

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2016



City of Glendale, California



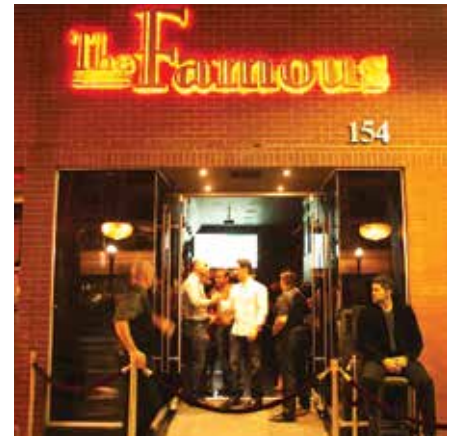
About The Cover

Discover your Glendale adventure. Fine dining, shopping, and rich architecture combine with inspiration-inducing culture to create a City with small town charm and world-class sophistication.

Glendale boasts a lineup of offerings that include a shopping experience unlike any other with The Americana at Brand and the Glendale Galleria, fine eateries such as Bourbon Steakhouse, live shopping experiences at Pirch, a historic wood and brick bar at The Famous, and the revitalized Masonic Temple, now home to CBRE's North Los Angeles headquarters. With an endless selection of activities and places to be, Glendale is an animated, cosmopolitan City.

Known for its depth of restaurant selection with cuisines representing virtually any ethnic preference and price range, you will be well-fed when making your way to the many shops, bars, theatres, galleries, and events in the City.

The City of Glendale has long been one of the most desirable places to live, work, and visit. With recent achievements made in Glendale's shopping, dining, and entertainment sectors, you can discover and enjoy daytime, nightlife, and family options found all throughout the City.



City of Glendale, California
City Council



Paula Devine
MAYOR



Laura Friedman
COUNCILMEMBER



Vartan Gharpetian
COUNCILMEMBER



Ara Najarian
COUNCILMEMBER



Zareh Sinanyan
COUNCILMEMBER



City of Glendale, California

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2016

Prepared by the Finance Department - Accounting Section

Robert P. Elliot, CPA, Director of Finance
Michele Flynn, CPA, CIA, CGAP, Assistant Director of Finance

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 28, 2016

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, 2016.

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 requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The 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 201,000 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 – Continued capital investment is seen throughout the City in the form of business expansion as well as businesses attraction 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 and post), animation, visual effects, and digital distribution. Glendale will benefit from growth in this sector through companies wanting to co-locate with Disney and hundreds of ancillary production and equipment firms. Also of note are Glendale’s regional shopping centers, the Glendale Galleria and Americana at Brand. Several large development projects either recently completed or underway in Glendale will provide new residential units and 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.

Economic Development Highlights – Economic Development accomplishments for FY 2015-16 were focused on achieving the highest and best use of City facilities, attracting business and investment to Glendale, and strengthening neighborhood districts and the businesses within them. Accomplishments include:

- **Downtown’s Art and Entertainment District** – Completed and opened the Museum of Neon Art in February 2016 and ramped up the Central Library renovation for the Spring 2017 grand re-opening of the state-of-the-art facility, which will include new study spaces, a digital lab, six new conference rooms and a MakerSpace.
- **Technology Based Industry Focus** – Hosted Glendale Tech Week in September 2016, implemented Glendale Tech on Tap Series, and completed a Fiber Optics Business Plan to attract and increase connectivity with technology based industries in and around Glendale.
- **Business Attraction** – Welcomed the addition of new businesses, such as CBRE, K.Ramen.Burger.Beer, Benitoite, Epic Tacos, Tom’s, TopShop, Lemonade, Lao Sze Chuan, LA Fitness, PizzaRev, Sushi Sasabune, King Taco, Buffalo Wild Wings, Dicks Sporting Goods, and Eden on Brand this fiscal year. Class A Office Vacancy was reduced to 11.6% from an all-time high of 24% in 2010.
- **Social Media Campaign** – Implemented Meet Me on Brand marketing campaign highlighting the amenity rich downtown area to attract residents, businesses, and visitors.
- **Neighborhood Business Districts** – Collaborated with community stakeholders on the Vision 20/20 Plan for the Montrose Shopping Park and the Foothill Boulevard Beautification Project to develop those communities.
- **Quality of Life** – Commenced business and funding plan and conceptual development process relating to Space 134, the 24-acre park/open green space planned for downtown Glendale.

Employment – According to the most recent Census estimates available, 37,989 people in Glendale worked in management, business, arts, or science occupations (the single largest group) in 2014 with inflation-adjusted median annual earnings of \$58,556. The Census’ American Community Survey (ACS) also found 24,082 employed in Sales and office occupations (second largest) with median annual earnings of \$28,950, and 15,023 employees in Service occupations (the third largest group) with median annual earnings of \$16,273. Median household income was \$52,451 for the year, and the poverty rate was 14.7% according to Census records. More recent data from the California Employment Development Department (EDD) indicate 96,700 individuals, ages 16 and older worked in Glendale in June 2016. The information provided below includes additional employment statistics pertaining to the City of Glendale and the surrounding region.

Unemployment Levels

In December 2007, at the start of the Great Recession, the Glendale unemployment rate was 4.8%; by the (technical) end of the Recession in June 2009, the rate had ballooned to 10.1%. According to HdL Coren & Cone data, as of the end of calendar year 2015, Glendale’s unemployment rate is trending downwards towards pre-recession levels at 6.5%.

Industry Employment Status

According to the ACS, the top three Glendale industries in 2014, in terms of employment, were:

1. Healthcare and Social Assistance
2. Retail
3. Manufacturing

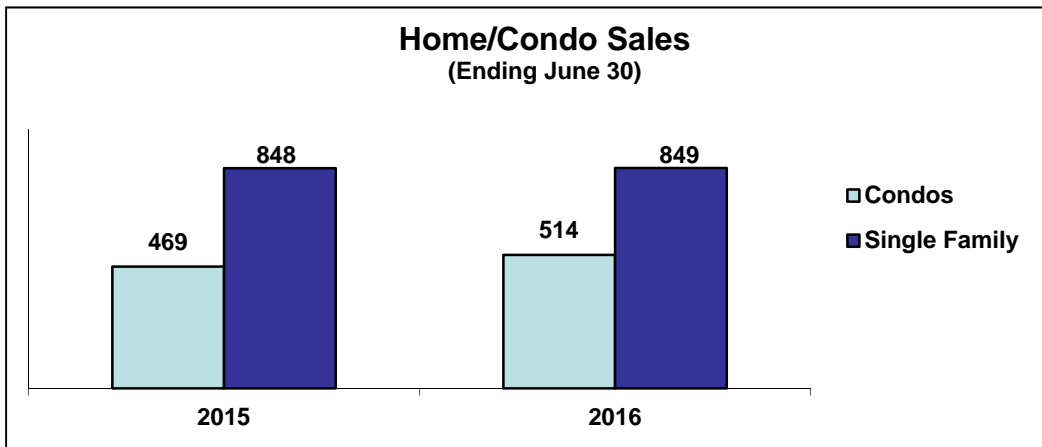
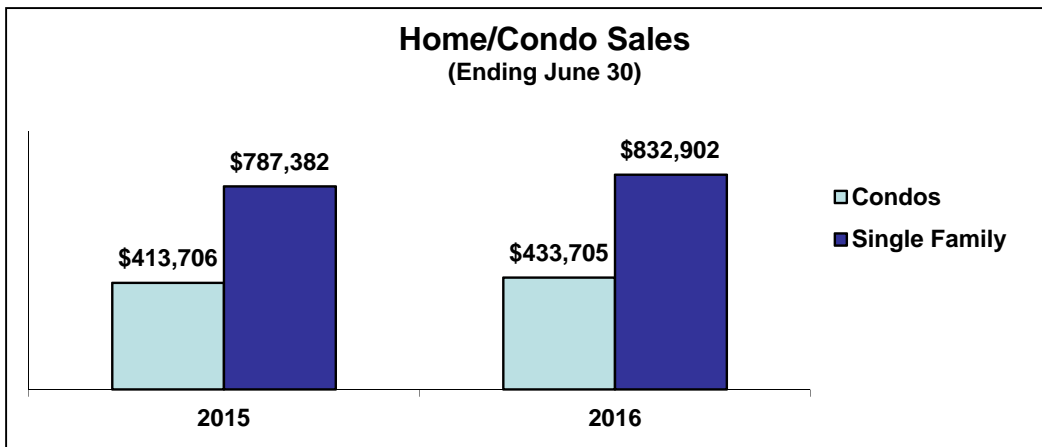
Glendale Adventist Medical Center and Glendale Memorial Medical Center remained among the City’s largest employers in FY 2015-16. Current EDD projections indicate that through 2022 the fastest growing healthcare occupations in Los Angeles County will include personal care/home health aides, orthotists, prosthetists, physical therapists, medical and clinical laboratory technicians, and nurses and nursing instructors.

Glendale sales tax receipts for the quarter ended December 31, 2015 were up 4.5% above the same period in 2014 according to industry tracker HdL Companies. Payment deviations served to understate holiday season returns in general consumer goods. Recent openings in shoe stores, specialty stores and women’s apparel were major contributors to a 3.4% year-over gain in sales.

HdL Companies also reported that, in descending order by gross receipts, the top five business types in Q4 of 2015 were:

1. New Motor Vehicle Dealers (\$1,692,000)
2. Department Stores (\$749,999)
3. Family Apparel (\$567,900)
4. Casual Dining (\$441,800)
5. Quick-Service Restaurants (\$423,000)

Housing – Based on the “2015 Annual Report” issued by the Los Angeles Office of the Assessor, Glendale experienced a net taxable property value increase of 5.6%, which was less than the increase experienced countywide at 6.13%. According to the City’s property tax consultant, HdL, Glendale’s housing market stayed somewhat flat in sales volume and showed an increase in an average home price of \$832,902 in FY 2015-16, compared to \$787,382 in FY 2014-15. The condominium sales, however, showed an increase in sales volume and an increase in an average price of \$433,705 for FY 2015-16, compared to \$413,706 for FY 2014-15.



Local Government Finance

The LA region’s slow economic recovery, which is expected to accelerate slightly during FY 2016-17, the legal challenges to the long-standing, City Charter-mandated General Fund Transfer from Glendale Water and Power, and the State’s imprudent efforts to address its budget deficit by taking resources owed to cities by their former Redevelopment Agencies have all combined to make these past few years some of the most difficult budget years in recent history. However, the managers and staff from each department, as well as the City Council, have pressed on in spite of these challenges, and in spite of the difficulty involved in preparing this budget, the City staff have performed their service in a professional and constructive manner. The focus clearly remains on developing a structurally balanced financial plan that best serves Glendale’s diverse community – carefully weighing the community’s myriad needs with limited resources.

With positive indicators such as increased spending and income, 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 user's taxes for the upcoming year. Long-term growth rates for General Fund revenues are projected to grow rather modestly, averaging about 3.1% annual growth over the next seven years. Although the City continues to face challenges such as the ongoing increase in pension costs, the significant fund deficit in the Workers' Compensation Fund, as well as aging infrastructure, the financial forecasts factor in these challenges and show that as long as the City continues to remain diligent and disciplined, the City is headed towards an operationally and structurally balanced organization in the years to come.

Long-term Financial Planning

Financial Challenges – Despite the fact that the economy is improving and the economic indicators are all trending positive, the City still faces tremendous challenges in the coming years. The possible loss of the City Charter-approved General Fund Transfer (GFT) from Glendale Water & Power's (GWP) electrical operations still looms. Currently at about \$20 million per year, the transfer has been a feature of the City's General Fund revenue stream since the 1940s. Basically, the City's municipal forbearers established the water and power utility as a means of helping the City grow, as well as to bring revenue into the City's General Fund. This inflow of funding helped City Councils through the years keep Glendale a low-tax city (for example, only 13.7 cents on the property tax dollar comes to the City of Glendale; there is no business license tax, etc.). And, although the City Charter, which is approved by the Glendale residents, allows for a maximum transfer of up to 25% of gross operating revenues from the electrical operations, the GFT has never risen to that level; indeed, the current transfer is at approximately 10% of retail operating revenues.

What does the potential loss of the GFT mean to our City? For the time being, the City will continue to move forward with the status quo. After having experienced deep cuts across all departments in recent years, the City is currently running as lean as it ever has. The loss of the transfer would, without doubt, mean cuts directly to the essential programs and services the community depends on day in and day out. Hence, there would be no alternative but to make cuts that would drastically impact the quality of life for the community. Specifically, the City Council would need to consider cuts to Libraries, Parks, Fire and Police. The effects of these cuts would be experienced in the form of reduced hours at libraries and parks, the closing of libraries and parks, and the contracting out of Police and Fire services with the County of Los Angeles.

Other significant challenges on the horizon include: expected rises in pension costs due primarily to changes in the PERS actuarial assumptions and the fund's low investment returns for 2016, shoring up the Internal Service Funds (e.g. Workers' Compensation and Fleet/Equipment Replacement), and providing a stable funding source for General Fund Capital Improvement Projects.

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 the FY 2016-17 budget process, Council has reaffirmed the following priorities:

- Fiscal Responsibility
- Exceptional Customer Service
- Economic Vibrancy
- Informed and Engaged Community
- Safe and Healthy Community
- Balanced, Quality Housing

- Community Services and Facilities
- Infrastructure and Mobility
- Arts and 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 City manages its pooled idle cash and investments under a formal investment policy that follows the guidelines of the State of California Government Code, which is then reviewed by the Investment Committee and adopted by the City Council.

The following table presents a comparison of the City's cash and investments for fiscal years 2013, 2014, 2015, and 2016.

	Fiscal year ended June 30,			
	2016	2015	2014	2013
Cash and investments	\$ 682,529,000	567,084,000	533,308,000	439,023,000

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, Cyber Security, 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 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 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 analysis of recent claims costs, as well as the outstanding reserves. Input from an actuarial study, performed annually, 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, 2016, 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, 2016, 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*.

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 twenty one fiscal years ended June 30, 1995 through June 30, 2015. 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.

In closing, without the leadership and support of the Glendale City Council, City Manager, and the Assistant City Manager, the 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 P. ELLIOT, CPA
DIRECTOR OF FINANCE

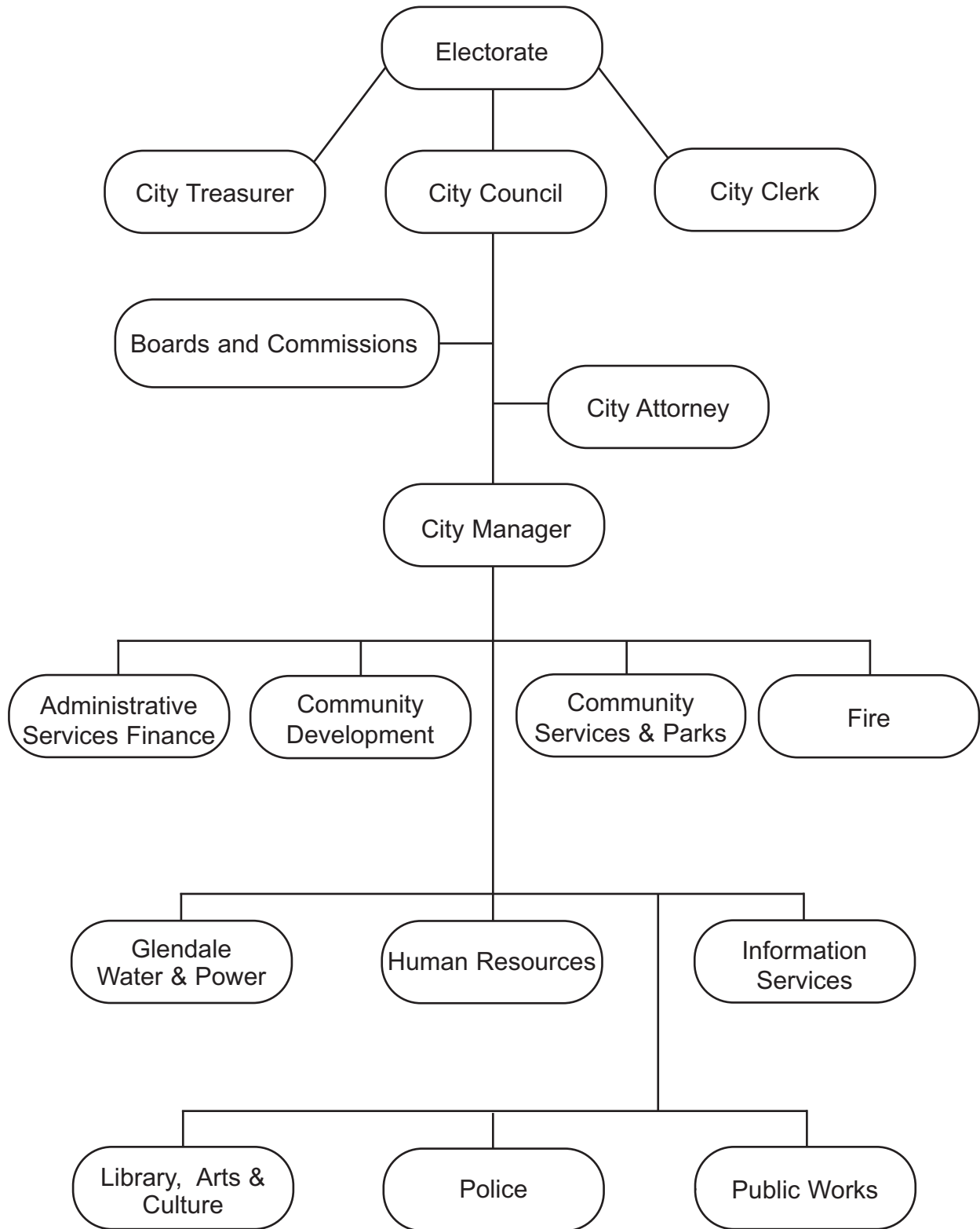
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City of Glendale, California
Officials of the City of Glendale
June 30, 2016

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
Fire Chief	Gregory Fish
Chief Information Officer	Brian Ganley
City Attorney	Michael J. Garcia
Director of Public Works	Roubik Golanian
City Clerk	Ardashes Kassakhian
Director of Community Development	Philip Lanzafame
Director of Communications & Community Relations	Thomas R. Lorenz
City Treasurer	Rafi Manoukian, CPA
General Manager of Glendale Water & Power	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, 2015. This was the 21st 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, 2015

A handwritten signature in black ink, reading "Jeffrey R. Enew".

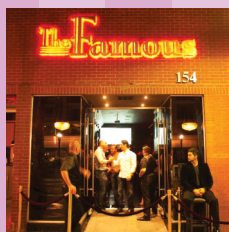
Executive Director/CEO

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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 Basic 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, 2016, 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, 2016, 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

As discussed in Note 19 to the financial statements, the City implemented Governmental Accounting Standards Board (GASB) Statements No. 72, *Fair Value Measurement and Application*, and No. 82, *Pension Issues – an Amendment of GASB Statement No. 67, No. 68, and No. 73*, effective July 1, 2015. 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, the Schedule of Funding Progress, the Schedule of Changes in the Net Pension Liability and Related Ratios, and the Schedule of Contributions, 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 28, 2016, 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.

Vavrinick, Trine, Day & Co. LLP

Rancho Cucamonga, California
November 28, 2016

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CITY OF GLENDALE

Management's Discussion and Analysis

June 30, 2016

(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, 2016. 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 – vii of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of FY 2015-16 by \$1,496,644 (net position), which was comprised of net investment in capital assets of \$1,311,654, restricted net position of \$115,950 and unrestricted net position of \$69,040. The unrestricted net position consisted of a negative \$153,423 for governmental activities and \$222,463 for business-type activities. The negative unrestricted net position for governmental activities was primarily due to the recognition of net pension liability.
- The City's total net position increased by \$252,533. Most of this increase was attributable to higher investment income, reinstatement of loans from Glendale Successor Agency to the City, transfer of capital assets from Glendale Successor Agency to the City, elimination of OPEB implied subsidy, and the extraordinary gain resulted from San Fernando Corridor project area tax increment funds transferring from Glendale Successor Agency to the City.
- As of the close of FY 2015-16, the City's governmental funds reported combined ending fund balances of \$263,743, an increase of \$63,487 in comparison with the prior year. About 17.7% of this total amount, \$46,609 was unassigned and available for spending at the government's discretion.
- At the end of FY 2015-16, charter required stabilization reserve of \$24,870, and unassigned fund balance of \$55,954 for the General Fund totaled \$80,824, representing about 42.1% of the final FY 2015-16 adopted budget of \$191,825. 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 and liabilities decreased by \$89,861 (17.7%) in FY 2015-16. The factors of this decrease were a combination of items such as a decrease of claims payable of \$1,260; a decrease of post-employment benefits of \$86,709; an increase of compensated absences of \$1,166; and an increase of landfill postclosure care of \$1,766; as well as decreases in outstanding bonds payable and other long-term liabilities through regular annual debt retirements and refunding of Electric revenue bonds, 2006 and 2008 series.

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.

CITY OF GLENDALE

Management's Discussion and Analysis

June 30, 2016

(in thousands)

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

The statement of net position presents information on all of the City's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, 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, transportation, housing, health, and community development, employment programs, public service, parks, recreation, and community services, library, and interest and fiscal charges. The business-type activities of the City include fire communications, 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

CITY OF GLENDALE

Management's Discussion and Analysis

June 30, 2016

(in thousands)

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

The City maintains 45 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 General Fund, Housing Assistance Fund and the Capital Improvement Fund, all of which are considered to be major funds. Data from the other 42 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 Fund, special revenue and debt service fund types. Budgetary comparison information 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 26-39 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 refuse disposal, fire communications, sewer, 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 infrastructure, 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 40-44 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 funds is much like that used for proprietary funds. The basic fiduciary fund financial statement can be found on pages 45-46 of this report.

CITY OF GLENDALE

Management's Discussion and Analysis

June 30, 2016

(in thousands)

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 47-99 of this report.

The combining statements referred to earlier in connection with nonmajor governmental and enterprise funds and internal service funds are presented immediately following the required supplementary information, which can be found on pages 101-105 of this report. Combining and individual fund statements and schedules can be found on pages 107-170 of this report.

Government-wide Financial Analysis

The government-wide financial analysis contains 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 and deferred inflows of resources by \$1,496,644 at the close of the most recent fiscal year.

By far the largest portion of the City's net position (87.6%) reflected its net investment in capital assets (e.g., infrastructure, land, buildings, machinery, and equipment) less any related debt used to acquire those assets that was 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	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 480,436	361,186	364,184	326,366	844,620	687,552
Capital assets	926,004	923,344	654,773	643,611	1,580,777	1,566,955
Deferred outflows of resources	28,510	25,048	11,309	6,239	39,819	31,287
Total assets and deferred outflows of resources	<u>1,434,950</u>	<u>1,309,578</u>	<u>1,030,266</u>	<u>976,216</u>	<u>2,465,216</u>	<u>2,285,794</u>
Current liabilities	62,749	47,979	35,428	24,709	98,177	72,688
Noncurrent liabilities	490,694	549,066	335,537	330,701	826,231	879,767
Deferred inflows of resources	35,651	70,436	8,513	18,792	44,164	89,228
Total liabilities and deferred inflows of resources	<u>589,094</u>	<u>667,481</u>	<u>379,478</u>	<u>374,202</u>	<u>968,572</u>	<u>1,041,683</u>
Net investment in capital assets	888,998	882,741	422,656	437,125	1,311,654	1,319,866
Restricted	110,281	74,413	5,669	5,669	115,950	80,082
Unrestricted	<u>(153,423)</u>	<u>(315,057)</u>	<u>222,463</u>	<u>159,220</u>	<u>69,040</u>	<u>(155,837)</u>
Total net position	<u>\$ 845,856</u>	<u>642,097</u>	<u>650,788</u>	<u>602,014</u>	<u>1,496,644</u>	<u>1,244,111</u>

CITY OF GLENDALE

Management's Discussion and Analysis

June 30, 2016

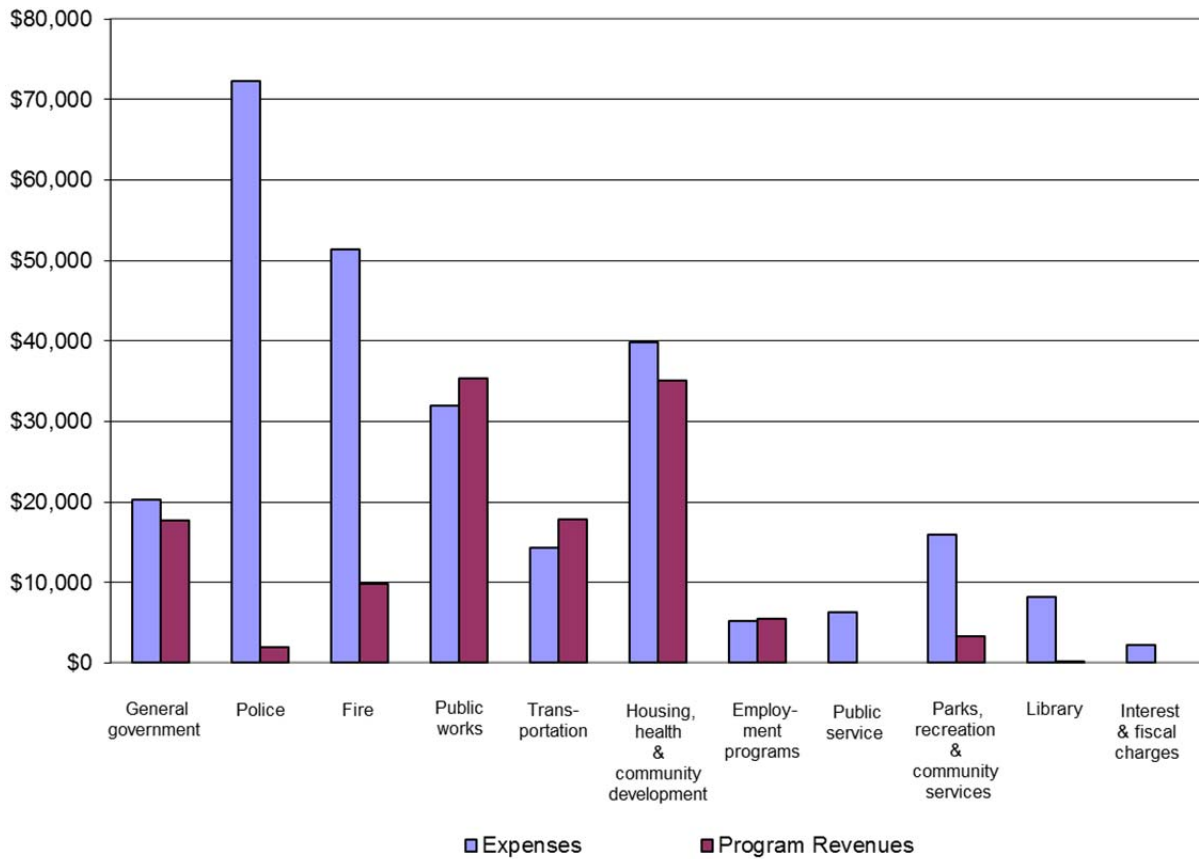
(in thousands)

As noted above, 7.7% 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 \$69,040 may be used to meet the government's ongoing obligations to citizens and creditors. Of this total, \$223,463 is in business-type activities such as electric, water, and sewer utilities.

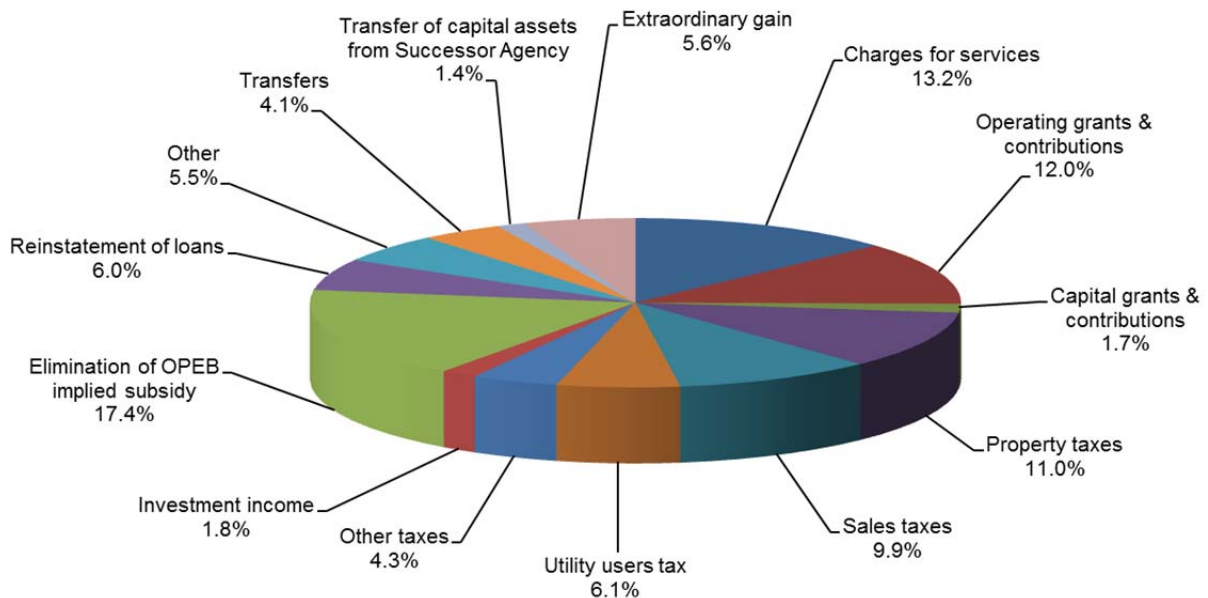
Governmental activities. Governmental activities increased the City's net position by \$203,759. Key elements of this increase are as follows:

- Charges for services increased by \$13,441 (27.5%) during the current fiscal year mainly due to the reclassification of Recreation Fund, Hazardous Disposal Fund and Parking Fund from business-type activities to governmental activities.
- Investment income increased by \$6,895 (441.7%) during the current fiscal year. The City portfolio had a better performance in the current fiscal year primarily due to higher portfolio value and rate of return ended at 1.30%, up by 10 basis points compared to previous fiscal year. The City portfolio had a 12-month average rate of return of 1.24% compared to 1.08% in the previous fiscal year.
- General government expense decreased by \$27,487 (57.5%) and the City's net OPEB obligation had a large decrease of \$82,247 (100.0%) during the current fiscal year. Both decreases were due to the elimination of the OPEB implied subsidy. In October 2015, the City Council approved unblending medical insurance premium rates between active employees and retired employees effective June 1, 2016, and authorized low income cash subsidies for existing retired employees currently participating in the City's retiree medical insurance plans who meet specific criteria. See Note 10 for more information.
- In FY 2015-16, Museum of Neon Art (MONA) building and Central Avenue improvements project capital assets in the amount of \$6,729 were transferred from Glendale Successor Agency to the City.
- An extraordinary gain of \$26,490 (100.0%) was recorded during the current year for the transfer of the San Fernando Corridor project area tax increment funds from Glendale Successor Agency to the City. The County of Los Angeles approved the transfer due to the dissolution of Glendale Redevelopment Agency pursuant to AB 1x 26.
- \$28,029 (100.0%) was a reinstatement of the loans from Glendale Successor Agency to the City. Department of Finance approved the loans as an enforceable obligation of Glendale Successor Agency to the City.

Expenses and Program Revenues – Governmental Activities



Revenues, Transfers, Special items, Extraordinary item, and Other increases by Source – Governmental Activities



CITY OF GLENDALE

Management's Discussion and Analysis

June 30, 2016

(in thousands)

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

	Governmental activities		Business-type activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	\$ 62,371	48,930	306,996	318,216	369,367	367,146
Operating grants and contributions	56,398	55,415	54	120	56,452	55,535
Capital grants and contributions	8,083	6,969	305	2,306	8,388	9,275
General revenues:						
Taxes:						
Property taxes	51,709	50,883	-	-	51,709	50,883
Sales taxes	46,651	36,330	-	-	46,651	36,330
Utility users tax	28,662	27,766	-	-	28,662	27,766
Other taxes	20,378	17,305	-	-	20,378	17,305
Investment income	8,456	1,561	4,899	1,915	13,355	3,476
Other	25,988	22,766	7,702	8,593	33,690	31,359
Reinstatement of loans	28,029	-	-	-	28,029	-
Total revenues	<u>336,725</u>	<u>267,925</u>	<u>319,956</u>	<u>331,150</u>	<u>656,681</u>	<u>599,075</u>
Expenses:						
General government	20,335	47,822	-	-	20,335	47,822
Police	72,274	74,596	-	-	72,274	74,596
Fire	51,386	48,796	-	-	51,386	48,796
Public works	31,925	26,558	-	-	31,925	26,558
Transportation	14,367	15,222	-	-	14,367	15,222
Housing, health and community development	39,860	42,472	-	-	39,860	42,472
Employment program	5,265	5,557	-	-	5,265	5,557
Public service	6,230	5,895	-	-	6,230	5,895
Parks, recreation and community services	15,889	13,325	-	-	15,889	13,325
Library	8,222	8,392	-	-	8,222	8,392
Interest and fiscal charges	2,203	1,398	-	-	2,203	1,398
Recreation	-	-	-	2,584	-	2,584
Hazardous disposal	-	-	-	1,511	-	1,511
Fire communications	-	-	3,149	2,965	3,149	2,965
Parking	-	-	-	7,702	-	7,702
Refuse disposal	-	-	18,518	18,519	18,518	18,519
Sewer	-	-	15,327	17,421	15,327	17,421
Electric	-	-	172,647	187,864	172,647	187,864
Water	-	-	42,017	45,068	42,017	45,068
Total expenses	<u>267,956</u>	<u>290,033</u>	<u>251,658</u>	<u>283,634</u>	<u>519,614</u>	<u>573,667</u>
Excess (deficiency) before transfers, special items and extraordinary gain	68,769	(22,108)	68,298	47,516	137,067	25,408
Transfers	19,524	62,859	(19,524)	(62,859)	-	-
Special item: Transfer of capital assets	6,729	22,087	-	-	6,729	22,087
Special item: Elimination of OPEB implied subsidy	82,247	-	-	-	82,247	-
Extraordinary gain	26,490	-	-	-	26,490	-
Change in net position	<u>203,759</u>	<u>62,838</u>	<u>48,774</u>	<u>(15,343)</u>	<u>252,533</u>	<u>47,495</u>
Net position – Beginning of the year	<u>642,097</u>	<u>579,259</u>	<u>602,014</u>	<u>617,357</u>	<u>1,244,111</u>	<u>1,196,616</u>
Net position – End of the year	<u>\$ 845,856</u>	<u>642,097</u>	<u>650,788</u>	<u>602,014</u>	<u>1,496,644</u>	<u>1,244,111</u>

CITY OF GLENDALE

Management's Discussion and Analysis

June 30, 2016

(in thousands)

Business-type activities. Business-type activities net position increased by \$48,774. Key elements of this increase are as follows:

- Charges for services decreased by \$11,220 (3.5%) during the current fiscal year. In spite of higher electric and water retail sales, the decrease was mainly due to the reclassification of Recreation Fund, Hazardous Disposal Fund, and Parking Fund to special revenue funds.
- Operating and capital grants and contributions decreased by \$2,067 (85.2%) during the current fiscal year. The decrease was mainly due to completion of Prop 50 state grant for phase 3, chromium 6 demonstration projects and a one-time reimbursement of \$1,279 from LADWP for the Bette Davis Water Project. As well as recycled water pipeline extension from the prior fiscal year, completion of grant from California Energy Commission for AMI Smart Grid project, and reclassification of Recreation Fund and Hazardous Disposal Fund grants to special revenue funds.
- Investment income increased by \$2,984 (155.8%) during the current fiscal year. The City portfolio had a better performance in the current fiscal year primarily due to higher portfolio value and rate of return ended at 1.30%, up by 10 basis points compared to previous fiscal year. The City portfolio had a 12-month average rate of return of 1.24% compared to 1.08% in the previous fiscal year.
- Other revenues decreased by \$891(10.4%) during the current fiscal year. The decrease was mainly due to a one-time write-off of unclaimed construction cash bond deposits and a refund from L.A. County Sanitation District due to billing error for Scholl Canyon Landfill maintenance charges in the Refuse Disposal Fund from the prior fiscal year, as well as an adjustment in Verdugo Fire Communication billing for capital maintenance for tri-cities. Also, the reclassification of Recreation Fund, Hazardous Disposal Fund, and Parking Fund to special revenue funds contributed to the decrease.
- Sewer expense decreased by \$2,094 (12.0%) during the current fiscal year. The decrease was mainly due to the completion and final payment of Glendale's share of the capital improvement costs at Los Angeles-Glendale Water Reclamation Plant.
- Electric expenses decreased by \$15,217 (8.1%) during the current fiscal year. The decrease was a result of a reduction in purchased power activities and decreased participation in natural gas activities.
- Water expenses decreased by \$3,051 (6.8%) during the current fiscal year. The decrease was mainly due to reduction of purchased water volume supplied by Metropolitan Water District (MWD) as a result of the water conservation mandates.
- Other expenses decreased by \$11,614 (34.9%) during the current fiscal year. The decrease was primarily attributable to the reclassification of Recreation Fund, Hazardous Disposal Fund, and Parking Fund to special revenue funds.

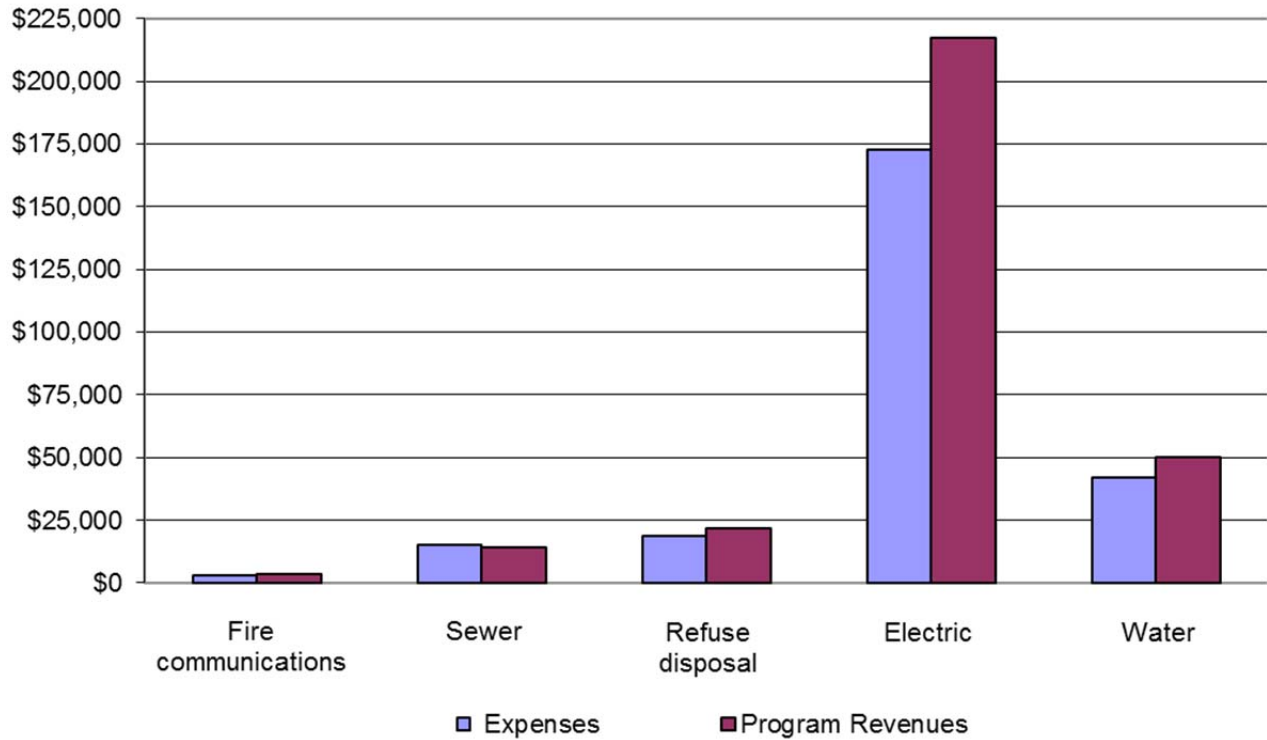
CITY OF GLENDALE

Management's Discussion and Analysis

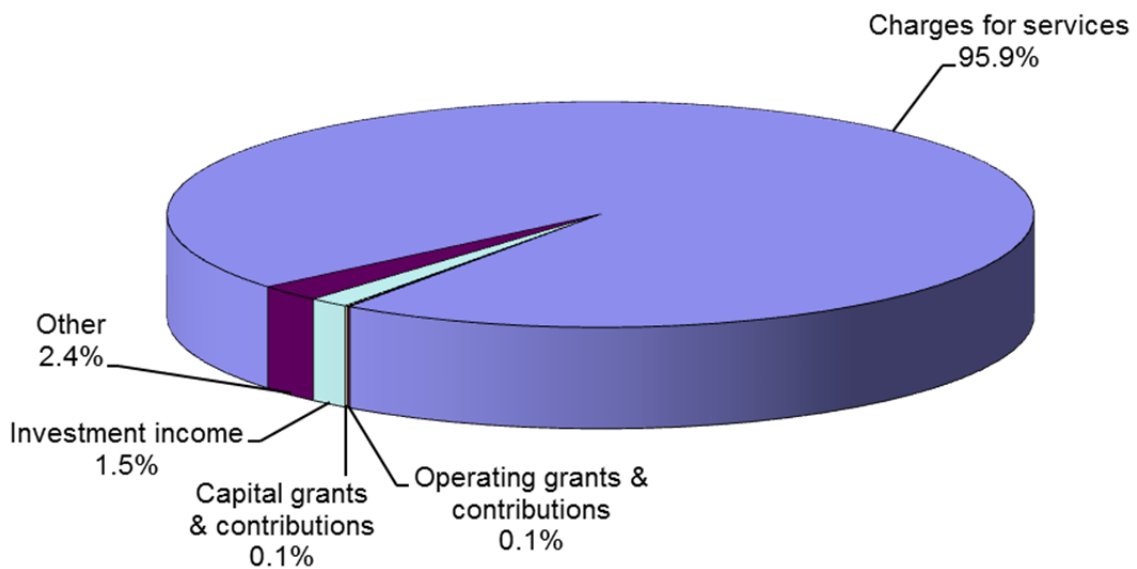
June 30, 2016

(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, 2016

(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 \$263,743, an increase of \$63,487 in comparison with the prior year. About 17.7% of this total amount, \$46,609, constituted unassigned fund balance, which was available for spending at the government's discretion. The remainder of fund balance in the amount of \$217,134 was not available for new spending because it was either nonspendable, restricted, committed or assigned. Nonspendable fund balance was \$3,393. Restricted fund balance was \$130,978, which was constrained by external creditors, grantors, laws or regulations of other governments and enabling legislation. Committed fund balance was \$75,437, and the assigned fund balance was \$7,326.

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 stabilization reserve of the General Fund were \$55,954 and \$24,870, respectively, while total fund balance was \$88,346. 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 stabilization reserve, totaling \$80,824, represented about 43.3% of FY 2015-16 General Fund expenditures plus transfers.

