific and management field.

#### Unemployment levels

At the start of the recession in December 2007, Glendale's unemployment rate was 4.8%. When the recession ended 18 months later in June 2009, Glendale's unemployment rate was 10.1%. Five years later in June 2014, Glendale's unemployment rate was 7.1% with 7,500 unemployed people. By comparison, the Los Angeles County average for June 2014 was 8.2%.

#### Industry employment status

The three largest Glendale industries are:

- 1) Health care: over 14,000 employees at almost 900 businesses
  - 2) Retail: over 9,500 employees at over 500 businesses
  - 3) Manufacturing: over 7,500 employees at 200 businesses
- (June 2012 data, state Employment Development Department)*

Overall, employment in Glendale's health care sector, which is the largest employer in the Glendale area, rose moderately in the past year as the impact of the federal Affordable Care Act began to take hold. Employment at hospitals was under pressure as the start of reductions of billions of dollars nationally in Medicare reimbursements to hospitals under Obamacare started



to have an effect. Hospitals, which employ a high percentage of hourly employees who are important to their operations, also began assessing the financial impact of paying for the future health insurance of temporary and part-time workers on the hospital payrolls. On the positive side related to employment, the increased volume of insured patients under Obamacare requires additional health care personnel to cope with the increasing patient load. These effects can be seen most clearly at health care clinics, physician offices and pharmacies where employment growth has been positive.

The city's retail sector continues to experience moderate growth as the region's economy continues to slowly recover from the effects of the recession. Glendale has benefitted in particular from a strong recovery in automotive sales and the continuing addition of retail merchandising stores in the city. Nationally, new vehicle sales are on pace to average about 16 million new vehicles sales per year, which is slightly below the 2000 to 2007 pre-recession pace of 17 million units. With a large new vehicle dealership presence in Glendale, the city has benefitted from both an employment and sales tax standpoint from the new car sales. Sales at general merchandise stores in the city continue to improve due to increasing consumer confidence and slowly improving employment. The consumer sector has experienced a bifurcated recovery as higher income consumers have been spending due to better employment stability and improving net worth while lower income consumers continue to struggle with employment security, which has depressed their spending. Malls that cater to higher income consumers, such as the Americana at Brand and the Glendale Galleria, have been beneficiaries of this bifurcation. Employment in the retail sector has been buoyed by improving sales volume and additional store opening in the city.

The city's third largest industry, the manufacturing sector, continues to see slight job losses as employers have been reluctant to hire new workers. Instead, many manufacturers have invested in new equipment to improve productivity and efficiency, but this strategy has also limited the hiring of new workers. The overall economic climate for manufacturers continues to improve as their products continue to remain competitive in domestic and foreign markets and as the national aerospace industry rebounds. As manufacturing continues its recovery trend, this sector could begin to experience labor shortages due to the limited pool of trained manufacturing workers in the region.

The local entertainment industry enjoyed the migration to Glendale of some key creative companies in the past year. Awesomeness TV, which was purchased by DreamWorks Animation in Glendale, moved their offices to Glendale with 300 workers. Also, Zagtoons, a French animation company, also moved their operations with 150 employees to Glendale to be closer to the Disney Creative Campus. These moves are likely to be the first of many similar moves as digital entertainment companies seek to cluster around the Disney and DreamWorks operations.

#### Overall employment outlook for the city

To date, the positive and negative effects of Obamacare on health care employment have offset each other with hospital employment flat while employment at physician offices, clinics and

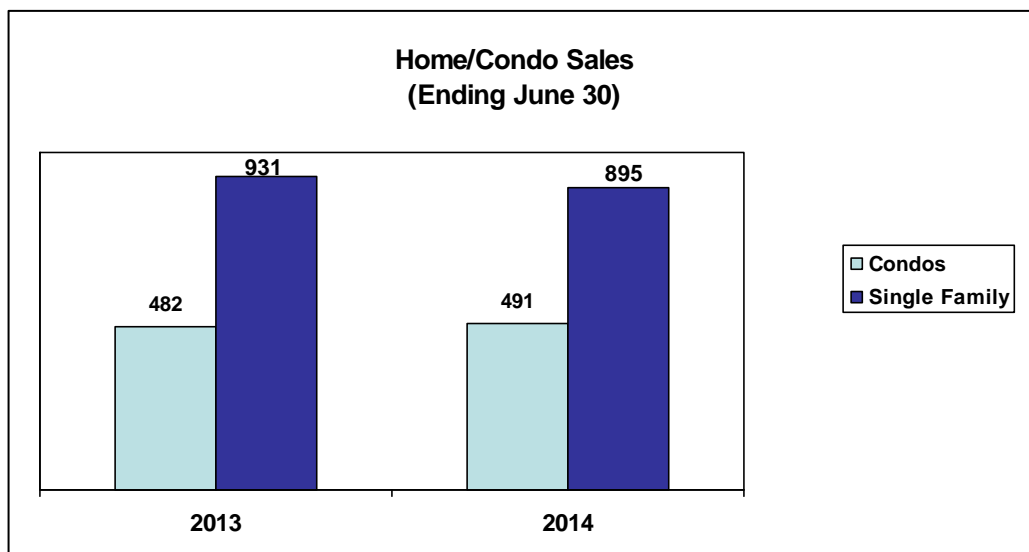
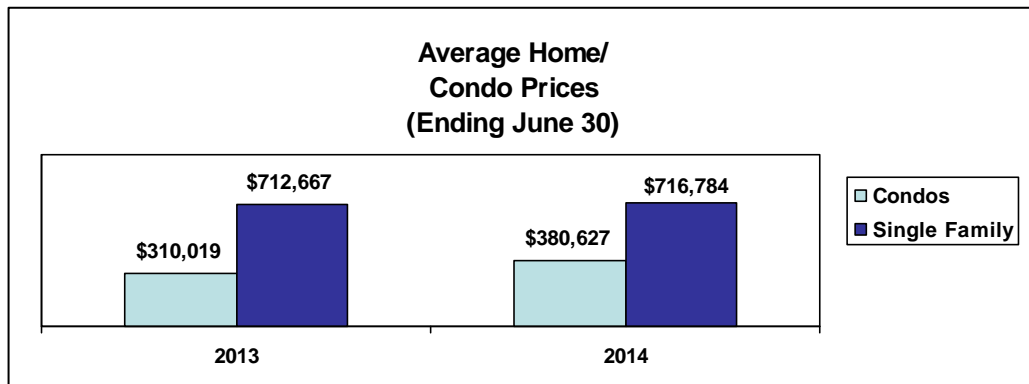
pharmacies is up moderately. The best case scenario in the future is that Glendale's large health care sector grows moderately in the future.

The city's retail sector is highly dependent on the financial health of consumers and their perception of the direction of the local and national economy. Most economists predict that the national economy will continue to slowly improve throughout 2014 and into 2015 with growth expanding later in the year. If these projections hold true, Glendale should continue to see steady improvement in retail employment in the city.

Local manufacturing could see a resurgence later in 2014 and 2015 as businesses begin making more significant capital expenditures. Due to the recession and its lingering effects, many companies have held off making significant purchases of new equipment and machines, which has muted economic growth at a national level. Many companies are far behind in the normal replacement cycle for their capital equipment. In early 2014, there was a definite trend of improving capital expenditures by businesses and that trend is likely to continue for the foreseeable future. This trend bodes well for local manufacturing.

Growth in the local entertainment sector is ripe for major expansion. Job growth in entertainment content development, particularly for the Internet and mobile devices (such as smart phones and tablets), has expanded rapidly in recent years in the Los Angeles area. Major tech companies from the Silicon Valley have established significant production capabilities in Los Angeles, which has driven an explosion of start-up ventures in the region. For example, over 50 venture capital investments of \$650 million were made in the first half of 2014 in Los Angeles start-ups, many of them tied to content development for the Internet and mobile devices. With major traditional entertainment companies in Glendale like Disney and DreamWorks, who are also competing to develop entertainment content for the Internet and mobile devices, the Glendale-Burbank region could be a major beneficiary of this explosive growth in future years.

**Housing.** Based on the ‘2013 Annual Report’ issued by the Office of the Assessor, Glendale experienced a net taxable property value increase of 4.3%, which was slightly less than the increase experienced countywide at 4.7%. According to the City’s property tax consultant, HDL, Glendale’s housing market showed a slight decrease in sales volume and a slight increase in an average home price of \$716,784 in FY 2013-14, compared to \$712,667 in FY 2012-13. However, the condominium sales increased in sales volume as well as in sales prices, reflected in an average price of \$380,627 for FY 2013-14, compared to \$310,019 for FY 2012-13.



## Local Government Finance

With positive indicators, such as rising consumer confidence, improvements in the housing market, increased construction activity, and reduced rate of unemployment, Glendale is forecasting modest growth in the key General Fund revenues such as property, sales, and utility users taxes for the upcoming year. Long-term growth rates for General Fund revenues are projected to grow rather modestly, averaging about 2.8% annual growth over the next five years. The bad news is that revenue growth is not keeping pace with the growth in expenditures. This further indicates that while Glendale is operationally balanced, Glendale is

not yet structurally balanced. Thus, if the City is interested in preserving quality services and programs for the residents and customers over the long term, then the City will need to restructure again.

The financial pressures are not limited to the General Fund. For Special Revenue Funds, program cuts at the State and Federal levels have reduced the amount of grant funding the City will receive, most notably in the Community Development Block Grant (CDBG) Fund. The General Fund Capital Improvement program has been significantly scaled back over the last several years. As noted in prior years, there is still a significant fund balance deficit in the Compensation Insurance Fund. Lastly, aging infrastructure in the Information Services Department (ISD) Funds and the need to fund future replacement of vehicles in the Fleet/Equipment Management Fund, pose financial challenges that need to be addressed in the coming years.

The elimination of redevelopment agencies in California has wiped out a major source of revenue that cities relied upon to rehabilitate blighted areas, repair aging infrastructure, and to fund affordable housing. As Glendale emerges from the disruption and fiscal angst caused by the dissolution of the redevelopment agencies by the State, it has an opportunity to revise its economic development effort from one focused on the built environment to a more programmatic approach to developing the local economy, improving the business environment and assisting businesses to grow and prosper. As such, in May 2014 the City Council authorized the formation of a non-profit public benefit corporation, the Glendale Economic Development Corporation, which is dedicated to encouraging growth by leveraging public-private investment and fostering economic vitality in Glendale.

### **Long-term Financial Planning**

Despite the fact that the economy is improving and the economic indicators are all trending positive, the City still faces a tremendous challenge in the coming fiscal years to achieve structural balance. When the California Supreme Court upheld Assembly Bill 1x 26 (“the Bill”) that provides for the dissolution of all redevelopment agencies in the State of California that took effect February 1, 2012, the former Glendale Redevelopment Agency’s (“the former Agency”) Advances from the City was invalidated. As a result, the City had written off the former Agency’s Advances’ outstanding balance of \$71.8 million in fiscal year 2012. However, when legislature approved Assembly Bill 1484, the host Agency was eligible to reinstate the City/Agency loans pursuant to California Health & Safety Code section 34191.4. The Host Agency, the City of Glendale Successor Agency to the former Agency, received approval from its Oversight Board and from the State Department of Finance to reinstate the City/Agency loans. However, the reinstated loan is limited by H&SC section 34191.4 which allows the Host Agency to repay the loan pursuant to a formula that prescribes the maximum payment per fiscal year as equal to one-half of the increase between the amount distributed to the taxing entities pursuant to H&SC section 34183 and the amount distributed to the taxing entities pursuant to that paragraph in the 2012-2013 base year. In addition, the accumulated interest on the remaining principal amount of the reinstated loan of \$13.6 million is also required to be recalculated from origination at the interest rate earned by funds deposited into the Local Agency Investment Fund (LAIF). The loans are required to be repaid in accordance with a defined



schedule over a reasonable term of years at an interest rate not to exceed the interest rate earned by funds deposited into LAIF. Furthermore, twenty percent (20%) of any loan repayment is required to be deducted and transferred to the City's Low and Moderate Income Housing Asset Fund. The LAIF rate issue is currently outstanding and may result either a total reinstated loan of approximately \$14.6 million or \$45.6 million depending on the outcome of a law suit. The huge reduction of the former Agency's reinstated loan repayment poses a real challenge for the future since the City is relying on these funds as a balancing strategy for the General Fund for the next five years. Other significant challenges in the horizon include: expected rise in pension costs due to changes in the PERS actuarial assumptions, shoring up the Internal Service Funds, providing a stable funding source for General Fund Capital Improvement Projects, and implementing a long-term funding strategy for the City's OPEB.

Based on the conservative assumptions, a five-year General Fund forecast was provided to the City Council during the FY 2014-15 budget study session, which gives the City a path towards achieving structural balance while outlining the challenges that lay ahead. The good news is that all of the costs – operational (day-to-day staffing and maintenance & operation), long-term employment obligations (PERS), organizational infrastructure (Internal Service Funds), and capital replacement – can largely be met by even modest and sustained growth in the revenues. The bad news is that meeting all of these obligations requires an average 3.4% annual revenue growth rate in the General Fund; while the expected average annual rate is 2.8% (through FY 2019-20).

Given that the funding of Internal Service Funds and capital improvement is discretionary, the City will remain operationally balanced. Yet in order to achieve and maintain a structural balance (wherein all of the ongoing costs are met by ongoing revenues), Glendale must continue to focus on fiscal discipline as the City is challenged to think of new ways to restructure and reshape the organization and consider the policy intersection of service provision, cost of doing business, revenue generation and quality of life.

The City is looking to implement an alternate OPEB strategy to reduce the \$214 million OPEB obligations by unblending the retirees' medical premiums from the City's active employee plans. Historically, the City subsidized the retirees' medical premiums by including them with the active employees' medical plans. By including the retirees with the active employees, an implied subsidy is created where the risk is spread over an entire population versus a specific population, and thus creates unfunded OPEB obligations. According to the actuarial report, if the City eliminates the blending of rates, the entire OPEB obligations will be reduced immediately, or can be reduced incrementally over the next several years. This is also made possible with the implementation of the affordable care act as the retirees will now have access to more affordable medical plans offered by the City's medical insurance broker or the State's exchange program. Details are not yet completed, but the City hopes to have a final strategy in place by January 2016.

Moving forward, the City's continuing challenge is to minimize the negative impact on the community and customers from the past and future restructuring and ensure value to the taxpayers. Glendale's value proposition is the combination of the Council's priorities, the City's

strategic goals and key performance indicators. Council ultimately sets the tone, the vision and the policy for the City. During FY 2014-15 budget process, Council has reaffirmed the following priorities:

- Fiscal Responsibility
- Exceptional Customer Service
- Economic Vibrancy
- Informed & Engaged Community
- Safe & Healthy Community
- Balanced, Quality Housing
- Community Services & Facilities
- Infrastructure & Mobility
- Arts & Culture
- Sustainability

**Cash Management.** To obtain flexibility in cash management, the City employs a pooled cash system. Under the City's pooling concept, all available cash is invested daily in various securities, while still maintaining reasonable liquidity to meet maturing obligations and maximizing return through the use of competitive rate comparisons from various investment sources.

The following table presents a comparison of the results of the City's investment of pooled cash for fiscal years 2011, 2012, 2013 and 2014.

Fiscal years ended June 30,

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Average portfolio balance	\$372,055,000	\$383,077,000	\$394,767,000	\$408,490,000
Total portfolio's interest income	\$ 3,270,000	\$ 3,202,000	\$ 4,303,000	\$ 5,773,000
Average return on invested cash	0.88%	0.84%	1.09%	1.43%

The average return on invested cash increased by 4 basis points from 0.84% in fiscal year 2013 to 0.88% in fiscal year 2014. Interest earnings for the current fiscal year are \$3.27 million, up \$0.068 million from the \$3.20 million for last year. Interest earnings follow interest rates, and during the year interest rates in the marketplace traded in narrow ranges with each range trending slightly higher as the year came to a close. The City Treasurer follows the general investment strategies set forth in a formal Statement of Investment Policy and presents monthly reports to the City Manager and the City Council.

**Risk Management.** The City is self-insured up to \$2 million for claims filed under the comprehensive general liability and Workers' Compensation insurance programs. The City purchases excess liability insurance policies for general liability claims to cover losses up to \$20 million, and an amount up to

statutory limits for the Workers' Compensation program. The City also purchases Property/Casualty, Aviation, Employment Practices, Directors and Officers, and other smaller insurance policies for specific activities. Insurance coverage and the associated premiums are reviewed annually to ensure the City is properly covered.

The City's Risk Management program is comprised of Insurance Services, Workers' Compensation and Employee Safety. The primary goal of Insurance Services is to effectively address potential risk factors that affect both the City and its employees. The Workers' Compensation Section evaluates the validity of Workers' Compensation claims, and ensures that State-mandated medical and disability payments are made to eligible employees. The Safety Section works with City Departments to evaluate and mitigate workplace hazards, assist in providing safety training, conduct accident investigations, and ensure compliance with Cal/OSHA regulations.

Risk Management staff, in conjunction with the Finance Department, annually reviews internal funding levels to address claims costs. Internal insurance costs are charged to each department and based on an analysis of recent claims costs, as well as the outstanding reserves. Input from an annual outside actuarial study is considered in assessing the charges.

### **Independent Audit**

The City's financial statements have been audited by the firm of Vavrinek, Trine, Day & Company, LLP, a public accounting firm fully licensed and qualified to perform audits of local governments within the State of California. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Glendale, California for the fiscal year ended June 30, 2014, 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 auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Glendale, California's financial statements for the fiscal year ended June 30, 2014, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report. Their unmodified opinion on the City's basic financial statements is included within this report.

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 other financial reporting and compliance with legal requirements, and on compliance and internal control over compliance for each major federal program selected. These reports are available in the City's separately issued *Single Audit Report*.

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 compliment MD&A and should be read in

conjunction with it. The City's MD&A can be found immediately following the independent auditors' report in the financial section of the CAFR.

## **Award**

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 for the past nineteen fiscal years ended June 30, 1995 through June 30, 2013. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. This award is valid for a period of one year. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement for Excellence requirements and we will be submitting it to GFOA to determine its eligibility for another certificate.

## **Acknowledgments**

The preparation of this comprehensive annual financial report was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has my sincere appreciation for their contribution in the preparation of this report. A special commendation should be attributed to Ms. Lily Fang, Finance Administrator, for the compilation of this CAFR.

In closing, without the leadership and support of the Glendale City Council and the City Manager, preparation of this report, as well as the favorable financial results of the past year, would not have been possible.

RESPECTFULLY SUBMITTED,

A handwritten signature in black ink, appearing to read "Robert Elliot", with a stylized flourish at the end.

**ROBERT ELLIOT, CPA**  
DIRECTOR OF FINANCE

*City of Glendale, California*

# **Officials of the City of Glendale**

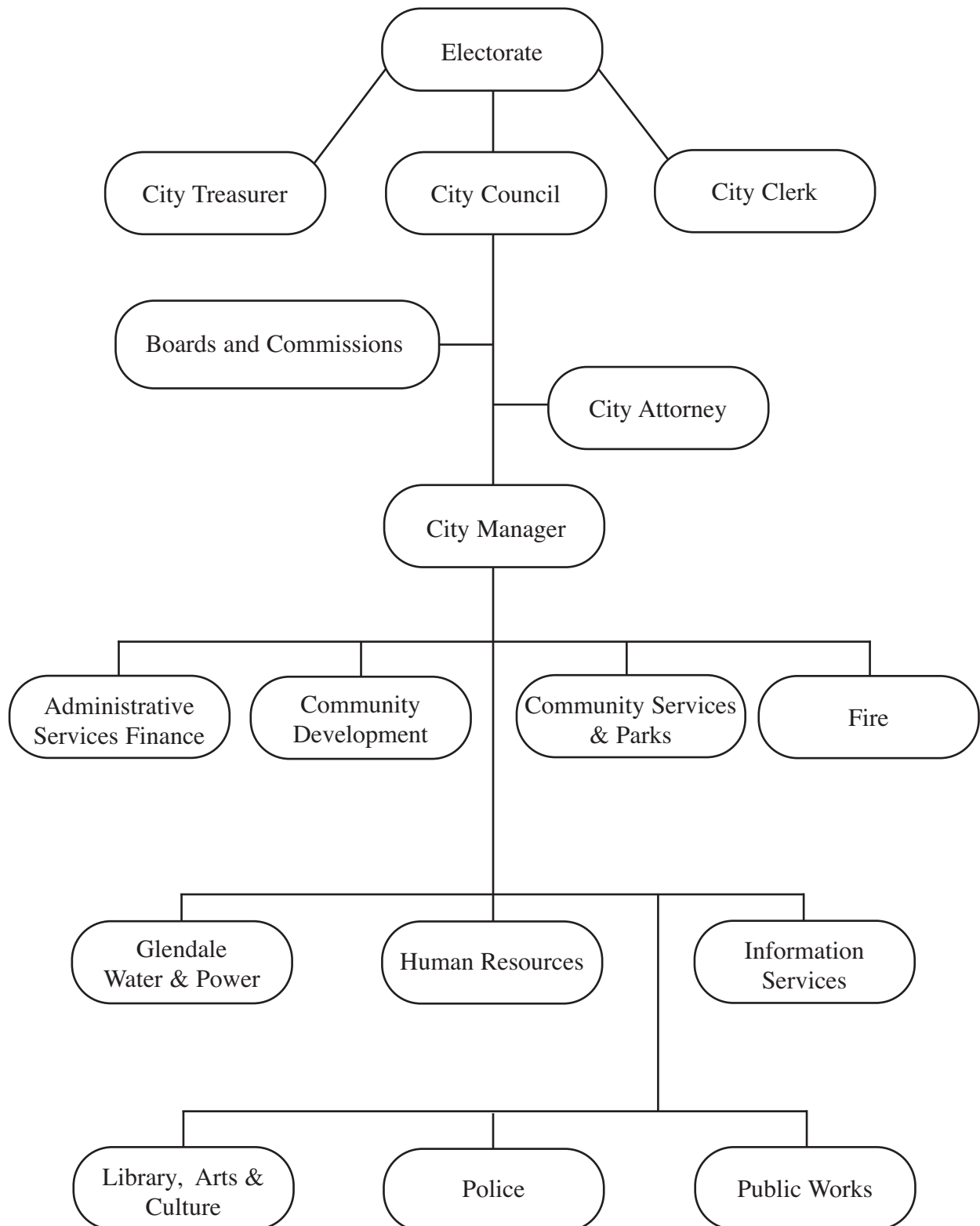
June 30, 2014

## Administration and Executive Management Team

City Manager	Scott Ochoa
Assistant City Manager	Yasmin K. Beers
Deputy City Manager	John Takhtalian
Police Chief	Robert M. Castro
Director of Library, Arts & Culture	Cindy Cleary
Director of Human Resources	Matthew Doyle
Director of Community Services & Parks	Jess Duran
Director of Finance	Robert P. Elliot, CPA
City Auditor	Michele Flynn, CIA, CGAP
Chief Information Officer	Brian Ganley
City Attorney	Michael J. Garcia
Director of Community Development	Hassan Haghani
City Clerk	Ardashes Kassakhian
Director of Economic Development	Philip Lanza fame
City Treasurer	Rafi Manoukian, CPA
Fire Chief	Harold Scoggins
General Manager of Glendale Water & Power	Stephen Zurn
Director of Public Works	Stephen Zurn

*City of Glendale, California*

# Organizational Chart





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

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Glendale for its comprehensive annual financial report for the fiscal year ended June 30, 2013. This was the 19th consecutive year that the City of Glendale has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles 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.



Government Finance Officers Association

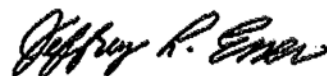
## **Certificate of Achievement for Excellence in Financial Reporting**

Presented to

**City of Glendale  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**



Executive Director/CEO

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# *Financial Section*

The Financial Section of the Comprehensive Annual Financial Report contains the following:

- Independent Auditors' Report
- Required Supplementary Information-  
Management's Discussion and Analysis  
(MD & A)
- City's basic financial statement, which includes  
the following:
  - The Government-wide Financial Statements
  - Fund Financial Statements
  - Notes to the Financial Statements







## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of City Council  
of the City of Glendale  
City of Glendale, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Glendale, California, (the City) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and the Housing Assistance Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Emphasis of Matter***

### ***Loans from the City to the Successor Agency***

As described in Note 8 and Note 16 to the financial statements, the City reinstated a loan due from the Glendale Successor Agency. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### ***Required Supplementary Information***

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

### ***Other Information***

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

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

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2014, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

*Vavrinik, Trine, Day & Co. LLP*

Rancho Cucamonga, California  
November 25, 2014



## **CITY OF GLENDALE**

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

June 30, 2014

(in thousands)

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, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i - xii of this report.

### **Financial Highlights**

- The assets and deferred outflows of resources of the City exceeded its liabilities at the close of FY 2013-14 by \$1,650,906 (net position). Of this amount, \$257,585 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors. The total unrestricted net position consists of \$47,188 for governmental activities and \$210,397 for business-type activities.
- The City's total net position increased by \$19,988. Most of this increase is attributable to the increase in charges for services, taxes, investment income, and the reinstatement of the former Redevelopment Agency loans to the City.
- As of the close of FY 2013-14, the City's governmental funds reported combined ending fund balances of \$161,718, a decrease of \$7,090 in comparison with the prior year. About 16.2% of this total amount, \$26,153 is unassigned and available for spending at the government's discretion.
- At the end of FY 2013-14, charter required stabilization reserve of \$22,593, committed fund balance of \$7,000, and unassigned fund balance of \$36,480 for the General Fund totaled \$66,073, representing about 36.4% of FY 2014-15 adopted budget of \$181,502. The General Fund reserve levels have historically been maintained above 30.0% of General Fund appropriations, in accordance with the current reserve policy (a floor of 30.0% with a target of 35.0%) adopted by the City Council.
- The City's total debt increased by \$64,210 (15.1%) in FY 2013-14. The factors of this increase were a combination of items such as post-employment benefits, an increase of \$17,925; post-closure liability of Scholl Canyon Landfill, an increase of \$2,175; issuance of the Electric Revenue Bonds 2013 Series for \$60,000; an increase of \$847 in claims payable; a decrease of \$3,755 in compensated absences; as well as decreases such as debt retirements through regular annual payments.

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

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

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

## CITY OF GLENDALE

### Management's Discussion and Analysis

June 30, 2014

(in thousands)

The statement of net position presents information on all of the City's assets and deferred outflows of resources, and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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, police, fire, public works, housing, health, and community development, employment programs, public service, parks, recreation, and community services, library, and interest and fiscal charges on bonds. The business-type activities of the City include recreation, hazardous disposal, fire communications, parking, sewer, refuse disposal, electric, and water.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate housing authority and financing authority for which the City is financially accountable. The housing authority and the financing authority, although legally separate, function for all practical purposes as departments of the City, and therefore have been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 23-25 of this report.

**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 statement, 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 government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund

## **CITY OF GLENDALE**

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

June 30, 2014

(in thousands)

balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 39 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 General Fund, Housing Assistance Fund and the Capital Improvement Fund, all of which are considered to be major funds. Data from the other 36 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 elsewhere in this report.

The City adopts an annual budget for its General, Debt Service and Special Revenue fund types. A budgetary comparison statement has been provided for the above fund types to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 26-45 of this report.

**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 recreation, hazardous disposal, fire communications, parking, sewer, refuse disposal, and electric and water utility operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its fleet of vehicles, information services and infrastructures, joint helicopter operation, uninsurable litigation, employee benefits, and various other insurances.

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 sewer, electric, and water operations, all of which are considered to be major funds of the City. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the non-major enterprise and internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 46-49 of this report.

**Fiduciary funds.** A fiduciary fund is used to account for resources held for the benefit of parties outside the City. The City maintains one fiduciary fund – Glendale Successor Agency Trust Fund, a Private-Purpose Trust Fund.

Since the resources of fiduciary fund are not available to support the City's own programs, it is not reflected in the government-wide financial statements. The accounting used for fiduciary fund is much like that used for proprietary funds. The basic fiduciary fund financial statement can be found on pages 50-51 of this report.

**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. The notes to the financial statements can be found on pages 53-102 of this report.

## CITY OF GLENDALE

### Management's Discussion and Analysis

June 30, 2014

(in thousands)

The combining statements referred to earlier in connection with non-major governmental and enterprise funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 105-169 of this report.

### Government-wide Financial Analysis

The government-wide financial analysis contained comparative information from the prior year.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities by \$1,650,906 at the close of the most recent fiscal year.

By far the largest portion of the City's net position (79.6%) reflects its net investment in capital assets (e.g., infrastructure, land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's net investment in its capital assets is reported as net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

#### City of Glendale's Net Position As of June 30,

	Governmental activities		Business-type activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 319,726	303,125	326,309	235,318	646,035	538,443
Capital assets	873,806	869,090	673,807	692,764	1,547,613	1,561,854
Deferred outflows of resources	-	-	1,291	1,443	1,291	1,443
Total assets and deferred outflow of resources	1,193,532	1,172,215	1,001,407	929,525	2,194,939	2,101,740
Current liabilities	41,029	54,297	36,168	23,892	77,197	78,189
Noncurrent liabilities	202,130	168,667	264,706	223,966	466,836	392,633
Total liabilities	243,159	222,964	300,874	247,858	544,033	470,822
Net investment in capital assets	829,862	816,785	484,467	516,774	1,314,329	1,333,559
Restricted	73,323	70,047	5,669	5,669	78,992	75,716
Unrestricted	47,188	62,419	210,397	159,224	257,585	221,643
Total net position	\$ 950,373	949,251	700,533	681,667	1,650,906	1,630,918

4.8% of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$257,585 may be used to meet the government's ongoing obligations to citizens and creditors. Of this total, \$210,397 is in business-type activities such as our electric, water, and sewer utilities.

## CITY OF GLENDALE

### Management's Discussion and Analysis

June 30, 2014

(in thousands)

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, for government as a whole, as well as for all its separate governmental and business-type activities.

**Governmental activities.** Governmental activities increased the City's net position by \$1,122. Key elements of this increase are as follows:

- Capital grants and contributions decreased by \$6,815 (38.0%) during the current fiscal year due to less grant funding for capital projects. Also, there was a one-time only donation of the Doran Gardens open space to the City based on the housing development agreement in FY 2012-13.
- Investment income increased by \$1,861 to a positive amount of \$1,776, from a negative amount of \$85, during the current fiscal year primarily due to the increase in the fair value of the investments.
- Other revenue increased by \$16,696 (124.6%) during the current fiscal year mainly due to the accounting change to record the housing loans that are non-forgivable but the timing of loan payback is uncertain (depending on the transfer of the property), and also the reinstatement of the former Redevelopment Agency loans to the City.
- General government expense increased by \$31,344 (93.8%) during the current fiscal year mainly due to the reclassification of all the post-employment benefits expenses in governmental activities, instead of allocating between governmental activities and business-type activities. Also some of community development functions were moved to general government.
- Housing, health and community development expense decreased by \$5,998 (13.5%) during the current fiscal year mainly due to two main reasons: (1) some of community development functions were moved to general government; (2) less Building Equity and Growth in Neighborhoods (BEGIN) grant loan payments to the home owners of the Doran Gardens housing project, since the grant is in the final stage and completed in FY 2013-14.
- Interest & fiscal charges increased by \$621 (32.1%) during the current fiscal year mainly due to the increase in Scholl Canyon Post Closure liability.

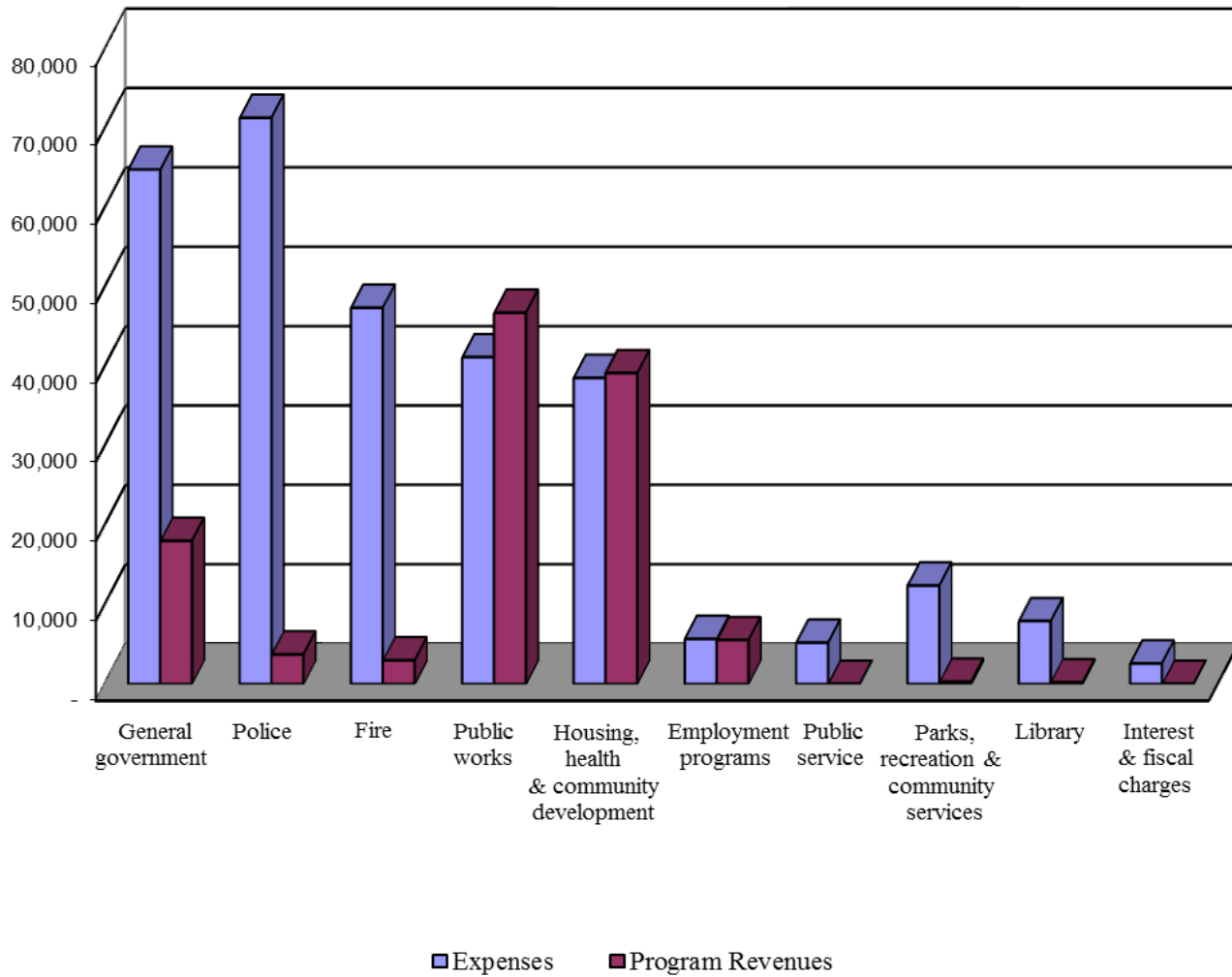
## CITY OF GLENDALE

### Management's Discussion and Analysis

June 30, 2014

(in thousands)

#### Expenses and Program Revenues – Governmental Activities



# CITY OF GLENDALE

## Management's Discussion and Analysis

June 30, 2014

(in thousands)

### City of Glendale's Change in Net Position For the Fiscal Year Ended June 30,

	Governmental activities		Business-type activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 42,129	45,733	292,602	272,344	334,731	318,077
Operating grants & contributions	63,195	59,855	299	223	63,494	60,078
Capital grants & contributions	11,134	17,949	796	1,203	11,930	19,152
General revenues:						
Taxes:						
Property taxes	47,623	45,943	-	-	47,623	45,943
Sales taxes	35,408	33,789	-	-	35,408	33,789
Utility users tax	27,018	26,968	-	-	27,018	26,968
Other taxes	15,512	14,594	-	-	15,512	14,594
Investment income	1,776	(85)	2,725	231	4,501	146
Other:						
Reinstatement of loans	13,613	-	-	-	13,613	-
Miscellaneous	16,484	13,401	11,505	8,270	27,989	21,671
Total revenues	273,892	258,147	307,927	282,271	581,819	540,418
Expenses:						
General government	64,776	33,432	-	-	64,776	33,432
Police	71,299	72,997	-	-	71,299	72,997
Fire	47,370	50,880	-	-	47,370	50,880
Public works	41,126	39,349	-	-	41,126	39,349
Housing, health & community development	38,536	44,534	-	-	38,536	44,534
Employment program	5,642	6,080	-	-	5,642	6,080
Public service	5,173	4,490	-	-	5,173	4,490
Parks, recreation & community services	12,372	12,326	-	-	12,372	12,326
Library	7,893	8,338	-	-	7,893	8,338
Interest & fiscal charges	2,553	1,932	-	-	2,553	1,932
Recreation	-	-	2,338	2,820	2,338	2,820
Hazardous disposal	-	-	1,170	1,709	1,170	1,709
Fire communications	-	-	2,521	3,291	2,521	3,291
Parking	-	-	6,317	7,683	6,317	7,683
Sewer	-	-	14,353	14,585	14,353	14,585
Refuse disposal	-	-	16,143	19,197	16,143	19,197
Electric	-	-	179,322	172,509	179,322	172,509
Water	-	-	42,927	41,862	42,927	41,862
Total expenses	296,740	274,358	265,091	263,656	561,831	538,014
Excess (deficiency) before transfers and extraordinary (loss)	(22,848)	(16,211)	42,836	18,615	19,988	2,404
Transfers	23,970	25,299	(23,970)	(25,299)	-	-
Extraordinary (loss)	-	(6,423)	-	-	-	(6,423)
Change in net position	1,122	2,665	18,866	(6,684)	19,988	(4,019)
Net position – Beginning of the year	949,251	946,586	681,667	688,351	1,630,918	1,634,937
Net position – End of the year	\$ 950,373	949,251	700,533	681,667	1,650,906	1,630,918



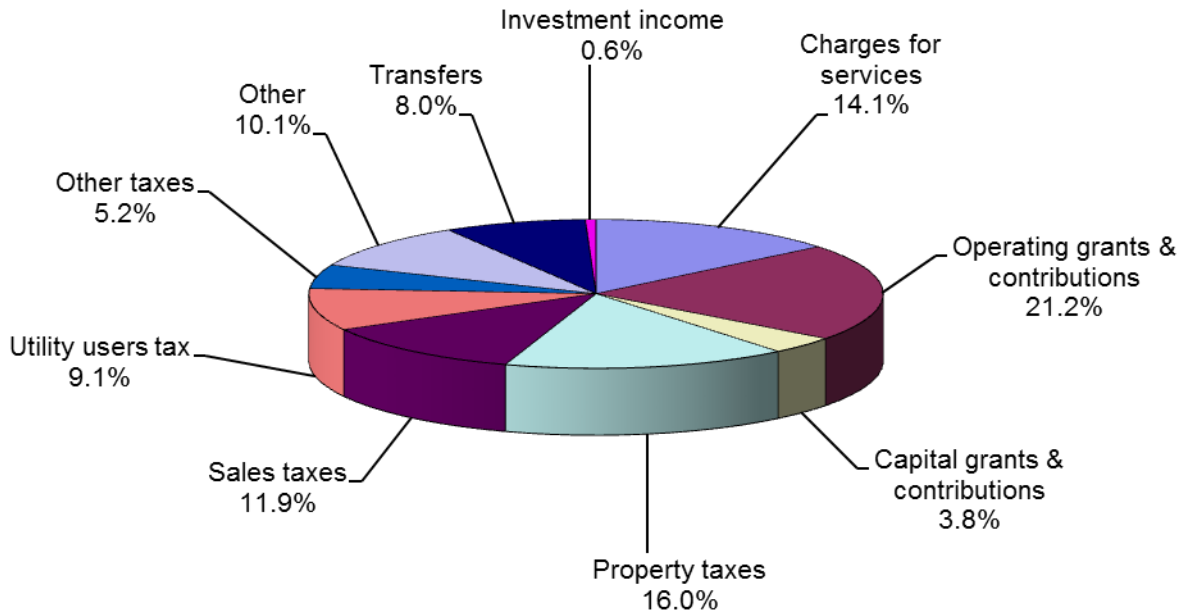
## CITY OF GLENDALE

### Management's Discussion and Analysis

June 30, 2014

(in thousands)

#### Revenues & Transfers By Source – Governmental Activities



**Business-type activities.** Business-type activities net position increased by \$18,866. Key elements of this increase are as follows.

- Charges for services increased by \$20,258 (7.4%) during the current fiscal year. Higher electric sales were the primary factor leading to an increase in charges for services in all business-type activities. Higher electric wholesale sales and electric sales to utilities were mainly due to the City's increased participation in wholesale transactions as a result of favorable market conditions based on the City's risk criteria. Improvement in revenue collection for electric street light sales, as well as increased domestic and commercial sales also contributed to the increase in charges for services.
- Operating and capital grants decreased by \$331 (23.2%) during the current fiscal year. The decrease was mostly due to near completion of the U.S. Department of Energy (DOE) and California Energy Commission (CEC) grants provided to GWP to support the modernization program in upgrading the City's 100 plus year old electric and water system. The completion of several grants received by GWP to fund the construction of Chromium 6 water treatment and testing facilities to support the research project also contributed to the decrease. The completion of the AB2766 Discretionary Fund to meet requirements of federal and state Clean Air Acts and implementation of motor vehicle emission reduction measures by South Coast Air Quality Management District (SCAQMD) also contributed to lower operating and capital grants compared to previous fiscal year. Also, lower receipt of State used oil recycling grant during the current fiscal year contributed to the decrease.

## **CITY OF GLENDALE**

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

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(in thousands)

- Other revenues increased by \$3,235 (39.1%) during the current fiscal year. The increase is primarily due to an increase in miscellaneous revenue as a result of the receipt of Glendale's share of the surplus money from the Multiple Project Proceeds Account established under the Multiple Project Indenture of Trust, dated August 1, 1989, to the applicable accounts of the SCPPE Projects' Stabilization Fund for the benefit of the Mead-Adelanto and Mead-Phoenix Participants.
- Investment income increased by \$2,494 (1,079.7%) during the current fiscal year. Better return on investment and overall increase in the market value of the portfolio investments contributed to the higher investment income during the current fiscal year for all enterprise funds.
- Electric expenses increased by \$6,813 (3.9%) during the current fiscal year. This increase can primarily be attributed to an increase in Electric's operating expenses related to production and transmission as a result of increased participation in natural gas and wholesale activities.
- Water expenses increased by \$1,065 (2.5%) during the current fiscal year. This increase was due to a continuing rise in production costs as a result of purchased water volume supplied by Metropolitan Water District (MWD).
- Sewer expense decreased by \$232 (1.6%) during the current fiscal year primarily due to the reclassification of all the post-employment benefits expenses in governmental activities, instead of allocating between governmental activities and business-type activities.
- Other enterprise activities had a net decrease in expenses of \$6,211 (17.9%) during the current fiscal year also primarily due to the reclassification of all the post-employment benefits expenses in governmental activities, instead of allocating between governmental activities and business-type activities.

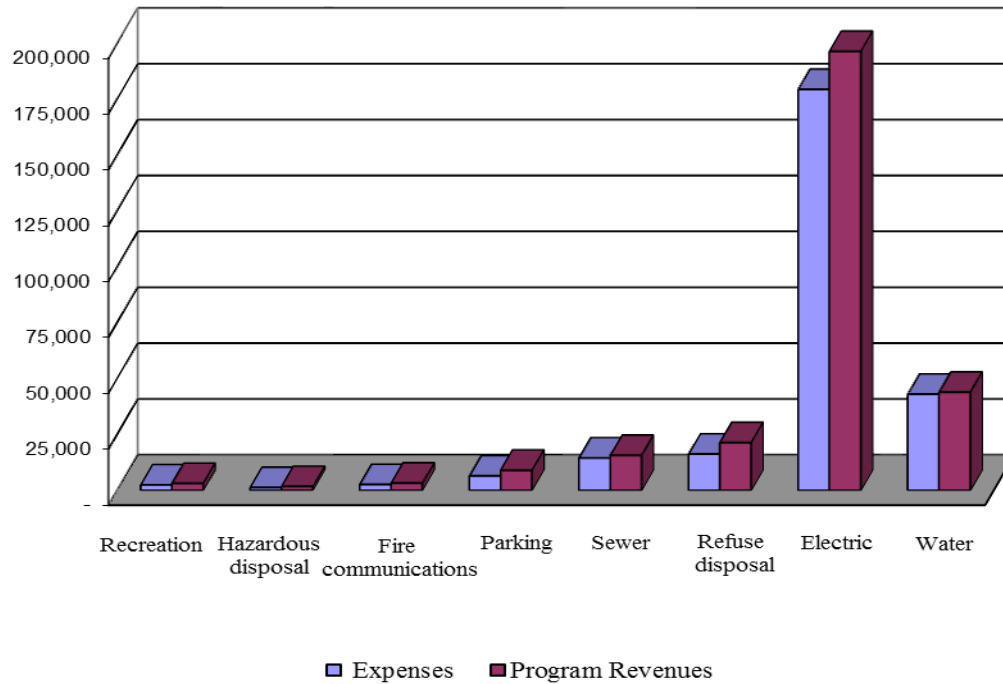
## CITY OF GLENDALE

### Management's Discussion and Analysis

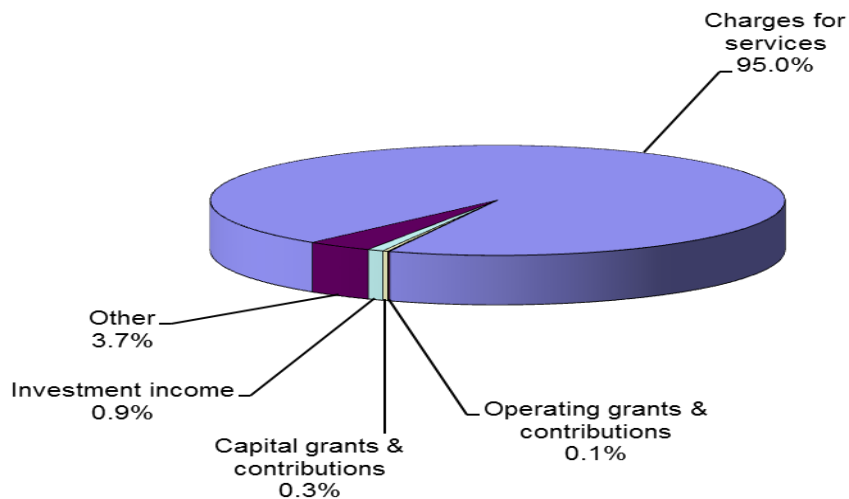
June 30, 2014

(in thousands)

#### Expenses and Program Revenues – Business-type Activities



#### Revenues By Source – Business-type Activities



## **CITY OF GLENDALE**

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

June 30, 2014

(in thousands)

### **Financial Analysis of the Government'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 spending resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$161,718, a decrease of \$7,090 in comparison with the prior year. About 16.2% of this total amount, \$26,153, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance in the amount of \$135,565 is not available for new spending because it is either nonspendable, restricted, assigned or committed. Nonspendable fund balance of \$4,796 which consists of: 1) inventories \$372, 2) advance to other funds \$1,946, and 3) prepaid items \$2,478. Restricted fund balance of \$89,822 which is constrained by external creditors, grantors, laws or regulations of other governments and enabling legislation, consists of: 1) City charter stabilization reserve requirement \$22,593, 2) federal and state grants \$4,745, 3) public safety \$1,197, 4) youth employment \$18, 5) transportation \$17,019, 6) landscaping district \$63, 7) low and moderate housing \$9,820, 8) air quality improvement \$276, 9) cable access \$1,237, 10) electric public benefit AB1890 \$1,960, 11) State gas tax mandates \$7,044, and 12) landfill postclosure \$23,850. Committed fund balance of \$40,947 consists of: 1) debt service \$23,841, 2) urban art \$2,437, 3) public safety \$116, 4) impact fee funded projects \$5,562, and 5) capital projects \$8,991.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance and the charter-required reserve of the general fund were \$36,480 and \$22,593, respectively, while total fund balance was \$68,657. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance and restricted fund balance which consists of the charter-required reserve, totaling \$59,073, represent about 34.7% of FY 2013-14 General Fund expenditures plus transfers.

The fund balance of the City's General Fund has an increase of \$5,768 during the current fiscal year. This increase is primarily due to the following five reasons:

- 1) Compared to prior fiscal year, property tax revenue increased by \$1,680, which is due to higher property values in the City.
- 2) Compared to prior fiscal year, sales tax revenue increased by \$1,580, which is due to better retail sales.
- 3) Compared to prior fiscal year, license and permits revenue increased by \$851, which is due to the Council approved projects that commenced during the fiscal year.
- 4) Compared to prior fiscal year, use of money and property increased by \$1,341, which is due to the increase in fair value of the investments.

## **CITY OF GLENDALE**

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

June 30, 2014

(in thousands)

- 5) Compared to prior fiscal year, the expenditures increased by \$5,287, which is mainly due to three items: more overtime expenditures in Police and Fire departments because of vacant positions, more retirement benefit expenditures because of higher California Public Employees' Retirement System (CalPERS) rates, and more Information Services Department expenditures because of additional funding for depreciation, radios and equipment.

The Housing Assistance Fund (Section 8 grant) has a fund balance of \$4,315, an increase of \$675, compared to the prior fiscal year. There are two main reasons for this increase. First, more housing assistance payments were received than disbursed. The Housing Authority has been leasing up units to spend the excess balance. Second, the administrative expense is less than the administrative revenue earned because of efficient and effective administrative operations.

The Capital Improvement Fund has a positive fund balance of \$1,936. In comparison with the prior fiscal year, the fund balance decreased by \$277. There are two main reasons for this decrease. First, the reimbursement for some grant-funded capital projects, in the amount of \$3,224, has not been received. Second, the transfer to Landfill Postclosure Fund increased by \$1,250.

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

At the end of the year, unrestricted net position composed of \$69,055 for the Sewer Fund, \$120,355 for the Electric Fund, \$(7,902) for the Water Fund, and \$43,232 for the Non-major Enterprise Funds.

The net position of the Sewer Fund increased by \$779 during the current fiscal year. The increase is attributable to higher income before contributions and transfers as a result of improved expense management and higher interest revenue.

The net position of the Electric Fund decreased by \$10,315 during the current fiscal year. This decrease is due to lower income before contributions and transfers. The change in net position shows improvement compared to previous fiscal year as a result of increases in electric commercial & wholesale sales and electric sales to utilities.

The net position of the Water Fund decreased by \$1,084 during the current fiscal year. The decrease is due to lower income before contributions and transfers as a result of increases in purchased water expenses.

The net position of Non-major Enterprise Funds increased by \$2,434 during the current fiscal year. The increase is primarily attributable to higher interest revenue earned in each fund and the sale of Parking Lot 12 in the Parking Fund for a housing project.

### **General Fund Budgetary Highlights**

Compared to the FY 2013-14 original General Fund budget, the final budget increased by \$4,838. The increase was primarily due to the following: \$641 for budget carryovers, \$905 for Microsoft software license, \$825 for

## **CITY OF GLENDALE**

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

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Fire department overtime, \$728 for Laemmle Lofts project, \$624 for firefighter recruitment and training academy, and \$370 for June 2014 special election.

Compared to the FY 2013-14 final General Fund budget, the actual expenditures was under spent by \$5,207. The variance was mainly due to salary savings and the expenditures in contractual services coming in less than forecasted. Although much of the vacant positions have been eliminated in the General Fund, vacancies still exist across almost every department as a result of employee turnover.

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

**Capital assets.** The City's investment in capital assets for its governmental and business-type activities as of June 30, 2014, amounts to \$1,547,613. This investment in capital assets includes land, natural gas reserve, buildings and improvements, machinery and equipment, infrastructure, and construction in progress. The total decrease in the City's investment in capital assets for the current fiscal year was 0.9%; this represents a 0.5% increase for governmental activities and a 2.7% decrease for business-type activities.