The fund balance of the City's General Fund had a net increase of \$16,371 during the current fiscal year. This net increase is primarily due to the following reasons:

- Compared to prior fiscal year, sales tax revenue increased by \$10,252, which was mainly due to unwinding of the Triple Flip and City's strong sales tax base. Factors that contributed to the City's strong sales tax base were auto industry, transportation, building and construction, restaurants and hotel segments.
- Compared to prior fiscal year, other taxes revenues increased by \$2,630, which was mainly due to higher transient occupancy tax and landfill host assessments. The transient occupancy tax rate was raised by the voters of Glendale to 12% from 10% in April 2015. Also, the landfill host assessment revenues increased because of the increased tonnage at the landfill in FY 2015-16.
- Compared to prior fiscal year, use of money and property increased by \$4,021, which was mainly due to higher loan repayment from Glendale Successor Agency to the City. On the other hand, investment income also increased because of the higher value of the City's portfolio and rate of return.

The Housing Assistance Fund (Section 8 grant) had a fund balance of \$5,107, an increase of \$492, compared to the prior fiscal year. The main reason was that the administrative expense is less than the administrative revenue earned because of efficient and effective administrative operations.

CITY OF GLENDALE

Management's Discussion and Analysis

June 30, 2016

(in thousands)

The Capital Improvement Fund had a fund balance of \$11,295. In comparison with the prior fiscal year, the fund balance increased by \$1,921. The main reason of the increase was from higher landfill royalty tipping fee, which was due to increased tonnage at the landfill in the current fiscal year.

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, net position was composed of \$213,650 for the Sewer Fund, \$297,839 for the Electric Fund, \$111,808 for the Water Fund, and \$35,135 for the nonmajor enterprise funds.

The net position of the Sewer Fund decreased by \$107 during the current fiscal year. The decrease was mainly attributable to lower single-family residential water usage during the winter months due to water conservation and additional project expenses such as the Chevy Chase Sewer Diversion and Public Works Yard Recycled Water Main Project.

The net position of the Electric Fund increased by \$28,765 during the current fiscal year. The increase in net position was due to an increase in electric retail sales as the Electric Fund continued phase 3 of the electric rate increase of 5% in FY 2015-16 and decrease in operating expenses. The decrease in operating expenses was primarily attributable to lower production and transmission costs.

The net position of the Water Fund increased by \$12,148 during the current fiscal year. The increase in net position was due to an increase in water retail sales as the Water Fund's drought surcharge was still in effect while the mandatory water measures were still in place in FY 2015-16. The decrease in operating expenses was due to lower production and customer related costs which also contributed to higher net position.

The net position of nonmajor enterprise funds increased by \$3,116 during the current fiscal year. The increase was primarily attributable to continued stable operations of Refuse Disposal Fund in providing residents refuse collection and disposal services, as well as Fire Communication Fund in providing residents of its member cities an emergency coordinated assistance services.

General Fund Budgetary Highlights

In comparison to the FY 2015-16 final General Fund revenue budget, the actual revenue received was over by \$11,957. The increase in revenue was driven by ERAF in lieu of sales tax, transient occupancy tax and landfill host assessment. The unwinding down of the Triple Flip and City's strong sales tax base increased ERAF in lieu of sales tax revenue by \$6,922. The transient occupancy tax rate was raised by the voters of Glendale to 12% from 10% in April 2015. The rate change increased revenue by \$1,076. The landfill host assessment revenue also increased by \$1,034. The increased tonnage at the landfill in FY 2015-16 contributed to the increase in revenue.

In comparison to the FY 2015-16 original General Fund expense budget, the final expense budget increased by \$6,763. The increase was primarily due to the following: \$4,233 for budget carryovers, \$540 for Management Services Utility User's Tax (UUT) election costs, \$143 for Human Resources compensation alignment adjustments resulting from the recent salary survey conducted and \$418 for Management Services Savings Incentive Program (SIP). The City utilizes a Savings Incentive Program designated to encourage departments to remain under their appropriated budgeted amounts. At the end of each fiscal year, the program gets activated.

CITY OF GLENDALE

Management's Discussion and Analysis

June 30, 2016

(in thousands)

Compared to the FY 2015-16 final General Fund expense budget, the actual expenditures was under spent by \$5,175. The variance was mainly due to salary savings from vacant positions 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 turnovers. Economic Development, Public Works and Library were also under spent in their maintenance and operation. The variance was primarily due to: \$1,100 Laemmle project that is still under construction, \$800 for Central Library's radio frequency identification equipment, \$586 for Public Works contractual services and \$362 also for Library's contractual services. The General Fund transfer was over spent by \$1,816. \$1,733 of the over spending was due to the refund to Water Fund based on the judgment of the General Fund transfer litigation, which was not budgeted. \$83 of the over spending was from 20% City Agency loan transfer to Low and Moderate Income Housing Asset Fund, of which the actual loan repayment was more than anticipated.

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, 2016, amounts to \$1,580,777 (net of \$818,610 accumulated depreciation, \$8,919 gas depletion and \$43,319 amortization). This investment in capital assets includes land, natural gas reserve, buildings and improvements, machinery and equipment, infrastructure, and construction in progress. The total increase in the City's investment in capital assets for the current fiscal year was 0.9%; this represents a 0.3% increase for governmental activities and a 1.7% increase for business-type activities.

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

- In FY 2015-16, \$6,729 of Museum of Neon Art (MONA) building and Central Avenue improvements project capital assets were transferred from Glendale Successor Agency to the City.
- The City received a grant to purchase 9 Beeline Buses in the amount of \$4,900. The City also capitalized \$5,342 in street and traffic light infrastructure improvements and \$2,053 in parks improvements in FY 2015-16.
- The capital and intangible assets of Sewer Fund increase by \$15,966 in the current fiscal year. The following projects contributed to the increase in the capital and intangible assets: Los Angeles-Glendale Water Reclamation Plant, Chevy Chase Sewer Diversion and Hyperion Wastewater System.
- At the end of the year, Electric Fund increased its construction in progress by \$24,595. The increase was due to capital improvement projects such as Grandview Substation renovation and upgrades to support the existing loads and the expected growth in the San Fernando corridor; and Unit No. 4 Boiler Water Wall Tubes Replacement at Grayson Power Plant. The decrease of \$9,058 in machinery and equipment was primarily due to the retirement of transmission and distribution equipment.

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- Glendale Water and Power has adopted a multi-year capital improvement program for water works projects scheduled for four consecutive years that included FY 2012-13 through FY 2015-16. At the end of the year, Water Fund decreased its construction in progress by \$7,951. This decrease primarily reflected the completion of some major capital improvement projects, such as improvement of Supervisory Control and Data Acquisition (SCADA) system; development of recycled water line in the Bette Davis Park; and rehabilitation and replacement of Adams Hill water mains. The increase of \$5,500 in infrastructure was primarily due to GWP's continuing effort on replacing aging water pipes and extension of the Glendale recycled water pipeline to provide recycled water to the City of Los Angeles. The increase of \$7,542 in machinery and equipment was primarily due to additions and upgrades to the Supervisory Control and Data Acquisition (SCADA) system which provides GWP Water the ability to centrally monitor and control all functions of City's water storage and distribution system.

City of Glendale's Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 414,298	414,298	9,490	9,490	423,788	423,788
Natural gas reserve	-	-	22,144	22,276	22,144	22,276
Buildings and improvements	364,101	357,037	265,429	260,939	629,530	617,976
Machinery and equipment	126,928	120,502	558,390	561,221	685,318	681,723
Infrastructure	317,093	306,837	146,476	140,976	463,569	447,813
Construction in progress	59,114	59,341	68,414	43,992	127,528	103,333
Intangible assets	-	-	99,746	95,343	99,746	95,343
Total capital assets	<u>1,281,534</u>	<u>1,258,015</u>	<u>1,170,089</u>	<u>1,134,237</u>	<u>2,451,623</u>	<u>2,392,252</u>
Less: Accumulated depreciation	(355,530)	(334,671)	(463,078)	(442,264)	(818,608)	(776,935)
Less: Gas depletion	-	-	(8,919)	(7,986)	(8,919)	(7,986)
Less: Amortization	-	-	(43,319)	(40,376)	(43,319)	(40,376)
Net of depreciation, depletion, and amortization	<u>\$ 926,004</u>	<u>923,344</u>	<u>654,773</u>	<u>643,611</u>	<u>1,580,777</u>	<u>1,566,955</u>

Additional information on the City's capital assets can be found in Note 6 on pages 67-68 as well as pages 171-172 of this report.

Long-term debt and liabilities. The City's total debt and liabilities decreased by \$89,861 (17.7%) in FY 2015-16. The factors of this decrease were a combination of items such as a decrease of claims payable of \$1,260; a decrease of post-employment benefits of \$86,709; an increase of compensated absences of \$1,166; and an increase of landfill postclosure care of \$1,766; as well as decreases in outstanding bonds payable and other long-term liabilities through regular annual debt retirements and refunding of Electric revenue bonds, 2006 and 2008 series.

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City of Glendale's Debt and Liabilities

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Claims payable	\$ 41,942	43,202	-	-	41,942	43,202
Post-employment benefits	8,134	94,843	-	-	8,134	94,843
Compensated absences	21,278	20,430	6,456	6,138	27,734	26,568
Landfill postclosure care	44,684	42,918	-	-	44,684	42,918
Certificates of Participation (COPs)	35,605	38,400	-	-	35,605	38,400
Other long-term liabilities:						
Capital Lease-Fire equipment lease						
2009 – Wells Fargo	514	757	-	-	514	757
2011 HUD Section 108 loan	1,305	1,491	-	-	1,305	1,491
Total other long-term liabilities	1,819	2,248	-	-	1,819	2,248
Bonds payable:						
Electric Revenue Bonds,						
2006 refunding series	-	-	-	28,726	-	28,726
Electric Revenue Bonds, 2008 series	-	-	1,880	61,284	1,880	61,284
Electric Revenue Bonds,						
2013 refunding series	-	-	23,640	23,841	23,640	23,841
Electric Revenue Bonds, 2013 series	-	-	62,565	63,766	62,565	63,766
Electric Revenue Bonds,						
2016 refunding series	-	-	89,303	-	89,303	-
Water Revenue Bonds, 2008 series	-	-	46,479	47,829	46,479	47,829
Water Revenue Bonds, 2012 series	-	-	35,554	35,575	35,554	35,575
Total bonds payable	-	-	259,421	261,021	259,421	261,021
Total long-term debt and liabilities	\$ 153,462	242,041	265,877	267,159	419,339	509,200

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 and continues to have a strong capacity to meet its financial commitments on obligations.

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The City's bond ratings as of June 30, 2016 are as follows:

Debt Issue	Moody's	Standard & Poor's (S & P)	Fitch Ratings'
Issuer credit rating (Implied General Obligation)	Aa2	AA+	AA+
Certificates of Participation (COPs)	A1*	-	AA
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+
Electric revenue bonds, 2016 refunding series	-	AA-	A+
Water revenue bonds, 2008 series	A1	A+	A+
Water revenue bonds, 2012 series	A1	A+	A+

* As of 10/5/16, Moody's Investors Service has upgraded the rating of City of Glendale's Variable Rate Demand Certificates of Participation (COPs) to Aa3 from A1.

The Glendale Successor Agency's (Fiduciary Fund) bond ratings as of June 30, 2016 are as follows:

Debt Issue	Moody's	Standard & Poor's (S & P)	Fitch Ratings'
2011 GRA subordinate taxable tax allocation bonds	-	A+	-
2013 GSA tax allocation bonds, refunding series	-	A-	-
2016 GSA tax allocation bonds, refunding series	-	A-	-

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, 2016, the City's net assessed value of taxable property was \$21.7 billion and has no general obligation debt.

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 and regulations;
- Provide continuing disclosure and other reports to the municipal bond market;
- Manage liquidity and credit enhancement contracts.

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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:

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

As of June 30, 2016, 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 1 tax-exempt tax allocation bond and 2 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 69-74 of this report.

Economic Factors and Next Year's Budget and Rates

In the U.S. economy, the consumer sector is expected to account for almost three-quarters of all economic activity during FY 2016-17, making the consumer sector the largest of the economy's four sectors. During 2015, consumer spending grew at a rate of 3.1%, the fastest in 10 years – perhaps in response to a notable 6.2% increase in total personal income. Continued increases in nationwide household wealth have also led to higher levels of spending in the U.S. In addition, job gains in most sectors of the economy contributed to a decline in the unemployment rate throughout the year; the average U.S. unemployment rate was just 5.3%, equivalent to the natural rate of unemployment which is thought to be somewhere between 5.2% and 5.5%. Unemployment is expected to decline further to just 4.9% in 2016. Looking ahead, it is forecasted that the U.S. economy should see steady growth at 2.5% for the next two years, in part because of further spending on housing, construction and durable goods, such as vehicles, and the expectation that energy prices will remain low.

California remains the largest economy when compared to any other state in the U.S. (13% of the U.S. GDP), and its forecasted growth of 3.1% for 2016 is expected outpace that of any other state. Many regions in the state are close to regaining all of the jobs lost during the Great Recession. It is estimated that California's unemployment rate will continue its gradual decline from 6.2% in 2015, to 5.5% in 2016 – a rate of just 5.3% is projected for 2017. With continued improvements in the labor market, both personal income and total taxable sales should increase by 4.5% and 5.6% respectively in 2016, with continued growth forecasted in 2017.

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(in thousands)

Los Angeles County is expected to experience another decline in the unemployment rate for this year, dropping from 6.9% in 2015 to 6.2% in 2016. Total personal income is expected grow at 4.4%, a - 0.1% change from last year. Finally, taxable sales are expected to increase by 5.5% in 2016, a welcome jump after a relatively weak increase of 2.9% in 2015.

The City's FY 2016-17 Budget incorporates the policy direction of the City Council for services and programs to address the needs of the community. The adopted budget for FY 2016-17 reflects a minor, but planned, budget gap of \$1,000. This gap has been anticipated in the financial forecasts for some time now; in fact, it is reduced from what earlier forecasts had predicted – a reflection of strengthening revenues and improved cost management. It is not uncharacteristic for a public corporation to occasionally utilize fund balance savings. As long as the City keeps the focus fixed on maintaining a structurally balanced agency, the City is confident in what the future holds. To that end, the City foresees a return to a gradual operational surplus in the General Fund as pension cost rate-smoothing takes effect in future years. Nonetheless, the City Council's top priority of fiscal responsibility continues to pay dividends to the community, taking form through restored programming, enhanced services and capital improvement projects which will further increase the quality of life experienced by residents, businesses and visitors.

The appropriation increase of \$11,800 in the General Fund, when compared to the adopted budget in FY 2015-16, is mainly attributable to the overall increase in salaries & benefits and maintenance & operations. The salaries & benefits variance amounts to \$5,500 and is mainly attributable to a \$2,300 increase for higher PERS rates and a \$1,700 increase for program restoration across all General Fund departments. General Fund departments once again froze their discretionary Maintenance & Operation budget, but were given increases at the discretion of City Council. The overall increase to this category was \$5,400, mainly due to a \$2,500 charge across departments to fund the Building Maintenance section which shifted out of the General Fund; this charge was offset by an equivalent reduction in salaries & benefits costs for the General Fund. The ISD service charge also increased by \$825 – this charge covers the use of services provided by the Information Services Department to General Fund departments. The ISD Rate increased due to more costs being allocated through the ISD rate plan. Also, Retiree Health Savings Plan, Liability Insurance and Workers' Compensation Rates were adjusted based on recent claims experience and the financial health of the funds. Lastly, there was a net \$920 increase to transfers & capital outlay, the majority of which is due to a \$1,400 increase in transfers to fund Capital Improvements and streets projects, all offset by a various decreases in appropriations for other Transfers and Capital Outlay.

The General Fund budget continues to include a 10% transfer of Electric Fund operating revenues, while the City is currently engaged in litigation regarding the City's transfer from the Electric Fund to the General Fund. Glendale Coalition for a Better Government v. City of Glendale, L.A. Superior Court Case No. 147376; Saavedra et al. v. City of Glendale, L.A. Superior Court Case No. BC539160. The court concluded that the amount of the "hidden" tax is the amount of the General Fund transfer (GFT) in the years since the new electric rate plan was imposed in August 2013. The court intends to order a remedy requiring the City to credit ratepayers the amount of the GFT since the electric rates were increased. The court will also issue a writ of mandate commanding the City to cease to include the GFT in the electric rates charged to consumers unless and until a majority of Glendale electorate approves the tax in the rates. The City has a motion for new trial that will be heard on January 19, 2017, and then the City will appeal. As such, status quo will remain in effect during the pendency of the appeal. See Note 14 for more information.

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June 30, 2016

(in thousands)

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 that the City will receive. The General Fund capital improvement program has been significantly scaled back over the last several years. As noted in prior years, the City still has a significant fund balance deficit in the Workers' Compensation Fund. The City plans to amortize this deficit over the next several years, and continues to work with departments to stabilize and reduce the amount of workers' compensation claims. Lastly, aging infrastructure in the ISD Funds and the need to fund future replacement of vehicles in the Fleet/Equipment Replacement Fund, continue to pose financial challenges that need to be addressed in the coming years.

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, 2016 (in thousands)

	Governmental Activities	Business-type Activities	Total
Assets and deferred outflows of resources			
Current assets:			
Pooled cash and investments	\$ 356,106	187,736	543,842
Cash and investments with fiscal agent	22	11,249	11,271
Investment-gas/electric commodity	-	2,386	2,386
Interest receivable	1,158	645	1,803
Accounts receivable, net	37,294	51,322	88,616
Internal balances	(1,699)	1,699	-
Inventories	326	5,695	6,021
Prepaid items	5,106	6,206	11,312
Total current assets	<u>398,313</u>	<u>266,938</u>	<u>665,251</u>
Noncurrent assets:			
Capital assets, net of depreciation:			
Land	414,298	9,490	423,788
Natural gas reserve	-	13,225	13,225
Buildings and improvements	213,244	172,012	385,256
Machinery and equipment	34,692	237,606	272,298
Infrastructure	204,656	97,599	302,255
Construction in progress	59,114	68,414	127,528
Intangible	-	56,427	56,427
Total capital assets	<u>926,004</u>	<u>654,773</u>	<u>1,580,777</u>
Designated cash and investments	-	69,250	69,250
Restricted cash and investments	27,850	27,930	55,780
Prepaid energy	-	11	11
Loans receivable	47,285	55	47,340
Property held for resale	6,988	-	6,988
Total noncurrent assets	<u>1,008,127</u>	<u>752,019</u>	<u>1,760,146</u>
Total assets	<u>1,406,440</u>	<u>1,018,957</u>	<u>2,425,397</u>
Deferred outflows of resources:			
Loss on refunding	-	5,043	5,043
Deferred outflows of resources related to pensions	28,510	6,266	34,776
Total deferred outflows of resources	<u>28,510</u>	<u>11,309</u>	<u>39,819</u>
Total assets and deferred outflows of resources	<u>\$ 1,434,950</u>	<u>1,030,266</u>	<u>2,465,216</u>

Exhibit A-1
CITY OF GLENDALE
Statement of Net Position
June 30, 2016 (in thousands)

	Governmental Activities	Business-type Activities	Total
Liabilities, deferred inflows of resources and net position			
Current liabilities:			
Accounts payable	\$ 16,530	20,202	36,732
Accrued wages and withholding	6,423	-	6,423
Interest payable	63	3,060	3,123
Claims payable	11,454	-	11,454
Compensated absences	2,740	842	3,582
Certificates of participation	1,820	-	1,820
Bonds payable	-	5,988	5,988
Unearned revenues	336	-	336
Deposits	4,945	5,336	10,281
Other liabilities	18,438	-	18,438
Total current liabilities	62,749	35,428	98,177
Noncurrent liabilities:			
Claims payable	30,488	-	30,488
Post employment benefits	8,134	-	8,134
Compensated absences	18,538	5,614	24,152
Landfill postclosure	44,684	-	44,684
Net pension liability	353,692	76,490	430,182
Certificates of participation	33,785	-	33,785
Bonds payable	-	253,433	253,433
Other liabilities	1,373	-	1,373
Total noncurrent liabilities	490,694	335,537	826,231
Total liabilities	553,443	370,965	924,408
Deferred inflows of resources:			
Deferred inflows of resources related to pensions	35,651	8,513	44,164
Total liabilities and deferred inflows of resources	589,094	379,478	968,572
Net position:			
Net investment in capital assets	888,998	422,656	1,311,654
Restricted			
City Charter - stabilization	24,870	-	24,870
Federal and state grants	5,621	-	5,621
Public safety	1,820	-	1,820
Youth employment	52	-	52
Transportation	22,297	-	22,297
Landscaping district	139	-	139
Low and moderate housing	16,795	-	16,795
Air quality improvement	370	-	370
SCAQMD emission controls	-	5,669	5,669
Cable access	2,434	-	2,434
Electric public benefit AB1890	3,609	-	3,609
State gas tax mandates	3,240	-	3,240
Capital projects	29,034	-	29,034
Unrestricted	(153,423)	222,463	69,040
Total net position	\$ 845,856	650,788	1,496,644

CITY OF GLENDALE

Statement of Activities

Fiscal Year Ended June 30, 2016 (in thousands)

	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities	Total
Governmental activities:							
General government	\$ 20,335	17,554	94	-	(2,687)	-	(2,687)
Police	72,274	1,229	772	-	(70,273)	-	(70,273)
Fire	51,386	8,242	1,641	2	(41,501)	-	(41,501)
Public works	31,925	20,732	6,526	8,081	3,414	-	3,414
Transportation	14,367	9,882	7,896	-	3,411	-	3,411
Housing, health and community development	39,860	68	35,081	-	(4,711)	-	(4,711)
Employment programs	5,265	1,509	4,012	-	256	-	256
Public service	6,230	-	-	-	(6,230)	-	(6,230)
Parks, recreation and community services	15,889	2,999	309	-	(12,581)	-	(12,581)
Library	8,222	156	67	-	(7,999)	-	(7,999)
Interest and fiscal charges	2,203	-	-	-	(2,203)	-	(2,203)
Total governmental activities	267,956	62,371	56,398	8,083	(141,104)	-	(141,104)
Business-type activities:							
Fire communications	3,149	3,515	2	5	-	373	373
Sewer	15,327	14,273	-	-	-	(1,054)	(1,054)
Refuse disposal	18,518	21,769	52	-	-	3,303	3,303
Electric	172,647	217,467	-	-	-	44,820	44,820
Water	42,017	49,972	-	300	-	8,255	8,255
Total business-type activities	251,658	306,996	54	305	-	55,697	55,697
Total primary government	\$ 519,614	369,367	56,452	8,388	(141,104)	55,697	(85,407)
General revenues:							
Taxes:							
Property taxes					\$ 51,709	-	51,709
Sales taxes					46,651	-	46,651
Utility users tax					28,662	-	28,662
Other taxes					20,378	-	20,378
Investment income					8,456	4,899	13,355
Other					25,988	7,702	33,690
Reinstatement of loans					28,029	-	28,029
Transfers					19,524	(19,524)	-
Special items:							
Transfer of capital assets from Successor Agency					6,729	-	6,729
Elimination of OPEB implied subsidy					82,247	-	82,247
Extraordinary gain					26,490	-	26,490
Total general revenues, transfers, special items and extraordinary gain					344,863	(6,923)	337,940
Change in net position					203,759	48,774	252,533
Net position, July 1					642,097	602,014	1,244,111
Net position, June 30					\$ 845,856	650,788	1,496,644

Exhibit B-1
CITY OF GLENDALE
 Balance Sheet
 Governmental Funds
 June 30, 2016 (in thousands)

	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Housing Assistance Fund	Capital Improvement Fund		
Assets					
Pooled cash and investments	\$ 94,426	2,726	9,612	136,131	242,895
Cash and investments with fiscal agent	-	-	-	22	22
Restricted cash and investments	-	-	-	27,850	27,850
Interest receivable	290	6	-	328	624
Accounts receivable, net	20,947	219	1,766	13,726	36,658
Due from other funds	7,974	-	-	-	7,974
Inventories	107	-	-	-	107
Prepaid items	89	2,171	-	45	2,305
Loans receivable	40,133	-	-	-	40,133
Property held for resale	-	-	-	6,988	6,988
Total assets	163,966	5,122	11,378	185,090	365,556
Liabilities, deferred inflows of resources and fund balances					
Liabilities:					
Accounts payable	4,597	15	24	10,879	15,515
Due to other funds	1,733	-	-	6,518	8,251
Interest payable	-	-	-	21	21
Wages and benefits payable	6,423	-	-	-	6,423
Unearned revenues	-	-	-	336	336
Deposits	4,698	-	-	247	4,945
Other liabilities	17,992	-	-	-	17,992
Total liabilities	35,443	15	24	18,001	53,483
Deferred inflows of resources:					
Unavailable revenues	40,177	-	59	8,094	48,330
Total liabilities and deferred inflows of resources	\$ 75,620	15	83	26,095	101,813

(Continued)

Exhibit B-1
CITY OF GLENDALE
 Balance Sheet
 Governmental Funds
 June 30, 2016 (in thousands)

	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Housing Assistance Fund	Capital Improvement Fund		
Fund balances:					
Nonspendable:					
Inventory	\$ 107	-	-	-	107
Property held for resale	-	-	-	981	981
Prepaid	89	2,171	-	45	2,305
Restricted for:					
City Charter - stabilization	24,870	-	-	-	24,870
Federal and state grants	-	2,936	-	2,685	5,621
Public safety	-	-	-	1,820	1,820
Youth employment	-	-	-	52	52
Transportation	-	-	-	22,297	22,297
Landscaping district	-	-	-	139	139
Low and moderate housing	-	-	-	9,642	9,642
Air quality improvement	-	-	-	370	370
Cable access	-	-	-	2,434	2,434
Electric public benefit AB1890	-	-	-	3,609	3,609
State gas tax mandates	-	-	-	3,240	3,240
Landfill postclosure	-	-	-	27,850	27,850
Capital projects	-	-	-	29,034	29,034
Committed to:					
Debt service	-	-	-	19,287	19,287
Urban art	-	-	-	5,275	5,275
Public safety	-	-	-	13	13
Impact fee funded projects	-	-	-	26,078	26,078
Capital projects	-	-	11,295	-	11,295
Filming	-	-	-	373	373
Recreation	-	-	-	3,548	3,548
Hazardous materials	-	-	-	2,057	2,057
Parking	-	-	-	7,511	7,511
Assigned to:					
Economic development	4,526	-	-	-	4,526
Emergency medical services	2,000	-	-	-	2,000
Capital projects	800	-	-	-	800
Unassigned:	55,954	-	-	(9,345)	46,609
Total fund balances	88,346	5,107	11,295	158,995	263,743
Total liabilities, deferred inflows of resources and fund balances	\$ 163,966	5,122	11,378	185,090	365,556

Exhibit B-2

CITY OF GLENDALE

Reconciliation of Balance Sheet of
Governmental Funds to the Statement of Net Position
June 30, 2016 (in thousands)

Fund balances of governmental funds	\$	263,743
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets are not included as financial resources in governmental fund activity:</p>		
Land	\$	414,298
Buildings and improvements		213,030
Equipment		18,414
Infrastructure		204,656
Construction in progress		<u>50,102</u>
		900,500
<p>Long-term debt is not included in the governmental funds:</p>		
<p> Due within one year:</p>		
Certificates of participation	(1,820)	
2011 HUD Section 108 loan	<u>(194)</u>	(2,014)
<p> Due more than one year:</p>		
Certificates of participation	(33,785)	
Landfill postclosure	(44,684)	
2011 HUD Section 108 loan	<u>(1,111)</u>	(79,580)
<p>Accrued interest payable for the current portion of interest due is not included in the governmental funds:</p>		
2011 HUD Section 108 loan		(11)
<p>Unavailable revenue in the governmental funds is revenue in the statement of activities:</p>		
		48,330
Loans receivable housing long term - non-forgiven portion		7,152
Deferred outflows of resources related to pensions		28,510
Deferred inflows of resources related to pensions		(35,651)
Post employment benefits		(8,134)
Net pension liability		(353,692)
<p>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:</p>		
Other improvement	214	
Equipment	16,278	
Construction in progress	9,012	
Accrued interest - Fire Equipment Lease 2009	(12)	
Fire Equipment Lease 2009 - Due within one year	(252)	
Fire Equipment Lease 2009 - Due more than one year	(262)	
Other assets and liabilities, net	<u>51,725</u>	<u>76,703</u>
Net position of governmental activities	\$	<u><u>845,856</u></u>

CITY OF GLENDALE

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

Fiscal Year Ended June 30, 2016 (in thousands)

	Major Funds				
	General Fund	Housing Assistance Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 51,709	-	-	-	51,709
Sales tax	44,451	-	-	2,200	46,651
Utility users tax	28,662	-	-	-	28,662
Other taxes	13,231	-	-	7,147	20,378
Revenue from other agencies	950	28,852	351	31,179	61,332
Licenses and permits	9,741	-	-	13,522	23,263
Fines and forfeitures	2,701	-	-	1,598	4,299
Charges for services	3,806	-	4,770	27,300	35,876
Use of money and property	9,364	47	-	2,409	11,820
Interfund revenue	14,950	-	-	-	14,950
Miscellaneous revenue	2,199	10	-	1,896	4,105
Total revenues	<u>181,764</u>	<u>28,909</u>	<u>5,121</u>	<u>87,251</u>	<u>303,045</u>
Expenditures:					
Current:					
General government	25,303	-	124	340	25,767
Police	71,232	-	-	1,964	73,196
Fire	45,541	-	490	7,394	53,425
Public works	18,335	-	424	9,759	28,518
Transportation	-	-	-	13,341	13,341
Housing, health and community development	3,885	28,417	-	7,563	39,865
Employment programs	-	-	-	5,603	5,603
Public service	-	-	-	6,381	6,381
Parks, recreation and community services	10,402	-	52	3,685	14,139
Library	8,218	-	7	430	8,655
Capital outlay	93	-	574	12,766	13,433
Debt service:					
Interest	-	-	-	268	268
Principal	-	-	-	2,981	2,981
Total expenditures	<u>183,009</u>	<u>28,417</u>	<u>1,671</u>	<u>72,475</u>	<u>285,572</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,245)</u>	<u>492</u>	<u>3,450</u>	<u>14,776</u>	<u>17,473</u>
Other financing sources (uses):					
Transfers in	21,257	-	471	3,437	25,165
Transfers out	(3,641)	-	(2,000)	-	(5,641)
Total other financing sources (uses)	<u>17,616</u>	<u>-</u>	<u>(1,529)</u>	<u>3,437</u>	<u>19,524</u>
Extraordinary gain	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,490</u>	<u>26,490</u>
Net change in fund balances	16,371	492	1,921	44,703	63,487
Fund balances, July 1	71,975	4,615	9,374	114,292	200,256
Fund balances, June 30	<u>\$ 88,346</u>	<u>5,107</u>	<u>11,295</u>	<u>158,995</u>	<u>263,743</u>

Exhibit C-2

CITY OF GLENDALE

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
 Fiscal Year Ended June 30, 2016 (in thousands)

Net change in fund balances - total governmental funds		\$ 63,487
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures		15,464
In the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.		(21,495)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:		
Certificates of participation	\$ 2,795	
2011 HUD Section 108 loan	<u>186</u>	2,981
Landfill postclosure care liability increased from prior year		(1,766)
Unavailable revenue in the governmental funds are recognized as revenues in the statement of activities		5,651
Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, pension expense is measured as the change in net pension liability and the amortization of deferred outflows and inflows related to pensions. This amount represents the net change in pension related amounts.		9,948
Accrued interest 2011 HUD Section 108 loan		(1)
Post employment benefits		86,709
Reinstatement of loans from former Redevelopment Agency to the City		28,029
Transfer of capital assets from Successor Agency		6,729
Change in net position of internal service funds allocated to governmental activities:		
Capital assets	2,379	
Depreciation	(1,260)	
Interest - Fire Equipment Lease 2009	(25)	
Other revenue (expenses)	<u>6,929</u>	<u>8,023</u>
Change in net position for governmental activities		\$ <u>203,759</u>

Exhibit D-1

CITY OF GLENDALE

Statement of Revenues and Other Financing Sources - Budget and Actual

General Fund

Fiscal Year Ended June 30, 2016 (in thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget Over/(Under)
Revenues:				
Property taxes	\$ 52,740	52,740	51,709	(1,031)
Sales taxes:				
Sales tax	31,000	31,000	30,851	(149)
ERAF in lieu of sales tax	4,900	4,900	11,822	6,922
State 1/2% sales tax	1,800	1,800	1,778	(22)
Total	37,700	37,700	44,451	6,751
Utility users tax	28,250	28,250	28,662	412
Other Taxes:				
Franchise tax	3,000	2,900	2,693	(207)
Occupancy tax	5,200	5,350	6,426	1,076
Property transfer tax	800	900	1,078	178
Landfill host assessment	2,000	2,000	3,034	1,034
Total	11,000	11,150	13,231	2,081
Licenses and permits:				
Dog licenses	150	150	136	(14)
Building permits	5,000	5,000	5,555	555
Green building initiative SB 1473	-	-	1	1
American Disability Act SB1186	-	-	2	2
Plan check fees	400	600	561	(39)
Planning permits	1,200	1,200	1,679	479
Grading permits	55	105	152	47
Street permits	650	650	903	253
Business license permits	500	500	602	102
Business registration license	150	150	150	-
Total	8,105	8,355	9,741	1,386
Fines and forfeitures-traffic safety fines	2,850	2,800	2,701	(99)
Use of money and property:				
Interest and investment revenue	515	715	1,108	393
Interest and investment GASB 31	-	-	911	911
Landfill gas royalties	2,475	2,475	2,473	(2)
Rental income	550	550	538	(12)
Loan repayment	3,921	3,921	4,334	413
Total	\$ 7,461	7,661	9,364	1,703

(Continued)

Exhibit D-1

CITY OF GLENDALE

Statement of Revenues and Other Financing Sources - Budget and Actual

General Fund

Fiscal Year Ended June 30, 2016 (in thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget Over/(Under)
Revenue from other agencies:				
Mutual aid reimbursement	\$ -	-	105	105
State SB 90	350	250	464	214
Motor vehicle in lieu fee	-	80	80	-
Local grants	-	265	301	36
Total	350	595	950	355
Miscellaneous revenue:				
Donations and contributions	15	15	61	46
Sponsorships	-	-	47	47
Advertising revenue	100	100	121	21
Miscellaneous revenue	1,887	2,137	1,970	(167)
Total	2,002	2,252	2,199	(53)
Charges for services:				
Zoning-subdivision fees	135	150	199	49
City Clerk fees	-	-	1	1
Map and publication fees	75	75	83	8
Filing-certification fee	15	15	22	7
Special event fees	150	-	3	3
Special police fees	764	764	726	(38)
Vehicle tow admin cost recovery (VTACR)	375	375	394	19
Fire fees	550	725	1,063	338
Joint air support maintenance fee	-	-	52	52
Code enforcement fees	50	50	31	(19)
Administrative citations	-	-	37	37
Outreach revenue	55	55	28	(27)
Express plan check fees	150	400	445	45
Final map checking fees	-	-	37	37
Excavation fees	175	175	218	43
Construction inspection fees	80	80	133	53
Collectible jobs	100	100	29	(71)
Library fines and fees	95	95	51	(44)
Rental civic auditorium	-	-	3	3
Program/registration revenue	12	12	11	(1)
Local assessment fees	-	-	6	6
Graphics fees	-	292	234	(58)
Total	2,781	3,363	3,806	443
Interfund revenue:				
Charges to enterprise funds for:				
Benefits cost recovery	650	500	509	9
Cost allocation revenue	14,441	14,441	14,441	-
Total	15,091	14,941	14,950	9
Other financing sources:				
Transfers in	21,257	21,257	21,257	-
Total revenues and transfers	\$ 189,587	191,064	203,021	11,957

Exhibit D-2
CITY OF GLENDALE
Statement of Expenditures and Other
Financing Uses - Budget and Actual
General Fund
Fiscal Year Ended June 30, 2016 (in thousands)

	Salaries and Benefits			Variance With Final Budget (Over)/Under
	Original Budget	Final Budget	Actual	
General government:				
City clerk	\$ 625	651	553	98
Elections	11	11	-	11
City treasurer	579	580	570	10
City manager	2,857	2,878	2,790	88
Legal	2,926	2,985	2,985	-
Finance	3,969	3,984	3,806	178
Planning	6,977	7,250	7,250	-
Personnel	1,736	1,742	1,499	243
Non-departmental	1,698	1,698	1,698	-
Total	<u>21,378</u>	<u>21,779</u>	<u>21,151</u>	<u>628</u>
Police	<u>59,426</u>	<u>59,601</u>	<u>60,081</u>	<u>(480)</u>
Fire	<u>39,130</u>	<u>39,426</u>	<u>39,991</u>	<u>(565)</u>
Public works	<u>8,575</u>	<u>8,628</u>	<u>8,441</u>	<u>187</u>
Housing, health and community development:				
Economic development	610	925	737	188
Community development administration	1,569	1,574	1,538	36
Total	<u>2,179</u>	<u>2,499</u>	<u>2,275</u>	<u>224</u>
Parks, recreation and community services	<u>6,532</u>	<u>6,603</u>	<u>6,402</u>	<u>201</u>
Library	<u>5,562</u>	<u>5,811</u>	<u>5,428</u>	<u>383</u>
Total expenditures and transfers	<u>\$ 142,782</u>	<u>144,347</u>	<u>143,769</u>	<u>578</u>

(Continued)

Exhibit D-2
CITY OF GLENDALE
Statement of Expenditures and Other
Financing Uses - Budget and Actual
General Fund
Fiscal Year Ended June 30, 2016 (in thousands)

	Maintenance and Operation			
	Original Budget	Final Budget	Actual	Variance With Final Budget (Over)/Under
General government:				
City clerk	\$ 230	280	147	133
Elections	188	508	29	479
City treasurer	86	111	78	33
City manager	1,012	1,414	1,026	388
Legal	264	292	190	102
Finance	1,532	1,699	1,344	355
Planning	1,050	940	595	345
Personnel	925	975	743	232
Non-departmental	-	-	-	-
Total	<u>5,287</u>	<u>6,219</u>	<u>4,152</u>	<u>2,067</u>
Police	<u>10,875</u>	<u>10,921</u>	<u>11,151</u>	<u>(230)</u>
Fire	<u>5,897</u>	<u>5,895</u>	<u>5,550</u>	<u>345</u>
Public works	<u>9,390</u>	<u>10,712</u>	<u>9,894</u>	<u>818</u>
Housing, health and community development:				
Economic development	1,489	2,595	1,306	1,289
Community development administration	215	494	304	190
Total	<u>1,704</u>	<u>3,089</u>	<u>1,610</u>	<u>1,479</u>
Parks, recreation and community services	<u>3,968</u>	<u>4,393</u>	<u>4,000</u>	<u>393</u>
Library	<u>2,927</u>	<u>3,139</u>	<u>2,790</u>	<u>349</u>
Total expenditures and transfers	<u>\$ 40,048</u>	<u>44,368</u>	<u>39,147</u>	<u>5,221</u>

(Continued)

Exhibit D-2
CITY OF GLENDALE
Statement of Expenditures and Other
Financing Uses - Budget and Actual
General Fund
Fiscal Year Ended June 30, 2016 (in thousands)

	Capital Outlay			Variance With Final Budget (Over)/Under
	Original Budget	Final Budget	Actual	
General government:				
City clerk	\$ -	-	-	-
Elections	-	-	-	-
City treasurer	-	-	-	-
City manager	-	4	4	-
Legal	-	-	-	-
Finance	-	-	-	-
Planning	35	35	7	28
Personnel	-	-	-	-
Non-departmental	-	-	-	-
Total	<u>35</u>	<u>39</u>	<u>11</u>	<u>28</u>
Police	-	-	9	(9)
Fire	-	74	73	1
Public works	-	-	-	-
Housing, health and community development:				
Economic development	372	372	-	372
Community development administration	-	-	-	-
Total	<u>372</u>	<u>372</u>	<u>-</u>	<u>372</u>
Parks, recreation and community services	-	-	-	-
Library	-	800	-	800
Total expenditures and transfers	<u>\$ 407</u>	<u>1,285</u>	<u>93</u>	<u>1,192</u>

Exhibit D-2
CITY OF GLENDALE
Statement of Expenditures and Other
Financing Uses - Budget and Actual
General Fund
Fiscal Year Ended June 30, 2016 (in thousands)

	Transfers			Variance With Final Budget (Over)/Under
	Original Budget	Final Budget	Actual	
General government:				
City clerk	\$ -	-	-	-
Elections	-	-	-	-
City treasurer	-	-	-	-
City manager	-	-	-	-
Legal	-	-	-	-
Finance	-	-	-	-
Planning	-	-	-	-
Personnel	-	-	-	-
Non-departmental	1,825	1,825	3,641	(1,816)
Total	<u>1,825</u>	<u>1,825</u>	<u>3,641</u>	<u>(1,816)</u>
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Housing, health and community development:				
Economic development	-	-	-	-
Community development administration	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Parks, recreation and community services	-	-	-	-
Library	-	-	-	-
Total expenditures and transfers	<u>\$ 1,825</u>	<u>1,825</u>	<u>3,641</u>	<u>(1,816)</u>

Exhibit D-2
CITY OF GLENDALE
Statement of Expenditures and Other
Financing Uses - Budget and Actual
General Fund
Fiscal Year Ended June 30, 2016 (in thousands)

	Total			Variance With Final Budget (Over)/Under
	Original Budget	Final Budget	Actual	
General government:				
City clerk	\$ 855	931	700	231
Elections	199	519	29	490
City treasurer	665	691	648	43
City manager	3,869	4,296	3,820	476
Legal	3,190	3,277	3,175	102
Finance	5,501	5,683	5,150	533
Planning	8,062	8,225	7,852	373
Personnel	2,661	2,717	2,242	475
Non-departmental	3,523	3,523	5,339	(1,816)
Total	<u>28,525</u>	<u>29,862</u>	<u>28,955</u>	<u>907</u>
Police	<u>70,301</u>	<u>70,522</u>	<u>71,241</u>	<u>(719)</u>
Fire	<u>45,027</u>	<u>45,395</u>	<u>45,614</u>	<u>(219)</u>
Public works	<u>17,965</u>	<u>19,340</u>	<u>18,335</u>	<u>1,005</u>
Housing, health and community development:				
Economic development	2,471	3,892	2,043	1,849
Community development administration	1,784	2,068	1,842	226
Total	<u>4,255</u>	<u>5,960</u>	<u>3,885</u>	<u>2,075</u>
Parks, recreation and community services	<u>10,500</u>	<u>10,996</u>	<u>10,402</u>	<u>594</u>
Library	<u>8,489</u>	<u>9,750</u>	<u>8,218</u>	<u>1,532</u>
Total expenditures and transfers	<u>\$ 185,062</u>	<u>191,825</u>	<u>186,650</u>	<u>5,175</u>

Exhibit D-3

CITY OF GLENDALE

Statement of Revenues - Budget and Actual

Housing Assistance Fund

Fiscal Year Ended June 30, 2016 (in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Over/(Under)</u>
Revenues:				
Use of money and property	\$ 11	11	47	36
Revenue from other agencies	30,083	30,083	28,852	(1,231)
Miscellaneous revenue	26	26	10	(16)
Total revenues	<u>\$ 30,120</u>	<u>30,120</u>	<u>28,909</u>	<u>(1,211)</u>

Exhibit D-4

CITY OF GLENDALE

Statement of Expenditures - Budget and Actual

Housing Assistance Fund

Fiscal Year Ended June 30, 2016 (in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget (Over)/Under</u>
Current:				
Housing, health and community development:				
Salaries and benefits	\$ 2,466	2,473	2,015	458
Maintenance and operations	27,977	27,992	26,402	1,590
Total expenditures	<u>\$ 30,443</u>	<u>30,465</u>	<u>28,417</u>	<u>2,048</u>

Exhibit E-1
CITY OF GLENDALE
Statement of Net Position
Proprietary Funds
June 30, 2016 (in thousands)

	Business-type Activities - Enterprise Funds					
	Sewer Fund	Electric Fund	Water Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
Assets and deferred outflows of resources						
Current assets:						
Pooled cash and investments	\$ 55,603	91,048	3,794	37,291	187,736	113,211
Cash with fiscal agent	-	4,640	5,136	-	9,776	-
Investments with fiscal agent	-	1,473	-	-	1,473	-
Interest receivable	151	402	4	88	645	533
Investment-gas/electric commodity	-	2,386	-	-	2,386	-
Accounts receivable, net	1,808	39,706	7,429	2,379	51,322	634
Due from other funds	-	-	1,733	-	1,733	-
Inventories	-	5,695	-	-	5,695	219
Prepaid items	-	6,206	-	-	6,206	2,801
Total current assets	57,562	151,556	18,096	39,758	266,972	117,398
Noncurrent assets:						
Capital assets:						
Land	578	6,239	1,034	1,639	9,490	-
Natural gas reserve	-	22,144	-	-	22,144	-
Buildings and improvements	132,661	65,503	60,466	6,799	265,429	214
Machinery and equipment	2,048	496,926	37,952	21,464	558,390	41,649
Infrastructure	-	-	146,476	-	146,476	-
Intangible	99,746	-	-	-	99,746	-
Accumulated depreciation	(34,864)	(327,227)	(80,385)	(20,602)	(463,078)	(25,371)
Natural gas depletion	-	(8,919)	-	-	(8,919)	-
Amortization	(43,319)	-	-	-	(43,319)	-
Construction in progress	9,449	38,317	19,929	719	68,414	9,012
Total capital assets	166,299	292,983	185,472	10,019	654,773	25,504
Designated cash and investments	-	66,400	2,850	-	69,250	-
Restricted cash and investments	-	20,922	7,008	-	27,930	-
Loan receivable	-	-	-	55	55	-
Advance to other funds	1,153	-	-	-	1,153	-
Prepaid energy	-	11	-	-	11	-
Total noncurrent assets	167,452	380,316	195,330	10,074	753,172	25,504
Total assets	225,014	531,872	213,426	49,832	1,020,144	142,902
Deferred outflows of resources:						
Deferred outflows of resources related to pensions	355	3,634	1,229	1,048	6,266	-
Loss on refunding	-	5,043	-	-	5,043	-
Total deferred outflows of resources	355	8,677	1,229	1,048	11,309	-
Total assets and deferred outflows of resources	\$ 225,369	540,549	214,655	50,880	1,031,453	142,902

(Continued)

Exhibit E-1
CITY OF GLENDALE
Statement of Net Position
Proprietary Funds
June 30, 2016 (in thousands)

	Business-type Activities - Enterprise Funds					
	Sewer Fund	Electric Fund	Water Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
Liabilities, deferred inflows of resources and net position						
Current liabilities:						
Accounts payable	\$ 6,606	8,883	3,866	846	20,201	1,013
Due to other funds	-	-	-	-	-	1,456
Interest payable	-	1,649	1,411	-	3,060	31
Capital leases	-	-	-	-	-	252
Claims payable	-	-	-	-	-	11,454
Compensated absences	-	-	-	-	-	3,582
Bonds payable	-	4,577	1,411	-	5,988	-
Deposits	296	3,762	949	329	5,336	-
Total current liabilities	6,902	18,871	7,637	1,175	34,585	17,788
Noncurrent liabilities:						
Claims payable	-	-	-	-	-	30,488
Compensated absences	-	-	-	-	-	24,152
Bonds payable	-	172,811	80,622	-	253,433	-
Advance from other funds	-	-	-	-	-	1,153
Net pension liability	4,313	45,890	13,228	13,059	76,490	-
Capital leases	-	-	-	-	-	262
Total noncurrent liabilities	4,313	218,701	93,850	13,059	329,923	56,055
Total liabilities	11,215	237,572	101,487	14,234	364,508	73,843
Deferred inflows of resources:						
Deferred inflows of resources related to pensions	504	5,138	1,360	1,511	8,513	-
Total liabilities and deferred inflows of resources	11,719	242,710	102,847	15,745	373,021	73,843
Net position:						
Net investment in capital assets	166,299	135,891	110,447	10,019	422,656	24,103
Restricted						
SCAQMD emission controls	-	5,669	-	-	5,669	-
Unrestricted	47,351	156,279	1,361	25,116	230,107	44,956
Total net position	\$ 213,650	297,839	111,808	35,135	658,432	69,059

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.

Total net position of business-type activities \$ 650,788

CITY OF GLENDALE

Statement of Revenues, Expenses and Changes in Net Position

Proprietary Funds

Fiscal Year Ended June 30, 2016 (in thousands)

	Business-type Activities - Enterprise Funds					
	Sewer Fund	Electric Fund	Water Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
Operating revenues:						
Charges for services	\$ 14,273	217,467	49,972	25,284	306,996	92,904
Miscellaneous revenue	273	4,148	2,860	334	7,615	193
Total operating revenue	14,546	221,615	52,832	25,618	314,611	93,097
Operating expenses:						
Maintenance and operation	9,853	143,915	34,271	19,881	207,920	28,637
Claims and settlement	-	-	-	-	-	51,442
Depreciation	2,838	26,156	5,844	1,991	36,829	2,447
Gas depletion	-	933	-	-	933	-
Amortization	2,943	-	-	-	2,943	-
Total operating expenses	15,634	171,004	40,115	21,872	248,625	82,526
Operating income (loss)	(1,088)	50,611	12,717	3,746	65,986	10,571
Non operating revenues (expenses):						
Use of money and property	981	3,259	87	684	5,011	2,049
Intergovernmental grants	-	-	-	54	54	584
Loss on disposal of capital asset	-	-	-	(223)	(223)	-
Interest expense	-	(4,998)	(2,689)	-	(7,687)	(332)
Total non operating revenues (expenses)	981	(1,739)	(2,602)	515	(2,845)	2,301
Income before capital grants and contributions and transfers	(107)	48,872	10,115	4,261	63,141	12,872
Capital grants and contributions	-	-	300	5	305	-
Transfers in	-	-	1,733	-	1,733	5,640
Transfers out	-	(20,107)	-	(1,150)	(21,257)	(5,640)
Change in net position	(107)	28,765	12,148	3,116	43,922	12,872
Net position, July 1	213,757	269,074	99,660	32,019		56,187
Net position, June 30	\$ 213,650	297,839	111,808	35,135		69,059

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.

	4,852
Changes in net position of business-type activities	\$ 48,774

Exhibit E-3
CITY OF GLENDALE
Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended June 30, 2016 (in thousands)

	Business-type Activities - Enterprise Funds					
	Sewer Fund	Electric Fund	Water Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities:						
Cash from customers	\$ 14,689	221,240	51,087	25,764	312,780	92,663
Cash paid to employees	(3,416)	(31,925)	(7,348)	(9,829)	(52,518)	(17,547)
Cash paid to suppliers	(820)	(114,159)	(27,350)	(10,694)	(153,023)	(64,194)
Net cash provided by operating activities	10,453	75,156	16,389	5,241	107,239	10,922
Cash flows from noncapital financing activities:						
Amounts received from other funds	560	6,375	-	-	6,935	-
Amounts paid to other funds	-	-	(6,375)	-	(6,375)	(560)
Transfers out	-	(20,107)	-	(1,150)	(21,257)	(5,640)
Transfers in	-	-	1,733	-	1,733	5,640
Investments with fiscal agent	-	991	-	-	991	-
Operating grants received	-	-	300	54	354	584
Loans receivable	-	-	-	(55)	(55)	-
Net cash provided (used) by noncapital financing activities	560	(12,741)	(4,342)	(1,151)	(17,674)	24
Cash flows from capital and related financing activities:						
Interest on long-term debt	-	(6,665)	(2,706)	-	(9,371)	(50)
Principal payments and premiums	-	(229)	(1,371)	-	(1,600)	-
Capital Lease	-	-	-	-	-	(259)
Capital grants received	-	-	-	5	5	-
Acquisition of property, plant, gas and equipment	(15,979)	(28,447)	(6,465)	(1,200)	(52,091)	(4,691)
Net cash (used) by capital and related financing activities	(15,979)	(35,341)	(10,542)	(1,195)	(63,057)	(5,000)
Cash flows from investing activities:						
Investment - gas/electric commodity	-	(397)	-	-	(397)	-
Interest received	997	3,094	83	669	4,843	2,002
Net cash provided by investing activities	997	2,697	83	669	4,446	2,002
Net increase (decrease) in cash and cash equivalents	(3,969)	29,771	1,588	3,564	30,954	7,948
Cash and cash equivalents at July 1	59,572	153,239	17,200	33,727	263,738	105,263
Cash and cash equivalents at June 30	\$ 55,603	183,010	18,788	37,291	294,692	113,211

(Continued)

Exhibit E-3
CITY OF GLENDALE
Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended June 30, 2016 (in thousands)

	Business-type Activities - Enterprise Funds					
	Sewer Fund	Electric Fund	Water Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by operating activities:						
Operating income (loss)	\$ (1,088)	50,611	12,717	3,746	65,986	10,571
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation	2,838	26,156	5,844	1,991	36,829	2,447
Gas depletion	-	933	-	-	933	-
Amortization	2,943	-	-	-	2,943	-
Pension expense	(227)	(2,086)	(645)	(662)	(3,620)	-
(Increase) Decrease Accounts receivable net	143	(375)	(12)	146	(98)	(434)
(Increase) Due from other funds	-	-	(1,733)	-	(1,733)	-
(Increase) Decrease Inventories	-	234	-	-	234	(219)
(Increase) Prepaid expenses	-	(1,113)	-	-	(1,113)	(2,254)
(Increase) Deferred charges	-	(3,799)	-	-	(3,799)	-
Increase Compensated absences	-	-	-	-	-	1,166
Increase(Decrease) Accounts payable	5,854	3,869	170	(14)	9,879	(551)
Increase Due to other funds	-	-	-	-	-	1,456
Increase(Decrease) Deposits	(10)	726	48	34	798	-
(Decrease) Claims payable	-	-	-	-	-	(1,260)
Total adjustments	11,541	24,545	3,672	1,495	41,253	351
Net cash provided by operating activities	\$ 10,453	75,156	16,389	5,241	107,239	10,922
Noncash investing, capital, and financing activities:						
Increase in fair value of investments	471	1,433	13	315	2,232	988

Exhibit F-1
CITY OF GLENDALE
Statement of Net Position
Fiduciary Fund
June 30, 2016 (in thousands)

	Glendale Successor Agency Private Purpose Trust Fund
Assets and deferred outflows of resources	
Current assets:	
Cash and investments	\$ 71,458
Cash and investments with fiscal agent	16,007
Restricted cash and investments	29
Accounts receivable, net	28
Loans receivable	1,422
Property held for resale	1,442
Total current assets	<u>90,386</u>
Noncurrent assets:	
Land	105
Buildings and improvements	377
Accumulated depreciation	(235)
Construction in progress	13,314
Total noncurrent assets	<u>13,561</u>
Total assets	<u>103,947</u>
Deferred outflows of resources:	
Loss on refunding	2,978
Total assets and deferred outflows of resources	<u>106,925</u>
Liabilities and net position	
Current liabilities:	
Accounts payable and accrued liabilities	1,127
Interest payable	514
Bonds payable	7,995
Unamortized premium (discount)	861
Loans payable to the City	12,511
Total current liabilities	<u>23,008</u>
Noncurrent liabilities:	
Bonds payable	89,765
Unamortized premium (discount)	4,210
Loans payable to the City	27,622
Total noncurrent liabilities	<u>121,597</u>
Total liabilities	<u>144,605</u>
Net position held in trust (deficit)	\$ <u><u>(37,680)</u></u>

Exhibit F-2
CITY OF GLENDALE
Statement of Changes in Net Position
Fiduciary Fund
Fiscal Year Ended June 30, 2016 (in thousands)

	Glendale Successor Agency Private Purpose Trust Fund
Additions:	
Property tax	\$ 35,091
Interest income	283
Rental income	18
Total additions	<u>35,392</u>
Deductions:	
Interest and amortization expense on bonds	6,070
Depreciation	9
Operating expenses	1,122
Total deductions	<u>7,201</u>
Change in net position before special items and extraordinary loss	<u>28,191</u>
Special items:	
Proceeds from sale of property held for resale	2,375
Reestablishing refunding reserve	2,081
Reinstatement of loans payable to City	(32,363)
Transfer of capital assets to the City	(6,729)
Transfer of capital assets to the developer	(1,230)
Total special items	<u>(35,866)</u>
Extraordinary loss	<u>(26,490)</u>
Change in net position	(34,165)
Net position held in trust (deficit), July 1	<u>(3,515)</u>
Net position held in trust (deficit), June 30	<u><u>\$ (37,680)</u></u>

Notes to the Basic Financial Statements

NOTES TO THE BASIC
FINANCIAL STATEMENTS



CITY OF GLENDALE

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2016

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CITY OF GLENDALE

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2016

(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 generally accepted accounting principles in the United States of America. Component units are legally separate entities for which the primary government is financially accountable. The City has three component units: the Glendale Housing Authority (the Authority), the City of Glendale Financing Authority (the Financing Authority), and the Glendale Economic Development Corporation (the Corporation). The City Council serves as the Board of the Housing Authority, the Financing Authority, and the Glendale Economic Development Corporation. Management of the City has operational responsibility for the Authority, the Financing Authority and the Corporation as these component units are essentially managed in the same manner as other City departments. Also, 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 Choice Voucher rental assistance program (often called "Section 8"), which is funded annually. The Housing Authority also administers five other affordable housing program funds on behalf of the City, including the HUD HOME entitlement grant, the HUD Continuum of Care grant, the HUD Shelter Plus Care grant, the Low and Moderate Income Housing Asset Fund (former 20% Redevelopment Set Aside funds program income dollars), and the state funded BEGIN grant for First Time Home Buyers in the Doran Gardens homeownership development. The Housing Authority's mission is to provide decent, safe, and sanitary dwellings for low to moderate income families, to preserve existing affordable housing, and to increase the supply and quality of new affordable housing. The Authority's financial data and transactions are included within the special revenue funds, and 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 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, and no separate financial report is issued for the Financing Authority.

The Glendale Economic Development Corporation, formed in July 2014, is tasked with implementing the City's economic development program. It provides physical, economic, educational development, redevelopment, and revitalization efforts within the City. These efforts will assist and support the City in the expansion of job opportunities, stimulate economic development, contribute to the physical improvement of the City, and implement, assist, and support the City in development activities and programs that will lessen neighborhood tensions and combat community deterioration. The overarching objective of the Glendale Economic Development Corporation is to expand business opportunities, increase employment, and foster economic prosperity for businesses and residents. As of June 30, 2016, there are no financial transactions to be reported and no separate financial report is issued for the Corporation.

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

CITY OF GLENDALE

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2016

(in thousands)

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 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 in program revenues are reported as general revenues.

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

The accounts of the City are organized by 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 of its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance or net position, revenues, and expenditures or expenses, as appropriate. The City reports a total of 66 funds, which are comprised of the General Fund, 1 fiduciary fund, 35 special revenue funds, 1 debt service fund, 8 capital project funds, 5 enterprise funds, and 15 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, and liabilities and deferred inflows is the 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.

CITY OF GLENDALE

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2016

(in thousands)

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 nonmajor enterprise funds consist of Refuse Disposal and Fire Communication Funds. The Refuse Disposal Fund is used for the operations of the City-owned refuse collection and disposal services. The Fire Communication Fund is used for the monies received and expended, for the tri-city (Burbank, Glendale, and Pasadena) fire communication operations as the lead City.

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

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

Since the resources of the fiduciary fund are not available to support the City's programs, it is not reflected in the City's government-wide financial statements. The accounting used for the 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 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 after to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for the sales tax, landfill host assessment and landfill loyalty tipping fee that are collected within 90 days. Under the accrual basis of accounting, expenditures are generally recorded when a liability is incurred. 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.

CITY OF GLENDALE

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2016

(in thousands)

Licenses and permits, fines and forfeitures, and miscellaneous revenues are 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. However, since investment earnings are measurable and available, they are recorded as earned.

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 1st and attached as enforceable liens on real property as of July 1st. Taxes are due November 1st and February 1st and are delinquent if not paid by December 10th and April 10th, respectively. Secured property taxes become a lien on the property on March 1st. Property taxes on the unsecured roll are due on the March 1st lien date and become delinquent if unpaid on August 31st. 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 the proprietary funds' principal ongoing operations. The principal operating revenues of the City's enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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's 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. As of July 1, 2015, the City retrospectively applied Governmental Accounting Standards Board ("GASB") Statement No. 72, *Fair Value Measurement and Application*. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements. The City categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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 follows 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 more than normal operating needs.

Interest income from the pooled cash and investments is allocated to all funds, except the Capital Improvement Fund, 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 the 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.

CITY OF GLENDALE

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2016

(in thousands)

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. These, 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 policies for the Electric Fund and Water Fund were adopted by the City Council in 2003 and subsequently revised in 2006 to ensure long-term sustainable financial health for electric and water operations. Its provisions call for an annual review of the cash reserves to determine if the recommended levels are sufficient. The currently approved cash reserve levels are \$124,100 for the Electric Fund and \$11,300 for the Water Fund as adopted by the City Council on August 29, 2006. As of June 30, 2016, \$66,400 was designated for the Electric Fund in the following categories: \$40,400 for contingency reserve; \$10,000 for rate stabilization reserve, \$16,000 for gas reserve project, and \$0 for operating reserve. As of June 30, 2016, \$2,850 was designated for the Water Fund in the following categories: \$1,850 for contingency reserve, \$1,000 for rate stabilization reserve, and \$0 for operating reserve.

Restricted Cash and Investments

The restricted cash and investments include unspent bond proceeds of the 2013 Electric Revenue Bonds and the 2012 Water Revenue Bonds as well as the environmental compliance funds mandated by South Coast Air Quality Management District (SCAQMD). As of June 30, 2016, the Electric Fund has \$15,253 and the Water Fund has \$7,008 in remaining bond proceeds. As of June 30, 2016, the Electric Fund also has \$4,978 in SCAQMD restricted cash dedicated for environmental projects in compliance with reductions in nitrogen oxides for the utility boilers and the gas turbines, and \$691 in SCAQMD restricted cash for environmental projects dedicated to the reduction of emission and improvement of public health in Glendale.

The restricted cash and investments also include \$27,850 in Landfill Postclosure capital project fund as of June 30, 2016 for the postclosure maintenance cost of Scholl Canyon landfill.

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 30th from individual customers, private entities, and government agencies. Also, this account includes accrued revenues due from other agencies for expenditure driven types of grants whereby the City accrues grant revenues for expenditures or expenses incurred but not yet reimbursed by the grantors. Also, included in this amount are property taxes earned but not received from the County of Los Angeles as of June 30th and unbilled services for utility and other services delivered to customers but not billed as of June 30th. 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 are sent out to customers with outstanding balances after 30 days. After 60 days, accounts still outstanding are forwarded to a collection agency.

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 not to 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.

CITY OF GLENDALE

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2016

(in thousands)

Inter-fund Transactions

Inter-fund services provided and used would be treated as revenues and expenditures or expenses if the funds are involved. External organizations to the City's government are accounted for as revenues, referred to as seller funds, and expenditures or expenses, referred to as purchaser funds, in the funds involved. For the fiscal year ended June 30, 2016, the General Fund recorded \$14,950 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 or out are authorized budgetary 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 and Fleet Management 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.

Capital Assets

Capital assets including land, buildings, improvements, equipment, and infrastructure assets (e.g. roads, sidewalks, traffic lights and signals, street lights, etc.), are reported in the applicable governmental or business-type activities columns in the government-wide and 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 more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Capital outlay is recorded as expenditures of the General Fund, 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. Interest costs are capitalized as part of the historical cost of acquiring certain assets. Interest costs capitalized in the Electric and Water Funds for the fiscal year ended June 30, 2016 are as follows:

	Capitalized Interest	Total Interest Incurred
Electric Fund	\$ 1,007	6,005
Water Fund	635	3,324

CITY OF GLENDALE

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2016

(in thousands)

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 and 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 and Software	5
Passenger Cars, Pickup/Refuse	6
Cargo Vans, Street Sweepers	7
Dump/Tractor/Trailer Trucks	10
Helicopters	20
Emergency Response Engines	20
Sewer Improvements	
Intangible Assets	40
Local Sewer System	80
Infrastructure (non-sewer)	
Traffic Signals	15
Potable-Services	20
Supply-Mains and Wells	25
Supply-Structure Improvements	30
Supply-Springs, Tunnels, and Potable-Hydrants	40
Streets, Paved Streets, Paved Alleys and Sidewalks	50
Potable-Mains	75

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 \$306,100. The City's initial share in the project was \$13,100 or 4.28%, with an estimated peak daily volume between 1,600 to 1,800 MMBtu. As of June 30, 2016, the net balance for Natural Gas Reserve Project, including drilling program capitalization is \$13,225.

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 and fiduciary fund statements 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 or use in the respective fund. Issuance costs and payment of principal are reported as debt service expenditures.

CITY OF GLENDALE

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2016

(in thousands)

Pension

For purposes of measuring the net pension liability and deferred outflows or inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plans (Plan's) and additions to or deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable by the benefit terms. Investments are reported at fair value. See Note 9 for more information.

Compensated Absences

The total compensated absences liability for the City is \$27,734, which comprises of liabilities from two internal service funds: Employee Benefits Fund and Retiree Health Savings Plan Benefits Fund.

The City records the expense and liability for its employees' earned but unused accumulated vacation and overtime in the Employee Benefits Fund. As of June 30, 2016, the liability is \$12,884, and the City has \$12,561 available in cash dedicated to this liability in the fund.

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 hours are converted to a dollar amount and deposited in the employee's RHSP account at retirement or termination with 20 years of City service. 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 from personal funds. The sick leave conversion rates range from \$0.022 to \$0.031 for each hour of sick leave balance, based on the memoranda of understanding agreements between the City and the unions. The sick leave conversions related expense and liability are recorded in the Retiree Health Savings Plan Benefits Fund. As of June 30, 2016, the liability is \$14,850, and the City has \$11,707 available in cash dedicated to this liability in the Fund.

Based on the most recent actuarial valuation dated June 30, 2015, the actuarial accrued liability for the RHSP is \$14,778. The City has a cash reserve of \$10,952 in the RHSP Benefits Fund, which is dedicated to providing benefits, so the unfunded actuarial accrued liability is \$3,826 as of June 30, 2015. As of June 30, 2016, the City has \$11,707 cash reserve for RHSP, and the actuarial accrued liability rolling forward from FY 2014-15 to FY 2015-16 is \$14,850, so the unfunded actuarial accrued liability is \$3,143. The actuarial accrued liability takes into account an estimate of future sick leave usage, additional sick leave accumulation for current active employees, the 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 monthly medical insurance premiums for these retirees. The conversion calculations are based on the respective bargaining units' MOU or Benefit Ordinance. Currently, there are six retirees receiving this City paid benefit. Also, at any time, these six retirees may elect 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 Retiree Healthcare Plan is a single-employer defined benefit healthcare plan administered by the City, which provides healthcare benefits to eligible retirees and their dependents. Benefit provisions are established and may be amended by the City. The premiums collected from the retirees and payments to the insurance companies are recorded in the Medical Insurance Fund, an internal service fund. The City does not have a separate audited report for this defined benefit plan. See Note 10 for more information.

CITY OF GLENDALE

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2016

(in thousands)

Unearned Revenue

The 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.

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. 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 a 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 through a resolution 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 removes or changes 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. The City Council, in the City's most recently adopted budget resolutions, has delegated the authority to assign fund balances to the City Manager or his/her designee. The financial policies of the City are also updated to reflect this delegation of authority.
- 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

The 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, and is reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets, excluding unspent debt proceeds. The 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 and regulations of other governments.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then the unrestricted resources as they are needed.

CITY OF GLENDALE

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2016

(in thousands)

Deferred Outflows and Inflows of Resources

In addition to assets, the statements of net position report a separate section for deferred outflows of resources. 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. When the City pays the pension contributions after the measurement date, the City reports deferred outflows of resources. The City's deferred outflows of resources as of June 30, 2016 is \$39,819, which consists of \$5,043 loss on refunding, and \$34,776 for pension contribution made after the measurement date of the net pension liability.

In addition to liabilities, the statement of net position and 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 there is a decrease in pension expense arising from the recognition of changes in assumptions, of differences between expected and actual experience, and of differences between projected and actual earnings on pension plan investments, the City reports a deferred inflow of resources until the decrease is recognized in expense. The City's deferred inflows of resources related to pensions are \$44,164 as of June 30, 2016. When a receivable is recorded in governmental fund financial statements but the revenue is not available, the City reports a deferred inflow of resources until the revenue becomes available. The City has recorded deferred inflows of resources – unavailable revenues of \$40,177 in the General Fund, \$59 in the Capital Improvement Fund, and \$8,094 in the nonmajor governmental funds.

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 five-year projection. The City Council only approves and authorizes one year of the Capital Improvement Projects. Unspent Capital Improvement Projects in the prior years' budget is carried forward into the new fiscal year. Therefore, an annual budget comparison on multi-year projects is impractical.

All proprietary fund types are accounted for on a cost of service method (net income); therefore, budget comparisons are impractical. Also, the City is not legally mandated to report the results of operations for these enterprise and internal service fund types on a budget comparison basis, and so 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 and appropriations in the General Fund lapse at the end of the year. Therefore, encumbrances are not reserved for commitments made, and budget carryovers may be submitted for the remaining encumbrance. All commitments incurred in the General Fund will be paid with the new budget and approved budget carryovers in the following year, and 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:

CITY OF GLENDALE

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2016

(in thousands)

- The City Charter requires that the City Manager submits to the City Council a proposed budget for the coming year on or before June 1st. The operating budget includes both the sources and types of funds for the proposed expenditures.
- In May, public hearings are conducted to obtain citizen input, with the final budget being adopted no later than July 1st.
- The budget is amended during the fiscal year to reflect all transfers and amendments.
- The level of appropriated budgetary control is at the fund level except for the General Fund, which is at the department level. The appropriation may exist across different categories including, salary and fringe benefits, maintenance and operation, and capital outlay. There is no limit as to how much can be shifted between categories as long as the total appropriation does not exceed what Council approved at the department level for General Fund and the fund level for all other funds.

The following General Fund departments and funds over expended their appropriations as of June 30, 2016:

Funds	Amounts Over Expended
General Fund:	
Police	\$ 719
Fire	219
Non-departmental	1,816
Fire Mutual Fund	654
Special Events Fund	98
Police Building Project Fund	53

NOTE 3 – CASH AND INVESTMENTS

Governmental and business-type activities:

Cash and investments as of June 30, 2016 consist of the following:

Investments	\$ 628,126
Cash and investments with fiscal agents	11,271
	<u>639,397</u>
Cash held in financial institutions	43,132
Total	<u>\$ 682,529</u>

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

Pooled cash and investments	\$ 543,842
Restricted cash and investments	55,780
Cash and investments with fiscal agents	11,271
Restricted investments – gas/electric commodity	2,386
Designated cash and investments	69,250
Total	<u>\$ 682,529</u>

CITY OF GLENDALE

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2016

(in thousands)

Authorized Investments

Under the provisions of the City Council's adopted investment policy, and by 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>Maximum Investment in one Issuer</u>
U.S. Treasury Securities	5 years	100%	None
Federal Agencies Securities	5 years	100%	None
State of California and California Local Agencies	N/A	15%	5% per issuer
Obligation of Other States	N/A	10%	5% per issuer
Medium Term Corporate Notes	5 years	20%	5% per issuer
Commercial Paper (A1, P1, F1 minimum rating)	270 days	25%	None
Bankers' Acceptances	180 days	30%	10% per bank
Time Deposits (FDIC Insured)	1 year	10%	5% per issuer
Negotiable Certificates of Deposit	1 year	30%	5% per issuer
Local Agency Investment Fund (State Pool)	N/A	Maximum \$50MM per LAIF account	None
Money Market Mutual Funds	90 days	20%	None
Los Angeles County Treasury Pool	N/A	10%	None

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 fiscal bond 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. The longer the maturity of an investment, the greater the sensitivity of its fair value to the changes in market interest rates. The City 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.

CITY OF GLENDALE

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2016

(in thousands)

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	\$ 119,658	119,658	-	-	-
Negotiable Certificates of Deposit	27,010	27,010	-	-	-
Federal Agency Term Notes	65,343	3,504	23,127	38,712	-
Federal Agency Callable Bonds	35,982	-	5,864	30,118	-
Medium Term Notes	108,844	12,726	28,522	67,596	-
Obligations of Other States	33,799	-	15,040	18,759	-
State and Municipal Bonds	56,575	7,788	10,886	37,901	-
State Investment Pool	94,862	94,862	-	-	-
Los Angeles County Pool	57,106	57,106	-	-	-
U.S. Treasury Notes	17,535	-	-	17,535	-
Money Market Mutual Fund	11,412	11,412	-	-	-
Held by Fiscal Agents:					
Guaranteed Investment Contracts	2,398	-	-	-	2,398
Money Market Mutual Fund	8,873	8,873	-	-	-
	<u>\$ 639,397</u>	<u>342,939</u>	<u>83,439</u>	<u>210,621</u>	<u>2,398</u>

Credit Risks

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The City purchases investments only in the most risk-adverse instruments, such as Aaa rated government securities, Aaa, Aa or A rated corporate securities, 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 medium-term notes with a credit rating below S&P's and Fitch's BBB grade or Moody's Baa2 unless the City Council approves the City Treasurer's recommendation that the security should be retained.

Governmental and business-type activities:

	Total	Moody's Rating as of June 30, 2016							
		Aaa	Aa1	Aa2	Aa3	A1	A2	P1	Unrated
Commercial Paper	\$ 119,658	-	-	-	-	-	-	119,658	-
Negotiable Certificates of Deposit	27,010	-	5,002	-	-	-	-	22,008	-
Federal Agency Term Notes	65,343	65,343	-	-	-	-	-	-	-
Federal Agency Callable Bonds	35,982	35,982	-	-	-	-	-	-	-
Medium Term Notes	108,844	19,383	12,272	11,239	39,321	20,598	6,031	-	-
Obligations of Other States	33,799	3,556	9,159	9,293	11,791	-	-	-	-
State and Municipal Bonds	56,575	-	-	20,734	29,113	1,309	1,914	-	3,505
State Investment Pool	94,862	-	-	-	-	-	-	-	94,862
Los Angeles County Pool	57,106	-	-	-	-	-	-	-	57,106
U.S. Treasury Notes	17,535	17,535	-	-	-	-	-	-	-
Money Market Mutual Fund	11,412	184	-	-	-	-	-	-	11,228
Held by Fiscal Agents:									
Guaranteed Investment Contracts	2,398	-	-	-	-	-	-	-	2,398
Money Market Mutual Fund	8,873	8,873	-	-	-	-	-	-	-
	<u>\$ 639,397</u>	<u>150,856</u>	<u>26,433</u>	<u>41,266</u>	<u>80,225</u>	<u>21,907</u>	<u>7,945</u>	<u>141,666</u>	<u>169,099</u>

CITY OF GLENDALE

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2016

(in thousands)

Concentration Risk

The investment policy of the City limits the amounts that may be invested in any one issuer to 5% or 10% per bank for Bankers' Acceptances. This limit excludes investments in U.S. Treasury securities, federal agencies securities, commercial paper, Local Agency Investment Fund, money market mutual funds, and Los Angeles County Pool. Investments in any one issuer that represent 5% or more of total City investments are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>
FHLMC	Federal Agency Callable Bonds	\$ 24,070
	Federal Agency Term Bonds	14,570
	Total	<u>\$ 38,640</u>
Wells Fargo Bank	Negotiable Certificates of Deposit	\$ 27,010
	Medium Term Notes	5,028
	Total	<u>\$ 32,038</u>

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the 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 possession of an outside party. All of a depositor's accounts at an insured depository institution, including non-interest-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. The amounts of deposits are collateralized under California law. The Code requires that a financial institution secures deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law unless waived by the governmental unit.

The custodial risk for investments is also twofold. An investment trade transaction occurs between a government agency and counterparty, such as a broker or a dealer. Counterparty risk is the risk that in the event of the failure of a brokerage or dealer to deliver securities after 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 or safe-keeper to domicile the securities in its portfolio. The City of Glendale uses Bank of America as its third-party safekeeping servicer, and prevents custodial or 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. LAIF is not registered with the Securities and Exchange Commission (SEC) and is not rated.

Investment in Los Angeles County Pool

The City is a voluntary participant in the Los Angeles County Pooled 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 using the accrual basis of accounting. Investments are reported at fair value. The cash flow needs of the participants are

CITY OF GLENDALE

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2016

(in thousands)

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. LACPIF is not registered with the Securities and Exchange Commission (SEC) and is not rated.

Fair Value Measurement

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Unobservable inputs reflect the City's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the City's own data.

The asset's level within the hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The determination of what constitutes observable requires judgment by the City's management. City management considers observable data to be that market data, which is readily available, regularly distributed or updated, reliable, and verifiable, not proprietary, and provided by multiple independent sources that are actively involved in the relevant market. The categorization of an investment within the hierarchy is based upon the relative observability of the inputs to its fair value measurement and does not necessarily correspond to City management's perceived risk of that investment.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The City's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Deposits and withdrawals in governmental investment pools, such as LAIF and LACPIF are made on the basis of \$1 and not fair value. Accordingly, the City's proportionate share in these types of investments is an uncategorized input not defined as a Level 1, Level 2, or Level 3 input.

The following is a description of the valuation methods and assumptions used by the City to estimate the fair value of its investments. There have been no changes in the methods and assumptions used at June 30, 2016. The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. City management believes its valuation methods are appropriate and consistent with other market participants. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The City's treasury pools asset market prices are derived from closing bid prices as of the last business day of the month as supplied by Interactive Data, Bloomberg or Telerate. Where prices are not available from generally recognized sources, the securities are priced using a yield-based matrix system to arrive at an estimated market

CITY OF GLENDALE

Notes to the Basic Financial Statements
 Fiscal Year Ended June 30, 2016
 (in thousands)

value. Prices that fall between data points are interpolated. Non-negotiable FDIC-insured bank certificates of deposit are priced at par.

When available, quoted prices are used to determine fair value. When quoted prices in active markets are available, investments are classified within Level 1 of the fair value hierarchy and the City does not have any investments that are measured using Level 1 inputs.

For investments classified within Level 2 of the fair value hierarchy, the City's custodians generally uses a multi-dimensional relational model. Inputs to their pricing models are based on observable market inputs in active markets. The inputs to the pricing models are typically benchmark yields, reported trades, broker-dealer quotes, issuer spreads and benchmark securities, among others.

The City does not have any investments that are measured using Level 3 inputs.

As of June 30, 2016, the City has the following fair value measurements:

	Balance at June 30, 2016	Fair Value Measurements		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
Commercial Paper	\$ 119,658	-	119,658	-
Negotiable Certificates of Deposit	27,010	-	27,010	-
Federal Agency Term Notes	65,343	-	65,343	-
Federal Agency Callable Bonds	35,982	-	35,982	-
Medium Term Notes	108,844	-	108,844	-
Obligations of Other States	33,799	-	33,799	-
State and Municipal Bonds	56,575	-	56,575	-
U.S. Treasury Notes	17,535	-	17,535	-
Total investments by fair value level	464,746	-	464,746	-
Investments measured at amortized costs:				
Los Angeles County Pool	57,106			
State Investment Pool	94,862			
Money Market Mutual Funds	11,412			
Held by Fiscal Agents:				
Guaranteed Investment Contracts	2,398			
Money Market Mutual Fund	8,873			
Total investments measured at amortized costs	174,651			
	\$ 639,397			

NOTE 4 – LOANS RECEIVABLE

Verdugo Fire Communications

The Verdugo Fire Communications Center (Verdugo) is a regional dispatch center that was established by the founding cities of Burbank, Glendale, and Pasadena. Verdugo currently dispatches for thirteen fire agencies and will begin dispatching services for the City of Vernon Fire Department on July 1, 2016. To begin dispatching services,

CITY OF GLENDALE

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2016

(in thousands)

the Vernon Fire Department's equipment and infrastructure needed to be updated and configured to be able to establish connectivity to the Verdugo system. Upon review of the cost associated with the updates and configuration, the tri-city Fire Chiefs agreed, with the approval of the City of Vernon's and the City of Glendale's City Council, to loan the funding to the City of Vernon and executed a promissory note on February 26, 2016 with the approval of the City of Vernon's City Council and the City of Glendale's City Council. The loan receivable amount is estimated to be \$200, with agreed upon terms of no loan fee or accruing interest, and is required to be repaid within the first two years of the approved dispatch agreement over four semi-annual payments. As of June 30, 2016, the loan receivable is \$55.

Successor Agency

When the Dissolution Act took effect in February 2012, the former Glendale Redevelopment Agency's (the former Agency) Loan Advances from the City were invalidated. As a result, the City wrote off the former Agency's Loan Advances' outstanding balance of \$71,758 in FY 2011-12.

AB 1484 created Post Compliance Provisions, which are designed to provide successor agencies and cities with certain benefits to incentivize them to comply with a Due Diligence Review process, remit the sums demanded by the Department of Finance (DOF), and conclude outstanding litigation with DOF over dissolution. Upon request by the successor agency and approval by the oversight board, AB 1484 provided that loan agreements entered into between the former redevelopment agency and the City that created the former redevelopment agency (City-Agency loans) "shall be deemed to be enforceable obligations provided that the oversight board makes a finding that the loan was for legitimate redevelopment purposes." (§ 34191.4(b)(1))

If the oversight board finds that the loan is an enforceable obligation, "the accumulated interest on the remaining principal amount of the loan shall be recalculated from origination at the interest rate earned by funds deposited into the Local Agency Investment Fund." The loan is 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 the Local Agency Investment Fund." (§ 34191.4(b)(2)) Loan repayments for the fiscal year cannot exceed one-half of the increase in the amount distributed to the taxing entities pursuant to section 34183(a)(4) in that fiscal year and the amount distributed to the taxing entities pursuant to that section in the FY 2012-13 base year.

Glendale received approval from the oversight board to reinstate the loans. There was disagreement with DOF on the calculation of interest, and the issue was resolved through litigation between DOF and the City of Glendale. A subsequent lawsuit resolved an issue DOF raised as to the legitimacy of the loans. To date, the DOF has approved, and the County Auditor-Controller has paid Glendale via the Recognized Obligation Payment Schedule process, \$1,509 in FY 2014-15 and \$4,334 in FY 2015-16.

Furthermore, 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, 2016, the reinstated loan amount is \$40,133.

Housing

The Housing Authority has offered various housing loans to the residents of the City. Four different types of housing loans are currently or were formerly 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 was funded by the CDBG grant, HOME grant, and LMIHA. It provided funds for moderate rehabilitation of owner-occupied homes for low and moderate income households. The deferred payment loan is interest-bearing with simple interest rates ranging from 0% to 4% annually 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 and is secured by a deed of trust on the property. This program was eliminated in February 2012; however, there are existing loans receivable. As of June 30, 2016, \$1,807 is outstanding, which is recorded in governmental activities in the government-wide financial statement.

CITY OF GLENDALE

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2016

(in thousands)

- *First Time Home Buyer Loan*

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

Down Payment Assistance – Resale Homes Purchase. The program provided 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 varied from 30 to 45 years and required either a 5% simple annual interest rate paid monthly, or a 0% simple annual interest rate with no monthly payments. All loans are second mortgage deferred payment and forgivable up to \$75. If the property is sold, transferred, or no longer owner-occupied before the term expires, the borrower must repay the original principal amount plus an appreciation share. This program was eliminated in February 2012; however, there are existing loans receivable. As of June 30, 2016, \$2,943 is outstanding. Because these loans are forgivable, they are not recorded on the financial statements.

Down Payment Assistance – New Construction Homes Purchase. For new construction units, the amount of the loan is based on the amount of the affordability gap. The loan is secured by a deed of trust on the property and affordable housing covenants. Loans fall into two types. One type is the deferred payment forgivable loan with a loan term of 30 to 45 years; the loan is forgiven at the end of the loan term. If the property is sold, transferred, or 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. A second type of loan is a deferred payment loan with resale restrictions. More recent HOME funded loans are subject to resale restrictions and must be resold to low-income home buyers if sold before the end of the term. As of June 30, 2016, the forgivable loan amount is \$3,958, 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, 2016, the non-forgivable amount is \$5,345 and is recorded in governmental activities in the government-wide financial statement.

- *Multi-Family Apartment Rehabilitation Loan*

The program is funded by the 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. It is a 4% simple interest-bearing, deferred payment, forgivable loan. The maximum loan amount is \$10 per unit for a five-year loan. In target neighborhoods, the maximum is up to \$15 per unit for a seven-year loan for repairs and rehab. The maximum per project is up to \$100. The owner needs to contribute at least 10% of the total project cost and 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, 2016, \$26 is outstanding. Because these loans are forgivable, they are not recorded on the financial statements.

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

The program is funded by the HOME grant and LMIHA and provides funds for new construction, acquisition or 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 require loan principal plus interest to be repaid at the end of the loan term and residual receipt payments are required on the deferred loans. Also, loans may be permanent financing first mortgage loans at below-market interest rates, 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, 2016, the amount of forgivable or contingent loans is \$88,496, which is not recorded on the financial statements.

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Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2016

(in thousands)

NOTE 5 – INTER-FUND TRANSACTIONS

The composition of inter-fund balances consists of due to/from other funds, advances to/from other funds, and transfers. Due to/from other funds are temporary cash overdrafts between funds. Advances to/from other funds represent an inter-fund loan extending beyond one year and some advances are formal lending agreements between funds.

Due to/from other funds as of June 30, 2016 consist of the following:

Due to General Fund from:		
Nonmajor governmental funds	\$	6,518
Due to General Fund from:		
Internal Service Fund	\$	1,456
Due to Water Fund from:		
General Fund	\$	1,733

Advances to/from other funds as of June 30, 2016 consist of the following:

- \$1,153 of advance in the ISD Wireless Fund was a five-year loan with 2.0% annual interest, from the Sewer Fund to upgrade the City's radio infrastructure. Accrued interest started on September 1, 2012 and payments are due annually on September 1st with the final payment due on September 1, 2017.