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

- City received a grant to purchased 10 Beeline Buses in the amount of \$5,401. The City also capitalized \$11,376 in Street and Traffic Light Infrastructure improvements, \$2,150 in Library renovations and \$1,816 in Maple and Maryland parks improvements in FY 2013-14.
- At the end of the year, Electric Fund decreased its construction in progress by \$9,692. This decrease primarily reflects the completion of capital projects related to GWP's utility modernization program such as reducing electricity outages and increasing the utility's capacity in meeting customer demands. The increase of \$783 in building and improvements reflects completed projects related to the Automated Metering Infrastructure (AMI) portion of the Smart Grid Project. The increase of \$5,742 in machinery and equipment was primarily due to completed utility modernization and AMI projects. Natural gas reserve increased by \$19 as a result of GWP's continuing effort in meeting the state wide renewable portfolio of acquiring and using qualified renewable energy resources for its Glendale residents.
- Glendale Water and Power has adopted a multi-year capital improvement program for water works projects scheduled for three consecutive years that included fiscal years 2012-2013 through 2015-2016. At the end of the year, Water Fund decreased its construction in progress by \$12,813. This decrease primarily reflects the completion of capital projects related to the replacement and rehabilitation of Diederich water main, developments in the Glorietta Well to increase local groundwater supplies, and upgrades to potable water pump stations. Building and improvements increased by \$168 due to well development and water quality improvement activities. The increase of \$10,126 in machinery and equipment was primarily due to water potable pump station upgrades and groundwater & recycled water system developments. The increase of \$14,078 in infrastructure reflects completed projects related to building a new well in the Verdugo basin, the Diederich water main replacement, and upgrades to Glendale Geographic Information System (GIS) to better safeguard and protect the City's water system infrastructure.

**CITY OF GLENDALE**

## Management's Discussion and Analysis

June 30, 2014

(in thousands)

**City of Glendale's Capital Assets**

(Net of depreciation)

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	2014	2013	2014	2013	2014	2013
Land	\$ 398,869	398,848	15,120	15,141	413,989	413,989
Natural gas reserve	-	-	22,148	22,129	22,148	22,129
Buildings and improvements	297,093	295,312	389,109	383,981	686,202	679,293
Machinery and equipment	114,657	109,285	580,893	565,340	695,550	674,625
Infrastructure	299,830	291,869	140,934	126,856	440,764	418,725
Construction in progress	45,928	41,047	15,128	37,569	61,056	78,616
Total capital assets	1,156,377	1,136,361	1,163,332	1,151,016	2,319,709	2,287,377
Less: Accumulated depreciation	(282,571)	(267,271)	(482,543)	(452,691)	(765,114)	(719,962)
Less: Gas depletion	-	-	(6,982)	(5,561)	(6,982)	(5,561)
Net of depreciation	\$ 873,806	869,090	673,807	692,764	1,547,613	1,561,854

Additional information on the City's capital assets can be found in Note 6 on pages 72-74 as well as pages 170-171 of this report.

**Long-term debt.** The City's total debt increased by \$64,210 (15.1%) in FY 2013-14. The factors of this increase was a combination of items such as post employment benefits, a net increase of \$17,925; post closure liability of Scholl Canyon Landfill, an increase of \$2,175; issuance of the Electric Revenue Bonds 2013 Series for \$60,000; a decrease in RDLP loan of \$4,643; a decrease of \$3,755 in compensated absences; an increase of \$847 in claims payable; as well as decreases such as debt retirements through regular annual payments.

# CITY OF GLENDALE

## Management's Discussion and Analysis

June 30, 2014

(in thousands)

### City of Glendale's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Long-term debt:						
Claims Payable	\$ 44,497	43,650	-	-	44,497	43,650
Compensated absences	13,848	16,426	4,544	5,721	18,392	22,147
Post employment benefits	75,922	39,066	-	18,931	75,922	57,997
Landfill post closure and post closure care	41,810	39,635	-	-	41,810	39,635
Police building project (COPs)	41,195	48,900	-	-	41,195	48,900
Bonds payable:						
Electric Revenue Bonds, 2006 Refunding	-	-	30,280	31,570	30,280	31,570
Electric Revenue Bonds, 2008 Series	-	-	60,000	60,000	60,000	60,000
Electric Revenue Bonds, 2013 Refunding	-	-	20,510	20,510	20,510	20,510
Electric Revenue Bonds, 2013 Series	-	-	60,000	-	60,000	-
Water Revenue Bonds, 2008 Series	-	-	47,615	48,825	47,615	48,825
Water Revenue Bonds, 2012 Series	-	-	35,000	35,000	35,000	35,000
Bond premium	-	-	11,308	7,293	11,308	7,293
Total bonds payable	-	-	264,713	203,198	264,713	203,198
Other long-term liabilities:						
Capital leases:						
MSB retrofit lease – Capital One	-	1,332	-	-	-	1,332
Fire equip't lease 2005 – Sun Trust	437	860	-	-	437	860
Fire equip't lease 2009 – Wells Fargo	989	1,213	-	-	989	1,213
2011 HUD Section 108 loan	1,669	1,839	-	-	1,669	1,839
Residential development loan program (RDLP)	-	4,643	-	-	-	4,643
Total other long-term liabilities	3,095	9,887	-	-	3,095	9,887
Total long-term debt	\$ 220,367	197,564	269,257	227,850	489,624	425,414

### Credit ratings

Municipal bond ratings provide investors with a simple way to compare the relative investment quality of different bonds. Bond ratings express the opinions of the rating agencies as to the issuer's ability and willingness to pay debt service when it is due. In general, the credit rating analysis includes the evaluation of the relative strengths and weaknesses of the following four factors as they affect an issuer's ability to pay debt and service: fiscal, economic, debt and administrative/management factors. The City continues to receive high general credit ratings from all three national rating agencies, despite the difficult financial and economic conditions the national and local economy has been faced with.



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### Management's Discussion and Analysis

June 30, 2014

(in thousands)

The City's bond ratings as of June 30, 2014 are as follows:

<b>Debt Issue</b>	<b>Moody's</b>	<b>Standard &amp; Poor's (S &amp; P)</b>	<b>Fitch Ratings'</b>
Issuer credit rating (Implied General Obligation )	Aa2	AA+	AA+
Police building project (COPs)	A1	-	AA
Electric revenue bonds, 2006 refunding series	Aa3	AA-	A+
Electric revenue bonds, 2008 series	Aa3	AA-	A+
Electric revenue bonds, 2013 refunding series	Aa3	AA-	A+
Electric revenue bonds, 2013 series	Aa3	AA-	A+
Water revenue bonds, 2008 series	Aa3	AA-	A+
Water revenue bonds, 2012 series	Aa3	A+	A+

The Glendale Successor Agency's (Fiduciary Fund) bond ratings as of June 30, 2014 are as follows:

<b>Debt Issue</b>	<b>Moody's</b>	<b>Standard &amp; Poor's (S &amp; P)</b>	<b>Fitch Ratings'</b>
2010 GSA tax allocation bonds	Ba1	A	N/A
2011 GSA subordinate taxable tax allocation bonds	-	A-	-
2013 GSA tax allocation bonds, refunding series	-	AA-	-

Bonds which are rated 'AAA' & 'Aaa' are judged to be of the best quality. They carry the smallest degree of investment risk. Interest payments are protected by a large or an exceptionally stable margin and principal is secure. While the various protective elements are likely to change, such changes as can be visualized are most unlikely to impair the fundamentally strong position of such issues. Bonds rated 'AAA' are generally known as investment grade bonds of which the issuer of the Bonds is judged to have a very strong capacity to meet its financial commitments.

### Legal Debt Margins

Under the City Charter, the total bonded debt of the city shall at no time exceed 15% of the net assessed value of all real and personal property within the City limits ("debt limit"). General obligation debt is debt secured by the City's property tax revenues. As of June 30, 2014, the City's net assessed value of taxable property was \$19.6 billion and has no general obligation debt.

## **CITY OF GLENDALE**

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

June 30, 2014

(in thousands)

#### **Debt Administration**

Finance works to ensure that the City meets its debt administration obligations to:

- Pay debt service timely;
- Monitor trustee-held accounts and guaranteed investment contracts;
- Comply with bond covenants and Internal Revenue Service (IRS) rules & regulations;
- Provide continuing disclosure and other reports to the municipal bond market;
- Manage liquidity and credit enhancement contracts.

#### **Arbitrage Rebate**

Debt Management actively monitors the investment and disbursement of proceeds of tax exempt bonds for arbitrage compliance purposes. Arbitrage is the profit that results from investing low-yield tax-exempt bond proceeds in higher-yield securities (also referred to as positive arbitrage). Federal law stipulates that investment earnings in excess of the bond yield are arbitrage earnings and must be rebated to the Federal Government. However, if a jurisdiction meets certain IRS expenditure exceptions for bond proceeds, the arbitrage earnings will not have to be rebated to the Federal Government. Arbitrage regulations apply only to all of the City's tax-exempt financings.

Typically bond proceeds that are held by the Trustee are invested by the Trustee per bond covenant to invest at the highest yield possible, subject to the City's Investment Policy objectives of safety, liquidity and yield. The investment of bond proceeds is in accordance with the City's investment Policy and the Permitted Investment provisions of the governing documents of each series of bonds. For some types of bond funds, particularly a construction fund that must be held in short-term securities, it may be the case that the fund earns at a rate less than the bond yield. Therefore, the fund is said to be earning negative arbitrage. Through careful management of its investments, the City can use positive arbitrage earnings in one account of a bond series to offset negative arbitrage in another account of the same series.

Finance monitors and documents investments and cash flows of the City's bond funds, and then annually reviews all arbitrage provisions of individual bond funds and computes arbitrage earnings. Arbitrage earnings are rebated to the United States Treasury on a five-year installment basis. The City conducts informal arbitrage rebate calculations to assure that the City stays current on compliance issues and to facilitate accountability for any potential rebate liability.

Finance engages a consultant to prepare periodic arbitrage calculations for all of the City's tax-exempt bonds. This calculation includes: (1) review the City's arbitrage compliance at five-year anniversary dates when rebate is actually due to the Federal Government; (2) compute annual and five-year installment arbitrage rebate liability on the more complex financings; and (3) provide technical assistance to the City in the area of arbitrage

## **CITY OF GLENDALE**

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

June 30, 2014

(in thousands)

rebate compliance. This third-party review provides an added level of confidence that the City is in compliance with the arbitrage regulations. Such review is particularly important given that the Internal Revenue Service has stepped-up its random audit and target audit programs for tax-exempt bond issues. As of June 30, 2014, only the electric revenue bonds 2006 refunding series of the City's revenue bonds has a positive arbitrage rebate liability of \$7. The Glendale Successor Agency's tax-exempt bond issues have no arbitrage rebate liability.

### **Continuing Disclosure**

On November 10, 1994, the Securities and Exchange Commission ("SEC") adopted amendments to existing federal regulations ("Rule 15c-12" or the "Rule") under which municipalities issuing securities on or after July 3, 1995 is required to:

1. Prepare official statements meeting current requirements of the Rule;
2. Annually file certain financial information and operating data with national and state repositories; and
3. Prepare announcements of the significant events enumerated in the Rule.

As of June 30, 2014, the City had 6 series of bonds subject to Continuing Disclosure requirements. The City prepares the Continuing Disclosure (financial and operating information) for its 6 series bonds and engaged a dissemination agent, the Trustee to disseminate such disclosures. The Glendale Successor Agency (Agency) had 2 tax-exempt tax allocation bonds and 1 subordinate taxable tax allocation bonds. The Agency engages a consultant to prepare and disseminate continuing disclosure for its 2 tax-exempt tax allocation bonds and 1 subordinate taxable tax allocation bonds. These disclosures are disseminated through the use of Electronic Municipal Market Access ("EMMA"), the Municipal Securities Rulemaking Board's ("MSRB") disclosure website. Timely and accurate communication with the municipal marketplace is vital in retaining the City's creditworthiness and market access. Continuing Disclosure and compliance reporting constitute a significant part of Debt Management's compliance activity for the life of each series of bonds.

Additional information on the City's long-term debt can be found in Note 8 on pages 76-85 of this report.

### **Economic Factors and Next Year's Budget and Rates**

The slow economic recovery in conjunction with the State's efforts to address its budget deficit by taking resources from cities have combined to make these past few years some of the most difficult budget years in recent history. In spite of the difficulty involved in preparing the budget for FY 2014-15, the managers and staff from each department, as well as the City Council, have approached the challenge in a professional and constructive manner. The focus clearly remains on how to best serve our diverse community - carefully balancing the myriad of needs with limited resources.

The budget increase in the General Fund in FY 2014-15, when compared to FY 2013-14, is mainly attributable to a one-time use of \$7,000 of Fund Balance to fund the Information Technology Data Center Upgrade (\$2,000) and the Central Library Renovation (\$5,000). Overall, there was an increase in the Salaries & Benefits budget, mainly as a result of the increase in the PERS rate. Departments once again froze their discretionary

## **CITY OF GLENDALE**

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

June 30, 2014

(in thousands)

Maintenance and Operation budget, and Internal Service Fund rates remained the same, except for the Fleet/Equipment Replacement, Liability Insurance, and Workers' Compensation Rates. Fleet/Equipment Replacement Rates were increased to fund future replacement of existing vehicles, while Liability Insurance and Worker's Compensation Rates changed based on recent claims experience.

Based on the revenue and appropriation estimates, a minimal budget gap of approximately \$495 is anticipated in FY 2014-15 (the use of fund balance does not include the transfers to ISD and Library to fund the Information Technology Data Center Upgrade and the Central Library Renovation since these are one time transfers). This is an improvement relative to FY 2013-14 when there was a \$1,200 budget gap.

The financial pressures are not limited to the General Fund. For Special Revenue Funds, program cuts at the State and Federal levels have reduced the amount of grant funding we will receive, most notably in the Community Development Block Grant (CDBG) Fund. The General Fund Capital Improvement program has been significantly scaled back over the last several years. As noted in prior years, we still have a significant fund balance deficit in the Workers' Compensation Fund. Lastly, aging infrastructure in the ISD Funds and the need to fund future replacement of vehicles in the Fleet Fund, pose financial challenges that need to be addressed in the coming years.

The elimination of redevelopment agencies in California has wiped out a major source of revenue that cities relied upon to rehabilitate blighted areas, repair aging infrastructure, and to fund affordable housing. After the Glendale Redevelopment Agency dissolved in February 2012, the City elected to serve as the Successor Agency for the former Redevelopment Agency. The Glendale Successor Agency is responsible for winding down redevelopment & housing operations, paying off debt service, and completing certain remaining infrastructure construction and community development activities as included in the State's approved Recognized Obligation Payment Schedules (ROPS). As Glendale emerges from the disruption and fiscal angst caused by the dissolution of the redevelopment agencies by the State, it has an opportunity to revise its economic development effort from one focused on the built environment to a more programmatic approach to developing the local economy, improving the business environment and assisting businesses to grow and prosper. As such, in May 2014 the City Council authorized the formation of a non-profit public benefit corporation, the Glendale Economic Development Corporation, which is dedicated to encouraging growth by leveraging public-private investment and fostering economic vitality in Glendale.

### **Requests 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 government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Director of Finance, 141 North Glendale Avenue, Suite 346, Glendale, CA 91206.

Exhibit A-1  
**CITY OF GLENDALE**  
Statement of Net Position  
June 30, 2014 (in thousands)

	Governmental Activities	Business-type Activities	Total
<b>Assets and deferred outflows of resources</b>			
Current assets:			
Pooled cash and investments	\$ 225,479	153,886	379,365
Cash with fiscal agent	-	13,146	13,146
Investments with fiscal agent	-	2,464	2,464
Investment-gas/electric commodity	-	1,088	1,088
Interest receivable	973	634	1,607
Accounts receivable, net	31,395	39,563	70,958
Loans receivable	165	-	165
Internal balances	7,537	(7,537)	-
Inventories	372	5,756	6,128
Prepaid items	2,984	3,817	6,801
Total current assets	268,905	212,817	481,722
Noncurrent assets:			
Capital assets, net of depreciation:			
Land	398,869	15,120	413,989
Natural gas reserve	-	15,166	15,166
Buildings and improvements	190,665	246,783	437,448
Machinery and equipment	37,665	282,978	320,643
Infrastructure	200,679	98,632	299,311
Construction in progress	45,928	15,128	61,056
Total capital assets	873,806	673,807	1,547,613
Designated and invested cash	23,850	33,644	57,494
Restricted cash	-	79,751	79,751
Prepaid energy	-	97	97
Loans receivable	20,964	-	20,964
Property held for resale	6,007	-	6,007
Total noncurrent assets	924,627	787,299	1,711,926
Total assets	1,193,532	1,000,116	2,193,648
Deferred outflows of resources:			
Loss on refunding	-	1,291	1,291
Total assets and deferred outflows of resources	\$ 1,193,532	1,001,407	2,194,939

(Continued)

Exhibit A-1  
**CITY OF GLENDALE**  
Statement of Net Position  
June 30, 2014 (in thousands)

	Governmental Activities	Business-type Activities	Total
<b>Liabilities and net position</b>			
Current liabilities:			
Accounts payable	\$ 11,470	19,427	30,897
Accrued wages and withholding	6,292	-	6,292
Interest payable	92	5,256	5,348
Claims payable	11,939	-	11,939
Compensated absences	2,655	918	3,573
Bonds payable	2,795	3,633	6,428
Deposits	4,938	6,934	11,872
Other current liabilities	848	-	848
Total current liabilities	41,029	36,168	77,197
Noncurrent liabilities:			
Claims payable	32,558	-	32,558
Post employment benefits	75,922	-	75,922
Compensated absences	11,193	3,626	14,819
Landfill postclosure	41,810	-	41,810
Bonds payable	38,400	261,080	299,480
Other liabilities	2,247	-	2,247
Total noncurrent liabilities	202,130	264,706	466,836
Total liabilities	243,159	300,874	544,033
Net position:			
Net investment in capital assets	829,862	484,467	1,314,329
Restricted			
Air quality improvement	276	-	276
Cable access	1,237	-	1,237
City Charter - stabilization	22,593	-	22,593
Electric public benefit AB1890	1,960	-	1,960
Federal and state grants	4,745	-	4,745
Landscaping district	63	-	63
Low and moderate housing	17,171	-	17,171
Public safety	1,197	-	1,197
SCAQMD emission controls	-	5,669	5,669
State gas tax mandates	7,044	-	7,044
Transportation	17,019	-	17,019
Youth employment	18	-	18
Unrestricted	47,188	210,397	257,585
Total net position	\$ 950,373	700,533	1,650,906

**CITY OF GLENDALE**

## Statement of Activities

Fiscal Year Ended June 30, 2014 (in thousands)

		Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
				Capital				
		Expenses	Charges for Services	Operating Grants and Contributions	Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:								
General government	\$	64,776	17,895	107	-	(46,774)	-	(46,774)
Police		71,299	759	2,935	-	(67,605)	-	(67,605)
Fire		47,370	2,206	804	(57)	(44,417)	-	(44,417)
Public works		41,126	19,544	16,004	11,191	5,613	-	5,613
Housing, health and comm dev		38,536	57	39,078	-	599	-	599
Employment programs		5,642	1,486	4,014	-	(142)	-	(142)
Public service		5,173	-	-	-	(5,173)	-	(5,173)
Parks, recreation and community services		12,372	11	245	-	(12,116)	-	(12,116)
Library		7,893	171	8	-	(7,714)	-	(7,714)
Interest and fiscal charges		2,553	-	-	-	(2,553)	-	(2,553)
Total governmental activities		296,740	42,129	63,195	11,134	(180,282)	-	(180,282)
Business-type Activities:								
Recreation		2,338	2,813	179	4	-	658	658
Hazardous disposal		1,170	1,598	55	-	-	483	483
Fire communications		2,521	3,191	-	-	-	670	670
Parking		6,317	8,897	-	-	-	2,580	2,580
Sewer		14,353	15,576	-	-	-	1,223	1,223
Refuse disposal		16,143	21,195	52	-	-	5,104	5,104
Electric		179,322	196,263	13	26	-	16,980	16,980
Water		42,927	43,069	-	766	-	908	908
Total business-type activities		265,091	292,602	299	796	-	28,606	28,606
Total primary government	\$	561,831	334,731	63,494	11,930	(180,282)	28,606	(151,676)

## General revenues:

## Taxes:

Property taxes	\$	47,623	-	47,623
Sales taxes		35,408	-	35,408
Utility users tax		27,018	-	27,018
Other taxes		15,512	-	15,512

## Investment income

1,776 2,725 4,501

## Other:

Reinstatement of loans		13,613	-	13,613
Miscellaneous		16,484	11,505	27,989

## Transfers

23,970 (23,970) -

## Total general revenues and transfers

181,404 (9,740) 171,664

## Change in net position

1,122 18,866 19,988

## Net position, July 1

949,251 681,667 1,630,918

## Net position, June 30

\$ 950,373 700,533 1,650,906

Exhibit B-1  
**CITY OF GLENDALE**  
Balance Sheet  
Governmental Funds  
June 30, 2014 (in thousands)

		Major Funds				
		General Fund	Housing Assistance Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Pooled cash and investments	\$	56,528	2,024	1,263	66,697	126,512
Designated and invested cash		-	-	-	23,850	23,850
Interest receivable		236	5	1	189	431
Accounts receivable, net		12,881	255	4,217	13,291	30,644
Due from other funds		12,040	-	-	-	12,040
Advance to other funds		1,946	-	-	-	1,946
Inventories		372	-	-	-	372
Prepaid items		266	2,174	-	38	2,478
Loans receivable		13,613	-	-	165	13,778
Property held for resale		-	-	-	6,007	6,007
Total assets		97,882	4,458	5,481	110,237	218,058
<b>Liabilities, deferred inflows of resources and fund balances</b>						
Liabilities:						
Accounts payable		4,807	92	321	3,567	8,787
Due to other funds		-	-	-	12,040	12,040
Advance from other funds		-	-	-	1,946	1,946
Interest payable		-	-	-	17	17
Wages and benefits payable		6,292	-	-	-	6,292
Deposits		4,512	51	-	375	4,938
Total liabilities		15,611	143	321	17,945	34,020
Deferred inflows of resources:						
Unavailable revenues		13,614	-	3,224	5,482	22,320
Total liabilities and deferred inflows of resources	\$	29,225	143	3,545	23,427	56,340

(Continued)



Exhibit B-1  
**CITY OF GLENDALE**  
Balance Sheet  
Governmental Funds  
June 30, 2014 (in thousands)

	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Housing Assistance Fund	Capital Improvement Fund		
Fund Balances:					
Nonspendable:					
Inventory	\$ 372	-	-	-	372
Advance to other funds	1,946	-	-	-	1,946
Prepaid	266	2,174	-	38	2,478
Restricted for:					
City Charter - stabilization	22,593	-	-	-	22,593
Federal and state grants	-	2,141	-	2,604	4,745
Public safety	-	-	-	1,197	1,197
Youth employment	-	-	-	18	18
Transportation	-	-	-	17,019	17,019
Landscaping district	-	-	-	63	63
Low and moderate housing	-	-	-	9,820	9,820
Air quality improvement	-	-	-	276	276
Cable access	-	-	-	1,237	1,237
Electric public benefit AB1890	-	-	-	1,960	1,960
State gas tax mandates	-	-	-	7,044	7,044
Landfill postclosure	-	-	-	23,850	23,850
Committed to:					
Debt service	-	-	-	23,841	23,841
Urban art	-	-	-	2,437	2,437
Public safety	-	-	-	116	116
Impact fee funded projects	-	-	-	5,562	5,562
Capital projects	7,000	-	1,936	55	8,991
Unassigned:	36,480	-	-	(10,327)	26,153
Total fund balances	68,657	4,315	1,936	86,810	161,718
Total liabilities, deferred inflows of resources and fund balances	\$ 97,882	4,458	5,481	110,237	218,058

**CITY OF GLENDALE**

Reconciliation of Balance Sheet of

Governmental Funds to the Statement of Net Position

June 30, 2014 (in thousands)

Fund balances of governmental funds	\$	161,718
-------------------------------------	----	---------

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

Capital assets are not included as financial resources in governmental fund activity:

Land	\$	398,869	
Buildings and improvements		190,665	
Equipment		20,640	
Infrastructure		200,679	
Construction in progress		<u>42,318</u>	853,171

Long-term debt not included in the governmental fund activity:

Due within one year:

Police building project (COPs)	(2,795)	
2011 HUD Section 108 loan	<u>(178)</u>	(2,973)

Due more than one year:

Police building project (COPs)	(38,400)	
Post closure and post closure care	(41,810)	
2011 HUD Section 108 loan	<u>(1,491)</u>	(81,701)

Accrued interest payable for the current portion of interest due are not included in the governmental fund activity:

2011 HUD Section 108 loan		(12)
---------------------------	--	------

Unavailable revenues in the governmental funds are reported as revenues in the statement of activities:	22,320
---	--------

Loan receivable housing long term - non-forgiven portion	7,351
--	-------

Some liabilities are not due and payable in the current period and therefore are not reported in the fund financial statements:

GASB 45 implied subsidy - OPEB	(75,922)
--------------------------------	----------

Internal Service Funds are used to charge the cost of certain activities to individual funds, such as self insurance, and post employment benefits. The assets and liabilities of the Internal Service Funds are included in the governmental activities in the statement of net position:

Equipment	17,025	
Construction in progress	3,610	
Accrued interest - Fire Equipment Leases	(63)	
Fire Equipment Lease 2005 - Due within one year	(437)	
Fire Equipment Lease 2009 - Due within one year	(233)	
Fire Equipment Lease 2009 - Due more than one year	(756)	
Other assets and liabilities	<u>47,275</u>	<u>66,421</u>

Net position of governmental activities	\$	<u><u>950,373</u></u>
---	----	-----------------------

**CITY OF GLENDALE**

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

## Governmental Funds

Fiscal Year Ended June 30, 2014 (in thousands)

	Major Funds			Nonmajor	Total
	General	Housing	Capital	Governmental	Governmental
	Fund	Assistance	Improvement	Funds	Funds
	Fund	Fund	Fund		
<b>Revenues:</b>					
Property taxes	\$ 47,623	-	-	-	47,623
Sales tax	33,373	-	-	2,035	35,408
Utility users tax	27,018	-	-	-	27,018
Other taxes	9,565	-	-	5,947	15,512
Revenue from other agencies	272	29,878	3,702	37,903	71,755
Licenses and permits	9,187	-	-	1,341	10,528
Fines and forfeitures	915	-	-	723	1,638
Charges for services	2,327	-	3,540	13,526	19,393
Use of money and property	3,746	18	1	1,231	4,996
Interfund revenue	16,182	-	-	-	16,182
Miscellaneous revenue	2,267	45	-	1,265	3,577
Total revenues	152,475	29,941	7,243	63,971	253,630
<b>Expenditures:</b>					
Current:					
General government	27,005	-	182	-	27,187
Community promotion	59	-	-	-	59
Police	66,201	-	-	3,422	69,623
Fire	41,244	-	34	5,570	46,848
Public works	17,301	-	78	15,931	33,310
Housing, health and community development	616	29,266	-	9,567	39,449
Employment programs	263	-	-	5,545	5,808
Public service	-	-	-	5,325	5,325
Parks, recreation and community services	9,457	-	322	552	10,331
Library	7,681	-	264	198	8,143
Capital	147	-	5,470	18,313	23,930
Debt service:					
Interest expenses	-	-	-	806	806
Principal	-	-	-	13,850	13,850
Total expenditures	169,974	29,266	6,350	79,079	284,669
Excess (deficiency) of revenues over (under) expenditures	(17,499)	675	893	(15,108)	(31,039)
<b>Other financing sources (uses):</b>					
Transfers in	23,657	-	1,722	2,952	28,331
Transfers out	(390)	-	(2,892)	(1,100)	(4,382)
Total financing sources (uses)	23,267	-	(1,170)	1,852	23,949
Net change in fund balances	5,768	675	(277)	(13,256)	(7,090)
Fund balances, July 1	62,889	3,640	2,213	100,066	168,808
Fund balances, June 30	\$ 68,657	4,315	1,936	86,810	161,718

## Exhibit C-2

**CITY OF GLENDALE**

Reconciliation of the Statement of Revenues, Expenditures, and Changes in the Fund Balances of  
Governmental Funds to the Statement of Activities  
Fiscal Year Ended June 30, 2014 (in thousands)

Net change in fund balances - total governmental funds	\$	(7,090)	
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlays as expenditures			25,266
In the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.			(19,989)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:			
Police building project (COPs)	\$	7,705	
RDLP loan		4,643	
Capital lease - MSB Retrofit		1,332	
2011 HUD Section 108 loan		<u>170</u>	13,850
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds:			
Change in GASB 45 implied subsidy - OPEB		(36,857)	
Change in RDLP Loan interest		455	
Change in Capital lease - MSB Retrofit interest		<u>45</u>	(36,357)
Landfill postclosure care liability increased from prior year			(2,175)
Unavailable revenues in the governmental funds are recognized as revenues in the statement of activities			6,651
Transfer land from Parking Enterprise Fund to Governmental Activities			21
Reinstatement of loans from former Redevelopment Agency to the City			13,613
Change in net position of Internal Service Funds allocated to governmental activities:			
Capital		1,096	
Depreciation		(1,365)	
Interest - Fire Equipment Lease 2005		(29)	
Interest - Fire Equipment Lease 2009		(44)	
Other revenues/(expenses)		<u>7,674</u>	<u>7,332</u>
Change in net position for governmental activities	\$		<u><u>1,122</u></u>

## Exhibit D-1

**CITY OF GLENDALE**

## Statement of Revenues and Other Financing Sources - Budget and Actual

## General Fund

Fiscal Year Ended June 30, 2014 (in thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget Over/(Under)
Revenues:				
Property taxes	\$ 45,185	45,785	47,623	1,838
Sales taxes:				
Sales tax	23,159	23,480	23,675	195
ERAF in lieu of sales tax	8,007	8,007	8,003	(4)
State 1/2% sales tax	1,700	1,700	1,695	(5)
Total	32,866	33,187	33,373	186
Utility users tax	27,600	27,600	27,018	(582)
Other taxes:				
Franchise tax	3,010	3,010	2,731	(279)
Occupancy tax	3,500	3,500	3,979	479
Property transfer tax	580	580	801	221
Landfill host assessment	2,000	2,000	2,054	54
Total	9,090	9,090	9,565	475
Licenses and permits:				
Dog licenses	150	150	169	19
Building permits	3,900	5,100	5,741	641
Green building initiative SB1473	-	-	1	1
ADAA - SB1186	-	-	2	2
Plan check fees	325	325	530	205
Planning permits	1,100	1,100	1,356	256
Grading permits	30	30	44	14
Street permits	450	450	806	356
Business license permits	500	500	477	(23)
Business registration license	-	-	61	61
Total	6,455	7,655	9,187	1,532
Fines & forfeitures-traffic safety fines	1,100	1,100	915	(185)
Use of money and property:				
Interest and investment revenue	575	575	562	(13)
Interest and investment GASB 31	-	-	396	396
Landfill gas royalties	2,475	2,475	2,473	(2)
Rental income	335	335	315	(20)
Total	\$ 3,385	3,385	3,746	361

(Continued)

## Exhibit D-1

**CITY OF GLENDALE**

## Statement of Revenues and Other Financing Sources - Budget and Actual

## General Fund

Fiscal Year Ended June 30, 2014 (in thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget Over/(Under)
Revenue from other agencies:				
Mutual aid reimbursement	\$ -	-	52	52
State S/B 90	100	100	89	(11)
Local grants	-	20	131	111
Total	100	120	272	152
Miscellaneous revenue:				
Donations and contribution	30	30	10	(20)
Developer revenue	-	16	5	(11)
Rose float donations	75	75	4	(71)
Sponsorships	-	-	39	39
Advertising revenue	100	100	111	11
Rebate revenue	50	50	52	2
Miscellaneous Revenue	840	840	2,046	1,206
Total	1,095	1,111	2,267	1,156
Charges for services:				
Zoning-subdivision fees	50	50	132	82
City clerk fees	-	-	4	4
Map and publication fees	60	60	73	13
Filing-certification fee	5	5	44	39
Notary fees	2	2	-	(2)
Film rentals of city property	10	10	57	47
Special event fees	80	80	139	59
Special police fees	425	425	440	15
Vehicle tow admin fee (VTACR)	165	165	187	22
Fire fees	450	450	594	144
Hydrant flow test fees	-	-	4	4
Code enforcement fees	75	75	57	(18)
Outreach revenue	50	50	48	(2)
Express plan check fees	147	147	107	(40)
Final map checking fees	25	25	9	(16)
Excavation fees	150	150	218	68
Construction inspection fees R-O-W	-	-	66	66
Collectible jobs - A & G	100	100	32	(68)
Library fines and fees	100	100	91	(9)
Program/registration revenue	10	10	11	1
Graphics fees	-	-	14	14
Total	\$ 1,904	1,904	2,327	423

(Continued)

## Exhibit D-1

**CITY OF GLENDALE**

## Statement of Revenues and Other Financing Sources - Budget and Actual

## General Fund

Fiscal Year Ended June 30, 2014 (in thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget Over/(Under)
Interfund revenue:				
Charges to enterprise funds for:				
Salary O/H budget Job	\$ 700	700	576	(124)
Cost allocation revenue	15,495	15,495	15,606	111
Total	16,195	16,195	16,182	(13)
Other financing sources:				
Transfers in	23,657	23,657	23,657	-
Total revenues and transfers	\$ 168,632	170,789	176,132	5,343

## Exhibit D-2

**CITY OF GLENDALE**

## Statement of Expenditures and Other

## Financing Uses - Budget and Actual

## General Fund

Fiscal Year Ended June 30, 2014 (in thousands)

		Salaries and Benefits			Variance With Final Budget (Over)/Under
		Original Budget	Final Budget	Actual	
Current:					
General government:					
City clerk	\$	684	654	610	44
Elections		33	33	16	17
City treasurer		547	547	516	31
City manager		2,383	2,405	2,418	(13)
City auditor		932	932	894	38
Legal		2,891	2,891	2,880	11
Finance		3,956	3,956	3,421	535
Planning		7,974	7,999	7,916	83
Personnel		1,419	1,419	1,341	78
Training		-	-	-	-
Non-departmental		898	898	898	-
Total		21,717	21,734	20,910	824
Community promotion:					
Membership and dues		-	-	-	-
Total		-	-	-	-
Police					
		56,979	56,979	56,074	905
Fire:					
Fire		33,998	35,296	35,326	(30)
Fire prevention		783	807	719	88
Fire communications		-	-	-	-
Emergency services		117	117	107	10
Total		\$ 34,898	36,220	36,152	68

(Continued)



## Exhibit D-2

**CITY OF GLENDALE**

## Statement of Expenditures and Other

## Financing Uses - Budget and Actual

## General Fund

Fiscal Year Ended June 30, 2014 (in thousands)

		Maintenance and Operation			Variance With Final Budget (Over)/Under
		Original Budget	Final Budget	Actual	
Current:					
General government:					
City clerk	\$	242	242	203	39
Elections		194	564	49	515
City treasurer		96	96	91	5
City manager		706	809	701	108
City auditor		142	142	94	48
Legal		317	317	261	56
Finance		1,534	1,629	1,465	164
Planning		1,110	1,510	977	533
Personnel		875	875	810	65
Training		95	95	69	26
Non-departmental		-	1,375	1,375	-
Total		5,311	7,654	6,095	1,559
Community promotion:					
Membership and dues		100	100	59	41
Total		100	100	59	41
Police		9,895	9,895	10,127	(232)
Fire:					
Fire		4,049	4,199	4,156	43
Fire prevention		218	218	99	119
Fire communications		833	833	777	56
Emergency services		75	75	60	15
Total	\$	5,175	5,325	5,092	233

(Continued)

## Exhibit D-2

**CITY OF GLENDALE**

## Statement of Expenditures and Other

## Financing Uses - Budget and Actual

## General Fund

Fiscal Year Ended June 30, 2014 (in thousands)

		Capital Outlay			Variance With Final Budget (Over)/Under
		Original Budget	Final Budget	Actual	
Current:					
General government:					
City clerk	\$	-	-	-	-
Elections		-	-	-	-
City treasurer		-	-	-	-
City manager		45	45	-	45
City auditor		-	-	-	-
Legal		-	-	-	-
Finance		-	-	-	-
Planning		100	145	44	101
Personnel		-	-	-	-
Training		-	-	-	-
Non-departmental		-	-	-	-
Total		145	190	44	146
Community promotion:					
Membership and dues		-	-	-	-
Total		-	-	-	-
Police		-	53	57	(4)
Fire:					
Fire		-	-	-	-
Fire prevention		-	-	-	-
Fire communications		-	-	-	-
Emergency services		-	-	-	-
Total	\$	-	-	-	-

(Continued)

## Exhibit D-2

**CITY OF GLENDALE**

Statement of Expenditures and Other

Financing Uses - Budget and Actual

General Fund

Fiscal Year Ended June 30, 2014 (in thousands)

		Transfers			Variance With
		Original Budget	Final Budget	Actual	Final Budget
					(Over)/Under
Current:					
General government:					
City clerk	\$	-	-	-	-
Elections		-	-	-	-
City treasurer		-	-	-	-
City manager		-	-	-	-
City auditor		-	-	-	-
Legal		-	-	-	-
Finance		-	-	-	-
Planning		-	-	-	-
Personnel		-	-	-	-
Training		-	-	-	-
Non-departmental		390	390	390	-
Total		390	390	390	-
Community promotion:					
Membership and dues		-	-	-	-
Total		-	-	-	-
Police					
		-	-	-	-
Fire:					
Fire		-	-	-	-
Fire prevention		-	-	-	-
Fire communications		-	-	-	-
Emergency services		-	-	-	-
Total		\$ -	-	-	-

(Continued)

## Exhibit D-2

**CITY OF GLENDALE**

## Statement of Expenditures and Other

## Financing Uses - Budget and Actual

## General Fund

Fiscal Year Ended June 30, 2014 (in thousands)

		Total			Variance With Final Budget (Over)/Under
		Original Budget	Final Budget	Actual	
Current:					
General government:					
City clerk	\$	926	896	813	83
Elections		227	597	65	532
City treasurer		643	643	607	36
City manager		3,134	3,259	3,119	140
City auditor		1,074	1,074	988	86
Legal		3,208	3,208	3,141	67
Finance		5,490	5,585	4,886	699
Planning		9,184	9,654	8,937	717
Personnel		2,294	2,294	2,151	143
Training		95	95	69	26
Non-departmental		1,288	2,663	2,663	-
Total		27,563	29,968	27,439	2,529
Community promotion:					
Membership and dues		100	100	59	41
Total		100	100	59	41
Police		66,874	66,927	66,258	669
Fire:					
Fire		38,047	39,495	39,482	13
Fire prevention		1,001	1,025	818	207
Fire communications		833	833	777	56
Emergency services		192	192	167	25
Total	\$	40,073	41,545	41,244	301

(Continued)

## Exhibit D-2

**CITY OF GLENDALE**

## Statement of Expenditures and Other

## Financing Uses - Budget and Actual

## General Fund

Fiscal Year Ended June 30, 2014 (in thousands)

Salaries and Benefits				Variance With Final Budget (Over)/Under
	Original Budget	Final Budget	Actual	
Public works:				
Public works	\$ 174	174	103	71
Project management	-	-	-	-
Engineering	1,575	1,575	1,740	(165)
Corporation yard	5,694	5,694	5,491	203
Mechanical maintenance	610	610	516	94
Warehouse	-	-	-	-
Traffic engineering	385	385	680	(295)
Total	8,438	8,438	8,530	(92)
Housing, health and community development:				
Economic development	496	496	464	32
Neighborhood services	-	2	2	-
Total	496	498	466	32
Employment programs	210	210	215	(5)
Parks, recreation and community services:				
Parks administration	705	713	690	23
Parks	3,478	3,478	3,215	263
Facility and events services	1,431	1,431	1,371	60
Recreation and community services	416	416	470	(54)
Total	6,030	6,038	5,746	292
Library	5,438	5,438	5,392	46
Total expenditures and transfers	\$ 134,206	135,555	133,485	2,070

(Continued)

## Exhibit D-2

**CITY OF GLENDALE**

## Statement of Expenditures and Other

## Financing Uses - Budget and Actual

## General Fund

Fiscal Year Ended June 30, 2014 (in thousands)

		Maintenance and Operation			Variance With Final Budget (Over)/Under
		Original Budget	Final Budget	Actual	
Public works:					
Public works	\$	245	245	225	20
Project management		-	-	-	-
Engineering		535	535	461	74
Corporation yard		6,612	6,612	6,513	99
Mechanical maintenance		188	188	154	34
Warehouse		4	4	1	3
Traffic engineering		1,904	1,904	1,417	487
Total		9,488	9,488	8,771	717
Housing, health and community development:					
Economic development		150	196	130	66
Neighborhood services		41	39	20	19
Total		191	235	150	85
Employment programs		48	48	48	-
Parks, recreation and community services:					
Parks administration		275	342	283	59
Parks		2,439	2,455	2,810	(355)
Facility and events services		416	416	394	22
Recreation and community services		167	210	224	(14)
Total		3,297	3,423	3,711	(288)
Library		2,337	2,337	2,289	48
Total expenditures and transfers	\$	35,842	38,505	36,342	2,163

(Continued)

## Exhibit D-2

**CITY OF GLENDALE**

## Statement of Expenditures and Other

## Financing Uses - Budget and Actual

## General Fund

Fiscal Year Ended June 30, 2014 (in thousands)

Capital Outlay				Variance With Final Budget (Over)/Under
	Original Budget	Final Budget	Actual	
Public works:				
Public works	\$ -	-	-	-
Project management	-	-	-	-
Engineering	-	-	-	-
Corporation yard	150	150	46	104
Mechanical maintenance	-	-	-	-
Warehouse	-	-	-	-
Traffic engineering	-	-	-	-
Total	150	150	46	104
Housing, health and community development:				
Economic development	-	728	-	728
Neighborhood services	-	-	-	-
Total	-	728	-	728
Employment programs	-	-	-	-
Parks, recreation and community services:				
Parks administration	-	-	-	-
Parks	-	-	-	-
Facility and events services	-	-	-	-
Recreation and community services	-	-	-	-
Total	-	-	-	-
Library	-	-	-	-
Total expenditures and transfers	\$ 295	1,121	147	974

(Continued)

## Exhibit D-2

**CITY OF GLENDALE**

## Statement of Expenditures and Other

## Financing Uses - Budget and Actual

## General Fund

Fiscal Year Ended June 30, 2014 (in thousands)

	Transfers			Variance With Final Budget (Over)/Under
	Original Budget	Final Budget	Actual	
Public works:				
Public works	\$ -	-	-	-
Project management	-	-	-	-
Engineering	-	-	-	-
Corporation yard	-	-	-	-
Mechanical maintenance	-	-	-	-
Warehouse	-	-	-	-
Traffic engineering	-	-	-	-
Total	-	-	-	-
Housing, health and community development:				
Economic development	-	-	-	-
Neighborhood services	-	-	-	-
Total	-	-	-	-
Employment programs	-	-	-	-
Parks, recreation and community services:				
Parks administration	-	-	-	-
Parks	-	-	-	-
Facility and events services	-	-	-	-
Recreation and community services	-	-	-	-
Total	-	-	-	-
Library	-	-	-	-
Total expenditures and transfers	\$ 390	390	390	-

(Continued)



## Exhibit D-2

**CITY OF GLENDALE**

## Statement of Expenditures and Other

## Financing Uses - Budget and Actual

## General Fund

Fiscal Year Ended June 30, 2014 (in thousands)

		Total			
		Original Budget	Final Budget	Actual	Variance With Final Budget (Over)/Under
<hr/>					
Public works:					
Public works	\$	419	419	328	91
Project management		-	-	-	-
Engineering		2,110	2,110	2,201	(91)
Corporation yard		12,456	12,456	12,050	406
Mechanical maintenance		798	798	670	128
Warehouse		4	4	1	3
Traffic engineering		2,289	2,289	2,097	192
Total		18,076	18,076	17,347	729
<hr/>					
Housing, health and community development:					
Economic development		646	1,420	594	826
Neighborhood services		41	41	22	19
Total		687	1,461	616	845
<hr/>					
Employment programs		258	258	263	(5)
<hr/>					
Parks, recreation and community services:					
Parks administration		980	1,055	973	82
Parks		5,917	5,933	6,025	(92)
Facility and events services		1,847	1,847	1,765	82
Recreation and community services		583	626	694	(68)
Total		9,327	9,461	9,457	4
<hr/>					
Library		7,775	7,775	7,681	94
<hr/>					
Total expenditures and transfers	\$	170,733	175,571	170,364	5,207

## Exhibit D-3

**CITY OF GLENDALE**

## Statement of Revenues - Budget and Actual

## Housing Assistance Fund

Fiscal Year Ended June 30, 2014 (in thousands)

		Original Budget	Final Budget	Actual	Variance With Final Budget Over/(Under)
Revenues:					
Use of money and property	\$	15	15	18	3
Revenue from other agencies		31,041	31,041	29,878	(1,163)
Miscellaneous revenue		45	45	45	-
Total revenues	\$	31,101	31,101	29,941	(1,160)

## Exhibit D-4

**CITY OF GLENDALE**

Statement of Expenditures - Budget and Actual

Housing Assistance Fund

Fiscal Year Ended June 30, 2014 (in thousands)

		Original Budget	Final Budget	Actual	Variance With Final Budget (Over)/Under
Current:					
Housing, health and community development:					
Salaries and benefits	\$	2,134	2,134	2,103	31
Maintenance and operations		28,762	28,762	27,163	1,599
Total expenditures	\$	30,896	30,896	29,266	1,630

Exhibit E-1  
**CITY OF GLENDALE**  
Statement of Net Position  
Proprietary Funds  
June 30, 2014 (in thousands)

Business-type Activities - Enterprise Funds

	Sewer Fund	Electric Fund	Water Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>Assets and deferred outflows of resources</b>						
Current assets:						
Pooled cash and investments	\$ 57,914	53,770	-	42,202	153,886	98,967
Cash with fiscal agent	-	8,025	5,121	-	13,146	-
Investment with fiscal agent	-	2,464	-	-	2,464	-
Interest receivable	228	282	-	124	634	542
Investment-gas/electric commodity	-	1,088	-	-	1,088	-
Accounts receivable, net	1,973	27,803	7,112	2,675	39,563	751
Due from other funds	7,144	-	-	-	7,144	-
Advances to other funds	2,262	-	-	-	2,262	-
Inventories	-	5,756	-	-	5,756	-
Prepaid items	-	3,817	-	-	3,817	506
Total current assets	69,521	103,005	12,233	45,001	229,760	100,766
Noncurrent assets:						
Capital assets:						
Land	578	6,239	1,034	7,269	15,120	-
Natural gas reserve	-	22,148	-	-	22,148	-
Buildings and improvements	213,671	65,493	60,464	49,481	389,109	-
Machinery and equipment	2,059	515,362	37,404	26,068	580,893	38,572
Infrastructure	-	-	140,934	-	140,934	-
Accumulated depreciation	(66,871)	(300,341)	(70,621)	(44,710)	(482,543)	(21,548)
Gas depletion	-	(6,982)	-	-	(6,982)	-
Construction in progress	919	2,549	11,586	74	15,128	3,611
Total capital assets	150,356	304,468	180,801	38,182	673,807	20,635
Designated and invested cash	-	33,644	-	-	33,644	-
Restricted cash	-	60,358	19,393	-	79,751	-
Prepaid energy	-	97	-	-	97	-
Total noncurrent assets	150,356	398,567	200,194	38,182	787,299	20,635
Total assets	219,877	501,572	212,427	83,183	1,017,059	121,401
Deferred outflows of resources:						
Loss on refunding	-	1,291	-	-	1,291	-
Total assets and deferred outflows of resources	\$ 219,877	502,863	212,427	83,183	1,018,350	121,401

(Continued)

Exhibit E-1  
**CITY OF GLENDALE**  
Statement of Net Position  
Proprietary Funds  
June 30, 2014 (in thousands)

Business-type Activities - Enterprise Funds						
	Sewer Fund	Electric Fund	Water Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>Liabilities and net position</b>						
Current liabilities:						
Accounts payable	\$ 212	7,209	10,684	1,322	19,427	2,682
Due to other funds	-	-	7,144	-	7,144	-
Advance from other funds	-	-	-	-	-	2,262
Interest payable	-	3,813	1,443	-	5,256	63
Claims payable	-	-	-	-	-	11,939
Compensated absences	-	-	-	-	-	3,573
Bonds payable	-	2,302	1,331	-	3,633	-
Capital leases	-	-	-	-	-	670
Deposits	254	5,369	864	447	6,934	-
Total current liabilities	466	18,693	21,466	1,769	42,394	21,189
Noncurrent liabilities:						
Claims payable	-	-	-	-	-	32,558
Compensated absences	-	-	-	-	-	14,819
Bonds payable	-	177,676	83,404	-	261,080	-
Other liabilities	-	-	-	-	-	756
Total noncurrent liabilities	-	177,676	83,404	-	261,080	48,133
Total liabilities	466	196,369	104,870	1,769	303,474	69,322
Net position:						
Net investment in capital assets	150,356	180,470	115,459	38,182	484,467	17,886
Restricted						
SCAQMD emission controls	-	5,669	-	-	5,669	-
Unrestricted	69,055	120,355	(7,902)	43,232	224,740	34,193
Total net position	\$ 219,411	306,494	107,557	81,414	714,876	52,079
Some amounts reported for business-type activities in the statement of net position are different because the net adjustment pertains to items on the statement of net position of certain internal service funds reported with business-type activities.					(14,343)	
Total net position of business-type activities				\$	700,533	

**CITY OF GLENDALE**

Statement of Revenues, Expenses and

Changes in Net Position

Proprietary Funds

Fiscal Year Ended June 30, 2014 (in thousands)

	Business-type Activities - Enterprise Funds					
	Sewer Fund	Electric Fund	Water Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>Operating revenues:</b>						
Charges for services	\$ 15,576	196,263	43,069	37,694	292,602	91,701
Miscellaneous revenue	85	7,370	2,597	1,149	11,201	1,051
Total operating revenue	15,661	203,633	45,666	38,843	303,803	92,752
<b>Operating expenses:</b>						
Maintenance and operation	10,293	161,379	39,611	30,395	241,678	31,875
Claims and settlement	-	-	-	-	-	43,378
Equipment purchased	-	-	-	-	-	928
Depreciation	5,480	26,264	5,402	3,545	40,691	2,950
Gas depletion	-	1,421	-	-	1,421	-
Total operating expenses	15,773	189,064	45,013	33,940	283,790	79,131
Operating income (loss)	(112)	14,569	653	4,903	20,013	13,621
<b>Non operating revenues (expenses):</b>						
Use of money and property	891	1,515	66	604	3,076	1,164
Intergovernmental grants	-	13	-	286	299	16
Interest expense	-	(5,831)	(2,569)	-	(8,400)	(120)
Total non operating revenues (expenses)	891	(4,303)	(2,503)	890	(5,025)	1,060
Income before capital contributions and transfers	779	10,266	(1,850)	5,793	14,988	14,681
Capital grants and contributions	-	26	766	4	796	774
Transfers in	-	-	-	1,100	1,100	-
Transfers out	-	(20,607)	-	(4,463)	(25,070)	-
Change in net position	779	(10,315)	(1,084)	2,434	(8,186)	15,455
Net position, July 1	218,632	316,809	108,641	78,980		36,624
Net position, June 30	\$ 219,411	306,494	107,557	81,414		52,079
Some amounts reported for business-type activities in the statement of activities are different because the net revenue (expense) of certain internal service funds are reported with business-type activities.					27,052	
Changes in net position of business-type activities					\$ 18,866	

Exhibit E-3  
**CITY OF GLENDALE**  
Statement of Cash Flows  
Proprietary Funds  
Fiscal Year Ended June 30, 2014 (in thousands)

Business-type Activities - Enterprise Funds						
	Sewer Fund	Electric Fund	Water Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>Cash flows from operating activities:</b>						
Cash from customers	\$ 15,880	200,242	46,098	39,231	301,451	93,643
Cash paid to employees	(3,493)	(29,292)	(7,499)	(14,711)	(54,995)	(11,673)
Cash paid to suppliers	(7,723)	(123,305)	(26,005)	(15,919)	(172,952)	(66,822)
Net cash provided by operating activities	4,664	47,645	12,594	8,601	73,504	15,148
<b>Cash flows from noncapital financing activities:</b>						
Amounts received from other funds	6,272	-	-	-	6,272	-
Amounts paid to other funds	-	-	(5,734)	-	(5,734)	(538)
Transfers out	-	(20,607)	-	(4,463)	(25,070)	-
Transfers in	-	-	-	1,100	1,100	-
Investment - gas/electric commodity	-	706	-	-	706	-
Investments with fiscal agent	-	(66)	-	-	(66)	-
Grant received	-	13	-	286	299	16
Net cash provided (used) by noncapital financing activities	6,272	(19,954)	(5,734)	(3,077)	(22,493)	(522)
<b>Cash flows from capital and related financing activities:</b>						
Interest on long-term debt	-	(4,412)	(2,925)	-	(7,337)	(138)
Bond proceeds, principal payments and premiums	-	62,815	(1,300)	-	61,515	(647)
Capital grants and contributions	-	26	766	4	796	774
Acquisition of property, plant, gas and equipment	(4,096)	(5,476)	(11,934)	(1,649)	(23,155)	(2,368)
Net cash provided (used) by capital and related financing activities	(4,096)	52,953	(15,393)	(1,645)	31,819	(2,379)
<b>Cash flows from investing activities</b>						
Interest received	864	1,434	90	573	2,961	1,084
Net increase (decrease) in cash and cash equivalents	7,704	82,078	(8,443)	4,452	85,791	13,331
Cash and cash equivalents at July 1	50,210	73,719	32,957	37,750	194,636	85,636
Cash and cash equivalents at June 30	57,914	155,797	24,514	42,202	280,427	98,967
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>						
Operating income (loss)	(112)	14,569	653	4,903	20,013	13,621
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation	5,480	26,264	5,402	3,545	40,691	2,950
Gas depletion	-	1,421	-	-	1,421	-
(Increase)Decrease Accounts receivable net	219	(3,391)	432	388	(2,352)	891
Decrease Inventories	-	518	-	-	518	-
Decrease Prepaid expenses	-	1,665	-	-	1,665	77
Decrease Deferred charges	-	1,002	-	-	1,002	-
(Decrease) Compensated absences	-	-	-	-	-	(3,755)
Increase(Decrease) Accounts payable	(887)	2,494	6,050	(237)	7,420	517
Increase Contracts - retention	-	-	187	-	187	-
Increase(Decrease) Deposits	(36)	3,103	(130)	2	2,939	-
Increase Claims payable	-	-	-	-	-	847
Total adjustments	4,776	33,076	11,941	3,698	53,491	1,527
Net cash provided by operating activities	\$ 4,664	47,645	12,594	8,601	73,504	15,148
<b>Noncash investing, capital, and financing activities:</b>						
Increase in fair value of investments	41	97	7	27	172	61

Exhibit F-1  
**CITY OF GLENDALE**  
Statement of Net Position  
Fiduciary Fund  
June 30, 2014 (in thousands)

Glendale  
Successor Agency  
Private Purpose  
Trust Fund

---

**Assets and deferred outflows of resources**

Cash and cash equivalents:

Cash and invested cash	\$ 95,970
Cash with fiscal agent	14,555
Restricted Cash	29

Receivables:

Interest receivable	321
Accounts receivable, net	456
Loans receivable-LT	1,518

Other assets:

Property held for resale	6,114
Land	27,909
Buildings and improvements	15,719
Machinery and equipment	946
Accumulated depreciation	(4,449)
Construction in progress	8,479

Total assets	<u>167,567</u>
--------------	----------------

Deferred outflows of resources:

Loss on refunding	<u>1,956</u>
-------------------	--------------

**Liabilities and net position**

Liabilities:

Accounts payable and accrued liabilities	661
Interest payable	1,632
Bonds payable, due in one year	7,471
Bonds payable, due in more than one year	113,037
Loans payable to the City of Glendale	<u>13,613</u>
Total liabilities	<u>136,414</u>

Net position:

Net position held in trust for others	<u>\$ 33,109</u>
---------------------------------------	------------------



## Exhibit F-2

**CITY OF GLENDALE**

## Statement of Changes in Net Position

## Fiduciary Fund

Fiscal Year Ended June 30, 2014 (in thousands)

		Glendale Successor Agency Private Purpose Trust Fund
		<hr/>
<b>Additions:</b>		
Property tax	\$	20,039
Interest income		153
Other Income:		
Rental income		162
Parking garage revenue		267
Miscellaneous revenue		42
		<hr/>
Total additions		20,663
		<hr/>
<b>Deductions:</b>		
Reinstatement of loans payable to City		13,613
Interest expense on bonds, net of amortized premiums discounts		1,085
Community development expenses		1,825
		<hr/>
Total deductions		16,523
		<hr/>
Change in net position		4,140
		<hr/>
Net position, July 1		28,969
		<hr/>
Net position, June 30	\$	33,109
		<hr/> <hr/>

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**CITY OF GLENDALE**  
**Notes to the Financial Statements**  
**Fiscal Year Ended June 30, 2014**

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## **CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2014

(in thousands)

### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Reporting Entity**

These financial statements present the financial results of the City of Glendale, California (the City) and its component units as required by accounting principles generally accepted in the United States of America. Component units are legally separate entities for which the primary government is financially accountable. The City has two component units: the Glendale Housing Authority (the Authority) and the City of Glendale Financing Authority (the Financing Authority). The City Council serves as the Board of the Housing Authority and the Financing Authority. Management of the City has operational responsibility for the Authority and the Financing Authority as these component units are managed in an essentially the same manner as other City departments. In addition, the Financing Authority provides financial services entirely to the City. Therefore, these entities are reported as blended component units within the City's comprehensive annual financial report (CAFR). Both the City and its blended component units have a June 30 year-end.