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

	Amount	Purpose
Transfers to General Fund from:		
Electric Fund	\$ 20,107	Fund general fund operations per Charter
Nonmajor enterprise funds	<u>1,150</u>	Fund general fund operations
	21,257	
Transfers to Capital Improvement Fund from:		
General Fund	471	Fund capital improvement projects
Transfers to Water Fund from:		
General Fund	1,733	Refund based on judgment of General Fund transfer litigation
Transfers to nonmajor governmental funds from:		
General Fund	867	20% of City GSA loan payment
General Fund	70	Nutritional Meals Grant matching
General Fund	500	Fund Police Building Project debt service
Capital Improvement Fund	<u>2,000</u>	Fund Scholl Canyon Landfill reserve
	3,437	
Transfers to Internal Service Fund from:		
Internal Service Fund	<u>5,640</u>	Fund Munis project
Total Interfund Transfers	<u>\$ 32,538</u>	

CITY OF GLENDALE

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2016

(in thousands)

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016 was as follows:

	Balance at July 1	Increases	Decreases	Reclass	Adjustments- transferred from business- type activities	Adjustments - transferred from fiduciary fund	Balance at June 30
Governmental activities:							
Capital assets, not being depreciated:							
Land	\$ 414,298	-	-	-	-	-	414,298
Construction in progress	59,341	10,362	(258)	(10,331)	-	-	59,114
Total assets not being depreciated	473,639	10,362	(258)	(10,331)	-	-	473,412
Depreciable capital assets:							
Building and improvements	357,037	559	-	(224)	-	6,729	364,101
Machinery and equipment	120,502	7,201	(1,047)	188	84	-	126,928
Infrastructure	306,837	1,951	(1,773)	10,078	-	-	317,093
Total other capital assets at cost	784,376	9,711	(2,820)	10,042	84	6,729	808,122
Less accumulated depreciation:							
Building and improvements	141,981	8,876	-	-	-	-	150,857
Machinery and equipment	86,368	7,178	(1,021)	(289)	-	-	92,236
Infrastructure	106,322	7,888	(1,773)	-	-	-	112,437
Total accumulated depreciation	334,671	23,942	(2,794)	(289)	-	-	355,530
Total assets being depreciated, net	449,705	(14,231)	(26)	10,331	84	6,729	452,592
Governmental activities capital assets, net	\$ 923,344	(3,869)	(284)	-	84	6,729	926,004

\$46,861 and \$50,875 of buildings, improvements, machinery, equipment and construction in progress for FY2015 and FY2016 respectively from internal service funds are included in governmental activities. \$23,319 and \$25,371 of accumulated depreciation for FY2015 and FY2016 respectively from internal service funds are included in governmental activities.

Depreciation expense was charged to functions of the City's governmental activities for the year ended June 30, 2016 as follows:

Governmental Activities:

General Government	\$ 1,885
Police	3,305
Fire	1,380
Public Works	12,280
Parks, Recreation and Community Services	2,577
Library	173
Housing, Health and Community Development	2,342
Total depreciation expense	\$ <u>23,942</u>

CITY OF GLENDALE

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2016

(in thousands)

	Balance at July 1	Increases	Decreases	Reclass	Adjustments- transferred to governmental activities	Balance at June 30
Business-type activities:						
Capital assets, not being depreciated:						
Land	\$ 9,490	-	-	-	-	9,490
Construction in progress	43,992	38,176	-	(13,754)	-	68,414
Drilling in progress	-	295	(295)	-	-	-
Total assets not being depreciated	53,482	38,471	(295)	(13,754)	-	77,904
Depreciable capital assets:						
Building and improvements	260,939	4,500	-	(10)	-	265,429
Machinery and equipment	561,221	4,925	(15,957)	8,555	(354)	558,390
Infrastructure	140,976	291	-	5,209	-	146,476
Total other capital assets at cost	963,136	9,716	(15,957)	13,754	(354)	970,295
Depletable capital assets:						
Natural gas reserve	22,276	2	(134)	-	-	22,144
Amortizable intangible assets:						
Intangible assets	95,343	4,403	-	-	-	99,746
Less accumulated depreciation:						
Building and improvements	87,507	5,910	-	-	-	93,417
Machinery and equipment	309,163	27,636	(15,744)	-	(271)	320,784
Infrastructure	45,594	3,283	-	-	-	48,877
Total accumulated depreciation	442,264	36,829	(15,744)	-	(271)	463,078
Less allowance for gas depletion:						
Natural gas reserve	7,986	933	-	-	-	8,919
Less amortization:						
Intangible assets	40,376	2,943	-	-	-	43,319
Total assets being depreciated, depleted, and amortized, net	590,129	(26,584)	(347)	13,754	(83)	576,869
Business-type activities capital assets, net	\$ 643,611	11,887	(642)	-	(83)	654,773

Depreciation, depletion and amortization expense was charged to functions of the City's business-type activities for the year ended June 30, 2016 as follows:

Business-type Activities:

Depreciation	
Sewer	\$ 2,838
Electric	26,156
Water	5,844
Refuse Disposal	1,839
Fire Communication	152
Total depreciation expense	36,829
Depletion - Electric	933
Amortization - Sewer	2,943
Total depreciation, depletion, and amortization expense	\$ 40,705

CITY OF GLENDALE

Notes to the Basic Financial Statements
 Fiscal Year Ended June 30, 2016
 (in thousands)

NOTE 7 – PROPERTY HELD FOR RESALE

Governmental activities – Home Grant Fund property held for resale at June 30, 2016:

<u>Acquisition Date</u>	<u>Location</u>	<u>Carrying Value</u>
May 2015	634 and 700 E. Lomita	\$ <u>981</u>

Governmental activities – Low and Moderate Income Housing Asset Fund property held for resale at June 30, 2016:

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

NOTE 8 – LONG-TERM DEBT AND LIABILITIES

The City's long-term debt and liabilities as of June 30, 2016 consists of the following:

	<u>Issuance Amount</u>	<u>Balance at June 30, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at June 30, 2016</u>	<u>Due within one year</u>
Governmental Activities						
Claims payable	\$ -	43,202	38,566	39,826	41,942	11,454
Post-employment benefits	-	94,843	-	86,709	8,134	-
Compensated absences	-	20,430	9,917	9,069	21,278	2,740
Landfill postclosure care	-	42,918	1,766	-	44,684	-
Certificates of Participation (COPs)	64,200	38,400	-	2,795	35,605	1,820
Other long-term liabilities:						
Capital Lease-Fire equipment lease						
2009 – Wells Fargo	2,299	757	-	243	514	252
2011 HUD Section 108 Loan	2,000	1,491	-	186	1,305	194
Total other long-term liabilities	4,299	2,248	-	429	1,819	446
Total Governmental Activities long-term liabilities	\$ 68,499	242,041	50,249	138,828	153,462	16,460

For the governmental activities, claims payable, compensated absences and post-employment benefits are primarily liquidated by the respective internal service funds.

	<u>Issuance Amount</u>	<u>Balance at June 30, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at June 30, 2016</u>	<u>Due within one year</u>
Business-type Activities						
Compensated absences	\$ -	6,138	2,543	2,225	6,456	842
Bonds payable:						
Electric Revenue Bonds, 2006 refunding series	38,830	28,930	-	28,930	-	-
Electric Revenue Bonds, 2008 series	60,000	60,000	-	58,120	1,880	-
Electric Revenue Bonds, 2013 refunding series	20,510	20,510	-	-	20,510	900
Electric Revenue Bonds, 2013 series	60,000	59,430	-	1,045	58,385	1,100
Electric Revenue Bonds, 2016 refunding series	72,615	-	72,615	-	72,615	1,445
Electric Revenue Bonds premium	-	8,747	16,688	1,437	23,998	1,132
Water Revenue Bonds, 2008 series	50,000	46,370	-	1,285	45,085	1,325
Water Revenue Bonds, 2012 series	35,000	35,000	-	-	35,000	-
Water Revenue Bonds premium	-	2,034	-	86	1,948	86
Total bonds payable	336,955	261,021	89,303	90,903	259,421	5,988
Total Business-type Activities long-term liabilities	\$ 336,955	267,159	91,846	93,128	265,877	6,830

CITY OF GLENDALE

Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2016
(in thousands)

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 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.

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 Standby Bond Purchase Agreement. The direct purchase loan with Bank of America relating to the Certificates of Participation for the Police Building is subject to a mandatory tender for purchase at a price of par plus accrued interest on the earliest of the: (i) mandatory tender date of three years from closing, (ii) date on which the Certificates are converted to another interest rate mode, (iii) or occurrence of an event of default. The variable interest rates were based on 70.0% of monthly LIBOR Index plus a fixed spread of 0.40%.

On May 17, 2016, the City and the Financing Authority adopted Resolution No. 16-82 and Resolution GFA-16-01 respectively, approving a second 3-year contract with Bank of America to purchase Glendale Variable Rate Demand Certificates of Participation. The variable interest rates are based on 70.0% of monthly LIBOR Index plus a fixed spread of 0.48%. Under the Direct Purchase Agreement, the COPs mature in annual installments ranging from \$1,820 to \$3,480 from FY 2017-2030. As of June 30, 2016, the principal balance was \$35,605 and the interest rate was 0.63%.

The Financing Authority has leased the Police building back to the City pursuant to a lease agreement dated July 1, 2000. The bond indebtedness is secured by a lease to the City and is payable from rental payments received under terms of the lease agreement. The annual lease payments from the City 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 future CDBG funds as principal security for the loan. The principal amounts range from \$194 to \$242 annually for fiscal year 2017 to 2022. The Section 108 loan payment is budgeted as a CDBG project each year based on the payment schedule.

Capital Improvement Projects

Landfill Postclosure 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 postclosure maintenance and to establish a financial mechanism to demonstrate the availability of funding to conduct postclosure 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

CITY OF GLENDALE

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2016

(in thousands)

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 postclosure maintenance cost of Scholl Canyon. According to Los Angeles County Sanitation District's records, the permitted capacity filled between August 18, 1989 and July 10, 2015 was 10.70 million tons. The permitted capacity filled between July 11, 2015 and July 10, 2016 was 0.33 million tons. The total permitted capacity as of August 18, 1989 remains 14.75 million tons. Therefore, the City has 3.72 million tons unfilled capacity remaining. Using an inflation factor from the Sanitation Districts of 1.010, the total estimated care postclosure cost is \$59,755. Using the data above, the amount of \$44,684 is recognized as a long-term liability on the Statement of Net Position. Accordingly, the portion of the estimated total obligation for landfill postclosure costs that has not been recognized in the financial statements is \$15,071. 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, 2016, the City has set aside \$27,850 of this in the Landfill Postclosure Fund. The total current cost of landfill postclosure care is an estimate subject to changes resulting from inflation, deflation, technology, or changes in applicable laws or regulations.

Capital Lease - Fire Equipment Lease 2009

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 2008-09. The annual lease payment is \$273. Payments are due on December 15 annually. As of June 30, 2016, the outstanding balance of this lease was \$514.

Business-type Activities:

Enterprise Funds

Electric Revenue Bonds, 2006 Refunding Series

The Electric utility of Glendale Water and 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 Electric Revenue Bonds, 2006 Refunding Series were refunded in May 2016 with the Electric Revenue Bonds, 2016 Refunding Series. Accordingly, the liability for the defeased 2006 Bonds has been removed from the long-term debt of the City. As of June 30, 2016, a final principal payment of \$1,415 was issued on February 1, 2016 and the remaining \$27,515 aggregate principal amount was fully refunded and redeemed on June 3, 2016 at a redemption price of 100% of the principal amount plus accrued interest through an Escrow Fund established pursuant to an Escrow Agreement dated May 1, 2016.

Electric Revenue Bonds, 2008 Series

The Electric utility of Glendale Water and 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 Electric Revenue Bonds, 2008 Series were partially refunded in May 2016 with the Electric Revenue Bonds, 2016 Refunding Series. After the issuance of the Electric Revenue Bonds, 2016 Refunding Series, \$1,880 of the partially defeased 2008 Bonds remains outstanding as of June 30, 2016 and will mature at its redemption date on February 1, 2018. \$58,120 of the 2008 Bonds were refunded and deposited into an Escrow Fund established pursuant to an Escrow Agreement dated May 1, 2016 and will be fully redeemed on February 1, 2018 at a redemption price of 100% of the principal amount plus accrued interest.

CITY OF GLENDALE

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2016

(in thousands)

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.

The current refunding resulted in the recognition of a deferred outflow of resources of \$128 as of June 30, 2016 and is being amortized through year 2032. The reserve requirement of the bond issue is satisfied by a cash reserve fund with a minimum funding requirement of \$6,113 on parity with other Electric revenue bonds. 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 bonds mature in regularly increasing amounts ranging from \$1,045 to \$3,795 annually from 2017 to 2043.

Electric Revenue Bonds, 2016 Refunding Series

The Electric utility of Glendale Water & Power issued \$72,615 in revenue bonds in May 2016 to provide moneys for the refunding of all of the City's outstanding Electric Revenue Bonds, 2006 Refunding Series, a portion of the City's outstanding Electric Revenue Bonds, 2008 Series, and paying the costs of issuance of the 2016 Bonds. The bond proceeds were deposited in an escrow account and were used to refund the Electric Revenue Bonds, 2006 Refunding Series and a portion of the outstanding Electric Revenue Bonds, 2008 Series through a legal defeasance. The advance refunding 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, 2016 of \$4,915 is recognized and reported in the financial statements as a deferred outflow of resources and is being amortized through February 1, 2038. The advance refunding also resulted in a cash flow savings of \$16,348 which is the difference between the cash flows required to service the old 2006 and 2008 Bonds and the cash flows required to service the new 2016 Bonds. The present value of the cash flow savings net of any available refunding funds and reserve funds from the old debt created an economic gain of \$13,026.

The terms of the Electric Revenue Bonds, 2016 Refunding Series' (2016 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 bonds mature in regularly increasing amounts ranging from \$1,445 to \$4,715 annually from 2017 to 2038. The 2016 Refunding Bonds maturing on or prior to February 1, 2026 are not subject to redemption prior to maturity. The 2016 Refunding Bonds maturing on and after February 1, 2027 are subject to redemption prior to maturity, at the option of the City, as a whole or in part, on February 1, 2026, or on any date thereafter, at a redemption price equal to 100% of the principal amount of the 2016 Refunding Bonds to be redeemed, together with accrued interest to the redemption date.

CITY OF GLENDALE

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2016

(in thousands)

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 \$3,493.

The bonds mature in regularly increasing amounts ranging from \$1,325 to \$3,060 annually from 2017 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 \$1,643.

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 Basic Financial Statements

Fiscal Year Ended June 30, 2016

(in thousands)

Annual Debt Service Requirement Schedule

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

Fiscal Year	Police Building Project (COPs) Governmental Activities		Capital Lease Governmental Activities	
	Interest	Principal	Interest	Principal
2017	\$ 277	1,820	21	252
2018	314	1,905	11	262
2019	344	1,985	-	-
2020	367	2,070	-	-
2021	384	2,155	-	-
2022-2026	1,866	12,755	-	-
2027-2031	806	12,915	-	-
	<u>\$ 4,358</u>	<u>35,605</u>	<u>32</u>	<u>514</u>

Fiscal Year	Section 108 (2011 Series) Loan Governmental Activities		Electric and Water Revenue Bonds Business-type Activities	
	Interest	Principal	Interest	Principal
2017	\$ 24	194	11,327	4,770
2018	22	203	10,652	6,915
2019	18	212	10,336	6,850
2020	14	222	10,000	7,150
2021	9	232	9,650	7,500
2022-2026	3	242	42,349	43,195
2027-2031	-	-	30,904	52,210
2032-2036	-	-	19,390	47,430
2037-2041	-	-	9,163	28,890
2042-2046	-	-	838	28,565
	<u>\$ 90</u>	<u>1,305</u>	<u>154,609</u>	<u>233,475</u>

Fiscal Year	Total Governmental Activities		Total Business-type Activities		Total Debt Service
	Interest	Principal	Interest	Principal	
2017	\$ 323	2,266	11,327	4,770	18,686
2018	346	2,370	10,652	6,915	20,283
2019	362	2,197	10,336	6,850	19,745
2020	382	2,292	10,000	7,150	19,824
2021	393	2,387	9,650	7,500	19,930
2022-2026	1,869	12,997	42,349	43,195	100,410
2027-2031	805	12,915	30,904	52,210	96,834
2032-2036	-	-	19,390	47,430	66,820
2037-2041	-	-	9,163	28,890	38,053
2042-2046	-	-	838	28,565	29,403
	<u>\$ 4,480</u>	<u>37,424</u>	<u>154,609</u>	<u>233,475</u>	<u>429,988</u>

CITY OF GLENDALE

Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2016
(in thousands)

NOTE 9 – PENSION PLANS

California Public Employees' Retirement System

General Information about the Pension Plans

Plan Description

All qualified permanent and probationary employees are eligible to participate in the City's separate Safety (police and fire) and Miscellaneous (all other) Plans, agent multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at <http://www.calpers.ca.gov>.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The death benefit is as follows:

If eligible to retire, the Pre-retirement Option 2W Death Benefit; or the Basic Death Benefit of a refund of contributions, plus interest; and up to six months' pay (one month's salary rate for each year of current service to a maximum of six months); and Level 4 1959 Survivor Benefit* (may not be payable if the Special Death Benefit is elected).

If not eligible to retire, the Basic Death Benefit of a refund of contributions, plus interest; and up to six months' pay (one month's salary rate for each year of current service to a maximum of six months); and Level 4 1959 Survivor Benefit* (may not be payable if the Special Death Benefit is elected).

**Level 4 1959 Survivor Benefit* may not be applicable if there is no surviving spouse, no surviving domestic partner, or no surviving dependent unmarried child under age 22.

CITY OF GLENDALE

Notes to the Basic Financial Statements
 Fiscal Year Ended June 30, 2016
 (in thousands)

The Plans' provisions and benefits in effect at June 30, 2016, are summarized as follows:

	Miscellaneous		
	Prior to January 1, 2011	Between January 1, 2011 and December 31, 2012	On or after January 1, 2013
Hire date			
Benefit formula	2.5% @ 55	2% @ 55	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50-55+	50-63+	52-67+
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.426% to 2.418%	1.0% to 2.5%

	Safety		
	Prior to January 1, 2011	Between January 1, 2011 and December 31, 2012	On or after January 1, 2013
Hire date			
Benefit formula	3% @ 50	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50-55+	50-55+	50-57+
Monthly benefits, as a % of eligible compensation	3.0%	2.4% to 3.0%	2.0% to 2.7%

Employees Covered

At June 30, 2016, the following employees were covered by the benefit terms for each plan:

	Miscellaneous	Safety
Inactive employees or beneficiaries currently receiving benefits	1,634	588
Inactive employees entitled to but not yet receiving benefits	1,505	95
Active employees	1,275	390
Total	4,414	1,073

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rates of employees.

CITY OF GLENDALE

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2016

(in thousands)

The City's member contribution rates and employer contribution rates for FY 2015-16, 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	Total
Miscellaneous Employees						
GCEA * (Glendale City Employee Association)	Classic (1st Tier)	2.5% @ 55	11.00%	0.00%	17.892%	17.892%
	Classic (2nd Tier)	2.0% @ 55	10.00%	0.00%	17.892%	17.892%
	PEPRA (3rd Tier)	2.0% @ 62	9.75%	0.00%	17.892%	17.892%
IBEW (International Brotherhood of Electrical Workers)	Classic (1st Tier)	2.5% @ 55	8.00%	0.50%-3.00%	17.892%-20.392%	20.892%
	Classic (2nd Tier)	2.0% @ 55	7.00%	0.50%-3.00%	17.892%-20.392%	20.892%
	PEPRA (3rd Tier)	2.0% @ 62	6.75%	0.50%-3.00%	17.892%-20.392%	20.892%
GMA (Glendale Management Association)	Classic (1st Tier)	2.5% @ 55	8.00%	3.00%	17.892%	20.892%
	Classic (2nd Tier)	2.0% @ 55	7.00%	3.00%	17.892%	20.892%
	PEPRA (3rd Tier)	2.0% @ 62	6.75%	3.00%	17.892%	20.892%
Safety Employees						
GPOA (Glendale Police Officer Association)	Classic (1st Tier)	3.0% @ 50	9.00%	3.50%	34.788%	38.288%
	Classic (2nd Tier)	3.0% @ 55	9.00%	3.50%	34.788%	38.288%
	PEPRA (3rd Tier)	2.7% @ 57	12.00%	3.50%	34.788%	38.288%
GFFA (Glendale Fire Fighter Association)	Classic (1st Tier)	3.0% @ 50	9.00%	3.50%-3.75%	34.538%-34.788%	38.288%
	Classic (2nd Tier)	3.0% @ 55	9.00%	3.50%-3.75%	34.538%-34.788%	38.288%
	PEPRA (3rd Tier)	2.7% @ 57	12.00%	3.50%-3.75%	34.538%-34.788%	38.288%
GMA - Police	Classic (1st Tier)	3.0% @ 50	9.00%	3.50%	34.788%	38.288%
	Classic (2nd Tier)	3.0% @ 55	9.00%	3.50%	34.788%	38.288%
	PEPRA (3rd Tier)	2.7% @ 57	12.00%	3.50%	34.788%	38.288%
GMA - Fire	Classic (1st Tier)	3.0% @ 50	9.00%	3.50%-3.75%	34.538%-34.788%	38.288%
	Classic (2nd Tier)	3.0% @ 55	9.00%	3.50%-3.75%	34.538%-34.788%	38.288%
	PEPRA (3rd Tier)	2.7% @ 57	12.00%	3.50%-3.75%	34.538%-34.788%	38.288%

* Effective May 2013, GCEA members' cost sharing rate (3%) became part of their member contribution rate.

CITY OF GLENDALE

Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2016
(in thousands)

Employer contributions to the Miscellaneous and Safety plans were \$16,519 and \$18,257, respectively, for the year ended June 30, 2016. The breakdown of the employer contribution is as follows:

<u>Plan</u>	<u>Annual Required Employer Contribution</u>	<u>City Contribution</u>	<u>Employees' Cost Sharing</u>
Miscellaneous	\$ 16,519	15,369	1,150
Safety			
Police	10,626	9,661	965
Fire	7,631	6,898	733
Total Safety	<u>18,257</u>	<u>16,559</u>	<u>1,698</u>
Total	\$ <u>34,776</u>	<u>31,928</u>	<u>2,848</u>

Net Pension Liability

The City's net pension liability for each plan was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014.

Actuarial Assumptions

The total pension liabilities in the June 30, 2014 actuarial valuations of the miscellaneous and safety plans were determined using the following actuarial assumptions:

Valuation date	June 30, 2014
Measurement date	June 30, 2015
Actuarial cost method	Entry Age Normal Cost Method
Actuarial assumptions:	
Discount rate	7.65%
Inflation	2.75%
Salary increase	Varies by Entry Age and Service
Investment rate of return	7.65% Net of Pension Plan Investment, includes inflation
Mortality rate table	Derived using CalPERS' Membership Data for all Funds
Post-retirement benefit increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report. All other actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS website under Forms and Publications.

Change of Assumptions

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

CITY OF GLENDALE

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2016

(in thousands)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the Board effective on July 1, 2014.

Asset Class	Target Allocation	Long-term Expected	
		Real Return Years 1 - 10 *	Real Return Years 11+ **
Global Equity	51%	5.25%	5.71%
Global Fixed Income	19%	0.99%	2.43%
Inflation Sensitive	6%	0.45%	3.36%
Private Equity	10%	6.83%	6.95%
Real Estate	10%	4.50%	5.13%
Infrastructure and Forestland	2%	4.50%	5.09%
Liquidity	2%	(0.55)%	(1.05)%
Total	100%		

*An expected inflation of 2.5% used for this period.

**An expected inflation of 3.0% used for this period.

Discount Rate

The discount rate used to measure the total pension liability was 7.65%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the current 7.65% discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.65% is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

CITY OF GLENDALE

Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2016
(in thousands)

Changes in the Net Pension Liability

The changes in the Net Pension Liability measured as of June 30, 2015 for each plan is as follows:

Miscellaneous Plan:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) – (b)
Balance at June 30, 2015	\$ 977,724	781,593	196,131
Changes in the year:			
Service cost	14,372	-	14,372
Interest on the total pension liability	71,411	-	71,411
Differences between actual and expected experience	(8,835)	-	(8,835)
Changes of assumptions	(17,578)	-	(17,578)
Plan to plan resource movement	-	(25)	25
Contribution from the employer	-	13,344	(13,344)
Contribution from the employees	-	8,142	(8,142)
Net investment income	-	17,215	(17,215)
Benefit payments, including refunds of employee contributions	(50,059)	(50,059)	-
Administrative expense	-	(881)	881
Net changes	<u>9,311</u>	<u>(12,264)</u>	<u>21,575</u>
Balance at June 30, 2016	<u>\$ 987,035</u>	<u>769,329</u>	<u>217,706</u>

Safety Plan:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) – (b)
Balance at June 30, 2015	\$ 714,962	517,053	197,909
Changes in the year:			
Service cost	13,038	-	13,038
Interest on the total pension liability	52,434	-	52,434
Differences between actual and expected experience	(5,684)	-	(5,684)
Changes of assumptions	(13,128)	-	(13,128)
Contribution from the employer	-	16,789	(16,789)
Contribution from the employees	-	4,394	(4,394)
Net investment income	-	11,489	(11,489)
Benefit payments, including refunds of employee contributions	(34,522)	(34,522)	-
Administrative expense	-	(579)	579
Net changes	<u>12,138</u>	<u>(2,429)</u>	<u>14,567</u>
Balance at June 30, 2016	<u>727,100</u>	<u>514,624</u>	<u>212,476</u>
Total for both plans at June 30, 2016	<u>\$ 1,714,135</u>	<u>1,283,953</u>	<u>430,182</u>

CITY OF GLENDALE

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2016

(in thousands)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of each Plan, calculated using the discount rate of 7.65%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
1% Decrease	6.65%	6.65%	6.65%
Net Pension Liability	\$ 350,169	312,324	662,493
Current Discount Rate	7.65%	7.65%	7.65%
Net Pension Liability	\$ 217,706	212,476	430,182
1% Increase	8.65%	8.65%	8.65%
Net Pension Liability	\$ 108,633	130,691	239,324

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2016, the City recognized pension expense of \$21,207. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 34,776	-
Changes of assumptions	-	21,910
Net differences between expected and actual experience	-	10,315
Net differences between projected and actual earnings on plan investments	-	11,939
Total	\$ 34,776	44,164

The amount of \$34,776 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017.

Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year ended June 30,</u>	
2017	\$ (21,561)
2018	(21,561)
2019	(13,892)
2020	12,850
Total	\$ <u>(44,164)</u>

Pension Plan Fiduciary Net Position

Detailed information about each pension plans' fiduciary net position is available in the separately issued CalPERS financial reports.

CITY OF GLENDALE

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2016

(in thousands)

Supplemental Retirement Plan

In May 2012, in an effort to substantially reduce staffing levels to address a projected \$15,400 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 offered 5% of the employees' final pay, which the employees could 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 who 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 2015-16.

Public Agency Retirement Services (PARS)

The PARS Trust, created in 1991, is a trust arrangement established to provide economies of scale and efficiencies of administration to public agencies that adopt it to hold the assets of their agency retirement plans maintained for the benefit of their employees. The Omnibus Budget Reconciliation Act of 1990 (OBRA 90) amended the Internal Revenue Code to mandate that employees of public agencies, who are not members of their employer's existing retirement system as of January 1, 1992, be covered under Social Security or an alternate plan. The PARS ARS Plan satisfies the OBRA 90 Federal Requirements. It is intended that this plan and the trust established to hold the assets of the plan shall be qualified under Section 401(a) and tax-exempt under Section 501(a) of the Internal Revenue Code of 1986, as amended, and meet the requirements of California Government Code Sections 53215 through 53224 providing how pension trusts must be established by public agencies. Through PARS, agencies have the ability to design and control retirement plans according to their own specific needs, including specific collective bargaining requirements. The City adopted the PARS ARS Plan, effective September 1, 1999 as an alternate plan to Social Security for the hourly employees who are not eligible for participation in the City's CalPERS retirement plan.

Any City hourly employee who is not eligible to enroll in the CalPERS retirement plan is enrolled in PARS-ARS instead of social security. After completing 1,000 work hours within a fiscal year, hourly employees are eligible to enroll in CalPERS retirement plan. For each pay period, employees contribute 6.2%, and the City contributes 1.3% of employee earnings into employees' PARS account. Both contributions are made on pre-tax basis. For FY 2015-16, PARS payments were \$214 and \$45 for employee portion and employer portion, respectively. The amount of the City's outstanding liability is zero, since the plan is fully funded, and it's a defined contribution plan. A participant in the PARS ARS Plan becomes eligible to receive his/her funds when one of the following events occurs: separation, retirement, permanent and total disability, and change of employment status to a position covered by another retirement system or death.

NOTE 10 – POST-EMPLOYMENT BENEFITS

The City provides retiree medical benefits through the City's standalone healthcare plans. Before June 1, 2016, the City allowed retirees to purchase healthcare coverage at blended active and retiree rates. This resulted in an "implied subsidy," since the healthcare costs are lower for active employees than for retirees. In October 2015, the City Council approved unblending medical insurance premium rates between active employees and retired employees effective June 1, 2016, and authorized low income cash subsidies for existing retired employees currently participating in the City's retiree medical insurance plans who meet specific criteria. Accordingly, the City's actuarial accrued liability decreased from \$214,014 from the June 30, 2013 valuation to \$21,802 from the June 30, 2015

CITY OF GLENDALE

Notes to the Basic Financial Statements
 Fiscal Year Ended June 30, 2016
 (in thousands)

valuation, due to the fact that there is no more “implied subsidy” after June 1, 2016. At the same time, the City’s net OPEB obligation decreased from \$94,843 in FY 2014-15 to \$8,134 in FY 2015-16 because of the elimination of the implied subsidy.

The City’s contribution is currently based on a pay-as-you-go funding method, that is, benefits are payable when due. For FY 2015-16, the City contributed \$2,991 in benefit payments (\$420 for the cash subsidy and \$2,571 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:

	<u>Amount</u>
Annual required contribution	\$ 1,709
Interest on net OPEB obligation	3,734
Amortization of net OPEB obligation	<u>(6,914)</u>
Annual OPEB cost/(credit)	(1,471)
Benefit payments	(2,991)
Adjustments for elimination of implied subsidy	<u>(82,247)</u>
Decrease in net OPEB obligation	(86,709)
Net OPEB obligation – beginning of year	<u>94,843</u>
Net OPEB obligation – end of year	<u>\$ 8,134</u>

The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 and the two preceding years were:

<u>Fiscal year ended June 30,</u>	<u>Annual OPEB Cost/(Credit)</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2014	\$ 20,742	14%	\$ 75,922
2015	\$ 22,054	14%	\$ 94,843
2016	\$ (1,471)	(203%)	\$ 8,134

The funded status of the plan as of June 30, 2015, the plan’s most recent actuarial valuation date, was:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (A)</u>	<u>Actuarial Accrued Liability (B)</u>	<u>Unfunded Actuarial Accrued Liability (B-A)</u>	<u>Funded Ratio (A/B)</u>	<u>Covered Payroll (C)</u>	<u>UAAL as a Percentage of Covered Payroll ((B-A)/C)</u>
6/30/2015	\$ -	21,802	21,802	0%	\$ 118,015	19%

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

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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 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, 2015 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 7.5% for 2016 decreasing to 5.0% after 5 years. The post-Medicare eligible medical cost trend rate started 0.3% higher for 2016. Because of the premium unblending, a 15-year fresh start amortization is used for the June 30, 2015 UAAL.

NOTE 11 – RESTRICTED NET POSITION

The government-wide statement of net position reports \$115,950 of restricted net position, of which \$41,665 is restricted by enabling legislation. The City Charter requires \$24,870 in restricted net position to be set aside to meet the legal demands against the treasury during the beginning of the new budget period prior to the receipt of ad valorem taxes. Pursuant to redevelopment laws of the State of California, \$16,795 is restricted for low and moderate housing.

NOTE 12 – NET DEFICITS OF INDIVIDUAL FUNDS

As of June 30, 2016, the following funds have negative fund balances or net position:

Governmental funds:

Special revenue funds:	
CDBG Fund	\$ 14
Continuum of Care Grant Fund	20
Grant Fund	3,977
PW Special Grants Fund	451
Measure R Regional Return Fund	2,241
Police Special Grants Fund	62
Fire Grant Fund	322
Fire Mutual Aid Fund	64
Emergency Medical Services Fund	2,039

Capital projects funds:

CIP Reimbursement Fund	\$ 110
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Proprietary funds:

Internal service funds:	
Compensation Insurance Fund	\$ 8,366
Medical Insurance Fund	1,178
Employee Benefits Fund	293
Retiree Health Savings Plan (RHSP) Benefits Fund	3,113

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CDBG Fund – A portion of invoices paid to vendors involved in capital projects is retained by the City until project completion. Based on the grant regulations, the retention cannot be drawn until it is paid.

Reimbursement Type Grants – The Continuum of Care Grant Fund, Grant Fund, PW Special Grants Fund, Measure R Regional Return Fund, Police Special Grants Fund, Fire Grant Fund, Fire Mutual Aid Fund and CIP Reimbursement Fund are reimbursement type grants. Revenues are drawn down based on expenditures. As such, there will always be a timing difference between revenues and expenditures resulting in a deficit, as revenues do not represent available resources.

Emergency Medical Services Fund – The Glendale Fire Department has restructured the EMS program to provide Basic Life Support (BLS) services, which is expected to reduce the cost of the EMS program. The deficit decreased by \$1,349 during FY 2015-16 as a result of cost savings. In FY 2016-17, this fund will be closed and the remaining deficit will be absorbed by the General Fund.

Compensation Insurance Fund – The deficit has decreased in FY 2015-16 due to the premium increases. The City will continue to increase the premiums in the future to eliminate the deficit.

Medical Insurance Fund – The deficit has increased due to a net loss from the retirees' PPO plan. The City will increase the premiums in the future to eliminate the deficit.

Employee Benefits Fund – The deficit has decreased in FY 2015-16 due to the premium increases. The City will continue to increase the premiums in the future to eliminate the deficit.

Retiree Health Savings Plan (RHSP) Benefits Fund – The deficit is the result of an increase to the actuarial accrued liability. The City will increase the premiums in the future to eliminate the deficit.

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 FY 2016-17 is as follows:

<u>Insurance Type</u>	<u>Program Limits</u>	<u>Deductible/SIR (self-insured retention)</u>
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
Cyber Insurance	2,000	\$100

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.

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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, 2016 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:

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Claims and Charges</u>	<u>Claim Payments</u>	<u>Ending Balance</u>
2014-15	\$ 44,497	54,863	56,158	43,202
2015-16	\$ 43,202	38,566	39,826	41,942

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.

NOTE 14 – CONTINGENT LIABILITIES AND COMMITMENTS

Power Purchase Agreements

The City first participated in the Boulder Canyon Project for electric service from the Hoover Power Plant in 1937 for a term of 50 years, which 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, which 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.

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In September 2014, the City entered into a 25-year contract with Skylar Resources L.P. for the procurement of 50 megawatts of firm renewable solar. At least fifty percent of 50 MW/hour is guaranteed by the seller to qualify as Portfolio Content Category 1 renewable energy on an annual basis. In November 2015, the transaction was bifurcated into 2 separate renewable energy transactions, one with a term of December 1, 2015 through December 31, 2019 and the other with a term of Jan 1, 2020 through Nov 20, 2040. The 4-year transaction was subsequently novated to Morgan Stanley Capital Group. The City began taking delivery of the energy on December 2015.

Certain Sales Tax Revenues

On September 24, 2007, HdL Companies (HdL), which is City's sales tax consultant, submitted petitions to the Board of Equalization (BOE) on behalf of all their client cities regarding Case ID 606763 and Case ID 606835 (Sales v. Use Tax/Place of Allocation). These cases pertain to the City of Buena Park and a local business (hereafter referred to as Taxpayer).

The Taxpayer sells computer hardware and peripherals to government and business accounts. After signing a tax sharing agreement with the City of Buena Park, the Taxpayer began reporting these transactions as sales tax and allocating the local 1% tax to their office in the City of Buena Park.

According to BOE, since the merchandise is shipped from out of state, the applicable tax is use tax that should be allocated to the various countywide pools based on delivery. The Taxpayer contends that the terms of their sales agreements stipulate that title passes at the time of delivery in this state, and therefore the transactions are subject to sales tax. However, BOE states that title cannot pass after the seller has given the merchandise to a common carrier.

In both their Allocation Group Decision and Supplemental Decision, BOE granted the HdL petitions and ruled that the tax was use tax and should be distributed via the countywide pools. The City of Buena Park has appealed both decisions, and the matter has been elevated to the BOE Appeals Division.

In spring 2014, the Taxpayer moved their California office from Buena Park to Glendale and has continued the same practice by allocating the 1% sales tax to their office in the City of Glendale. The Taxpayer is appealing the matter as well and until the matter is settled, they intend to allocate sales to their Glendale office, to the extent they believe the allocation is supported by the facts.

Per HdL, since the resolution of the dispute is still pending for the Glendale office, all local revenue received by the City could later be taken away by the BOE and redistributed through the countywide pools. HdL has recommended that the City set aside any revenues received from this Taxpayer. Therefore, starting in FY 2013-14, the City is accruing a liability related to the sales tax revenues generated by this Taxpayer, until this matter is resolved and settled by all parties involved.

General Fund Transfer Litigation

The City is currently engaged in litigation regarding the City's transfer from the Electric Fund to the General Fund. Glendale Coalition for a Better Government v. City of Glendale, L.A. Superior Court Case No. 147376; Saavedra et al. v. City of Glendale, L.A. Superior Court Case No. BC539160. The Petitioners contend that the transfer from the Electric Fund to the General Fund violates Proposition 26. The Petitioners also challenge the City's fund and accounting procedures contending they violate the City Charter. Additionally, the plaintiffs challenge the City's prior transfers of revenue from the Water Fund to the General Fund, a practice which was discontinued in 2011.

The lawsuits challenge the City's transfer of electric revenue from the Glendale Water & Power Electric Fund to the General Fund ("General Fund Transfer" or "GFT"). The GFT is made under the authority of the City Charter, Article XI, Section 22, which provides:

"At the end of each fiscal year an amount equal to twenty-five (25) per centum of the operating revenues of the department of Glendale Water and Power for such year, excluding receipts from water or power supplied to other cities or utilities at wholesale rates, shall be transferred from said Glendale Water and Power surplus fund to the

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general reserve fund; provided, that the council may annually, at or before the time for adopting the general budget for the ensuing fiscal year, reduce said amount or wholly waive such transfer if, in its opinion, such reduction or waiver is necessary to insure the sound financial position of said department of Glendale Water and Power and it shall so declare by resolution.”

Because the City discontinued making transfers from the water fund in 2011, the City currently transfers only electric revenue from GWP to the General Fund. In FY2015-16, the City reduced the GFT to \$20,107 or 9.98% of GWP electric operating revenues, which was equal to 11.24% of the City's General Fund revenues for the year.

The lawsuits were consolidated for purposes of trial and were tried before Hon. James Chalfant, Los Angeles County Superior Court.

Charter Fund and Accounting Issues

With respect to the City's accounting practices, the trial court concluded that specified accounting practices, while compliant with Generally Accepted Accounting Principles (“GAAP”), violate the City Charter. As of the writing of this Note, the trial court has stated its intent to issue a permanent injunction enjoining the City from merging some Charter mandated funds and splitting up others.

2013 Electric Rate Program and General Fund Transfer

The petitioners also challenged the City's electric rates imposed in August 2013 on the grounds the imposition violated Proposition 26 (a voter-approved initiative that amended Articles XIIC and XIID of the California Constitution). Proposition 26 defines “any levy, charge or exaction of any kind” imposed by a local government as a “tax” that must be approved by the voters of the local jurisdiction, unless the levy, charge or exaction falls within one of seven exemptions. (Article XIIC, §1(e)) The City contends that electric rates are a “charge imposed for a specific government service or product provided directly to the payer that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing service.” The trial court concluded that, although Proposition 26 expressly states it is not retroactive, the City's imposition of new rates in August of 2013 was a tax because the rate plan included the GFT and the court concludes the GFT is not a cost of service.

The court concluded that the amount of the unconstitutional tax is the amount of the GFT in the years since the new electric rate plan was imposed in August 2013. The court intends to order a remedy requiring the City to credit ratepayers the amount of the GFT since the electric rates were increased. That number is preliminarily calculated at \$56,950 plus interest for FY 2013-14, FY 2014-15, and FY 2015-16. As of the writing of this Note, the parties are meeting and conferring on the mechanics of the credits and will obtain court approval.

The court will also issue a writ of mandate commanding the City to cease to include the GFT in the electric rates charged to consumers unless and until a majority of Glendale electorate approves the tax in the rates.

Finally, with respect to the transfer of water revenue, the City had discontinued water transfers in February 2011. However, a portion of the water transfer – which transfers were then made in monthly installments - from the last part of FY 2010-11 came within the applicable statute of limitations. Therefore, the court ordered the City to return monies transferred from the Water Fund to the City's General Fund after February 2011, a total of \$1,733. This amount has been recorded in both the General Fund and the Water Fund as of June 30, 2016.

Post-Trial Matters and Appeal

As of the writing of this Note, the City intends to file post-trial motions and will appeal. On October 27, 2016, Judge Chalfant determined that his judgments and orders – including cessation of the transfers and credits to ratepayers – will all be stayed during the City's appeal. The City has a motion for new trial that will be heard on January 19, 2017, and then the City will appeal. As such, status quo will remain in effect during the pendency of the appeal.

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The City intends to vigorously prosecute an appeal of this matter. Management is of the opinion that the GFT, adopted by the voters and which pre-dates adoption of Proposition 26, is not thereby vitiated by Proposition 26. It is anticipated that an appeal will take 18-24 months.

NOTE 15 – JOINTLY GOVERNED ORGANIZATIONS

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 60% of its total energy requirements during FY 2015-16. With a few exceptions, the City is obligated to pay the amortized cost of indebtedness regardless of the ability of the counterparty 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 Agency (IPA), 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 (IPP). 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 the IPA, agent for the Utah Municipal Purchasers and the Cooperative Purchasers, which entitles the City to additional shares that can vary from year to year. As of June 30, 2016, Glendale’s excess entitlement share is 0.46%. The total City’s obligation from 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, 2016, Glendale’s share is 4.40%.

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- The 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 currently rated at 2,400 megawatts. The City's share of the line is 2.27% or approximately 55 megawatts. As of June 30, 2016, Glendale's share is 2.27%.
- The 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 (SJ), located in New Mexico. SCPPA members are entitled to 208 megawatts. In July 2015, the City Council authorized the SCPPA to execute, on Glendale's behalf, a set of three agreements that will collectively shut down Unit 3 at the coal-fired San Juan Power Plant in New Mexico at the end of December 2017. The agreements address restructuring of rights and obligations at San Juan, including disposal of coal inventory, mine reclamation, and plant decommissioning. The termination of operations at San Juan Unit 3 will help GWP achieve California state goals regarding the reduction of greenhouse gas emissions. Under the Mine Reclamation and Plant Decommissioning Agreements, Glendale shares the responsibility for any liability arising from operations before the December 2017 exit date. As such a liability for decommissioning the power plant cannot be determined at this time. The City is obligated for 20 megawatts or 9.80% of the SCPPA entitlement. As of June 30, 2016, Glendale's share is 9.80%.
- The 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, 2016, Glendale's share is 11.04%.
- The 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, 2016, Glendale's share is 14.80%.
- The 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, 2016, Glendale's generation cost share is 16.53% and indenture cost share is 17.25%.
- The 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 a spot market price index. The delivery of natural gas started in July 2008. As of June 30, 2016, Glendale's share is 23.00%.
- The 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 output entitlement share to Los Angeles Department of Water and Power (LADWP) but remains responsible for all the obligations associated with its participation in the Power Sales Agreements in the event LADWP should default. As of June 30, 2016, Glendale's share is 10.00%.

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- The ninth project financed through SCPPA 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 PacifiCorp's Tieton Substation. The City is obligated for approximately 6.8 megawatts or 50.00% of the project's output. As of June 30, 2016, Glendale's share is 50.00%.
- The tenth project financed through SCPPA 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 SCPPA 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 Department of Water and Power (LADWP) but remains responsible for all the obligations associated with its participation in the Power Sales Agreements in the event LADWP should default. As of June 30, 2016, Glendale's share is 7.63%.
- The eleventh project financed through SCPPA is the Milford II Wind Project (MIL2) located near Beaver and Millard County, Utah. The Project has a capacity of approximately 102 megawatts. The City Council approved a 20 year purchase power agreement with SCPPA 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 Department of Water and Power (LADWP) but remains responsible for all the obligations associated with its participation in the Power Sales Agreements in the event LADWP should default. As of June 30, 2016, Glendale's share is 4.90%.

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

<u>Project</u>	<u>Contract Expiration Date</u>	<u>Glendale's Share</u>
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)	2018	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%

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A summary of the City’s “Take or Pay” debt service commitment and the final maturity date as of June 30, 2016:

Fiscal Year	IPP	PV	STS	SJ	MA	MP	MPP	NGPP	LIN	THP	WP	MIL2	Total
2017	\$ 3,316	550	1,837	2,109	2,415	969	3,673	4,537	1,008	1,669	3,097	624	25,804
2018	4,842	552	1,801	-	2,380	955	2,867	4,562	1,006	1,670	3,095	623	24,353
2019	5,199	-	1,780	-	2,358	951	2,866	4,684	1,007	1,667	3,093	623	24,228
2020	4,534	-	1,561	-	2,339	941	2,866	4,858	1,005	1,668	3,090	622	23,484
2021	4,004	-	1,858	-	1,747	698	2,865	5,066	1,007	1,667	3,089	622	22,623
2022-2026	5,176	-	7,042	-	-	-	15,110	27,894	5,013	9,110	15,394	3,101	87,840
2027-2031	-	-	1,456	-	-	-	16,458	32,814	4,993	8,234	15,320	3,085	82,360
2032-2036	-	-	-	-	-	-	17,011	30,918	4,789	8,205	-	615	61,538
2037-2041	-	-	-	-	-	-	11,253	-	-	9,807	-	-	21,060
Total	\$ 27,071	1,102	17,335	2,109	11,239	4,514	74,969	115,333	19,828	43,697	46,178	9,915	373,290

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 2016 and 2015 are as follows:

Fiscal Year	IPP	PV	STS	SJ	MA	MP	MPP	NGPP	LIN	THP	WP	MIL2	Total
2016	\$7,950	3,368	743	6,422	275	203	4,842	1,427	-	1,119	-	-	26,349
2015	\$7,535	3,027	696	6,493	240	456	2,959	1,632	-	733	-	-	23,771

NOTE 16 – SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY

In February 2012, the Dissolution Act (Assembly Bill x1 26; amended by AB 1484 in June 2012 and SB 107 in September 2015) dissolved California redevelopment agencies and directed their wind-down activities. In Glendale, the City chose to serve as the Glendale Successor Agency. This action impacted the reporting entity of the City of Glendale that had previously reported the redevelopment agency within it and as a blended component unit. Commencing on February 1, 2012, the assets and activities of the dissolved redevelopment agency were 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 from governmental funds of the City to the fiduciary fund was reported in the governmental funds as an extraordinary loss (gain) in its 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).

Since February 2012, the Successor Agency has completed a series of reports, audits and reviews, and approvals with approval from the Oversight Board and Department of Finance. These have included two detailed Due Diligence Reviews (DDR) to determine unobligated fund balances available for transfer to the affected taxing entities. Once the excess funds were distributed to the taxing entities, Glendale received a Finding of Completion (FOC) in May 2013. Following the FOC, Glendale needed to address its real property assets. Thus, Glendale prepared a Long Range Property Management Plan (LRPMP) which was approved by DOF on April 16, 2014. On May 24, 2016, the DOF approved a revision to Glendale’s LRPMP to reflect the property at 300 E. Broadway as government use.

With the passage of SB 107, the requirement to prepare biannual payment schedules known as Recognized Obligation Payment Schedules (ROPS) was replaced with an annual ROPS.

CITY OF GLENDALE

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2016

(in thousands)

Cash and Investments

The Fiduciary fund's cash and investments as of June 30, 2016 consist of the following:

Cash and investments	\$ 71,487
Cash and investments with fiscal agents	16,007
Total	<u>\$ 87,494</u>

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

Cash and investments	\$ 71,458
Restricted cash and investments	29
Cash and investments with fiscal agents	16,007
Total	<u>\$ 87,494</u>

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 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.

	Total	Remaining Maturity (in months)	
		12 Months or Less	More than 60 Months
Commercial Paper	\$ 55,733	55,733	-
State Investment Pool	13,599	13,599	-
Money Market Mutual Fund	2,155	2,155	-
Held by Fiscal Agents:			
Guaranteed Investment Contracts	6,580	-	6,580
Money Market Mutual Fund	9,427	9,427	-
	<u>\$ 87,494</u>	<u>80,914</u>	<u>6,580</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 medium term notes with a credit rating below S&P's and Fitch's BBB grade or Moody's Baa2, unless the City Council approves the City Treasurer's recommendation that the security should be retained.

	Total	Moody's Rating as of June 30, 2016		
		Aaa	P1	Unrated
Commercial Paper	\$ 55,733	-	55,733	-
State Investment Pool	13,599	-	-	13,599
Money Market Mutual Fund	2,155	2,155	-	-
Held by Fiscal Agents:				
Guaranteed Investment Contracts	6,580	-	-	6,580
Money Market Mutual Fund	9,427	9,427	-	-
	<u>\$ 87,494</u>	<u>11,582</u>	<u>55,733</u>	<u>20,179</u>

CITY OF GLENDALE

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2016

(in thousands)

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Unobservable inputs reflect the City's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the City's own data.

The asset's level within the hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The determination of what constitutes observable requires judgment by the City's management. City management considers observable data to be that market data, which is readily available, regularly distributed or updated, reliable, and verifiable, not proprietary, and provided by multiple independent sources that are actively involved in the relevant market. The categorization of an investment within the hierarchy is based upon the relative observability of the inputs to its fair value measurement and does not necessarily correspond to City management's perceived risk of that investment.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The City's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Deposits and withdrawals in governmental investment pools, such as LAIF and LACPIF are made on the basis of \$1 and not fair value. Accordingly, the City's proportionate share in these types of investments is an uncategorized input not defined as a Level 1, Level 2, or Level 3 input.

The following is a description of the valuation methods and assumptions used by the City to estimate the fair value of its investments. There have been no changes in the methods and assumptions used at June 30, 2016. The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. City management believes its valuation methods are appropriate and consistent with other market participants. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The City's treasury pools asset market prices are derived from closing bid prices as of the last business day of the month as supplied by Interactive Data, Bloomberg or Telerate. Where prices are not available from generally recognized sources, the securities are priced using a yield-based matrix system to arrive at an estimated market value. Prices that fall between data points are interpolated. Non-negotiable FDIC-insured bank certificates of deposit are priced at par.

CITY OF GLENDALE

Notes to the Basic Financial Statements
 Fiscal Year Ended June 30, 2016
 (in thousands)

When available, quoted prices are used to determine fair value. When quoted prices in active markets are available, investments are classified within Level 1 of the fair value hierarchy and the City does not have any investments that are measured using Level 1 inputs.

For investments classified within Level 2 of the fair value hierarchy, the City's custodians generally uses a multi-dimensional relational model. Inputs to their pricing models are based on observable market inputs in active markets. The inputs to the pricing models are typically benchmark yields, reported trades, broker-dealer quotes, issuer spreads and benchmark securities, among others.

The City does not have any investments that are measured using Level 3 inputs.

As of June 30, 2016, the Successor Agency has the following fair value measurements:

	Balance at June 30, 2016	Fair Value Measurements		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
Commercial Paper	\$ 55,733	-	55,733	-
Total investments by fair value level	<u>55,733</u>	<u>-</u>	<u>55,733</u>	<u>-</u>
Investments measured at amortized costs:				
State Investment Pool	13,599			
Money Market Mutual Funds	2,155			
Held by Fiscal Agents:				
Guaranteed Investment Contracts	6,580			
Money Market Mutual Fund	<u>9,427</u>			
Total investments exempted from fair value measurement and application	<u>31,761</u>			
	<u>\$ 87,494</u>			

Capital Assets

	Balance at July 1	Increases	Decreases	Adjustments- transferred to governmental activities	Balance at June 30
Fiduciary fund:					
Capital assets, not being depreciated:					
Land	\$ 155	-	(50)	-	105
Construction in progress	<u>13,297</u>	<u>7,926</u>	<u>(1,180)</u>	<u>(6,729)</u>	<u>13,314</u>
Total assets not being depreciated	<u>13,452</u>	<u>7,926</u>	<u>(1,230)</u>	<u>(6,729)</u>	<u>13,419</u>
Depreciable capital assets:					
Building and improvements	377	-	-	-	377
Less accumulated depreciation:					
Building and improvements	<u>226</u>	<u>9</u>	<u>-</u>	<u>-</u>	<u>235</u>
Total assets being depreciated, net	<u>151</u>	<u>(9)</u>	<u>-</u>	<u>-</u>	<u>142</u>
Fiduciary fund capital assets, net	<u>\$ 13,603</u>	<u>7,917</u>	<u>(1,230)</u>	<u>(6,729)</u>	<u>13,561</u>

CITY OF GLENDALE

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2016

(in thousands)

Property Held for Resale

Fiduciary fund property held for resale at June 30, 2016:

<u>Acquisition Date</u>	<u>Location</u>	<u>Carrying Value</u>
June 2008	218 S. Brand	\$ <u>1,442</u>

Long-Term Debt

The Fiduciary fund's long-term debts as of June 30, 2016 consist of the following:

	<u>Issuance Amount</u>	<u>Balance at June 30, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at June 30, 2016</u>	<u>Due within one year</u>
Fiduciary Activities						
2010 GRA Tax Allocation Bonds	\$ 26,970	26,545	-	26,545	-	-
2011 GRA Subordinate Taxable Tax Allocation Bonds	50,000	44,615	-	2,595	42,020	2,740
2013 GSA Tax Allocation Refunding Bonds	44,985	40,030	-	5,100	34,930	5,255
2016 GSA Tax Allocation Refunding Bonds	20,810	-	20,810	-	20,810	-
GRA/GSA Tax Allocation Bonds premium	-	1,305	3,932	166	5,071	861
Reinstatement of Loans Payable to City	40,133	12,104	32,363	4,334	40,133	12,511
Total Fiduciary Activities	\$ 182,898	124,599	57,105	38,740	142,964	21,367

Tax Allocation Bonds, 2010 Series

The former Glendale Redevelopment Agency (the "Agency") issued \$26,970 in 2010 tax allocation bonds 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.

The Tax Allocation Bonds, 2010 Series were refunded in March 2016 with the Subordinate Tax Allocation Bonds, 2016 Refunding Series. Accordingly, the liability for the defeased 2010 Bonds has been removed from the long-term debt of the Fiduciary fund. As of June 30, 2016, a final principal payment of \$290 was issued on December 1, 2015 and the remaining \$26,255 aggregate principal amount were refunded and deposited into an Escrow Fund established pursuant to an Escrow Agreement dated March 1, 2016 and will be fully redeemed on December 1, 2016 at a redemption price of 100% of the principal amount plus accrued interest.

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 \$2,740 to \$7,210 from 2017 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 parity with the pledge and lien which secure 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 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, 2016, the principal balance is \$42,020.

CITY OF GLENDALE

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2016

(in thousands)

Tax Allocation Bonds, 2013 Refunding Series

The Glendale Successor Agency (the "GSA") issued \$44,985 in 2013 tax allocation bonds with an average rate of 4.81% for the refunding of 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 \$5,255 to \$6,455 from 2017 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, 2016 for \$1,434 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, 2016, the principal balance is \$34,930.

Subordinate Tax Allocation Bonds, 2016 Refunding Series

The Glendale Successor Agency (the "GSA") issued \$20,810 in 2016 tax allocation refunding bonds with an average rate of 1.74% to refinance the former Glendale Redevelopment Agency's (the "Agency") outstanding Central Glendale Redevelopment Project Tax Allocation Bonds, 2010 Series. The 2016 Bonds mature in regularly increasing principal amounts ranging from \$6,665 to \$7,210 from 2023 to 2025. The advance refunding of Tax Allocation Bonds, 2010 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, 2016 for \$1,544 is recognized and reported in the financial statements as a deferred outflow of resources and is being amortized through fiscal year 2025. The advance refunding also resulted in a cash flow savings of \$8,725 which is the difference between the cash flows required to service the old 2010 Bonds and the cash flows required to service the new 2016 Bonds. The present value of the cash flows savings net of any available reserve funds from the old debt created an economic gain of \$5,231.

The refunding of the 2010 Tax Allocation Bonds was 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, 2016, the principal balance is \$20,810.

Loans Payable

When the Dissolution Act took effect in February 2012, the former Glendale Redevelopment Agency's (the former Agency) Loan Advances from the City were invalidated. As a result, the City wrote off the former Agency's Loan Advances' outstanding balance of \$71,758 in FY 2011-12.

AB 1484 created Post Compliance Provisions, which are designed to provide successor agencies and cities with certain benefits to incentivize them to comply with a Due Diligence Review process, remit the sums demanded by the Department of Finance (DOF), and conclude outstanding litigation with DOF over dissolution. Upon request by the successor agency and approval by the oversight board, AB 1484 provided that loan agreements entered into between the former redevelopment agency and the city that created the former redevelopment agency ("City-Agency" loans) "shall be deemed to be enforceable obligations provided that the oversight board makes a finding that the loan was for legitimate redevelopment purposes." (§ 34191.4(b)(1)).

If the oversight board finds that the loan is an enforceable obligation, "the accumulated interest on the remaining principal amount of the loan shall be recalculated from origination at the interest rate earned by funds deposited into the Local Agency Investment Fund." The loan is 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 the Local

CITY OF GLENDALE

Notes to the Basic Financial Statements
 Fiscal Year Ended June 30, 2016
 (in thousands)

Agency Investment Fund.” (§ 34191.4(b)(2)) Loan repayments for the fiscal year cannot exceed one-half of the increase between the amount distributed to the taxing entities pursuant to section 34183(a)(4) in that fiscal year and the amount distributed to the taxing entities pursuant to that section in the 2012-2013 base year.

Glendale received approval from the oversight board to reinstate the loans. There was disagreement with DOF on the calculation of interest and the issue was resolved through litigation between DOF and the City of Glendale. A subsequent lawsuit resolved an issue DOF raised as to the legitimacy of the loans. To date, the DOF has approved and the County Auditor Controller has paid Glendale via the Recognized Obligation Payment Schedule process, \$1,509 in FY 2014-15 and \$4,334 in FY 2015-16.

Furthermore, 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, 2016, the reinstated loan amount is \$40,133.

Glendale Successor Agency annual debt service requirement schedule:

Fiscal Year	GSA Tax Allocation Bonds Fiduciary Fund		Loans Payable Fiduciary Fund		Total Debt Service
	Interest	Principal	Interest	Principal	
2017	\$ 5,325	7,995	-	12,511	25,831
2018	5,145	8,770	-	2,762	16,677
2019	4,656	9,245	-	2,762	16,663
2020	4,137	9,745	-	2,762	16,644
2021	3,557	10,280	-	2,762	16,599
2022-2026	7,407	51,725	-	16,574	75,706
	<u>\$ 30,227</u>	<u>97,760</u>	<u>-</u>	<u>40,133</u>	<u>168,120</u>

Net Position (Deficits)

A \$37,680 deficit in net position is reported in fiduciary fund as of June 30, 2016. The primary reason for the deficit is due to the outstanding tax allocation bonds and outstanding Agency loan to the City.

NOTE 17 – SUBSEQUENT EVENT

In September 2016, the City entered into a 50-year contract with the Western Area Power Administration for the Electric Service from the Boulder Canyon Project. The service will commence on October 2017.

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.

- GASB Statement No. 74 – *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. The Statement is effective for periods beginning after June 15, 2016.
- GASB Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The objective of this Statement is to improve accounting and financial reporting by state and local

CITY OF GLENDALE

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2016

(in thousands)

governments for OPEB. This Statement replaces the requirements of Statements No. 45 and No. 57. The Statement is effective for periods beginning after June 15, 2017.

- GASB Statement No. 77 – *Tax Abatement Disclosures*. The objective of this Statement is to provide financial statement users with essential information about the nature and magnitude of the reduction in tax revenues through tax abatement programs. The Statement is effective for periods beginning after December 15, 2015.
- GASB Statement No. 78 – *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, Accounting and Financial Reporting for Pensions. The Statement is effective for periods beginning after December 15, 2015.
- GASB Statement No. 80 – *Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, The Financial Reporting Entity, as amended. The Statement is effective for periods beginning after June 15, 2016.
- GASB Statement No. 81 – *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The Statement is effective for periods beginning after December 15, 2016.

NOTE 19 – IMPLEMENTATION OF PRONOUNCEMENTS

The City has adopted and implemented, where applicable, the following GASB Statements during the year ended June 30, 2016:

- GASB Statement No. 72 – *Fair Value Measurement and Application*. The objective of the Statement is to address accounting and financial reporting issues related to fair value measurements. This statement was implemented effective July 1, 2015.
- GASB Statement No. 73 – *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The principal objectives of this Statement is to improve the information provided in the general purpose external financial reports of state and local governments about pensions and related assets that are not within the scope of Statement No. 68. This statement did not have a material effect on the financial statements.
- GASB Statement No. 76 – *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). This statement did not have a material effect on the financial statements.
- GASB Statement No. 79 – *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. The Statement is effective for periods beginning after June 15, 2015. This statement did not have a material effect on the financial statements.
- GASB Statement No. 82 – *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statement. This statement was implemented effective July 1, 2015.

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CITY OF GLENDALE

Required Supplementary Information

Fiscal Year Ended June 30, 2016

(in thousands)

Other Post Employment Benefits (OPEB)

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (B)	Unfunded Actuarial Accrued Liability (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as of Percentage of Covered Payroll ((B-A)/C)
6/30/2011	\$ -	191,063	191,063	0%	140,403	136%
6/30/2013	-	214,014	214,014	0%	121,029	177%
6/30/2015	-	21,802	21,802	0%	118,015	19%

Note:

Covered payroll is the annual compensation paid to active employees covered by an OPEB plan.

CITY OF GLENDALE

Required Supplementary Information

Last Ten Fiscal Years

(in thousands)

Schedule of Changes in Net Pension Liability and Related Ratios - Miscellaneous Plan

	Fiscal Year	
	2016	2015
Total pension liability		
Service cost	\$ 14,372	14,951
Interest on the total pension liability	71,411	69,351
Changes of benefit terms	-	-
Differences between expected and actual experience	(8,835)	-
Changes of assumptions	(17,578)	-
Benefit payments, including refunds of employee contributions	(50,059)	(47,552)
Net change in total pension liability	9,311	36,750
Total pension liability - beginning	977,724	940,974
Total pension liability - ending (A)	<u>987,035</u>	<u>977,724</u>
Plan fiduciary net position		
Plan to plan resource movement	(25)	-
Contributions from the employer	13,344	14,431
Contributions from employees	8,142	8,202
Net investment income	17,215	117,615
Benefit payments, including refunds of employee contributions	(50,059)	(47,552)
Administrative expense	(881)	-
Net change in fiduciary net position	(12,264)	92,696
Plan fiduciary net position - beginning	781,593	688,897
Plan fiduciary net position - ending (B)	<u>769,329</u>	<u>781,593</u>
Net pension liability - ending (A) - (B)	\$ <u>217,706</u>	<u>196,131</u>
Plan fiduciary net position as a percentage of the total pension liability	77.94%	79.94%
Covered payroll	\$ 83,956	88,064
Net pension liability as a percentage of covered payroll	259.31%	222.71%
Measurement date	June 30, 2015	June 30, 2014

Notes:

- FY2015 is the first year of implementation of GASB 68; therefore, only two years of data are shown.
- The City implemented GASB 82 in FY2016, so covered payroll replaces covered-employee payroll for FY2015. Covered payroll is the pensionable payroll, on which contributions to a pension plan are based.

CITY OF GLENDALE

Required Supplementary Information

Last Ten Fiscal Years

(in thousands)

Schedule of Changes in Net Pension Liability and Related Ratios - Safety Plan

	Fiscal Year	
	2016	2015
Total pension liability		
Service cost	\$ 13,038	13,249
Interest on the total pension liability	52,434	50,558
Changes of benefit terms	-	-
Differences between expected and actual experience	(5,684)	-
Changes of assumptions	(13,128)	-
Benefit payments, including refunds of employee contributions	(34,522)	(32,654)
Net change in total pension liability	12,138	31,153
Total pension liability - beginning	714,962	683,809
Total pension liability - ending (A)	<u>727,100</u>	<u>714,962</u>
Plan fiduciary net position		
Contributions from the employer	16,789	14,887
Contributions from employees	4,394	4,716
Net investment income	11,489	77,826
Benefit payments, including refunds of employee contributions	(34,522)	(32,654)
Administrative expense	(579)	-
Net change in fiduciary net position	(2,429)	64,775
Plan fiduciary net position - beginning	517,053	452,278
Plan fiduciary net position - ending (B)	<u>514,624</u>	<u>517,053</u>
Net pension liability - ending (A) - (B)	\$ <u>212,476</u>	<u>197,909</u>
Plan fiduciary net position as a percentage of the total pension liability	70.78%	72.32%
Covered payroll	\$ 47,947	47,523
Net pension liability as a percentage of covered payroll	443.15%	416.45%
Measurement date	June 30, 2015	June 30, 2014

Notes:

- FY2015 is the first year of implementation of GASB 68; therefore, only two years of data are shown.
- The City implemented GASB 82 in FY2016, so covered payroll replaces covered-employee payroll for FY2015. Covered payroll is the pensionable payroll, on which contributions to a pension plan are based.

CITY OF GLENDALE
 Required Supplementary Information
 Last Ten Fiscal Years
 (in thousands)

Schedule of Plan Contributions - Miscellaneous Plan

	Fiscal Year	
	2016	2015
Actuarially determined contributions	\$ 16,519	13,357
Contributions in relation to the actuarially determined contribution	(16,519)	(13,357)
Contribution deficiency (excess)	<u>-</u>	<u>-</u>
Covered payroll	\$ 85,575	83,956
Contributions as a percentage of covered payroll	19.304%	15.910%

Notes to Schedule:

Valuation date: Actuarially determined contribution rates are calculated as of June 30th, three years prior to the end of fiscal year in which contributions are reported.

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2016

Actuarial cost method	Entry age normal cost method
Amortization method	Level percent of payroll
Asset valuation method	Market value
Discount rate	7.50% (net of administrative expenses)
Projected salary increases	3.30% to 14.20% depending on age, service, and type of employment
Inflation	2.75%
Payroll growth	3.00%
Individual salary growth	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%
Retirement age	59

Notes:

- FY2015 is the first year of implementation of GASB 68; therefore, only two year of data are shown.
- The City implemented GASB 82 in FY2016, so covered payroll replaces covered-employee payroll for FY2015. Covered payroll is the payroll on which contributions to a pension plan are based.

CITY OF GLENDALE
 Required Supplementary Information
 Last Ten Fiscal Years
 (in thousands)

Schedule of Plan Contributions - Safety Plan

	Fiscal Year	
	2016	2015
Actuarially determined contributions	\$ 18,257	16,772
Contributions in relation to the actuarially determined contribution	(18,257)	(16,772)
Contribution deficiency (excess)	<u>-</u>	<u>-</u>
Covered payroll	\$ 47,925	47,947
Contributions as a percentage of covered payroll	38.095%	34.980%

Notes to Schedule:

Valuation date: Actuarially determined contribution rates are calculated as of June 30th, three years prior to the end of fiscal year in which contributions are reported.

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2016

Actuarial cost method	Entry age normal cost method
Amortization method	Level percent of payroll
Asset valuation method	Market value
Discount rate	7.50% (net of administrative expenses)
Projected salary increases	3.30% to 14.20% depending on age, service, and type of employment
Inflation	2.75%
Payroll growth	3.00%
Individual salary growth	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%
Retirement age	54

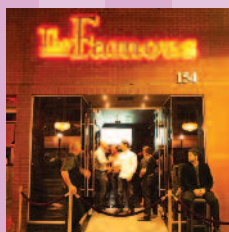
Notes:

- FY2015 is the first year of implementation of GASB 68; therefore, only two year of data are shown.
- The City implemented GASB 82 in FY2016, so covered payroll replaces covered-employee payroll for FY2015. Covered payroll is the payroll on which contributions to a pension plan are based.

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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 projects funds.



CITY OF GLENDALE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2016 (in thousands)

	Special Revenue Funds	Debt Service Fund	Capital Project Funds	Total Nonmajor Governmental Funds
Assets				
Pooled cash and investments	\$ 57,675	19,275	59,181	136,131
Cash and investments with fiscal agent	-	22	-	22
Restricted cash and investments	-	-	27,850	27,850
Interest receivable	145	47	136	328
Accounts receivable, net	13,170	-	556	13,726
Prepaid items	45	-	-	45
Property held for resale	6,988	-	-	6,988
Total assets	78,023	19,344	87,723	185,090
Liabilities, deferred inflows of resources and fund balances				
Liabilities:				
Accounts payable	9,672	36	1,171	10,879
Due to other funds	6,386	-	132	6,518
Interest payable	-	21	-	21
Unearned revenues	336	-	-	336
Deposits	247	-	-	247
Total liabilities	16,641	57	1,303	18,001
Deferred inflows of resources:				
Unavailable revenues	7,766	-	328	8,094
Total liabilities and deferred inflows of resources	24,407	57	1,631	26,095
Fund balances:				
Nonspendable:				
Prepaid	45	-	-	45
Property held for resale	981	-	-	981
Restricted for:				
Federal and state grants	2,685	-	-	2,685
Public safety	1,820	-	-	1,820
Youth employment	52	-	-	52
Transportation	22,297	-	-	22,297
Landscaping district	139	-	-	139
Low and moderate housing	9,642	-	-	9,642
Air quality improvement	370	-	-	370
Cable access	2,434	-	-	2,434
Electric public benefit AB1890	3,609	-	-	3,609
State gas tax mandates	-	-	3,240	3,240
Landfill postclosure	-	-	27,850	27,850
Capital projects	-	-	29,034	29,034
Committed to:				
Debt service	-	19,287	-	19,287
Urban art	5,275	-	-	5,275
Public safety	13	-	-	13
Impact fee funded projects	-	-	26,078	26,078
Filming	373	-	-	373
Recreation	3,548	-	-	3,548
Hazardous materials	2,057	-	-	2,057
Parking	7,511	-	-	7,511
Unassigned:	(9,235)	-	(110)	(9,345)
Total fund balances	53,616	19,287	86,092	158,995
Total liabilities, deferred inflows of resources and fund balances	\$ 78,023	19,344	87,723	185,090

CITY OF GLENDALE

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

Nonmajor Governmental Funds

Fiscal Year Ended June 30, 2016 (in thousands)

	Special Revenue Funds	Debt Service Fund	Capital Project Funds	Total Nonmajor Governmental Funds
Revenues:				
Sales taxes	\$ 2,200	-	-	2,200
Other taxes	7,147	-	-	7,147
Revenue from other agencies	23,620	-	7,559	31,179
Licenses and permits	1,036	-	12,486	13,522
Fines and forfeitures	1,598	-	-	1,598
Charges for services	27,300	-	-	27,300
Use of money and property	1,241	343	825	2,409
Miscellaneous revenue	1,851	-	45	1,896
Total revenues	<u>65,993</u>	<u>343</u>	<u>20,915</u>	<u>87,251</u>
Expenditures:				
Current:				
General government	340	-	-	340
Police	1,922	42	-	1,964
Fire	7,394	-	-	7,394
Public works	7,889	-	1,870	9,759
Housing, health and community development	7,563	-	-	7,563
Employment programs	5,603	-	-	5,603
Public service	6,381	-	-	6,381
Transportation	13,341	-	-	13,341
Parks, recreation and community services	3,579	-	106	3,685
Library	421	-	9	430
Capital outlay	8,694	-	4,072	12,766
Debt service:				
Interest	27	241	-	268
Principal	186	2,795	-	2,981
Total expenditures	<u>63,340</u>	<u>3,078</u>	<u>6,057</u>	<u>72,475</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,653</u>	<u>(2,735)</u>	<u>14,858</u>	<u>14,776</u>
Other financing source:				
Transfers in	937	500	2,000	3,437
Extraordinary gain	<u>-</u>	<u>-</u>	<u>26,490</u>	<u>26,490</u>
Net change in fund balances	3,590	(2,235)	43,348	44,703
Fund balances, July 1	<u>50,026</u>	<u>21,522</u>	<u>42,744</u>	<u>114,292</u>
Fund balances, June 30	<u>\$ 53,616</u>	<u>19,287</u>	<u>86,092</u>	<u>158,995</u>

Special Revenue 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.



SPECIAL REVENUE FUNDS

- 201 - CDBG Fund - To account for monies received and expended by the City as a participant in the Federal Community Development Block Grant (CDBG) Program.
- 203 - 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.
- 204 - Continuum of Care Grant Fund - To account for monies received and expended by the City under the Continuum of Care Grant Program to address the homeless needs of the City.
- 205 - 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.
- 206 - Workforce Investment and Opportunity Act Fund - To account for monies received and expended for the federal, state and local-funded job training programs.
- 209 - Affordable Housing Trust Fund - To account for monies received from inclusionary housing fees in the San Fernando Road Corridor Redevelopment Project Area, from affordable housing density bonus fees and miscellaneous program income, and expended for affordable housing development, monitoring, and administration.
- 210 - 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.
- 211 - Glendale Youth Alliance Fund - To account for monies received and expended in the youth employment programs.
- 212 - 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 or homeowner rehabilitation loans to low and moderate income homebuyers
- 213 - Low & Moderate Income Housing Asset Fund - To account for monies received and expended for low and moderate income housing activities pursuant to AB1484.
- 216 - Grant Fund - To account for miscellaneous grant monies received and expended by the City that are not accounted for in other specific grant funds.
- 217 - Filming Fund - To account for monies received and expended by the City relating to filming activities.
- 251 - Air Quality Improvement Fund - To account for monies received from South Coast Air Quality Management District and expended on air pollution reduction.
- 252 - PW Special Grants Fund - To account for various grants received and expended by the City in the Public Works (PW) department.
- 253 - San Fernando Landscape District Fund - To account for assessments and expenditures associated with the San Fernando Road Corridor (SFRC) Landscape & Maintenance District Project.
- 254 - 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.
- 255 - 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.
- 256 - 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.

- 257 - 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.
- 258 - 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.
- 260 - 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.
- 261 - Police Special Grants Fund - To account for various grants received and expended by the City in the Police department.
- 262 - 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).
- 265 - Fire Grant Fund - To account for grant monies received and expended for fire prevention programs.
- 266 - 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.
- 267 - Special Events Fund - To account for the monies received from the Police and Fire special events that are committed for the related personnel and operation costs.
- 270 - Nutritional Meals Grant Fund - To account for monies received from Federal assistance programs for senior citizen services.
- 275 - Library Fund - To account for the various grant monies and donations received from Federal, State and local agencies that are restricted for library services.
- 280 - 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.
- 290 - 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.
- 501 - Recreation Fund - To account for the user fees collected from the recreation programs of the Community Services and Parks department that are committed to provide variety of recreational opportunities, enrichment programs, and social service programs for all ages and abilities.
- 510 - Hazardous Disposal Fund - To account for the revenues from hazardous permits and waste disposal fees that are committed to recycle household hazardous waste, in order to divert this waste from landfill.
- 511 - Emergency Medical Services Fund - To account for operations of the emergency transport and paramedic service in the City.
- 520 - Parking Fund - To account for the parking revenues collected from the operations of City owned public parking lots and garages that are committed to operate City owned parking structures, public parking lots and the administration of the residential preferential parking program.

Exhibit H-1

CITY OF GLENDALE

Combining Balance Sheet
 Nonmajor Governmental Funds -
 Special Revenue Funds
 June 30, 2016 (in thousands)

	CDBG Fund	Home Grant Fund	Continuum of Care Grant Fund	Emergency Solutions Grant Fund
Assets				
Pooled cash and investments	\$ -	-	-	-
Interest receivable	-	-	-	-
Accounts receivable, net	137	68	324	20
Prepaid items	-	-	45	-
Property held for resale	-	981	-	-
Total assets	137	1,049	369	20
Liabilities, deferred inflows of resources and fund balances				
Liabilities:				
Accounts payable	73	10	64	13
Due to other funds	65	58	305	7
Unearned revenues	-	-	-	-
Deposits	-	-	-	-
Total liabilities	138	68	369	20
Deferred inflows of resources:				
Unavailable revenues	13	-	20	-
Total liabilities and deferred inflows of resources	151	68	389	20
Fund balances:				
Nonspendable:				
Prepaid	-	-	45	-
Property held for resale	-	981	-	-
Restricted for:				
Federal and state grants	-	-	-	-
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	-	-	-	-
Filming	-	-	-	-
Recreation	-	-	-	-
Hazardous materials	-	-	-	-
Parking	-	-	-	-
Unassigned:	(14)	-	(65)	-
Total fund balances (deficits)	(14)	981	(20)	-
Total liabilities, deferred inflows of resources and fund balances	\$ 137	1,049	369	20

(Continued)

Exhibit H-1
CITY OF GLENDALE
 Combining Balance Sheet
 Nonmajor Governmental Funds -
 Special Revenue Funds
 June 30, 2016 (in thousands)

	Workforce Investment and Opportunity Act Fund	Affordable Housing Trust Fund	Urban Art Fund	Glendale Youth Alliance Fund
Assets				
Pooled cash and investments	\$ -	1	5,272	-
Interest receivable	-	-	13	(1)
Accounts receivable, net	949	-	-	338
Prepaid items	-	-	-	-
Property held for resale	-	-	-	-
Total assets	949	1	5,285	337
Liabilities, deferred inflows of resources and fund balances				
Liabilities:				
Accounts payable	149	-	10	-
Due to other funds	123	-	-	285
Unearned revenues	-	-	-	-
Deposits	-	-	-	-
Total liabilities	272	-	10	285
Deferred inflows of resources:				
Unavailable revenues	10	-	-	-
Total liabilities and deferred inflows of resources	282	-	10	285
Fund balances:				
Nonspendable:				
Prepaid	-	-	-	-
Property held for resale	-	-	-	-
Restricted for:				
Federal and state grants	667	-	-	-
Public safety	-	-	-	-
Youth employment	-	-	-	52
Transportation	-	-	-	-
Landscaping district	-	-	-	-
Low and moderate housing	-	1	-	-
Air quality improvement	-	-	-	-
Cable access	-	-	-	-
Electric public benefit AB1890	-	-	-	-
Committed to:				
Urban art	-	-	5,275	-
Public safety	-	-	-	-
Filming	-	-	-	-
Recreation	-	-	-	-
Hazardous materials	-	-	-	-
Parking	-	-	-	-
Unassigned:	-	-	-	-
Total fund balances (deficits)	667	1	5,275	52
Total liabilities, deferred inflows of resources and fund balances	\$ 949	1	5,285	337

(Continued)

Exhibit H-1
CITY OF GLENDALE
 Combining Balance Sheet
 Nonmajor Governmental Funds -
 Special Revenue Funds
 June 30, 2016 (in thousands)

	BEGIN Affordable Homeownership Fund	Low & Moderate Income Housing Asset Fund	Grant Fund	Filming Fund
Assets				
Pooled cash and investments	\$ 89	3,709	-	372
Interest receivable	-	9	-	1
Accounts receivable, net	-	128	3,995	-
Prepaid items	-	-	-	-
Property held for resale	-	6,007	-	-
Total assets	89	9,853	3,995	373
Liabilities, deferred inflows of resources and fund balances				
Liabilities:				
Accounts payable	-	212	3,740	-
Due to other funds	-	-	236	-
Unearned revenues	-	-	-	-
Deposits	-	-	-	-
Total liabilities	-	212	3,976	-
Deferred inflows of resources:				
Unavailable revenues	-	-	3,996	-
Total liabilities and deferred inflows of resources	-	212	7,972	-
Fund balances:				
Nonspendable:				
Prepaid	-	-	-	-
Property held for resale	-	-	-	-
Restricted for:				
Federal and state grants	89	-	-	-
Public safety	-	-	-	-
Youth employment	-	-	-	-
Transportation	-	-	-	-
Landscaping district	-	-	-	-
Low and moderate housing	-	9,641	-	-
Air quality improvement	-	-	-	-
Cable access	-	-	-	-
Electric public benefit AB1890	-	-	-	-
Committed to:				
Urban art	-	-	-	-
Public safety	-	-	-	-
Filming	-	-	-	373
Recreation	-	-	-	-
Hazardous materials	-	-	-	-
Parking	-	-	-	-
Unassigned:	-	-	(3,977)	-
Total fund balances (deficits)	89	9,641	(3,977)	373
Total liabilities, deferred inflows of resources and fund balances	\$ 89	9,853	3,995	373

Exhibit H-1

CITY OF GLENDALE

Combining Balance Sheet
 Nonmajor Governmental Funds -
 Special Revenue Funds
 June 30, 2016 (in thousands)

	Air Quality Improvement Fund	PW Special Grants Fund	San Fernando Landscape District Fund	Measure R Local Return Fund
Assets				
Pooled cash and investments	\$ 334	-	136	9,152
Interest receivable	1	-	-	22
Accounts receivable, net	67	1,285	3	-
Prepaid items	-	-	-	-
Property held for resale	-	-	-	-
Total assets	402	1,285	139	9,174
Liabilities, deferred inflows of resources and fund balances				
Liabilities:				
Accounts payable	32	37	-	1,379
Due to other funds	-	1,248	-	-
Unearned revenues	-	-	-	-
Deposits	-	-	-	-
Total liabilities	32	1,285	-	1,379
Deferred inflows of resources:				
Unavailable revenues	-	451	-	-
Total liabilities and deferred inflows of resources	32	1,736	-	1,379
Fund balances:				
Nonspendable:				
Prepaid	-	-	-	-
Property held for resale	-	-	-	-
Restricted for:				
Federal and state grants	-	-	-	-
Public safety	-	-	-	-
Youth employment	-	-	-	-
Transportation	-	-	-	7,795
Landscaping district	-	-	139	-
Low and moderate housing	-	-	-	-
Air quality improvement	370	-	-	-
Cable access	-	-	-	-
Electric public benefit AB1890	-	-	-	-
Committed to:				
Urban art	-	-	-	-
Public safety	-	-	-	-
Filming	-	-	-	-
Recreation	-	-	-	-
Hazardous materials	-	-	-	-
Parking	-	-	-	-
Unassigned:	-	(451)	-	-
Total fund balances (deficits)	370	(451)	139	7,795
Total liabilities, deferred inflows of resources and fund balances	\$ 402	1,285	139	9,174

(Continued)

Exhibit H-1
CITY OF GLENDALE
 Combining Balance Sheet
 Nonmajor Governmental Funds -
 Special Revenue Funds
 June 30, 2016 (in thousands)

	Measure R Regional Return Fund	Transit Prop A Local Return Fund	Transit Prop C Local Return Fund	Transit Utility Fund
Assets				
Pooled cash and investments	\$ -	10,400	4,735	-
Interest receivable	-	20	13	-
Accounts receivable, net	2,342	244	25	-
Prepaid items	-	-	-	-
Property held for resale	-	-	-	-
Total assets	2,342	10,664	4,773	-
Liabilities, deferred inflows of resources and fund balances				
Liabilities:				
Accounts payable	1,285	772	163	-
Due to other funds	1,049	-	-	-
Unearned revenues	-	-	-	-
Deposits	-	-	-	-
Total liabilities	2,334	772	163	-
Deferred inflows of resources:				
Unavailable revenues	2,249	-	-	-
Total liabilities and deferred inflows of resources	4,583	772	163	-
Fund balances:				
Nonspendable:				
Prepaid	-	-	-	-
Property held for resale	-	-	-	-
Restricted for:				
Federal and state grants	-	-	-	-
Public safety	-	-	-	-
Youth employment	-	-	-	-
Transportation	-	9,892	4,610	-
Landscaping district	-	-	-	-
Low and moderate housing	-	-	-	-
Air quality improvement	-	-	-	-
Cable access	-	-	-	-
Electric public benefit AB1890	-	-	-	-
Committed to:				
Urban art	-	-	-	-
Public safety	-	-	-	-
Filming	-	-	-	-
Recreation	-	-	-	-
Hazardous materials	-	-	-	-
Parking	-	-	-	-
Unassigned:	(2,241)	-	-	-
Total fund balances (deficits)	(2,241)	9,892	4,610	-
Total liabilities, deferred inflows of resources and fund balances	\$ 2,342	10,664	4,773	-

(Continued)

Exhibit H-1

CITY OF GLENDALE

Combining Balance Sheet
 Nonmajor Governmental Funds -
 Special Revenue Funds
 June 30, 2016 (in thousands)

	Asset Forfeiture Fund	Police Special Grants Fund	Supplemental Law Enforcement Fund	Fire Grant Fund
Assets				
Pooled cash and investments	\$ 1,920	-	31	-
Interest receivable	4	-	-	-
Accounts receivable, net	22	549	40	511
Prepaid items	-	-	-	-
Property held for resale	-	-	-	-
Total assets	1,946	549	71	511
Liabilities, deferred inflows of resources and fund balances				
Liabilities:				
Accounts payable	138	-	-	-
Due to other funds	-	318	-	385
Unearned revenues	-	-	-	-
Deposits	59	30	-	-
Total liabilities	197	348	-	385
Deferred inflows of resources:				
Unavailable revenues	-	263	-	448
Total liabilities and deferred inflows of resources	197	611	-	833
Fund balances:				
Nonspendable:				
Prepaid	-	-	-	-
Property held for resale	-	-	-	-
Restricted for:				
Federal and state grants	-	-	-	-
Public safety	1,749	-	71	-
Youth employment	-	-	-	-
Transportation	-	-	-	-
Landscaping district	-	-	-	-
Low and moderate housing	-	-	-	-
Air quality improvement	-	-	-	-
Cable access	-	-	-	-
Electric public benefit AB1890	-	-	-	-
Committed to:				
Urban art	-	-	-	-
Public safety	-	-	-	-
Filming	-	-	-	-
Recreation	-	-	-	-
Hazardous materials	-	-	-	-
Parking	-	-	-	-
Unassigned:	-	(62)	-	(322)
Total fund balances (deficits)	1,749	(62)	71	(322)
Total liabilities, deferred inflows of resources and fund balances	\$ 1,946	549	71	511

(Continued)

Exhibit H-1
CITY OF GLENDALE
 Combining Balance Sheet
 Nonmajor Governmental Funds -
 Special Revenue Funds
 June 30, 2016 (in thousands)

	Fire Mutual Aid Fund	Special Events Fund	Nutritional Meals Grant Fund	Library Fund
Assets				
Pooled cash and investments	\$ -	13	-	1,909
Interest receivable	2	-	-	5
Accounts receivable, net	141	-	43	-
Prepaid items	-	-	-	-
Property held for resale	-	-	-	-
Total assets	143	13	43	1,914
Liabilities, deferred inflows of resources and fund balances				
Liabilities:				
Accounts payable	-	-	15	-
Due to other funds	66	-	13	-
Unearned revenues	-	-	-	-
Deposits	-	-	-	-
Total liabilities	66	-	28	-
Deferred inflows of resources:				
Unavailable revenues	141	-	-	-
Total liabilities and deferred inflows of resources	207	-	28	-
Fund balances:				
Nonspendable:				
Prepaid	-	-	-	-
Property held for resale	-	-	-	-
Restricted for:				
Federal and state grants	-	-	15	1,914
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	-	13	-	-
Filming	-	-	-	-
Recreation	-	-	-	-
Hazardous materials	-	-	-	-
Parking	-	-	-	-
Unassigned:	(64)	-	-	-
Total fund balances (deficits)	(64)	13	15	1,914
Total liabilities, deferred inflows of resources and fund balances	\$ 143	13	43	1,914