#### ***Component Units***

The Housing Authority was established by the Glendale City Council in 1975. The Authority is responsible for the administration of Department of Housing and Urban Development (HUD) funded housing assistance payments projects undertaken by the City. HUD provides an annual contribution of funds, in accordance with Section 8 of the United States Housing Act of 1937, in order to provide decent, safe and sanitary dwellings for low to moderate income families, and to increase the supply and quality of affordable housing. The Authority's financial data and transactions are included within the Special Revenue Funds; no separate financial report is issued for the Authority.

The Financing Authority was established on December 7, 1999 by a joint powers authority between the City of Glendale and the Glendale Redevelopment Agency. The stated purpose was to provide financial assistance to the City of Glendale in connection with the construction and improvement of a Police Services Building located at west side of Isabel Street between Wilson and Broadway in the City of Glendale. On July 11, 2000, the Financing Authority issued \$64,200 in variable rate demand certificates of participation for the construction of the Police Services Building. The Financing Authority's financial data and transactions are included within the Debt Service Funds; no separate financial report is issued for the Financing Authority.

#### **Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the City except for the fiduciary fund. The effect of inter-fund activity has been removed from these statements except for the inter-fund services provided and used. 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. Effective February 1, 2012, due to AB 1x 26, - the dissolution of Redevelopment Agencies throughout California, the activities of the dissolved Glendale Redevelopment Agency are recorded in the Glendale Successor Agency Private Purpose Trust Fund.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported as general revenues.

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

The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance/net position, revenues, and

## **CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2014

(in thousands)

expenditures or expenses, as appropriate. The City reports a total of 62 funds comprised of the General Fund, 1 Fiduciary Fund, 29 Special Revenue Funds, 2 Debt Service Funds, 7 Capital Project Funds, 8 Enterprise Funds and 14 Internal Service Funds.

### ***Governmental Fund Types***

Governmental fund types are those funds through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are paid; and the difference between governmental fund assets and deferred outflows, liabilities and deferred inflows, is fund balance.

The following comprise the City's major governmental funds:

General Fund: Used to account for all financial resources, except those required to be accounted for in another fund.

Housing Assistance Special Revenue Fund: Used to account for monies received and expended by the City under Section 8 of the Federal Housing and Urban Development Act for housing assistance to low and moderate income families.

Capital Improvement Capital Project Fund: Used to account for financial resources used for major capital projects of the general government operations. The City has categorized the Capital Improvement Fund as a major fund for public interest reasons. The City believes that this judgmentally determined major fund is particularly important to the financial statements users.

Other Governmental Funds consist of Debt Service Funds which are used to account for the accumulation and disbursement of financial resources that will be used to make principal and interest payments on long-term debt of the City of Glendale, Special Revenue Funds which account for revenue derived from specific sources as required by law or regulation and Capital Projects Funds which are used to account for financial resources used for the acquisition of major capital facilities other than those financed by Special Revenue and Proprietary Funds.

### ***Proprietary Fund Types***

Proprietary fund types are used to account for a government's ongoing organizations and activities which are similar to those often found in the private sector.

Enterprise Funds are used to finance and account for the acquisition, operation and maintenance of the City's facilities and services which are supported primarily by user charges. The following comprise the City's major enterprise funds:

Sewer Fund – Used to account for operations and maintenance of the sewer system. This service is primarily contracted with the City of Los Angeles.

Electric Fund – Used to account for the operations of the City-owned electric utility services.

Water Fund – Used to account for the operations of the City-owned water utility services.

Other non-major enterprise funds consist of Recreation, Hazardous Disposal, Parking, Refuse and Fire Communication Funds. Recreation Fund mainly accounts for the recreation programs of the Parks, Recreation and Community Services department on a user fee basis. Hazardous Disposal Fund is for the operations of the toxic waste disposal of the City. Parking Fund accounts for operations of City-owned public parking lots and garages. Refuse Disposal Fund is for operations of the City-owned refuse collection and disposal services. Fire Communication Fund is for monies received and expended, as the lead City, for the tri-city (Burbank, Glendale and Pasadena) fire communication operations.

## **CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2014

(in thousands)

Additionally, Internal Service Funds are used to finance and account for services and commodities provided by designated departments or agencies to other departments and agencies of the City.

### ***Fiduciary Fund Type***

Fiduciary Fund is used to account for resources held for the benefit of parties outside the City. The City maintains one fiduciary fund – Glendale Successor Agency Private Purpose Trust Fund.

Since the resources of the Fiduciary Fund are not available to support the City's own programs, it is not reflected in the City's Government-wide financial statements. The accounting used for Fiduciary Fund is based on the economic measurement focus and the accrual basis of accounting.

### **Measurement Focus and Basis of Accounting**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary 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.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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 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 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, Other Post Employment Benefits (OPEB), claims and judgments, are recorded only when payment is due.

Intergovernmental revenues are recognized in the period when all eligibility requirements imposed by the provider are met, and amounts are available.

Licenses and permits, fines and forfeitures, and miscellaneous revenues are generally recorded as revenue when received in cash, because they are generally not measurable until actually received. In the category of use of money and property, property rentals are recorded as revenue when received in cash, but investment earnings are recorded as earned, since they are measurable and available.

All property taxes are collected and allocated by the County of Los Angeles to the various taxing entities. Property taxes are determined annually as of January 1 and attached as enforceable liens on real property as July 1. Taxes are due November 1 and February 1 and are delinquent if not paid by December 10 and April 10, respectively. Secured property taxes become a lien on the property on March 1. Property taxes on the unsecured roll are due on the March 1 lien date and become delinquent if unpaid on August 31. Property tax revenues are recognized in the fiscal period for which they are levied and collected, adjusted for any amounts deemed uncollectible and amounts expected to be collected more than 60 days after the fiscal year for governmental funds.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales

## **CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2014

(in thousands)

and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

### **Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance or Net Position**

#### ***Cash and Investments***

The City combines the cash and investments of all funds into a pool except for funds required to be held by outside fiscal agents under the provisions of bond indentures. Each fund's portion of the pooled cash and investments are displayed on the governmental funds balance sheets, the proprietary funds' statement of net position or the fiduciary fund statement of net position.

The City values its cash and investments at fair value in the statement of net position and recognizes the corresponding change in the fair value of investments in the year in which the change occurred. Fair value is determined using published market prices.

The City manages its pooled idle cash and investments under a formal investment policy that is reviewed by the Investment Committee, adopted by the City Council, and follow the guidelines of the State of California Government Code. Individual investments cannot be identified with any single fund because the City may be required to liquidate its investments at any time to cover large outlays required in excess of normal operating needs.

Interest income from the pooled cash and investments is allocated to all funds, except the Capital Improvement Funds, on a monthly basis based upon the prior month end cash balance of the fund and as a percentage of the month end total pooled cash balance.

For purposes of statement of cash flows of the proprietary fund types, cash and cash equivalents include all pooled cash and investments, restricted cash and cash with fiscal agents with an original maturity of three months or less. The City considers the cash and investments pool to be a demand deposit account where funds may be withdrawn and deposited at any time without prior notice or penalty.

Investment-gas/electric commodity represents the City's implementation of a program to purchase and sell options (calls and puts) in natural gas futures contracts at strike prices. These transactions allow the City to stabilize the ultimate purchase price of natural gas for the City's power plant. They, and other transactions, also give the City the ability to manage its overall exposure to fluctuations in the purchase price of natural gas. The options are carried at fair market value.

#### ***Designated Cash and Investments***

The Cash Reserve Policy for the Electric Fund was first established in 2003. Its provision calls for annual review of the reserves to determine if the recommended levels are sufficient. The annual review of the Cash Reserve Policy for fiscal year ending June 30, 2014, established a target of \$66,400 of designated cash in the following categories: \$40,400 for contingency reserve; \$10,000 for rate stabilization reserve; and \$16,000 for Reserve for Gas Reserve Project. As of June 30, 2014, \$33,644 was designated.

In December of 2003, GWP management received approval from the City Council to implement a cash reserve policy for the Water Fund to ensure a long-term sustainable financial health of the water operation. The policy calls for annual review of the reserves to determine if the recommended levels are sufficient. The annual review of the Cash Reserve Policy for fiscal year ending June 30, 2014, established a target of \$7,500 of designated cash in the following categories: \$6,500 for contingency reserve; and \$1,000 for rate stabilization reserve. As of June 30, 2014, no reserve was designated.

The designated cash of \$23,850 in Landfill Postclosure Capital Project Fund is for Scholl Canyon Landfill Reserve.

## **CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2014

(in thousands)

### ***Restricted Cash***

The restricted cash include unspent bond proceeds of Electric Revenue Bonds, 2013 Series and Water Revenues Bonds, 2012 Series, as well as the environmental compliance funds mandated by South Coast Air Quality Management District (SCAQMD). In the Electric Surplus Fund, the SCAQMD restricted cash is for the environmental projects that comply with reductions in nitrogen oxides for the utility boilers and the gas turbines and in the Electric – SCAQMD State Sales Fund, the restricted cash is for the environmental projects that reduce emission and improve public health in Glendale.

### ***Receivables***

Interest Receivable - The City accrues interest earned but not received.

Accounts Receivables – These are comprised primarily of revenues that have been earned but not yet received by the City as of June 30 from individual customers, private entities & government agencies. In addition, this account includes accrued revenues due from other agencies for expenditure driven types of grants whereby the City accrues grant revenues for expenditures/expenses incurred but not yet reimbursed by the grantors. Also, property taxes earned but not received from the County of Los Angeles as of June 30 and unbilled services for utility and other services delivered to customers but not billed as of June 30, are included in this account. Management determines the allowance for doubtful accounts by evaluating individual customer accounts. Utility customer closed accounts are written off when deemed uncollectible. Recoveries to utility customer receivables previously written off are recorded when received. For non utility accounts receivable, delinquent notices for 30 days are sent out to customers with outstanding balances. After 60 days, accounts still outstanding are forwarded to a collection company.

Housing Loans Receivable – The Housing Authority uses Community Development Block Grant (CDBG grant), HOME grant, Low and Moderate Income Housing Asset Fund (LMIHA) program income and Building Equity and Growth in Neighborhoods Grant (BEGIN grant) funds to make various loans to create and maintain affordable housing for low and moderate income people. Certain Housing Authority loans will be forgiven or restructured when all requirements are met. Because of the uncertainty of collectability, the City has established a policy to not record forgivable and contingent loans on the financial statements. The non-forgivable loans are recorded on the financial statements. See Note 4 for more information.

### ***Inter-fund Transactions***

Inter-fund services provided and used would be treated as revenues and expenditures or expenses if they involved organizations external to City government are accounted for as revenues (seller funds) and expenditures or expenses (purchaser funds) in the funds involved. For the fiscal year ended June 30, 2014, the General Fund recorded \$16,182 as inter-fund revenue for general government services provided to other funds.

Due to/from Other Funds are used when a fund has a temporary cash overdraft. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

Transfers in/out are budgetary authorized exchanges of cash between funds.

### ***Inventories and Prepaid Items***

Inventories, consisting primarily of construction and maintenance materials as well as tools held by the Electric and Water Enterprise Funds are stated at lower of cost or market, using the weighted average cost method or disposal value. Inventory shown in the General Fund consists of expendable supplies held for consumption. The consumption method of accounting is used where inventory acquisitions are recorded in inventory accounts initially and charged as expenditures when used. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements using the consumption method, such as insurance, energy purchases, rent, etc.



**CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2014

(in thousands)

***Capital Assets***

Capital assets including land, buildings, improvements, equipment and infrastructure assets (e.g. roads, sidewalks, traffic lights and signals, street lights and etc), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the respective proprietary fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5 or more and an estimated useful life in excess of one year. Such assets are recorded at historical 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. Capital outlay is recorded as expenditures of the General, Special Revenue and Capital Project Funds and as assets in the government-wide financial statements to the extent the City's capitalization is met. 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 cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. FASB *Accounting Standards Codification* Statement No. 62 (Capitalization of Interest Costs in Situations Involving Certain Tax-Exempt Borrowings and Certain Gifts and Grants – an amendment of FASB Statement No. 34) requires enterprise funds to capitalize interest costs on funds borrowed to finance the construction of capital assets. Interest costs capitalized in the Electric and Water funds for the fiscal year ended June 30, 2014 are as follows:

	Capitalized Interest	Total Interest Cost
Electric Fund \$	293	6,124
Water Fund	643	3,212

Building and improvements, infrastructure and equipment assets are depreciated using the straight-line depreciation at the beginning of the following fiscal year over the following estimated useful lives:

Assets	Years
Building and Improvements	
General Structure & Parking Lot Landscaping Improvements	10
Building and Parking Lot Improvements	20
Land Improvements	30
Parks and Wastewater Capacity Upgrades	40
Transmission-Off System	50
Machinery and Equipment	
Police Patrol Vehicles	3
Computer Systems	5
Computer Software	5
Passenger Cars, Pickup/Refuse	6
Cargo Vans, Street Sweepers	7
Dump/Tractor/Trailer Trucks	10
Helicopters	15
Emergency Response Engines	20
Sewer Improvements (Intangible)	40
Infrastructure (non-sewer)	
Traffic Signals	15
Potable-Services	20
Supply-Mains and Wells	25
Supply-Structure Improvements	30
Supply-Springs & Tunnels & Potable-Hydrants	40
Streets, Paved Streets, Paved Alleys & Sidewalks	50
Potable-Mains	75

## **CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2014

(in thousands)

In June 2005, the City elected to participate in the Natural Gas Reserve Project through SCPPA and entered into a 25 year Gas Sales Agreement with SCPPA for up to 2,000 MMBtu per day. The project calls for the acquisition and development of gas resources, reserves, fields, wells, and related facilities to provide a long-term supply of natural gas for its participants. The first acquisition was completed on July 1, 2005 with the total cost to the participants at \$306.1 million. The City's initial share in the project was \$13.1 million or 4.28%, with estimated peak daily volume between 1,600 to 1,800 MMBtu. As of June 30, 2014, the net balance for Natural Gas Reserve Project, including drilling program capitalization was \$15,166.

### ***Long-term Debt***

In the Government-wide Financial Statements and the proprietary fund types in the Fund Financial Statements, long-term debt and other obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund and fiduciary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred. In the governmental funds statement of revenues, expenditures and changes in fund balances, issuance of debt is recorded as other financing source (use) in the respective fund. Issuance costs and payment of principal are reported as debt service expenditures.

### ***Compensated Absences***

The City records a liability for its employees' earned but unused accumulated vacation and overtime in government-wide and proprietary fund financial statements. The unused accumulated vacation and overtime are expensed in the Employee Benefits Fund, an Internal Service Fund, which incurs the liability. As of June 30, 2014, the total liability is \$13,468 and the City has \$10,408 cash available in the Employee Benefits Fund dedicated to this liability.

The City also provides sick leave conversion benefits through the Retiree Health Savings Plan (RHSP). Employees earn one day of sick leave per month and the unused sick leave is converted to a dollar amount and deposited in the employee's RHSP account at retirement or termination with 20 years of City service for Glendale Police Officers Association (GPOA), Glendale City Employee Association (GCEA), Glendale Management Association (GMA), and International Brotherhood of Electrical Workers (IBEW). The account is used to pay healthcare premiums for the retiree and beneficiaries. After the account is exhausted, the retirees can terminate coverage or elect to continue paying the healthcare premiums from personal funds. Total benefits paid by the City under the RHSP for the fiscal year ended June 30, 2014 is \$502.

Based on the most recent actuarial valuation dated June 30, 2013, the actuarial accrued liability for the RHSP is \$13,815. The City has a reserve of \$6,657 in the RHSP Benefits Fund, an Internal Service Fund, dedicated to provide benefits, so the unreserved actuarial accrued liability is \$7,158 as of June 30, 2013. The City has \$9,499 cash for RHSP as of June 30, 2014 and the unreserved actuarial accrued liability is \$4,924. The actuarial accrued liability takes into account an estimate of future sick leave usage, additional sick leave accumulation for current active employees, and investment return of 4% and no increase for sick leave conversion hourly rate.

### ***Post Employment Benefits***

For Glendale City Employees Association (GCEA) and Glendale Management Association (GMA) employees who retired prior to July 2001, Glendale Police Officers Association (GPOA) employees who retired prior to December 2001 and Glendale Fire Fighters Association (GFFA) employees who retired prior to September 2002, the accumulated unused sick leave upon their retirement may be converted to the number of months that the City will contribute all or partial of these retirees' monthly medical insurance premiums. The conversion calculations are based on the respective bargaining units' MOU or Benefit Ordinance. Currently, there are 9 retirees receiving this City paid benefit. These 9 retirees may also elect at any time to receive a one-time cash payment of a maximum of 50% of the value of the remainder of their unused sick leave conversion for the insurance plan for which they qualify. After all the accumulated unused sick leaves are exhausted or cashed out, the retirees can terminate coverage or elect to continue paying the medical insurance premiums from personal funds.

The City also has a Retiree Healthcare Plan which is a single-employer defined benefit healthcare plan administered by the City. The plan provides healthcare benefits to eligible retirees and their dependents. Benefit provisions are established by and may be

## **CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2014

(in thousands)

amended by the City. The premiums collected from the retirees and payments to the insurance companies are recorded in the Medical Insurance Fund, which is an Internal Service Fund. The City does not have a separate audited GAAP-basis post employment benefit plan report for this defined benefit plan. See Note 10 for more information.

### ***Unearned Revenue***

Unearned revenue liability reports revenue received in advance of providing goods or services. When the goods or services are provided, this account balance is decreased and a revenue account is increased.

### ***Real Property Held for Resale***

Land and buildings acquired for future sale to developers have been capitalized and are shown as real property held for resale in the accompanying combined financial statements. Real property held for resale is carried at the lower of cost or net realizable value (realizable value less cost to sell).

### ***Fund Balance***

Fund balance classifications for governmental fund types comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. In the fund financial statements, the governmental funds may report nonspendable, restricted, committed, assigned, and unassigned fund balances to show the level of constraint governing the use of the funds.

- Nonspendable fund balances cannot be spent, because they are in nonspendable form or are required to be maintained intact.
- Restricted fund balances are restricted for specific purposes by third parties or enabling legislation.
- Committed fund balances include amounts that can be used only for specific purposes determined by the formal action of the City Council, as they are the highest level of decision-making authority. Council must have at least a 3 to 2 vote to pass a resolution for the specific purpose. These committed amounts cannot be used for any other purpose unless the City Council remove or change the specified use through the same type of formal action taken to establish the commitment.
- Assigned fund balances comprise amounts intended to be used by the City for specific purposes but are not restricted or committed, and also represents residual amounts in other funds. The City does not have any assigned fund balances at June 30, 2014.
- Unassigned fund balances are residual positive net resources of the General Fund in excess of what can properly be classified in one of the other four categories, and include all deficit amounts in all other governmental funds.

When both restricted and unrestricted resources are available for an incurred expenditure, it is the City's policy to spend restricted resources first then unrestricted resources, as necessary. When unrestricted resources are available for incurred expenditures, it is the City's policy to use committed amounts first, followed by assigned amounts, and then unassigned amounts.

### ***Net Position***

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation and deferred outflows of resources, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets, excluding unspent debt proceeds. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation externally adopted by the citizens of the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2014

(in thousands)

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.

***Deferred Outflows and Inflows of Resources***

The statements of net position report a separate section for deferred outflows of resources, in addition to assets. This separate financial statement element represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources, or expenses, until then. For current or advance refunding resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debts (i.e., deferred charges) is reported as a deferred outflow of resources and amortized to interest expense based on the effective interest method over the remaining life of the old debt or the life of the new debt, whichever is shorter. The City's deferred outflows of resources at June 30, 2014, is \$1,291 reported in the Electric Fund and Business-type activities

In addition to liabilities, the governmental fund financial statements report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources, or revenues, until then. When an asset is recorded in governmental fund financial statements but the revenue is not available, the City reports a deferred inflow of resources until such time as the revenue becomes available. The City has recorded deferred inflows of resources – unavailable revenues, of \$13,614 in the General Fund, \$3,224 in the Capital Improvement Fund and \$5,482 in the Nonmajor Governmental Funds.

## CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2014

(in thousands)

### NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

#### **Budgets and Budgetary Accounting**

The City Council is required to adopt an annual budget for the General, Debt Service, Special Revenue, Enterprise and Internal Service fund types. The City Council annually adopts the capital improvement program for the Capital Projects Funds. The City of Glendale budget presents the Capital Improvement Projects on a ten year plan basis, with the "Future Years" column representing a cumulative of five years projections. The City Council only approves and authorizes one year of the Capital Improvement Projects. Prior year unspent Capital Improvement Projects budget is carried forward into the new year. Annual budget comparison on multi-year projects is impractical.

All Proprietary fund types are accounted for on a cost of service method (net income). As a result, budget comparisons are impractical. Additionally, the City is not legally mandated to report the results of operations for these Enterprise Fund and Internal Service Fund types on a budget comparison basis; therefore, budgetary data related to these funds have not been presented.

The City utilizes an "encumbrance system". Under this procedure, encumbrance accounting is used to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. Encumbrances outstanding at year-end do not constitute expenditures or liabilities. Appropriations in the General Fund lapse at the end of the year. Therefore, encumbrances are not reserved for commitments made. All commitments incurred in the General Fund will be paid with the new budget in the following year. Open capital project appropriations carry over to the next year.

The City, in establishing the budgetary data reflected in the basic financial statements and supplementary information, utilizes the following procedures:

- The City Charter requires that the City Manager submit to the City Council a proposed budget for the coming year on or before the first of June. The operating budget includes both the sources and types of funds for the proposed expenditures.
- In June, public hearings are conducted to obtain citizen input, with the final budget being adopted no later than July 1.
- The level of appropriated budgetary control is in the following categories for items in excess of \$25: salary and fringe benefits; maintenance and operation; and capital outlay per departmental account.
- The budget is amended during the fiscal year to reflect all transfers and amendments.

The following operating units over expended their appropriations by \$25 or more as of June 30, 2014:

<u>General Fund</u>	<u>Amount Over Expended</u>
Police	
Maintenance and Operation	\$ 232
Public Works	
Salaries and Benefits	92
Parks, Recreation and Community Services	
Maintenance and Operation	288

**CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2014

(in thousands)

**NOTE 3 – CASH AND INVESTMENTS**

Governmental and Business-type activities:

Cash and investments at fiscal year end consist of the following:

Investments	\$	480,631
Cash with fiscal agents		13,146
Investment with fiscal agent		2,464
		<u>496,241</u>
Cash held in financial institutions & imprest cash		37,067
Total	\$	<u><u>533,308</u></u>

The following amounts are reflected in the government-wide statement of net position:

Pooled cash and investments	\$	379,365
Restricted cash		79,751
Cash with fiscal agents		13,146
Investment with fiscal agent		2,464
Restricted investment – gas/electric commodity		1,088
Designated cash and investments		<u>57,494</u>
Total	\$	<u><u>533,308</u></u>

**CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2014

(in thousands)

Fiduciary fund:

Cash and investments at fiscal year end consist of the following:

Investments	\$	95,999
Cash with fiscal agents		<u>14,555</u>
Total	\$	<u><u>110,554</u></u>

The following amounts are reflected in the fiduciary statement of net position:

Cash and invested cash	\$	95,970
Restricted cash		29
Cash with fiscal agents		<u>14,555</u>
Total	\$	<u><u>110,554</u></u>

**Authorized Investments**

Under the provisions of the City's investment policy, and in accordance with California Government Code Section 53601, the City Treasurer may invest or deposit in the following types of investments:

	<u>Maximum Maturity</u>	<u>Maximum % of Portfolio</u>
U.S. Treasury Securities	5 years	100%
Federal Agencies Securities	5 years	100%
State of California and California Local Agencies	N/A	15%
Obligation of Other States	N/A	10%
Medium Term Corporate Notes	5 years	20%
Commercial Paper (A1, P1, F1 minimum rating)	270 days	25%
Bankers' Acceptances	180 Days	30%
Time Deposits (FDIC Insured)	1 year	10%
Negotiable Certificates of Deposit	1 year	30%
Local Agency Investment Fund (State Pool)	N/A	LAIF maximum
Money Market Mutual Funds	90 days	20%
Los Angeles County Treasury Pool	N/A	10%

Investments in Medium Term Corporate Notes may be invested in Securities rated A or better by Moody's or Standard and Poor's rating services and no more than 5% of the market value of the portfolio may be invested in one corporation. Maximum participation in Bankers Acceptance is limited to 10% per bank.

**Investments Authorized by Debt Agreements**

The provisions of debt agreements, rather than the general provisions of the California Government Code or the City's investment policy, govern investments of debt proceeds and reserve funds held by bond fiscal agents. Permitted investments are specified in related trust agreements.

No maximum percentage of the related debt issue or maximum investment in one issuer is specified.

**Interest Rate Risk**

Interest rate risk is the risk that fluctuations in market rates may adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to the changes in market interest rates. The City

**CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2014

(in thousands)

manages its exposure to interest rate risk by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Governmental and Business-type activities:

	Total	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More than 60 Months
Commercial Paper	\$ 5,003	5,003	-	-	-
Federal Agency Term Notes	29,418	9,006	5,004	15,408	-
Federal Agency Callable Bonds	96,621	570	5,004	91,047	-
Corporate Notes	70,163	4,998	10,005	55,160	-
Negotiable Certificates of Deposit	15,011	15,011	-	-	-
Obligations of Other States	4,471	-	-	4,471	-
State and Municipal Bonds	25,460	1,004	2,005	22,451	-
State Investment Pool	180,037	180,037	-	-	-
Los Angeles County Pool	36,047	36,047	-	-	-
Money Market Fund	18,400	18,400	-	-	-
Held by Fiscal Agents:					
Guaranteed Investment Contracts*	2,398	-	-	-	2,398
U.S. Treasury Notes	2,241	2,241	-	-	-
Money Market Fund	10,971	10,971	-	-	-
	<u>\$ 496,241</u>	<u>283,288</u>	<u>22,018</u>	<u>188,537</u>	<u>2,398</u>

Fiduciary fund:

	Total	Remaining Maturity (in Months)	
		12 Months or Less	More than 60 Months
Commercial Paper	\$ 58,688	58,688	-
Negotiable Certificates of Deposit	36,000	36,000	-
Money Market Fund	1,311	1,311	-
Held by Fiscal Agents:			
Money Market Fund	14,555	14,555	-
	<u>\$ 110,554</u>	<u>110,554</u>	<u>-</u>

**Credit Risks**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The City invests only in the most risk-adverse instruments, such as Aaa rated government securities, Aaa, Aa or A rated corporate securities, and A1,P1,F1 rated commercial paper, negotiable certificates of deposit and banker's acceptance securities. The City's Investment Policy requires the City to sell any security with a credit rating below BBB.



**CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2014

(in thousands)

Governmental and Business-type activities:

		Moody's Rating as of June 30, 2014							
	Total	Aaa	Aa1	Aa2	Aa3	A1,P1	A2	A3	Unrated
Commercial Paper	\$ 5,003	-	-	-	-	5,003	-	-	-
Federal Agency Term Notes	29,418	29,418	-	-	-	-	-	-	-
Federal Agency Callable Bonds	96,621	96,051	-	-	-	-	-	-	570
Corporate Notes	70,163	-	-	-	28,818	18,349	14,013	8,983	-
Negotiable Certificates of Deposit	15,011	-	-	-	-	15,011	-	-	-
Obligations of Other States	4,471	-	-	-	-	-	-	-	4,471
State and Municipal Bonds	25,460	-	3,002	8,891	-	11,050	-	-	2,517
State Investment Pool	180,037	-	-	-	-	-	-	-	180,037
Los Angeles County Pool	36,047	-	-	-	-	-	-	-	36,047
Money Market Fund	238	238	-	-	-	-	-	-	-
Held by JPA (SCPPA)	18,162	-	-	-	-	-	-	-	18,162
Held by Fiscal Agents:									
Guaranteed Investment Contracts*	2,398	-	-	-	-	-	-	-	2,398
Treasury Notes	2,241	2,241	-	-	-	-	-	-	-
Money Market Fund	10,971	10,971	-	-	-	-	-	-	-
	<u>\$ 496,241</u>	<u>138,919</u>	<u>3,002</u>	<u>8,891</u>	<u>28,818</u>	<u>49,413</u>	<u>14,013</u>	<u>8,983</u>	<u>244,202</u>

\*The Counterparty rating of Trinity Plus Funding Company, LLC is "A1".

Fiduciary fund:

		Moody's Ratings as of June 30, 2014				
		Total	Aaa	P1	P2	Unrated
Commercial Paper	\$	58,688	-	58,688	-	-
Negotiable Certificates of Deposit		36,000	-	30,000	6,000	-
Money Market Fund		1,311	1,311	-	-	-
Held by Fiscal Agents:						
Money Market Fund		14,555	14,555	-	-	-
	\$	110,554	15,866	88,688	6,000	-

**Concentration Risk**

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stated above. Investments in any one issuer that represent 5% or more of total City investments are as follows:

Issuer	Investment Type	Reported Amount
FHLMC	Federal Agency Term Notes	\$ 6,484
	Federal Agency Callable Bonds	33,987
	Total	<u>\$ 40,471</u>
FNMA	Federal Agency Term Notes	\$ 19,915
	Federal Agency Callable Bonds	33,997
	Total	<u>\$ 53,912</u>

## **CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2014

(in thousands)

### **Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in event of the failure of a depository financial institution, a government agency will not be able to recover its deposits or will not be able to recover investment securities that are in the possession of an outside party. All of a depositor's accounts at an insured depository institution, including noninterest-bearing transaction accounts, will be insured by the FDIC up to the standard maximum deposit insurance amount of \$250 for each deposit insurance ownership category. All City of Glendale deposits as of June 30, 2014 were fully insured by FDIC insurance.

For interest-bearing accounts the FDIC deposit insurance amount of \$250 per depositor was made permanent. The City of Glendale does not have any interest-bearing accounts.

The custodial risk for investments is also twofold. An investment trade transaction occurs between a government agency and a broker/dealer (counterparty). Counterparty risk occurs with the failure of a brokerage/dealer, and in a trade transaction with a government agency, the counterparty is then unable to deliver securities after the government agency has made payment. The City of Glendale prevents counterparty risk by requiring all trade transactions to be done on a delivery-versus-payment arrangement.

A government agency uses an independent third-party custodian/safekeeper to domicile the securities in its portfolio. The City of Glendale uses Bank of America as its third-party safekeeping servicer, and prevents custodial/safekeeping risk by having all securities purchased and owned by the City of Glendale registered in the name of the City, separated from other client securities portfolios, and segregated from securities owned by the bank.

### **Investment in State Investment Pool**

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City's investment in this pool is reported in the accompanying financial statements at fair value based upon the City's pro-rata share of the amortized cost basis provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF.

### **Investment in Los Angeles County Pool**

The City is a voluntary participant in the Los Angeles County Pooled Surplus Investment Fund (LACPIF) that is regulated by California Government Code Section 27136 and managed by the Los Angeles County Treasurer. The City's investment in this pool is reported in the accompanying financial statements of net position and prepared on the accrual basis of accounting. Investments are reported at fair value, which is based on quoted market prices. The cash flow needs of the Pool participants are monitored daily to ensure that sufficient liquidity is maintained to meet the needs of participants. The balance available for withdrawal is based on the accounting records maintained by LACPIF.

## CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2014

(in thousands)

### NOTE 4 – HOUSING LOANS RECEIVABLE

The Housing Authority offers various housing loans to the residents of the City. Four different types of housing loans are funded from Community Development Block Grant (CDBG grant), HOME grant, Low and Moderate Income Housing Asset Fund (LMIHA) program income and Building Equity and Growth in Neighborhoods Grant (BEGIN grant) funds.

- *Single Family Home Rehabilitation Loan*

The program is funded by CDBG grant, HOME grant and LMIHA, and provides funds for moderate rehabilitation of owner-occupied homes for low and moderate income households. The deferred payment loan is interest bearing with rate ranging from 0% to 4% annually (simple interest) for up to 10 years, and with a loan amount up to \$25. Generally, the loan is repaid at the time of sale or transfer of the property. The loan is secured by a deed of trust on the property. Although this program does not make any new loans, there are existing loans receivable. As of June 30, 2014, \$2,022 is outstanding, which is recorded in governmental activities in the government-wide financial statement.

- *First Time Home Buyer Loan*

The program is funded by HOME grant, LMIHA and BEGIN grant, and has two categories.

Down Payment Assistant – Resale Homes Purchase. The program provides funds for down payment and affordability gap assistance for the purchase of a resale home by a low or moderate income first time home buyer household. Loan terms vary from 30 to 45 years. Loans require either 5% simple annual interest payments (paid monthly), or 0% interest rate with no monthly payments. All loans are second mortgage deferred payment, forgivable loans up to \$75. If the property is sold or transferred, or if the property is no longer owner-occupied before the term expires, the borrower must repay the original principal amount plus an appreciation share. Although this program does not make any new loans, there are existing loans receivable. As of June 30, 2014, \$3,213 is outstanding. Because all these loans are forgivable, they are not recorded on the financial statements.

Down Payment Assistant – New Construction Homes Purchase. For new construction units, the amount of the loan is based upon the amount of the affordability gap. The loan is secured by a deed of trust on the property and affordable housing covenants. The loan term is generally 45 years and the loan is forgiven at the end of the loan term. If the property is sold or transferred, or if the property is no longer owner-occupied before the term expires, the borrower must repay the original principal amount plus an appreciation share. A small set of loans funded through the American Dream Down Payment Assistance Program are forgiven, at a set percentage of the principal amount, each year. As of June 30, 2014, the forgivable loan amount is \$3,239, and the amount is not recorded on the financial statements. The Doran Gardens project loans funded through the BEGIN Grant are deferred loans and are to be repaid at the end of the 30-year term. As of June 30, 2014, the non-forgivable amount is \$5,329, and is recorded in governmental activities in the government-wide financial statement.

- *Multi-Family Apartment Rehabilitation Loan*

The program is funded by LMIHA, and provides funds for moderate rehabilitation of rental properties owned by private or nonprofit owners. Units must be rented to low and moderate income tenants at an affordable rent for the term of the loan. The loan is secured by a deed of trust and affordable housing covenants on the property. The loan is an interest bearing (4% simple interest), deferred payment, forgivable loan. The maximum loan amount is \$10 per unit for a 5 year loan. In target neighborhoods, the maximum per unit is up to \$15 per unit for a 7 year loan for repairs and rehab. The maximum amount per project is up to \$100. The owner needs to contribute at least 10% of the total project cost. Repayments are due on an annual basis. If the property is in compliance with the terms of the loan agreement, the annual payment is forgiven. As of June 30, 2014, \$99 is outstanding. Because all these loans are forgivable, they are not recorded on the financial statements.

## CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2014

(in thousands)

- *New Construction and Acquisition/Rehabilitation Rental Development Loan*

The program is funded by HOME grant and LMIHA, and provides funds for new construction or acquisition/rehabilitation of affordable rental housing. Loan terms and loan underwriting requirements are negotiated with the developer on a project by project basis. The loan is secured by a deed of trust and affordable housing covenants on the property. Loans provide gap assistance to make housing units affordable to low and moderate income households, and units must be rented at an affordable rent. Leveraging of funds with other sources and contribution of developer equity is required. Loans may be second mortgage deferred payment loans, which generally require loan principal plus interest to be repaid at the end of the loan term. Residual receipt payments are required on the deferred loans. Loans may also be permanent financing first mortgage loans at below market interest rate, and monthly amortized payments are required. Such loans would be provided when credit conditions or loan costs are not feasible for the project. As of June 30, 2014, the amount of loans receivable is \$165, which is recorded in the Low & Moderate Income Housing Asset Fund. The loan will be paid back to the City upon completion of the final cost certification of the Doran Gardens project, and the final cost certification is being anticipated in fiscal year 2015. As of June 30, 2014, the amount of forgivable or contingent loans is \$86,456, which is not recorded on the financial statements.

### NOTE 5 – INTER-FUND TRANSACTIONS

The composition of interfund balances consists of due to/from other funds, transfers and advances to/from other funds. Due to/from other funds are temporary cash overdrafts within a fund. Advances to/from other funds are borrowings until the fund is healthy to pay it back. Some advances are formal lending agreements between the funds.

Due to/from other funds as of June 30, 2014 consisted of the following:

Due to General fund from:

Nonmajor governmental funds	\$	12,040
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Due to Sewer fund from:

Water fund	\$	7,144
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Advances to/from other funds as of June 30, 2014 consisted of the following:

- \$1,946 of advance in the Emergency Medical Services Fund was the seed money from the General Fund to start the paramedic program. Within the next five years, the fund balance is expected to be positive with increase in revenue and reduction of cost due to implementation of Basic Life Support business model. At that time, the plan is to close this fund and move the operation into the General Fund.
- \$2,262 of advance in the ISD Wireless Fund was a 5 year loan with 2.0% Annual Interest, from the Sewer Fund to upgrade City's radio infrastructure. Interest accrued starting September 1, 2012 and annual payment is due every September 1<sup>st</sup>. The final payment will be due on September 1, 2017.

**CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2014

(in thousands)

The City reports transfers between many of its funds. The sum of all transfers presented in the following table agrees with the sum of Interfund transfers presented in the government-wide, governmental and proprietary fund financial statements. Transfers are used to (1) subsidize the activities of other funds (2) move revenues from the fund that budget requires to collect them to the fund that budget requires to expend them.

	Amount	Purpose
Transfer to general fund from:		
Electric fund	\$ 20,607	Fund general fund operations per Charter
Nonmajor enterprise funds	<u>3,050</u>	Fund general fund operations
	<u>23,657</u>	
Transfers to nonmajor governmental funds from:		
General fund	60	Nutritional Meals Grant Matching
Capital improvement fund	1,392	Fund MSB Building lease payment
Capital improvement fund	<u>1,500</u>	Fund Scholl Canyon Landfill reserve
	<u>2,952</u>	
Transfers to capital improvement fund from:		
General fund	330	Fund capital improvement projects
Refuse fund	<u>1,392</u>	Fund capital improvement projects
	<u>1,722</u>	
Transfers to nonmajor enterprise funds from:		
Low & Moderate Income Housing Asset Fund	<u>1,100</u>	Purchase Parking Lot 12 for Housing Project
	<u>1,100</u>	
Transfers to governmental activities from:		
Parking Fund	<u>21</u>	Purchase Parking Lot 12 for Housing Project
	<u>21</u>	
Total Interfund Transfers	\$ <u>29,452</u>	

**CITY OF GLENDALE**

Notes to the Financial Statements  
Fiscal Year Ended June 30, 2014  
(in thousands)

**NOTE 6 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2014 was as follows:

	Balance at July 1	Increases	Decreases	Reclass	Adjustments*	Balance at June 30**
<b>Governmental Activities</b>						
Capital assets not being depreciated						
Land	\$ 398,848	-	-		21	398,869
Construction in progress	41,047	10,762	-	(5,881)	-	45,928
Total assets not being depreciated	439,895	10,762	-	(5,881)	21	444,797
 Depreciable capital assets						
Building and improvements	295,312	1,051	-	730	-	297,093
Machinery and equipment	109,285	7,739	(2,367)	-	-	114,657
Infrastructure	291,869	8,082	(5,272)	5,151	-	299,830
Total other capital assets at cost	696,466	16,872	(7,639)	5,881	-	711,580
 Less accumulated depreciation						
Building and improvements	98,910	7,518	-	-	-	106,428
Machinery and equipment	71,492	7,861	(2,361)	-	-	76,992
Infrastructure	96,869	7,554	(5,272)	-	-	99,151
Total accumulated depreciation	267,271	22,933	(7,633)	-	-	282,571
 Total assets being depreciated, net	429,195	(6,061)	(6)	5,881	-	429,009
 Governmental Activities capital assets, net	\$ 869,090	4,701	(6)	-	21	873,806

\*Capital contribution from Parking Enterprise Fund to Low & Moderate Income Housing Asset Fund.

\*\*\$40,817 and \$42,183 of Machinery and Equipment and Construction in progress for 2013 and 2014 respectively from Internal Service funds is included in Governmental Activities. \$19,600 and \$21,548 of Accumulated Depreciation for 2013 and 2014 respectively from Internal Service funds is included in Governmental Activities.

Depreciation expense was charged to functions of the City's governmental activities for the year ended June 30, 2014 as follows:

**Governmental Activities:**

General Government	\$ 2,307
Police	3,421
Fire	1,894
Public Works	12,193
Parks, Recreation and Community Services	2,589
Library	197
Housing, Health and Community Development	332
Total depreciation expense	\$ 22,933

**CITY OF GLENDALE**

Notes to the Financial Statements  
Fiscal Year Ended June 30, 2014  
(in thousands)

	Balance at July 1	Increases	Decreases	Reclass	Adjustments*	Balance at June 30
Business-type Activities						
Capital assets not being depreciated/depleted						
Land	\$ 15,141	-	-	-	(21)	15,120
Construction in progress	37,569	990	-	(23,431)	-	15,128
Total assets not being depreciated/depleted	52,710	990	-	(23,431)	(21)	30,248
Depreciable capital assets						
Building and improvements	383,981	3,960	-	1,168	-	389,109
Machinery and equipment	565,340	11,855	(11,007)	14,705	-	580,893
Infrastructure	126,856	6,520	-	7,558	-	140,934
Total other capital assets at cost	1,076,177	22,335	(11,007)	23,431	-	1,110,936
Depletable capital assets						
Natural gas reserve	22,129	19	-	-	-	22,148
Less accumulated depreciation						
Building and improvements	132,753	9,573	-	-	-	142,326
Machinery and equipment	280,662	28,067	(10,814)	-	-	297,915
Infrastructure	39,276	3,026	-	-	-	42,302
Total accumulated depreciation	452,691	40,666	(10,814)	-	-	482,543
Less allowance for gas depletion						
Natural gas reserve	5,561	1,421	-	-	-	6,982
Total assets being depreciated, net	640,054	(19,733)	(193)	23,431	-	643,559
Business-type Activities capital assets, net	\$ 692,764	(18,743)	(193)	-	(21)	673,807

\*Capital contribution from Parking Enterprise Fund to Low & Moderate Income Housing Asset Fund.

Depreciation and depletion expense was charged to functions of the City's business-type activities for the year ended June 30, 2014 as follows:

**Business-type Activities:**

Depreciation	
Sewer	\$ 5,478
Electric	26,272
Water	5,402
Hazardous Disposal	9
Parking	1,180
Refuse Disposal	2,104
Fire Communication	221
Total depreciation expense	40,666
Depletion – Electric	1,421
Total depreciation and depletion expense	\$ 42,087

**CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2014

(in thousands)

	Balance at July 1	Increases	Reclass	Adjustments	Balance at June 30
Fiduciary Fund:					
Capital assets not being depreciated					
Land	\$ 27,909	-	-	-	27,909
Construction in progress	1,251	7,228	-	-	8,479
Total assets not being depreciated	29,160	7,228	-	-	36,388
Depreciable capital assets					
Building and improvements	9,280	6,439	-	-	15,719
Machinery and equipment	946	-	-	-	946
Total other capital assets at cost	10,226	6,439	-	-	16,665
Less accumulated depreciation:					
Building and improvements	3,388	219	-	-	3,607
Machinery and equipment	793	49	-	-	842
Total accumulated depreciation	4,181	268	-	-	4,449
Total assets being depreciated, net	6,045	6,171	-	-	12,216
Fiduciary Fund capital assets, net	\$ 35,205	13,399	-	-	48,604

These assets are reported in the Glendale Successor Agency Private Purpose Trust Fund and are required to be disposed in accordance with AB1x26 and AB1484, and these assets do not belong to the City.



**CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2014

(in thousands)

**NOTE 7 – PROPERTY HELD FOR RESALE**

Governmental activities – Low and Moderate Income Housing Asset Fund property held for resale at June 30, 2014:

<u>Acquisition Date</u>	<u>Location</u>		<u>Carrying Value</u>
October 2008	Fifth & Sonora	\$	<u>6,007</u>

Fiduciary Fund property held for resale at June 30, 2014:

<u>Acquisition Date</u>	<u>Location</u>		<u>Carrying Value</u>
December 1987	820 N. Central	\$	825
August 1982	111 E. Wilson		352
March 1986	225 W. Wilson		1,013
June 2008	216-218 S. Brand		2,885
December 2010	212 S. Brand		<u>1,039</u>
		\$	<u>6,114</u>

These assets are reported in the Glendale Successor Agency Private Purpose Trust Fund and these assets do not belong to the City.

**CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2014

(in thousands)

**NOTE 8 – LONG-TERM DEBT AND OTHER LIABILITIES**

The City's long-term debt as of June 30, 2014 consists of the following:

	Issuance Amount	Balance at June 30, 2013	Additions	Retirements	Balance at June 30, 2014	Due within one year
<b>Governmental Activities</b>						
Claims payable	\$ -	43,650	44,225	43,378	44,497	11,939
Post employment benefits	-	39,066	36,856	-	75,922	-
Compensated absences	-	16,426	5,413	7,991	13,848	2,655
Landfill closure and postclosure care	-	39,635	2,175	-	41,810	-
Certificates of Participation Police building project (COPs)	64,200	48,900	-	7,705	41,195	2,795
Total Governmental Activities long-term liabilities	\$ 64,200	187,677	88,669	59,074	217,272	17,389
<b>Business-type Activities</b>						
Post employment benefits	\$ -	18,931	-	18,931	-	-
Compensated absences	-	5,721	1,015	2,192	4,544	918
Bonds payable:						
Electric Revenue Bonds, 2006 Refunding Series	38,830	31,570	-	1,290	30,280	1,350
Electric Revenue Bonds, 2008 Series	60,000	60,000	-	-	60,000	-
Electric Revenue Bond Refunding Series	20,510	20,510	-	-	20,510	-
Electric Revenue Bonds, 2013 Series	60,000	-	60,000	-	60,000	570
Water Revenue Bonds, 2008 Series	50,000	48,825	-	1,210	47,615	1,245
Water Revenue Bonds, 2012 Series	35,000	35,000	-	-	35,000	-
Bond premium	-	7,293	4,559	544	11,308	468
Total bonds payable	264,340	203,198	64,559	3,044	264,713	3,633
Total Business-type Activities long-term liabilities	\$ 264,340	227,850	65,574	24,167	269,257	4,551

**CITY OF GLENDALE**

Notes to the Financial Statements  
Fiscal Year Ended June 30, 2014  
(in thousands)

	Issuance Amount	Balance at June 30, 2013	Additions	Retirements	Balance at June 30, 2014	Due within one year
<b>Governmental Activities</b>						
Other long-term liabilities:						
Capital leases:						
MSB retrofit lease-						
Capital One Public Funding	\$ 8,200	1,331	-	1,331	-	-
Fire equip't lease 2005-						
BOA Public Capital Corp.	3,743	860	-	423	437	437
Fire equip't lease 2009-						
Wells Fargo Equip.	2,299	1,214	-	225	989	233
Section 108 loan - Housing and Urban Development (HUD) (2011 Series)	2,000	1,839	-	170	1,669	178
Residential development loan program (RDLP)-CA Housing Finance Authority	4,643	4,643	-	4,643	-	-
Total other long-term liabilities	20,885	9,887	-	6,792	3,095	848
Total Governmental Activities other long-term liabilities	\$ 349,425	425,414	154,243	90,033	489,624	22,788

For the governmental activities, claims payable, compensated absences and post employment benefits are primarily liquidated by the General Fund.