Exhibit H-1
CITY OF GLENDALE
 Combining Balance Sheet
 Nonmajor Governmental Funds -
 Special Revenue Funds
 June 30, 2016 (in thousands)

	Cable Access Fund	Electric Public Benefit Fund	Recreation Fund	Hazardous Disposal Fund
Assets				
Pooled cash and investments	\$ 2,290	3,075	3,672	2,151
Interest receivable	6	7	9	5
Accounts receivable, net	191	972	25	271
Prepaid items	-	-	-	-
Property held for resale	-	-	-	-
Total assets	2,487	4,054	3,706	2,427
Liabilities, deferred inflows of resources and fund balances				
Liabilities:				
Accounts payable	53	445	-	34
Due to other funds	-	-	-	-
Unearned revenues	-	-	-	336
Deposits	-	-	158	-
Total liabilities	53	445	158	370
Deferred inflows of resources:				
Unavailable revenues	-	-	-	-
Total liabilities and deferred inflows of resources	53	445	158	370
Fund balances:				
Nonspendable:				
Prepaid	-	-	-	-
Property held for resale	-	-	-	-
Restricted for:				
Federal and state grants	-	-	-	-
Public safety	-	-	-	-
Youth employment	-	-	-	-
Transportation	-	-	-	-
Landscaping district	-	-	-	-
Low and moderate housing	-	-	-	-
Air quality improvement	-	-	-	-
Cable access	2,434	-	-	-
Electric public benefit AB1890	-	3,609	-	-
Committed to:				
Urban art	-	-	-	-
Public safety	-	-	-	-
Filming	-	-	-	-
Recreation	-	-	3,548	-
Hazardous materials	-	-	-	2,057
Parking	-	-	-	-
Unassigned:	-	-	-	-
Total fund balances (deficits)	2,434	3,609	3,548	2,057
Total liabilities, deferred inflows of resources and fund balances	\$ 2,487	4,054	3,706	2,427

Exhibit H-1
CITY OF GLENDALE
 Combining Balance Sheet
 Nonmajor Governmental Funds -
 Special Revenue Funds
 June 30, 2016 (in thousands)

	Emergency Medical Services Fund	Parking Fund	Total Nonmajor Special Revenue Funds
Assets			
Pooled cash and investments	\$ -	8,414	57,675
Interest receivable	10	19	145
Accounts receivable, net	259	221	13,170
Prepaid items	-	-	45
Property held for resale	-	-	6,988
Total assets	269	8,654	78,023
Liabilities, deferred inflows of resources and fund balances			
Liabilities:			
Accounts payable	80	968	9,672
Due to other funds	2,228	-	6,386
Unearned revenues	-	-	336
Deposits	-	-	247
Total liabilities	2,308	968	16,641
Deferred inflows of resources:			
Unavailable revenues	-	175	7,766
Total liabilities and deferred inflows of resources	2,308	1,143	24,407
Fund balances:			
Nonspendable:			
Prepaid	-	-	45
Property held for resale	-	-	981
Restricted for:			
Federal and state grants	-	-	2,685
Public safety	-	-	1,820
Youth employment	-	-	52
Transportation	-	-	22,297
Landscaping district	-	-	139
Low and moderate housing	-	-	9,642
Air quality improvement	-	-	370
Cable access	-	-	2,434
Electric public benefit AB1890	-	-	3,609
Committed to:			
Urban art	-	-	5,275
Public safety	-	-	13
Filming	-	-	373
Recreation	-	-	3,548
Hazardous materials	-	-	2,057
Parking	-	7,511	7,511
Unassigned:	(2,039)	-	(9,235)
Total fund balances (deficits)	(2,039)	7,511	53,616
Total liabilities, deferred inflows of resources and fund balances	\$ 269	8,654	78,023

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, 2016 (in thousands)

	CDBG Fund	Home Grant Fund	Continuum of Care Grant Fund	Emergency Solutions Grant Fund
Revenues:				
Sales taxes	\$ -	-	-	-
Other taxes	-	-	-	-
Revenue from other agencies	1,849	2,055	2,131	105
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	-
Use of money and property	-	-	-	-
Miscellaneous revenue	62	152	-	-
Total revenues	1,911	2,207	2,131	105
Expenditures:				
Current:				
General government	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Transportation	-	-	-	-
Housing, health and community development	1,404	2,207	2,123	105
Employment programs	-	-	-	-
Public service	-	-	-	-
Parks, recreation and community services	-	-	-	-
Library	-	-	-	-
Capital Outlay	308	-	-	-
Debt service:				
Interest	27	-	-	-
Principal	186	-	-	-
Total expenditures	1,925	2,207	2,123	105
Excess (deficiency) of revenues over (under) expenditures	(14)	-	8	-
Other financing source:				
Transfers in	-	-	-	-
Net change in fund balances	(14)	-	8	-
Fund balances (deficits), July 1	-	981	(28)	-
Fund balances (deficits), June 30	\$ (14)	981	(20)	-

(Continued)

CITY OF GLENDALECombining Statement of Revenues, Expenditures,
and Changes in Fund Balances

Nonmajor Governmental Funds - Special Revenue Funds

Fiscal Year Ended June 30, 2016 (in thousands)

	Workforce Investment and Opportunity Act Fund	Affordable Housing Trust Fund	Urban Art Fund	Glendale Youth Alliance Fund
Revenues:				
Sales taxes	\$ -	-	-	-
Other taxes	-	-	-	-
Revenue from other agencies	4,057	-	-	-
Licenses and permits	-	-	1,016	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	1,481
Use of money and property	-	-	92	-
Miscellaneous revenue	102	1	-	-
Total revenues	4,159	1	1,108	1,481
Expenditures:				
Current:				
General government	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Transportation	-	-	-	-
Housing, health and community development	-	-	-	-
Employment programs	4,170	-	-	1,433
Public service	-	-	-	-
Parks, recreation and community services	-	-	-	-
Library	-	-	116	-
Capital Outlay	-	-	-	-
Debt service:				
Interest	-	-	-	-
Principal	-	-	-	-
Total expenditures	4,170	-	116	1,433
Excess (deficiency) of revenues over (under) expenditures	(11)	1	992	48
Other financing source:				
Transfers in	-	-	-	-
Net change in fund balances	(11)	1	992	48
Fund balances (deficits), July 1	678	-	4,283	4
Fund balances (deficits), June 30	\$ 667	1	5,275	52

(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, 2016 (in thousands)

	BEGIN Affordable Homeownership Fund	Low & Moderate Income Housing Asset Fund	Grant Fund	Filming Fund
Revenues:				
Sales taxes	\$ -	-	-	-
Other taxes	-	-	-	-
Revenue from other agencies	-	-	52	-
Licenses and permits	-	-	-	20
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	687
Use of money and property	1	79	-	6
Miscellaneous revenue	88	927	-	-
Total revenues	89	1,006	52	713
Expenditures:				
Current:				
General government	-	-	-	340
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Transportation	-	-	-	-
Housing, health and community development	-	1,451	178	-
Employment programs	-	-	-	-
Public service	-	-	-	-
Parks, recreation and community services	-	-	3	-
Library	-	-	-	-
Capital Outlay	-	-	3,846	-
Debt service:				
Interest	-	-	-	-
Principal	-	-	-	-
Total expenditures	-	1,451	4,027	340
Excess (deficiency) of revenues over (under) expenditures	89	(445)	(3,975)	373
Other financing source:				
Transfers in	-	867	-	-
Net change in fund balances	89	422	(3,975)	373
Fund balances (deficits), July 1	-	9,219	(2)	-
Fund balances (deficits), June 30	\$ 89	9,641	(3,977)	373

(Continued)

CITY OF GLENDALECombining Statement of Revenues, Expenditures,
and Changes in Fund Balances

Nonmajor Governmental Funds - Special Revenue Funds

Fiscal Year Ended June 30, 2016 (in thousands)

	Air Quality Improvement Fund	PW Special Grants Fund	San Fernando Landscape District Fund	Measure R Local Return Fund
Revenues:				
Sales taxes	\$ -	-	-	2,200
Other taxes	-	-	-	-
Revenue from other agencies	252	1,058	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	7	-	-	-
Use of money and property	5	-	2	152
Miscellaneous revenue	-	-	69	-
Total revenues	264	1,058	71	2,352
Expenditures:				
Current:				
General government	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	195	31	-
Transportation	187	-	-	141
Housing, health and community development	-	-	-	-
Employment programs	-	-	-	-
Public service	-	-	-	-
Parks, recreation and community services	-	-	-	-
Library	-	-	-	-
Capital Outlay	-	18	-	1,234
Debt service:				
Interest	-	-	-	-
Principal	-	-	-	-
Total expenditures	187	213	31	1,375
Excess (deficiency) of revenues over (under) expenditures	77	845	40	977
Other financing source:				
Transfers in	-	-	-	-
Net change in fund balances	77	845	40	977
Fund balances (deficits), July 1	293	(1,296)	99	6,818
Fund balances (deficits), June 30	\$ 370	(451)	139	7,795

(Continued)

CITY OF GLENDALECombining Statement of Revenues, Expenditures,
and Changes in Fund Balances

Nonmajor Governmental Funds - Special Revenue Funds

Fiscal Year Ended June 30, 2016 (in thousands)

	Measure R Regional Return Fund	Transit Prop A Local Return Fund	Transit Prop C Local Return Fund	Transit Utility Fund
Revenues:				
Sales taxes	\$ -	-	-	-
Other taxes	-	-	-	-
Revenue from other agencies	1,240	3,534	2,939	1,171
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	20	41	6,443
Use of money and property	-	154	83	-
Miscellaneous revenue	-	-	-	78
Total revenues	1,240	3,708	3,063	7,692
Expenditures:				
Current:				
General government	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Public works	170	-	-	-
Transportation	-	3,708	1,613	7,692
Housing, health and community development	-	-	95	-
Employment programs	-	-	-	-
Public service	-	-	-	-
Parks, recreation and community services	-	-	-	-
Library	-	-	-	-
Capital Outlay	2,540	-	-	-
Debt service:				
Interest	-	-	-	-
Principal	-	-	-	-
Total expenditures	2,710	3,708	1,708	7,692
Excess (deficiency) of revenues over (under) expenditures	(1,470)	-	1,355	-
Other financing source:				
Transfers in	-	-	-	-
Net change in fund balances	(1,470)	-	1,355	-
Fund balances (deficits), July 1	(771)	9,892	3,255	-
Fund balances (deficits), June 30	\$ (2,241)	9,892	4,610	-

(Continued)

CITY OF GLENDALECombining Statement of Revenues, Expenditures,
and Changes in Fund Balances

Nonmajor Governmental Funds - Special Revenue Funds

Fiscal Year Ended June 30, 2016 (in thousands)

	Asset Forfeiture Fund	Police Special Grants Fund	Supplemental Law Enforcement Fund	Fire Grant Fund
Revenues:				
Sales taxes	\$ -	-	-	-
Other taxes	-	-	-	-
Revenue from other agencies	-	827	361	85
Licenses and permits	-	-	-	-
Fines and forfeitures	511	-	-	-
Charges for services	-	40	-	-
Use of money and property	29	-	-	-
Miscellaneous revenue	-	114	-	2
Total revenues	540	981	361	87
Expenditures:				
Current:				
General government	-	-	-	-
Police	133	932	394	-
Fire	-	-	-	177
Public works	-	-	-	-
Transportation	-	-	-	-
Housing, health and community development	-	-	-	-
Employment programs	-	-	-	-
Public service	-	-	-	-
Parks, recreation and community services	-	-	-	-
Library	-	-	-	-
Capital Outlay	-	130	-	-
Debt service:				
Interest	-	-	-	-
Principal	-	-	-	-
Total expenditures	133	1,062	394	177
Excess (deficiency) of revenues over (under) expenditures	407	(81)	(33)	(90)
Other financing source:				
Transfers in	-	-	-	-
Net change in fund balances	407	(81)	(33)	(90)
Fund balances (deficits), July 1	1,342	19	104	(232)
Fund balances (deficits), June 30	\$ 1,749	(62)	71	(322)

(Continued)

CITY OF GLENDALECombining Statement of Revenues, Expenditures,
and Changes in Fund Balances

Nonmajor Governmental Funds - Special Revenue Funds

Fiscal Year Ended June 30, 2016 (in thousands)

	Fire Mutual Aid Fund	Special Events Fund	Nutritional Meals Grant Fund	Library Fund
Revenues:				
Sales taxes	\$ -	-	-	-
Other taxes	-	-	-	-
Revenue from other agencies	713	-	316	67
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	428	-	105
Use of money and property	9	-	-	21
Miscellaneous revenue	-	-	41	55
Total revenues	722	428	357	248
Expenditures:				
Current:				
General government	-	-	-	-
Police	-	463	-	-
Fire	854	5	-	-
Public works	-	-	-	-
Transportation	-	-	-	-
Housing, health and community development	-	-	-	-
Employment programs	-	-	-	-
Public service	-	-	-	-
Parks, recreation and community services	-	-	431	-
Library	-	-	-	305
Capital Outlay	-	-	-	-
Debt service:				
Interest	-	-	-	-
Principal	-	-	-	-
Total expenditures	854	468	431	305
Excess (deficiency) of revenues over (under) expenditures	(132)	(40)	(74)	(57)
Other financing source:				
Transfers in	-	-	70	-
Net change in fund balances	(132)	(40)	(4)	(57)
Fund balances (deficits), July 1	68	53	19	1,971
Fund balances (deficits), June 30	\$ (64)	13	15	1,914

(Continued)

CITY OF GLENDALECombining Statement of Revenues, Expenditures,
and Changes in Fund Balances

Nonmajor Governmental Funds - Special Revenue Funds

Fiscal Year Ended June 30, 2016 (in thousands)

	Cable Access Fund	Electric Public Benefit Fund	Recreation Fund	Hazardous Disposal Fund
Revenues:				
Sales taxes	\$ -	-	-	-
Other taxes	-	7,147	-	-
Revenue from other agencies	-	-	4	55
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	561	-	3,115	1,751
Use of money and property	40	54	395	33
Miscellaneous revenue	-	1	6	13
Total revenues	601	7,202	3,520	1,852
Expenditures:				
Current:				
General government	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	1,441
Public works	-	-	-	-
Transportation	-	-	-	-
Housing, health and community development	-	-	-	-
Employment programs	-	-	-	-
Public service	-	6,381	-	-
Parks, recreation and community services	-	-	3,145	-
Library	-	-	-	-
Capital Outlay	-	-	429	-
Debt service:				
Interest	-	-	-	-
Principal	-	-	-	-
Total expenditures	-	6,381	3,574	1,441
Excess (deficiency) of revenues over (under) expenditures	601	821	(54)	411
Other financing source:				
Transfers in	-	-	-	-
Net change in fund balances	601	821	(54)	411
Fund balances (deficits), July 1	1,833	2,788	3,602	1,646
Fund balances (deficits), June 30	\$ 2,434	3,609	3,548	2,057

(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, 2016 (in thousands)

	Emergency Medical Services Fund	Parking Fund	Total Nonmajor Special Revenue Funds
Revenues:			
Sales taxes	\$ -	-	2,200
Other taxes	-	-	7,147
Revenue from other agencies	747	2	23,620
Licenses and permits	-	-	1,036
Fines and forfeitures	-	1,087	1,598
Charges for services	5,429	7,192	27,300
Use of money and property	-	86	1,241
Miscellaneous revenue	90	50	1,851
Total revenues	<u>6,266</u>	<u>8,417</u>	<u>65,993</u>
Expenditures:			
Current:			
General government	-	-	340
Police	-	-	1,922
Fire	4,917	-	7,394
Public works	-	7,493	7,889
Transportation	-	-	13,341
Housing, health and community development	-	-	7,563
Employment programs	-	-	5,603
Public service	-	-	6,381
Parks, recreation and community services	-	-	3,579
Library	-	-	421
Capital Outlay	-	189	8,694
Debt service:			
Interest	-	-	27
Principal	-	-	186
Total expenditures	<u>4,917</u>	<u>7,682</u>	<u>63,340</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,349</u>	<u>735</u>	<u>2,653</u>
Other financing source:			
Transfers in	-	-	937
Net change in fund balances	1,349	735	3,590
Fund balances (deficits), July 1	<u>(3,388)</u>	<u>6,776</u>	<u>50,026</u>
Fund balances (deficits), June 30	<u>\$ (2,039)</u>	<u>7,511</u>	<u>53,616</u>

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, 2016 (in thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget Over/(Under)
CDBG Fund:				
Revenue from other agencies	\$ 1,580	1,580	1,849	269
Miscellaneous revenue	-	62	62	-
Total	1,580	1,642	1,911	269
Home Grant Fund:				
Revenue from other agencies	1,137	1,137	2,055	918
Miscellaneous revenue	4	4	152	148
Total	1,141	1,141	2,207	1,066
Continuum of Care Grant Fund:				
Revenue from other agencies	2,345	2,345	2,131	(214)
Total	2,345	2,345	2,131	(214)
Emergency Solutions Grant Fund:				
Revenue from other agencies	156	156	105	(51)
Total	156	156	105	(51)
Workforce Investment and Opportunity Act Fund:				
Revenue from other agencies	5,179	5,289	4,057	(1,232)
Miscellaneous revenue	30	30	102	72
Total	5,209	5,319	4,159	(1,160)
Affordable Housing Trust Fund:				
Miscellaneous revenue	-	-	1	1
Total	-	-	1	1
Urban Art Fund:				
Use of money and property	20	20	92	72
Licenses and permits	1,122	1,122	1,016	(106)
Total	1,142	1,142	1,108	(34)
Glendale Youth Alliance Fund:				
Charges for services	1,538	1,588	1,481	(107)
Total	1,538	1,588	1,481	(107)
BEGIN Affordable Homeownership Fund:				
Use of money and property	-	-	1	1
Miscellaneous revenue	89	89	88	(1)
Total	89	89	89	-
Low & Moderate Income Housing Asset Fund:				
Use of money and property	86	86	79	(7)
Miscellaneous revenue	207	207	927	720
Transfers	784	784	867	83
Total	\$ 1,077	1,077	1,873	796

(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, 2016 (in thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget Over/(Under)
Grant Fund:				
Revenue from other agencies	\$ 5,540	6,413	52	(6,361)
Total	5,540	6,413	52	(6,361)
Filming Fund:				
Use of money and property	-	-	6	6
Licenses and permits	-	-	20	20
Charges for services	505	505	687	182
Total	505	505	713	208
Air Quality Improvement Fund:				
Use of money and property	2	2	5	3
Revenue from other agencies	245	245	252	7
Charges for services	8	8	7	(1)
Total	255	255	264	9
PW Special Grants Fund:				
Revenue from other agencies	-	-	1,058	1,058
Total	-	-	1,058	1,058
San Fernando Landscape District Fund:				
Use of money and property	-	-	2	2
Miscellaneous revenue	75	75	69	(6)
Total	75	75	71	(4)
Measure R Local Return Fund:				
Sales taxes	2,142	2,142	2,200	58
Use of money and property	30	30	152	122
Total	2,172	2,172	2,352	180
Measure R Regional Return Fund:				
Revenue from other agencies	2,618	4,155	1,240	(2,915)
Total	2,618	4,155	1,240	(2,915)
Transit Prop A Local Return Fund:				
Use of money and property	50	50	154	104
Revenue from other agencies	3,456	3,456	3,534	78
Charges for services	100	100	20	(80)
Total	3,606	3,606	3,708	102
Transit Prop C Local Return Fund:				
Use of money and property	25	25	83	58
Revenue from other agencies	2,884	2,884	2,939	55
Charges for services	40	40	41	1
Total	\$ 2,949	2,949	3,063	114

(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, 2016 (in thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget Over/(Under)
Transit Utility Fund:				
Revenue from other agencies	\$ 1,223	1,223	1,171	(52)
Charges for services	8,249	8,249	6,443	(1,806)
Miscellaneous revenue	57	57	78	21
Total	9,529	9,529	7,692	(1,837)
Asset Forfeiture Fund:				
Use of money and property	-	-	29	29
Fines and forfeitures	-	-	511	511
Total	-	-	540	540
Police Special Grants Fund:				
Revenue from other agencies	706	2,028	827	(1,201)
Charges for services	179	179	40	(139)
Miscellaneous revenue	29	29	114	85
Total	914	2,236	981	(1,255)
Supplemental Law Enforcement Fund:				
Revenue from other agencies	410	410	361	(49)
Total	410	410	361	(49)
Fire Grant Fund:				
Revenue from other agencies	-	1,012	85	(927)
Miscellaneous revenue	-	6	2	(4)
Total	-	1,018	87	(931)
Fire Mutual Aid Fund:				
Use of money and property	-	-	9	9
Revenue from other agencies	400	400	713	313
Total	400	400	722	322
Special Events Fund:				
Charges for services	440	440	428	(12)
Total	440	440	428	(12)
Nutritional Meals Grant Fund:				
Revenue from other agencies	303	310	316	6
Miscellaneous revenue	42	42	41	(1)
Transfers	70	70	70	-
Total	415	422	427	5
Library Fund:				
Use of money and property	4	4	21	17
Revenue from other agencies	-	67	67	-
Charges for services	113	113	105	(8)
Miscellaneous revenue	52	52	55	3
Total	\$ 169	236	248	12

(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, 2016 (in thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget Over/(Under)
Cable Access Fund:				
Use of money and property	\$ 8	8	40	32
Charges for services	450	450	561	111
Total	458	458	601	143
Electric Public Benefit Fund:				
Other taxes	6,973	6,973	7,147	174
Use of money and property	15	15	54	39
Miscellaneous revenue	-	-	1	1
Total	6,988	6,988	7,202	214
Recreation Fund:				
Use of money and property	448	448	395	(53)
Revenue from other agencies	4	4	4	-
Charges for services	2,888	2,888	3,115	227
Miscellaneous revenue	67	67	6	(61)
Total	3,407	3,407	3,520	113
Hazardous Disposal Fund:				
Use of money and property	9	9	33	24
Revenue from other agencies	55	55	55	-
Charges for services	1,433	1,497	1,751	254
Miscellaneous revenue	75	11	13	2
Total	1,572	1,572	1,852	280
Emergency Medical Services Fund:				
Revenue from other agencies	-	-	747	747
Charges for services	5,200	5,200	5,429	229
Miscellaneous revenue	63	63	90	27
Total	5,263	5,263	6,266	1,003
Parking Fund:				
Use of money and property	50	50	86	36
Revenue from other agencies	-	-	2	2
Charges for services	5,266	5,266	7,192	1,926
Fines and forfeitures	2,597	2,597	1,087	(1,510)
Miscellaneous revenue	-	-	50	50
Total	7,913	7,913	8,417	504
Total revenues and other financing sources	\$ 69,875	74,921	66,930	(7,991)

CITY OF GLENDALE

Schedule of Expenditures and Other Financing Uses - Budget and Actual
 Nonmajor Governmental Funds - Special Revenue Funds
 Fiscal Year Ended June 30, 2016 (in thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget (Over)/Under
CDBG Fund:				
Housing, health and community development:				
Salaries and benefits	\$ 645	730	729	1
Maintenance and operations	628	2,145	675	1,470
Capital	100	310	308	2
Debt service	207	213	213	-
Total	1,580	3,398	1,925	1,473
Home Grant Fund:				
Housing, health and community development:				
Salaries and benefits	268	269	247	22
Maintenance and operations	873	4,394	1,960	2,434
Total	1,141	4,663	2,207	2,456
Continuum of Care Grant Fund:				
Housing, health and community development:				
Salaries and benefits	243	264	260	4
Maintenance and operations	2,102	3,198	1,863	1,335
Total	2,345	3,462	2,123	1,339
Emergency Solutions Grant Fund:				
Housing, health and community development:				
Salaries and benefits	51	51	26	25
Maintenance and operations	111	112	79	33
Total	162	163	105	58
Workforce Investment and Opportunity Act Fund:				
Employment and job training services:				
Salaries and benefits	3,268	3,353	2,387	966
Maintenance and operations	1,949	3,505	1,783	1,722
Total	5,217	6,858	4,170	2,688
Urban Art Fund:				
Library:				
Salaries and benefits	28	28	22	6
Maintenance and operations	220	600	94	506
Total	248	628	116	512
Glendale Youth Alliance Fund:				
Employment and job training services:				
Salaries and benefits	1,345	1,388	1,231	157
Maintenance and operations	193	203	202	1
Total	1,538	1,591	1,433	158
Low & Moderate Income Housing Asset Fund:				
Housing, health and community development:				
Salaries and benefits	232	233	218	15
Maintenance and operations	170	2,054	1,233	821
Total	\$ 402	2,287	1,451	836

(Continued)

CITY OF GLENDALE

Schedule of Expenditures and Other Financing Uses - Budget and Actual
 Nonmajor Governmental Funds - Special Revenue Funds
 Fiscal Year Ended June 30, 2016 (in thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget (Over)/Under
Grant Fund:				
General government:				
Salaries and benefits	\$ -	42	41	1
Maintenance and operations	-	155	140	15
Capital	5,540	6,715	3,846	2,869
Total	5,540	6,912	4,027	2,885
Filming Fund:				
General government:				
Salaries and benefits	489	490	331	159
Maintenance and operations	11	11	9	2
Total	500	501	340	161
Air Quality Improvement Fund:				
Transit:				
Salaries and benefits	190	190	116	74
Maintenance and operations	117	147	71	76
Total	307	337	187	150
PW Special Grants Fund:				
Public works:				
Salaries and benefits	23	23	3	20
Maintenance and operations	1	710	192	518
Capital	-	18	18	-
Total	24	751	213	538
San Fernando Landscape District Fund:				
Public works:				
Maintenance and operations	81	83	31	52
Total	81	83	31	52
Measure R Local Return Fund				
Public works:				
Salaries and benefits	-	11	10	1
Maintenance and operations	-	277	131	146
Capital	1,915	8,730	1,234	7,496
Total	1,915	9,018	1,375	7,643
Measure R Regional Return Fund:				
Public works:				
Salaries and benefits	-	128	127	1
Maintenance and operations	-	44	43	1
Capital	-	8,321	2,540	5,781
Total	-	8,493	2,710	5,783
Transit Prop A Local Return Fund:				
Transit:				
Salaries and benefits	208	208	191	17
Maintenance and operations	3,567	3,567	3,517	50
Capital	166	298	-	298
Total	\$ 3,941	4,073	3,708	365

(Continued)

CITY OF GLENDALE

Schedule of Expenditures and Other Financing Uses - Budget and Actual
 Nonmajor Governmental Funds - Special Revenue Funds
 Fiscal Year Ended June 30, 2016 (in thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget (Over)/Under
Transit Prop C Local Return Fund:				
Transit:				
Salaries and benefits	\$ 487	490	345	145
Maintenance and operations	3,487	3,487	1,363	2,124
Capital	250	750	-	750
Total	4,224	4,727	1,708	3,019
Transit Utility Fund:				
Transit:				
Salaries and benefits	448	453	375	78
Maintenance and operations	9,081	9,081	7,317	1,764
Capital	-	445	-	445
Total	9,529	9,979	7,692	2,287
Asset Forfeiture Fund:				
Public safety:				
Salaries and benefits	270	270	98	172
Maintenance and operations	300	352	35	317
Total	570	622	133	489
Police Special Grants Fund:				
Public safety:				
Salaries and benefits	858	1,596	778	818
Maintenance and operations	76	259	154	105
Capital	-	750	130	620
Total	934	2,605	1,062	1,543
Supplemental Law Enforcement Fund:				
Public safety:				
Salaries and benefits	398	399	386	13
Maintenance and operations	8	8	8	-
Total	406	407	394	13
Fire Grant Fund:				
Public safety:				
Salaries and benefits	-	350	45	305
Maintenance and operations	-	754	132	622
Capital	-	25	-	25
Total	-	1,129	177	952
Fire Mutual Aid Fund:				
Public safety:				
Salaries and benefits	194	194	854	(660)
Maintenance and operations	6	6	-	6
Total	200	200	854	(654)
Special Events Fund:				
Public safety:				
Salaries and benefits	360	360	455	(95)
Maintenance and operations	10	10	13	(3)
Total	\$ 370	370	468	(98)

(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, 2016 (in thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget (Over)/Under
Nutritional Meals Grant Fund:				
Parks, recreation and community services:				
Salaries and benefits	\$ 211	212	211	1
Maintenance and operations	219	225	220	5
Total	430	437	431	6
Library Fund:				
Library:				
Salaries and benefits	55	64	25	39
Maintenance and operations	267	458	280	178
Total	322	522	305	217
Electric Public Benefit Fund:				
Public service:				
Salaries and benefits	497	499	436	63
Maintenance and operations	5,924	6,924	5,945	979
Total	6,421	7,423	6,381	1,042
Recreation Fund:				
Parks, recreation and community services:				
Salaries and benefits	2,246	2,256	2,064	192
Maintenance and operations	1,253	1,253	1,081	172
Capital	1,650	2,732	429	2,303
Total	5,149	6,241	3,574	2,667
Hazardous Disposal Fund:				
Public safety:				
Salaries and benefits	1,017	1,038	1,038	-
Maintenance and operations	513	496	403	93
Total	1,530	1,534	1,441	93
Emergency Medical Services Fund:				
Public safety:				
Salaries and benefits	3,545	3,592	3,163	429
Maintenance and operations	1,919	1,967	1,754	213
Total	5,464	5,559	4,917	642
Parking Fund:				
Public Works:				
Salaries and benefits	2,752	2,795	2,478	317
Maintenance and operations	5,004	5,619	5,015	604
Capital	2,455	4,899	189	4,710
Total	10,211	13,313	7,682	5,631
Total expenditures and other financing uses	\$ 70,701	108,286	63,340	44,946

Debt Service Funds

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.



DEBT SERVICE FUND

- 303 - Police Building Project Debt Service Fund - To accumulate monies for the payment of interest and 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.

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Exhibit I-1
CITY OF GLENDALE
 Combining Balance Sheet
 Nonmajor Governmental Fund - Debt Service Fund
 June 30, 2016 (in thousands)

		<u>Police Building Project Debt Service Fund</u>
Assets		
Pooled cash and investments	\$	19,275
Cash and investments with fiscal agent		22
Interest receivable		<u>47</u>
Total assets		<u><u>19,344</u></u>
 Liability and fund balance		
Liability:		
Accounts payable		36
Interest payable		<u>21</u>
Total liabilities		<u>57</u>
Fund balance:		
Committed to:		
Debt service		<u>19,287</u>
Total liability and fund balance	\$	<u><u>19,344</u></u>

Exhibit I-2

CITY OF GLENDALE

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

Nonmajor Governmental Fund - Debt Service Fund

Fiscal Year Ended June 30, 2016 (in thousands)

	<u>Police Building Project Debt Service Fund</u>
Revenues:	
Use of money and property	\$ <u>343</u>
Expenditures:	
Current:	
Police	42
Debt service:	
Interest	241
Principal	<u>2,795</u>
Total expenditures	<u>3,078</u>
Excess of revenues (under) expenditures	<u>(2,735)</u>
Other financing source:	
Transfers in	<u>500</u>
Net change in fund balance	(2,235)
Fund balance, July 1	<u>21,522</u>
Fund balance, June 30	\$ <u><u>19,287</u></u>

Exhibit I-3

CITY OF GLENDALE

Schedule of Revenues and Other Financing Sources - Budget and Actual

Nonmajor Governmental Fund - Debt Service Fund

Fiscal Year Ended June 30, 2016 (in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget Over/(Under)
Police Building Project Debt Service Fund:				
Interest and investment revenue	\$ 175	175	343	168
Transfers in	500	500	500	-
Total revenues and other financing sources	\$ 675	675	843	168

Exhibit I-4

CITY OF GLENDALE

Schedule of Expenditures and Other Financing Uses - Budget and Actual

Nonmajor Governmental Fund - Debt Service Fund

Fiscal Year Ended June 30, 2016 (in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget (Over)/Under
Police Building Project Debt Service Fund				
Administration	\$ 15	15	42	(27)
Debt service	3,010	3,010	3,036	(26)
Total expenditures and other financing uses	\$ 3,025	3,025	3,078	(53)

Capital Projects Funds

Capital Projects 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.



CAPITAL PROJECTS FUNDS

- 402 - State Gas Tax Fund - To account for monies received and expended from state gas tax allocations for street improvement purposes.
- 403 - 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:

- 405 - 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.
 - 407 - 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.
 - 408 - 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.
- 409 - 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.
 - 410 - SF Corridor Tax Share Fund - County of Los Angeles' contribution (passback) to City of Glendale of 60% of County's share of tax increment (pass through) funds from the San Fernando Road Corridor Redevelopment Project Area to be used by the City to construct regional public improvement projects benefiting the County.

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Exhibit J-1

CITY OF GLENDALE

Combining Balance Sheet

Nonmajor Governmental Funds - Capital Projects Funds

June 30, 2016 (in thousands)

	State Gas Tax Fund	Landfill Postclosure Fund	Parks Mitigation Fee Fund	Library Mitigation Fee Fund
Assets				
Pooled cash and investments	\$ 3,918	-	23,796	2,496
Restricted cash and investments	-	27,850	-	-
Interest receivable	8	-	57	6
Accounts receivable, net	-	-	-	-
Total assets	<u>3,926</u>	<u>27,850</u>	<u>23,853</u>	<u>2,502</u>
Liabilities, deferred inflows of resources and fund balances				
Liabilities:				
Accounts payable	686	-	279	-
Due to other funds	-	-	-	-
Total liabilities	<u>686</u>	<u>-</u>	<u>279</u>	<u>-</u>
Deferred inflows of resources:				
Unavailable revenues	-	-	-	-
Total liabilities and deferred inflows of resources	<u>686</u>	<u>-</u>	<u>279</u>	<u>-</u>
Fund balances:				
Restricted for:				
State gas tax mandates	3,240	-	-	-
Landfill postclosure	-	27,850	-	-
Capital projects	-	-	-	-
Committed to:				
Impact fee funded projects	-	-	23,574	2,502
Unassigned:	-	-	-	-
Total fund balances	<u>3,240</u>	<u>27,850</u>	<u>23,574</u>	<u>2,502</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,926</u>	<u>27,850</u>	<u>23,853</u>	<u>2,502</u>

(Continued)

Exhibit J-1

CITY OF GLENDALE

Combining Balance Sheet

Nonmajor Governmental Funds - Capital Projects Funds

June 30, 2016 (in thousands)

	Parks Quimby Fee Fund	CIP Reimbursement Fund	SF Corridor Tax Share Fund	Total Nonmajor Capital Projects Funds
Assets				
Pooled cash and investments	\$ 2	-	28,969	59,181
Restricted cash and investments	-	-	-	27,850
Interest receivable	-	-	65	136
Accounts receivable, net	-	556	-	556
Total assets	<u>2</u>	<u>556</u>	<u>29,034</u>	<u>87,723</u>
Liabilities, deferred inflows of resources and fund balances				
Liabilities:				
Accounts payable	-	206	-	1,171
Due to other funds	-	132	-	132
Total liabilities	<u>-</u>	<u>338</u>	<u>-</u>	<u>1,303</u>
Deferred inflows of resources:				
Unavailable revenues	-	328	-	328
Total liabilities and deferred inflows of resources	<u>-</u>	<u>666</u>	<u>-</u>	<u>1,631</u>
Fund balances:				
Restricted for:				
State gas tax mandates	-	-	-	3,240
Landfill postclosure	-	-	-	27,850
Capital projects	-	-	29,034	29,034
Committed to:				
Impact fee funded projects	2	-	-	26,078
Unassigned:	<u>-</u>	<u>(110)</u>	<u>-</u>	<u>(110)</u>
Total fund balances	<u>2</u>	<u>(110)</u>	<u>29,034</u>	<u>86,092</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2</u>	<u>556</u>	<u>29,034</u>	<u>87,723</u>

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, 2016 (in thousands)

	State Gas Tax Fund	Landfill Postclosure Fund	Parks Mitigation Fee Fund	Library Mitigation Fee Fund
Revenues:				
Revenue from other agencies	\$ 4,268	-	-	-
Licenses and permits	-	-	11,362	1,124
Use of money and property	58	-	380	40
Miscellaneous revenue	-	-	-	-
Total revenues	4,326	-	11,742	1,164
Expenditures:				
Current:				
Public works	1,698	-	-	-
Parks, recreation and community services	-	-	106	-
Library	-	-	-	9
Capital outlay	2,256	-	939	2
Total expenditures	3,954	-	1,045	11
Excess of revenues over (under) expenditures	372	-	10,697	1,153
Other financing source:				
Transfers in	-	2,000	-	-
Extraordinary gain	-	-	-	-
Net change in fund balances	372	2,000	10,697	1,153
Fund balances (deficits), July 1	2,868	25,850	12,877	1,349
Fund balances (deficits), June 30	\$ 3,240	27,850	23,574	2,502

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, 2016 (in thousands)

	Parks Quimby Fee Fund	CIP Reimbursement Fund	SF Corridor Tax Share Fund	Total Nonmajor Capital Projects
Revenues:				
Revenue from other agencies	\$ -	1,093	2,198	7,559
Licenses and permits	-	-	-	12,486
Use of money and property	1	-	346	825
Miscellaneous revenue	-	45	-	45
Total revenues	1	1,138	2,544	20,915
Expenditures:				
Current:				
Public works	-	172	-	1,870
Parks, recreation and community services	-	-	-	106
Library	-	-	-	9
Capital outlay	-	875	-	4,072
Total expenditures	-	1,047	-	6,057
Excess of revenues over (under) expenditures	1	91	2,544	14,858
Other financing source:				
Transfers in	-	-	-	2,000
Extraordinary gain	-	-	26,490	26,490
Net change in fund balances	1	91	29,034	43,348
Fund balances (deficits), July 1	1	(201)	-	42,744
Fund balances (deficits), June 30	\$ 2	(110)	29,034	86,092

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

- 530 - Refuse Disposal Fund - To account for operations of the City-owned refuse collection and disposal service.
- 701 - 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 Fund - Nonmajor Enterprise Funds

June 30, 2016 (in thousands)

	Refuse Disposal Fund	Fire Communication Fund	Total Nonmajor Enterprise Fund
Assets and deferred outflows of resources			
Current assets:			
Pooled cash and investments	\$ 30,445	6,846	37,291
Interest receivable	72	16	88
Accounts receivable, net	2,379	-	2,379
Total current assets	<u>32,896</u>	<u>6,862</u>	<u>39,758</u>
Noncurrent assets:			
Capital assets:			
Land	1,639	-	1,639
Buildings and improvements	6,799	-	6,799
Machinery and equipment	17,104	4,360	21,464
Accumulated depreciation	(16,785)	(3,817)	(20,602)
Construction in progress	396	323	719
Total capital assets	<u>9,153</u>	<u>866</u>	<u>10,019</u>
Loans receivable	-	55	55
Total noncurrent assets	<u>9,153</u>	<u>921</u>	<u>10,074</u>
Total assets	<u>42,049</u>	<u>7,783</u>	<u>49,832</u>
Deferred outflow of resources:			
Deferred outflows of resources related to pensions	807	241	1,048
Total assets and deferred outflows of resources	<u>42,856</u>	<u>8,024</u>	<u>50,880</u>
Liabilities, deferred inflows of resources and net position			
Current liabilities:			
Accounts payable	846	-	846
Deposits	329	-	329
Total current liabilities	<u>1,175</u>	<u>-</u>	<u>1,175</u>
Noncurrent liabilities:			
Net pension liability	10,926	2,133	13,059
Total liabilities	<u>12,101</u>	<u>2,133</u>	<u>14,234</u>
Deferred inflows of resources:			
Deferred inflows of resources related to pensions	1,259	252	1,511
Total liabilities and deferred inflows of resources	<u>13,360</u>	<u>2,385</u>	<u>15,745</u>
Net position:			
Net investment in capital assets	9,153	866	10,019
Unrestricted	20,343	4,773	25,116
Total net position	<u>\$ 29,496</u>	<u>5,639</u>	<u>35,135</u>

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, 2016 (in thousands)

	Refuse Disposal Fund	Fire Communication Fund	Total Nonmajor Enterprise Funds
Operating revenues:			
Charges for services	\$ 21,768	3,516	25,284
Miscellaneous revenues	12	322	334
Total operating revenues	<u>21,780</u>	<u>3,838</u>	<u>25,618</u>
Operating expenses:			
Salaries and benefits	7,079	2,088	9,167
Maintenance and operations	9,947	767	10,714
Depreciation	1,839	152	1,991
Total operating expenses	<u>18,865</u>	<u>3,007</u>	<u>21,872</u>
Operating income	<u>2,915</u>	<u>831</u>	<u>3,746</u>
Non operating revenues (expenses):			
Interest revenue	566	118	684
Intergovernmental grants	52	2	54
Loss on disposal of capital asset	(23)	(200)	(223)
Total non operating revenues (expenses), net	<u>595</u>	<u>(80)</u>	<u>515</u>
Income before capital grants and contributions and transfers	<u>3,510</u>	<u>751</u>	<u>4,261</u>
Capital grants and contributions	-	5	5
Transfers out	(1,150)	-	(1,150)
Change in net position	<u>2,360</u>	<u>756</u>	<u>3,116</u>
Net position, July 1	<u>27,136</u>	<u>4,883</u>	<u>32,019</u>
Net position, June 30	<u>\$ 29,496</u>	<u>5,639</u>	<u>35,135</u>

CITY OF GLENDALE

Combining Statement of Cash Flows

Proprietary Funds - Nonmajor Enterprise Funds

Year Ended June 30, 2016 (in thousands)

	Refuse Disposal Fund	Fire Communication Fund	Total Nonmajor Enterprise Funds
Cash flows from operating activities:			
Cash from customers	\$ 21,870	3,894	25,764
Cash paid to employees	(7,564)	(2,265)	(9,829)
Cash paid to suppliers	(9,911)	(783)	(10,694)
Net cash provided by operating activities	4,395	846	5,241
Cash flows from noncapital financing activities:			
Operating transfers out	(1,150)	-	(1,150)
Operating grants received	52	2	54
Loans receivable	-	(55)	(55)
Net cash (used) by noncapital financing activities	(1,098)	(53)	(1,151)
Cash flows from capital and related financing activities:			
Acquisition of property, plant, and equipment	(885)	(315)	(1,200)
Capital grants received	-	5	5
Net cash (used) by capital and related financing activities	(885)	(310)	(1,195)
Cash flows from investing activities:			
Interest received	554	115	669
Net increase in cash and cash equivalents	2,966	598	3,564
Cash and cash equivalents at July 1	27,479	6,248	33,727
Cash and cash equivalents at June 30	30,445	6,846	37,291
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	2,915	831	3,746
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	1,839	152	1,991
Pension expense	(485)	(177)	(662)
Decrease Accounts receivable net	90	56	146
Increase (Decrease) Accounts payable	2	(16)	(14)
Increase Deposits	34	-	34
Total adjustments	1,480	15	1,495
Net cash provided by operating activities	\$ 4,395	846	5,241
Noncash investing, capital, and financing activities:			
Increase in fair value of investments	256	59	315

Exhibit K-4

CITY OF GLENDALE

Schedule of Net Investment in Capital Assets

Proprietary Funds - Nonmajor Enterprise Funds

Fiscal Year Ended June 30, 2016 (in thousands)