The Fiduciary fund's long-term liabilities as of June 20, 2014 consist of the following:

	Issuance Amount	Balance at June 30, 2013	Additions	Retirements	Balance at June 30, 2014	Due within one year
<b>Fiduciary Fund:</b>						
Notes payable	\$ 750	750	-	750	-	-
2002 GRA Tax Allocation Bonds	48,015	27,180	-	27,180	-	-
2003 GRA Tax Allocation Bonds	58,880	33,352	-	33,352	-	-
2010 GRA Tax Allocation Bonds	26,970	26,970	-	150	26,820	275
2011 GRA Subordinate Taxable Tax Allocations Bonds	50,000	48,270	-	1,790	46,480	1,865
2013 GSA Tax Allocation Refunding Bonds	44,985	-	44,985	-	44,985	4,955
Bond premium	-	2,108	4,394	2,425	4,077	544
Net original bond discount - 2010 TABs	-	(280)	-	(23)	(257)	(23)
Net original bond discount - 2011 STTABs	-	(1,742)	-	(145)	(1,597)	(145)
Low and mod loan - Union Bank	14,000	2,254	-	2,254	-	-
Reinstatement of loans payable to City	13,613	-	13,613	-	13,613	1,508
Total Fiduciary fund long-term liabilities	\$ 257,213	138,862	62,992	67,733	134,121	8,979

The above debts are reported in the Glendale Successor Agency Private Purpose Trust Fund and are required to be liquidated in accordance with AB1x26 and AB1484. These debts do not belong to the City.

## **CITY OF GLENDALE**

Notes to the Financial Statements  
Fiscal Year Ended June 30, 2014  
(in thousands)

### **Governmental Activities:**

#### **The City Of Glendale Financing Authority**

##### ***Variable Rate Demand Certificates of Participation (COPs) - 2000 Police Building Project***

The COPs were issued pursuant to the resolutions adopted by the City Council and the board of directors of the Glendale Financing Authority on June 6, 2000. The proceeds of the COPs were used to (a) finance for the acquisition, construction and improvement of a police building (the "Police Building"), (b) establish a reserve fund of \$5,000 in accordance with the trust agreement, and (c) pay for the costs incurred to issue the COPs. Since the issuance of the COPs in 2000 until July 8, 2013 (the closing of the Direct Purchase Agreement with Bank of America), the COPs were subject to purchase on the demand of the holder at a price equal to principal plus accrued interest on five days' notice and delivery to the City's Remarketing Agent. The Remarketing Agent was required to use its best efforts to sell the repurchased COPs at a price equal to 100% of the principal amount by adjusting the interest rate. Prior to July 2013, the City agreed to pay to the Remarketing Agent a fee computed as .065% per annum of the average daily outstanding principal amount. In addition, the COPs were secured by a Standby Bond Purchase Agreement (SBPA) with JPMorgan Chase Bank (JPMorgan). Furthermore, the City agreed to pay to JPMorgan an annual Commitment Fee for the SBPA 0.960% per annum. Under the SBPA, if the COPs were not successfully remarketed or repaid according to their terms, or if the existing SBPA not renewed or the City did not replace the SBPA or otherwise refinance the COPs, JPMorgan was required to purchase the COPs, and all COPs outstanding would have become due in fiscal year 2013-14.

The SBPA was set to expire on July 15, 2013. However, on May 28, 2013, the City and the Financing Authority adopted Resolution No. 13-76 and Resolution GFA-13-02 respectively, accepting Bank of America's proposal for a Direct Purchase Index Floater (Direct Purchase Agreement) of the Glendale COPs to replace the SBPA.

A Direct Purchase Agreement is a financing alternative of which a Bank or a Financial Institution purchases Variable Rate Demand Certificates and hold them for an agreed period of time. This financing alternative is not backed by a Liquidity Facility and remarketing of Certificates is no longer necessary. In addition, Direct Purchase does not require a Reserve Fund deposited with the Trustee. By converting into this financing alternative, it provides savings to the City a Commitment Fee of 0.960% per annum, the Remarketing Fee of 0.065% per annum and other fees associated with maintaining a SBPA that are no longer applicable. Since a Reserve Fund is not required, the City decided to use the existing \$5,000 Reserve Fund with the Trustee to pay down outstanding principal balance. The variable interest rates are based on 70.0% of monthly LIBOR Index plus a fixed spread of 0.400%.

Under the Direct Purchase Agreement, the COPs mature in annual installments ranging from \$2,795 to \$3,480 annually from FY 2015-2030. As of June 30, 2014, the principal balance was \$41,195 and the interest rate was 0.510%. Accordingly, the Certificates of Participation are classified as long-term debt in the City's financial statements. The annual debt service requirement schedule for these COPs can be found on page 82.

The Financing Authority has leased the Police Building back to the City of Glendale pursuant to a lease agreement dated July 1, 2000. The bond indebtedness is secured by a lease to the City and is payable from rentals received under terms of the lease agreement. The annual lease payments from the City of Glendale are to be at a rate sufficient to meet debt service requirements of the outstanding bond indebtedness on the leased premises.

#### **The City Of Glendale Housing Authority**

##### ***HUD Section 108 Loan (Series 2011-A)***

Section 108 Loan of \$2,000 was used to acquire and rehabilitate an Emergency Shelter and Homeless Access Center at 1948 Gardena Avenue, Glendale for the S.H. Ho Hope and Compassion Center, a non-profit organization. HUD administers the Section 108 Loan Guarantee program, and the program's purpose is to fill funding gaps on major community / economic development projects throughout the country. The Section 108 Loan Guarantee program was created as part of the original Housing and Community Development Act of 1974. Section 108 obligations are permanently financed through underwritten public offerings. This was the City's second time receiving a Section 108 loan. The City received the loan in November 2011. The term of the loan is ten years with an interest rate of 2.56% and the total interest is \$210. The City has pledged current and

## **CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2014

(in thousands)

future CDBG funds as principal security for the loan. The principal amounts range from \$178 to \$242 for fiscal year 2015 to 2022. The Section 108 loan payment is budgeted as a CDBG project each year based on the payment schedule.

### ***Residential Development Loan Program (RDLP) Loan***

The loan in the amount of \$5,000 was approved by the California Housing Finance Authority to the Housing Authority of the City of Glendale, from proceeds of the Housing and Emergency Shelter Trust Fund of 2006 (Proposition 1C Housing Bond) on November 5, 2008. The loan has a 5 year 9 month term (as amended) with a 3% simple annual interest rate. The Housing Authority drew \$4,809 in August 2009, and returned \$253 of unused funds in March 2010, of which \$166 was applied to principal repayment, and \$87 was applied to interest. The purpose of the loan is to provide land acquisition financing for a portion of the Doran Gardens project. The Loan Agreement states that it is an unsecured loan, and repayment is a general obligation of the Housing Authority. The RDLP loan principal and interest were paid off in December 2013, after the sale of the affordable units for the Doran Gardens project.

### **Capital Improvement Projects**

#### ***Landfill Closure and Post-closure Care Costs***

Pursuant to Assembly Bill 2448 and the regulations established by the California Integrated Waste Management Board (Board), landfill operators are required to submit an initial cost estimate of closure and post-closure maintenance and to establish a financial mechanism to demonstrate the availability of funding to conduct closure and post-closure maintenance activities. The City selected a trust fund as the financial mechanism and the Board approved this. The City Treasurer was designated as the trustee to ensure that the City set aside annual required deposits. The City subcontracts with Los Angeles County Sanitation District (Sanitation District) to operate Scholl Canyon and as part of this contract, the County is responsible for the closure cost of Scholl Canyon. The City is responsible for the post-closure maintenance cost of Scholl Canyon. According to Los Angeles County Sanitation District's records, the permitted capacity filled between August 18, 1989 and July 11, 2013 was 10.35 million tons. The permitted capacity filled between July 11, 2013 and July 11, 2014 was 0.23 million tons. The total permitted capacity as of August 18, 1989 remains 14.75 million tons. Therefore, the City has 4.17 million tons unfilled capacity remaining. Using an inflation factor from the Sanitation Districts of 1.015, the total estimated care post-closure cost is \$58,289. Using the data above, the amount of \$41,810 is recognized as a long-term liability on the Statement of Net position. Accordingly, the portion of the estimated total obligation for landfill post closure costs that has not been recognized in the financial statements is \$16,479. The City records the annual provision for the required landfill deposits as designated cash in the Landfill Postclosure Fund. At the end of June 30, 2014 the City has set aside \$23,850 of this in the Landfill Postclosure Fund. The total current cost of landfill closure and post-closure care is an estimate subject to changes resulting from inflation, deflation, technology, or changes in applicable laws or regulations.

#### ***Capital Leases***

The City entered into a Master Lease Agreement with SunTrust Leasing Corporation to provide funds for acquisition of fire equipment, which includes two 2004 Pierce Quantum Tiller Trucks, four Pierce Quantum Pumper Trucks with CAFS Foam System, four fabrication and installation of equipment brackets to Pierce Pumper Trucks, two fabrication and installation of equipment brackets into Pierce Ladder Trucks, one Brush Patrol Truck 2005 GMC Sierra, and one Battalion Chief Command Vehicle 2005 GMC Yukon. The cost of the equipment funded was \$3,743 with an annual interest rate of 3.65%. The City will make lease payments each consisting of principal and interest for a term of ten years. The annual lease payment is \$453. Payments are due on April 20 annually. The balance of \$1,659 has been assigned by SunTrust Leasing Corporation to Bank of America Public Capital Corp. As of June 30, 2014 the outstanding balance of this lease was \$437.

In December 2008, the City entered into a Master Governmental Lease-Purchase Agreement (the "Master Lease") with Wells Fargo Equipment Finance, Inc. to provide funds for acquisition of fire apparatus, which include one new Pierce Heavy Duty Rescue System mounted on a new 2009 International 7400 Chassis together with all attachments and accessories and four new Pierce 2000 GPM Quantum Triple Combination Pumper Truck Systems mounted on new 2008 Quantum Chassis together with all attachments and accessories. The total cost of the equipment funded was \$2,299 with an annual interest rate of 4.04%. The City makes lease payments each year consisting of principal and interest for a term of ten years commencing in fiscal year 2008-

## **CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2014

(in thousands)

09. The annual lease payment is \$273. Payments are due on December 15 annually. As of June 30, 2014, the outstanding balance of this lease was \$989.

### **Business-type Activities:**

#### **Enterprise Funds**

##### ***Electric Revenue Bonds, 2006 Refunding Series***

The Electric utility of Glendale Water & Power issued \$38,830 in revenue bonds in April 2006 to provide moneys for the refunding of all of the City's outstanding Electric Revenue Bonds, 2000 Series. The bond proceeds were deposited in an escrow account and were used to refund the Electric Revenue Bonds, 2000 Series through a legal defeasance. The advance refunding of Electric Revenue Bonds, 2000 Series resulted in a difference between the reacquisition price of refunding bonds and the net carrying amount of the refunded bonds. Deferred loss on refunding as of June 30, 2014 for \$1,147 is recognized and reported in the financial statements as a deferred outflow of resources and is being amortized through February 1, 2030. At June 30, 2009, \$37,000 of the 2000 series bonds outstanding is considered defeased. Liabilities for defeased bonds are not included in the City's financial statements.

The terms of the Electric Revenue Bonds, 2006 Refunding Series' (2006 Refunding Bonds) indenture require the trustee to establish and maintain a reserve fund equal to the Reserve Fund Requirement. The Reserve Fund Requirement is defined by the Debt Indentures as the maximum annual debt service on the debt service schedule. Up to 50% of the Reserve Fund Requirement amount may be held in an unrestricted fund or account. The reserve requirement of the bond issue is satisfied by a cash reserve fund with a minimum funding requirement of \$1,327.

The bonds mature in regularly increasing amounts ranging from \$1,350 to \$2,570 annually from 2015 to 2030. The 2006 Refunding Bonds maturing on or prior to February 1, 2016 are not subject to redemption prior to maturity. The 2006 Refunding Bonds maturing on and after February 1, 2017 are subject to redemption prior to maturity, at the option of the City, as a whole or in part, on February 1, 2016, or on any date thereafter, at a redemption price equal to 100% of the principal amount of the 2006 Refunding Bonds to be redeemed, together with accrued interest to the redemption date.

##### ***Electric Revenue Bonds, 2008 Series***

The Electric utility of Glendale Water & Power issued \$60,000 in revenue bonds in February 2008 to finance the costs of acquisition and construction of certain improvements to the Electric System of the City.

The terms of the 2008 Electric Revenue Bonds' (2008 Bonds) indenture require the trustee to establish and maintain a reserve fund equal to the Reserve Fund Requirement. The Reserve Fund Requirement is defined by the Debt Indentures as the maximum annual debt service on the debt service schedule. Up to 50% of the Reserve Fund Requirement amount may be held in an unrestricted fund or account. The reserve requirement of the bond issue is satisfied by a cash reserve fund with a minimum funding requirement of \$2,241.

The bonds mature in regularly increasing amounts ranging from \$1,880 to \$4,195 annually from 2018 to 2038. The 2008 Bonds maturing on or prior to February 1, 2018 are not subject to redemption prior to maturity. The 2008 bonds maturing on and after February 1, 2019 are subject to redemption prior to maturity, at the option of the City, as a whole or in part, on February 1, 2018, or on any date thereafter, at a redemption price equal to 100% of the principal amount of the 2008 Bonds to be redeemed, together with accrued interest to the redemption date.

##### ***Electric Revenue Bonds, 2013 Refunding Series***

The Electric utility of Glendale Water & Power issued \$20,510 in revenue bonds in March 2013 to provide funds to refund all of the City's outstanding Electric Revenue Bonds, 2003 Series and pay cost of issuance. The bond proceeds were deposited in an escrow account and were used to refund the Electric Revenue Bonds, 2003 Series through a legal defeasance.

## **CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2014

(in thousands)

The current refunding resulted in the recognition of a deferred outflow of resources of \$155 and is being amortized through year 2032. The City in effect reduced its aggregate debt service payments by \$4,070 over the next nineteen years and obtained an economic gain (difference between the present value of the old and new debt service payments) of \$3,695 (2.478%). The bonds mature in regularly increasing amounts ranging from \$900 to \$1,805 annually from 2017 to 2032.

### ***Electric Revenue Bonds, 2013 Series***

The Electric utility of Glendale Water & Power issued \$60,000 in revenue bonds in December 2013 to finance (1) the costs of acquisition and construction of certain improvements to the City's electric public utility (the "Electric System"), (2) making a deposit to the Parity Reserve Fund, and (3) paying the cost of issuance of the 2013 Bonds.

The terms of the 2013 Electric Revenue Bonds' (2013 Bonds) indenture require the trustee to establish and maintain a reserve fund equal to the Reserve Fund Requirement. The Reserve Fund Requirement is defined by the Debt Indentures as the maximum annual debt service on the debt service schedule. Up to 50% of the Reserve Fund Requirement amount may be held in an unrestricted fund or account. The reserve requirement of the bond issue is satisfied by a cash reserve fund with a minimum funding requirement of \$1,712. The bonds mature in regularly increasing amounts ranging from \$570 to \$3,795 annually from 2015 to 2043.

### ***Water Revenue Bonds, 2008 Series***

The Water Utility of Glendale Water & Power issued \$50,000 in revenue bonds in February 2008 to finance the costs of acquisition and construction of certain improvements to the Water System of the City.

The terms of the 2008 Water Revenue Bonds' (2008 Bonds) indenture require the trustee to establish and maintain a reserve fund equal to the Reserve Fund Requirement. The Reserve Fund Requirement is defined by the Debt Indentures as the maximum annual debt service on the debt service schedule. The reserve requirement of the bond issue is satisfied by a cash reserve fund with a minimum funding requirement of \$3,485.

The bonds mature in regularly increasing amounts ranging from \$1,245 to \$3,060 annually from 2015 to 2038. The 2008 Bonds maturing on or prior to February 1, 2018 are not subject to redemption prior to maturity. The 2008 bonds maturing on and after February 1, 2019 are subject to redemption prior to maturity, at the option of the City, as a whole or in part, on February 1, 2018, or on any date thereafter, at a redemption price equal to 100% of the principal amount of the 2008 Bonds to be redeemed, together with accrued interest to the redemption date.

### ***Water Revenue Bonds, 2012 Series***

The Water Utility of Glendale Water & Power issued \$35,000 in revenue bonds in December 2012 to finance the costs of acquisition and construction of certain improvements to the Water System of the City.

The terms of the 2012 Water Revenue Bonds' (2012 Bonds) indenture require the trustee to establish and maintain a reserve fund equal to the Reserve Fund Requirement. The Reserve Fund Requirement is defined by the Debt Indentures as the maximum annual debt service on the debt service schedule. The reserve requirement of the bond issue is satisfied by a cash reserve fund with a minimum funding requirement of \$1,636.

The bonds mature in regularly increasing amounts ranging from \$415 to \$4,945 annually from 2018 to 2042. The 2012 Bonds maturing on or prior to February 1, 2022 are not subject to redemption prior to maturity. The 2012 bonds maturing on and after February 1, 2023 are subject to redemption prior to maturity, at the option of the City, as a whole or in part, on August 1, 2022, or on any date thereafter, at a redemption price equal to 100% of the principal amount of the 2012 Bonds to be redeemed, together with accrued interest to the redemption date.

**CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2014

(in thousands)

**Annual Debt Service Requirement Schedule**

In May 2013, the City and the Financing Authority adopted Resolutions approving the replacement of the current Standby Bond Purchase Agreement (SBPA) for the Police Building Project Variable Rate Demand Certificates of Participation (COP's) that was set to expire on July 15, 2013, with the Direct Purchase Agreement with Bank of America that expires on July 8, 2016. The Direct Purchase closed on July 8, 2013. Bank of America purchased the Certificates and will hold them for three years. If the City is not able to either renew or extend the Direct Purchase Agreement when it expires on July 8, 2016, then the entire amount of the outstanding Police Building Project (COP's) of \$33,785 would be due and payable for the fiscal year ending June 30, 2017 resulting in total governmental and business-type principal debt service payments of \$40,846 for the fiscal year ending June 30, 2017.

The annual debt service requirement schedule for governmental and business-type activities is as follows:

Fiscal Year	Police Building Project (COPs) Governmental Activities		Capital Leases Governmental Activities	
	Interest	Principal	Interest	Principal
2015	\$ 222	2,795	56	670
2016	207	2,795	31	242
2017	192	1,820	21	252
2018	182	1,905	11	262
2019	172	1,985	-	-
2020-2024	689	11,520	-	-
2025-2029	344	14,895	-	-
2030-2034	19	3,480	-	-
	\$ 2,027	41,195	119	1,426

Fiscal Year	Section 108 (2011 Series) Loan Governmental Activities		Electric and Water Revenue Bonds Business-type Activities	
	Interest	Principal	Interest	Principal
2015	\$ 28	178	11,455	3,165
2016	27	186	11,337	3,745
2017	24	194	11,177	4,795
2018	22	203	10,951	7,260
2019	18	212	10,627	7,545
2020-2024	26	696	47,690	42,960
2025-2029	-	-	36,795	53,530
2030-2034	-	-	24,977	51,555
2035-2039	-	-	14,035	64,720
2040-2044	-	-	3,548	14,130
	\$ 145	1,669	182,592	253,405



**CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2014

(in thousands)

Fiscal Year	Total Governmental Activities		Total Business-type Activities		Total Debt Service
	Interest	Principal	Interest	Principal	
2015	\$ 306	3,643	11,455	3,165	18,568
2016	264	3,223	11,337	3,745	18,568
2017	238	2,266	11,177	4,795	18,476
2018	215	2,370	10,951	7,260	20,796
2019	190	2,197	10,627	7,545	20,559
2020-2024	716	12,216	47,690	42,960	103,582
2025-2029	344	14,895	36,795	53,530	105,564
2030-2034	19	3,480	24,977	51,555	80,031
2035-2039	-	-	14,035	64,720	78,755
2040-2044	-	-	3,548	14,130	17,678
	\$ 2,292	44,290	182,592	253,405	482,577

**Fiduciary Fund – Successor Agency**

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (“the Bill”) that provides for the dissolution of all redevelopment agencies in the State of California. In accordance with the timeline set forth in the Bill, all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

The Bill provides that upon dissolution of a redevelopment agency, either the city or another local government unit will agree to serve as the “successor agency” to hold the assets until they are distributed to other units of state and local government and to pay existing enforceable obligations of the dissolved redevelopment agency. Successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated semi-annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

On January 10, 2012, the City Council elected to become the Successor Agency for the former Glendale Redevelopment Agency (“the former Agency”) in accordance with the Bill, as part of City resolution number 12-01. Since then, the Glendale Successor Agency (“the Successor Agency”) has been preparing the Recognized Obligations Payment Schedule (ROPS) that is subject for the State Department of Finance’s (“the DOF”) approval semi-annually and paying the former agency’s existing enforceable obligations including the payments of the semi-annual debt service for the following outstanding Tax Allocation Bonds:

***Tax Allocation Bonds, 2002 Series***

These Tax Allocation Bonds Series were refunded in November 2013 by the Tax Allocation Bonds, 2013 Refunding Series.

***Tax Allocation Bonds, 2003 Refunding Series***

These Tax Allocation Bonds Series were refunded in November 2013 by the Tax Allocation Bonds, 2013 Refunding Series.

***Tax Allocation Bonds, 2010 Series***

The former Glendale Redevelopment Agency (the “Agency”) issued \$26,970 in 2010 tax allocation bonds with an average rate of 5% for 15 years to fund economic development activities of the Agency primarily relating to the Adult Recreation Center Improvement; Glendale Central Library Renovation and Columbus Soccer Field Project, to fund a reserve account for the Bonds, and to pay the expense of the Agency in connection with the issuance of the Bonds. The Bonds mature in amounts

## **CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2014

(in thousands)

ranging from \$275 to \$8,510 from 2015 to 2025. The incremental property tax revenues allocated to and received by the Agency for the Central Project Area on a parity with the Agency's previously issued 2002 tax allocation bonds and 2003 tax allocation refunding bonds, net of county share of statutory tax sharing and county administration charge, pledged to the payment of principal, interest and discounts on these bonds. The property tax derived from the former Agency's Central Project Area is pledge to repay these Bonds until they are paid in full. The funds are distributed by the County of Los Angeles semi-annually through the ROPS process, subject to the approval by the Successor Agency's Oversight Board and the DOF. As of June 30, 2014, the principal balance of this issue is \$26,820.

### ***Subordinate Taxable Tax Allocation Bonds, 2011 Series***

The former Glendale Redevelopment Agency (the "Agency") issued \$50,000 in 2011 subordinate taxable tax allocation bonds with an average rate of 6.75% for 14 years. The Bonds were issued to finance redevelopment projects and low and moderate income housing activities; to fund the Reserve Requirement for the Bonds; and to provide for the costs of issuing the Bonds. The bonds mature in amounts ranging from \$1,865 to \$7,210 from 2015 to 2025. For the security of the Non-Housing portion of the Bonds, the Agency grants a first pledge of and lien on all of the Subordinate Tax Revenues consisting of Non-Housing Tax Revenues on a parity with the pledge and lien which secures any Parity Debt. For the security of the Housing portion of the Bonds, the Agency grants a first pledge of and lien on all of the Subordinate Tax Revenues consisting of Housing Tax Revenues, on a parity with the pledge and lien which secures any Parity Debt. Subordinate Tax Revenues are pledged to the payment of principal, interest and discounts on the Bonds pursuant to the Indenture until the Bonds are paid, or until moneys are set-aside irrevocably for that purpose. The property tax derived from the former Agency's Central Project Area is pledge to repay these Bonds until they are paid in full. The funds are distributed by the County of Los Angeles semi-annually through the ROPS process, subject to the approval by the Successor Agency's Oversight Board and the DOF. As of June 30, 2014, the principal balance of this issue is \$46,480.

### ***Tax Allocation Bonds, 2013 Refunding Series***

The Glendale Successor Agency (the "GSA") issued \$44,985 in 2013 tax allocation refunding bonds with an average rate of 4.81% to defeased the former Glendale Redevelopment Agency's (the "Agency") outstanding Central Glendale Redevelopment Project Tax Allocation Bonds, 2002 Series and the Tax Allocation Bonds, 2003 Refunding Series (the "Prior Bonds") and to pay the cost of issuance of the 2013 Bonds. The 2013 Bonds mature in regularly increasing principal amounts ranging from \$4,955 to \$6,455 from 2015 to 2022. The advance refunding of Tax Allocation Bonds, 2002 Series and the Tax Allocation Bonds, 2003 Refunding Series resulted in a difference between the reacquisition price of refunding bonds and the net carrying amount of the refunded bonds. The deferred loss on refunding as of June 30, 2014 for \$1,956 is recognized and reported in the financial statements as a deferred outflow of resources and is being amortized through fiscal year 2021. The refunding of the 2002 and 2003 Tax Allocation Bonds were approved by the Oversight Board and the DOF, to provide savings until the Refunding Bonds are repaid. The property tax derived from the former Agency's Central Project Area is pledge to repay these Bonds until they are paid in full. The funds are distributed by the County of Los Angeles semi-annually through the ROPS process, subject to the approval by the Successor Agency's Oversight Board and the DOF. As of June 30, 2014, the principal balance of this issue is \$44,985.

### ***Low & Mod Loans Payable***

The Low and Moderate Housing of the former Glendale Redevelopment Agency, now Glendale Housing Successor Agency obtained a \$14,000 loan from Union Bank of California in February 2009 to fund the development of affordable rental and owner housing projects. The Housing Authority received proceeds of \$13,920 in February 2009, net of cost of issuance of \$80. The term of the loan is five years, and the interest rate is 3.35%. The total interest is \$1,281. This loan was paid off in fiscal year 2013-14.

### ***Notes Payable***

The former Glendale Redevelopment Agency (the former "Agency") the successor to the former Glendale Redevelopment Agency and the City of Glendale (the "City") entered into a Loan Agreement for the purpose of covering the financial gap between the Successor Agency's funding sources and the actual cost to fund the Alex Theatre Expansion Project. The City

## CITY OF GLENDALE

Notes to the Financial Statements

Fiscal Year Ended June 30, 2014

(in thousands)

agreed to lend to the Successor Agency the principal amount of \$750, which shall be secured by a deed of trust recorded against the Alex Theatre property. The loan shall be treated as an enforceable obligation of the Successor Agency payable from the Redevelopment Property Tax Trust Fund (RPTTF) paid by the Los Angeles County Auditor-Controller to the Successor Agency for enforceable obligations and shall be included on list of the Successor Agency's enforceable obligations on ROPS 13-14B covering the period from January 1, 2014 through June 30, 2014, and on every subsequent ROPS period until the Loan is paid in full. Interest on the Loan shall accrue at a rate equal to the interest rate applicable to funds on deposit in the Local Agency Investment Fund, compounded annually, and shall accrue as of the Effective Date and continue until such time as the Loan is repaid in full. On January 2, 2014, the County of Los Angeles distributed the RPTTF to be used to pay ROPS 13-14B of which it included the \$750 to be paid to the City. The State Department of Finance (DOF) did not approve the payment of interest for this loan. As of June 30, 2014, this note was paid off.

### *Loans Payable*

When the California Supreme Court upheld Assembly Bill 1x 26 ("the Bill") that provides for the dissolution of all redevelopment agencies in the State of California that took effect February 1, 2012, the former Glendale Redevelopment Agency's ("the former Agency") Advances from the City was invalidated. As a result, the City had written off the former Agency's Advances' outstanding balance of \$71,758 in fiscal year 2012.

However, when legislature approved Assembly Bill 1484, the Host Agency was eligible to reinstate the City/Agency loans pursuant to California Health & Safety Code section 34191.4. The Host Agency and the Successor Agency received approval from its Oversight Board and from the State Department of Finance to reinstate the City/Agency loans. However, the reinstated loan is limited by H&SC section 34191.4 which allows the Successor Agency to repay the loan pursuant to a formula that prescribes the maximum payment per fiscal year as equal to one-half of the increase between the amount distributed to the taxing entities pursuant to H&SC section 34183 and the amount distributed to the taxing entities pursuant to that paragraph in the 2012-2013 base year. In addition, the accumulated interest on the remaining principal loan balance is required to be recalculated from loan origination at the interest rate earned by funds deposited into the Local Agency Investment Fund (LAIF). The loans are required to be repaid in accordance with a defined schedule over a reasonable term of years at an interest rate not to exceed the interest rate earned by funds deposited into LAIF. Furthermore, twenty percent (20%) of any loan repayment is required to be deducted and transferred to the City's Low and Moderate Income Housing Asset Fund. As of June 30, 2014, the reinstated loan amount is \$13,613. See Note 16 for further information related to the outstanding loan balance.

Glendale Successor Agency annual debt service requirement schedule:

Fiscal Year	GSA Tax Allocation Bonds Fiduciary Fund		Loans Payable Fiduciary Fund		Total Debt
	Interest	Principal	Interest	Principal	Service
2015	\$ 6,546	7,095	-	1,508	15,149
2016	6,439	7,985	-	1,729	16,153
2017	6,091	8,300	-	1,729	16,120
2018	5,652	9,080	-	1,729	16,461
2019	5,148	9,565	-	1,729	16,442
2020-2024	16,934	60,540	-	5,189	82,663
2025-2029	967	15,720	-	-	16,687
	\$ 47,777	118,285	-	13,613	179,675

The above debts are reported in the Glendale Successor Agency Private Purpose Trust Fund and are required to be liquidated in accordance with AB1x26 and AB1484. These debts do not belong to the City.

## **CITY OF GLENDALE**

Notes to the Financial Statements

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(in thousands)

### **NOTE 9 – EMPLOYEE RETIREMENT SYSTEM AND PLAN**

#### **California Public Employees' Retirement System**

##### ***Plan Description***

The City contributes to the California Public Employees' Retirement System (CalPERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State of California.

All full-time employees, which include both safety (fire and police) and miscellaneous (general and management) employees, are required to participate in the single CalPERS plan, in which all related benefits vest after five years of service. Upon five years of service, employees who retire at age 50 or older are entitled to receive an annual retirement benefit. The benefit is payable monthly for life.

For all employees hired before January 1, 2011, they are under the 1st tier plan, and the benefit is calculated as follows: years of credited service multiplied by their highest twelve consecutive months of salary multiplied by a percentage factor. The percentage factor is age-based. Under the 1st tier plan, the safety employees use the 3% at age 50 factor, and the miscellaneous employees use the 2.5% at age 55 factor.

All employees hired between January 1, 2011 and December 31, 2012, and existing CalPERS members from other municipalities hired on or after January 1, 2013 are under the 2nd tier plan. For miscellaneous employees, the benefit is calculated as follows: years of credited service multiplied by their highest three average years of salary multiplied by a percentage factor. The miscellaneous employees use the 2% at age 55 factor. For police safety employees hired on or after January 1, 2012, the benefit is calculated as follows: years of credited service multiplied by their highest three average years of salary multiplied by a percentage factor. The police safety employees use the 3% at age 55 factor. For fire safety employees hired on or after January 1, 2011, the benefit is calculated as follows: years of credited service multiplied by their highest twelve consecutive months of salary multiplied by a percentage factor. For fire safety employees hired on or after January 1, 2014, the benefit is calculated as follows: years of credited service multiplied by their highest three average years of salary multiplied by a percentage factor. The fire safety employees use the 3% at age 55 factor.

Effective January 1, 2013, the City implemented Public Employees' Pension Reform Act of 2013 (PEPRA). For new employees hired on or after January 1, 2013 who are not CalPERS members, or who have been separated from CalPERS for more than six months, the benefit is calculated as follows: years of credited service multiplied by their highest three average years of salary (subject to the cap) multiplied by a percentage factor. The miscellaneous employees use the 2% at age 62 factor. The safety employees use the 2.7% at age 57 factor. In 2014, the annual salary cap that counts towards final compensation is at \$115 (Social Security wage base) for employees who participate in Social Security or \$138 (120% of the Social Security wage base) for employees who do not participate in Social Security. This compensation cap would be adjusted annually based on the Consumer Price Index for All Urban Consumers.

CalPERS also provides death and disability benefits. CalPERS issues a public financial report that includes financial statements and required supplemental information of participating public entities within the State of California. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office – 400 Q Street, Sacramento, CA 95811.

##### ***Funding Method***

CalPERS is a contributory plan deriving funds from employee and employer contributions as well as earnings from investments. The actuarial funding method used for the retirement program is the Entry Age Normal Cost Method. Under this method, projected benefits are determined for all members and the associated liabilities are spread in a manner that produces level annual cost as a percent of pay in each year from the age of hire (entry age) to the assumed retirement age. The cost allocated to the current fiscal year is called the normal cost.

The actuarial accrued liability for active members is then calculated as the portion of the total cost of the plan allocated to prior years. The actuarial accrued liability for members currently receiving benefits, for active members beyond the assumed

## **CITY OF GLENDALE**

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(in thousands)

retirement age, and for members entitled to deferred benefits, is equal to the present value of the benefits expected to be paid. No normal costs are applicable for these participants.

The excess of the total actuarial accrued liability over the actuarial valued of plan assets is called the unfunded actuarial accrued liability. Funding requirements are determined by adding the normal cost and an amortization of the unfunded liability as a level percentage of assumed future payrolls. Commencing with the June 30, 2013 valuation all new gains or losses are tracked and amortized over a fixed 30-year period with a 5 year ramp up at the beginning and a 5 year ramp down at the end of the amortization period. All changes in liability due to plan amendments (other than golden handshakes), changes in actuarial assumptions, or changes in actuarial methodology are amortized separately over a 20-year period with a 5 year ramp up at the beginning and a 5 year ramp down at the end of the amortization period. Changes in unfunded accrued liability due to a Golden Handshake will be amortized over a period of 5 years. If a plan's accrued liability exceeds the market value of assets, the annual contribution with respect to the total unfunded liability may not be less than the amount produced by a 30-year amortization of the unfunded liability. An exception has been made for the change in asset value from actuarial to market value in this valuation. The CalPERS Board approved a 30-year amortization with a 5-year ramp-up/ramp-down for only this change in method.

Additional contributions will be required for any plan or pool if their cash flows hamper adequate funding progress by preventing the expected funded status on a market value of assets basis to either:

- Increase by at least 15 percent by June 30, 2043; or
- Reach a level of 75 percent funded by June 30, 2043

The necessary additional contribution will be obtained by changing the amortization period of the gains and losses, except for those occurring in the fiscal years 2008-2009, 2009-2010, and 2010-2011 to a period, which will result in the satisfaction of the above criteria. CalPERS actuaries will reassess the criteria above when performing each future valuation to determine whether or not additional contributions are necessary.

An exception to the funding rules above is used whenever the application of such rules results in inconsistencies. In these cases, a "fresh start" approach is used. This simply means that the current unfunded actuarial liability is projected and amortized over a set number of years. As mentioned above, if the annual contribution on the total unfunded liability was less than the amount produced by a 30-year amortization of the unfunded liability, the plan actuary would implement a 30-year fresh start. However, in the case of a 30-year fresh start, just the unfunded liability not already in the (gain)/loss base (which is already amortized over 30 years), will go into the new fresh start base. In addition, a fresh start is needed in the following situations:

- 1) When a positive payment would be required on a negative unfunded actuarial liability (or conversely a negative payment on a positive unfunded actuarial liability); or
- 2) When there are excess assets, rather than an unfunded liability. In this situation, a 30-year fresh start is used, unless a longer fresh start is needed to avoid a negative total rate.

It should be noted that the actuary may choose to use a fresh start under other circumstances. In all cases, the fresh start period is set by the actuary at what is deemed appropriate; however, the period will not be less than five years, nor greater than 30 years.

**CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2014

(in thousands)

The City's member contribution rates and employer contribution rates, including the employees' cost sharing toward the employer rates, are shown in the table below.

Employee Group	CalPERS Membership	Retirement Formula	Member Contribution Rate	Employer Contribution Rate	
				Employees' Cost Sharing	City Portion
<b>Miscellaneous Employees</b>					
GCEA* (Glendale City Employee Association)	Classic (1st Tier)	2.5% @ 55	11.00%	0.00%	13.183%
	Classic (2nd Tier)	2.0% @ 55	10.00%	0.00%	13.183%
	PEPRA (3rd Tier)	2.0% @ 62	9.75%	0.00%	13.183%
IBEW (International Brotherhood of Electrical Workers)	Classic (1st Tier)	2.5% @ 55	8.00%	0.50%	15.683%
	Classic (2nd Tier)	2.0% @ 55	7.00%	0.50%	15.683%
	PEPRA (3rd Tier)	2.0% @ 62	6.75%	0.50%	15.683%
GMA (Glendale Management Association)	Classic (1st Tier)	2.5% @ 55	8.00%	3.00%	13.183%
	Classic (2nd Tier)	2.0% @ 55	7.00%	3.00%	13.183%
	PEPRA (3rd Tier)	2.0% @ 62	6.75%	3.00%	13.183%
<b>Safety Employees (Sworn)</b>					
GPOA (Glendale Police Officer Association)	Classic (1st Tier)	3.0% @ 50	9.00%	3.50%	28.292%
	Classic (2nd Tier)	3.0% @ 55	9.00%	3.50%	28.292%
	PEPRA (3rd Tier)	2.7% @ 57	12.00%	3.50%	28.292%
GFFA** (Glendale Fire Fighter Association)	Classic (1st Tier)	3.0% @ 50	9.00%	3.00%	28.792%
	Classic (2nd Tier)	3.0% @ 55	9.00%	3.00%	28.792%
	PEPRA (3rd Tier)	2.7% @ 57	12.00%	3.00%	28.792%
GMA - Police	Classic (1st Tier)	3.0% @ 50	9.00%	3.50%	28.292%
	Classic (2nd Tier)	3.0% @ 55	9.00%	3.50%	28.292%
	PEPRA (3rd Tier)	2.7% @ 57	12.00%	3.50%	28.292%
GMA - Fire**	Classic (1st Tier)	3.0% @ 50	9.00%	3.00%	28.792%
	Classic (2nd Tier)	3.0% @ 55	9.00%	3.00%	28.792%
	PEPRA (3rd Tier)	2.7% @ 57	12.00%	3.00%	28.792%

\* Prior to May 1, 2013, GCEA's member contribution rate and cost sharing rate were the same as GMA.

\*\*GFFA and GMA-Fire's cost sharing rate was 2.25% from July 1, 2013 to December 31, 2013.

**CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2014

(in thousands)

The City's annual required employer contributions to CalPERS (including the employees' cost sharing) totaled \$28,730 during the fiscal year ended June 30, 2014, in accordance with actuarially determined contribution requirements through an actuarial valuation as of June 30, 2011. The breakdown of the employer contribution is as followed:

<b>Plan</b>		<b>Annual Required Employer Contribution</b>	<b>City Contribution</b>	<b>Employees' Cost Sharing</b>
Miscellaneous	\$	13,910	11,911	1,999
Safety				
Police		8,729	7,766	963
Fire		6,091	5,587	504
		<u>14,820</u>	<u>13,353</u>	<u>1,467</u>
Total	\$	<u>28,730</u>	<u>25,264</u>	<u>3,466</u>

***Asset Valuation Method***

It is the policy of the CalPERS Board of Administration to use professionally accepted amortization methods to eliminate unfunded accrued liabilities or surpluses in a manner that maintains benefit security for the members of the System while minimizing substantial variations in employer contribution rates. On April 17, 2013, the CalPERS Board of Administration approved a recommendation to change the CalPERS amortization and rate smoothing policies. Beginning with the June 30, 2013 valuations that set the 2015-16 rates, CalPERS will employ an amortization and smoothing policy that will pay for all gains and losses over a fixed 30-year period with the increases or decreases in the rate spread directly over a 5-year period. CalPERS will no longer use an actuarial value of assets and will use the market value of assets. This direct rate smoothing method is equivalent to a method using a 5 year asset smoothing period with no actuarial value of asset corridor and a 25 year amortization period for gains and losses. The change in asset value will also be amortized over 30 years with a 5-year ramp-up/ramp-down.

***Actuarial Assumptions***

In 2014 CalPERS completed a 2-year asset liability management study incorporating actuarial assumptions and strategic asset allocation. On February 19, 2014 the CalPERS Board of Administration adopted relatively modest changes to the current asset allocation that will reduce the expected volatility of returns. The adopted asset allocation is expected to have a long-term blended return that continues to support a discount rate assumption of 7.5 percent. The Board also approved several changes to the demographic assumptions that more closely align with actual experience. The most significant of these is mortality improvement to acknowledge the greater life expectancies we are seeing in our membership and expected continued improvements. The new actuarial assumptions will be used to set the FY 2016-17 contribution rates for public agency employers. The increase in liability due to new actuarial assumptions will be calculated in the 2014 actuarial valuation and will be amortized over a 20-year period with a 5-year ramp-up/ramp-down in accordance with Board policy. For more details, please refer to the experience study report that can be found at the following link:  
<http://www.calpers.ca.gov/eip-docs/about/pubs/employer/2014-experience-study.pdf>

The actuarial calculation is based on three categories: Economic assumptions, miscellaneous loading factors, and Demographic assumptions.

1. Economic Assumptions:
  - a) Discount rate is 7.50% compounded annually.
  - b) Termination liability discount rate is a weighted average of the 10 and 30-year US Treasury yields in effect on the valuation date that equal the duration of the pension liabilities.
  - c) Salary growth annual increases vary by category, entry age and duration of service, ranging from 3.30% to 14.20%.
  - d) Overall payroll growth is 3.00% compounded annually.
  - e) Inflation is 2.75% compounded annually.

**CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2014

(in thousands)

- f) Non-valued potential additional liabilities – the potential liability loss for a cost of living increase exceeding the 2.75% inflation assumption, and any potential liability loss from future member service purchases are not reflected in the valuation.
2. Miscellaneous Loading Factors
- a) For plans with the Credit for Unused Sick Leave provision, total service years is increased by 1 percent.
  - b) For plans with the Conversion of Employer Paid Member Contributions (EPMC) provision, total service years is increased by the Employee Contribution Rate during the final compensation period.
  - c) Pursuant to the 1983 Supreme Court Norris decision, employees hired prior to July 1, 1982 are given the best possible conversion factor (“Best Factors”) in the calculation of optional benefit forms.
  - d) The termination liabilities include a 7 percent contingency load for unforeseen improvements in mortality.
3. Demographic Assumptions:
- a) Pre-retirement mortality
  - b) Post-retirement mortality
  - c) Marital status
  - d) Age of spouse
  - e) Terminated members
  - f) Termination with refund
  - g) Termination with vested benefits
  - h) Non-industrial (not job-related) disability
  - i) Industrial (job-related) disability
  - j) Service retirement

***Annual Pension Cost***

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed
6/30/2012:		
Misc.	\$ 15,821	100%
Safety	14,749	100%
Total	<u>30,570</u>	100%
6/30/2013:		
Misc.	14,066	100%
Safety	14,468	100%
Total	<u>28,534</u>	100%
6/30/2014:		
Misc.	13,910	100%
Safety	14,820	100%
Total	<u>\$ 28,730</u>	100%



**CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2014

(in thousands)

***Schedule of Pension Funding Progress***

Actuarial Valuation Date	Market Value of Assets (A)	Accrued Liability (B)	(Over- funded)/ Unfunded (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	(Overfunded)/ Unfunded as a Percentage of Covered Payroll ((B-A)/C)
6/30/2013:						
Misc.	\$ 688,149	898,721	210,572	76.60%	\$ 88,616	237.62%
Safety	451,424	652,783	201,359	69.20%	45,993	437.80%
Total	<u>1,139,573</u>	<u>1,551,504</u>	<u>411,931</u>	<u>73.45%</u>	<u>134,609</u>	<u>306.02%</u>

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Supplemental Retirement Plan**

In May 2012, in an effort to substantially reduce staffing levels to address a projected \$15.4 million General Fund shortfall for FY 2012-13, the City contracted with Public Agency Retirement Services (PARS) to offer an early retirement incentive plan to provide supplemental retirement benefit payments to eligible employees in addition to the benefit payments the employees will receive from the California Public Employees Retirement System (CalPERS). To be eligible to participate in the plan, the employees must have been a Glendale City Employee Association (GCEA) or Glendale Management Association (GMA) employee, be at least 50 years of age as of September 1, 2012, and have a minimum 5 years of CalPERS service credit. The employees needed to resign from the City by August 31, 2012. The plan offers 5% of the employees' final pay, which the employees can choose various options to receive the payment, such as unmodified lifetime monthly payment, or higher fixed monthly payment for a fixed number of years. There were 122 employees that participated in the plan.

In October 2012, the City provided the same early retirement incentive plan to the employees represented by International Brotherhood of Electrical Workers Association (IBEW), and also offered an extension of the incentive program to employees represented by GCEA and GMA. The same parameters were applied for the extension of the incentive program, with the exception of the retirement eligibility date and date of separation advancing to October 31, 2012. There were 30 additional employees participating in the second phase. The plan is closed, and \$1,987 was paid to PARS in FY 2013-14.

**CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2014

(in thousands)

**NOTE 10 – POST EMPLOYMENT BENEFITS**

The City provides retiree medical benefits through the City's standalone healthcare plans. The City allows retirees to purchase healthcare coverage at blended active and retiree rates. This results in an "implied subsidy" since the healthcare costs are lower for active employees than for retirees.

The City's contribution is currently based on a pay-as-you-go funding method, that is, benefits are payable when due. For fiscal year 2013-14, the City contributed \$2,817 in benefit payments (\$55 for the premium subsidy and \$2,762 for the implied subsidy). No assets were invested in an irrevocable plan trust.

The annual required contribution (ARC) is an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The following table shows the components of the City's annual Other Post Employment Benefits (OPEB) cost for the year, the amount actually contributed to the plan, and changes in the City's Net OPEB obligation:

	Amount
Annual required contribution	\$ 23,004
Interest on net OPEB obligation	2,264
Amortization of net OPEB obligation	(4,526)
Annual OPEB cost (expense)	20,742
Contributions to irrevocable trust	-
Benefit payments	(2,817)
Increase in net OPEB obligation	17,925
Net OPEB obligation – beginning of year	57,997
Net OPEB obligation – end of year	\$ 75,922

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 and the two preceding years were:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2012	\$ 20,932	12%	\$ 38,242
6/30/2013	22,412	11%	57,997
6/30/2014	20,742	14%	75,922

The funded status of the plan as of June 30, 2013, the plan's most recent actuarial valuation date, was:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
	(A)	(B)	(B-A)	(A/B)	(C)	((B-A)/C)
6/30/2013	\$ 0	214,014	214,014	0%	\$ 121,029	177%

Actuarial valuations of an ongoing plan involve estimates of the value of expected benefit payments and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the

**CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2014

(in thousands)

financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2013 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 4% investment rate of return (net of administrative expenses), which is the expected long-term investment return on the City's investments, a 3% general inflation assumption, an annual pre-Medicare eligible medical cost trend rate of 8.5% for 2014 decreasing to 5.0% after 7 years. The post-Medicare eligible medical cost trend rate started 0.4% higher for 2014. The June 30, 2009 UAAL is being amortized as a level percentage of projected payroll over a 30 years closed period (26 years remaining for fiscal year 2013/14 ARC). Subsequent increases / decreases in UAAL due to actuarial gains / losses or changes in assumptions are amortized over 15 year closed periods. The remaining average amortization period at June 30, 2013 was 17 years.

**NOTE 11 - RESTRICTED NET POSITION**

The government-wide statement of net position reports \$78,992 of restricted net position, of which \$39,764 is restricted by enabling legislation. The City Charter requires \$22,593 in restricted net position to be set aside to meet the legal demands against the treasury during the beginning of new budget period prior to the receipt of ad valorem taxes. Pursuant to redevelopment laws of the State of California, \$17,171 is restricted for low and moderate housing.

**CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2014

(in thousands)

**NOTE 12 - NET DEFICITS OF INDIVIDUAL FUNDS**

As of June 30, 2014, the following funds have negative fund balances or net position:

Other governmental funds:

Special Revenue Funds:

CDBG Fund	\$	62
PW Special Grants Fund		551
Measure R Regional Return Fund		734
Transit Utility Fund		3,793
Police Special Grants Fund		25
Fire Grant Fund		264
Emergency Medical Services Fund		4,860

Internal Service Funds:

Compensation Insurance Fund	\$	15,807
Employee Benefits Fund		3,030

CDBG Fund – Vendors involved in capital projects are only paid 90% of the invoiced amounts prior to completion of the project although 100% of the invoiced amounts are expenditures. Based on the grant regulations, the 10% retention cannot be drawn until it is paid.

PW Special Grants Fund – This is a reimbursement type of grant. These revenues are always drawn down based on the expenditures. As such, there will always be a timing difference between revenue and expenditures resulting in a deficit, as the revenue does not represent available resources.

Measure R Regional Return Fund – This is a reimbursement type of grant. These revenues are always drawn down based on the expenditures. As such, there will always be a timing difference between revenue and expenditures resulting in a deficit, as the revenue does not represent available resources.

Transit Utility Fund – Beeline bus expenditures were accrued in FY2014. However, the related revenue from the Metropolitan Transportation Authority (“MTA”) was not available at June 30, 2014.

Police Special Grants Fund – This is a reimbursement type of grant. These revenues are always drawn down based on the expenditures. As such, there will always be a timing difference between revenue and expenditures resulting in a deficit, as the revenue does not represent available resources.

Fire Grant Fund – This is a reimbursement type of grant. These revenues are always drawn down based on the expenditures. As such, there will always be a timing difference between available revenue and expenditures resulting in a deficit, as the revenue does not represent available resources.

Emergency Medical Services Fund – During FY 2009-10, the Glendale Fire Department successfully introduced and implemented the Basic Life Support (BLS) component to the EMS system to reduce costs of service delivery as well as the deficit over the next five years.

Internal Service Funds – The deficits have been decreasing due to the premium increases in fiscal year 2013-14 and prior fiscal years. The City will continue to increase the premiums in the future to eliminate the deficits.

**CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2014

(in thousands)

**NOTE 13 - RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City retains risks for the following types of liabilities: workers' compensation, unemployment insurance, general auto, dental, medical and vision as well as public liability through separate Internal Service Funds. The City purchased several commercial insurance policies from third-party insurance companies for errors and omissions of its officers and employees, and destruction of assets as well as excess workers' compensation and general public liability claims. The City also purchases property, aviation and employee dishonesty insurance. There were no significant settlements or reductions in insurance coverage from settlements for the past three years. The insurance schedule for fiscal year 2014-15 is as follows:

Insurance Type	Program Limits	Deductible /SIR (self insured retention)
Excess Liability Insurance	\$20,000	\$2,000 SIR per occurrence
D &O Employment Practices	\$2,000	\$250 SIR non-safety; \$500 SIR safety
Excess Workers' Comp Employer's Liability Insurance	Statutory	\$2,000 SIR per occurrence
Property Insurance (GWP)	\$250,000	Various deductibles up to \$250
Property Insurance (Non-GWP)	\$400,000	\$25 deductible all locations
Aviation Insurance (Police Helicopter)	\$50,000	Various deductibles
Employee Dishonesty – Crime Policy	\$1,000	\$25

Operating funds are charged a premium and the Internal Service Funds recognize the corresponding revenue. Claims expenses are recorded in the Internal Service Funds. Premiums are evaluated periodically and increases are charged to the operating funds to reflect recent trends in actual claims experience and to provide sufficient reserve for catastrophic losses.