		Land	Construction in Progress	Infrastructure	Buildings and Improvements	Machinery and Equipment	Total
Refuse Disposal Fund	\$	1,639	396	-	6,799	17,104	25,938
Fire Communication Fund		-	323	-	-	4,360	4,683
Total capital assets	\$	1,639	719	-	6,799	21,464	30,621

Exhibit K-5

CITY OF GLENDALE

Schedule of Changes in Capital Assets

Proprietary Funds - Nonmajor Enterprise Funds

Fiscal Year Ended June 30, 2016 (in thousands)

	Balance at July 1	Additions/ Reclass	Retirements/ Reclass	Balance at June 30
Refuse Disposal Fund	\$ 25,433	884	(379)	25,938
Fire Communication Fund	5,787	315	(1,419)	4,683
Total capital assets	\$ 31,220	1,199	(1,798)	30,621

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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

- 601 - 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.
- 602 - Joint Helicopter Operation Fund - To account for resources and expenses for the operation of the Joint Law Enforcement Air Support Unit between City of Glendale and City of Burbank.
- 603 - 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.
- 604 - 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.
- 607 - Building Maintenance Fund - To account for maintenance, repairs or services necessary to sustain facility operations at approximately one hundred City owned facilities.
- 610 - 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.
- 612 - 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.
- 614 - 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.
- 615 - 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.
- 616 - 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.
- 617 - 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.
- 640 - Employee Benefits Fund - To account for the resources and the liability for employees' compensated absences (vacation and comp time).
- 641 - Retiree Health Savings Plan (RHSP) Benefits Fund - To account for the resources and the liability for employees' sick leave conversion under RHSP plan.
- 642 - Post Employment Benefits Fund - To account for the resources and the liability for all the benefits provided after the employees' separation from the City.
- 660 - 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, 2016 (in thousands)

	Fleet/Equipment Management Fund	Joint Helicopter Operation Fund	ISD Infrastructure Fund	ISD Applications Fund
Assets				
Current assets:				
Pooled cash and investments	\$ 17,336	2,575	4,834	13,412
Interest receivable	41	7	12	31
Accounts receivable, net	7	158	-	-
Inventories	219	-	-	-
Prepaid items	1,272	-	-	-
Total current assets	<u>18,875</u>	<u>2,740</u>	<u>4,846</u>	<u>13,443</u>
Capital assets:				
Buildings and improvements	-	-	214	-
Machinery and equipment	29,885	3,517	1,942	51
Accumulated depreciation	(20,956)	(1,809)	(511)	(31)
Construction in progress	245	-	4,024	2,209
Total capital assets	<u>9,174</u>	<u>1,708</u>	<u>5,669</u>	<u>2,229</u>
Total assets	<u>28,049</u>	<u>4,448</u>	<u>10,515</u>	<u>15,672</u>
Liabilities and net position				
Current liabilities:				
Accounts payable	113	30	39	67
Due to other funds	-	-	-	-
Interest payable	12	-	-	-
Capital leases	252	-	-	-
Claims payable	-	-	-	-
Compensated absences	-	-	-	-
Total current liabilities	<u>377</u>	<u>30</u>	<u>39</u>	<u>67</u>
Noncurrent liabilities:				
Capital leases	262	-	-	-
Claims payable	-	-	-	-
Compensated absences	-	-	-	-
Advance from other funds	-	-	-	-
Total noncurrent liabilities	<u>262</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>639</u>	<u>30</u>	<u>39</u>	<u>67</u>
Net position:				
Net investment in capital assets	8,659	1,709	5,670	2,228
Unrestricted	18,751	2,709	4,806	13,377
Total net position (deficits)	<u>\$ 27,410</u>	<u>4,418</u>	<u>10,476</u>	<u>15,605</u>

(Continued)

Exhibit L-1

CITY OF GLENDALE

Combining Statement of Net Position

Internal Service Funds

June 30, 2016 (in thousands)

	Building Maintenance Fund	Unemployment Insurance Fund	Liability Insurance Fund	Compensation Insurance Fund
Assets				
Current assets:				
Pooled cash and investments	\$ 473	766	18,771	26,451
Interest receivable	1	2	306	62
Accounts receivable, net	-	-	-	19
Inventories	-	-	-	-
Prepaid items	-	-	-	-
Total current assets	<u>474</u>	<u>768</u>	<u>19,077</u>	<u>26,532</u>
Capital assets:				
Buildings and improvements	-	-	-	-
Machinery and equipment	-	-	-	100
Accumulated depreciation	-	-	-	(83)
Construction in progress	-	-	-	-
Total capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>17</u>
Total assets	<u>474</u>	<u>768</u>	<u>19,077</u>	<u>26,549</u>
Liabilities and net position				
Current liabilities:				
Accounts payable	29	8	167	1
Due to other funds	-	-	-	-
Interest payable	-	-	-	-
Capital leases	-	-	-	-
Claims payable	-	-	3,568	6,981
Compensated absences	-	-	-	-
Total current liabilities	<u>29</u>	<u>8</u>	<u>3,735</u>	<u>6,982</u>
Noncurrent liabilities:				
Capital leases	-	-	-	-
Claims payable	-	-	2,555	27,933
Compensated absences	-	-	-	-
Advance from other funds	-	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>2,555</u>	<u>27,933</u>
Total liabilities	<u>29</u>	<u>8</u>	<u>6,290</u>	<u>34,915</u>
Net position:				
Net investment in capital assets	-	-	-	17
Unrestricted	445	760	12,787	(8,383)
Total net position (deficits)	<u>\$ 445</u>	<u>760</u>	<u>12,787</u>	<u>(8,366)</u>

(Continued)

Exhibit L-1

CITY OF GLENDALE

Combining Statement of Net Position

Internal Service Funds

June 30, 2016 (in thousands)

	Dental Insurance Fund	Medical Insurance Fund	Vision Insurance Fund	Employee Benefits Fund
Assets				
Current assets:				
Pooled cash and investments	\$ 1,116	-	494	12,561
Interest receivable	3	-	1	30
Accounts receivable, net	-	3	-	-
Inventories	-	-	-	-
Prepaid items	-	1,529	-	-
Total current assets	1,119	1,532	495	12,591
Capital assets:				
Buildings and improvements	-	-	-	-
Machinery and equipment	-	-	-	-
Accumulated depreciation	-	-	-	-
Construction in progress	-	-	-	-
Total capital assets	-	-	-	-
Total assets	1,119	1,532	495	12,591
Liabilities and net position				
Current liabilities:				
Accounts payable	186	349	14	-
Due to other funds	-	1,456	-	-
Interest payable	-	-	-	-
Capital leases	-	-	-	-
Claims payable	-	905	-	-
Compensated absences	-	-	-	1,802
Total current liabilities	186	2,710	14	1,802
Noncurrent liabilities:				
Capital leases	-	-	-	-
Claims payable	-	-	-	-
Compensated absences	-	-	-	11,082
Advance from other funds	-	-	-	-
Total noncurrent liabilities	-	-	-	11,082
Total liabilities	186	2,710	14	12,884
Net position:				
Net investment in capital assets	-	-	-	-
Unrestricted	933	(1,178)	481	(293)
Total net position (deficits)	\$ 933	(1,178)	481	(293)

(Continued)

Exhibit L-1

CITY OF GLENDALE

Combining Statement of Net Position

Internal Service Funds

June 30, 2016 (in thousands)

	Retiree Health Savings Plan (RHSP) Benefits Fund	Post Employment Benefits Fund	ISD Wireless Fund	Total Internal Service Funds
Assets				
Current assets:				
Pooled cash and investments	\$ 11,707	1,195	1,520	113,211
Interest receivable	30	4	3	533
Accounts receivable, net	-	-	447	634
Inventories	-	-	-	219
Prepaid items	-	-	-	2,801
Total current assets	<u>11,737</u>	<u>1,199</u>	<u>1,970</u>	<u>117,398</u>
Capital assets:				
Buildings and improvements	-	-	-	214
Machinery and equipment	-	-	6,154	41,649
Accumulated depreciation	-	-	(1,981)	(25,371)
Construction in progress	-	-	2,534	9,012
Total capital assets	<u>-</u>	<u>-</u>	<u>6,707</u>	<u>25,504</u>
Total assets	<u>11,737</u>	<u>1,199</u>	<u>8,677</u>	<u>142,902</u>
Liabilities and net position				
Current liabilities:				
Accounts payable	-	-	10	1,013
Due to other funds	-	-	-	1,456
Interest payable	-	-	19	31
Capital leases	-	-	-	252
Claims payable	-	-	-	11,454
Compensated absences	1,780	-	-	3,582
Total current liabilities	<u>1,780</u>	<u>-</u>	<u>29</u>	<u>17,788</u>
Noncurrent liabilities:				
Capital leases	-	-	-	262
Claims payable	-	-	-	30,488
Compensated absences	13,070	-	-	24,152
Advance from other funds	-	-	1,153	1,153
Total noncurrent liabilities	<u>13,070</u>	<u>-</u>	<u>1,153</u>	<u>56,055</u>
Total liabilities	<u>14,850</u>	<u>-</u>	<u>1,182</u>	<u>73,843</u>
Net position:				
Net investment in capital assets	-	-	5,820	24,103
Unrestricted	(3,113)	1,199	1,675	44,956
Total net position (deficits)	<u>\$ (3,113)</u>	<u>1,199</u>	<u>7,495</u>	<u>69,059</u>

Exhibit L-2

CITY OF GLENDALE

Combining Statement of Revenues, Expenses
and Changes in Net Position
Internal Service Funds
Fiscal Year Ended June 30, 2016 (in thousands)

	Fleet/Equipment Management Fund	Joint Helicopter Operation Fund	ISD Infrastructure Fund	ISD Applications Fund
Operating revenues:				
Charges for services	\$ 12,984	761	7,005	7,184
Miscellaneous revenues	2	-	94	-
Total operating revenues	<u>12,986</u>	<u>761</u>	<u>7,099</u>	<u>7,184</u>
Operating expenses:				
Salaries and benefits	3,614	-	2,255	3,012
Maintenance and operations	4,999	618	3,335	2,705
Equipment purchased	4	-	145	-
Claims and settlements	-	-	-	-
Depreciation	1,519	103	219	10
Total operating expenses	<u>10,136</u>	<u>721</u>	<u>5,954</u>	<u>5,727</u>
Operating income (loss)	<u>2,850</u>	<u>40</u>	<u>1,145</u>	<u>1,457</u>
Non operating revenues (expenses):				
Interest revenue	338	42	87	220
Grant revenue	-	-	-	(3)
Interest expense	(25)	-	-	-
Loss on disposal of capital asset	(4)	-	(15)	(263)
Total non operating revenues (expenses), net	<u>309</u>	<u>42</u>	<u>72</u>	<u>(46)</u>
Income (loss) before transfers	<u>3,159</u>	<u>82</u>	<u>1,217</u>	<u>1,411</u>
Transfers in	-	-	-	5,640
Transfers out	-	-	-	-
Change in net position	<u>3,159</u>	<u>82</u>	<u>1,217</u>	<u>7,051</u>
Net position (deficits), July 1	<u>24,251</u>	<u>4,336</u>	<u>9,259</u>	<u>8,554</u>
Net position (deficits), June 30	<u>\$ 27,410</u>	<u>4,418</u>	<u>10,476</u>	<u>15,605</u>

(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, 2016 (in thousands)

	Building Maintenance Fund	Unemployment Insurance Fund	Liability Insurance Fund	Compensation Insurance Fund
Operating revenues:				
Charges for services	\$ 1,000	305	5,599	16,000
Miscellaneous revenues	-	-	56	-
Total operating revenues	<u>1,000</u>	<u>305</u>	<u>5,655</u>	<u>16,000</u>
Operating expenses:				
Salaries and benefits	44	-	352	801
Maintenance and operations	524	1	1,300	1,019
Equipment purchased	-	-	-	-
Claims and settlements	-	75	5,738	8,546
Depreciation	-	-	-	3
Total operating expenses	<u>568</u>	<u>76</u>	<u>7,390</u>	<u>10,369</u>
Operating income (loss)	<u>432</u>	<u>229</u>	<u>(1,735)</u>	<u>5,631</u>
Non operating revenues (expenses):				
Interest revenue	13	12	348	449
Grant revenue	-	-	-	-
Interest expense	-	-	-	-
Loss on disposal of capital asset	-	-	-	-
Total non operating revenues (expenses), net	<u>13</u>	<u>12</u>	<u>348</u>	<u>449</u>
Income (loss) before transfers	<u>445</u>	<u>241</u>	<u>(1,387)</u>	<u>6,080</u>
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Change in net position	<u>445</u>	<u>241</u>	<u>(1,387)</u>	<u>6,080</u>
Net position (deficits), July 1	<u>-</u>	<u>519</u>	<u>14,174</u>	<u>(14,446)</u>
Net position (deficits), June 30	<u>\$ 445</u>	<u>760</u>	<u>12,787</u>	<u>(8,366)</u>

(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, 2016 (in thousands)

	Dental Insurance Fund	Medical Insurance Fund	Vision Insurance Fund	Employee Benefits Fund
Operating revenues:				
Charges for services	\$ 1,513	25,848	266	5,642
Miscellaneous revenues	-	39	-	-
Total operating revenues	1,513	25,887	266	5,642
Operating expenses:				
Salaries and benefits	-	-	-	20
Maintenance and operations	9	1,181	2	100
Equipment purchased	-	-	-	-
Claims and settlements	1,408	25,542	219	4,238
Depreciation	-	-	-	-
Total operating expenses	1,417	26,723	221	4,358
Operating income (loss)	96	(836)	45	1,284
Non operating revenues (expenses):				
Interest revenue	18	-	9	215
Grant revenue	-	-	-	-
Interest expense	-	-	-	-
Loss on disposal of capital asset	-	-	-	-
Total non operating revenues (expenses), net	18	-	9	215
Income (loss) before transfers	114	(836)	54	1,499
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Change in net position	114	(836)	54	1,499
Net position (deficits), July 1	819	(342)	427	(1,792)
Net position (deficits), June 30	\$ 933	(1,178)	481	(293)

(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, 2016 (in thousands)

	Retiree Health Savings Plan (RHSP) Benefits Fund	Post Employment Benefits Fund	ISD Wireless Fund	Total Internal Service Funds
Operating revenues:				
Charges for services	\$ 2,865	2,169	3,763	92,904
Miscellaneous revenues	-	-	2	193
Total operating revenues	<u>2,865</u>	<u>2,169</u>	<u>3,765</u>	<u>93,097</u>
Operating expenses:				
Salaries and benefits	10	-	850	10,958
Maintenance and operations	9	57	1,671	17,530
Equipment purchased	-	-	-	149
Claims and settlements	3,517	2,159	-	51,442
Depreciation	-	-	593	2,447
Total operating expenses	<u>3,536</u>	<u>2,216</u>	<u>3,114</u>	<u>82,526</u>
Operating income (loss)	<u>(671)</u>	<u>(47)</u>	<u>651</u>	<u>10,571</u>
Non operating revenues (expenses):				
Interest revenue	213	28	57	2,049
Grant revenue	-	-	587	584
Interest expense	-	-	(25)	(50)
Loss on disposal of capital asset	-	-	-	(282)
Total non operating revenues (expenses), net	<u>213</u>	<u>28</u>	<u>619</u>	<u>2,301</u>
Income (loss) before transfers	<u>(458)</u>	<u>(19)</u>	<u>1,270</u>	<u>12,872</u>
Transfers in	-	-	-	5,640
Transfers out	-	(5,640)	-	(5,640)
Change in net position	<u>(458)</u>	<u>(5,659)</u>	<u>1,270</u>	<u>12,872</u>
Net position (deficits), July 1	<u>(2,655)</u>	<u>6,858</u>	<u>6,225</u>	<u>56,187</u>
Net position (deficits), June 30	<u><u>\$ (3,113)</u></u>	<u><u>1,199</u></u>	<u><u>7,495</u></u>	<u><u>69,059</u></u>

CITY OF GLENDALE

Combining Statement of Cash Flows

Internal Service Funds

Fiscal Year Ended June 30, 2016 (in thousands)

	Fleet/Equipment Management Fund	Joint Helicopter Operation Fund	ISD Infrastructure Fund	ISD Applications Fund
Cash flows from operating activities:				
Cash from customers	\$ 12,985	674	7,099	7,184
Cash paid to employees	(3,614)	-	(2,255)	(3,012)
Cash paid to suppliers	(6,669)	(609)	(3,630)	(2,840)
Net cash provided (used) by operating activities	2,702	65	1,214	1,332
Cash flows from noncapital financing activities:				
Amounts paid to other funds	-	-	-	-
Transfers out	-	-	-	-
Transfers in	-	-	-	5,640
Grants received	-	-	-	(3)
Net cash provided (used) by noncapital financing activities	-	-	-	5,637
Cash flows from capital and related financing activities:				
Interest on long-term debt	(25)	-	-	-
Capital lease	(249)	-	-	-
Acquisition of property, plant and equipment	(1,015)	1	(1,225)	(1,946)
Net cash provided (used) by capital and related financing activities	(1,289)	1	(1,225)	(1,946)
Cash flows from investing activities:				
Interest received	331	40	85	206
Net increase (decrease) in cash and cash equivalents	1,744	106	74	5,229
Cash and cash equivalents at July 1	15,592	2,469	4,760	8,183
Cash and cash equivalents at June 30	17,336	2,575	4,834	13,412
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	2,850	40	1,145	1,457
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	1,519	103	219	10
(Increase) Decrease Accounts receivable, net	(1)	(87)	-	-
(Increase) Inventories	(219)	-	-	-
(Increase) Prepaid expenses	(1,272)	-	-	-
Increase (Decrease) Compensated absences	-	-	-	-
Increase (Decrease) Accounts payable	(175)	9	(150)	(135)
Increase Due to other funds	-	-	-	-
Increase (Decrease) Claims payable	-	-	-	-
Total adjustments	(148)	25	69	(125)
Net cash provided (used) by operating activities	\$ 2,702	65	1,214	1,332
Noncash investing, capital, and financing activities:				
Increase in fair value of investments	149	21	43	111

(Continued)

Exhibit L-3

CITY OF GLENDALE

Combining Statement of Cash Flows

Internal Service Funds

Fiscal Year Ended June 30, 2016 (in thousands)

	Building Maintenance Fund	Unemployment Insurance Fund	Liability Insurance Fund	Compensation Insurance Fund
Cash flows from operating activities:				
Cash from customers	\$ 1,000	305	5,665	16,074
Cash paid to employees	(44)	-	(352)	(801)
Cash paid to suppliers	(495)	(114)	(6,825)	(10,750)
Net cash provided (used) by operating activities	461	191	(1,512)	4,523
Cash flows from noncapital financing activities:				
Amounts paid to other funds	-	-	-	-
Transfers out	-	-	-	-
Transfers in	-	-	-	-
Grants received	-	-	-	-
Net cash provided (used) by noncapital financing activities	-	-	-	-
Cash flows from capital and related financing activities:				
Interest on long-term debt	-	-	-	-
Capital lease	-	-	-	-
Acquisition of property, plant and equipment	-	-	-	1
Net cash provided (used) by capital and related financing activities	-	-	-	1
Cash flows from investing activities:				
Interest received	12	11	342	433
Net increase (decrease) in cash and cash equivalents	473	202	(1,170)	4,957
Cash and cash equivalents at July 1	-	564	19,941	21,494
Cash and cash equivalents at June 30	473	766	18,771	26,451
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	432	229	(1,735)	5,631
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	-	-	-	3
(Increase) Decrease Accounts receivable, net	-	-	10	74
(Increase) Inventories	-	-	-	-
(Increase) Prepaid expenses	-	-	-	-
Increase (Decrease) Compensated absences	-	-	-	-
Increase (Decrease) Accounts payable	29	(38)	146	(44)
Increase Due to other funds	-	-	-	-
Increase (Decrease) Claims payable	-	-	67	(1,141)
Total adjustments	29	(38)	223	(1,108)
Net cash provided (used) by operating activities	\$ 461	191	(1,512)	4,523
Noncash investing, capital, and financing activities:				
Increase in fair value of investments	5	6	177	224

(Continued)

Exhibit L-3

CITY OF GLENDALE

Combining Statement of Cash Flows

Internal Service Funds

Fiscal Year Ended June 30, 2016 (in thousands)

	Dental Insurance Fund	Medical Insurance Fund	Vision Insurance Fund	Employee Benefits Fund
Cash flows from operating activities:				
Cash from customers	\$ 1,513	25,884	266	5,642
Cash paid to employees	-	-	-	(4,311)
Cash paid to suppliers	(1,334)	(26,694)	(222)	(100)
Net cash provided (used) by operating activities	179	(810)	44	1,231
Cash flows from noncapital financing activities:				
Amounts paid to other funds	-	-	-	-
Transfers out	-	-	-	-
Transfers in	-	-	-	-
Grants received	-	-	-	-
Net cash provided (used) by noncapital financing activities	-	-	-	-
Cash flows from capital and related financing activities:				
Interest on long-term debt	-	-	-	-
Capital lease	-	-	-	-
Acquisition of property, plant and equipment	-	-	-	-
Net cash provided (used) by capital and related financing activities	-	-	-	-
Cash flows from investing activities:				
Interest received	17	5	9	209
Net increase (decrease) in cash and cash equivalents	196	(805)	53	1,440
Cash and cash equivalents at July 1	920	805	441	11,121
Cash and cash equivalents at June 30	1,116	-	494	12,561
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	96	(836)	45	1,284
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	-	-	-	-
(Increase) Decrease Accounts receivable, net	-	(3)	-	-
(Increase) Inventories	-	-	-	-
(Increase) Prepaid expenses	-	(982)	-	-
Increase (Decrease) Compensated absences	-	-	-	(53)
Increase (Decrease) Accounts payable	83	(259)	(1)	-
Increase Due to other funds	-	1,456	-	-
Increase (Decrease) Claims payable	-	(186)	-	-
Total adjustments	83	26	(1)	(53)
Net cash provided (used) by operating activities	\$ 179	(810)	44	1,231
Noncash investing, capital, and financing activities:				
Increase in fair value of investments	9	-	4	108

(Continued)

Exhibit L-3

CITY OF GLENDALE

Combining Statement of Cash Flows

Internal Service Funds

Fiscal Year Ended June 30, 2016 (in thousands)

	Retiree Health Savings Plan (RHSP) Benefits Fund	Post Employment Benefits Fund	ISD Wireless Fund	Total Internal Service Funds
Cash flows from operating activities:				
Cash from customers	\$ 2,865	2,169	3,338	92,663
Cash paid to employees	(2,308)	-	(850)	(17,547)
Cash paid to suppliers	(9)	(2,216)	(1,687)	(64,194)
Net cash provided (used) by operating activities	<u>548</u>	<u>(47)</u>	<u>801</u>	<u>10,922</u>
Cash flows from noncapital financing activities:				
Amounts paid to other funds	-	-	(560)	(560)
Transfers out	-	(5,640)	-	(5,640)
Transfers in	-	-	-	5,640
Grants received	-	-	587	584
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>(5,640)</u>	<u>27</u>	<u>24</u>
Cash flows from capital and related financing activities:				
Interest on long-term debt	-	-	(25)	(50)
Capital lease	-	-	(10)	(259)
Acquisition of property, plant and equipment	-	-	(507)	(4,691)
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>(542)</u>	<u>(5,000)</u>
Cash flows from investing activities:				
Interest received	<u>207</u>	<u>39</u>	<u>56</u>	<u>2,002</u>
Net increase (decrease) in cash and cash equivalents	<u>755</u>	<u>(5,648)</u>	<u>342</u>	<u>7,948</u>
Cash and cash equivalents at July 1	<u>10,952</u>	<u>6,843</u>	<u>1,178</u>	<u>105,263</u>
Cash and cash equivalents at June 30	<u>11,707</u>	<u>1,195</u>	<u>1,520</u>	<u>113,211</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	(671)	(47)	651	10,571
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	-	-	593	2,447
(Increase) Decrease Accounts receivable, net	-	-	(427)	(434)
(Increase) Inventories	-	-	-	(219)
(Increase) Prepaid expenses	-	-	-	(2,254)
Increase (Decrease) Compensated absences	1,219	-	-	1,166
Increase (Decrease) Accounts payable	-	-	(16)	(551)
Increase Due to other funds	-	-	-	1,456
Increase (Decrease) Claims payable	-	-	-	(1,260)
Total adjustments	<u>1,219</u>	<u>-</u>	<u>150</u>	<u>351</u>
Net cash provided (used) by operating activities	<u>\$ 548</u>	<u>(47)</u>	<u>801</u>	<u>10,922</u>
Noncash investing, capital, and financing activities:				
Increase in fair value of investments	106	13	12	988

Exhibit M-1

CITY OF GLENDALE

Capital Assets Used in the Operation of Governmental Funds

Schedule by Function and Activity

June 30, 2016 (in thousands)

	Land	Construction in Progress	Infrastructure	Buildings and Improvements	Machinery and Equipment	Total
General government						
City council	\$ -	-	-	124	2,613	2,737
City clerk	-	-	-	5	55	60
City manager	-	-	-	307	583	890
Legal	-	-	-	10	41	51
Finance	-	-	-	-	6,117	6,117
Information services	-	-	12,221	430	17,454	30,105
Planning	-	-	-	-	5	5
Personnel	-	5	-	-	246	251
Total	-	5	12,221	876	27,114	40,216
Public safety						
Police	5,227	-	-	68,881	11,180	85,288
Fire	5,925	100	-	19,112	13,222	38,359
Fire paramedics	-	-	-	-	685	685
Hazardous materials	-	-	-	598	209	807
Emergency services	-	-	-	-	150	150
Total	11,152	100	-	88,591	25,446	125,289
Public works						
Public works	16,209	2,605	36,373	1,560	1,767	58,514
Engineering	-	-	-	-	56	56
Corporation yard	282,468	21,316	262,577	74,633	1,150	642,144
Mechanical maintenance	-	-	-	-	154	154
Traffic engineering	-	3,737	5,509	922	350	10,518
Transit administration	15,441	345	-	3,267	15,605	34,658
Parking	5,547	1,834	-	41,983	2,860	52,224
Air quality improvement	-	36	-	-	514	550
Total	319,665	29,873	304,459	122,365	22,456	798,818
Housing, health and community development						
	23,262	644	326	32,900	6,797	63,929
Employment programs						
	-	-	-	-	155	155
Parks, recreation and community services						
	59,772	8,487	87	109,264	1,410	179,020
Library						
	448	10,994	-	9,888	1,904	23,234
Total capital assets	414,299	50,103	317,093	363,884	85,282	1,230,661
Accumulated depreciation			(112,438)	(150,856)	(66,867)	(330,161)
Net capital assets	\$ 414,299	50,103	204,655	213,028	18,415	900,500

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

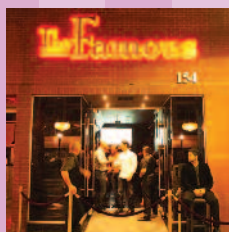
Fiscal Year Ended June 30, 2016 (in thousands)

	Balance at July 1	Additions	Retirements	Reclass	Balance at June 30
General government:					
City council	\$ 2,587	156	(6)	-	2,737
City clerk	60	-	-	-	60
City manager	890	-	-	-	890
Legal	51	-	-	-	51
Finance	6,117	-	-	-	6,117
Information services	30,105	-	-	-	30,105
Planning	5	-	-	-	5
Personnel	251	-	-	-	251
Total	40,066	156	(6)	-	40,216
Public safety:					
Police	85,148	140	-	-	85,288
Fire	37,790	569	-	-	38,359
Fire paramedics	685	-	-	-	685
Hazardous materials	839	-	(16)	(16)	807
Emergency services	150	-	-	-	150
Total	124,612	709	(16)	(16)	125,289
Public works:					
Public works	59,185	-	-	(671)	58,514
Engineering	56	-	-	-	56
Corporation yard	635,639	4,396	(1,267)	3,376	642,144
Mechanical maintenance	154	-	-	-	154
Traffic engineering	9,180	1,844	(506)	-	10,518
Transit administration	35,346	178	(577)	(289)	34,658
Parking	51,032	695	-	497	52,224
Air quality improvement	550	-	-	-	550
Total	791,142	7,113	(2,350)	2,913	798,818
Housing, health and community development:					
	55,085	5,315	-	3,529	63,929
Employment programs					
	155	-	-	-	155
Parks, recreation and community services:					
	177,001	2,019	-	-	179,020
Library					
	23,095	153	(14)	-	23,234
Total capital assets	1,211,156	15,465	(2,386)	6,426	1,230,661
Accumulated Depreciation	(311,354)	(21,495)	2,386	302	(330,161)
Net Capital Assets	\$ 899,802	(6,030)	-	6,728	900,500

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				
	2016	2015	2014	2013	2012
Governmental activities					
Net investment in capital assets	\$ 888,998	882,741	829,862	816,785	802,729
Restricted	110,281	74,413	73,323	70,047	40,119
Unrestricted	(153,423) ⁽²⁾	(315,057) ⁽²⁾	47,188	62,419	104,152
Total governmental activities net position	<u>845,856</u>	<u>642,097</u>	<u>950,373</u>	<u>949,251</u>	<u>947,000</u>
Business-type activities:					
Net investment in capital assets	422,656	437,125	484,467	516,774	545,511
Restricted	5,669	5,669	5,669	5,669	5,669
Unrestricted	222,463	159,220	210,397	159,224	140,283
Total business-type activities net position	<u>650,788</u>	<u>602,014</u>	<u>700,533</u>	<u>681,667</u>	<u>691,463</u>
Primary government:					
Net investment in capital assets	1,311,654	1,319,866	1,314,329	1,333,559	1,348,240
Restricted	115,950	80,082	78,992	75,716	45,788
Unrestricted	69,040	(155,837)	257,585	221,643	244,435
Total primary government net position	<u>\$ 1,496,644</u>	<u>1,244,111</u>	<u>1,650,906</u>	<u>1,630,918</u>	<u>1,638,463</u>

	Fiscal Year				
	2011	2010	2009	2008	2007
Governmental activities					
Net investment in capital assets	\$ 814,946	806,721	782,170	766,314	608,369
Restricted	53,953	56,854	56,506	48,392	59,782
Unrestricted	85,930	91,582	113,761	109,313	236,117
Total governmental activities net position	<u>954,829</u>	<u>955,157</u>	<u>952,437</u>	<u>924,019</u>	<u>904,268</u>
Business-type activities:					
Net investment in capital assets	526,011	476,440	448,099	392,039	472,893
Restricted	15,474	13,864	14,047	14,058	8,392
Unrestricted	159,353	208,562	238,443	278,763	190,462
Total business-type activities net position	<u>700,838</u>	<u>698,866</u>	<u>700,589</u>	<u>684,860</u>	<u>671,747</u>
Primary government:					
Net investment in capital assets	1,340,957	1,283,161	1,230,269	1,158,353	1,081,262
Restricted	69,427	70,718	70,553	62,450	68,174
Unrestricted	245,283	300,144	352,204	388,076	426,579
Total primary government net position	<u>\$ 1,655,667</u>	<u>1,654,023</u>	<u>1,653,026</u>	<u>1,608,879</u>	<u>1,576,015</u>

Notes:

- (1) In FY2012, only seven months of the Glendale Redevelopment Agency transactions was included in the governmental activities due to AB 1x 26 - Redevelopment Agencies Dissolution on February 1, 2012. The transactions for the remainder of the fiscal year were recorded in the Glendale Successor Agency Private Purpose Trust Fiduciary Fund.
- (2) In FY2015 and FY2016, the negative unrestricted net position for governmental activities was due to the recognition of net pension liability pursuant to GASB Statement No. 68.

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				
	2016	2015	2014	2013	2012 ⁽¹⁾
Expenses					
Governmental activities:					
General government	\$ 20,335	47,822	64,776	33,432	22,151
Public safety					
Police	72,274	74,596	71,299	72,997	72,160
Fire	51,386	48,796	47,370	50,880	61,917
Public works	31,925	26,558	41,126	39,349	42,192
Transportation	14,367	15,222	-	-	-
Housing, health, and community development	39,860	42,472	38,536	44,534	45,387
Employment programs	5,265	5,557	5,642	6,080	6,197
Public service	6,230	5,895	5,173	4,490	6,369
Parks, recreation and community services	15,889	13,325	12,372	12,326	12,804
Library	8,222	8,392	7,893	8,338	8,209
Interest and fiscal charges	2,203	1,398	2,553	1,932	10,871
Total governmental activities expenses	<u>267,956</u>	<u>290,033</u>	<u>296,740</u>	<u>274,358</u>	<u>288,257</u>
Business-type activities:					
Recreation	- (2)	2,584 (2)	2,338	2,820	2,754
Hazardous disposal	- (2)	1,511 (2)	1,170	1,709	1,507
Fire communications	3,149	2,965	2,521	3,291	3,528
Parking	- (2)	7,702 (2)	6,317	7,683	7,674
Sewer	15,327	17,421	14,353	14,585	15,148
Refuse disposal	18,518	18,519	16,143	19,197	18,794
Electric	172,647	187,864	179,322	172,509	200,120
Water	42,017	45,068	42,927	41,862	40,937
Total business-type activities expenses	<u>251,658</u>	<u>283,634</u>	<u>265,091</u>	<u>263,656</u>	<u>290,462</u>
Total primary government expenses	<u>\$ 519,614</u>	<u>573,667</u>	<u>561,831</u>	<u>538,014</u>	<u>578,719</u>

Notes:

- (1) In FY2012, only seven months of the Glendale Redevelopment Agency transactions was included in the governmental activities due to AB 1x 26 - Redevelopment Agencies Dissolution on February 1, 2012. The transactions for the remainder of the fiscal year were recorded in the Glendale Successor Agency Private Purpose Trust Fiduciary Fund.
- (2) Effective June 30, 2015, Recreation, Hazardous Disposal and Parking Funds were reclassified from enterprise funds to special revenue funds.

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				
	2016	2015	2014	2013	2012 ⁽¹⁾
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 17,554	18,554	17,895	16,249	16,738
Public safety					
Police	1,229	1,087	759	746	758
Fire	8,242	6,330	2,206	8,327	15,553
Public works	20,732	14,469	19,544	18,647	13,401
Transportation	9,882	6,849	-	-	-
Housing, health, and community development	68	55	57	67	58
Employment programs	1,509	1,401	1,486	1,512	1,831
Parks, recreation and community services	2,999	11	11	15	8
Library	156	174	171	170	201
Operating grants and contributions	56,398	55,415	63,195	59,855	61,877
Capital grants and contributions	8,083	6,969	11,134	17,949	6,103
Total governmental activities program revenues	<u>126,852</u>	<u>111,314</u>	<u>116,458</u>	<u>123,537</u>	<u>116,528</u>
Business-type activities:					
Charges for services:					
Recreation	- (2)	2,773 (2)	2,813	2,645	2,648
Hazardous disposal	- (2)	1,632 (2)	1,598	1,559	1,547
Fire communications	3,515	3,253	3,191	3,288	3,223
Parking	- (2)	9,303 (2)	8,897	8,699	8,303
Sewer	14,273	15,790	15,576	16,143	15,716
Refuse disposal	21,769	21,989	21,195	21,704	20,457
Electric	217,467	215,956	196,263	173,701	196,007
Water	49,972	47,520	43,069	44,605	41,359
Operating grants and contributions	54	120	299	223	96
Capital grants and contributions	305	2,306	796	1,203	6,590
Total business-type activities program revenues	<u>307,355</u>	<u>320,642</u>	<u>293,697</u>	<u>273,770</u>	<u>295,946</u>
Total primary government program revenues	<u>434,207</u>	<u>431,956</u>	<u>410,155</u>	<u>397,307</u>	<u>412,474</u>
Net (Expense) / Revenue					
Governmental activities	(141,104)	(178,719)	(180,282)	(150,821)	(171,729)
Business-type activities	55,697	37,008	28,606	10,114	5,484
Total primary government net expense	<u>\$ (85,407)</u>	<u>(141,711)</u>	<u>(151,676)</u>	<u>(140,707)</u>	<u>(166,245)</u>

Notes:

- (1) In FY2012, only seven months of the Glendale Redevelopment Agency transactions was included in the governmental activities due to AB 1x 26 - Redevelopment Agencies Dissolution on February 1, 2012. The transactions for the remainder of the fiscal year were recorded in the Glendale Successor Agency Private Purpose Trust Fiduciary Fund.
- (2) Effective June 30, 2015, Recreation, Hazardous Disposal and Parking Funds were reclassified from enterprise funds to special revenue funds.

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				
	2016	2015	2014	2013	2012 ⁽¹⁾
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 51,709	50,883	47,623	45,943	59,197
Sales tax	46,651	36,330	35,408	33,789	31,874
Utility users tax	28,662	27,766	27,018	26,968	26,632
Other taxes	20,378	17,305	15,512	14,594	14,181
Investment income	8,456	1,561	1,776	(85) ⁽²⁾	2,953
Other	25,988	22,766	30,097	13,401	21,370
Reinstatement of loans	28,029	-	-	-	-
Transfers	19,524	62,859	23,970	25,299	24,007
Special items:					
Transfer of capital assets from					
Successor Agency	6,729	22,087	-	-	-
Elimination of OPEB implied subsidy	82,247	-	-	-	-
Extraordinary gain (loss)	26,490	-	-	(6,423)	(16,314)
Total governmental activities	<u>344,863</u>	<u>241,557</u>	<u>181,404</u>	<u>153,486</u>	<u>163,900</u>
Business-type activities:					
Investment income	4,899	1,915	2,725	231	1,927
Other	7,702	8,593	11,505	8,270	7,221
Transfers	(19,524)	(62,859)	(23,970)	(25,299)	(24,007)
Total business-type activities	<u>(6,923)</u>	<u>(52,351)</u>	<u>(9,740)</u>	<u>(16,798)</u>	<u>(14,859)</u>
Total primary government	<u>337,940</u>	<u>189,206</u>	<u>171,664</u>	<u>136,688</u>	<u>149,041</u>
Change in net position					
Governmental activities	203,759	62,838	1,122	2,665	(7,829)
Business-type activities	48,774	(15,343)	18,866	(6,684)	(9,375)
Total primary government	<u>\$ 252,533</u>	<u>47,495</u>	<u>19,988</u>	<u>(4,019)</u>	<u>(17,204)</u>

Notes:

- (1) In FY2012, only seven months of the Glendale Redevelopment Agency transactions was included in the governmental activities due to AB 1x 26 - Redevelopment Agencies Dissolution on February 1, 2012. The transactions for the remainder of the fiscal year were recorded in the Glendale Successor Agency Private Purpose Trust Fiduciary Fund.
- (2) In FY2013, the negative investment income was due to the net decrease in the fair value of investments pursuant to 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				
	2011	2010	2009	2008	2007
Expenses					
Governmental activities:					
General government	\$ 25,700	24,157	23,508	15,165	25,842
Public safety	-	-	- (1)	118,200	107,660
Police	69,926	66,923	64,113 (1)	-	-
Fire	57,138	55,743	50,793 (1)	-	-
Public works	41,598	38,529	35,903	40,252	35,442
Housing, health, and community development	69,965	70,813	49,563	51,601	63,526
Employment programs	5,925	7,397	5,432	5,962	6,808
Public service	8,029	8,249	6,729	4,682	6,932
Parks, recreation and community services	16,449	15,578	16,229	15,699	14,955
Library	9,127	9,241	9,162	9,916	8,463
Interest and fiscal charges on bonds	12,696	17,232	7,311	9,610	10,097
Total governmental activities expenses	<u>316,553</u>	<u>313,862</u>	<u>268,743</u>	<u>271,087</u>	<u>279,725</u>
Business-type activities:					
Recreation	2,622	2,645	2,552	2,457	2,072
Hazardous disposal	1,745	1,848	1,680	1,801	1,539
Fire communications	3,289	3,306	2,790 (2)	-	-
Parking	7,763	7,609	6,520	6,416	6,618
Sewer	15,756	17,874	12,195	17,784	11,993
Refuse disposal	18,893	18,101	16,450	16,283	15,074
Electric	188,569	170,423	192,326	195,590	178,220
Water	35,790	34,953	33,886	31,263	29,927
Total business-type activities expenses	<u>274,427</u>	<u>256,759</u>	<u>268,399</u>	<u>271,594</u>	<u>245,443</u>
Total primary government expenses	<u>\$ 590,980</u>	<u>570,621</u>	<u>537,142</u>	<u>542,681</u>	<u>525,168</u>

Notes:

(1) Starting FY2009 and going forward, public safety is split between fire and police.

(2) In FY2009, fire communication was reclassified from a special revenue fund to an enterprise fund.

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				
	2011	2010	2009	2008	2007
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 17,276	13,922	9,890	9,173	9,533
Public safety	-	-	- (1)	14,391	13,739
Police	779	1,136	1,164 (1)	-	-
Fire	13,774	12,070	11,221 (1)	-	-
Public works	11,685	10,170	10,990	12,498	15,014
Housing, health, and community development	51	37	45	55	86
Employment programs	1,631	1,427	980	1,131	1,423
Parks, recreation and community services	13	9	15	29	47
Library	226	239	221	236	211
Operating grants and contributions	63,166	69,905	55,942	38,170	43,199
Capital grants and contributions	9,040	6,905	6,912	7,271	12,228
Total governmental activities program revenues	<u>117,641</u>	<u>115,820</u>	<u>97,380</u>	<u>82,954</u>	<u>95,480</u>
Business-type activities:					
Charges for services:					
Recreation	2,640	2,353	2,394	2,092	1,842
Hazardous disposal	1,530	1,533	1,550	1,560	1,586
Fire communications	3,337	3,199	2,890 (2)	-	-
Parking	7,853	8,944	7,111	7,780	7,329
Sewer	14,977	14,709	15,440	16,857	17,447
Refuse disposal	20,776	19,941	19,911	18,952	18,205
Electric	187,801	176,903	207,177	204,497	178,979
Water	36,637	35,716	36,068	34,817	33,277
Operating grants and contributions	161	421	738	632	1,415
Capital grants and contributions	16,238	7,440	3,292	4,016	5,222
Total business-type activities program revenues	<u>291,950</u>	<u>271,159</u>	<u>296,571</u>	<u>291,203</u>	<u>265,302</u>
Total primary government program revenues	<u>409,591</u>	<u>386,979</u>	<u>393,951</u>	<u>374,157</u>	<u>360,782</u>
Net (Expense) / Revenue					
Governmental activities	(198,912)	(198,042)	(171,363)	(188,133)	(184,245)
Business-type activities	17,523	14,400	28,172	19,609	19,859
Total primary government net expense	<u>\$ (181,389)</u>	<u>(183,642)</u>	<u>(143,191)</u>	<u>(168,524)</u>	<u>(164,386)</u>

Notes:

(1) Starting FY2009 and going forward, public safety is split between fire and police.

(2) In FY2009, fire communication was reclassified from a special revenue fund to an enterprise fund.