Claims payable liability has been established in these funds based on estimates of incurred but not reported and litigated claims. Management believes that provisions for claims at June 30, 2014 are adequate to cover the cost of claims incurred to date. However, such liabilities are, by necessity, based upon estimates and there can be no assurance that the ultimate cost will not exceed such estimates. A reconciliation of the changes in the aggregate liabilities for Liability Insurance Fund, Compensation Insurance Fund and Medical Insurance Fund for claims for the current fiscal and the prior fiscal year are as follows:

Fiscal Year	Beginning Balance	Claims and Changes	Claim Payments	Ending Balance
2012-13	\$46,742	38,614	41,706	43,650
2013-14	\$43,650	44,225	43,378	44,497

The City has numerous claims and pending legal proceedings that generally involve accidents regarding its citizens on City property and employment issues. These proceedings are, in the opinion of management, ordinary routine matters incidental to the normal business conducted by the City. In the opinion of management, such proceedings are substantially covered by insurance, and the ultimate disposition of such proceedings are not expected to have a material adverse effect on the City's financial position, results of operations or cash flows.

**CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2014

(in thousands)

**NOTE 14 - CONTINGENT LIABILITIES AND COMMITMENTS****Power Purchase Agreements**

The City first participated in Boulder Canyon Project for electric service from the Hoover Power Plant in 1937 for a term of 50-year, expired on May 31, 1987. The plant was operated by Southern California Edison and Los Angeles Department of Water and Power under the supervision of the Bureau of Reclamation during the contract term. Before the expiration of the contract, Hoover Power Plant Act of 1984 authorized the uprating of the 17 main generating units and provided long-term contingent capacity and firm energy to the participants in a renewal contract. The uprating program replaced all 17 original turbines in the Hoover Dam Power Plant began in 1986. When the program was finished in 1993, it increased the capacity of the plant from 1,344 megawatts to 2,079 megawatts.

In January 1987, the City renewed the contract with the United States Bureau of Reclamation providing for the advancement of funds for the Hoover Uprating Project and Western Area Power Administration for the purchase of power from the project. The renewed contract is for a term of 30-years from 1987 to 2017. The Bureau of Reclamation also assumed control of operation and maintenance of the plant in 1987. Under this renewed contract, the City is entitled to 21 megawatts or 1.03% of the capacity and 1.59% of the firm energy.

In August 2003, the City entered into a 25-year contract, cancelable after 20 years, with PPM Energy, Inc. for the purchase of 9 megawatts of capacity from wind-powered resources in California. The City began taking delivery of the energy on September 1, 2003.

In June 2005, the City entered into a 25-year power sales agreement with the Southern California Public Power Authority (SCPPA) for the Ormat Geothermal Energy Project for purchase of up to 3 megawatts of the project electric energy. The project began commercial operation in January 2006.

In October 2006, the City entered into a 16-year contract with PPM Energy, Inc. for the purchase of 10 megawatts of capacity from wind-powered resources in Wyoming. The City began taking delivery of the energy under WSPP master agreement from July 1, 2006 through September 30, 2006. The contract term started on October 1, 2006.

In November 2007, City Council approved a purchase power agreement with SCPPA for the purchase of 20 megawatts of renewable energy from Pebble Springs Wind Generation Facility for a term of 18-years. The project began commercial operation in January 2009.

## **CITY OF GLENDALE**

Notes to the Financial Statements  
Fiscal Year Ended June 30, 2014  
(in thousands)

### **NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS**

#### **Joint Power Agreement between the City and the Glendale Community College**

The City and the Glendale Community College (College) have agreed to establish a multi-faceted parking program to facilitate on street parking for the City residents living near the College campus and to meet the parking needs of the College. In order to implement the parking program, the City and the College have entered into a Joint Power Agreement (JPA) and issued \$4,000 in bonds - Glendale Parking Facilities Joint Powers Authority Parking Revenue Bonds, 2003 Refunding Series A (Bonds). The Bonds do not constitute a debt or liability of the JPA nor is the JPA liable for the payment of the principal or interest on the Bonds. The College provides fiscal management for this JPA. The amount of revenues available to pay debt service on the Bonds will be derived from two sources. The first source is the student-parking permit. The second source is the metered revenue from the City owned parking lots. In return for the loss of the metered revenue, the City shall receive reimbursement annually of \$100. In addition, the City shall receive annual reimbursement of at least \$25 for lot and meter maintenance. Furthermore, any remaining balance of the revenue, after debt service and JPA operational costs, shall be divided equally between the City and the College.

The City is obligated: (i) to establish and collect parking meter revenues at the City Parking Lots, (ii) to strictly enforce metered parking at the City Parking Lots through the use of citations and the collection of fines, (iii) to operate and maintain at its expense the City-owned parking facilities, (iv) to make funds available to JPA to allow for the repair and replacement of the City Parking Lots in the event of damage or destruction or, in the alternative, to redeem Bonds, and (v) to implement and enforce the expanded residential permit parking area program in and around the College campus and in the event the Civic Auditorium parking facilities are constructed, to allow the College students with student parking program permits to use such facilities during the periods that the Civic Auditorium functions are not in progress.

#### **Joint Power Agreement for San Fernando Valley Council of Governments**

The San Fernando Valley Council of Governments (SFVCOG) was created through a Joint Power Agreement in 2010. The City is an active member of the SFVCOG. Other member jurisdictions currently participating include the City of Los Angeles with 7 board representatives for each City Council district located entirely or partially in the San Fernando Valley, 2 board representatives from each of the Los Angeles County Supervisorial Districts located entirely or partially in the San Fernando Valley, and one representative each from the Cities of Burbank, San Fernando and Santa Clarita. In its official capacity, the SFVCOG acts as a planning sub-region for the Southern California Association of Governments (SCAG) and focuses on promoting better regional coordination of planning and transportation planning efforts in the San Fernando Valley. The SFVCOG also engages in local, regional, state and federal grant development programming for the region.

#### **“Take or Pay” Contracts**

The City has entered into twelve “Take or Pay” contracts, which require payments to be made whether or not projects are completed or operable, or whether output from such projects is suspended, interrupted or terminated. Such payments represent the City’s share of current and long-term obligations. Payment for these obligations is expected to be made from operating revenues received during the year that payment is due. These contracts provide for current and future electric generating capacity and transmission of energy for City residents. Through these contracts, the City purchased approximately 61% of its total energy requirements during fiscal year 2013-2014. With a few exceptions, the City is obligated to pay the amortized cost of indebtedness regardless of the ability of the contracting agency to provide electricity. The original indebtedness will be amortized by adding the financing costs to purchase energy over the life of the contract. All of these agreements contain “step-up” provisions obligating the City to pay a share of the obligations of any defaulting participant.

- The Intermountain Power Project, a subdivision of the State of Utah, was formed in January 1974 to finance the construction of a 1,400 megawatt coal-fired generating plant, consisting of two generating units located near Delta, Utah and associated transmission lines, called the Intermountain Power Project. The project began uprating of the two generating units in early 2003. When the uprating was finished in March 2004, it increased the capacity of the plant from 1,400 megawatts to 1,800 megawatts. The City through contract is obligated for 30 megawatts or 1.70% of the generation. In addition, the City entered into an “Excess Power Sales Agreement” with Intermountain Consumer Power Association (ICPA), agent for the Utah Municipal Purchasers and the Cooperative Purchasers,

## CITY OF GLENDALE

### Notes to the Financial Statements

Fiscal Year Ended June 30, 2014

(in thousands)

which entitles the City to additional shares that can vary from year to year. As of June 30, 2014, Glendale's excess entitlement share is 0.46%. The total City's obligation from Intermountain Power Project (IPP) is between 35 and 38 megawatts.

The City joined the Southern California Public Power Authority (SCPPA) on November 1, 1980. This authority, consisting of the California cities of Anaheim, Azusa, Banning, Burbank, Cerritos, Colton, Glendale, Los Angeles, Pasadena, Riverside, Vernon, and the Imperial Irrigation District, was formed for the purpose of financing future power resources. The City has entered into eleven projects with SCPPA.

- The first of the SCPPA projects is a 3,810 megawatt nuclear fuel generation plant in Arizona. The Palo Verde (PV) nuclear project consists of 3 units, each having an electric output of approximately 1,270 megawatts. SCPPA has purchased approximately 225 megawatts of capacity and associated energy (approximately 5.91% of total Palo Verde output), of which the City receives 9.9 megawatts or 4.40% of SCPPA's entitlement. As of June 30, 2014, Glendale's share is 4.40%.
- A second project financed through SCPPA is the Southern Transmission System (STS) that transmits power from the coal-fired IPP to Southern California. The 500 kV DC line is rated at 1,920 megawatts. The City's share of the line is 2.27% or approximately 44 megawatts. As of June 30, 2014, Glendale's share is 2.27%.
- A third project financed through SCPPA is the acquisition of 41.80% ownership interest in a coal-fired 497 megawatt unit in San Juan Generating Station, Unit 3, located in New Mexico. SCPPA members are entitled to 208 megawatts. The City is obligated for 20 megawatts or 9.80% of the SCPPA entitlement. As of June 30, 2014, Glendale's share is 9.80%.
- A fourth project financed through SCPPA is Mead-Adelanto Project (MA). The project consists of a 202-mile 500 kV AC transmission line extending between the Adelanto substation in Southern California and the Marketplace substation in Nevada, and the development of the Marketplace Substation at the southern Nevada terminus approximately 17 miles southwest of Boulder City, Nevada. The initial transfer capability of the Mead-Adelanto Project is estimated at 1,200 megawatts. SCPPA members in the project are entitled to 815 megawatts. The City is obligated for 90 megawatts or 11.04% of the SCPPA entitlement. As of June 30, 2014, Glendale's share is 11.04%.
- A fifth project financed through SCPPA is Mead-Phoenix Project (MP). The project consists of a 256-mile long 500 kV AC transmission line from the Westwing Substation in the vicinity of Phoenix, Arizona to the Marketplace Substation approximately 17 miles southwest of Boulder City, Nevada with an interconnection to the Mead Substation in southern Nevada. The project consists of three separate components: the Westwing-Mead Component, the Mead Substation Component, and the Mead-Marketplace Component. The City's participation shares in the components range from 11.76% to 22.73%. The Mead-Phoenix Project in conjunction with the Mead-Adelanto Project provides an alternative path for the City's purchases from the Palo Verde Nuclear Generating Station, San Juan Generating Station and Hoover Power Plant. These transmission lines also provide access to the southwest U.S. where economical coal energy is readily available. As of June 30, 2014, Glendale's share is 14.80%.
- A sixth project financed through SCPPA is the Magnolia Power Project (MPP) located on Burbank Water & Power's generation station complex adjacent to Magnolia Boulevard in Burbank, California. The project consists of a combined cycle natural gas-fired generating plant with a nominally rated net base capacity of 242 megawatts. The City is obligated for 40 megawatts or 16.53% of the project's output. As of June 30, 2014, Glendale's generation cost share is 16.53% and indenture cost share is 17.25%.
- A seventh project financed through SCPPA is Natural Gas Prepaid Project (NGPP). In August 2007, the City entered into a 30-year Prepaid Natural Gas Agreement with the SCPPA. The agreement will provide a secure and long-term supply of natural gas up to 3,500 MMBtu per day at a discounted price below spot market price. The delivery of natural gas started in July 2008. As of June 30, 2014, Glendale's share is 23.00%.
- An eighth project financed through SCPPA is the Linden Wind Energy Project (LIN) located in Klickitat County in the state of Washington. The facility is a 50 MW capacity wind farm. The 25 year purchase power agreement with SCPPA is for the purchase of 10.00% (approximately 5 MW) of the capacity of the project. The City has sold its



**CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2014

(in thousands)

output entitlement share to Los Angeles Water and Power (LADWP), but remains responsible for all the obligations associated with its participation in the Power Sales Agreements in the event if LADWP should default. As of June 30, 2014, Glendale's share is 10.00%.

- A ninth project financed through SCPA is the Tieton Hydropower Project (THP) located near the town of Tieton in Yakima County, Washington. The Project has a maximum capacity of approximately 20 megawatts. The Project includes a 115 kV transmission line, approximately 22-miles long, connecting the generating station with PacificCorp's Tieton Substation. The City is obligated for approximately 6.8 megawatts or 50.00% of the project's output. As of June 30, 2014, Glendale's share is 50.00 %.
- A tenth project financed through SCPA is Windy Point/Windy Flats project (WP) located in Klickitat County in the state of Washington. The Project has a maximum capacity of approximately 262.2 megawatts. The City Council approved a 20 year purchase power agreement with SCPA for the purchase of approximately 20 megawatts or 7.63% of the renewable energy output from the Project. The City has sold its output entitlement share to Los Angeles Water and Power (LADWP), but remains responsible for all the obligations associated with its participation in the Power Sales Agreements in the event if LADWP should default. As of June 30, 2014, Glendale's share is 7.63 %.
- The eleventh project financed through SCPA is the Milford II Wind Project (MIL2) located near Beaver and Millard Counties, Utah. The Project has a capacity of approximately 102 megawatts. The City Council approved a 20 year purchase power agreement with SCPA for the purchase of approximately 5 megawatts or 4.90% of the Project's output. The City has sold its output entitlement share to Los Angeles Water and Power, but remains responsible for all the obligations associated with its participation in the Power Sales Agreements in the event if LADWP should default. As of June 30, 2014, Glendale's share is 4.90%.

Take-or-Pay commitments expire upon final maturity of outstanding bonds for each project. Final fiscal year contract expirations are as follows:

Project	Contract Expiration Date	Glendale's Share
Intermountain Power Project (IPP)	2027	2.16%
Palo Verde Project (PV)	2030	4.40%
Southern Transmission System (STS)	2027	2.27%
San Juan Project (SJ)	2030	9.80%
Mead-Adelanto Project (MA)	2030	11.04%
Mead-Phoenix Project (MP)	2030	14.80%
Magnolia Power Project (MPP)	2036	17.25%
Natural Gas Prepaid Project (NGPP)	2035	23.00%
Linden Wind Energy Project (LIN)	2035	10.00%
Tieton Hydropower Project (THP)	2040	50.00%
Windy Point/Windy Flats Project (WP)	2030	7.63%
Milford II Wind Project (MIL2)	2031	4.90%

**CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2014

(in thousands)

A summary of the City's "Take or Pay" debt service commitment and the final maturity date as of June 30, 2014:

Fiscal Year	IPP	PV	STS	SJ	MA	MP	MPP	NGPP	LIN	THP	WP	MIL2	TOTAL
2015	\$ 4,207	525	1,512	176	2,246	892	2,746	2,726	684	1,044	2,273	444	19,475
2016	4,711	554	1,879	1,614	2,514	1,016	3,717	4,562	1,015	1,679	3,132	630	27,023
2017	3,316	556	1,846	1,612	2,450	982	3,718	4,561	1,016	1,679	3,131	631	25,498
2018	4,821	560	1,818	1,611	2,431	976	2,895	4,588	1,015	1,680	3,132	630	26,157
2019	5,263	-	1,798	1,610	2,410	966	2,895	4,715	1,016	1,679	3,132	631	26,115
2020-2024	13,717	-	9,113	1,563	4,179	1,672	14,545	26,281	5,078	8,401	15,658	3,153	103,360
2025-2029	-	-	3,280	-	-	-	16,433	31,297	5,077	9,185	15,658	3,153	84,083
2030-2034	-	-	-	-	-	-	16,980	36,774	5,029	8,338	6,264	1,892	75,277
2035-2039	-	-	-	-	-	-	18,399	8,906	1,914	8,337	-	-	37,556
2040-2044	-	-	-	-	-	-	-	-	-	5,019	-	-	5,019
Total	\$36,035	2,195	21,246	8,186	16,230	6,504	82,328	124,410	21,844	47,041	52,380	11,164	429,563

In addition to debt service, the City's entitlement requires the payment for fuel costs, operating and maintenance (O&M), administrative and general (A&G), and other miscellaneous costs associated with the generation and transmission facilities discussed above. These costs do not have a similar structured payment schedule as debt service and vary each year. The costs incurred for fiscal year 2014 and 2013 are as follows:

Fiscal Year	IPP	PV	STS	SJ	MA	MP	MPP	NGPP	LIN	THP	WP	MIL2	TOTAL
2014	\$ 8,588	2,760	676	7,568	266	224	4,236	1,923	-	505	-	-	26,746
2013	\$ 8,578	2,336	486	6,804	257	143	4,238	13	-	611	-	-	23,466

## **CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2014

(in thousands)

### **NOTE 16 - SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY**

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (“the Bill”) that provides for the dissolution of all redevelopment agencies in the State of California. In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

Successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated semi-annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

The Bill provides that upon dissolution of a redevelopment agency, either the city or another local government unit will agree to serve as the “successor agency” to hold the assets until they are distributed to other units of state and local government. On January 10, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City resolution number 12-01. This action impacted the reporting entity of the City of Glendale that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit. After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City. The transfer of the assets and liabilities of the former redevelopment agency as of February 1, 2012 (effectively the same date as January 31, 2012) from governmental funds of the City to fiduciary fund was reported in the governmental funds as an extraordinary loss (gain) in the governmental fund financial statements. The receipt of these assets and liabilities as of January 31, 2012 was reported in the private-purpose trust fund as an extraordinary gain (or loss).

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City’s position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City. Like for instance, the Bill invalidates advances/loans made by the former Redevelopment Agency (“the former Agency”) from the City. As a result, the City had written off the former Agency’s advances’ outstanding balance of \$71,758 in fiscal year 2012. However, when legislature approved Assembly Bill 1484, the City was eligible to reinstate the City/Agency loans pursuant to California Health & Safety Code section 34191.4. The City of Glendale Successor Agency to the former Agency received approval from its Oversight Board and from the State Department of Finance to reinstate the City/Agency loans. However, the reinstated loan is limited by H&SC section 34191.4 which allows the Successor Agency (SA) to repay the loan pursuant to a formula that prescribes the maximum payment per fiscal year as equal to one-half of the increase between the amount distributed to the taxing entities pursuant to H&SC section 34183 and the amount distributed to the taxing entities pursuant to that paragraph in the 2012-2013 base year. In addition, the accumulated interest on the remaining principal amount of the reinstated loan of \$13,613 is also required to be recalculated from loan origination at the interest rate earned by funds deposited into the Local Agency Investment Fund (LAIF). The loans are required to be repaid in accordance with a defined schedule over a reasonable term of years at an interest rate not to exceed the interest rate earned by funds deposited into LAIF. Furthermore, twenty percent (20%) of any loan repayment is required to be deducted and transferred to the City’s Low and Moderate Income Housing Asset Fund.

A lawsuit was filed by the City of Glendale on August 14, 2014 in Sacramento Superior Court – Case No. 34-2014-80001924 and is assigned to the Honorable Shelleyanne W.L. Chang, Dept. 24. The basis of the lawsuit is over the interpretation of the repayment terms included within the statute of AB 1484 (which amended Health & Safety Code Section 34191.4). The

## **CITY OF GLENDALE**

Notes to the Financial Statements

Fiscal Year Ended June 30, 2014

(in thousands)

California Department of Finance (DOF) claims that the accumulated interest on the loans that is required to be recalculated should be based on a fixed interest rate equal to the historically low LAIF rate in effect on the date the Oversight Board approved reinstatement of the loans; in the City of Glendale's case is 0.28%. The City of Glendale does not believe DOF's interpretation has any support in the law, which expressly requires the accumulated interest to be recalculated based on the LAIF rate in effect during each quarter that the loan was outstanding, which varied from quarter-to-quarter. Depending on which method (interpretation) is used to recalculate accumulated interest from loan origination, the resulting loan balance is either \$14,587 or \$45,587. The briefing schedule has been set and a hearing date of February 13, 2015 has been assigned.

### **NOTE 17 - SUBSEQUENT EVENTS**

In September 2014, the City Council approved a 25-year agreement with Skylar Resources L.P. for the purchase of solar-generated electric power for an amount not to exceed \$731 million. The agreement will help Glendale Water and Power (GWP) Department to meet the Renewable Portfolio Standard (RPS) compliance requirement and to cover a portion of GWP's net short energy position.

### **NOTE 18 - PRONOUNCEMENTS ISSUED BUT NOT YET IMPLEMENTED**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements of the City, except that GASB Statement No. 68 and No. 71 are expected to have an effect on the City's net position. However, management has not determined such effect.

- GASB Statement No. 68 – *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27.*
- GASB Statement No. 69 – *Government Combinations and Disposals of Government Operations.*
- GASB Statement No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date.*

### **NOTE 19 - IMPLEMENTATION OF PRONOUNCEMENTS**

The City has adopted and implemented the following GASB Statements during the year ended June 30, 2014:

- GASB Statement No. 66 – *Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62.*
- GASB Statement No. 70 – *Accounting and Financial Reporting for Nonexchange Financial Guarantees.*

The implementation of GASB Statements No. 66 and No. 70 did not impact the financial statements of the City during the year ended June 30, 2014.

**CITY OF GLENDALE**  
Required Supplementary Information  
Fiscal Year Ended June 30, 2014  
(in thousands)

**(A) Employee Retirement Plan**

**Schedule of Pension Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets	Accrued Liability	(Over- funded)/ Unfunded	Funded Ratio	Covered Payroll	(Overfunded)/ Unfunded as a Percentage of Covered Payroll
	(A)	(B)	(B-A)	(A/B)	(C)	((B-A)/C)
6/30/2011:						
Misc.	\$ 727,228	830,155	102,927	87.60%	\$ 103,355	99.59%
Safety	472,794	596,914	124,120	79.21%	49,932	248.58%
Total	<u>1,200,022</u>	<u>1,427,069</u>	<u>227,047</u>	84.09%	<u>153,287</u>	148.12%
6/30/2012:						
Misc.	755,863	861,889	106,026	87.70%	101,681	104.27%
Safety	492,663	625,617	132,954	78.75%	47,930	277.39%
Total	<u>1,248,526</u>	<u>1,487,506</u>	<u>238,980</u>	83.93%	<u>149,611</u>	159.73%
Actuarial Valuation Date	Market Value of Assets	Accrued Liability	(Over- funded)/ Unfunded	Funded Ratio	Covered Payroll	(Overfunded)/ Unfunded as a Percentage of Covered Payroll
	(A)	(B)	(B-A)	(A/B)	(C)	((B-A)/C)
6/30/2013:						
Misc.	\$ 688,149	898,721	210,572	76.60%	\$ 88,616	237.62%
Safety	451,424	652,783	201,359	69.20%	45,993	437.80%
Total	<u>1,139,573</u>	<u>1,551,504</u>	<u>411,931</u>	73.45%	<u>134,609</u>	306.02%

Beginning with the June 30, 2013 valuation, the Actuarial Value of Assets equals the Market Value of Assets per CalPERS Direct Rate Smoothing Policy, approved by CalPERS Board on April 17, 2013.

**(B) Postemployment Healthcare Plan**

**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
	(A)	(B)	(B-A)	(A/B)	(C)	((B-A)/C)
6/30/2009	\$ 0	103,947	103,947	0%	\$ 140,934	74%
6/30/2011	0	191,063	191,063	0%	140,403	136%
6/30/2013	0	214,014	214,014	0%	121,029	177%

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# *Nonmajor Governmental Funds*

This section of the CAFR provides information on each individual governmental fund, except for those major governmental funds reported in the basic financial statements: General Fund, Housing Assistance Fund and Capital Improvement Fund. This section includes special revenue funds, debt service funds, and capital project funds:

- Special Revenue Funds are used to account for the proceeds of specific revenue resources or to finance specified activities as required by law or administrative regulation.
- Debt Service Funds are used to account for the accumulation and disbursement of financial resources that will be used to make principal and interest payments on general long-term debt of the City of Glendale.
- Capital Project Funds are used to account for financial resources used for the acquisition of major capital facilities other than those financed by Special Revenue and Proprietary Funds.







Exhibit G-1  
**CITY OF GLENDALE**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2014 (in thousands)

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
<b>Assets</b>				
Pooled cash and investments	\$ 30,065	23,787	12,845	66,697
Cash with fiscal agent	-	-	-	-
Designated and invested cash	-	-	23,850	23,850
Interest receivable	80	71	38	189
Accounts receivable, net	12,688	-	603	13,291
Prepaid items	38	-	-	38
Loans receivable-current	165	-	-	165
Property held for resale	6,007	-	-	6,007
Total assets	49,043	23,858	37,336	110,237
<b>Liabilities, deferred inflows of resources and fund balances</b>				
Liabilities:				
Accounts payable	2,746	-	821	3,567
Due to other funds	12,040	-	-	12,040
Advance from other funds	1,946	-	-	1,946
Interest payable	-	17	-	17
Deposits	375	-	-	375
Total liabilities	17,107	17	821	17,945
Deferred inflows of resources:				
Unavailable revenues	5,478	-	4	5,482
Total liabilities and deferred inflows of resources	22,585	17	825	23,427
Fund Balances:				
Nonspendable:				
Prepaid	38	-	-	38
Restricted for:				
Federal and state grants	2,604	-	-	2,604
Public safety	1,197	-	-	1,197
Youth employment	18	-	-	18
Transportation	17,019	-	-	17,019
Landscaping district	63	-	-	63
Low and moderate housing	9,820	-	-	9,820
Air quality improvement	276	-	-	276
Cable access	1,237	-	-	1,237
Electric public benefit AB1890	1,960	-	-	1,960
State gas tax mandates	-	-	7,044	7,044
Landfill postclosure	-	-	23,850	23,850
Committed to:				
Debt service	-	23,841	-	23,841
Urban art	2,437	-	-	2,437
Public safety	116	-	-	116
Impact fee funded projects	-	-	5,562	5,562
Capital projects	-	-	55	55
Unassigned:	(10,327)	-	-	(10,327)
Total fund balances	26,458	23,841	36,511	86,810
Total liabilities, deferred inflows of resources and fund balances	\$ 49,043	23,858	37,336	110,237

**CITY OF GLENDALE**

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

Nonmajor Governmental Funds

Fiscal Year Ended June 30, 2014 (in thousands)

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Sales taxes	\$ 2,035	-	-	2,035
Other taxes	5,947	-	-	5,947
Revenue from other agencies	31,465	-	6,438	37,903
Licenses and permits	539	-	802	1,341
Fines and forfeitures	723	-	-	723
Charges for services	13,526	-	-	13,526
Use of money and property	759	316	156	1,231
Miscellaneous revenue	1,144	-	121	1,265
Total revenues	56,138	316	7,517	63,971
<b>Expenditures:</b>				
Current:				
Police	3,288	134	-	3,422
Fire	5,570	-	-	5,570
Public works	13,643	-	2,288	15,931
Housing, health & community development	9,567	-	-	9,567
Employment programs	5,545	-	-	5,545
Public service	5,325	-	-	5,325
Parks, recreation and community services	368	-	184	552
Library	186	-	12	198
Capital	11,572	-	6,741	18,313
Debt service				
Interest expenses	520	286	-	806
Principal	4,813	9,037	-	13,850
Total expenditures	60,397	9,457	9,225	79,079
Excess (deficiency) of revenues over (under) expenditures	(4,259)	(9,141)	(1,708)	(15,108)
<b>Other financing sources (uses):</b>				
Transfers in	60	1,392	1,500	2,952
Transfers out	(1,100)	-	-	(1,100)
Total financing sources (uses)	(1,040)	1,392	1,500	1,852
Net change in fund balances	(5,299)	(7,749)	(208)	(13,256)
Fund balance, July 1	31,757	31,590	36,719	100,066
Fund balance, June 30	\$ 26,458	23,841	36,511	86,810

## **SPECIAL REVENUE FUNDS**

- CDBG Fund - To account for monies received and expended by the City as a participant in the Federal Community Development Block Grant (CDBG) Program.
- Home Grant Fund - To account for monies received and expended by the City under the HOME Investment Partnerships Program to strengthen public-private partnerships and to preserve and provide affordable housing.
- Supportive Housing Grant Fund - To account for monies received and expended by the City under the Supportive Housing Grant Program to address the homeless needs of the City.
- Emergency Solutions Grant Fund - To account for monies received and expended by the City under the Emergency Solutions Grant Program to address the homeless needs of the City.
- Workforce Investment Act Fund - To account for monies received and expended for the federal, state and local-funded job training programs.
- Urban Art Fund - To account for the art fees collected from the City developments that are committed to support the public art installation and maintenance, in accordance with the City's Urban Art Program Guidelines.
- Glendale Youth Alliance Fund - To account for monies received and expended in the youth employment programs.
- BEGIN Affordable Homeownership Fund - To account for monies received and expended by the City under the Building Equity and Growth in Neighborhoods (BEGIN) grant to provide down payment assistance to 57 eligible first time home buyers in the Doran Gardens project.
- Low & Moderate Income Housing Asset Fund - To account for monies received and expended for low and moderate income housing activities pursuant to AB1484.
- Air Quality Improvement Fund - To account for monies received from South Coast Air Quality Management District and expended on air pollution reduction.
- PW Special Grants Fund - To account for various grants received and expended by the City in the Public Works (PW) department.
- San Fernando Landscape District Fund - To account for assessments and expenditures associated with the San Fernando Road Corridor (SFRC) Landscape & Maintenance District Project.
- Measure R Local Return Fund - To account for monies received from the ½ cent sales tax increase approved in November 2008 by Los Angeles County voters, and the related transportation and street expenses.
- Measure R Regional Return Fund - To account for monies received from the various grants that are funded by the Measure R, which is the ½ cent sales tax increase approved in November 2008 by Los Angeles County voters, and the related transportation and street project expenses.
- Transit Prop A Local Return Fund - To account for monies received from a portion of the sales tax via Prop A which is restricted to transportation-related activities.
- Transit Prop C Local Return Fund - To account for monies received from a portion of the sales tax via Prop C which is restricted to transportation-related activities.
- Transit Utility Fund - To capture the revenues and expenses associated with the operation of fixed route and demand response transit services for reporting to state and federal regulators.
- Asset Forfeiture Fund - To account for the proceeds of money or property seized as a result of illegal activity which is restricted to law enforcement uses.

- Police Special Grants Fund - To account for various small grants received and expended by the City in the Police department, such as the Career Criminal Apprehension Program, Community Oriented Policing and the Child Passenger Safety Grant.
- Supplemental Law Enforcement Fund - To account for monies received from the State of California to provide funding for local agencies for the Citizen's Option for Public Safety Program (COPS).
- Fire Grant Fund - To account for grant monies received and expended for fire prevention programs.
- Fire Mutual Aid Fund - To account for the reimbursements received from either the Federal government or the State of California that are committed for the City's fire strike team labor costs, fire equipment charges as well as overhead costs incurred by the City in assisting fire incidents outside of the City's jurisdiction.
- Special Events Fund - To account for the monies received from the Police and Fire special events and movie details that are committed for the related personnel and operation costs.
- Nutritional Meals Grant Fund - To account for monies received from Federal assistance programs for senior citizen services.
- Library Fund - To account for the various grant monies and donations received from Federal, State and local agencies that are restricted for library services.
- Cable Access Fund - To account for the cable access fee that is restricted to provide for resources to broadcast the City Council meetings and other various commissions, forums, etc.
- Electric Public Benefit Fund - To account for the fee assessed on the electric customers to fund public benefit programs such as low income projects, research and development and demonstration program as mandated by State of California, AB 1890.
- Emergency Medical Services Fund - To account for operations of the emergency transport and paramedic service in the City.

**CITY OF GLENDALE**

Combining Balance Sheet

Nonmajor Governmental Funds - Special Revenue Funds

June 30, 2014 (in thousands)

	CDBG Fund	Home Grant Fund	Supportive Housing Grant Fund	Emergency Solutions Grant Fund
<b>Assets</b>				
Pooled cash and investments	\$ -	-	-	-
Interest receivable	-	-	-	-
Accounts receivable, net	491	696	763	39
Prepaid items	-	-	38	-
Loans receivable-current	-	-	-	-
Property held for resale	-	-	-	-
Total assets	491	696	801	39
<b>Liabilities, deferred inflows of resources and fund balances</b>				
<b>Liabilities:</b>				
Accounts payable	117	283	255	9
Due to other funds	436	413	546	30
Advance from other funds	-	-	-	-
Deposits	-	-	-	-
Total liabilities	553	696	801	39
<b>Deferred inflows of resources:</b>				
Unavailable revenues	-	-	-	-
Total liabilities and deferred inflows of resources	553	696	801	39
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
Prepaid	-	-	38	-
<b>Restricted for:</b>				
Federal and state grants	-	-	-	-
Public safety	-	-	-	-
Youth employment	-	-	-	-
Transportation	-	-	-	-
Landscaping district	-	-	-	-
Low and moderate housing	-	-	-	-
Air quality improvement	-	-	-	-
Cable access	-	-	-	-
Electric public benefit AB1890	-	-	-	-
<b>Committed to:</b>				
Urban art	-	-	-	-
Public safety	-	-	-	-
Unassigned:	(62)	-	(38)	-
Total fund balances (deficits)	(62)	-	-	-
Total liabilities, deferred inflows of resources and fund balances	\$ 491	696	801	39

(Continued)

## Exhibit H-1

**CITY OF GLENDALE**

## Combining Balance Sheet

## Nonmajor Governmental Funds - Special Revenue Funds

June 30, 2014 (in thousands)

	Workforce Investment Act Fund	Urban Art Fund	Glendale Youth Alliance Fund	Low & Moderate Income Housing Asset Fund
<b>Assets</b>				
Pooled cash and investments	\$ -	2,430	-	3,539
Interest receivable	-	7	-	11
Accounts receivable, net	638	-	93	124
Prepaid items	-	-	-	-
Loans receivable-current	-	-	-	165
Property held for resale	-	-	-	6,007
Total assets	638	2,437	93	9,846
<b>Liabilities, deferred inflows of resources and fund balances</b>				
<b>Liabilities:</b>				
Accounts payable	69	-	-	26
Due to other funds	21	-	75	-
Advance from other funds	-	-	-	-
Deposits	1	-	-	-
Total liabilities	91	-	75	26
<b>Deferred inflows of resources:</b>				
Unavailable revenues	-	-	-	-
Total liabilities and deferred inflows of resources	91	-	75	26
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
Prepaid	-	-	-	-
<b>Restricted for:</b>				
Federal and state grants	547	-	-	-
Public safety	-	-	-	-
Youth employment	-	-	18	-
Transportation	-	-	-	-
Landscaping district	-	-	-	-
Low and moderate housing	-	-	-	9,820
Air quality improvement	-	-	-	-
Cable access	-	-	-	-
Electric public benefit AB1890	-	-	-	-
<b>Committed to:</b>				
Urban art	-	2,437	-	-
Public safety	-	-	-	-
<b>Unassigned:</b>				
	-	-	-	-
Total fund balances (deficits)	547	2,437	18	9,820
Total liabilities, deferred inflows of resources and fund balances	\$ 638	2,437	93	9,846

(Continued)

**CITY OF GLENDALE**

Combining Balance Sheet

Nonmajor Governmental Funds - Special Revenue Funds

June 30, 2014 (in thousands)

	Air Quality Improvement Fund	PW Special Grants Fund	San Fernando Landscape District Fund	Measure R Local Return Fund
<b>Assets</b>				
Pooled cash and investments	\$ 165	-	64	4,861
Interest receivable	-	-	-	14
Accounts receivable, net	125	1,369	1	-
Prepaid items	-	-	-	-
Loans receivable-current	-	-	-	-
Property held for resale	-	-	-	-
Total assets	290	1,369	65	4,875
<b>Liabilities, deferred inflows of resources and fund balances</b>				
<b>Liabilities:</b>				
Accounts payable	14	12	2	-
Due to other funds	-	1,357	-	-
Advance from other funds	-	-	-	-
Deposits	-	-	-	-
Total liabilities	14	1,369	2	-
<b>Deferred inflows of resources:</b>				
Unavailable revenues	-	551	-	-
Total liabilities and deferred inflows of resources	14	1,920	2	-
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
Prepaid	-	-	-	-
<b>Restricted for:</b>				
Federal and state grants	-	-	-	-
Public safety	-	-	-	-
Youth employment	-	-	-	-
Transportation	-	-	-	4,875
Landscaping district	-	-	63	-
Low and moderate housing	-	-	-	-
Air quality improvement	276	-	-	-
Cable access	-	-	-	-
Electric public benefit AB1890	-	-	-	-
<b>Committed to:</b>				
Urban art	-	-	-	-
Public safety	-	-	-	-
<b>Unassigned:</b>				
	-	(551)	-	-
Total fund balances (deficits)	276	(551)	63	4,875
Total liabilities, deferred inflows of resources and fund balances	\$ 290	1,369	65	4,875

(Continued)

**CITY OF GLENDALE**

Combining Balance Sheet

Nonmajor Governmental Funds - Special Revenue Funds

June 30, 2014 (in thousands)

	Measure R Regional Return Fund	Transit Prop A Local Return Fund	Transit Prop C Local Return Fund	Transit Utility Fund
<b>Assets</b>				
Pooled cash and investments	\$ -	9,159	3,238	-
Interest receivable	-	10	16	-
Accounts receivable, net	912	184	257	3,793
Prepaid items	-	-	-	-
Loans receivable-current	-	-	-	-
Property held for resale	-	-	-	-
Total assets	912	9,353	3,511	3,793
<b>Liabilities, deferred inflows of resources and fund balances</b>				
<b>Liabilities:</b>				
Accounts payable	255	242	478	-
Due to other funds	656	-	-	3,793
Advance from other funds	-	-	-	-
Deposits	-	-	-	-
Total liabilities	911	242	478	3,793
<b>Deferred inflows of resources:</b>				
Unavailable revenues	735	-	-	3,793
Total liabilities and deferred inflows of resources	1,646	242	478	7,586
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
Prepaid	-	-	-	-
<b>Restricted for:</b>				
Federal and state grants	-	-	-	-
Public safety	-	-	-	-
Youth employment	-	-	-	-
Transportation	-	9,111	3,033	-
Landscaping district	-	-	-	-
Low and moderate housing	-	-	-	-
Air quality improvement	-	-	-	-
Cable access	-	-	-	-
Electric public benefit AB1890	-	-	-	-
<b>Committed to:</b>				
Urban art	-	-	-	-
Public safety	-	-	-	-
Unassigned:	(734)	-	-	(3,793)
Total fund balances (deficits)	(734)	9,111	3,033	(3,793)
Total liabilities, deferred inflows of resources and fund balances	\$ 912	9,353	3,511	3,793

(Continued)



## Exhibit H-1

**CITY OF GLENDALE**

## Combining Balance Sheet

## Nonmajor Governmental Funds - Special Revenue Funds

June 30, 2014 (in thousands)

	Asset Forfeiture Fund	Police Special Grants Fund	Supplemental Law Enforcement Fund	Fire Grant Fund
<b>Assets</b>				
Pooled cash and investments	\$ 1,240	1	72	-
Interest receivable	3	-	-	-
Accounts receivable, net	11	1,172	64	796
Prepaid items	-	-	-	-
Loans receivable-current	-	-	-	-
Property held for resale	-	-	-	-
Total assets	1,254	1,173	136	796
<b>Liabilities, deferred inflows of resources and fund balances</b>				
Liabilities:				
Accounts payable	136	1	-	19
Due to other funds	-	1,197	-	648
Advance from other funds	-	-	-	-
Deposits	57	-	-	-
Total liabilities	193	1,198	-	667
Deferred inflows of resources:				
Unavailable revenues	-	-	-	393
Total liabilities and deferred inflows of resources	193	1,198	-	1,060
Fund Balances:				
Nonspendable:				
Prepaid	-	-	-	-
Restricted for:				
Federal and state grants	-	-	-	-
Public safety	1,061	-	136	-
Youth employment	-	-	-	-
Transportation	-	-	-	-
Landscaping district	-	-	-	-
Low and moderate housing	-	-	-	-
Air quality improvement	-	-	-	-
Cable access	-	-	-	-
Electric public benefit AB1890	-	-	-	-
Committed to:				
Urban art	-	-	-	-
Public safety	-	-	-	-
Unassigned:	-	(25)	-	(264)
Total fund balances (deficits)	1,061	(25)	136	(264)
Total liabilities, deferred inflows of resources and fund balances	\$ 1,254	1,173	136	796

(Continued)

**CITY OF GLENDALE**

Combining Balance Sheet

Nonmajor Governmental Funds - Special Revenue Funds

June 30, 2014 (in thousands)

	Fire Mutual Aid Fund	Special Events Fund	Nutritional Meals Grant Fund	Library Fund
<b>Assets</b>				
Pooled cash and investments	\$ 15	99	4	2,041
Interest receivable	-	1	-	7
Accounts receivable, net	7	-	38	-
Prepaid items	-	-	-	-
Loans receivable-current	-	-	-	-
Property held for resale	-	-	-	-
Total assets	22	100	42	2,048
<b>Liabilities, deferred inflows of resources and fund balances</b>				
Liabilities:				
Accounts payable	-	-	33	-
Due to other funds	-	-	-	-
Advance from other funds	-	-	-	-
Deposits	-	-	-	-
Total liabilities	-	-	33	-
Deferred inflows of resources:				
Unavailable revenues	6	-	-	-
Total liabilities and deferred inflows of resources	6	-	33	-
Fund Balances:				
Nonspendable:				
Prepaid	-	-	-	-
Restricted for:				
Federal and state grants	-	-	9	2,048
Public safety	-	-	-	-
Youth employment	-	-	-	-
Transportation	-	-	-	-
Landscaping district	-	-	-	-
Low and moderate housing	-	-	-	-
Air quality improvement	-	-	-	-
Cable access	-	-	-	-
Electric public benefit AB1890	-	-	-	-
Committed to:				
Urban art	-	-	-	-
Public safety	16	100	-	-
Unassigned:	-	-	-	-
Total fund balances (deficits)	16	100	9	2,048
Total liabilities, deferred inflows of resources and fund balances	\$ 22	100	42	2,048

(Continued)

## Exhibit H-1

**CITY OF GLENDALE**

## Combining Balance Sheet

## Nonmajor Governmental Funds - Special Revenue Funds

June 30, 2014 (in thousands)

	Cable Access Fund	Electric Public Benefit Fund	Emergency Medical Services Fund	Total Nonmajor Special Revenue Funds
<b>Assets</b>				
Pooled cash and investments	\$ 1,089	2,048	-	30,065
Interest receivable	4	7	-	80
Accounts receivable, net	199	902	14	12,688
Prepaid items	-	-	-	38
Loans receivable-current	-	-	-	165
Property held for resale	-	-	-	6,007
Total assets	1,292	2,957	14	49,043
<b>Liabilities, deferred inflows of resources and fund balances</b>				
Liabilities:				
Accounts payable	55	680	60	2,746
Due to other funds	-	-	2,868	12,040
Advance from other funds	-	-	1,946	1,946
Deposits	-	317	-	375
Total liabilities	55	997	4,874	17,107
Deferred inflows of resources:				
Unavailable revenues	-	-	-	5,478
Total liabilities and deferred inflows of resources	55	997	4,874	22,585
Fund Balances:				
Nonspendable:				
Prepaid	-	-	-	38
Restricted for:				
Federal and state grants	-	-	-	2,604
Public safety	-	-	-	1,197
Youth employment	-	-	-	18
Transportation	-	-	-	17,019
Landscaping district	-	-	-	63
Low and moderate housing	-	-	-	9,820
Air quality improvement	-	-	-	276
Cable access	1,237	-	-	1,237
Electric public benefit AB1890	-	1,960	-	1,960
Committed to:				
Urban art	-	-	-	2,437
Public safety	-	-	-	116
Unassigned:	-	-	(4,860)	(10,327)
Total fund balances (deficits)	1,237	1,960	(4,860)	26,458
Total liabilities, deferred inflows of resources and fund balances	\$ 1,292	2,957	14	49,043

## Exhibit H-2

**CITY OF GLENDALE**Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances

## Nonmajor Governmental Funds - Special Revenue Funds

Fiscal Year Ended June 30, 2014 (in thousands)

	CDBG Fund	Home Grant Fund	Supportive Housing Grant Fund	Emergency Solutions Grant Fund
<b>Revenues:</b>				
Sales taxes	\$ -	-	-	-
Other taxes	-	-	-	-
Revenue from other agencies	3,857	2,709	2,437	138
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	-
Use of money and property	-	-	-	-
Miscellaneous revenue	87	11	-	-
Total revenues	3,944	2,720	2,437	138
<b>Expenditures:</b>				
Current:				
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Housing, health and community development	1,912	2,720	2,437	138
Employment programs	-	-	-	-
Public service	-	-	-	-
Parks, recreation and community services	-	-	-	-
Library	-	-	-	-
Capital	1,853	-	-	-
Debt service:				
Interest expenses	29	-	-	-
Principal	170	-	-	-
Total expenditures	3,964	2,720	2,437	138
Excess (deficiency) of revenues over (under) expenditures	(20)	-	-	-
<b>Other financing sources (uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total financing sources (uses)	-	-	-	-
Net change in fund balances	(20)	-	-	-
Fund balances (deficits), July 1	(42)	-	-	-
Fund balances (deficits), June 30	\$ (62)	-	-	-

(Continued)

## Exhibit H-2

**CITY OF GLENDALE**Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances

## Nonmajor Governmental Funds - Special Revenue Funds

Fiscal Year Ended June 30, 2014 (in thousands)

	Workforce Investment Act Fund	Urban Art Fund	Glendale Youth Alliance Fund	BEGIN Affordable Homeownership Fund
<b>Revenues:</b>				
Sales taxes	\$ -	-	-	-
Other taxes	-	-	-	-
Revenue from other agencies	4,109	-	-	1,266
Licenses and permits	-	539	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	1,439	-
Use of money and property	-	27	-	4
Miscellaneous revenue	60	-	-	-
Total revenues	4,169	566	1,439	1,270
<b>Expenditures:</b>				
Current:				
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Housing, health and community development	-	-	-	1,885
Employment programs	4,136	-	1,409	-
Public service	-	-	-	-
Parks, recreation and community services	-	-	-	-
Library	-	22	-	-
Capital	-	-	-	-
Debt service:				
Interest expenses	-	-	-	-
Principal	-	-	-	-
Total expenditures	4,136	22	1,409	1,885
Excess (deficiency) of revenues over (under) expenditures	33	544	30	(615)
<b>Other financing sources (uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total financing sources (uses)	-	-	-	-
Net change in fund balances	33	544	30	(615)
Fund balances (deficits), July 1	514	1,893	(12)	615
Fund balances (deficits), June 30	\$ 547	2,437	18	-

(Continued)

## Exhibit H-2

**CITY OF GLENDALE**Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances

## Nonmajor Governmental Funds - Special Revenue Funds

Fiscal Year Ended June 30, 2014 (in thousands)

	Low & Moderate Income Housing Asset Fund	Air Quality Improvement Fund	PW Special Grants Fund	San Fernando Landscape District Fund
<b>Revenues:</b>				
Sales taxes	\$ -	-	-	-
Other taxes	-	-	-	-
Revenue from other agencies	-	238	1,564	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	6	-	-
Use of money and property	494	2	-	1
Miscellaneous revenue	430	-	-	62
Total revenues	924	246	1,564	63
<b>Expenditures:</b>				
Current:				
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	239	205	48
Housing, health and community development	475	-	-	-
Employment programs	-	-	-	-
Public service	-	-	-	-
Parks, recreation and community services	-	-	-	-
Library	-	-	-	-
Capital	-	-	1,603	-
Debt service:				
Interest expenses	491	-	-	-
Principal	4,643	-	-	-
Total expenditures	5,609	239	1,808	48
Excess (deficiency) of revenues over (under) expenditures	(4,685)	7	(244)	15
<b>Other financing sources (uses):</b>				
Transfers in	-	-	-	-
Transfers out	(1,100)	-	-	-
Total financing sources (uses)	(1,100)	-	-	-
Net change in fund balances	(5,785)	7	(244)	15
Fund balances (deficits), July 1	15,605	269	(307)	48
Fund balances (deficits), June 30	\$ 9,820	276	(551)	63

(Continued)

## Exhibit H-2

**CITY OF GLENDALE**Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances

Nonmajor Governmental Funds - Special Revenue Funds

Fiscal Year Ended June 30, 2014 (in thousands)

	Measure R Local Return Fund	Measure R Regional Return Fund	Transit Prop A Local Return Fund	Transit Prop C Local Return Fund
<b>Revenues:</b>				
Sales taxes	\$ 2,035	-	-	-
Other taxes	-	-	-	-
Revenue from other agencies	-	1,556	3,287	2,735
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	26	37
Use of money and property	47	-	51	66
Miscellaneous revenue	-	-	1	-
Total revenues	2,082	1,556	3,365	2,838
<b>Expenditures:</b>				
Current:				
Police	-	-	-	-
Fire	-	-	-	-
Public works	6	159	1,976	3,244
Housing, health and community development	-	-	-	-
Employment programs	-	-	-	-
Public service	-	-	-	-
Parks, recreation and community services	-	-	-	-
Library	-	-	-	-
Capital	307	1,372	1,302	-
Debt service:				
Interest expenses	-	-	-	-
Principal	-	-	-	-
Total expenditures	313	1,531	3,278	3,244
Excess (deficiency) of revenues over (under) expenditures	1,769	25	87	(406)
<b>Other financing sources (uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total financing sources (uses)	-	-	-	-
Net change in fund balances	1,769	25	87	(406)
Fund balances (deficits), July 1	3,106	(759)	9,024	3,439
Fund balances (deficits), June 30	\$ 4,875	(734)	9,111	3,033

(Continued)

## Exhibit H-2

**CITY OF GLENDALE**Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances

Nonmajor Governmental Funds - Special Revenue Funds

Fiscal Year Ended June 30, 2014 (in thousands)

	Transit Utility Fund	Asset Forfeiture Fund	Police Special Grants Fund	Supplemental Law Enforcement Fund
<b>Revenues:</b>				
Sales taxes	\$ -	-	-	-
Other taxes	-	-	-	-
Revenue from other agencies	1,268	-	2,884	355
Licenses and permits	-	-	-	-
Fines and forfeitures	-	723	-	-
Charges for services	6,448	-	133	-
Use of money and property	-	12	-	1
Miscellaneous revenue	49	-	69	-
Total revenues	7,765	735	3,086	356
<b>Expenditures:</b>				
Current:				
Police	-	633	1,604	388
Fire	-	-	-	-
Public works	7,766	-	-	-
Housing, health and community development	-	-	-	-
Employment programs	-	-	-	-
Public service	-	-	-	-
Parks, recreation and community services	-	-	-	-
Library	-	-	-	-
Capital	3,792	-	1,341	-
Debt service:				
Interest expenses	-	-	-	-
Principal	-	-	-	-
Total expenditures	11,558	633	2,945	388
Excess (deficiency) of revenues over (under) expenditures	(3,793)	102	141	(32)
<b>Other financing sources (uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total financing sources (uses)	-	-	-	-
Net change in fund balances	(3,793)	102	141	(32)
Fund balances (deficits), July 1	-	959	(166)	168
Fund balances (deficits), June 30	\$ (3,793)	1,061	(25)	136

(Continued)



## Exhibit H-2

**CITY OF GLENDALE**Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances

Nonmajor Governmental Funds - Special Revenue Funds

Fiscal Year Ended June 30, 2014 (in thousands)

	Fire Grant Fund	Fire Mutual Aid Fund	Special Events Fund	Nutritional Meals Grant Fund
<b>Revenues:</b>				
Sales taxes	\$ -	-	-	-
Other taxes	-	-	-	-
Revenue from other agencies	2,034	217	-	245
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	684	-
Use of money and property	-	2	3	-
Miscellaneous revenue	-	-	-	47
Total revenues	2,034	219	687	292
<b>Expenditures:</b>				
Current:				
Police	-	-	663	-
Fire	506	212	31	-
Public works	-	-	-	-
Housing, health and community development	-	-	-	-
Employment programs	-	-	-	-
Public service	-	-	-	-
Parks, recreation and community services	-	-	-	368
Library	-	-	-	-
Capital	2	-	-	-
Debt service:				
Interest expenses	-	-	-	-
Principal	-	-	-	-
Total expenditures	508	212	694	368
Excess (deficiency) of revenues over (under) expenditures	1,526	7	(7)	(76)
<b>Other financing sources (uses):</b>				
Transfers in	-	-	-	60
Transfers out	-	-	-	-
Total financing sources (uses)	-	-	-	60
Net change in fund balances	1,526	7	(7)	(16)
Fund balances (deficits), July 1	(1,790)	9	107	25
Fund balances (deficits), June 30	\$ (264)	16	100	9

(Continued)

## Exhibit H-2

**CITY OF GLENDALE**Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances

## Nonmajor Governmental Funds - Special Revenue Funds

Fiscal Year Ended June 30, 2014 (in thousands)

	Library Fund	Cable Access Fund	Electric Public Benefit Fund
<b>Revenues:</b>			
Sales taxes	\$ -	-	-
Other taxes	-	-	5,947
Revenue from other agencies	8	-	-
Licenses and permits	-	-	-
Fines and forfeitures	-	-	-
Charges for services	80	442	-
Use of money and property	13	12	24
Miscellaneous revenue	96	-	6
Total revenues	197	454	5,977
<b>Expenditures:</b>			
Current:			
Police	-	-	-
Fire	-	-	-
Public works	-	-	-
Housing, health and community development	-	-	-
Employment programs	-	-	-
Public service	-	-	5,325
Parks, recreation and community services	-	-	-
Library	164	-	-
Capital	-	-	-
Debt service:			
Interest expenses	-	-	-
Principal	-	-	-
Total expenditures	164	-	5,325
Excess (deficiency) of revenues over (under) expenditures	33	454	652
<b>Other financing sources (uses):</b>			
Transfers in	-	-	-
Transfers out	-	-	-
Total financing sources (uses)	-	-	-
Net change in fund balances	33	454	652
Fund balances (deficits), July 1	2,015	783	1,308
Fund balances (deficits), June 30	\$ 2,048	1,237	1,960

(Continued)

## Exhibit H-2

**CITY OF GLENDALE**Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances

Nonmajor Governmental Funds - Special Revenue Funds

Fiscal Year Ended June 30, 2014 (in thousands)

	Emergency Medical Services Fund	Total Nonmajor Special Revenue Funds
<b>Revenues:</b>		
Sales taxes	\$ -	2,035
Other taxes	-	5,947
Revenue from other agencies	558	31,465
Licenses and permits	-	539
Fines and forfeitures	-	723
Charges for services	4,231	13,526
Use of money and property	-	759
Miscellaneous revenue	226	1,144
Total revenues	5,015	56,138
<b>Expenditures:</b>		
Current:		
Police	-	3,288
Fire	4,821	5,570
Public works	-	13,643
Housing, health and community development	-	9,567
Employment programs	-	5,545
Public service	-	5,325
Parks, recreation and community services	-	368
Library	-	186
Capital	-	11,572
Debt service:		
Interest expenses	-	520
Principal	-	4,813
Total expenditures	4,821	60,397
Excess (deficiency) of revenues over (under) expenditures	194	(4,259)
<b>Other financing sources (uses):</b>		
Transfers in	-	60
Transfers out	-	(1,100)
Total financing sources (uses)	-	(1,040)
Net change in fund balances	194	(5,299)
Fund balances (deficits), July 1	(5,054)	31,757
Fund balances (deficits), June 30	\$ (4,860)	26,458

## Exhibit H-3

**CITY OF GLENDALE**

## Schedule of Revenues and Other Financing Sources - Budget and Actual

## Nonmajor Governmental Funds - Special Revenue Funds

Fiscal Year Ended June 30, 2014 (in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Over/(Under)</u>
<b>CDBG Fund:</b>				
Revenue from other agencies	\$ 2,067	2,029	3,857	1,828
Charges for services	4	4	-	(4)
Miscellaneous revenue	-	87	87	-
Total	<u>2,071</u>	<u>2,120</u>	<u>3,944</u>	<u>1,824</u>
<b>Home Grant Fund:</b>				
Revenue from other agencies	1,259	7,255	2,709	(4,546)
Miscellaneous revenue	3	3	11	8
Total	<u>1,262</u>	<u>7,258</u>	<u>2,720</u>	<u>(4,538)</u>
<b>Supportive Housing Grant Fund:</b>				
Revenue from other agencies	<u>2,367</u>	<u>2,367</u>	<u>2,437</u>	<u>70</u>
Total	<u>2,367</u>	<u>2,367</u>	<u>2,437</u>	<u>70</u>
<b>Emergency Solutions Grant Fund:</b>				
Revenue from other agencies	<u>243</u>	<u>141</u>	<u>138</u>	<u>(3)</u>
Total	<u>243</u>	<u>141</u>	<u>138</u>	<u>(3)</u>
<b>Workforce Investment Act Fund:</b>				
Revenue from other agencies	4,548	4,548	4,109	(439)
Miscellaneous revenue	<u>26</u>	<u>26</u>	<u>60</u>	<u>34</u>
Total	<u>4,574</u>	<u>4,574</u>	<u>4,169</u>	<u>(405)</u>
<b>Urban Art Fund:</b>				
Use of money and property	-	-	27	27
Licenses & Permits	<u>-</u>	<u>-</u>	<u>539</u>	<u>539</u>
Total	<u>-</u>	<u>-</u>	<u>566</u>	<u>566</u>
<b>Glendale Youth Alliance Fund:</b>				
Charges for services	<u>1,743</u>	<u>1,743</u>	<u>1,439</u>	<u>(304)</u>
Total	<u>1,743</u>	<u>1,743</u>	<u>1,439</u>	<u>(304)</u>
<b>BEGIN Affordable Homeownership Fund:</b>				
Use of money and property	-	-	4	4
Revenue from other agencies	<u>-</u>	<u>1,873</u>	<u>1,266</u>	<u>(607)</u>
Total	<u>-</u>	<u>1,873</u>	<u>1,270</u>	<u>(603)</u>
<b>Low &amp; Moderate Income Housing Asset Fund:</b>				
Use of money and property	45	45	494	449
Miscellaneous revenue	<u>507</u>	<u>3,467</u>	<u>430</u>	<u>(3,037)</u>
Total	<u>\$ 552</u>	<u>3,512</u>	<u>924</u>	<u>(2,588)</u>

(Continued)

## Exhibit H-3

**CITY OF GLENDALE**

## Schedule of Revenues and Other Financing Sources - Budget and Actual

## Nonmajor Governmental Funds - Special Revenue Funds

Fiscal Year Ended June 30, 2014 (in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Over/(Under)</u>
Air Quality Improvement Fund:				
Use of money and property	2	2	2	-
Revenue from other agencies	235	235	238	3
Charges for services	6	6	6	-
Total	<u>243</u>	<u>243</u>	<u>246</u>	<u>3</u>
PW Special Grants Fund:				
Revenue from other agencies	709	4,133	1,564	(2,569)
Total	<u>709</u>	<u>4,133</u>	<u>1,564</u>	<u>(2,569)</u>
San Fernando Landscape District Fund:				
Use of money and property	-	-	1	1
Miscellaneous revenue	75	75	62	(13)
Total	<u>75</u>	<u>75</u>	<u>63</u>	<u>(12)</u>
Measure R Local Return Fund:				
Sales taxes	2,053	2,053	2,035	(18)
Use of money and property	19	19	47	28
Total	<u>2,072</u>	<u>2,072</u>	<u>2,082</u>	<u>10</u>
Measure R Regional Return Fund:				
Revenue from other agencies	2,825	5,275	1,556	(3,719)
Total	<u>2,825</u>	<u>5,275</u>	<u>1,556</u>	<u>(3,719)</u>
Transit Prop A Local Return Fund:				
Use of money and property	67	67	51	(16)
Revenue from other agencies	3,313	3,313	3,287	(26)
Charges for services	100	100	26	(74)
Miscellaneous revenue	-	-	1	1
Total	<u>3,480</u>	<u>3,480</u>	<u>3,365</u>	<u>(115)</u>
Transit Prop C Local Return Fund:				
Use of money and property	52	52	66	14
Revenue from other agencies	2,756	2,756	2,735	(21)
Charges for services	25	25	37	12
Total	<u>2,833</u>	<u>2,833</u>	<u>2,838</u>	<u>5</u>

(Continued)

## Exhibit H-3

**CITY OF GLENDALE**

## Schedule of Revenues and Other Financing Sources - Budget and Actual

## Nonmajor Governmental Funds - Special Revenue Funds

Fiscal Year Ended June 30, 2014 (in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Over/(Under)</u>
Transit Utility Fund:				
Revenue from other agencies	\$ 7,750	7,750	1,268	(6,482)
Charges for services	7,890	7,951	6,448	(1,503)
Miscellaneous revenue	67	67	49	(18)
Total	<u>15,707</u>	<u>15,768</u>	<u>7,765</u>	<u>(8,003)</u>
Asset Forfeiture Fund:				
Use of money and property	-	-	12	12
Fines and forfeitures	-	-	723	723
Total	<u>-</u>	<u>-</u>	<u>735</u>	<u>735</u>
Police Special Grants Fund:				
Revenue from other agencies	648	1,364	2,884	1,520
Charges for services	244	244	133	(111)
Miscellaneous revenue	56	56	69	13
Total	<u>948</u>	<u>1,664</u>	<u>3,086</u>	<u>1,422</u>
Supplemental Law Enforcement Fund:				
Use of money and property	-	-	1	1
Revenue from other agencies	388	388	355	(33)
Total	<u>388</u>	<u>388</u>	<u>356</u>	<u>(32)</u>
Fire Grant Fund:				
Revenue from other agencies	-	-	2,034	2,034
Miscellaneous revenue	-	4	-	(4)
Total	<u>-</u>	<u>4</u>	<u>2,034</u>	<u>2,030</u>
Fire Mutual Aid Fund:				
Use of money and property	-	-	2	2
Revenue from other agencies	100	100	217	117
Total	<u>100</u>	<u>100</u>	<u>219</u>	<u>119</u>
Special Events Fund:				
Use of money and property	-	-	3	3
Charges for services	838	838	684	(154)
Total	<u>838</u>	<u>838</u>	<u>687</u>	<u>(151)</u>
Nutritional Meals Grant Fund:				
Revenue from other agencies	253	303	245	(58)
Miscellaneous revenue	59	64	47	(17)
Transfers	60	60	60	-
Total	<u>\$ 372</u>	<u>427</u>	<u>352</u>	<u>(75)</u>

(Continued)

## Exhibit H-3

**CITY OF GLENDALE**

## Schedule of Revenues and Other Financing Sources - Budget and Actual

## Nonmajor Governmental Funds - Special Revenue Funds

Fiscal Year Ended June 30, 2014 (in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Over/(Under)</u>
<b>Library Fund:</b>				
Use of money and property	\$ 6	6	13	7
Revenue from other agencies	-	10	8	(2)
Charges for services	121	121	80	(41)
Miscellaneous revenue	48	48	96	48
Total	<u>175</u>	<u>185</u>	<u>197</u>	<u>12</u>
<b>Cable Access Fund:</b>				
Use of money and property	5	5	12	7
Charges for services	625	625	442	(183)
Miscellaneous revenue	-	-	-	-
Total	<u>630</u>	<u>630</u>	<u>454</u>	<u>(176)</u>
<b>Electric Public Benefit Fund:</b>				
Other taxes	5,944	5,944	5,947	3
Use of money and property	10	10	24	14
Miscellaneous revenue	-	-	6	6
Total	<u>5,954</u>	<u>5,954</u>	<u>5,977</u>	<u>23</u>
<b>Emergency Medical Services Fund:</b>				
Revenue from other agencies	-	-	558	558
Charges for services	7,111	7,111	4,231	(2,880)
Miscellaneous revenue	53	53	226	173
Total	<u>7,164</u>	<u>7,164</u>	<u>5,015</u>	<u>(2,149)</u>
Total revenues and other financing sources	<u>\$ 57,325</u>	<u>74,821</u>	<u>56,198</u>	<u>(18,623)</u>

## Exhibit H-4

**CITY OF GLENDALE**

## Schedule of Expenditures and Other Financing Uses - Budget and Actual

## Nonmajor Governmental Funds - Special Revenue Funds

Fiscal Year Ended June 30, 2014 (in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget (Over)/Under</u>
CDBG Fund:				
Housing, health and community development:				
Salaries and benefits	\$ 786	1,126	852	274
Maintenance and operations	582	1,483	1,060	423
Capital projects	500	2,506	1,853	653
Debt service	199	199	199	-
Total	<u>2,067</u>	<u>5,314</u>	<u>3,964</u>	<u>1,350</u>
Home Grant Fund:				
Housing, health and community development:				
Salaries and benefits	298	360	290	70
Maintenance and operations	964	6,879	2,430	4,449
Capital	-	46	-	46
Total	<u>1,262</u>	<u>7,285</u>	<u>2,720</u>	<u>4,565</u>
Supportive Housing Grant Fund:				
Housing, health and community development:				
Salaries and benefits	199	325	247	78
Maintenance and operations	2,167	3,336	2,190	1,146
Total	<u>2,366</u>	<u>3,661</u>	<u>2,437</u>	<u>1,224</u>
Emergency Solutions Grant Fund:				
Housing, health and community development:				
Salaries and benefits	84	35	35	-
Maintenance and operations	159	119	103	16
Total	<u>243</u>	<u>154</u>	<u>138</u>	<u>16</u>
Workforce Investment Act Fund:				
Employment and job training services:				
Salaries and benefits	2,733	3,618	2,460	1,158
Maintenance and operations	1,841	2,109	1,676	433
Total	<u>\$ 4,574</u>	<u>5,727</u>	<u>4,136</u>	<u>1,591</u>

(Continued)



## Exhibit H-4

**CITY OF GLENDALE**

## Schedule of Expenditures and Other Financing Uses - Budget and Actual

## Nonmajor Governmental Funds - Special Revenue Funds

Fiscal Year Ended June 30, 2014 (in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget (Over)/Under</u>
Urban Art Fund:				
Library:				
Maintenance and operations	\$ -	366	22	344
Total	-	366	22	344
Glendale Youth Alliance Fund:				
Employment and job training services:				
Salaries and benefits	1,494	1,494	1,170	324
Maintenance and operations	249	249	239	10
Total	1,743	1,743	1,409	334
BEGIN Affordable Homeownership Fund:				
Housing, health and community development:				
Maintenance and operations	-	1,873	1,885	(12)
Total	-	1,873	1,885	(12)
Low & Moderate Income Housing Asset Fund:				
Housing, health and community development:				
Salaries and benefits	47	107	40	67
Maintenance and operations	43	6,600	435	6,165
Debt Service	524	5,135	5,134	1
Transfer to other funds	-	1,100	1,100	-
Total	614	12,942	6,709	6,233
Air Quality Improvement Fund:				
Public works:				
Salaries and benefits	202	202	160	42
Maintenance and operations	104	154	79	75
Total	306	356	239	117
PW Special Grants Fund:				
Public works:				
Salaries and benefits	-	108	109	(1)
Maintenance and operations	-	270	96	174
Capital	709	6,302	1,603	4,699
Total	709	6,680	1,808	4,872
San Fernando Landscape District Fund:				
Public works:				
Maintenance and operations	81	81	48	33
Total	\$ 81	81	48	33

(Continued)

## Exhibit H-4

**CITY OF GLENDALE**

## Schedule of Expenditures and Other Financing Uses - Budget and Actual

## Nonmajor Governmental Funds - Special Revenue Funds

Fiscal Year Ended June 30, 2014 (in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget (Over)/Under</u>
Measure R Local Return Fund				
Public works:				
Salaries and benefits	\$ -	4	4	-
Maintenance and operations	-	2	2	-
Capital	<u>1,996</u>	<u>1,990</u>	<u>307</u>	<u>1,683</u>
Total	<u>1,996</u>	<u>1,996</u>	<u>313</u>	<u>1,683</u>
Measure R Regional Return Fund:				
Public works:				
Salaries and benefits	-	118	118	-
Maintenance and operations	-	41	41	-
Capital	<u>2,025</u>	<u>6,711</u>	<u>1,372</u>	<u>5,339</u>
Total	<u>2,025</u>	<u>6,870</u>	<u>1,531</u>	<u>5,339</u>
Transit Prop A Local Return Fund:				
Public works:				
Salaries and benefits	113	113	113	-
Maintenance and operations	3,169	3,230	1,863	1,367
Capital	<u>1,757</u>	<u>1,889</u>	<u>1,302</u>	<u>587</u>
Total	<u>5,039</u>	<u>5,232</u>	<u>3,278</u>	<u>1,954</u>
Transit Prop C Local Return Fund:				
Public works:				
Salaries and benefits	205	205	200	5
Maintenance and operations	<u>3,377</u>	<u>3,377</u>	<u>3,044</u>	<u>333</u>
Total	<u>3,582</u>	<u>3,582</u>	<u>3,244</u>	<u>338</u>
Transit Utility Fund:				
Public works:				
Salaries and benefits	302	302	281	21
Maintenance and operations	8,770	8,831	7,485	1,346
Capital	<u>6,635</u>	<u>7,080</u>	<u>3,792</u>	<u>3,288</u>
Total	<u>15,707</u>	<u>16,213</u>	<u>11,558</u>	<u>4,655</u>
Asset Forfeiture Fund:				
Public safety:				
Salaries and benefits	414	414	472	(58)
Maintenance and operations	<u>199</u>	<u>199</u>	<u>161</u>	<u>38</u>
Total	\$ <u>613</u>	<u>613</u>	<u>633</u>	<u>(20)</u>

(Continued)

## Exhibit H-4

**CITY OF GLENDALE**

## Schedule of Expenditures and Other Financing Uses - Budget and Actual

## Nonmajor Governmental Funds - Special Revenue Funds

Fiscal Year Ended June 30, 2014 (in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget (Over)/Under</u>
Police Special Grants Fund:				
Public safety:				
Salaries and benefits	\$ 870	2,300	1,075	1,225
Maintenance and operations	78	627	529	98
Capital	-	1,629	1,341	288
Total	<u>948</u>	<u>4,556</u>	<u>2,945</u>	<u>1,611</u>
Supplemental Law Enforcement Fund:				
Public safety:				
Salaries and benefits	379	379	380	(1)
Maintenance and operations	<u>8</u>	<u>8</u>	<u>8</u>	<u>-</u>
Total	<u>387</u>	<u>387</u>	<u>388</u>	<u>(1)</u>
Fire Grant Fund:				
Public safety:				
Salaries and benefits	-	225	163	62
Maintenance and operations	-	364	343	21
Capital	<u>-</u>	<u>13</u>	<u>2</u>	<u>11</u>
Total	<u>-</u>	<u>602</u>	<u>508</u>	<u>94</u>
Fire Mutual Aid Fund:				
Public safety:				
Salaries and benefits	97	97	212	(115)
Maintenance and operations	<u>3</u>	<u>3</u>	<u>-</u>	<u>3</u>
Total	<u>100</u>	<u>100</u>	<u>212</u>	<u>(112)</u>
Special Events Fund:				
Public safety:				
Salaries and benefits	787	787	649	138
Maintenance and operations	<u>51</u>	<u>51</u>	<u>45</u>	<u>6</u>
Total	<u>838</u>	<u>838</u>	<u>694</u>	<u>144</u>
Nutritional Meals Grant Fund:				
Parks, recreation and community services:				
Salaries and benefits	148	189	153	36
Maintenance and operations	<u>225</u>	<u>238</u>	<u>215</u>	<u>23</u>
Total	<u>373</u>	<u>427</u>	<u>368</u>	<u>59</u>
Library Fund:				
Library:				
Salaries and benefits	57	121	30	91
Maintenance and operations	<u>148</u>	<u>258</u>	<u>134</u>	<u>124</u>
Total	<u>\$ 205</u>	<u>379</u>	<u>164</u>	<u>215</u>

(Continued)

## Exhibit H-4

**CITY OF GLENDALE**

## Schedule of Expenditures and Other Financing Uses - Budget and Actual

## Nonmajor Governmental Funds - Special Revenue Funds

Fiscal Year Ended June 30, 2014 (in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget (Over)/Under</u>
Electric Public Benefit Fund:				
Public service:				
Salaries and benefits	\$ 466	466	376	90
Maintenance and operations	<u>5,842</u>	<u>5,842</u>	<u>4,949</u>	<u>893</u>
Total	<u>6,308</u>	<u>6,308</u>	<u>5,325</u>	<u>983</u>
Emergency Medical Services Fund:				
Public safety:				
Salaries and benefits	3,689	3,637	2,737	900
Maintenance and operations	<u>3,310</u>	<u>3,362</u>	<u>2,084</u>	<u>1,278</u>
Total	<u>6,999</u>	<u>6,999</u>	<u>4,821</u>	<u>2,178</u>
 Total expenditures and other financing uses	 \$ <u>59,085</u>	 <u>101,284</u>	 <u>61,497</u>	 <u>39,787</u>

## **DEBT SERVICE FUNDS**

- Police Building Project Debt Service Fund - To accumulate monies for the payment of interest principal of the 2000 Police Building Project Variable Rate Demands Certificates of Participation. The debt service is financed via lease payments from the City to the Financing Authority.
- Capital Leases Fund - To accumulate monies for the payment of interest and principal for the Capital Lease of the Municipal Building Services (MSB) Seismic Upgrade Project. Debt Service is financed via lease payments.

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## Exhibit I-1

**CITY OF GLENDALE**

## Combining Balance Sheet

## Nonmajor Governmental Funds - Debt Service Funds

June 30, 2014 (in thousands)

		<u>Police Building Project Fund</u>
<b>Assets</b>		
Pooled cash and investments	\$	23,787
Interest receivable		<u>71</u>
Total assets		<u><u>23,858</u></u>
<b>Liabilities and Fund Balances</b>		
Liabilities:		
Interest payable		<u>17</u>
Total liabilities		<u>17</u>
Fund Balances:		
Committed to:		
Debt service		<u>23,841</u>
Total fund balances		<u>23,841</u>
Total liabilities and fund balances	\$	<u><u>23,858</u></u>

## Exhibit I-2

**CITY OF GLENDALE**Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances

Nonmajor Governmental Funds - Debt Service Funds

Fiscal Year Ended June 30, 2014 (in thousands)

	Police Building Project Fund	Capital Leases Fund	Total Nonmajor Debt Service Funds
<b>Revenues:</b>			
Use of money and property	\$ 316	-	316
Total revenues	316	-	316
<b>Expenditures:</b>			
Current:			
Police	134	-	134
Debt service			
Interest expenses	226	60	286
Principal	7,705	1,332	9,037
Total expenditures	8,065	1,392	9,457
Excess (deficiency) of revenues over (under) expenditures	(7,749)	(1,392)	(9,141)
<b>Other financing sources (uses):</b>			
Transfers in	-	1,392	1,392
Total financing sources (uses)	-	1,392	1,392
Net change in fund balances	(7,749)	-	(7,749)
Fund balances, July 1	31,590	-	31,590
Fund balances, June 30	\$ 23,841	-	23,841



## Exhibit I-3

**CITY OF GLENDALE**

## Schedule of Revenues and Other Financing Sources - Budget and Actual

## Nonmajor Governmental Funds - Debt Service Funds

Fiscal Year Ended June 30, 2014 (in thousands)

		Original Budget	Final Budget	Actual	Variance with Final Budget Over/(Under)
<hr/>					
Police Building Project Fund					
Interest and investment revenue	\$	250	250	316	66
<hr/>					
Capital Leases Fund					
Transfers		1,392	1,392	1,392	-
<hr/>					
Total revenues and other financing sources	\$	1,642	1,642	1,708	66
<hr/> <hr/>					

## Exhibit I-4

**CITY OF GLENDALE**

## Schedule of Expenditures and Other Financing Uses - Budget and Actual

## Nonmajor Governmental Funds - Debt Service Funds

Fiscal Year Ended June 30, 2014 (in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget (Over)/Under
Police Building Project Fund				
Administration	\$ 700	150	134	16
Debt service	2,000	7,940	7,931	9
Total	2,700	8,090	8,065	25
Capital Leases Fund				
Debt service	1,392	1,392	1,392	-
Total expenditures and other financing uses	\$ 4,092	9,482	9,457	25

## CAPITAL PROJECTS FUNDS

- State Gas Tax Fund - To account for monies received and expended from state gas tax allocations for street improvement purposes.
- Landfill Postclosure Fund - To account for monies reserved for the post-closure maintenance cost of Scholl Canyon landfill.
- Development Impact Fee Funds:

City Council adopted Ordinance No. 5575 on September 11, 2007, in accordance with California AB1600 later on codified under State Government Code section 66006, allowing the City to impose development impact fees on new residential, commercial, office and industrial developments to mitigate the cost of developing new or rehabilitating existing parks and recreational facilities, developing new libraries and/or adding to existing collections in order to maintain adequate parks and library services for those new residents. The Development Impact Fees are broken down into the following three funds:

- Parks Mitigation Fee Fund - To account for the parks revenue collected as impact fees and usage of these funds for allowed projects. In addition, this fund will also be used to guarantee adequate interest accumulation and disbursements of unused funds.
  - Library Mitigation Fee Fund - To account for the library revenue collected as impact fees and usage of these funds for allowed projects. In addition, this fund will also be used to guarantee adequate interest accumulation and disbursement of unused funds.
  - Parks Quimby Fee Fund - To account for the fees imposed for park or recreational purposes as a condition to the approval of a tentative map or parcel map and usage of these funds for allowed projects. In addition, this fund will also be used to guarantee adequate interest accumulation and disbursements of unused funds.
- CIP Reimbursement Fund - To account for monies received and expended for CIP projects that are funded by non-City money, such as grants and joint ventures.

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## Exhibit J-1

**CITY OF GLENDALE**

## Combining Balance Sheet

## Nonmajor Governmental Funds - Capital Projects Funds

June 30, 2014 (in thousands)

	State Gas Tax Fund	Landfill Postclosure Fund	Parks Mitigation Fee Fund	Library Mitigation Fee Fund
<b>Assets</b>				
Pooled cash and investments	\$ 7,084	-	5,183	522
Designated and invested cash	-	23,850	-	-
Interest receivable	20	-	16	2
Accounts receivable, net	599	-	-	-
Total assets	7,703	23,850	5,199	524
<b>Liabilities, deferred inflows of resources and fund balances</b>				
Liabilities:				
Accounts payable	659	-	162	-
Total liabilities	659	-	162	-
Deferred inflows of resources:				
Unavailable revenues	-	-	-	-
Total liabilities and deferred inflows of resources	659	-	162	-
Fund Balances:				
Restricted for:				
State gas tax mandates	7,044	-	-	-
Landfill postclosure	-	23,850	-	-
Committed to:				
Impact fee funded projects	-	-	5,037	524
Capital projects	-	-	-	-
Total fund balances	7,044	23,850	5,037	524
Total liabilities, deferred inflows of resources and fund balances	\$ 7,703	23,850	5,199	524

(Continued)

## Exhibit J-1

**CITY OF GLENDALE**

## Combining Balance Sheet

## Nonmajor Governmental Funds - Capital Projects Funds

June 30, 2014 (in thousands)

	Parks Quimby Fee Fund	CIP Reimbursement Fund	Total Nonmajor Capital Projects Funds
<b>Assets</b>			
Pooled cash and investments	\$ 1	55	12,845
Designated and invested cash	-	-	23,850
Interest receivable	-	-	38
Accounts receivable, net	-	4	603
Total assets	1	59	37,336
<b>Liabilities, deferred inflows of resources and fund balances</b>			
Liabilities:			
Accounts payable	-	-	821
Total liabilities	-	-	821
Deferred inflows of resources:			
Unavailable revenues	-	4	4
Total liabilities and deferred inflows of resources	-	4	825
Fund Balances:			
Restricted for:			
State gas tax mandates	-	-	7,044
Landfill postclosure	-	-	23,850
Committed to:			
Impact fee funded projects	1	-	5,562
Capital projects	-	55	55
Total fund balances	1	55	36,511
Total liabilities, deferred inflows of resources and fund balances	\$ 1	59	37,336

## Exhibit J-2

**CITY OF GLENDALE**Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances

Nonmajor Governmental Funds - Capital Projects Funds

Fiscal Year Ended June 30, 2014 (in thousands)

	State Gas Tax Fund	Landfill Postclosure Fund	Parks Mitigation Fee Fund	Library Mitigation Fee Fund
<b>Revenues:</b>				
Revenue from other agencies	\$ 6,438	-	-	-
Licenses and permits	-	-	728	74
Use of money and property	83	-	65	7
Miscellaneous revenue	62	-	-	-
Total Revenues	6,583	-	793	81
<b>Expenditures:</b>				
Current:				
Public works	2,284	-	-	-
Parks, recreation and community services	-	-	177	-
Library	-	-	-	12
Capital	5,794	-	639	-
Total expenditures	8,078	-	816	12
Excess (deficiency) of revenues over (under) expenditures	(1,495)	-	(23)	69
<b>Other financing sources:</b>				
Transfers in	-	1,500	-	-
Total financing sources	-	1,500	-	-
Net change in fund balances	(1,495)	1,500	(23)	69
Fund balances, July 1	8,539	22,350	5,060	455
Fund balances, June 30	\$ 7,044	23,850	5,037	524

(Continued)

## Exhibit J-2

**CITY OF GLENDALE**Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances

Nonmajor Governmental Funds - Capital Projects Funds

Fiscal Year Ended June 30, 2014 (in thousands)

	Parks Quimby Fee Fund	CIP Reimbursement Fund	Total Nonmajor Capital Projects Funds
<b>Revenues:</b>			
Revenue from other agencies	\$ -	-	6,438
Licenses and permits	-	-	802
Use of money and property	1	-	156
Miscellaneous revenue	-	59	121
Total Revenues	1	59	7,517
<b>Expenditures:</b>			
Current:			
Public works	-	4	2,288
Parks, recreation and community services	7	-	184
Library	-	-	12
Capital	308	-	6,741
Total expenditures	315	4	9,225
Excess (deficiency) of revenues over (under) expenditures	(314)	55	(1,708)
<b>Other financing sources:</b>			
Transfers in	-	-	1,500
Total financing sources	-	-	1,500
Net change in fund balances	(314)	55	(208)
Fund balances, July 1	315	-	36,719
Fund balances, June 30	\$ 1	55	36,511



# *Nonmajor Enterprise Funds*

This section of the CAFR provides information on nonmajor enterprise funds, which are used to account for operations that provide goods or services to the general public that are financed primarily by a user charge or where the periodic measurement of net income is deemed appropriate.





## NONMAJOR ENTERPRISE FUNDS

- Recreation Fund - To account for recreation programs of the Parks, Recreation and Community Services department on a proprietary user fee basis.
- Hazardous Disposal Fund - To account for operations of the toxic waste disposal in the City.
- Parking Fund - To account for operations of City-owned public parking lots and garages.
- Refuse Disposal Fund - To account for operations of the City-owned refuse collection and disposal service.
- Fire Communication Fund - To account for monies received and expended, as the lead city, for the tri-city (Burbank, Glendale and Pasadena) Verdugo Fire Communication operations.

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## Exhibit K-1

**CITY OF GLENDALE**

## Combining Statement of Net Position

## Proprietary Funds - Nonmajor Enterprise Funds

June 30, 2014 (in thousands)

		Hazardous	
	Recreation Fund	Disposal Fund	Parking Fund
<b>Assets</b>			
Current assets:			
Pooled cash and investments	\$ 4,738	1,303	6,993
Interest receivable	14	4	21
Accounts receivable, net	22	211	158
Total current assets	4,774	1,518	7,172
Capital assets:			
Land	-	-	5,630
Buildings and improvements	343	598	41,742
Machinery and equipment	65	240	3,067
Accumulated depreciation	(65)	(831)	(24,841)
Construction in progress	46	-	13
Total capital assets	389	7	25,611
Total assets	5,163	1,525	32,783
<b>Liabilities and net position</b>			
Accounts payable	50	30	342
Deposits	112	51	-
Total liabilities	162	81	342
Net position:			
Net investment in capital assets	389	7	25,611
Unrestricted	4,612	1,437	6,830
Total net position	\$ 5,001	1,444	32,441

(Continued)

## Exhibit K-1

**CITY OF GLENDALE**

## Combining Statement of Net Position

## Proprietary Funds - Nonmajor Enterprise Funds

June 30, 2014 (in thousands)

	Refuse Disposal Fund	Fire Communication Fund	Total Nonmajor Enterprise Fund
<b>Assets</b>			
Current assets:			
Pooled cash and investments	\$ 23,941	5,227	42,202
Interest receivable	69	16	124
Accounts receivable, net	2,284	-	2,675
Total current assets	26,294	5,243	45,001
Capital assets:			
Land	1,639	-	7,269
Buildings and improvements	6,798	-	49,481
Machinery and equipment	17,018	5,678	26,068
Accumulated depreciation	(14,314)	(4,659)	(44,710)
Construction in progress	-	15	74
Total capital assets	11,141	1,034	38,182
Total assets	37,435	6,277	83,183
<b>Liabilities and net position</b>			
Accounts payable	885	15	1,322
Deposits	284	-	447
Total liabilities	1,169	15	1,769
Net position:			
Net investment in capital assets	11,141	1,034	38,182
Unrestricted	25,125	5,228	43,232
Total net position	\$ 36,266	6,262	81,414

## Exhibit K-2

**CITY OF GLENDALE**Combining Statement of Revenues, Expenses and  
Changes in Net Position

Proprietary Funds - Nonmajor Enterprise Funds

Fiscal Year Ended June 30, 2014 (in thousands)

			Hazardous	
			Recreation Fund	Disposal Fund      Parking Fund
<b>Operating revenues:</b>				
Charges for services	\$	2,813	1,598	8,897
Miscellaneous revenue		367	47	129
Total operating revenues		3,180	1,645	9,026
<b>Operating expenses:</b>				
Salaries and benefits		1,770	1,094	2,461
Maintenance and operations		973	492	3,695
Depreciation		-	9	1,180
Total operating expenses		2,743	1,595	7,336
Operating income		437	50	1,690
<b>Non operating revenues:</b>				
Interest revenue		53	13	83
Intergovernmental grants		179	55	-
Contribution in aid		4	-	-
Total non operating revenues, net		236	68	83
Income before transfers		673	118	1,773
Transfers in		-	-	1,100
Transfers out		-	-	(1,921)
Change in net position		673	118	952
Net position, July 1		4,328	1,326	31,489
Net position, June 30	\$	5,001	1,444	32,441

(Continued)

## Exhibit K-2

**CITY OF GLENDALE**Combining Statement of Revenues, Expenses and  
Changes in Net Position

Proprietary Funds - Nonmajor Enterprise Funds

Fiscal Year Ended June 30, 2014 (in thousands)

		Refuse Disposal Fund	Fire Communication Fund	Total Nonmajor Enterprise Funds
<b>Operating revenues:</b>				
Charges for services	\$	21,195	3,191	37,694
Miscellaneous revenue		29	577	1,149
Total operating revenues		21,224	3,768	38,843
<b>Operating expenses:</b>				
Salaries and benefits		7,276	2,110	14,711
Maintenance and operations		9,675	849	15,684
Depreciation		2,135	221	3,545
Total operating expenses		19,086	3,180	33,940
Operating income		2,138	588	4,903
<b>Non operating revenues:</b>				
Interest revenue		396	59	604
Intergovernmental grants		52	-	286
Contribution in aid		-	-	4
Total non operating revenues, net		448	59	894
Income before transfers		2,586	647	5,797
Transfers in		-	-	1,100
Transfers out		(2,542)	-	(4,463)
Change in net position		44	647	2,434
Net position, July 1		36,222	5,615	78,980
Net position, June 30	\$	36,266	6,262	81,414



**CITY OF GLENDALE**

Combining Statement of Cash Flows

Proprietary Funds - Nonmajor Enterprise Funds

Fiscal Year Ended June 30, 2014 (in thousands)

	Recreation Fund	Hazardous Disposal Fund	Parking Fund
<b>Cash flows from operating activities:</b>			
Cash from customers	\$ 3,186	1,643	9,073
Cash paid to employees	(1,769)	(1,094)	(2,461)
Cash paid to suppliers	(1,228)	(501)	(3,932)
Net Cash provided by operating activities	189	48	2,680
<b>Cash flows from noncapital financing activities:</b>			
Operating transfers out	-	-	(1,921)
Operating transfers in	-	-	1,100
Operating grant received	179	55	-
Net Cash provided (used) by noncapital financing activities	179	55	(821)
<b>Cash flows from capital and related financing activities:</b>			
Contribution in aid	4	-	-
Acquisition of property, plant, and equipment	(87)	-	(356)
Net cash provided (used) by capital and related financing activities	(83)	-	(356)
<b>Cash flows from investing activities:</b>			
Interest received	50	12	75
Net increase in cash and cash equivalents	335	115	1,578
Cash and cash equivalents at July 1	4,403	1,188	5,415
Cash and cash equivalents at June 30	4,738	1,303	6,993
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>			
Operating income	437	50	1,690
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	-	9	1,180
(Increase)Decrease Accounts receivable net	6	(2)	47
Increase(Decrease) Accounts payable	(283)	(15)	(237)
Increase(Decrease) Deposits	29	6	-
Total adjustments	(248)	(2)	990
Net cash provided by operating activities	\$ 189	48	2,680
<b>Noncash investing, capital, and financing activities:</b>			
Increase in fair value of investments	3	1	4

(Continued)

## Exhibit K-3

**CITY OF GLENDALE**

Combining Statement of Cash Flows

Proprietary Funds - Nonmajor Enterprise Funds

Fiscal Year Ended June 30, 2014 (in thousands)

	Refuse Disposal Fund	Fire Communication Fund	Total Nonmajor Enterprise Funds
<b>Cash flows from operating activities:</b>			
Cash from customers	\$ 21,561	3,768	39,231
Cash paid to employees	(7,276)	(2,111)	(14,711)
Cash paid to suppliers	(9,399)	(859)	(15,919)
Net Cash provided by operating activities	4,886	798	8,601
<b>Cash flows from noncapital financing activities:</b>			
Operating transfers out	(2,542)	-	(4,463)
Operating transfers in	-	-	1,100
Operating grant received	52	-	286
Net Cash provided (used) by noncapital financing activities	(2,490)	-	(3,077)
<b>Cash flows from capital and related financing activities:</b>			
Contribution in aid	-	-	4
Acquisition of property, plant, and equipment	(1,163)	(43)	(1,649)
Net cash provided (used) by capital and related financing activities	(1,163)	(43)	(1,645)
<b>Cash flows from investing activities:</b>			
Interest received	382	54	573
Net increase in cash and cash equivalents	1,615	809	4,452
Cash and cash equivalents at July 1	22,326	4,418	37,750
Cash and cash equivalents at June 30	23,941	5,227	42,202
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>			
Operating income	2,138	588	4,903
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	2,135	221	3,545
(Increase)Decrease Accounts receivable net	337	-	388
Increase(Decrease) Accounts payable	309	(11)	(237)
Increase(Decrease) Deposits	(33)	-	2
Total adjustments	2,748	210	3,698
Net cash provided by operating activities	\$ 4,886	798	8,601
<b>Noncash investing, capital, and financing activities:</b>			
Increase in fair value of investments	15	4	27

## Exhibit K-4

**CITY OF GLENDALE**

## Schedule of Net Investment in Capital Assets

## Proprietary Funds - Nonmajor Enterprise Funds

Fiscal Year Ended June 30, 2014 (in thousands)

		Land	Construction in Progress	Buildings and Improvements	Machinery and Equipment	Total
Recreation Fund	\$	-	46	343	65	454
Hazardous Disposal Fund		-	-	598	240	838
Fire Communications Fund		-	15	-	5,678	5,693
Parking Fund		5,630	13	41,742	3,067	50,452
Refuse Disposal Fund		1,639	-	6,798	17,018	25,455
Total capital assets	\$	7,269	74	49,481	26,068	82,892

## Exhibit K-5

**CITY OF GLENDALE**

## Schedule of Changes in Capital Assets

## Proprietary Funds - Nonmajor Enterprise Funds

Fiscal Year Ended June 30, 2014 (in thousands)

		Balance at July 1	Additions/ Reclass	Retirements/ Reclass	Balance at June 30
Recreation Fund	\$	367	87	-	454
Hazardous Disposal Fund		838	-	-	838
Fire Communication Fund		5,650	43	-	5,693
Parking Fund		50,143	378	(69)	50,452
Refuse Disposal Fund		25,855	1,164	(1,564)	25,455
Total capital assets	\$	82,853	1,672	(1,633)	82,892

# *Internal Service Funds*

This section of the CAFR provides information on each individual internal service fund. Internal service funds are used by the City to centralize certain services and then allocate the cost of those services to the user departments on a cost reimbursement basis. User fund charges from internal service funds with capital assets typically consist of two components: a maintenance/service component and a capital replacement component. User fund charges from self-insurance internal service funds generally are based on claims experience of the user department.





## INTERNAL SERVICE FUNDS

- Fleet/Equipment Management Fund - To account for equipment replacement resources which are derived from periodic charges to governmental operations to ensure timely replacement of equipment.
- Joint Helicopter Operation Fund - To account for set-aside funds to perform major maintenance or replacement of the helicopters.
- ISD Infrastructure Fund - To account for technological equipment replacement resources which are derived from periodic charges to governmental operations to ensure timely replacement of the technological equipment.
- ISD Applications Fund - To account for major ISD Applications resources which are derived from periodic charges to governmental operations to ensure timely replacement of the major application software.
- Unemployment Insurance Fund - To finance and account for unemployment claims. Resources are derived from unemployment insurance charges to various City operations. Unemployment claims are reimbursed to the State Employment Department which disburses the unemployment claims.
- Liability Insurance Fund - To account for financing and disbursement of City self-insurance funds for uninsurable litigation activities, general liability and auto liability claims. Charges, in lieu of insurance premiums, are made periodically to City operations to provide the self-insurance resources.
- Compensation Insurance Fund - To finance and account for the City's workers' compensation claims. Funding is derived from charges in lieu of actual premiums to various City operations to provide the self-insurance resources.
- Dental Insurance Fund - To finance and account for the City's dental insurance program for its employees. Funding is derived from charges in lieu of actual premiums to various City operations to provide the self-insurance resources.
- Medical Insurance Fund - To finance and account for the City's medical insurance program for its employees. Funding is derived from charges in lieu of actual premiums to various City operations to provide the self-insurance resources.
- Vision Insurance Fund - To finance and account for the City's vision insurance program for its employees. Funding is derived from charges in lieu of actual premiums to various City operations to provide the self-insurance resources.
- Employee Benefits Fund - To account for the resources and the liability for employees' compensated absences (vacation and comp time).
- Retiree Health Savings Plan (RHSP) Benefits Fund - To account for the resources and the liability for employees' sick leave conversion under RHSP plan.
- Post Employment Benefits Fund - To account for the resources and the liability for all the benefits provided after the employees' separation from the City.
- ISD Wireless Fund - To account for the operation of the citywide radio system.

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Exhibit L-1  
**CITY OF GLENDALE**  
Combining Statement of Net Position  
Internal Service Funds  
June 30, 2014 (in thousands)

			ISD	
	Fleet/ Equipment	Joint Helicopter	Infrastructure	ISD Applications
	Management Fund	Operation Fund	Fund	Fund
<b>Assets</b>				
Current assets:				
Pooled cash and investments	\$ 13,492	3,610	4,881	6,580
Interest receivable	41	11	11	19
Accounts receivable, net	30	247	-	334
Prepaid items	-	-	-	-
Total current assets	13,563	3,868	4,892	6,933
Capital assets:				
Machinery and equipment	29,678	2,074	963	66
Accumulated depreciation	(18,803)	(1,676)	(119)	(15)
Construction in progress	-	-	1,460	291
Total capital assets	10,875	398	2,304	342
Total assets	24,438	4,266	7,196	7,275
<b>Liabilities and net position</b>				
Current liabilities:				
Accounts payable	154	31	841	154
Advance from other funds	-	-	-	-
Interest payable	26	-	-	-
Capital leases	670	-	-	-
Claims payable	-	-	-	-
Compensated absences	-	-	-	-
Total current liabilities	850	31	841	154
Noncurrent liabilities:				
Claims payable	-	-	-	-
Compensated absences	-	-	-	-
Capital leases	756	-	-	-
Total noncurrent liabilities	756	-	-	-
Total liabilities	1,606	31	841	154
Net position:				
Net investment in capital assets	9,449	398	2,304	342
Unrestricted (deficits)	13,383	3,837	4,051	6,779
Total net position (deficits)	\$ 22,832	4,235	6,355	7,121

(Continued)

Exhibit L-1  
**CITY OF GLENDALE**  
Combining Statement of Net Position  
Internal Service Funds  
June 30, 2014 (in thousands)

	Unemployment Insurance Fund	Liability Insurance Fund	Compensation Insurance Fund	Dental Insurance Fund
<b>Assets</b>				
Current assets:				
Pooled cash and investments	\$ 473	18,685	18,511	855
Interest receivable	1	314	55	2
Accounts receivable, net	-	-	2	-
Prepaid items	-	-	-	-
Total current assets	474	18,999	18,568	857
Capital assets:				
Machinery and equipment	-	-	100	-
Accumulated depreciation	-	-	(76)	-
Construction in progress	-	-	-	-
Total capital assets	-	-	24	-
Total assets	474	18,999	18,592	857
<b>Liabilities and net position</b>				
Current liabilities:				
Accounts payable	-	60	-	140
Advance from other funds	-	-	-	-
Interest payable	-	-	-	-
Capital leases	-	-	-	-
Claims payable	-	4,496	6,997	-
Compensated absences	-	-	-	-
Total current liabilities	-	4,556	6,997	140
Noncurrent liabilities:				
Claims payable	-	5,156	27,402	-
Compensated absences	-	-	-	-
Capital leases	-	-	-	-
Total noncurrent liabilities	-	5,156	27,402	-
Total liabilities	-	9,712	34,399	140
Net position:				
Net investment in capital assets	-	-	24	-
Unrestricted (deficits)	474	9,287	(15,831)	717
Total net position (deficits)	\$ 474	9,287	(15,807)	717

(Continued)

Exhibit L-1  
**CITY OF GLENDALE**  
Combining Statement of Net Position  
Internal Service Funds  
June 30, 2014 (in thousands)

	Medical Insurance Fund	Vision Insurance Fund	Employee Benefits Fund	Retiree Health Savings Plan Benefits Fund
<b>Assets</b>				
Current assets:				
Pooled cash and investments	\$ 2,464	407	10,408	9,499
Interest receivable	3	1	30	27
Accounts receivable, net	138	-	-	-
Prepaid items	506	-	-	-
Total current assets	3,111	408	10,438	9,526
Capital assets:				
Machinery and equipment	-	-	-	-
Accumulated depreciation	-	-	-	-
Construction in progress	-	-	-	-
Total capital assets	-	-	-	-
Total assets	3,111	408	10,438	9,526
<b>Liabilities and net position</b>				
Current liabilities:				
Accounts payable	819	14	-	-
Advance from other funds	-	-	-	-
Interest payable	-	-	-	-
Capital leases	-	-	-	-
Claims payable	446	-	-	-
Compensated absences	-	-	1,629	1,944
Total current liabilities	1,265	14	1,629	1,944
Noncurrent liabilities:				
Claims payable	-	-	-	-
Compensated absences	-	-	11,839	2,980
Capital leases	-	-	-	-
Total noncurrent liabilities	-	-	11,839	2,980
Total liabilities	1,265	14	13,468	4,924
Net position:				
Net investment in capital assets	-	-	-	-
Unrestricted (deficits)	1,846	394	(3,030)	4,602
Total net position (deficits)	\$ 1,846	394	(3,030)	4,602

(Continued)

Exhibit L-1  
**CITY OF GLENDALE**  
Combining Statement of Net Position  
Internal Service Funds  
June 30, 2014 (in thousands)

	Post Employment Benefits Fund	ISD Wireless Fund	Total Internal Service Funds
<b>Assets</b>			
Current assets:			
Pooled cash and investments	\$ 6,787	2,315	98,967
Interest receivable	20	7	542
Accounts receivable, net	-	-	751
Prepaid items	-	-	506
Total current assets	6,807	2,322	100,766
Capital assets:			
Machinery and equipment	-	5,691	38,572
Accumulated depreciation	-	(859)	(21,548)
Construction in progress	-	1,860	3,611
Total capital assets	-	6,692	20,635
Total assets	6,807	9,014	121,401
<b>Liabilities and net position</b>			
Current liabilities:			
Accounts payable	20	449	2,682
Advance from other funds	-	2,262	2,262
Interest payable	-	37	63
Capital leases	-	-	670
Claims payable	-	-	11,939
Compensated absences	-	-	3,573
Total current liabilities	20	2,748	21,189
Noncurrent liabilities:			
Claims payable	-	-	32,558
Compensated absences	-	-	14,819
Capital leases	-	-	756
Total noncurrent liabilities	-	-	48,133
Total liabilities	20	2,748	69,322
Net position:			
Net investment in capital assets	-	5,369	17,886
Unrestricted (deficits)	6,787	897	34,193
Total net position (deficits)	\$ 6,787	6,266	52,079

**CITY OF GLENDALE**Combining Statement of Revenues, Expenses  
and Changes in Net Position

## Internal Service Funds

Fiscal Year Ended June 30, 2014 (in thousands)

	Fleet/Equipment Management Fund	Joint Helicopter Operation Fund	ISD Infrastructure Fund	ISD Applications Fund
<b>Operating revenues:</b>				
Charges for services	\$ 11,806	605	8,934	8,148
Miscellaneous revenue	1	-	867	-
Total operating revenues	11,807	605	9,801	8,148
<b>Operating Expenses:</b>				
Salaries and benefits	3,731	129	2,948	2,649
Maintenance and operations	5,924	1,080	4,155	3,802
Equipment purchased	28	-	273	60
Claims and settlements	-	-	-	-
Depreciation	2,129	109	118	11
Total operating expenses	11,812	1,318	7,494	6,522
Operating income (loss)	(5)	(713)	2,307	1,626
<b>Non operating revenues (expenses):</b>				
Interest revenue	274	41	39	66
Grant revenue	-	-	-	16
Interest expense	(73)	-	-	-
Total non operating revenues (expenses)	201	41	39	82
Income (loss) before capital contribution	196	(672)	2,346	1,708
Capital contributions	-	774	-	-
Change in net position	196	102	2,346	1,708
Net position (deficits), July 1	22,636	4,133	4,009	5,413
Net position (deficits), June 30	\$ 22,832	4,235	6,355	7,121

(Continued)

**CITY OF GLENDALE**Combining Statement of Revenues, Expenses  
and Changes in Net Position

## Internal Service Funds

Fiscal Year Ended June 30, 2014 (in thousands)

	Unemployment Insurance Fund	Liability Insurance Fund	Compensation Insurance Fund	Dental Insurance Fund
<b>Operating revenues:</b>				
Charges for services	\$ 302	7,311	12,402	1,660
Miscellaneous revenue	-	1	2	-
Total operating revenues	302	7,312	12,404	1,660
<b>Operating Expenses:</b>				
Salaries and benefits	-	325	786	-
Maintenance and operations	5	1,324	1,251	20
Equipment purchased	-	-	-	-
Claims and settlements	216	4,482	9,617	1,446
Depreciation	-	-	3	-
Total operating expenses	221	6,131	11,657	1,466
Operating income (loss)	81	1,181	747	194
<b>Non operating revenues (expenses):</b>				
Interest revenue	5	204	203	8
Grant revenue	-	-	-	-
Interest expense	-	-	-	-
Total non operating revenues (expenses)	5	204	203	8
Income (loss) before capital contribution	86	1,385	950	202
Capital contributions	-	-	-	-
Change in net position	86	1,385	950	202
Net position (deficits), July 1	388	7,902	(16,757)	515
Net position (deficits), June 30	\$ 474	9,287	(15,807)	717

(Continued)

**CITY OF GLENDALE**Combining Statement of Revenues, Expenses  
and Changes in Net Position

## Internal Service Funds

Fiscal Year Ended June 30, 2014 (in thousands)

	Medical Insurance Fund	Vision Insurance Fund	Employee Benefits Fund	Retiree Health Savings Plan Benefits Fund
<b>Operating revenues:</b>				
Charges for services	\$ 25,189	252	5,368	3,294
Miscellaneous revenue	80	-	5	-
Total operating revenues	25,269	252	5,373	3,294
<b>Operating Expenses:</b>				
Salaries and benefits	-	-	13	-
Maintenance and operations	924	6	47	32
Equipment purchased	-	-	-	-
Claims and settlements	25,230	231	3,698	(3,664)
Depreciation	-	-	-	-
Total operating expenses	26,154	237	3,758	(3,632)
Operating income (loss)	(885)	15	1,615	6,926
<b>Non operating revenues (expenses):</b>				
Interest revenue	28	5	107	93
Grant revenue	-	-	-	-
Interest expense	-	-	-	-
Total non operating revenues (expenses)	28	5	107	93
Income (loss) before capital contribution	(857)	20	1,722	7,019
Capital contributions	-	-	-	-
Change in net position	(857)	20	1,722	7,019
Net position (deficits), July 1	2,703	374	(4,752)	(2,417)
Net position (deficits), June 30	\$ 1,846	394	(3,030)	4,602

(Continued)

## Exhibit L-2

**CITY OF GLENDALE**Combining Statement of Revenues, Expenses  
and Changes in Net Position

## Internal Service Funds

Fiscal Year Ended June 30, 2014 (in thousands)

	Post Employment Benefits Fund	ISD Wireless Fund	Total Internal Service Funds
<b>Operating revenues:</b>			
Charges for services	\$ 2,173	4,257	91,701
Miscellaneous revenue	93	2	1,051
Total operating revenues	2,266	4,259	92,752
<b>Operating Expenses:</b>			
Salaries and benefits	-	1,092	11,673
Maintenance and operations	3	1,629	20,202
Equipment purchased	-	567	928
Claims and settlements	2,122	-	43,378
Depreciation	-	580	2,950
Total operating expenses	2,125	3,868	79,131
Operating income (loss)	141	391	13,621
<b>Non operating revenues (expenses):</b>			
Interest revenue	72	19	1,164
Grant revenue	-	-	16
Interest expense	-	(47)	(120)
Total non operating revenues (expenses)	72	(28)	1,060
Income (loss) before capital contribution	213	363	14,681
Capital contributions	-	-	774
Change in net position	213	363	15,455
Net position (deficits), July 1	6,574	5,903	36,624
Net position (deficits), June 30	\$ 6,787	6,266	52,079



**CITY OF GLENDALE**

Combining Statement of Cash Flows

Internal Service Funds

Fiscal Year Ended June 30, 2014 (in thousands)

	Fleet/Equipment Management Fund	Joint Helicopter Operation Fund	ISD Infrastructure Fund
<b>Cash flows from operating activities:</b>			
Cash from customers	\$ 11,777	548	9,801
Cash paid to employees	(3,731)	(129)	(2,948)
Cash paid to suppliers	(5,828)	(1,077)	(4,009)
Net Cash provided (used) by operating activities	2,218	(658)	2,844
<b>Cash flows from noncapital financing activities:</b>			
Amounts paid to other funds	-	-	-
Grants Received	-	-	-
Net Cash provided (used) by noncapital financing activities	-	-	-
<b>Cash flows from capital and related financing activities:</b>			
Interest on long-term debt	(81)	-	-
Bond, premium and interest accrued	(647)	-	-
Contribution in aid	-	774	-
Acquisition of property, plant, and equipment	(905)	-	(1,341)
Net cash provided (used) by capital and related financing activities	(1,633)	774	(1,341)
<b>Cash flows from investing activities:</b>			
Interest received	264	38	35
Net increase (decrease) in cash and cash equivalents	849	154	1,538
Cash and cash equivalents at July 1	12,643	3,456	3,343
Cash and cash equivalents at June 30	13,492	3,610	4,881
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	(5)	(713)	2,307
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	2,129	109	118
(Increase)Decrease Accounts receivable, net	(30)	(57)	-
(Increase)Decrease Prepaid expenses	-	-	-
Increase(Decrease) Compensated absences	-	-	-
Increase(Decrease) Accounts payable	124	3	419
Increase(Decrease) Claims payable	-	-	-
Total adjustments	2,223	55	537
Net cash provided (used) by operating activities	\$ 2,218	(658)	2,844
<b>Noncash investing, capital, and financing activities:</b>			
Increase in fair value of investments	9	2	2

(Continued)

**CITY OF GLENDALE**

Combining Statement of Cash Flows

Internal Service Funds

Fiscal Year Ended June 30, 2014 (in thousands)

	ISD Applications Fund	Unemployment Insurance Fund	Liability Insurance Fund
<b>Cash flows from operating activities:</b>			
Cash from customers	\$ 7,836	302	7,312
Cash paid to employees	(2,649)	-	(325)
Cash paid to suppliers	(3,859)	(221)	(5,231)
Net Cash provided (used) by operating activities	1,328	81	1,756
<b>Cash flows from noncapital financing activities:</b>			
Amounts paid to other funds	-	-	-
Grants Received	16	-	-
Net Cash provided (used) by noncapital financing activities	16	-	-
<b>Cash flows from capital and related financing activities:</b>			
Interest on long-term debt	-	-	-
Bond, premium and interest accrued	-	-	-
Contribution in aid	-	-	-
Acquisition of property, plant, and equipment	(20)	-	-
Net cash provided (used) by capital and related financing activities	(20)	-	-
<b>Cash flows from investing activities:</b>			
Interest received	60	5	187
Net increase (decrease) in cash and cash equivalents	1,384	86	1,943
Cash and cash equivalents at July 1	5,196	387	16,742
Cash and cash equivalents at June 30	6,580	473	18,685
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	1,626	81	1,181
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	11	-	-
(Increase)Decrease Accounts receivable, net	(312)	-	-
(Increase)Decrease Prepaid expenses	-	-	-
Increase(Decrease) Compensated absences	-	-	-
Increase(Decrease) Accounts payable	3	-	(74)
Increase(Decrease) Claims payable	-	-	649
Total adjustments	(298)	-	575
Net cash provided (used) by operating activities	\$ 1,328	81	1,756
<b>Noncash investing, capital, and financing activities:</b>			
Increase in fair value of investments	4	-	12

(Continued)

**CITY OF GLENDALE**

Combining Statement of Cash Flows

Internal Service Funds

Fiscal Year Ended June 30, 2014 (in thousands)

	Compensation Insurance Fund	Dental Insurance Fund	Medical Insurance Fund
<b>Cash flows from operating activities:</b>			
Cash from customers	\$ 12,402	1,660	25,249
Cash paid to employees	(786)	-	-
Cash paid to suppliers	(10,364)	(1,413)	(26,716)
Net Cash provided (used) by operating activities	1,252	247	(1,467)
<b>Cash flows from noncapital financing activities:</b>			
Amounts paid to other funds	-	-	-
Grants Received	-	-	-
Net Cash provided (used) by noncapital financing activities	-	-	-
<b>Cash flows from capital and related financing activities:</b>			
Interest on long-term debt	-	-	-
Bond, premium and interest accrued	-	-	-
Contribution in aid	-	-	-
Acquisition of property, plant, and equipment	-	-	-
Net cash provided (used) by capital and related financing activities	-	-	-
<b>Cash flows from investing activities:</b>			
Interest received	191	7	33
Net increase (decrease) in cash and cash equivalents	1,443	254	(1,434)
Cash and cash equivalents at July 1	17,068	601	3,898
Cash and cash equivalents at June 30	18,511	855	2,464
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	747	194	(885)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	3	-	-
(Increase)Decrease Accounts receivable, net	(2)	-	(20)
(Increase)Decrease Prepaid expenses	-	-	77
Increase(Decrease) Compensated absences	-	-	-
Increase(Decrease) Accounts payable	(7)	53	(326)
Increase(Decrease) Claims payable	511	-	(313)
Total adjustments	505	53	(582)
Net cash provided (used) by operating activities	\$ 1,252	247	(1,467)
<b>Noncash investing, capital, and financing activities:</b>			
Increase in fair value of investments	12	1	1

(Continued)

**CITY OF GLENDALE**

Combining Statement of Cash Flows

Internal Service Funds

Fiscal Year Ended June 30, 2014 (in thousands)

	Vision Insurance Fund	Employee Benefits Fund	Retiree Health Savings Plan Benefits Fund
<b>Cash flows from operating activities:</b>			
Cash from customers	\$ 252	5,373	3,294
Cash paid to employees	-	(13)	-
Cash paid to suppliers	(237)	(3,334)	(534)
Net Cash provided (used) by operating activities	15	2,026	2,760
<b>Cash flows from noncapital financing activities:</b>			
Amounts paid to other funds	-	-	-
Grants Received	-	-	-
Net Cash provided (used) by noncapital financing activities	-	-	-
<b>Cash flows from capital and related financing activities:</b>			
Interest on long-term debt	-	-	-
Bond, premium and interest accrued	-	-	-
Contribution in aid	-	-	-
Acquisition of property, plant, and equipment	-	-	-
Net cash provided (used) by capital and related financing activities	-	-	-
<b>Cash flows from investing activities:</b>			
Interest received	5	99	82
Net increase (decrease) in cash and cash equivalents	20	2,125	2,842
Cash and cash equivalents at July 1	387	8,283	6,657
Cash and cash equivalents at June 30	407	10,408	9,499
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	15	1,615	6,926
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	-	-	-
(Increase)Decrease Accounts receivable, net	-	-	-
(Increase)Decrease Prepaid expenses	-	-	-
Increase(Decrease) Compensated absences	-	411	(4,166)
Increase(Decrease) Accounts payable	-	-	-
Increase(Decrease) Claims payable	-	-	-
Total adjustments	-	411	(4,166)
Net cash provided (used) by operating activities	\$ 15	2,026	2,760
<b>Noncash investing, capital, and financing activities:</b>			
Increase in fair value of investments	-	7	6

(Continued)

**CITY OF GLENDALE**

Combining Statement of Cash Flows

Internal Service Funds

Fiscal Year Ended June 30, 2014 (in thousands)

	Post Employment Benefits Fund	ISD Wireless Fund	Total Internal Service Funds
<b>Cash flows from operating activities:</b>			
Cash from customers	\$ 2,266	5,571	93,643
Cash paid to employees	-	(1,092)	(11,673)
Cash paid to suppliers	(2,116)	(1,883)	(66,822)
Net Cash provided (used) by operating activities	150	2,596	15,148
<b>Cash flows from noncapital financing activities:</b>			
Amounts paid to other funds	-	(538)	(538)
Grants Received	-	-	16
Net Cash provided (used) by noncapital financing activities	-	(538)	(522)
<b>Cash flows from capital and related financing activities:</b>			
Interest on long-term debt	-	(57)	(138)
Bond, premium and interest accrued	-	-	(647)
Contribution in aid	-	-	774
Acquisition of property, plant, and equipment	-	(102)	(2,368)
Net cash provided (used) by capital and related financing activities	-	(159)	(2,379)
<b>Cash flows from investing activities:</b>			
Interest received	66	12	1,084
Net increase (decrease) in cash and cash equivalents	216	1,911	13,331
Cash and cash equivalents at July 1	6,571	404	85,636
Cash and cash equivalents at June 30	6,787	2,315	98,967
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	141	391	13,621
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	-	580	2,950
(Increase)Decrease Accounts receivable, net	-	1,312	891
(Increase)Decrease Prepaid expenses	-	-	77
Increase(Decrease) Compensated absences	-	-	(3,755)
Increase(Decrease) Accounts payable	9	313	517
Increase(Decrease) Claims payable	-	-	847
Total adjustments	9	2,205	1,527
Net cash provided (used) by operating activities	\$ 150	2,596	15,148
<b>Noncash investing, capital, and financing activities:</b>			
Increase in fair value of investments	4	2	61

## Exhibit M-1

**CITY OF GLENDALE**

## Capital Assets Used in the Operation of Governmental Funds

## Schedule by Function and Activity

June 30, 2014 (in thousands)

	Land	Construction in Progress	Infrastructure	Buildings and Improvements	Machinery and Equipment	Total
General government:						
City council	\$ -	248	-	-	2,240	2,488
City clerk	-	-	-	5	55	60
City manager	-	(66)	-	273	583	790
Legal	-	-	-	10	41	51
Finance	-	-	-	-	6,117	6,117
Information services	-	-	12,221	430	17,454	30,105
Planning	-	-	-	-	5	5
Personnel	-	-	-	-	246	246
Total	-	182	12,221	718	26,741	39,862
Public Safety:						
Police	5,227	-	-	68,881	10,822	84,930
Fire	5,925	21	-	18,689	12,743	37,378
Fire paramedics	-	-	-	-	678	678
Emergency services	-	-	-	-	150	150
Total	11,152	21	-	87,570	24,393	123,136
Public Works:						
Public works	16,208	3,263	36,373	1,560	1,564	58,968
Engineering	-	-	-	-	56	56
Corporation yard	282,468	18,604	245,456	74,395	1,204	622,127
Mechanical maintenance	-	-	-	-	154	154
Traffic engineering	-	2,030	5,455	922	350	8,757
Transit administration	15,441	48	-	3,267	17,048	35,804
Air quality improvement	-	36	-	-	514	550
Total	314,117	23,981	287,284	80,144	20,890	726,416
Housing, health and community development	19,943	1,617	326	11,588	872	34,346
Employment programs	-	-	-	-	155	155
Parks, recreation and community services	53,209	6,041	-	107,184	1,117	167,551
Library	448	10,476	-	9,888	1,917	22,729
Total capital assets	398,869	42,318	299,831	297,092	76,085	1,114,195
Accumulated depreciation	-	-	(99,152)	(106,428)	(55,445)	(261,025)
Net capital assets	\$ 398,869	42,318	200,679	190,664	20,640	853,170

This schedule presents only the capital asset balances related to the government funds.

Accordingly, the capital assets reported in internal service funds are excluded from the above amounts.

Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

## Exhibit M-2

**CITY OF GLENDALE**

## Capital Assets Used in the Operation of Governmental Funds

## Schedule of Changes by Function and Activity

Fiscal Year Ended June 30, 2014 (in thousands)

	Balance at July 1	Additions	Retirements	Reclass	Total
General government:					
City council	\$ 2,306	182	-	-	2,488
City clerk	60	-	-	-	60
City manager	821	-	(31)	-	790
Legal	51	-	-	-	51
Finance	6,117	-	-	-	6,117
Information services	30,105	-	-	-	30,105
Planning	-	5	-	-	5
Personnel	246	-	-	-	246
Total	39,706	187	(31)	-	39,862
Public safety:					
Police	84,031	953	(54)	-	84,930
Fire	37,343	35	-	-	37,378
Fire paramedics	678	-	-	-	678
Emergency services	150	-	-	-	150
Total	122,202	988	(54)	-	123,136
Public works:					
Public works	58,655	313	-	-	58,968
Engineering	56	-	-	-	56
Corporation yard	613,435	9,330	(638)	-	622,127
Mechanical maintenance	154	-	-	-	154
Traffic engineering	11,143	2,247	(4,633)	-	8,757
Transit administration	31,989	5,095	(1,280)	-	35,804
Air quality improvement	514	36	-	-	550
Total	715,946	17,021	(6,551)	-	726,416
Housing, health and community development	32,354	1,971	-	21	34,346
Employment programs	155	-	-	-	155
Parks, recreation and community services	164,601	2,950	-	-	167,551
Library	20,579	2,150	-	-	22,729
Total capital assets	1,095,543	25,267	(6,636)	21	1,114,195
Accumulated Depreciation	(247,672)	(19,989)	6,636	-	(261,025)
Net Capital Assets	\$ 847,871	5,278	-	21	853,170

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

Accordingly, the capital assets reported in internal service funds are excluded from the above amounts.

Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

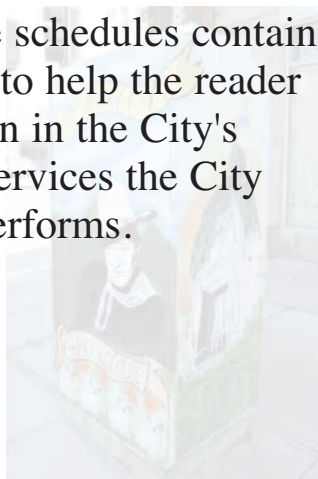
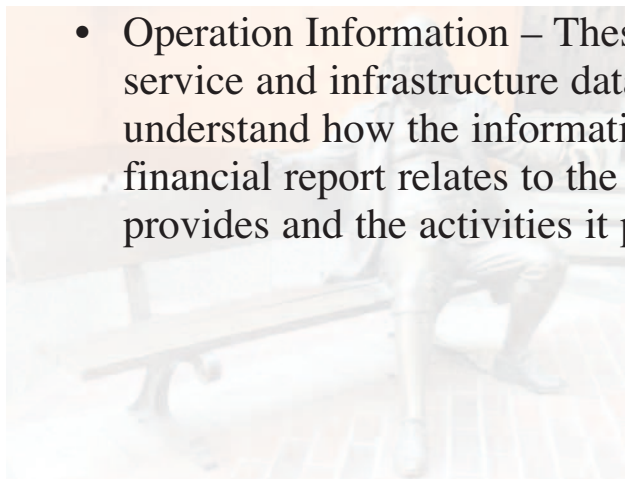
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## *Statistical Section* (UNAUDITED)

The statistical section provides mostly trend data and nonfinancial information useful in assessing the City's financial condition. Because of the special character of the data presented in the statistical section (i.e., data of prior years, nonfinancial data), the section does not fall within the scope of the independent audit.

- **Financial Trends** – These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.
- **Revenue Capacity** – These schedules contain information to help the reader assess the City's two most significant local revenue sources, the electric revenue and the property tax.
- **Debt Capacity** – These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.
- **Demographic and Economic Information** – These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.
- **Operation Information** – These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.





## Schedule 1

**CITY OF GLENDALE**

Net Position by Component,

Last Ten Fiscal Years (in thousands)

(accrual basis of accounting)

	Fiscal Year				
	2014	2013	2012	2011	2010
<b>Governmental Activities</b>					
Investment in capital assets	\$ 829,862	816,785	802,729	814,946	806,721
Restricted	73,323	70,047	40,119	53,953	56,854
Unrestricted	47,188	62,419	104,152	85,930	91,582
<b>Total governmental activities net position</b>	<b>950,373</b>	<b>949,251</b>	<b>947,000</b>	<b>954,829</b>	<b>955,157</b>
<b>Business-type Activities</b>					
Investment in capital assets	484,467	516,774	545,511	526,011	476,440
Restricted	5,669	5,669	5,669	15,474	13,864
Unrestricted	210,397	159,224	140,283	159,353	208,562
<b>Total business-type activities net position</b>	<b>700,533</b>	<b>681,667</b>	<b>691,463</b>	<b>700,838</b>	<b>698,866</b>
<b>Primary Government</b>					
Investment in capital assets	1,314,329	1,333,559	1,348,240	1,340,957	1,283,161
Restricted	78,992	75,716	45,788	69,427	70,718
Unrestricted	257,585	221,643	244,435	245,283	300,144
<b>Total primary government net position</b>	<b>\$ 1,650,906</b>	<b>1,630,918</b>	<b>1,638,463</b>	<b>1,655,667</b>	<b>1,654,023</b>

	Fiscal Year				
	2009	2008	2007	2006	2005
<b>Governmental Activities</b>					
Investment in capital assets	\$ 782,170	766,314	608,369	684,725	658,445
Restricted	56,506	48,392	59,782	58,668	60,899
Unrestricted	113,761	109,313	236,117	151,966	151,155
<b>Total governmental activities net position</b>	<b>952,437</b>	<b>924,019</b>	<b>904,268</b>	<b>895,359</b>	<b>870,499</b>
<b>Business-type Activities</b>					
Investment in capital assets	448,099	392,039	472,893	435,757	393,342
Restricted	14,047	14,058	8,392	8,653	12,461
Unrestricted	238,443	278,763	190,462	217,431	261,248
<b>Total business-type activities net position</b>	<b>700,589</b>	<b>684,860</b>	<b>671,747</b>	<b>661,841</b>	<b>667,051</b>
<b>Primary Government</b>					
Investment in capital assets	1,230,269	1,158,353	1,081,262	1,120,482	1,051,787
Restricted	70,553	62,450	68,174	67,321	73,360
Unrestricted	352,204	388,076	426,579	369,397	412,403
<b>Total primary government net position</b>	<b>\$ 1,653,026</b>	<b>1,608,879</b>	<b>1,576,015</b>	<b>1,557,200</b>	<b>1,537,550</b>

Note:

Due to AB 1x 26 - Redevelopment Agencies Dissolution on February 1, 2012, only seven months of the Glendale Redevelopment Agency transactions are included in the governmental activities for FY2012. The transactions for the remainder of the fiscal year are recorded in the Glendale Successor Agency Private Purpose Trust Fiduciary Fund.

Source: City Finance Department

Not covered by independent auditors' report

## Schedule 2

**CITY OF GLENDALE**

Changes in Net Position,  
Last Ten Fiscal Years (in thousands)  
(accrual basis of accounting)

	Fiscal Year				
	2014	2013	2012	2011	2010
Expenses					
Governmental activities:					
General government	\$ 64,776	33,432	22,151	25,700	24,157
Public safety	-	-	-	-	-
Police	71,299	72,997	72,160	69,926	66,923
Fire	47,370	50,880	61,917	57,138	55,743
Public works	41,126	39,349	42,192	41,598	38,529
Housing, health, and comm dev	38,536	44,534	45,387	69,965	70,813
Employment programs	5,642	6,080	6,197	5,925	7,397
Public service	5,173	4,490	6,369	8,029	8,249
Parks, recreation and community services	12,372	12,326	12,804	16,449	15,578
Library	7,893	8,338	8,209	9,127	9,241
Interest and fiscal charges on bonds	2,553	1,932	10,871	12,696	17,232
Total governmental activities expenses	296,740	274,358	288,257	316,553	313,862
Business-type activities:					
Recreation	2,338	2,820	2,754	2,622	2,645
Hazardous disposal	1,170	1,709	1,507	1,745	1,848
Fire communications	2,521	3,291	3,528	3,289	3,306
Parking	6,317	7,683	7,674	7,763	7,609
Sewer	14,353	14,585	15,148	15,756	17,874
Refuse disposal	16,143	19,197	18,794	18,893	18,101
Electric	179,322	172,509	200,120	188,569	170,423
Water	42,927	41,862	40,937	35,790	34,953
Total business-type activities expenses	265,091	263,656	290,462	274,427	256,759
Total primary government expenses	\$ 561,831	538,014	578,719	590,980	570,621

## Notes:

- (1) Fire paramedic is reclassified as a special revenue fund from an enterprise fund in FY2006.
- (2) Fire communication is reclassified as an enterprise fund from a special revenue fund in FY2009.
- (3) Beginning in FY2009 and going forward, public safety is split between fire and police.
- (4) Due to AB 1x 26 - Redevelopment Agencies Dissolution on February 1, 2012, only seven months of the Glendale Redevelopment Agency transactions are included in the governmental activities for FY2012. The transactions for the remainder of the fiscal year are recorded in the Glendale Successor Agency Private Purpose Trust Fiduciary Fund.
- (5) The negative investment income in FY2013 is due to the net decrease in the fair value of investments based on GASB Statement No. 31.

Source: City Finance Department

Not covered by independent auditors' report

(Continued)

## Schedule 2

**CITY OF GLENDALE**

Changes in Net Position,  
Last Ten Fiscal Years (in thousands)  
(accrual basis of accounting)

	Fiscal Year				
	2014	2013	2012	2011	2010
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 17,895	16,249	16,738	17,276	13,922
Public safety	-	-	-	-	-
Police	759	746	758	779	1,136
Fire	2,206	8,327	15,553	13,774	12,070
Public works	19,544	18,647	13,401	11,685	10,170
Housing, health, and comm dev	57	67	58	51	37
Employment programs	1,486	1,512	1,831	1,631	1,427
Parks, recreation and community services	11	15	8	13	9
Library	171	170	201	226	239
Operating grants and contributions	63,195	59,855	61,877	63,166	69,905
Capital grants and contributions	11,134	17,949	6,103	9,040	6,905
Total governmental activities program revenues	116,458	123,537	116,528	117,641	115,820
Business-type activities:					
Charges for services:					
Recreation	2,813	2,645	2,648	2,640	2,353
Hazardous disposal	1,598	1,559	1,547	1,530	1,533
Fire communications	3,191	3,288	3,223	3,337	3,199
Parking	8,897	8,699	8,303	7,853	8,944
Sewer	15,576	16,143	15,716	14,977	14,709
Refuse disposal	21,195	21,704	20,457	20,776	19,941
Electric	196,263	173,701	196,007	187,801	176,903
Water	43,069	44,605	41,359	36,637	35,716
Operating grants and contributions	299	223	96	161	421
Capital grants and contributions	796	1,203	6,590	16,238	7,440
Total business-type activities program revenues	293,697	273,770	295,946	291,950	271,159
Total primary government program revenues	410,155	397,307	412,474	409,591	386,979
Net (Expense) / Revenue					
Governmental activities	(180,282)	(150,821)	(171,729)	(198,912)	(198,042)
Business-type activities	28,606	10,114	5,484	17,523	14,400
Total primary government net expense	\$ (151,676)	(140,707)	(166,245)	(181,389)	(183,642)

## Notes:

- (1) Fire paramedic is reclassified as a special revenue fund from an enterprise fund in FY2006.
- (2) Fire communication is reclassified as an enterprise fund from a special revenue fund in FY2009.
- (3) Beginning in FY2009 and going forward, public safety is split between fire and police.
- (4) Due to AB 1x 26 - Redevelopment Agencies Dissolution on February 1, 2012, only seven months of the Glendale Redevelopment Agency transactions are included in the governmental activities for FY2012. The transactions for the remainder of the fiscal year are recorded in the Glendale Successor Agency Private Purpose Trust Fiduciary Fund.
- (5) The negative investment income in FY2013 is due to the net decrease in the fair value of investments based on GASB Statement No. 31.

Source: City Finance Department

Not covered by independent auditors' report

(Continued)

## Schedule 2

**CITY OF GLENDALE**

Changes in Net Position,  
Last Ten Fiscal Years (in thousands)  
(accrual basis of accounting)

	Fiscal Year				
	2014	2013	2012	2011	2010
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 47,623	45,943	59,197	79,714	80,422
Sales tax	35,408	33,789	31,874	30,030	27,594
Utility users tax	27,018	26,968	26,632	26,802	27,827
Other taxes	15,512	14,594	14,181	13,857	13,891
Investment income	1,776	(85) <sup>(5)</sup>	2,953	4,066	5,806
Other	30,097	13,401	21,370	17,948	18,077
Transfers	23,970	25,299	24,007	26,167	25,167
Gain on exchange of land	-	-	-	-	1,978
Contributions	-	-	-	-	-
Extraordinary (loss)	-	(6,423)	(16,314)	-	-
Total governmental activities	<u>181,404</u>	<u>153,486</u>	<u>163,900</u>	<u>198,584</u>	<u>200,762</u>
Business-type activities:					
Investment income	2,725	231	1,927	2,089	4,770
Other	11,505	8,270	7,221	8,527	4,274
Transfers	(23,970)	(25,299)	(24,007)	(26,167)	(25,167)
Contributions	-	-	-	-	-
Total business-type activities	<u>(9,740)</u>	<u>(16,798)</u>	<u>(14,859)</u>	<u>(15,551)</u>	<u>(16,123)</u>
Total primary government	<u>171,664</u>	<u>136,688</u>	<u>149,041</u>	<u>183,033</u>	<u>184,639</u>
Change in Net Position					
Governmental activities	1,122	2,665	(7,829)	(328)	2,720
Business-type activities	<u>18,866</u>	<u>(6,684)</u>	<u>(9,375)</u>	<u>1,972</u>	<u>(1,723)</u>
Total primary government	<u>\$ 19,988</u>	<u>(4,019)</u>	<u>(17,204)</u>	<u>1,644</u>	<u>997</u>

## Notes:

- (1) Fire paramedic is reclassified as a special revenue fund from an enterprise fund in FY2006.
- (2) Fire communication is reclassified as an enterprise fund from a special revenue fund in FY2009.
- (3) Beginning in FY2009 and going forward, public safety is split between fire and police.
- (4) Due to AB 1x 26 - Redevelopment Agencies Dissolution on February 1, 2012, only seven months of the Glendale Redevelopment Agency transactions are included in the governmental activities for FY2012. The transactions for the remainder of the fiscal year are recorded in the Glendale Successor Agency Private Purpose Trust Fiduciary Fund.
- (5) The negative investment income in FY2013 is due to the net decrease in the fair value of investments based on GASB Statement No. 31.

Source: City Finance Department

Not covered by independent auditors' report

(Continued)

## Schedule 2

**CITY OF GLENDALE**

Changes in Net Position,  
Last Ten Fiscal Years (in thousands)  
(accrual basis of accounting)

	Fiscal Year				
	2009	2008	2007	2006	2005
Expenses					
Governmental activities:					
General government	\$ 23,508	15,165	25,842	20,301	17,536
Public safety	- (3)	118,200	107,660	94,711	83,074
Police	64,113 (3)	-	-	-	-
Fire	50,793 (3)	-	-	-	-
Public works	35,903	40,252	35,442	37,075	39,261
Housing, health, and comm dev	49,563	51,601	63,526	53,214	39,683
Employment programs	5,432	5,962	6,808	6,106	5,136
Public service	6,729	4,682	6,932	3,900	5,024
Parks, recreation and community services	16,229	15,699	14,955	15,561	10,066
Library	9,162	9,916	8,463	7,918	7,003
Interest and fiscal charges on bonds	7,311	9,610	10,097	8,404	7,284
Total governmental activities expenses	<u>268,743</u>	<u>271,087</u>	<u>279,725</u>	<u>247,190</u>	<u>214,067</u>
Business-type activities:					
Recreation	2,552	2,457	2,072	1,853	2,078
Hazardous disposal	1,680	1,801	1,539	1,420	1,350
Fire communications	2,790	-	-	-	-
Fire paramedic	-	-	-	-	8,150
Parking	6,520	6,416	6,618	5,593	5,913
Sewer	12,195	17,784	11,993	6,874	8,112
Refuse disposal	16,450	16,283	15,074	14,388	14,636
Electric	192,326	195,590	178,220	184,913	147,377
Water	33,886	31,263	29,927	26,151	25,608
Total business-type activities expenses	<u>268,399</u>	<u>271,594</u>	<u>245,443</u>	<u>241,192</u>	<u>213,224</u>
Total primary government expenses	<u>\$ 537,142</u>	<u>542,681</u>	<u>525,168</u>	<u>488,382</u>	<u>427,291</u>

## Notes:

- (1) Fire paramedic is reclassified as a special revenue fund from an enterprise fund in FY2006.
- (2) Fire communication is reclassified as an enterprise fund from a special revenue fund in FY2009.
- (3) Beginning in FY2009 and going forward, public safety is split between fire and police.
- (4) Due to AB 1x 26 - Redevelopment Agencies Dissolution on February 1, 2012, only seven months of the Glendale Redevelopment Agency transactions are included in the governmental activities for FY2012. The transactions for the remainder of the fiscal year are recorded in the Glendale Successor Agency Private Purpose Trust Fiduciary Fund.
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Source: City Finance Department

Not covered by independent auditors' report

(Continued)

## Schedule 2

**CITY OF GLENDALE**

Changes in Net Position,  
Last Ten Fiscal Years (in thousands)  
(accrual basis of accounting)

	Fiscal Year				
	2009	2008	2007	2006	2005
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 9,890	9,173	9,533	8,762	8,600
Public safety	- (3)	14,391	13,739	12,169	3,757
Police	1,164 (3)	-	-	-	-
Fire	11,221 (3)	-	-	-	-
Public works	10,990	12,498	15,014	12,674	11,256
Housing, health, and comm dev	45	55	86	110	99
Employment programs	980	1,131	1,423	1,154	937
Parks, recreation and community services	15	29	47	28	31
Library	221	236	211	202	150
Operating grants and contributions	55,942	38,170	43,199	40,617	33,855
Capital grants and contributions	6,912	7,271	12,228	17,532	6,860
Total governmental activities program revenues	97,380	82,954	95,480	93,248	65,545
Business-type activities:					
Charges for services:					
Recreation	2,394	2,092	1,842	1,943	1,736
Hazardous disposal	1,550	1,560	1,586	1,404	1,403
Fire communications	2,890	-	-	-	-
Fire paramedic	-	-	-	-	6,887
Parking	7,111	7,780	7,329	7,024	7,139
Sewer	15,440	16,857	17,447	16,611	16,323
Refuse disposal	19,911	18,952	18,205	16,115	15,404
Electric	207,177	204,497	178,979	170,208	148,799
Water	36,068	34,817	33,277	31,189	29,753
Operating grants and contributions	738	632	1,415	511	659
Capital grants and contributions	3,292	4,016	5,222	2,712	1,376
Total business-type activities program revenues	296,571	291,203	265,302	247,717	229,479
Total primary government program revenues	393,951	374,157	360,782	340,965	295,024
Net (Expense) / Revenue					
Governmental activities	(171,363)	(188,133)	(184,245)	(153,942)	(148,522)
Business-type activities	28,172	19,609	19,859	6,525	16,255
Total primary government net expense	\$ (143,191)	(168,524)	(164,386)	(147,417)	(132,267)

## Notes:

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- (4) Due to AB 1x 26 - Redevelopment Agencies Dissolution on February 1, 2012, only seven months of the Glendale Redevelopment Agency transactions are included in the governmental activities for FY2012. The transactions for the remainder of the fiscal year are recorded in the Glendale Successor Agency Private Purpose Trust Fiduciary Fund.
- (5) The negative investment income in FY2013 is due to the net decrease in the fair value of investments based on GASB Statement No. 31.

Source: City Finance Department

Not covered by independent auditors' report

(Continued)



## Schedule 2

**CITY OF GLENDALE**

Changes in Net Position,  
Last Ten Fiscal Years (in thousands)  
(accrual basis of accounting)

	Fiscal Year				
	2009	2008	2007	2006	2005
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 77,060	72,690	67,394	60,961	55,716
Sales taxes	22,755	24,731	23,944	23,985	22,351
Utility users tax	28,798	27,781	26,202	24,386	23,772
Other taxes	22,268	21,508	21,262	19,216	18,562
Investment income	8,143	14,255	15,826	6,805	9,057
Other	16,368	21,611	13,715	21,411	15,461
Transfers	26,100	25,310	24,811	24,357	27,127
Contributions	(1,712)	-	-	-	-
Total governmental activities	199,780	207,886	193,154	181,121	172,046
Business-type activities:					
Investment income	8,331	10,425	11,569	6,421	8,251
Other	3,614	8,387	3,289	3,883	3,463
Transfers	(26,100)	(25,310)	(24,811)	(24,358)	(27,127)
Contributions	1,712	-	-	-	-
Total business-type activities	(12,443)	(6,498)	(9,953)	(14,054)	(15,413)
Total primary government	187,337	201,388	183,201	167,067	156,633
Change in Net Position					
Governmental activities	28,417	19,753	8,909	27,179	23,525
Business-type activities	15,729	13,111	9,906	(7,529)	841
Total primary government	\$ 44,146	32,864	18,815	19,650	24,366

## Notes:

- (1) Fire paramedic is reclassified as a special revenue fund from an enterprise fund in FY2006.
- (2) Fire communication is reclassified as an enterprise fund from a special revenue fund in FY2009.
- (3) Beginning in FY2009 and going forward, public safety is split between fire and police.
- (4) Due to AB 1x 26 - Redevelopment Agencies Dissolution on February 1, 2012, only seven months of the Glendale Redevelopment Agency transactions are included in the governmental activities for FY2012. The transactions for the remainder of the fiscal year are recorded in the Glendale Successor Agency Private Purpose Trust Fiduciary Fund.
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Source: City Finance Department

Not covered by independent auditors' report

## Schedule 3

**CITY OF GLENDALE**

Fund Balances, Governmental Funds,

Last Ten Fiscal Years (in thousands)

(accrual basis of accounting)

	Fiscal Year				
	2014	2013	2012	2011	2010
General Fund					
Nonspendable:	\$ 2,584	2,579	558	49,425	71,521
Restricted for:					
City Charter- stabilization	22,593	22,228	21,156	21,105	20,619
Committed to:					
Capital projects fund	7,000	-	-	-	-
Assigned to:					
Economic Development	-	-	-	117	-
Unassigned:	36,480	38,082	37,852	63,408	28,331
Total general fund	<u>68,657</u>	<u>62,889</u>	<u>59,566</u>	<u>134,055</u>	<u>120,471</u>
All Other Governmental Funds					
Nonspendable:	2,212	2,275	2,257	14,459	22,311
Restricted for:					
Federal and state grants	4,745	4,571	3,395	4,735	4,915
Private endowments	-	-	1,400	-	-
Public safety	1,197	1,127	1,295	1,759	6,101
Youth Employment	18	-	52	-	-
Transportation	17,019	15,569	12,927	10,606	9,854
Landscaping district	63	48	43	53	55
Low and Mod Housing	9,820	15,605	18,963	9,419	13,964
Air quality improvement	276	269	214	286	280
Cable access	1,237	783	379	792	650
Electric public benefit AB1890	1,960	1,308	186	862	1,641
State gas tax mandates	7,044	8,539	12,466	14,435	-
Landfill postclosure	23,850	22,350	22,100	22,100	-
Redevelopment activities	-	-	-	24,071	-
Debt service funds	-	-	-	-	49,286
Capital projects funds	-	-	-	12,856	37,341
Committed to:					
Debt service funds	23,841	31,590	34,087	52,330	-
Capital projects fund	1,991	2,213	-	-	-
Impact fee funded projects	5,562	5,830	4,457	2,209	-
Public safety	116	116	179	170	-
Urban art	2,437	1,893	984	18	-
Assigned to:					
Capital projects funds	-	-	8,020	-	-
Unassigned:	(10,327)	(8,167)	(9,520)	(7,393)	(16,833)
Total all other governmental funds	<u>\$ 93,061</u>	<u>105,919</u>	<u>113,884</u>	<u>163,767</u>	<u>129,565</u>

## Notes:

- (1) Due to AB 1x 26 - Redevelopment Agencies Dissolution on February 1, 2012, only seven months of the Glendale Redevelopment Agency transactions are included in the governmental activities for FY2012. The transactions for the remainder of the fiscal year are recorded in the Glendale Successor Agency Private Purpose Trust Fiduciary Fund.
- (2) This schedule has been modified pursuant to GASB Statement No. 54, which establishes the following classifications (effective for FY2011): nonspendable, restricted, committed, assigned, and unassigned.

Source: City Finance Department

Not covered by independent auditors' report

(Continued)

## Schedule 3

**CITY OF GLENDALE**

Fund Balances, Governmental Funds,

Last Ten Fiscal Years (in thousands)

(accrual basis of accounting)

	Fiscal Year				
	2009	2008	2007	2006	2005
General Fund					
Nonspendable:	\$ 68,840	68,867	67,347	67,147	66,786
Restricted for:					
City Charter- stabilization	19,320	19,320	17,805	16,495	15,521
Committed to:					
Capital projects fund	-	-	-	-	-
Assigned to:					
Economic Development	-	-	-	-	-
Unassigned:	37,503	33,310	42,559	32,541	35,544
Total general fund	<u>125,663</u>	<u>121,497</u>	<u>127,711</u>	<u>116,183</u>	<u>117,851</u>
All Other Governmental Funds					
Nonspendable:	21,485	15,043	13,844	71,314	74,324
Restricted for:					
Federal and state grants	4,437	4,959	3,725	1,783	1,075
Private endowments	-	-	-	-	-
Public safety	6,397	7,530	8,569	9,671	11,324
Youth Employment	-	-	-	-	-
Transportation	12,197	13,610	12,976	11,826	4,823
Landscaping district	24	-	-	-	-
Low and Mod Housing	14,737	11,896	17,060	13,976	6,287
Air quality improvement	659	658	538	482	457
Cable access	573	486	690	938	1,027
Electric public benefit AB1890	3,282	3,016	2,716	5,219	5,598
Redevelopment activities	2,211	4,679	4,663	4,639	-
Debt service funds	54,486	55,269	56,323	60,928	62,724
Capital projects funds	19,534	19,186	12,851	27,516	47,893
Committed to:					
Debt service funds	-	-	-	-	-
Impact fee funded projects	-	-	-	-	-
Public safety	-	-	-	-	-
Urban art	-	-	-	-	-
Assigned to:					
Capital projects funds	-	-	-	-	-
Unassigned:	<u>(13,752)</u>	<u>(9,474)</u>	<u>5,851</u>	<u>(31,110)</u>	<u>(12,883)</u>
Total all other governmental funds	\$ <u>126,270</u>	<u>126,858</u>	<u>139,806</u>	<u>177,182</u>	<u>202,649</u>

## Notes:

- (1) Due to AB 1x 26 - Redevelopment Agencies Dissolution on February 1, 2012, only seven months of the Glendale Redevelopment Agency transactions are included in the governmental activities for FY2012. The transactions for the remainder of the fiscal year are recorded in the Glendale Successor Agency Private Purpose Trust Fiduciary Fund.
- (2) This schedule has been modified pursuant to GASB Statement No. 54, which establishes the following classifications (effective for FY2011): nonspendable, restricted, committed, assigned, and unassigned.

Source: City Finance Department

Not covered by independent auditors' report

## Schedule 4

**CITY OF GLENDALE**

## Changes in Fund Balances, Governmental Funds

## Last Ten Fiscal Years (in thousands)

## (accrual basis of accounting)

	Fiscal Year				
	2014	2013	2012	2011	2010
Revenues:					
Property taxes	\$ 47,623	45,943	59,197	79,714	80,422
Sales tax	35,408	33,789	31,874	30,030	27,594 (2)
Utility users tax	27,018	26,968	26,632	26,802	27,827 (2)
Other taxes	15,512	14,594	14,181	13,857	13,891 (2)
Revenue from other agencies	71,755	75,055	62,819	84,204	80,322
Licenses and permits	10,528	10,866	11,409	8,836	5,601
Fines and forfeitures	1,638	1,446	1,683	2,032	3,026
Charges for services	19,393	19,848	25,885	23,174	22,445
Use of money and property	4,996	2,550	5,112	11,084	9,651 (1)
Intergovernmental revenue	-	-	-	-	- (1)
Interfund revenue	16,182	14,921	14,902	14,943	12,012
Sales of property	- (4)	49	52	28	10
Miscellaneous revenue	3,577 (4)	6,744	5,211	1,623	3,347
Total revenues	<u>253,630</u>	<u>252,773</u>	<u>258,957</u>	<u>296,327</u>	<u>286,148</u>
Expenditures:					
General government	27,187	22,826	19,535	21,327	20,215
Community promotion	59	111	89	106	55
Police	69,623	68,224	66,848	65,000	61,677
Fire	46,848	47,639	56,957	52,750	51,468
Public works	33,310	30,831	32,911	33,935	34,033
Housing, health and community development	39,449	44,997	44,186	67,044	74,402
Employment programs	5,808	6,028	6,091	5,794	5,060
Public service	5,325	4,656	6,500	7,970	8,053
Parks, recreation and community services	10,331	9,938	11,957	12,856	12,852
Library	8,143	7,923	8,714	8,322	8,343
Capital outlay	23,930	28,320	19,053	31,236	41,043
Debt service					
Interest	806	241	5,124	5,920	4,516
Principal	13,850	3,476	9,971	10,908	10,398
Cost of issuance	-	-	-	-	-
Total expenditures	<u>284,669</u>	<u>275,210</u>	<u>287,936</u>	<u>323,168</u>	<u>332,115</u>
Excess of revenues over (under) expenditures	<u>(31,039)</u>	<u>(22,437)</u>	<u>(28,979)</u>	<u>(26,841)</u>	<u>(45,967)</u>
Other Financing Sources (Uses):					
Proceeds from borrowing	-	-	2,002	50,000	31,081
Original/Issue discount	-	-	-	(2,032)	-
Cost of issuance	-	-	-	(583)	-
Transfers in	28,331	29,039	69,415	54,771	67,019
Transfers out	(4,382)	(3,740)	(44,863)	(27,529)	(54,030)
Total other financing sources (uses)	<u>23,949</u>	<u>25,299</u>	<u>26,554</u>	<u>74,627</u>	<u>44,070</u>
Extraordinary (loss)	<u>-</u>	<u>(7,504)</u>	<u>(121,947)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (7,090)</u>	<u>(4,642)</u>	<u>(124,372)</u>	<u>47,786</u>	<u>(1,897)</u>
Debt service as a percentage of noncapital expenditures	5.6%	1.5%	5.7%	5.6%	5.1%

## Notes:

(1) Intergovernmental revenue became part of use of money and property in FY2010.

(2) Beginning in FY2010 and going forward, other taxes are split among sales tax, utility users tax, and other tax.

(3) Due to AB 1x 26 - Redevelopment Agencies Dissolution on February 1, 2012, only seven months of the Glendale Redevelopment Agency transactions are included in the governmental activities for FY2012. The transactions for the remainder of the fiscal year are recorded in the Glendale Successor Agency Private Purpose Trust Fiduciary Fund.

(4) Beginning in FY2014 and going forward, sales of property is included under "Miscellaneous revenue".

Source: City Finance Department

Not covered by independent auditors' report

(Continued)

## Schedule 4

**CITY OF GLENDALE**

## Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years (in thousands)

(accrual basis of accounting)

	Fiscal Year				
	2009	2008	2007	2006	2005
Revenues:					
Property taxes	\$ 77,060	72,690	67,394	60,961	55,716
Other taxes	73,820	74,020	71,408	69,172	66,178
Revenue from other agencies	56,558	48,552	64,206	49,247	45,579
Licenses and permits	4,911	6,354	8,589	6,247	5,303
Fines and forfeitures	2,667	2,041	1,503	1,671	1,822
Charges for services	21,992	23,348	23,202	21,079	12,036
Use of money and property	9,483	14,676	16,389	8,914	10,821
Intergovernmental revenue	2,040	2,000	2,000	1,500	1,250
Interfund revenue	7,699	7,853	8,262	7,774	7,491
Sales of property	144	5,985	-	-	-
Miscellaneous revenue	5,621	5,913	5,168	12,499	4,689
Total revenues	261,995	263,432	268,121	239,064	210,885
Expenditures:					
General government	20,465	20,940	20,285	17,984	16,730
Community promotion	105	151	115	245	116
Police	60,726	57,734	51,482	52,808	48,140
Fire	50,190	52,311	49,481	44,658	34,184
Public works	30,520	30,581	29,714	29,767	25,968
Housing, health and community development	45,868	38,012	32,612	37,747	35,588
Employment programs	3,118	3,545	6,649	6,129	4,968
Public service	6,674	4,492	6,770	3,931	4,860
Parks, recreation and community services	13,460	13,217	12,384	11,966	10,287
Library	8,643	8,930	8,097	7,668	6,815
Capital outlay	42,445	59,489	91,919	59,299	41,255
Debt service					
Interest	4,651	6,025	6,655	6,379	5,707
Principal	8,306	7,624	6,300	5,575	6,482
Fiscal agent fees	80	-	-	-	-
Total expenditures	295,251	303,051	322,463	284,156	241,100
Excess of revenues over (under) expenditures	(33,256)	(39,619)	(54,342)	(45,092)	(30,215)
Other Financing Sources (Uses):					
Proceeds from borrowing	14,000	-	8,200	-	-
Original/Issue discount	-	-	-	-	-
Cost of issuance	-	-	-	-	-
Payments to escrow agent	-	-	-	-	-
Transfers in	37,479	42,052	31,312	33,684	31,424
Transfers out	(14,646)	(21,595)	(11,019)	(13,407)	(13,242)
Total other financing sources (uses)	36,833	20,457	28,493	20,277	18,182
Extraordinary (loss)	-	-	-	-	-
Net change in fund balances	\$ 3,577	(19,162)	(25,849)	(24,815)	(12,033)
Debt service as a percentage of noncapital expenditures	5.1%	5.6%	5.0%	4.9%	6.2%

## Notes:

(1) Intergovernmental revenue became part of use of money and property in FY2010.

(2) Beginning in FY2010 and going forward, other taxes are split among sales tax, utility users tax, and other tax.

(3) Due to AB 1x 26 - Redevelopment Agencies Dissolution on February 1, 2012, only seven months of the Glendale Redevelopment Agency transactions are included in the governmental activities for FY2012. The transactions for the remainder of the fiscal year are recorded in the Glendale Successor Agency Private Purpose Trust Fiduciary Fund.

(4) Beginning in FY2014 and going forward, sales of property is included under "Miscellaneous revenue".

Source: City Finance Department

Not covered by independent auditors' report

## Schedule 5

**CITY OF GLENDALE**

## Electric Revenue by Type of Customers

## Last Ten Fiscal Years

	Fiscal Year				
	2014	2013	2012	2011	2010
Electric Fund:					
Number of Customers:					
Residential	72,975	72,625	72,220	72,030	71,866
Commercial	12,801	12,769	12,898	12,698	12,690
Industrial	218	217	222	216	226
Other (Government)	18	18	18	18	18
Total	<u>86,012</u>	<u>85,629</u>	<u>85,358</u>	<u>84,962</u>	<u>84,800</u>
Megawatt-Hour Sales:					
Residential	352,861	393,136	368,237	357,604	378,460
Commercial	327,660	335,404	319,478	305,908	322,377
Industrial	370,321	389,872	397,144	377,698	392,273
Public street and highway lighting	8,530	9,284	9,335	9,240	9,200
Total Retail Energy Sales	<u>1,059,372</u>	<u>1,127,696</u>	<u>1,094,194</u>	<u>1,050,450</u>	<u>1,102,310</u>
Sales to other utilities	351,348	61,407 (2)	493,511	487,753	108,731
Wholesale	<u>331,831</u>	<u>235,847 (2)</u>	<u>404,319</u>	<u>396,933</u>	<u>76,934</u>
Total Energy Sales	<u>1,742,551</u>	<u>1,424,950</u>	<u>1,992,024</u>	<u>1,935,136</u>	<u>1,287,975</u>
Revenue from Sale Energy					
Residential	\$ 59,905,509	58,412,020	54,282,734	53,557,580	59,515,595
Commercial	55,750,676	51,393,589	49,217,022	47,557,202	52,574,031
Industrial	52,437,492	49,396,516	50,624,670	49,084,732	54,368,173
Public street and highway lighting	6,145	9,553	7,010	4,288	3,022
Sales to other utilities	13,032,317	1,686,183 (2)	23,049,142	17,437,568	6,942,319
Wholesale	<u>15,130,477</u>	<u>12,802,646</u>	<u>18,826,834</u>	<u>20,159,819</u>	<u>3,500,143</u>
Total Energy Sales	<u>\$ 196,262,616</u>	<u>173,700,508</u>	<u>196,007,412</u>	<u>187,801,189</u>	<u>176,903,283</u>

## Notes:

(1) Fluctuations in wholesale sales volume and revenue were due to changing market demand and price volatility.

(2) Reductions in the purchases and sales of MWHs correlates to the decrease in wholesale revenue and sales to other utility revenue.

Source: Glendale Water & Power Department

Not covered by independent auditors' report

(Continued)

## Schedule 5

**CITY OF GLENDALE**

## Electric Revenue by Type of Customers

## Last Ten Fiscal Years

	Fiscal Year				
	2009	2008	2007	2006	2005
Electric Fund:					
Number of Customers:					
Residential	71,643	71,310	70,921	70,810	70,798
Commercial	12,664	12,626	12,481	12,385	12,331
Industrial	229	213	224	220	220
Other (Government)	18	18	18	18	18
Total	<u>84,554</u>	<u>84,167</u>	<u>83,644</u>	<u>83,433</u>	<u>83,367</u>
Megawatt-Hour Sales:					
Residential	389,872	399,644	395,260	381,010	371,057
Commercial	341,639	351,990	345,407	345,315	338,411
Industrial	410,663	399,689	396,997	407,151	389,919
Public street and highway lighting	9,216	9,243	9,164	9,106	9,012
Total Retail Energy Sales	<u>1,151,390</u>	<u>1,160,566</u>	<u>1,146,828</u>	<u>1,142,582</u>	<u>1,108,399</u>
Sales to other utilities	76,272	55,968	114,465	114,247	52,140
Wholesale	<u>128,556</u> <sup>(1)</sup>	<u>194,423</u> <sup>(1)</sup>	<u>126,627</u>	<u>147,207</u>	<u>72,615</u>
Total Energy Sales	<u>1,356,218</u>	<u>1,410,957</u>	<u>1,387,920</u>	<u>1,404,036</u>	<u>1,233,154</u>
Revenue from Sale Energy					
Residential	\$ 66,450,032	63,778,774	58,251,508	50,347,062	48,775,385
Commercial	60,278,592	58,121,923	53,302,463	47,141,992	45,627,641
Industrial	61,862,315	56,307,557	51,908,777	43,976,070	41,457,748
Public street and highway lighting	2,054	1,983	1,810	1,487	1,258
Sales to other utilities	7,695,258	7,461,421	5,969,693	15,640,657	8,579,688
Wholesale	<u>10,888,493</u> <sup>(1)</sup>	<u>18,825,241</u> <sup>(1)</sup>	<u>9,545,014</u>	<u>13,100,161</u>	<u>4,356,897</u>
Total Energy Sales	\$ <u>207,176,744</u>	<u>204,496,899</u>	<u>178,979,265</u>	<u>170,207,429</u>	<u>148,798,617</u>

## Notes:

(1) Fluctuations in wholesale sales volume and revenue were due to changing market demand and price volatility.

(2) Reductions in the purchases and sales of MWHs correlates to the decrease in wholesale revenue and sales to other utility revenue.

Source: Glendale Water & Power Department

Not covered by independent auditors' report

## Schedule 6

**CITY OF GLENDALE**

Electric Rates (Dollars per Kilowatt Hour)

Last Ten Fiscal Years

		Fiscal Year				
		2014	2013	2012	2011	2010
Customer Class						
Residential	\$	0.1693	0.1486	0.1474	0.1498	0.1573
Commercial		0.1696	0.1532	0.1541	0.1555	0.1631
Industrial		0.1412	0.1267	0.1275	0.1300	0.1386
Lighting		0.0006	0.0010	0.0008	0.0005	0.0003

		Fiscal Year				
		2009	2008	2007	2006	2005
Customer Class						
Residential	\$	0.1704	0.1596	0.1474	0.1321	0.1314
Commercial		0.1764	0.1651	0.1543	0.1365	0.1348
Industrial		0.1506	0.1409	0.1308	0.1080	0.1063
Lighting		0.0002	0.0002	0.0002	0.0002	0.0001

## Notes:

- (1) These are the average rates for the indicated customer classes, including energy cost adjustment charge.
- (2) On August 13, 2013, the City Council approved an 8% system average rate increase effective September 13, 2013. The City Council also approved electric rates to become effective July 1 of each of the 4 successive years in the amounts of 7%, 5%, 2%, and 2%. The rate plan puts the Electric Utility on the path to restored financial health by generating positive annual net income by fiscal year ending June 30, 2016, supporting a bond issue of \$60 million.

Source: Glendale Water &amp; Power Department

Not covered by independent auditors' report



## Schedule 7

**CITY OF GLENDALE**

## Principal Electric Payer Groups

## Current Year and Eight Years Ago

Electric Payer Groups	Fiscal Year 2014			Fiscal Year 2006		
	Electric	Rank	Percentage of Total City	Electric	Rank	Percentage of Total City
	Charges		Charges	Charges		Charges
Hospitals/Medical Facilities	\$ 10,405,963	1	5.30%	\$ 5,409,579	4	3.18%
Entertainment Industry	10,156,561	2	5.17%	7,312,437	1	4.30%
Government Agencies	7,605,820	3	3.88%	5,766,049	3	3.39%
Retail Stores/Malls	6,181,117	4	3.15%	5,894,901	2	3.46%
Schools/Colleges	4,441,449	5	2.26%	3,672,134	6	2.16%
Manufacturing	3,960,401	6	2.02%	1,904,525	9	1.12%
Grocery Stores	3,672,945	7	1.87%	3,636,487	7	2.14%
High-Rise Buildings	3,428,642	8	1.75%	5,349,323	5	3.14%
Hotels/Motels	1,447,527	9	0.74%	1,172,868	10	0.69%
Utilities	1,284,691	10	0.65%	2,181,564	8	1.28%
Total	\$ <u>52,585,116</u>		<u>26.79%</u>	\$ <u>42,299,867</u>		<u>24.86%</u>

## Notes:

(1) Individual customer's information is not public record and cannot be released without customer's permission.  
Therefore, top ten electric payer group is presented instead of top ten customers.

(2) Data prior to FY2006 are not available.

Source: Glendale Water & Power Department

Not covered by independent auditors' report

## Schedule 8

**CITY OF GLENDALE**

## Assessed Value and Actual Value of Taxable Property

Last Ten Fiscal Years (in thousands)

Fiscal Fiscal Year Ended June 30,	Residential Property (4)	Commercial Property (4)	Industrial Property (4)	Other Property (4)
2005	\$ 11,756,804	\$ 3,078,785	\$ 645,596	\$ 1,589,205
2006	12,818,420	3,595,247	631,715	1,559,282
2007	14,021,333	3,972,910	682,581	1,740,934
2008	15,044,118	4,334,682	716,251	1,835,689
2009	15,785,560	4,548,563	771,577	2,233,232
2010	15,588,384	4,649,949	774,196	2,318,317
2011	15,706,014	4,574,190	777,581	2,379,814
2012	16,233,512	4,785,127	761,299	2,047,080
2013	16,484,941	4,914,713	792,069	2,098,219
2014	17,201,465	5,110,372	794,497	2,158,685

Fiscal Fiscal Year Ended June 30,	Less: Tax-Exempt Property (5)	Total Taxable Assessed Value	Total Direct Tax Rate (2)(3)
2005	\$ 496,524	\$ 16,573,866	0.24192
2006	599,470	18,005,194	0.25043
2007	516,434	19,901,324	0.25543
2008	720,421	21,210,321	0.25637
2009	750,483	22,588,450	0.26764
2010	741,047	22,589,799	0.26915
2011	544,780	22,892,818	0.27303
2012	538,972	23,288,046	0.27112
2013	788,151	23,501,791	0.27241
2014	761,935	24,503,084	0.13096

## Notes:

(1) In 1978 the voters of the State of California passed Proposition 13 which limited taxes to a total maximum rate of 1%, based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum of 2%). With few exceptions, property is only reassessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

(2) Total Direct Rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information.

(3) In FY2011, as a result of moving all data to a different database/system, HdL's revenue calculations have been revised and refined, resulting in changes to prior year total direct rates. Nevertheless, HdL encourages users of its data to leave prior year data unchanged on their schedules.

(4) "Assessed" values are reflected.

(5) Both the Homeowners' Exemption + Exempt Use Code categories are reflected.

Source: HdL Coren & Cone

Not covered by independent auditors' report

## Schedule 9

**CITY OF GLENDALE**

Direct and Overlapping Property Tax Rates (Rate Per \$100 of Taxable Value)

Last Ten Fiscal Years

Fiscal Year	City's Share of 1% Levy Per Prop 13	Redevelopment Rate	Total Direct Tax Rate
2005	0.13573	1.00697	0.24192
2006	0.13573	1.00604	0.25043
2007	0.13573	1.00541	0.25543
2008	0.13573	1.00450	0.25637
2009	0.13573	1.00430	0.26764
2010	0.13573	1.00430	0.26915
2011	0.13573	1.00370	0.27303
2012	0.13573	1.00370	0.27112
2013	0.13573	N/A (6)	0.27241
2014	0.13573	N/A (6)	0.13096

Direct & Overlapping Rates					
Fiscal Year	Basic Levy	County Detention Facilities 1987 Debt	Glendale Community College	Glendale Unified School District	La Canada Unified School District
2005	1.00000	0.00092	0.02132	0.06161	0.07132
2006	1.00000	0.00080	0.01857	0.05221	0.06708
2007	1.00000	0.00066	0.02213	0.05205	0.05923
2008	1.00000	0.00000	0.02408	0.04742	0.05630
2009	1.00000	0.00000	0.02119	0.04560	0.06475
2010	1.00000	0.00000	0.02366	0.04603	0.07043
2011	1.00000	0.00000	0.02344	0.03541	0.07329
2012	1.00000	0.00000	0.02452	0.04551	0.07086
2013	1.00000	0.00000	0.02466	0.04395	0.06974
2014	1.00000	0.00000	0.02341	0.03917	0.06722

## Notes:

- (1) In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.
- (2) Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.
- (3) City's Share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the city. ERAF generalfund tax shifts may not be included in tax ratio figures.
- (4) RDA rate is based on the largest RDA tax rate area (TRA) and includes only rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values.
- (5) Total Direct Rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information.
- (6) Due to the dissolution of the Glendale Redevelopment Agency (GRA) on February 1, 2012, the redevelopment rate is not applicable as of FY2013.

Source: HdL Coren &amp; Cone

Not covered by independent auditors' report

(Continued)

## Schedule 9

**CITY OF GLENDALE**

Direct and Overlapping Property Tax Rates (Rate Per \$100 of Taxable Value)

Last Ten Fiscal Years

Direct & Overlapping Rates					
Fiscal Year	LACC District Debt Service 2008 2012 Series F	LACC District	L.A. County Flood Control	LAUSD Measure K 2010 Series Ky	LAUSD
2005	0.00000	0.01810	0.00025	0.00000	0.08884
2006	0.00000	0.01429	0.00005	0.00000	0.08435
2007	0.00000	0.02146	0.00005	0.00000	0.10681
2008	0.00000	0.00879	0.00000	0.00000	0.12334
2009	0.00000	0.02212	0.00000	0.00000	0.12478
2010	0.00000	0.02311	0.00000	0.00000	0.15181
2011	0.00000	0.04031	0.00000	0.00000	0.18696
2012	0.00000	0.03530	0.00000	0.00000	0.16819
2013	0.01119	0.03756	0.00000	0.00001	0.17560
2014	0.00000	0.04454	0.00000	N/A	0.14644

Direct & Overlapping Rates				
Fiscal Year	Metropolitan Water District	Pasadena Community College District Debt Service 2002, 2006 Ser D	Pasadena Community College District	Total Direct & Overlapping Tax Rates
2005	0.00580	0.00000	0.00879	1.27694
2006	0.00520	0.00000	0.00410	1.24665
2007	0.00470	0.00000	0.02080	1.28791
2008	0.00450	0.00000	0.01972	1.28416
2009	0.00430	0.00000	0.01742	1.30015
2010	0.00430	0.00000	0.02300	1.34234
2011	0.00370	0.00000	0.01986	1.38297
2012	0.00370	0.00000	0.01956	1.36763
2013	0.00350	0.00225	0.01830	1.38676
2014	0.00350	N/A	0.01899	1.34327

## Notes:

- (1) In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.
- (2) Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.
- (3) City's Share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the city. ERAF general fund tax shifts may not be included in tax ratio figures.
- (4) RDA rate is based on the largest RDA tax rate area (TRA) and includes only rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values.
- (5) Total Direct Rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information.
- (6) Due to the dissolution of the Glendale Redevelopment Agency (GRA) on February 1, 2012, the redevelopment rate is not applicable for FY2013.

Source: HdL Coren &amp; Cone

Not covered by independent auditors' report

## Schedule 10

**CITY OF GLENDALE**

## Principal Property Tax Payers

Current Year and Nine Years Ago (in thousands)

Taxpayer	Fiscal Year 2014			Fiscal Year 2005		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Walt Disney World Company	\$ 442,103	1	1.80%	\$ 298,391	1	1.80%
GGP Homart II	440,773	2	1.80%			
Americana at Brand LLC	271,106	3	1.11%			
PR Glendale Plaza Office California LLC	166,046	4	0.68%			
DWA Glendale Properties LLC	157,066	5	0.64%			
Americana Residential LLC	150,032	6	0.61%			
Wells Reit Glendale California LLC	144,400	7	0.59%	159,931	2	0.96%
Metropolitan Life Insurance Company	123,233	8	0.50%			
Dignity Health Corporation	108,878	9	0.44%			
GPI 500 Brand Limited	100,915	10	0.41%			
Maguire Partners				154,487	3	0.93%
Glendale Plaza Realty Holding Company				136,471	4	0.82%
Glendale II Associates				124,879	5	0.75%
NBB Associates L.P.				105,000	6	0.63%
400/450 North Brand LLC				94,040	7	0.57%
OTR				88,336	8	0.53%
DW Statutory Trust 2002				83,124	9	0.50%
330 North Brand Inc				70,000	10	0.42%
Total	\$ 2,104,551		8.59%	\$ 1,314,660		7.93%

Source: HdL Coren &amp; Cone

Not covered by independent auditors' report

**CITY OF GLENDALE**

## Property Tax Levies and Collections

Last Ten Fiscal Years (in thousands)

Fiscal Year Ended June 30,	City					
	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date (1)	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2005	\$ 17,640	\$ 17,072	97%	\$ 492 (3)	\$ 17,564	100%
2006	19,996	19,208	96%	589 (3)	19,797	99%
2007	22,247	21,228	95%	827 (3)	22,055	99%
2008	23,853	22,460	94%	1,209 (3)	23,669	99%
2009	24,731	23,552	95%	1,201 (3)	24,753	100%
2010	23,814	22,698	95%	902 (3)	23,600	99%
2011	24,737	23,811	96%	620 (3)	24,431	99%
2012	25,402	24,726	97%	554 (3)	25,280	100%
2013	24,839	25,612	103% (6)	528 (3)	26,140	105%
2014	26,846	26,823	100%	-	26,823	100%

Fiscal Year Ended June 30,	Redevelopment Agency/Successor Agency (5)					
	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date (1)	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2005	\$ 28,489	\$ 26,662	94%	\$ 528 (3)	\$ 27,190	95%
2006	26,505	25,798	97%	341 (3)	26,139	99%
2007	29,118	27,415	94%	472 (3)	27,887	96%
2008	31,205	30,505	98%	(19) (2)(3)	30,486	98%
2009	36,408	34,667	95%	283 (3)	34,950	96%
2010	41,442	39,884	96%	383 (3)	40,267	97%
2011	39,048	37,801	97%	265 (3)	38,066	97%
2012	37,958	16,643 (4)	44%	- (3)	16,643 (4)	44%
2013	-	42,203 (5)	-	-	42,203	-
2014	-	20,039 (5)	-	-	20,039	-

## Notes:

- (1) Education Revenue Augmentation Fund (ERAF) III payment to State, ERAF in lieu of Vehicle License Fee, SB211 Proposition Share for Central Project, supplemental property tax, and property tax penalty are excluded from property tax collections when compared to property tax levied in this schedule.
- (2) The negative collection is due to refunds to property owners for overpayment in prior years, which mainly resulted from lower property values.
- (3) Delinquent taxes should be reported by levy year rather than by collection year. [GASB-S44: 21c; 2005 GAAFR, page 307].
- (4) This amount only includes Property Tax Increment collections from July 2011 through January 2012 due to AB 1x 26 - Redevelopment Agencies Dissolution effective February 1, 2012.
- (5) Effective February 1, 2012, the Property Tax receipts from the County of LA to pay the former Redevelopment Agency's obligations are recorded in the Glendale Successor Agency Private Purpose Trust Fiduciary Fund.
- (6) The amount collected during this fiscal year exceeded the Levy amount, which was mainly due to property tax (tax increment) collection timing for a few huge parcels in the Central Project Area.

## Sources:

- (I) County of Los Angeles Department of Auditor-Controller
- (II) City Finance Department

Not covered by independent auditors' report

## Schedule 12

**CITY OF GLENDALE**

Ratios of Outstanding Debt by Type,  
Last Ten Fiscal Years (in thousands)

Fiscal Year	Governmental Activities						
	Police Building Project (COPs)	Capital Leases	HUD Section 108 (2002-A)	HUD Section 108 (2011-A)	Notes Payable	Residential Development Loan Program (RDLP)	Subtotal
2005	\$ 60,800	4,989	1,590	-	3,692	-	71,071
2006	59,600	4,273	1,450	-	2,769	-	68,092
2007	58,300	11,729	1,280	-	1,846	-	73,155
2008	56,900	9,935	1,100	-	923	-	68,858
2009	55,500	10,540	690	-	-	-	66,730
2010	54,000	8,866	690	-	-	4,643	68,199
2011	52,400	7,121	470	-	-	4,643	64,634
2012	50,700	5,302	240	2,000	-	4,643	62,885
2013	48,900	3,405	-	1,839	-	4,643	58,787
2014	41,195	1,426	-	1,669	-	-	44,290

Fiscal Year	Business-type Activities								
	2000 Electric Revenue Bond	2003 Electric Revenue Bond	2006 Electric Revenue Bond	2008 Electric Revenue Bond	2013 Electric Refunding Bond	2008 Water Revenue Bond	2012 Water Revenue Bond	2013 Electric Revenue Bond	Subtotal
2005	\$ 37,130	30,615	-	-	-	-	-	-	67,745
2006	-	29,798	36,780	-	-	-	-	-	66,577
2007	-	28,983	36,212	-	-	-	-	-	65,195
2008	-	28,166	35,381	61,687	-	51,916	-	-	177,150
2009	-	27,350	34,482	61,630	-	51,851	-	-	175,313
2010	-	26,533	33,515	61,573	-	51,787	-	-	173,408
2011	-	25,718	32,481	61,516	-	51,722	-	-	171,437
2012	-	24,811	31,371	61,459	-	51,657	-	-	169,298
2013	(3) -	-	31,484	61,403	24,276 (2)	50,418	35,617	-	203,198
2014	-	-	30,106	61,342	24,042	49,138	35,595	64,490	264,713

## Notes:

(1) Due to the dissolution of the Glendale Revelopment Agency (GRA) on February 1, 2012, all of the GRA's debt have been moved to Glendale Successor Agency Private Purpose Trust Fiduciary Fund.

(2) 2003 Electric Revenue Bond was refunded by 2013 Electric Refunding Bond in FY2013.

(3) FY2013 Business-type Activity Bonds' amounts were reinstated.

## Source:

City Finance Department

Not covered by independent auditors' report

(Continued)

## Schedule 12

**CITY OF GLENDALE**

Ratios of Outstanding Debt by Type,  
Last Ten Fiscal Years (in thousands)

Fiscal Year	Total Primary Government	Total Personal Income	Percentage of Personal Income	Population	per Capita
2005	\$ 138,816	\$ 4,969,203	2.79%	207	0.671
2006	134,669	5,145,734	2.62%	206	0.653
2007	138,350	5,455,272	2.54%	207	0.668
2008	246,008	5,646,893	4.36%	207	1.188
2009	242,043	5,695,235	4.25%	207	1.168
2010	241,607	5,572,397	4.34%	208	1.162
2011	236,071	5,390,591	4.38%	192	1.227
2012	232,183	5,731,457	4.05%	193	1.205
2013	261,985	5,782,449	4.53%	194	1.353
2014	309,003	5,730,841	5.39%	196	1.577

Fiscal Year	Fiduciary Activities							
	2002 GRA Tax Allocation Bond	2003 GRA Tax Allocation Bond	2010 GRA Tax Allocation Bond	2011 GRA Tax Allocation Bond	Low & Mod Loans payable	2013 GRA Tax Allocation Bond	Loans Payable	Total
2005	\$ 46,083	56,184	-	-	-	-	-	102,267
2006	44,057	53,924	-	-	-	-	-	97,981
2007	41,971	51,544	-	-	-	-	-	93,515
2008	39,832	49,043	-	-	-	-	-	88,875
2009	37,626	46,418	-	-	13,352	-	-	97,396
2010	35,355	43,658	26,621	-	10,716	-	-	116,350
2011	33,008	40,758	26,644	50,000	7,991	-	-	158,401
2012	30,583	37,708	26,667	47,967	5,171	-	-	148,096
2013	28,078	34,563	26,691	46,528	2,254	-	-	138,114
2014	-	-	26,563	44,883	-	49,062	13,613	134,121

## Notes:

- (1) Due to the dissolution of the Glendale Development Agency (GRA) on February 1, 2012, all of the GRA's debt have been moved to Glendale Successor Agency Private Purpose Trust Fiduciary Fund.
- (2) 2003 Electric Revenue Bond was refunded by 2013 Electric Refunding Bond in FY2013.
- (3) FY2013 Business-type Activity Bonds' amounts were reinstated.

## Source:

City Finance Department

Not covered by independent auditors' report



## Schedule 13

**CITY OF GLENDALE**

## Direct and Overlapping Governmental Activities Debt

As of June 30, 2014 (in thousands)

	Gross Bonded Debt Balance	Percentage Applicable to Glendale	Amount Applicable to Glendale
Direct Debt			
Glendale Police Facility Certificate of Participation (COPs)	\$ 41,195	100%	\$ 41,195
Capital Leases	1,426	100%	1,426
Section 108 (Series 2011-A)	1,669	100%	1,669
Total Direct Debt			44,290
Overlapping Debt			
Metropolitan Water District	64,271	2.213%	1,422
Glendale CCD DS 2002 Series C	8,927	89.126%	7,956
Glendale CCD DS RF BD 02, 05 S-A	31,376	89.126%	27,964
Glendale CCD DS 2002 Series 2006	2,720	89.126%	2,424
Glendale CCD DS 2002, 2011 Series E	18,590	89.126%	16,569
Pasadena CCD DS 2006 Series B	26,985	0.107%	29
Pasadena CCD DS 2006 REF BD Series C	19,443	0.107%	21
Pasadena CCD DS 2002, 2006 Series D	25,645	0.107%	27
Pasadena CCD DS 2002, 2009 Series E (BABS)	25,295	0.107%	27
Glendale USD DS 1997 Series G	47,410	89.126%	42,255
Glendale USD DS 2009 Ref Bonds	39,000	89.126%	34,759
Glendale USD DS 2010 Ref Bonds	25,000	89.126%	22,282
Glendale USD DS 2011 Ref Bonds	20,375	89.126%	18,159
Glendale USD DS 2011 SR A 1 CREB	4,300	89.126%	3,832
Glendale USD DS 2012 Refund Bonds	22,615	89.126%	20,156
La Canada Unified SD 1995 SD	3,487	1.233%	43
La Canada Unified SD DS 1999 Series A	1,830	1.233%	23
La Canada Unified SD DS 1999 Series B	95	1.233%	1
La Canada Unified SD DS 2004 Series A	1,645	1.233%	20
La Canada Unified SD DS 2004 Series B	4,440	1.233%	55
La Canada Unified SD DS 2004 Series C	4,150	1.233%	51
La Canada Unified SD DS 2011 Refund Bond	11,935	1.233%	147
Total Overlapping Debt			198,223
Total Direct and Overlapping Debt			\$ 242,513

## Note:

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. The percentage of overlapping debt applicable is estimated by using taxable assessed values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

## Sources:

(I) City Finance Department

(II) HdL Coren &amp; Cone

Not covered by independent auditors' report

Schedule 14  
**CITY OF GLENDALE**  
 Legal Debt Margin Information  
 Last Ten Fiscal Years (in thousands)

Legal Debt Margin Calculation for Fiscal Year 2014

Assessed value	\$ 19,635,549 (2)
Debt limit (15% of assessed value)	2,945,332 (1)
Less debt applicable to limit	-
Legal debt margin	<u>\$ 2,945,332</u>

	Fiscal Year				
	2014	2013	2012	2011	2010
Debt limit	\$ 2,945,332	2,829,443	2,809,769	3,433,923	3,388,470
Total net debt applicable to limit	-	-	-	147,872	107,985
Legal debt margin	<u>\$ 2,945,332</u>	<u>2,829,443</u>	<u>2,809,769</u>	<u>3,286,051</u>	<u>3,280,485</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	4.31%	3.19%

	Fiscal Year				
	2009	2008	2007	2006	2005
Debt limit	\$ 3,388,268	3,181,548	2,985,199	2,700,779	2,486,080
Total net debt applicable to limit	88,936	87,980	92,570	96,985	101,220
Legal debt margin	<u>\$ 3,299,332</u>	<u>3,093,568</u>	<u>2,892,629</u>	<u>2,603,794</u>	<u>2,384,860</u>
Total net debt applicable to the limit as a percentage of debt limit	2.62%	2.77%	3.10%	3.59%	4.07%

Notes:

- (1) Under City Charter, the total bonded debt of the city shall at no time exceed a total of 15 percent of the assessed valuation of all property taxable for city purposes.
- (2) Due to the passage of AB 1x 26 in June 2011, the assessed value of the former Glendale Redevelopment Agency's (GRA) Project Areas are no longer included in this calculation. As a result, the debt associated with the former GRA became obligations of the Glendale Successor Agency. As such, effective FY2012, the debt of the former Agency is excluded from the Legal Debt Margin calculation.

Sources:

- (I) City Finance Department
- (II) HdL Coren & Cone

Not covered by independent auditors' report

**CITY OF GLENDALE**

## Pledged-Revenue Coverage

Last Ten Fiscal Years (in thousands)

	Electric Revenue Bonds						
	Utility	Less:	Net	Debt Service			
Fiscal Year	Service	Operating	Available				Coverage
	Charges	Expenses (6)	Revenue	Principal	Interest		
2005	\$ 150,545	\$ 125,467	\$ 25,078	\$ 795	\$ 3,628		5.67
2006	172,622	168,551	4,071	1,485	3,580		0.80
2007	180,483	154,987	25,496	1,520	2,833		5.86
2008	211,037	167,947	43,090	1,755	3,044		8.98
2009	208,881	168,478	40,403	1,805	5,591		5.46
2010	178,804	142,787	36,017	1,855	5,658		4.79
2011	191,153	159,806	31,347	1,905	5,576		4.19
2012	199,462	174,000	25,462	1,965	5,488		3.42
2013	177,565	144,645	32,920	2,020	5,372		4.45
2014	203,633	162,800	40,833	1,290	6,706		5.11

Fiscal Year	Water Revenue Bonds					
	Utility	Less:	Net	Debt Service		Coverage
	Service	Operating	Available	Principal	Interest	
	Charges	Expenses (6)	Revenue			
2005	\$ -	\$ -	\$ -	\$ -	\$ -	-
2006	-	-	-	-	-	-
2007	-	-	-	-	-	-
2008	35,990	26,974	9,016	-	-	-
2009	37,242	28,934	8,308	-	2,188	3.80
2010	37,006	29,125	7,881	-	2,310	3.41
2011	39,166	29,128	10,038	-	2,310	4.35
2012	43,237	34,823	8,414	-	2,310	3.64
2013	47,205	34,797	12,408	1,175	2,970	2.99
2014	45,666 (5)	39,611	6,055	1,210	3,658	1.24

Fiscal Year	Tax Allocation Bonds recorded in Fiduciary Funds (1)						
	Property	Less:	Net	Debt Service			Coverage
	Tax	Operating	Available				
	Increment	Expenses	Revenue	Principal	Interest		
2005	\$ 17,921	\$ 6,324	\$ 11,597	\$ 3,865	\$ 4,511		1.38
2006	18,233	5,063	13,170	4,235	4,366		1.53
2007	19,872	4,301	15,571	4,415	4,189		1.81
2008	19,301	4,174	15,127	4,590	4,004		1.76
2009	21,561	5,900 (2)	15,661	4,780	3,808		1.82
2010	25,254	17,166 (2)	8,088	4,980	3,599		0.94
2011	22,693 (3)	8,296 (3)	14,397	4,995	5,201		1.41
2012	10,031 (4)	4,454 (4)	5,577	5,425	4,282		0.57
2013	42,203	1,006	41,197	7,330	8,091		2.67
2014	20,039	974	19,065	1,940	6,149		2.36

## Notes:

- (1) Due to the dissolution of the Glendale Relopment Agency (GRA) on February 1, 2012, all of the GRA's debt have been moved to Glendale Successor Agency Private Purpose Fiduciary Fund.
- (2) The Operating Expenses increase between FY2009 & FY2010 was due to the GRA's transfer to "SERAF" in the amount of \$11.2 million in FY2010.
- (3) FY2011 Property Tax Increment and Operating Expenses have been restated and reflect the "SERAF" transfer of \$2.3 million.
- (4) These Revenue and Operating Expenses only represent the first seven months of FY2012.
- (5) This amount is net of \$3.4 million fireline refund resulted from over charging customers in the prior years.
- (6) The amounts on this column exclude depreciation expenses.

Source: City Finance Department

Not covered by independent auditors' report

## Schedule 16

**CITY OF GLENDALE**

## Demographic and Economic Statistics

## Last Ten Fiscal Years

Year	Population (I)	Per Capita Personal Income (II)	Total Personal Income	Median Age (II)
2005	207,007	\$ 24,005	\$ 4,969,203,035	37.5
2006	206,308	24,942	5,145,734,136	37.5
2007	207,157	26,334	5,455,272,438	37.5
2008	207,157	27,259	5,646,892,663	39.0
2009	207,303	27,473	5,695,235,319	41.2
2010	207,902	26,803	5,572,397,306	39.0
2011	192,473	28,007	5,390,591,311	40.0
2012	192,654	29,750	5,731,456,500	40.6
2013	193,652	29,860	5,782,448,720	41.0
2014	195,799	29,269	5,730,840,931	41.1

Year	Percent High School Graduate or Higher (II)	Percent Bachelor's Degree or Higher (II)	School Enrollment (III)	Unemployment Rate (II)
2005	79.0%	32.0%	43,000	5.6%
2006	79.0%	32.0%	42,144	4.6%
2007	81.0%	33.3%	42,223	4.1%
2008	82.9%	34.8%	45,116	4.4%
2009	83.3%	35.8%	50,606	6.5%
2010	83.2%	36.0%	51,139	10.1%
2011	84.4%	37.2%	48,582	11.1%
2012	85.2%	38.8%	48,146	10.7%
2013	85.1%	39.0%	47,892	8.1%
2014	84.6%	38.3%	48,488	6.6%

## Sources:

(I) Population data has been revised based on data obtained from the California State Department of Finance Demographic Research Unit, Population Estimates for California Cities, January 1 of every year (E-1).

(II) Data is based on information provided by HdL Coren & Cone.

(III) Glendale Unified School District and Glendale Community College District school attendance reports.

Not covered by independent auditors' report

## Schedule 17

**CITY OF GLENDALE**

## Principal Employers

## Current Year and Eight Years Ago

Employer	2014			2006		
	Employees (1) (II)	Rank	Percentage of Total City Employment (3)	Employees (1) (I)	Rank	Percentage of Total City Employment (3)
Glendale Adventist Medical Center	2,540	1	2.40%	1,999	3	2.62%
City of Glendale	2,041	2	1.93%	2,706	1	3.55%
Glendale Unified School District	1,830	3	1.73%	2,681	2	3.51%
Dream Works Animation	1,478	4	1.40%			
Glendale Community College	1,403	5	1.33%	1,141	6	1.50%
Glendale Memorial Medical Center	1,196	6	1.13%	1,248	5	1.64%
Glenair Inc	1,180	7	1.12%			
Nestle Company	1,180	7	1.12%	1,735 (2)	4	2.27%
USC Verdugo Hills Hospital	700	8	0.66%			
Public Storage Inc	324	9	0.31%	967	7	1.27%
Diagnostic Laboratories						
Verdugo Hills Hospital						
Bank America North America				834	8	1.09%
Walt Disney Imagineering				765	9	1.00%
Acco Engineered Systems				711	10	0.93%

## Notes:

(1) Both actual full-time and hourly employees are included.

(2) It includes the three subsidiaries of Nestle in Glendale.

(3) In FY2014, % of total employment is calculated using a baseline of 105,800 workers. In FY2006, the % of total employment was calculated using a baseline of 76,276 workers employed in Glendale.

(4) Data prior to FY2006 are not available.

(5) Starting in FY2012, companies that have requested a confidentiality waiver from the state to block the release of employment data are not included.

## Sources:

(I) FY2006 data is from the Labor Market Information Division, California Employment Development Department.

(II) FY2014 data, with the exception of the City of Glendale data, is from MuniServices LLC.

FY2014 City of Glendale data is from the City Finance Department.

Not covered by independent auditors' report

## Schedule 18

**CITY OF GLENDALE**

Authorized Salaried Positions by Department  
Last Eight Fiscal Years

<u>Department</u>	Fiscal Year			
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Administrative Services - Finance	35.27	31.05	34.05	35.05
City Attorney	18.26	18.16	20.16	20.16
City Clerk	7.00	7.00	10.00	10.00
City Treasurer	5.00	5.00	5.00	5.00
Community Development	100.10	98.24	135.99	-
Community Development & Housing	-	-	-	-
Community Planning	-	-	-	85.01
Community Redevelopment & Housing	-	-	-	50.48
Community Services & Parks	105.37	107.70	158.38	165.05
Development Services	-	-	-	-
Fire				
Sworn	157.00	168.00	177.00	179.00
Civilians	42.00	43.25	47.00	46.00
Glendale Water & Power	315.00	330.00	415.50	408.00
Human Resources	20.85	20.85	27.85	28.00
Information Services	50.00	47.75	52.00	50.00
Library, Arts & Culture	50.00	50.00	59.00	61.00
Management Services	31.20	27.00	32.82	30.00
Parks, Recreation & Community Services	-	-	-	-
Planning	-	-	-	-
Police				
Sworn	252.60	252.60	253.60	255.10
Civilians	99.00	99.00	105.00	107.00
Public Works	299.35	298.40	340.65	354.15
<b>Total</b>	<u><u>1,588.00</u></u>	<u><u>1,604.00</u></u>	<u><u>1,874.00</u></u>	<u><u>1,889.00</u></u>

## Notes:

- (1) Administrative Services Department includes data for Purchasing.
- (2) Prior to FY2009, Human Resources was part of Administrative Services.
- (3) Prior to FY2010, Graphics was part of the Administrative Services Department. As of July 1, 2009 Graphics is part of Management Services.
- (4) As of FY2011, central support staff (e.g. Administrative Services, City Attorney, Human Resources) that were charged to other funds, were shifted back to their home departments and included in the citywide cost allocation plan.
- (5) The data in FY2011 reflects realignment and renaming of Planning, Development Services, Parks, Recreation & Community Services, and Community Development & Housing.
- (6) The data in FY2012 reflects the renaming of Community Planning and Community Redevelopment & Housing into Community Development.
- (7) Effective FY2012, the position count in Management Services includes the five (5) Councilmembers.
- (8) Effective FY2013, the position count in Community Services & Parks includes three (3) unclassified budgeted positions.
- (9) FY2013 position count was adjusted per balancing strategies.
- (10) Effective FY2014, the position count in Community Development includes one (1) unclassified budgeted position.
- (11) Data prior to FY2007 are not available.

Source: City's Budget book.

Not covered by independent auditors' report

(Continued)

## Schedule 18

**CITY OF GLENDALE**

Authorized Salaried Positions by Department  
Last Eight Fiscal Years

<u>Department</u>	Fiscal Year			
	2010	2009	2008	2007
Administrative Services - Finance	31.90	43.40	73.90	72.90
City Attorney	12.30	10.80	14.30	12.50
City Clerk	10.00	10.00	11.00	11.00
City Treasurer	5.00	5.00	5.00	5.00
Community Development	-	-	-	-
Community Development & Housing	102.47	103.63	107.63	115.11
Community Planning	-	-	-	-
Community Redevelopment & Housing	-	-	-	-
Community Services & Parks	-	-	-	-
Development Services	18.23	18.23	18.23	17.25
Fire				
Sworn	185.00	187.00	192.00	192.00
Civilians	45.00	49.00	51.00	52.00
Glendale Water & Power	416.15	426.15	426.15	425.50
Human Resources	31.00	31.00	-	-
Information Services	42.00	45.00	47.00	50.00
Library, Arts & Culture	64.00	65.00	65.00	66.00
Management Services	31.00	26.00	26.00	26.00
Parks, Recreation & Community Services	128.00	134.00	140.00	130.00
Planning	26.95	27.95	28.95	28.00
Police				
Sworn	255.10	258.10	269.70	267.70
Civilians	108.00	120.00	120.00	125.00
Public Works	391.90	381.74	390.14	378.04
Total	<u>1,904.00</u>	<u>1,942.00</u>	<u>1,986.00</u>	<u>1,974.00</u>

## Notes:

- (1) Administrative Services Department includes data for Purchasing.
- (2) Prior to FY2009, Human Resources was part of Administrative Services.
- (3) Prior to FY2010, Graphics was part of the Administrative Services Department. As of July 1, 2009 Graphics is part of Management Services.
- (4) As of FY2011, central support staff (e.g. Administrative Services, City Attorney, Human Resources) that were charged to other funds, were shifted back to their home departments and included in the citywide cost allocation plan.
- (5) The data in FY2011 reflects realignment and renaming of Planning, Development Services, Parks, Recreation & Community Services, and Community Development & Housing.
- (6) The data in FY2012 reflects the renaming of Community Planning and Community Redevelopment & Housing into Community Development.
- (7) Effective FY2012, the position count in Management Services includes the five (5) Councilmembers.
- (8) Effective FY2013, the position count in Community Services & Parks includes three (3) unclassified budgeted positions.
- (9) FY2013 position count was adjusted per balancing strategies.
- (10) Effective FY2014, the position count in Community Development includes one (1) unclassified budgeted position.
- (11) Data prior to FY2007 are not available.

Source: City's Budget book.

Not covered by independent auditors' report

## Schedule 19

**CITY OF GLENDALE**

## Operations Indicators by Function/Program

## Last Nine Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Police					
Physical arrests	5,768	5,886	5,829	5,652	5,857
Parking violations	71,958	72,879	74,572	81,843	87,621
Traffic violations	20,076	17,197	18,566	25,667	23,990
Fire					
Emergency responses	17,825	17,253	16,591	15,447	15,424
Fires extinguished	393	382	372	349	333
Refuse collection					
Refuse collected (tons per day)	188	185	184 (6)	195	197
Recyclables collected (tons per day)	30	29	29	31	32
Inert waste recycling (tons per year)					
Brand Park landfill	- (11)	3,607 (2)	3,545 (2)	2,500 (2)	3,000 (2)
Public Works	2,923	-	-	-	-
Glendale Water and Power	1,829	-	-	-	-
Other public works					
Street resurfacing (miles)	2.70 (3)	6.60 (3)	5.85 (3)	5.56 (3)	5.30 (3)
Street reconstructing (miles)	- (12)	- (9)	0.68	0.70	0.50
Potholes repaired (square feet per year)	10,909 (13)	16,592	21,962	21,012	16,449
Parks and recreation					
Athletic field permits issued	682	614	682 (5)	917	930
Community center admissions	3,891	3,425	3,194	2,360	1,114
Library					
Volumes in collections	571,942	619,871	643,598	688,818	701,928
Total volumes borrowed	1,069,695	1,114,987	1,179,964	1,290,945	1,312,743

## Notes:

- (1) Beginning January 2007, Parks department started using Safari system to issue permits, which issues one permit for one participant for multiple events. The old system issues one permit for one participant for one event, so the number of permits issued is more in FY2006.
- (2) Some inert wastes were diverted to an outside recycling company rather than using Brand Landfill.
- (3) More street resurfacing was done from FY2010 to FY2013 than in prior years in an effort to take advantage of the low street resurfacing costs resulting from the economic downturn. In FY2014, the Public Works Department concentrated on other safety improvements such as railroad crossings and traffic signal improvement and significant sewer repair and reconstruction projects.
- (4) The increases in the purchases and sales of MWHs correlates to the increase in wholesale revenue and sales to other utility revenue of approximately \$27.5 million.
- (5) Prior to FY2012, separate permits were issued for practices vs. games. Starting FY2012, practices and games were covered under the same permit for effective staff management. One permit covered multiple facilities and multiple days/weeks/months of use.
- (6) Decrease in number of tons disposed due to regional economic slow down and free recycling offered to residential and commercial accounts.
- (7) Route miles vary every year depending on the day of the week holiday service operates.
- (8) Reduced student enrollment and sustained unemployment have contributed to the decrease in the number of passengers from the previous year.
- (9) The Public Works Department focused its efforts on street resurfacing in lieu of street reconstruction.
- (10) Reductions in the purchases and sales of MWHs correlates to the decrease in wholesale revenue and sales to other utility revenue.
- (11) Since Brand Park Landfill has officially closed, each department has a contract with private haulers to dispose of citywide inert wastes.
- (12) The Public Works Department focused its efforts on street resurfacing and other capital improvement projects noted above in Note (3).
- (13) Reductions in street maintenance staffing and injuries have contributed to lower number of production in potholes repaired.
- (14) Data prior to FY2006 are not available.

Sources: Various city departments

Not covered by independent auditors' report

(Continued)



## Schedule 19

**CITY OF GLENDALE**

## Operations Indicators by Function/Program

## Last Nine Fiscal Years

Function/Program	Fiscal Year				
	2014	2013	2012	2011	2010
<b>Electric</b>					
Average daily consumption (MWH)	2,907	3,090	2,998	2,878	3,020
Electricity generated (MWH)	905,560	794,248	846,637	928,682	960,061
Electricity purchased (MWH)	999,932	769,224 <sup>(10)</sup>	1,289,843	1,195,972 <sup>(4)</sup>	451,545
Electricity sold - Retail (MWH)	1,061,028	1,127,696	1,094,194	1,050,450	1,102,310
Electricity sold - Wholesale (MWH)	683,179	297,254 <sup>(10)</sup>	897,830	884,686 <sup>(4)</sup>	185,665
Peak demand (MW)	317	311	316	336	300
<b>Water</b>					
Average daily consumption (millions of gallons)	24	25	23	21	22
Water mains breaks	20	10	14	10	8
Water purchased (AF)	20,341	18,761	17,319	16,959	16,535
Water sold (AF)	26,049	29,003	26,809	24,796	25,489
<b>Wastewater</b>					
Average daily sewage treatment (millions of gallons)	15	15	15	20	20
<b>Transit</b>					
Total route miles (7)	735,827	731,036	822,432	880,655	866,901
Passengers	1,727,931 <sup>(8)</sup>	1,888,016 <sup>(8)</sup>	2,543,532 <sup>(8)</sup>	2,724,121	2,574,396

## Notes:

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- (2) Some inert wastes were diverted to an outside recycling company rather than using Brand Landfill.
- (3) More street resurfacing was done from FY2010 to FY2013 than in prior years in an effort to take advantage of the low street resurfacing costs resulting from the economic downturn. In FY2014, the Public Works Department concentrated on other safety improvements such as railroad crossings and traffic signal improvement and significant sewer repair and reconstruction projects.
- (4) The increases in the purchases and sales of MWHs correlates to the increase in wholesale revenue and sales to other utility revenue of approximately \$27.5 million.
- (5) Prior to FY2012, separate permits were issued for practices vs. games. Starting FY2012, practices and games were covered under the same permit for effective staff management. One permit covered multiple facilities and multiple days/weeks/months of use.
- (6) Decrease in number of tons disposed due to regional economic slow down and free recycling offered to residential and commercial accounts.
- (7) Route miles vary every year depending on the day of the week holiday service operates.
- (8) Reduced student enrollment and sustained unemployment have contributed to the decrease in the number of passengers from the previous year.
- (9) The Public Works Department focused its efforts on street resurfacing in lieu of street reconstruction.
- (10) Reductions in the purchases and sales of MWHs correlates to the decrease in wholesale revenue and sales to other utility revenue.
- (11) Since Brand Park Landfill has officially closed, each department has a contract with private haulers to dispose of citywide inert wastes.
- (12) The Public Works Department focused its efforts on street resurfacing and other capital improvement projects noted above in Note (3).
- (13) Reductions in street maintenance staffing and injuries have contributed to lower number of production in potholes repaired.
- (14) Data prior to FY2006 are not available.

Sources: Various city departments

Not covered by independent auditors' report

(Continued)

## Schedule 19

**CITY OF GLENDALE**

## Operations Indicators by Function/Program

## Last Nine Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>			
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Police				
Physical arrests	6,405	6,254	6,717	7,087
Parking violations	83,706	89,700	87,971	80,374
Traffic violations	26,149	22,059	20,199	22,253
Fire				
Emergency responses	14,923	15,253	14,906	14,759
Fires extinguished	420	442	456	465
Refuse collection				
Refuse collected (tons per day)	279	283	289	299
Recyclables collected (tons per day)	48	51	140	135
Inert waste recycling -	3,000 (2)	3,000 (2)	6,500	10,500
Brand Park landfill (tons per year)				
Other public works				
Street resurfacing (miles)	1.62	0.42	1.36	3.47
Street reconstructing (miles)	0.13	0.91	0.82	2.97
Potholes repaired (square feet per year)	11,800	16,683	9,886	10,057
Parks and recreation				
Athletic field permits issued	1,054	873	648	7,114 (1)
Community center admissions	1,229	1,192	1,797	1,236
Library				
Volumes in collections	718,879	722,790	761,314	770,784
Total volumes borrowed	1,236,950	1,185,385	1,088,286	1,075,073

## Notes:

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- (2) Some inert wastes were diverted to an outside recycling company rather than using Brand Landfill.
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- (13) Reductions in street maintenance staffing and injuries have contributed to lower number of production in potholes repaired.
- (14) Data prior to FY2006 are not available.

Sources: Various city departments

Not covered by independent auditors' report

(Continued)

## Schedule 19

**CITY OF GLENDALE**

## Operations Indicators by Function/Program

## Last Nine Fiscal Years

Function/Program	Fiscal Year			
	2009	2008	2007	2006
<b>Electric</b>				
Average daily consumption (MWH)	3,154	3,180	3,142	3,130
Electricity generated (MWH)	940,051	1,007,011	1,025,235	887,263
Electricity purchased (MWH)	533,258	583,906	490,592	626,304
Electricity sold - Retail (MWH)	1,151,391	1,160,566	1,146,828	1,142,582
Electricity sold - Wholesale (MWH)	204,828	250,391	241,092	261,454
Peak demand (MW)	299	333	336	313
<b>Water</b>				
Average daily consumption (millions of gallons)	25	26	28	27
Water mains breaks	12	18	12	11
Water purchased (AF)	20,873	21,705	23,643	22,239
Water sold (AF)	29,465	30,691	31,889	29,907
<b>Wastewater</b>				
Average daily sewage treatment (millions of gallons)	17	17	17	17
<b>Transit</b>				
Total route miles	889,819	880,991	871,430	816,240
Passengers	2,260,263	2,152,200	2,271,548	2,273,843

## Notes:

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- (2) Some inert wastes were diverted to an outside recycling company rather than using Brand Landfill.
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- (14) Data prior to FY2006 are not available.

Sources: Various city departments

Not covered by independent auditors' report

**CITY OF GLENDALE**

## Capital Asset Statistics by Function/Program

Last Nine Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Police					
Stations	2 (1)	2 (1)	2 (1)	2 (1)	2 (1)
Patrol units	61	62	74	70	70
Helicopters	1.5 (2)	1.5 (2)	1.5 (2)	1.5 (2)	1.5 (2)
Motorcycles	24	27	23	25	25
Fire					
Stations	9	9	9	9	9
Refuse collection					
Collection trucks	49 (3)	50 (3)	48 (3)	50 (3)	50 (3)
Other public works					
Streets (miles)	350	350	350	350	350
Traffic signals	234	234	234	233	233
Parks and recreation					
Open space acres	5,034	5,034	5,034	5,034	5,029
Developed parkland acres	286 (7)	286 (6)	282	281	281
Parks and other facilities	43 (7)	42 (6)	41 (4)	39	39
Community centers	4	4	4 (4)	8	8
Baseball/softball diamonds	16	16	16	16	16
Soccer/football fields	3	3	3	3	3
Golf course	1	1	1	1	1
Community pool	1	1	1	1	-

## Notes:

- (1) One main facility and one substation at the Galleria.
- (2) Three helicopters are shared with the City of Burbank as of May 14, 2007.
- (3) This number does not include the small bin trucks or light duty vehicles. In FY2014, one rear loader was taken off service to improve efficiency.
- (4) Beginning in FY2012, community buildings are not accounted for as community centers separately. They are included in the parks and facilities count as part of the park in which they reside.
- (5) This includes Los Angeles County and Caltrans stormdrains within the city boundaries.
- (6) The Glendale Narrows Riverwalk park project was completed in FY2013, which increased the park count to 42 and park acreage by 3.94 acres (285.56 in total acres).
- (7) The Maryland Avenue Park project was completed in FY2014, which increased the park count to 43, and park acreage by 0.48 acres (286.04 in total acres).
- (8) Data prior to FY2006 are not available.

Sources: Various city departments

Not covered by independent auditors' report

(Continued)

**CITY OF GLENDALE**

## Capital Asset Statistics by Function/Program

Last Nine Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Library					
Branches	8	8	8	8	8
Electric					
Number of electric meters	86,012	85,629	85,358	84,962	84,800
Number of streetlights	11,192	10,740	10,735	10,725	10,714
Grayson power plant capacity (MW)	260	260	260	260	260
Water					
Number of water meters	33,900	33,801	33,744	33,374	33,509
Water mains (miles)	397	397	397	397	397
Fire hydrants	3,149	3,146	3,134	3,134	3,133
Storage capacity (millions of gallons)	184	184	184	184	185
Wastewater					
Storm catch basin	3,686 <sup>(5)</sup>	3,686 <sup>(5)</sup>	3,686 <sup>(5)</sup>	3,686 <sup>(5)</sup>	3,679
Sanitary sewers (miles)	360	360	360	360	360
LAGWRP Treatment capacity (millions of gallons)	20	20	20	20	20
Transit					
Buses	34	34	34	34	34

## Notes:

- (1) One main facility and one substation at the Galleria.
- (2) Three helicopters are shared with the City of Burbank as of May 14, 2007.
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- (8) Data prior to FY2006 are not available.

Sources: Various city departments

Not covered by independent auditors' report

(Continued)

**CITY OF GLENDALE**

## Capital Asset Statistics by Function/Program

Last Nine Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>			
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Police				
Stations	2 (1)	2 (1)	2 (1)	2 (1)
Patrol units	64	68	69	71
Helicopters	1.5 (2)	1.5 (2)	2	2
Motorcycles	26	24	26	24
Fire				
Stations	9	9	9	9
Refuse collection				
Collection trucks	46 (3)	46 (3)	45 (3)	44 (3)
Other public works				
Streets (miles)	350	350	350	350
Traffic signals	226	232	229	225
Parks and recreation				
Open space acres	5,020	5,020	5,020	5,020
Developed parkland acres	280	275	274	274
Parks and other facilities	39	39	37	37
Community centers	8	8	8	8
Baseball/softball diamonds	16	16	16	16
Soccer/football fields	3	3	3	3
Golf course	1	1	1	1

## Notes:

- (1) One main facility and one substation at the Galleria.
- (2) Three helicopters are shared with the City of Burbank as of May 14, 2007.
- (3) This number does not include the small bin trucks or light duty vehicles. In FY2014, one rear loader was taken off service to improve efficiency.
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- (8) Data prior to FY2006 are not available.

Sources: Various city departments

Not covered by independent auditors' report

(Continued)

## Schedule 20

**CITY OF GLENDALE**

## Capital Asset Statistics by Function/Program

## Last Nine Fiscal Years

<u>Function/Program</u>	Fiscal Year			
	2009	2008	2007	2006
Library				
Branches	8	8	7	7
Electric				
Number of electric meters	84,554	84,167	83,644	83,433
Number of streetlights	10,692	10,622	11,117	10,210
Grayson power plant capacity (MW)	260	249	249	249
Water				
Number of water meters	33,407	33,173	33,120	32,995
Water mains (miles)	397	397	397	397
Fire hydrants	3,072	2,970	2,950	2,950
Storage capacity (millions of gallons)	185	185	185	185
Wastewater				
Storm catch basin	3,679	3,679	3,679	3,679
Sanitary sewers (miles)	360	360	360	360
LAGWRP Treatment capacity (millions of gallons)	20	20	20	20
Transit				
Buses	34	34	34	34

## Notes:

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Sources: Various city departments

Not covered by independent auditors' report

Schedule 21  
**CITY OF GLENDALE**  
Schedule of Credits

Robert Elliot, CPA  
Director of Finance

General Overview  
Letter of Transmittal

Lily Fang, Finance Administrator

General Overview  
Management's Discussion & Analysis  
Combined Statements Overview  
Notes to Financial Statements

Artak Khachatryan, Accounting Supervisor  
Alwin De Leon, Accountant II  
Antonio Ligon, Accountant I

PeopleSoft Nvision Report Writing  
Glendale Water & Power/Cash Reporting  
General Accounting/Payroll Controls

Shu-Jun Li, Accounting Supervisor  
Vanik Darabedian, Accountant II  
Liza Jue, Accountant I

Grant Reporting  
Internal Service Funds/Single Audit/Cover Design  
Statistical Section

Zinda Jimenez, Accounting Supervisor  
Theresa Clark, Accountant II  
Rima Dagbashyan, Accountant I

Glendale Successor Agency/Debt Reporting  
Fixed Asset Accounting  
Glendale Successor Agency/Debt Reporting

David Davis, Executive Analyst  
Tim Hsu, Administrative Analyst

Review of Glendale Water & Power Notes

Eileen Donahue, Principal Internal Auditor

Review of CAFR

Graphics Section  
Dean Lopez, Sr. Graphics Illustrator  
Douglas Alvarez, Graphics Illustrator  
Roberto Perez, Office Specialist I  
Awinda Matos, Duplicating Machine Operator

Design and Printing





[www.glendaleca.gov](http://www.glendaleca.gov)



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