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				
	2011	2010	2009	2008	2007
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 79,714	80,422	77,060	72,690	67,394
Sales taxes	30,030	27,594	22,755	24,731	23,944
Utility users tax	26,802	27,827	28,798	27,781	26,202
Other taxes	13,857	13,891	22,268	21,508	21,262
Investment income	4,066	5,806	8,143	14,255	15,826
Other	17,948	18,077	16,368	21,611	13,715
Transfers	26,167	25,167	26,100	25,310	24,811
Gain on exchange of land	-	1,978	-	-	-
Contributions	-	-	(1,712)	-	-
Total governmental activities	<u>198,584</u>	<u>200,762</u>	<u>199,780</u>	<u>207,886</u>	<u>193,154</u>
Business-type activities:					
Investment income	2,089	4,770	8,331	10,425	11,569
Other	8,527	4,274	3,614	8,387	3,289
Transfers	(26,167)	(25,167)	(26,100)	(25,310)	(24,811)
Contributions	-	-	1,712	-	-
Total business-type activities	<u>(15,551)</u>	<u>(16,123)</u>	<u>(12,443)</u>	<u>(6,498)</u>	<u>(9,953)</u>
Total primary government	<u>183,033</u>	<u>184,639</u>	<u>187,337</u>	<u>201,388</u>	<u>183,201</u>
Change in net position					
Governmental activities	(328)	2,720	28,417	19,753	8,909
Business-type activities	1,972	(1,723)	15,729	13,111	9,906
Total primary government	<u>\$ 1,644</u>	<u>997</u>	<u>44,146</u>	<u>32,864</u>	<u>18,815</u>

Source: City Finance Department

Not covered by independent auditors' report

Schedule 3

CITY OF GLENDALE

Fund Balances of Governmental Funds

Last Ten Fiscal Years (in thousands)

(accrual basis of accounting)

	Fiscal Year				
	2016	2015	2014	2013	2012
General Fund					
Nonspendable:	\$ 196	2,505	2,584	2,579	558
Restricted for:					
City Charter - stabilization	24,870	23,433	22,593	22,228	21,156
Committed to:					
Capital projects fund	-	-	7,000	-	-
Assigned to:					
Economic development	4,526	3,418	-	-	-
Capital	800	800	-	-	-
Building maintenance	-	1,000	-	-	-
Emergency medical services	2,000	-	-	-	-
Unassigned:	55,954	40,819	36,480	38,082	37,852
Total general fund	<u>88,346</u>	<u>71,975</u>	<u>68,657</u>	<u>62,889</u>	<u>59,566</u>
All Other Governmental Funds					
Nonspendable:	3,197	3,177	2,212	2,275	2,257
Restricted for:					
Federal and state grants	5,621	5,129	4,745	4,571	3,395
Private endowments	-	-	-	-	1,400
Public safety	1,820	1,465	1,197	1,127	1,295
Youth employment	52	4	18	-	52
Transportation	22,297	19,965	17,019	15,569	12,927
Landscaping district	139	99	63	48	43
Low and moderate housing	9,642	9,219	9,820	15,605	18,963
Air quality improvement	370	293	276	269	214
Cable access	2,434	1,833	1,237	783	379
Electric public benefit AB1890	3,609	2,788	1,960	1,308	186
State gas tax mandates	3,240	2,868	7,044	8,539	12,466
Landfill postclosure	27,850	25,850	23,850	22,350	22,100
Capital projects funds	29,034	-	-	-	-
Committed to:					
Debt service funds	19,287	21,522	23,841	31,590	34,087
Capital projects fund	11,295	9,374	1,991	2,213	-
Impact fee funded projects	26,078	14,227	5,562	5,830	4,457
Public safety	13	121	116	116	179
Urban art	5,275	4,283	2,437	1,893	984
Filming	373	-	-	-	-
Recreation	3,548	3,602	-	-	-
Hazardous materials	2,057	1,646	-	-	-
Parking	7,511	6,776	-	-	-
Assigned to:					
Capital projects funds	-	-	-	-	8,020
Unassigned:	(9,345)	(5,960)	(10,327)	(8,167)	(9,520)
Total all other governmental funds	<u>\$ 175,397</u>	<u>128,281</u>	<u>93,061</u>	<u>105,919</u>	<u>113,884</u>

Notes:

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

Source: City Finance Department

Not covered by independent auditors' report

(Continued)

Schedule 3

CITY OF GLENDALE

Fund Balances of Governmental Funds

Last Ten Fiscal Years (in thousands)

(accrual basis of accounting)

	Fiscal Year				
	2011 ⁽¹⁾	2010	2009	2008	2007
General Fund					
Nonspendable:	\$ 49,425	71,521	68,840	68,867	67,347
Restricted for:					
City Charter - stabilization	21,105	20,619	19,320	19,320	17,805
Assigned to:					
Economic development	117	-	-	-	-
Unassigned:	<u>63,408</u>	<u>28,331</u>	<u>37,503</u>	<u>33,310</u>	<u>42,559</u>
Total general fund	<u><u>134,055</u></u>	<u><u>120,471</u></u>	<u><u>125,663</u></u>	<u><u>121,497</u></u>	<u><u>127,711</u></u>
All Other Governmental Funds					
Nonspendable:	14,459	22,311	21,485	15,043	13,844
Restricted for:					
Federal and state grants	4,735	4,915	4,437	4,959	3,725
Private endowments	1,759	-	-	-	-
Public safety	-	6,101	6,397	7,530	8,569
Youth employment	10,606	-	-	-	-
Transportation	53	9,854	12,197	13,610	12,976
Landscaping district	9,419	55	24	-	-
Low and moderate housing	286	13,964	14,737	11,896	17,060
Air quality improvement	792	280	659	658	538
Cable access	862	650	573	486	690
Electric public benefit AB1890	14,435	1,641	3,282	3,016	2,716
State gas tax mandates	22,100	-	-	-	-
Landfill postclosure	24,071	-	-	-	-
Redevelopment activities	-	-	2,211	4,679	4,663
Debt service funds	-	49,286	54,486	55,269	56,323
Capital projects funds	12,856	37,341	19,534	19,186	12,851
Committed to:					
Debt service funds	52,330	-	-	-	-
Impact fee funded projects	2,209	-	-	-	-
Public safety	170	-	-	-	-
Urban art	18	-	-	-	-
Unassigned:	<u>(7,393)</u>	<u>(16,833)</u>	<u>(13,752)</u>	<u>(9,474)</u>	<u>5,851</u>
Total all other governmental funds	<u><u>\$ 163,767</u></u>	<u><u>129,565</u></u>	<u><u>126,270</u></u>	<u><u>126,858</u></u>	<u><u>139,806</u></u>

Notes:

- (1) In FY2011, pursuant to GASB Statement No. 54, this schedule has been modified to establish the following classifications: 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 of Governmental Funds

Last Ten Fiscal Years (in thousands)

(accrual basis of accounting)

	Fiscal Year				
	2016	2015	2014	2013	2012 (1)
Revenues:					
Property taxes	\$ 51,709	50,883	47,623	45,943	59,197
Sales tax	46,651	36,330	35,408	33,789	31,874
Utility users tax	28,662	27,766	27,018	26,968	26,632
Other taxes	20,378	17,305	15,512	14,594	14,181
Revenue from other agencies	61,332	69,677	71,755	75,055	62,819
Licenses and permits	23,263	21,592	10,528	10,866	11,409
Fines and forfeitures	4,299	1,413	1,638	1,446	1,683
Charges for services	35,876	21,741	19,393	19,848	25,885
Use of money and property	11,820	5,970	4,996	2,550	5,112
Interfund revenue	14,950	16,577	16,182	14,921	14,902
Sales of property	-	-	- (2)	49	52
Miscellaneous revenue	4,105	6,542	3,577 (2)	6,744	5,211
Total revenues	303,045	275,796	253,630	252,773	258,957
Expenditures:					
Current:					
General government	25,767	27,250	27,187	22,826	19,535
Community promotion	-	-	59	111	89
Police	73,196	71,599	69,623	68,224	66,848
Fire	53,425	47,901	46,848	47,639	56,957
Public works	28,518	20,038	33,310	30,831	32,911
Transportation	13,341	13,780	-	-	-
Housing, health and community development	39,865	42,464	39,449	44,997	44,186
Employment programs	5,603	5,589	5,808	6,028	6,091
Public service	6,381	5,896	5,325	4,656	6,500
Parks, recreation and community services	14,139	10,451	10,331	9,938	11,957
Library	8,655	8,452	8,143	7,923	8,714
Capital outlay	13,433	16,054	23,930	28,320	19,053
Debt service:					
Interest	268	242	806	241	5,124
Principal	2,981	2,973	13,850	3,476	9,971
Total expenditures	285,572	272,689	284,669	275,210	287,936
Excess of revenues over (under) expenditures	17,473	3,107	(31,039)	(22,437)	(28,979)
Other financing sources (uses):					
Issuance of long-term debt	-	-	-	-	2,002
Transfers in	25,165	43,650	28,331	29,039	69,415
Transfers out	(5,641)	(8,219)	(4,382)	(3,740)	(44,863)
Total other financing sources (uses)	19,524	35,431	23,949	25,299	26,554
Extraordinary gain (loss)	26,490	-	-	(7,504)	(121,947)
Net change in fund balances	\$ 63,487	38,538	(7,090)	(4,642)	(124,372)
Debt service as a percentage of noncapital expenditures	1.2%	1.3%	5.6%	1.5%	5.7%

Notes:

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

(2) Starting 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 of Governmental Funds

Last Ten Fiscal Years (in thousands)

(accrual basis of accounting)

	Fiscal Year				
	2011	2010	2009	2008	2007
Revenues:					
Property taxes	\$ 79,714	80,422	77,060	72,690	67,394
Sales tax	30,030	27,594 (1)	-	-	-
Utility users tax	26,802	27,827 (1)	-	-	-
Other taxes	13,857	13,891 (1)	73,820	74,020	71,408
Revenue from other agencies	84,204	80,322	56,558	48,552	64,206
Licenses and permits	8,836	5,601	4,911	6,354	8,589
Fines and forfeitures	2,032	3,026	2,667	2,041	1,503
Charges for services	23,174	22,445	21,992	23,348	23,202
Use of money and property	11,084	9,651 (2)	9,483	14,676	16,389
Intergovernmental revenue	-	- (2)	2,040	2,000	2,000
Interfund revenue	14,943	12,012	7,699	7,853	8,262
Sales of property	28	10	144	5,985	-
Miscellaneous revenue	1,623	3,347	5,621	5,913	5,168
Total revenues	296,327	286,148	261,995	263,432	268,121
Expenditures:					
Current:					
General government	21,327	20,215	20,465	20,940	20,285
Community promotion	106	55	105	151	115
Police	65,000	61,677	60,726	57,734	51,482
Fire	52,750	51,468	50,190	52,311	49,481
Public works	33,935	34,033	30,520	30,581	29,714
Housing, health and community development	67,044	74,402	45,868	38,012	32,612
Employment programs	5,794	5,060	3,118	3,545	6,649
Public service	7,970	8,053	6,674	4,492	6,770
Parks, recreation and community services	12,856	12,852	13,460	13,217	12,384
Library	8,322	8,343	8,643	8,930	8,097
Capital outlay	31,236	41,043	42,445	59,489	91,919
Debt service:					
Interest	5,920	4,516	4,651	6,025	6,655
Principal	10,908	10,398	8,306	7,624	6,300
Fiscal agent fees	-	-	80	-	-
Total expenditures	323,168	332,115	295,251	303,051	322,463
Excess of revenues over (under) expenditures	(26,841)	(45,967)	(33,256)	(39,619)	(54,342)
Other financing sources (uses):					
Issuance of long-term debt	50,000	31,081	14,000	-	8,200
Original/Issue discount	(2,032)	-	-	-	-
Cost of issuance	(583)	-	-	-	-
Transfers in	54,771	67,019	37,479	42,052	31,312
Transfers out	(27,529)	(54,030)	(14,646)	(21,595)	(11,019)
Total other financing sources (uses)	74,627	44,070	36,833	20,457	28,493
Net change in fund balances	\$ 47,786	(1,897)	3,577	(19,162)	(25,849)
Debt service as a percentage of noncapital expenditures	5.6%	5.1%	5.1%	5.6%	5.0%

Notes:

(1) Starting FY2010 and going forward, "Other taxes" are split among "Sales tax", "Utility users tax", and "Other taxes".

(2) Starting FY2010 and going forward, "Intergovernmental revenues" is included under "Use of money and property."

Source: City Finance Department

Not covered by independent auditors' report

Schedule 5

CITY OF GLENDALEElectric Revenue by Type of Customers
Last Ten Fiscal Years

	Fiscal Year				
	2016	2015	2014	2013	2012
Electric Fund					
Number of customers:					
Residential	74,176	73,678	72,975	72,625	72,220
Commercial	12,938	12,869	12,801	12,769	12,898
Industrial	212	214	218	217	222
Street lights	21	21	18	18	18
Total number of customers	<u>87,347</u>	<u>86,782</u>	<u>86,012</u>	<u>85,629</u>	<u>85,358</u>
Megawatt-hour units sold:					
Residential	383,783	372,426	352,861	393,136	368,237
Commercial	335,019	337,388	327,660	335,404	319,478
Industrial	362,867	361,719	370,321	389,872	397,144
Public street and highway lighting	9,182	8,543	8,530	9,284	9,335
Total retail megawatt-hour sales	<u>1,090,851</u>	<u>1,080,076</u>	<u>1,059,372</u>	<u>1,127,696</u>	<u>1,094,194</u>
Sales to other utilities	461,124	512,846	351,348	61,407 (1)	493,511
Wholesale	- (2)	173,938	331,831	235,847 (1)	404,319
Total megawatt-hour sales	<u>1,551,975</u>	<u>1,766,860</u>	<u>1,742,551</u>	<u>1,424,950</u>	<u>1,992,024</u>
Revenue from energy sales:					
Residential	\$ 73,924,071	67,754,324	59,905,509	58,412,020	54,282,734
Commercial	64,213,540	61,746,578	55,750,676	51,393,589	49,217,022
Industrial	63,310,702	59,626,227	52,437,492	49,396,516	50,624,670
Public street and highway lighting	6,413	3,465	6,145	9,553	7,010
Sales to other utilities	16,012,599	19,041,456	13,032,317	1,686,183 (1)	23,049,142
Wholesale	- (2)	7,783,689	15,130,477	12,802,646 (1)	18,826,834
Total energy sales	<u>\$ 217,467,325</u>	<u>215,955,739</u>	<u>196,262,616</u>	<u>173,700,508</u>	<u>196,007,412</u>

Notes:

- (1) Reductions in the purchases and sales of MWHs correlates to the decrease in wholesale revenue and sales to other utility revenue.
(2) In FY2016, wholesale and sales to other utilities have been combined into one account.

Source: Glendale Water & Power Department

Not covered by independent auditors' report

Schedule 5

CITY OF GLENDALEElectric Revenue by Type of Customers
Last Ten Fiscal Years

	Fiscal Year				
	2011	2010	2009	2008	2007
Electric Fund					
Number of customers:					
Residential	72,030	71,866	71,643	71,310	70,921
Commercial	12,698	12,690	12,664	12,626	12,481
Industrial	216	226	229	213	224
Street lights	18	18	18	18	18
Total number of customers	<u>84,962</u>	<u>84,800</u>	<u>84,554</u>	<u>84,167</u>	<u>83,644</u>
Megawatt-hour units sold:					
Residential	357,604	378,460	389,872	399,644	395,260
Commercial	305,908	322,377	341,639	351,990	345,407
Industrial	377,698	392,273	410,663	399,689	396,997
Public street and highway lighting	9,240	9,200	9,216	9,243	9,164
Total retail megawatt-hour sales	<u>1,050,450</u>	<u>1,102,310</u>	<u>1,151,390</u>	<u>1,160,566</u>	<u>1,146,828</u>
Sales to other utilities	487,753	108,731	76,272	55,968	114,465
Wholesale	<u>396,933</u>	<u>76,934</u>	<u>128,556</u> (1)	<u>194,423</u> (1)	<u>126,627</u>
Total megawatt-hour sales	<u>1,935,136</u>	<u>1,287,975</u>	<u>1,356,218</u>	<u>1,410,957</u>	<u>1,387,920</u>
Revenue from energy sales:					
Residential	\$ 53,557,580	59,515,595	66,450,032	63,778,774	58,251,508
Commercial	47,557,202	52,574,031	60,278,592	58,121,923	53,302,463
Industrial	49,084,732	54,368,173	61,862,315	56,307,557	51,908,777
Public street and highway lighting	4,288	3,022	2,054	1,983	1,810
Sales to other utilities	17,437,568	6,942,319	7,695,258	7,461,421	5,969,693
Wholesale	<u>20,159,819</u>	<u>3,500,143</u>	<u>10,888,493</u> (1)	<u>18,825,241</u> (1)	<u>9,545,014</u>
Total energy sales	<u>\$ 187,801,189</u>	<u>176,903,283</u>	<u>207,176,744</u>	<u>204,496,899</u>	<u>178,979,265</u>

Notes:

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

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				
	2016	2015	2014	2013	2012
Customer class:					
Residential	\$ 0.1926	0.1819	0.1693	0.1486	0.1474
Commercial	0.1917	0.1830	0.1696	0.1532	0.1541
Industrial	0.1745	0.1648	0.1412	0.1267	0.1275
Lighting	0.0007	0.0004	0.0006	0.0010	0.0008

	Fiscal Year				
	2011	2010	2009	2008	2007
Customer class:					
Residential	\$ 0.1498	0.1573	0.1704	0.1596	0.1474
Commercial	0.1555	0.1631	0.1764	0.1651	0.1543
Industrial	0.1300	0.1386	0.1506	0.1409	0.1308
Lighting	0.0005	0.0003	0.0002	0.0002	0.0002

- These are the average rates for the indicated customer classes, including energy cost adjustment charge.
- 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 & Power Department

Not covered by independent auditors' report

Schedule 7

CITY OF GLENDALE

Principal Electric Payer Groups

Current Year and Nine Years Ago

Electric Payer Groups	Fiscal Year 2016			Fiscal Year 2007		
	Electric Charges	Rank	Percentage of Total City Electric Charges	Electric Charges	Rank	Percentage of Total City Electric Charges
High-Rise Buildings	\$ 11,839,985	1	5.44%	\$ 6,663,020	4	3.72%
Entertainment Industry	10,185,214	2	4.68%	7,067,872	2	3.95%
Retail Stores/Malls	10,132,725	3	4.66%	7,916,661	1	4.42%
Hospitals/Medical Facilities	8,507,065	4	3.91%	6,948,300	3	3.88%
Government Agencies	5,817,990	5	2.68%	6,623,156	5	3.70%
Manufacturing	5,034,599	6	2.32%	2,439,080	8	1.36%
Schools/Colleges	4,710,998	7	2.17%	4,422,581	6	2.47%
Grocery Stores	2,917,948	8	1.34%	3,973,400	7	2.22%
Hotels/Motels	1,317,313	9	0.61%	1,257,800	10	0.70%
Utilities	1,235,258	10	0.57%	2,358,781	9	1.32%
Total	\$ 61,699,095		28.37%	\$ 49,670,651		27.75%

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.

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)

<u>Fiscal Year</u>	<u>Residential Property</u> (1)	<u>Commercial Property</u> (1)	<u>Industrial Property</u> (1)	<u>Other Property</u>
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
2015	18,011,191	5,478,688	793,977	2,303,967
2016	19,174,809	5,654,668	819,354	2,382,344

<u>Fiscal Year</u>	<u>Less: Tax-Exempt Property</u> (2)	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u> (3)(4)
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
2015	803,077	25,784,746	0.13108
2016	807,012	27,224,163	0.13128

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.

Notes:

- (1) "Assessed" values are reflected.
- (2) Both the Homeowners' Exemption and Exempt Use Code categories are reflected.
- (3) Total Direct Rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information.
- (4) In FY2011, as a result of moving all data to a different database/system, HdL's revenue calculations were 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.

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

<u>Fiscal Year</u>	<u>City's Share of 1% Levy Per Prop 13</u>	<u>Redevelopment Rate</u>	<u>Total Direct Tax Rate</u> (1)
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 (2)	0.27241
2014	0.13573	N/A (2)	0.13096
2015	0.13573	N/A (2)	0.13108
2016	0.13573	N/A (2)	0.13128

Direct & Overlapping Rates

<u>Fiscal Year</u>	<u>Basic Levy</u>	<u>County Detention Facilities 1987 Debt</u>	<u>Glendale Community College</u>	<u>Glendale Unified School District</u>	<u>La Canada Unified School District</u>
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
2015	1.00000	0.00000	0.02220	0.05974	0.06477
2016	1.00000	0.00000	0.02123	0.05062	0.06173

- In 1978, California voters passed Proposition 13 which set the property tax rate at a 1% fixed amount. This 1% is shared by all taxing agencies for which the subject property resides within. In addition to the 1% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.
- 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.
- 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.
- 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.

Notes:

- (1) Total Direct Rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information.
- (2) Due to the dissolution of the Glendale Redevelopment Agency (GRA) on February 1, 2012, the redevelopment rate is not applicable beginning FY2013.

Source: HdL Coren & 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
	2007	0.00000	0.02146	0.00005	0.00000
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
2015	N/A	N/A	0.00000	N/A	N/A
2016	N/A	N/A	0.00000	N/A	N/A

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
	2007	0.00470	0.00000	0.02080
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
2015	0.00350	N/A	0.01032	1.16053
2016	0.00350	N/A	0.00872	1.14580

- In 1978, California voters passed Proposition 13 which set the property tax rate at a 1% fixed amount. This 1% is shared by all taxing agencies for which the subject property resides within. In addition to the 1% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.
- 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.
- 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.
- 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.

Source: HdL Coren & 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 2016			Fiscal Year 2007		
	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	\$ 584,938	1	2.15%	\$ 270,284	2	1.32%
Glendale Mall Associates LLC	523,883	2	1.92%			
Americana at Brand LLC	228,519	3	0.84%			
PR Glendale Plaza Office California LLC	182,220	4	0.67%	141,910	6	0.70%
Wells REIT Glendale California LLC	154,400	5	0.57%	166,392	5	0.81%
DreamWorks Glendale CA Landlord LLC	151,188	6	0.56%			
North Brand Property Owner LLC	138,412	7	0.51%			
Glendale Successor Agency	123,952	8	0.46%			
PR III Glendale Member LLC	122,100	9	0.45%			
GPI 500 Brand Limited	97,133	10	0.36%			
GGP Homart II				428,712	1	2.10%
Maguire Properties Limited Partnership				223,532	3	1.09%
Glendale Adventist Medical Center				183,207	4	0.90%
Metropolitan Life Insurance Company				121,727	7	0.60%
Glendale Memorial Hospital				120,281	8	0.59%
CLPF-500 Brand				119,997	9	0.59%
NAPI Glendale I LLC				108,750	10	0.53%
Total	\$ 2,306,745		8.47%	\$ 1,884,792		9.23%

Source: HdL Coren & Cone

Not covered by independent auditors' report

CITY OF GLENDALEProperty Tax Levies and Collections
Last Ten Fiscal Years (in thousands)

City						
Fiscal Year	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
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%	197 (3)	27,020	101%
2015	27,703	27,227	98%	160 (3)	27,387	99%
2016	29,323	28,789	98%	-	28,789	98%

Redevelopment Agency/Successor Agency						
Fiscal Year	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
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%	-	16,643	44%
2013	-	42,203 (5)	-	-	42,203	-
2014	-	20,039 (5)	-	-	20,039	-
2015	-	10,709 (5)	-	-	10,709	-
2016	-	22,457 (5)	-	-	22,457	-

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

CITY OF GLENDALE

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

Fiscal Year	Governmental Activities						Total Government Activities
	Certificates of Participation (COPs)	Capital Leases	HUD Section 108 (2002-A)	HUD Section 108 (2011-A)	Notes Payable	Residential Development Loan Program (RDLP)	
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
2015	38,400	757	-	1,491	-	-	40,648
2016	35,605	514	-	1,305	-	-	37,424

Fiscal Year	Business-type Activities				
	2003 Electric Revenue Bond	2006 Electric Revenue Bond	2008 Electric Revenue Bond	2013 Electric Refunding Bond	2013 Electric Revenue Bond
2007	\$ 28,983	36,212	-	-	-
2008	28,166	35,381	61,687	-	-
2009	27,350	34,482	61,630	-	-
2010	26,533	33,515	61,573	-	-
2011	25,718	32,481	61,516	-	-
2012	24,811	31,371	61,459	-	-
2013	- (1)	31,484	61,403	24,276 (1)	-
2014	-	30,106	61,342	24,042	64,490
2015	-	28,726	61,284	23,841	63,766
2016	-	- (2)	1,880 (2)	23,640	62,565

Fiscal Year	Business-type Activities			
	2016 Electric Refunding Bond	2008 Water Revenue Bond	2012 Water Revenue Bond	Total Business-type Activities
2007	\$ -	-	-	65,195
2008	-	51,916	-	177,150
2009	-	51,851	-	175,313
2010	-	51,787	-	173,408
2011	-	51,722	-	171,437
2012	-	51,657	-	169,298
2013	-	50,418	35,617	203,198
2014	-	49,138	35,595	264,713
2015	-	47,829	35,575	261,021
2016	89,303 (2)	46,479	35,554	259,421

Notes:

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

(2) The 2006 Electric Revenue Bond and the majority of 2008 Electric Revenue Bond were refunded by 2016 Electric Refunding Bond in FY2016.

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	Government Activities	Business- type Activities	Total Primary Government	Total Personal Income	Percentage of Personal Income	Population	Per Capita
2007	\$ 73,155	65,195	138,350	5,455,272	2.54%	207	0.668
2008	68,858	177,150	246,008	5,646,893	4.36%	207	1.188
2009	66,730	175,313	242,043	5,695,235	4.25%	207	1.168
2010	68,199	173,408	241,607	5,572,397	4.34%	208	1.162
2011	64,634	171,437	236,071	5,390,591	4.38%	192	1.227
2012	62,885	169,298	232,183	5,731,457	4.05%	193	1.205
2013	58,787	203,198	261,985	5,782,449	4.53%	194	1.353
2014	44,290	264,713	309,003	5,736,724	5.39%	196	1.577
2015	40,648	261,021	301,669	5,758,750	5.24%	199	1.515
2016	37,424	259,421	296,845	5,726,902	5.18%	202	1.470

For Successor Agency debt by types:

Fiscal Year	Fiduciary Activities				
	2002 GRA Tax Allocation Bond	2003 GRA Tax Allocation Bond	2010 GRA Tax Allocation Bond	2011 GRA Tax Allocation Bond	2013 GRA Tax Allocation Bond
2007	\$ 41,971	51,544	-	-	-
2008	39,832	49,043	-	-	-
2009	37,626	46,418	-	-	-
2010	35,355	43,658	26,621	-	-
2011	33,008	40,758	26,644	50,000	-
2012	30,583	37,708	26,667	47,967	-
2013	28,078	34,563	26,691	46,528	-
2014	-	-	26,563	44,883	49,062
2015	-	-	26,312	43,163	43,020
2016	-	-	- (1)	40,713	37,376

Fiscal Year	Fiduciary Activities			
	2016 GRA Tax Allocation Bond	Low & Mod Loans Payable	Loans Payable	Total
2007	\$ -	-	-	93,515
2008	-	-	-	88,875
2009	-	13,352	-	97,396
2010	-	10,716	-	116,350
2011	-	7,991	-	158,401
2012	-	5,171	-	148,096
2013	-	2,254	-	138,114
2014	-	-	13,613	134,121
2015	-	-	12,104	124,599
2016	24,742 (1)	-	40,133	142,964

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

Notes:

(1) 2010 GRA Tax Allocation Bond was refunded by 2016 GRA Tax Allocation Bond in FY2016.

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, 2016 (in thousands)

	<u>Gross Bonded Debt Balance</u>	<u>Percentage Applicable to Glendale</u>	<u>Amount Applicable to Glendale</u>
Direct debt:			
Certificates of Participation (COPs)	\$ 35,605	100%	\$ 35,605
Capital Leases	514	100%	514
Section 108 (Series 2011-A)	1,305	100%	<u>1,305</u>
Total direct debt			<u>37,424</u>
Overlapping debt:			
Metropolitan Water District	44,917	2.186%	982
Glendale CCD DS 2002 Series C	7,720	89.088%	6,877
Glendale CCD DS Refunding Bond 02, 05 S-A	1,502	89.088%	1,338
Glendale CCD DS 2002 Series 2006	1,015	89.088%	904
Glendale CCD 2002, 2011 Series E	3,980	89.088%	3,546
Glendale CCD DS 2002, 2013 Series F	13,995	89.088%	12,468
Glendale CCD DS 2014 REF Bonds	25,980	89.088%	23,145
Pasadena CCD DS 2006 Series B	1,740	0.188%	3
Pasadena CCD DS 2002, 2009 Series D	6,870	0.188%	13
Pasadena CCD DS 2002, 2009 Series E (BABS)	25,295	0.188%	48
Pasadena CCD DS 2014 REF Series A	50,725	0.188%	95
Glendale USD DS 2009 REF Bonds	14,615	89.088%	13,020
Glendale USD DS 2010 REF Bonds	22,000	89.088%	19,599
Glendale USD DS 2010 REF Bonds Series B	18,645	89.088%	16,610
Glendale USD DS 2011 REF Bonds	2,413	89.088%	2,150
Glendale USD DS 2011 Series A1 CREB	4,300	89.088%	3,831
Glendale USD DS 2012 Refund Bonds	188,956	89.088%	168,337
La Canada USD DS 1995 SD	2,439	2.182%	53
La Canada USD DS 1999 Series A	1,830	2.182%	40
La Canada USD DS 2004 Series A	570	2.182%	12
La Canada USD DS 2004 Series B	3,865	2.182%	84
La Canada USD DS 2004 Series C	4,125	2.182%	90
La Canada USD DS 2011 Refund Bond	11,490	2.182%	<u>251</u>
Total overlapping debt			<u>273,497</u>
Total direct and overlapping debt			<u>\$ 310,921</u>

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 & Cone

Not covered by independent auditors' report

CITY OF GLENDALE

Legal Debt Margin Information

Last Ten Fiscal Years (in thousands)

Legal Debt Margin Calculation for Fiscal Year 2016

Assessed value	\$ <u>21,675,055</u> (1)
Debt limit (15% of assessed value)	3,251,258 (2)
Less debt applicable to limit	-
Legal debt margin	\$ <u>3,251,258</u>

	<u>Fiscal Year</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Debt limit	\$ 3,251,258	3,085,271	2,945,332	2,829,443	2,809,769
Total net debt applicable to limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 3,251,258</u>	<u>3,085,271</u>	<u>2,945,332</u>	<u>2,829,443</u>	<u>2,809,769</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

	<u>Fiscal Year</u>				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Debt limit	\$ 3,433,923	3,388,470	3,388,268	3,181,548	2,985,199
Total net debt applicable to limit	<u>147,872</u>	<u>107,985</u>	<u>88,936</u>	<u>87,980</u>	<u>92,570</u>
Legal debt margin	<u>\$ 3,286,051</u>	<u>3,280,485</u>	<u>3,299,332</u>	<u>3,093,568</u>	<u>2,892,629</u>
Total net debt applicable to the limit as a percentage of debt limit	4.31%	3.19%	2.62%	2.77%	3.10%

Notes:

- (1) 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.
- (2) 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.

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							
Fiscal Year	Gross Revenues	Less: Operating Expenses (2)	Net Available Revenue	Debt Service		Coverage	
				Principal	Interest		
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	
2015	219,861 (3)	154,053 (4)	65,808	1,920	8,498	6.32	
2016	223,319	143,915	79,404	2,460	7,960	7.62	

Water Revenue Bonds							
Fiscal Year	Gross Revenues	Less: Operating Expenses (2)	Net Available Revenue	Debt Service		Coverage	
				Principal	Interest		
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	35,797	11,408	1,175	2,970	2.75	
2014	45,666 (1)	40,611	5,055	1,210	3,658	1.04	
2015	51,094 (3)	36,694 (4)	14,400	1,245	3,463	3.06	
2016	52,218	34,271	17,947	1,285	3,426	3.81	

Notes:

- (1) This amount is net of \$3.4 million fireline refund resulted from over charging customers in the prior years.
- (2) The amounts on this column exclude depreciation expenses for all ten years.
- (3) Starting FY2015, revenues available for debt service include charges for services, miscellaneous revenues, and use of money & property, excluding grants and contribution in aid (customer paid capital revenues).
- (4) Starting FY2015, expenses exclude depreciation, gas depletion, transfers, and interest expense in calculating debt service coverage ratio.

Source: City Finance Department

Not covered by independent auditors' report

Schedule 15

CITY OF GLENDALE

Pledged-Revenue Coverage

Last Ten Fiscal Years (in thousands)

Tax Allocation Bonds recorded in Fiduciary Fund (1)								
Fiscal Year	Property Tax Increment	Less: Operating Expenses (4)	Net Available Revenue	Debt Service		Coverage		
				Principal	Interest			
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	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	25,237 (5)	4,538 (6)	20,699	5,425	8,839	1.45		
2013	27,456 (5)	4,275 (6)	23,181	7,330	8,091	1.50		
2014	27,678 (5)	2,998 (6)	24,680	7,795	6,477	1.73		
2015	31,937 (5)	3,410 (6)	28,527	7,095	7,636	1.94		
2016	35,493 (5)	4,557 (6)	30,936	7,985	6,439	2.14		

Notes:

- (1) Due to the dissolution of the Glendale Redevelopment 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) The amounts on this column exclude depreciation expenses.
- (5) This is the gross amount of former Tax Increment that was available to the Successor Agency from the Central Glendale Redevelopment Project.
- (6) Tax sharing and administrative costs for the Central Glendale Redevelopment Project.

Source: City Finance Department

Not covered by independent auditors' report

CITY OF GLENDALE

Demographic and Economic Statistics

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population</u> (I)	<u>Per Capita Personal Income</u> (II)	<u>Total Personal Income</u>	<u>Median Age</u> (II)
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
2015	199,182	28,912	5,758,749,984	40.7
2016	201,668	28,351	5,717,489,468	41.0

<u>Fiscal Year</u>	<u>Percent High School Graduate or Higher</u> (II)	<u>Percent Bachelor's Degree or Higher</u> (II)	<u>School Enrollment</u> (III)	<u>Unemployment Rate</u> (II)
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%
2015	84.4%	38.2%	45,723	8.0%
2016	84.2%	37.9%	46,180	6.5%

Sources:

- (I) Population data are 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 are based on information provided by HdL Coren & Cone on calendar year basis. For example, fiscal year 2016 data is from calendar year 2015.
- (III) Enrollment data are based on 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 Nine Years Ago

Employer	2016			2007		
	(II) Employees (1)	Rank	Percentage of Total City Employment (2)	(I) Employees (1)	Rank	Percentage of Total City Employment (2)
Glendale Adventist Medical Center	2,662	1	2.63%	1,987	2	2.60%
Glendale Unified School District	2,460	2	2.43%	2,575	3	3.36%
City of Glendale	1,997	3	1.98%	2,580	1	3.37%
DreamWorks Animation	1,478 (3)	4	1.46%			
Glenair Inc.	1,322	5	1.31%			
Nestle Company	1,275	6	1.26%	1,005	6	1.31%
Glendale Community College	1,242	7	1.23%	1,296	4	1.69%
Glendale Memorial Medical Center	1,200	8	1.19%	1,293	5	1.69%
USC Verdugo Hills Hospital	726	9	0.72%			
Public Storage	354	10	0.35%	944	7	1.23%
Walt Disney Imagineering		(4)		825	8	1.08%
Bank of America North America				813	9	1.06%
Acco Engineered Systems				717	10	0.93%

Starting in FY2012, companies that have requested a confidentiality waiver from the state to block the release of employment data are not included.

Notes:

- (1) Both actual full-time and hourly employees are included.
- (2) In FY2016, the percentage of total employment is calculated using a baseline of 101,100 workers employed in Glendale. In FY2007, the percentage of total employment was calculated using a baseline of 76,525 workers employed in Glendale.
- (3) Employee count is from FY2014, current data is unavailable.
- (4) Walt Disney Imagineering is presumed to be a significant employer in the City of Glendale. However, an accurate employee headcount is unavailable.

Sources:

- (I) FY2007 data is from the Labor Market Information Division, California Employment Development Department, September 2006 data.
- (II) FY2016 data, with the exception of the City of Glendale data, is from MuniServices LLC. FY2016 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 Ten Fiscal Years

	Fiscal Year				
	2016	2015	2014	2013	2012
Department:					
Administrative Services - Finance (1)	37.27	30.27	35.27	31.05	34.05
City Attorney	18.21	17.21	18.26	18.16	20.16
City Clerk	6.30	6.00	7.00	7.00	10.00
City Treasurer	5.00	5.00	5.00	5.00	5.00
Community Development	118.19	90.54	100.10 (6)	98.24	135.99 (2)
Community Development & Housing	-	-	-	-	-
Community Planning	-	-	-	-	-
Community Redevelopment & Housing	-	-	-	-	-
Community Services & Parks	98.38	97.38	105.37	107.70 (4)	158.38
Development Services	-	-	-	-	-
Fire					
Sworn	164.00	163.00	157.00	168.00	177.00
Civilians	44.00	42.00	42.00	43.25	47.00
Glendale Water & Power	326.00	312.00	315.00	330.00	415.50
Human Resources	23.85	18.85	20.85	20.85	27.85
Information Services	42.00	40.00	50.00	47.75	52.00
Library, Arts & Culture	47.00	45.00	50.00	50.00	59.00
Management Services	22.00	30.70	31.20	27.00	32.82 (3)
Parks, Recreation & Community Services	-	-	-	-	-
Planning	-	-	-	-	-
Police					
Sworn	243.10	241.10	252.60	252.60	253.60
Civilians	96.50	99.00	99.00	99.00	105.00
Public Works	283.20	281.95	299.35	298.40	340.65
Total	<u>1,575.00</u>	<u>1,520.00 (7)</u>	<u>1,588.00</u>	<u>1,604.00 (5)</u>	<u>1,874.00</u>

Notes:

- (1) Administrative Services Department includes data for Purchasing.
- (2) The data in FY2012 reflects the renaming of Community Planning and Community Redevelopment and Housing into Community Development.
- (3) Effective FY2012, the position count in Management Services includes the five (5) Councilmembers.
- (4) Effective FY2013, the position count in Community Services & Parks includes three (3) unclassified budgeted positions.
- (5) FY2013 position count was adjusted per balancing strategies.
- (6) Effective FY2014, the position count in Community Development includes one (1) unclassified budgeted position.
- (7) FY2015 position count adjusted to reflect revised position counts after retirement/separation incentive.

Source: City's Budget book.

Not covered by independent auditors' report

Schedule 18

CITY OF GLENDALEAuthorized Salaried Positions by Department
Last Ten Fiscal Years

Department:	Fiscal Year				
	2011 ⁽⁴⁾	2010	2009	2008	2007
Administrative Services - Finance (1)	35.05	31.90 ⁽³⁾	43.40	73.90	72.90
City Attorney	20.16	12.30	10.80	14.30	12.50
City Clerk	10.00	10.00	10.00	11.00	11.00
City Treasurer	5.00	5.00	5.00	5.00	5.00
Community Development	-	-	-	-	-
Community Development & Housing	-	102.47	103.63	107.63	115.11
Community Planning	85.01	-	-	-	-
Community Redevelopment & Housing	50.48	-	-	-	-
Community Services & Parks	165.05	-	-	-	-
Development Services	-	18.23	18.23	18.23	17.25
Fire					
Sworn	179.00	185.00	187.00	192.00	192.00
Civilians	46.00	45.00	49.00	51.00	52.00
Glendale Water & Power	408.00	416.15	426.15	426.15	425.50
Human Resources	28.00	31.00	31.00 ⁽²⁾	-	-
Information Services	50.00	42.00	45.00	47.00	50.00
Library, Arts & Culture	61.00	64.00	65.00	65.00	66.00
Management Services	30.00	31.00 ⁽³⁾	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	255.10	258.10	269.70	267.70
Civilians	107.00	108.00	120.00	120.00	125.00
Public Works	354.15	391.90	381.74	390.14	378.04
Total	1,889.00	1,904.00	1,942.00	1,986.00	1,974.00

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. Starting FY2010, Graphics is part of Management Services.
- (4) Starting 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. The data in FY2011 reflects realignment and renaming of Planning, Development Services, Parks, Recreation and Community Services, and Community Development and Housing.

Source: City's Budget book.

Not covered by independent auditors' report

CITY OF GLENDALE

Operations Indicators by Function/Program

Last Ten Fiscal Years

Function/Program	Fiscal Year				
	2016	2015	2014	2013	2012
Police:					
Physical arrests	5,555	5,515	5,768	5,886	5,829
Parking violations	63,137	69,376	71,958	72,879	74,572
Traffic violations	14,776 (1)	15,747 (1)	20,076	17,197	18,566
Fire:					
Emergency responses	19,574	18,798	17,825	17,253	16,591
Fires extinguished	239 (2)	290 (2)	393	382	372
Refuse collection:					
Refuse collected (tons per day)	201 (3)	195	188	185	184 (4)
Recyclables collected (tons per day)	30	30	30	29	29
Inert waste recycling (tons per year)					
Brand Park landfill	- (5)	- (5)	- (5)	3,607	3,545
Public Works	2,663 (6)	2,182 (6)	2,923	-	-
Glendale Water and Power	443 (7)	1,281 (7)	1,829	-	-
Other public works:					
Street resurfacing (miles)	5.28 (8)	6.07 (8)	2.70 (8)	6.60 (8)	5.85 (8)
Street reconstructing (miles)	- (9)	0.03 (9)	- (9)	- (9)	0.68
Potholes repaired (square feet per year)	9,923 (10)	14,553 (10)	10,909 (10)	16,592	21,962
Wastewater:					
Average daily sewage treatment (millions of gallons)	13 (11)	15	15	15	15

Notes:

- (1) In FY2015 and FY2016, there were fewer resources available for law enforcement due to training, special events, and other priority assignments, which contributed to the decrease in traffic violations.
- (2) Fire prevention efforts contributed to the decrease in fires extinguished.
- (3) The uptick in regional economic recovery and consumer confidence led to the volume growth.
- (4) In FY2012, the reduction in tonnage of refuse collected was due to a regional economic slowdown and free recycling programs offered to residential and commercial customers.
- (5) Since Brand Park Landfill official closing, each department has a contract with private haulers to dispose of citywide inert wastes.
- (6) In FY2015, the Public Works Department street maintenance crews concentrated their efforts on street repair. In FY2016, more inert waste recycling was generated due to large capital improvement projects.
- (7) In FY2015, the reduction in tonnage of inert waste recycling is due to GWP Electric section's lack of an underground construction crew to perform excavation work and the reduction in the total number of main breaks compared to the prior year. In FY2016, the reduction was due to the exclusion of clean dirt in GWP Electric section's inert waste calculations.
- (8) Between FY2012 and FY2013, more street resurfacing was done in an effort to take advantage of the low street resurfacing costs due to the economic downturn. In FY2014, the Public Works Department concentrated on other safety improvements, such as railroad crossings, traffic signal improvements, and sewer repairs and reconstruction. The Public Works Department completed major infrastructure improvement projects and concentrated on significant sewer repair projects in FY2015 and FY2016, respectively.
- (9) The Public Works Department focused its efforts on street resurfacing in lieu of street reconstruction and other capital improvement projects noted in Note (8). In FY2016, the Public Works Department used new technology for road repair such as cold in place recycling and cape seal in lieu of complete street reconstruction.
- (10) The "square feet of potholes repaired" in a given year is contingent upon various factors, such as level of staffing, weather, and other citywide street improvement projects, such as paving, curb, and gutter maintenance. In FY2015, Maintenance Services crews concentrated their efforts on repairing potholes as an effective measure of maintaining the City streets infrastructure and responding to greater community need for well-maintained streets.
- (11) In FY2016, the reduction in the number of average daily sewage treatment from previous years is due to water conservation efforts.

Sources: Various city departments

Not covered by independent auditors' report

(Continued)

CITY OF GLENDALE

Operations Indicators by Function/Program

Last Ten Fiscal Years

Function/Program	Fiscal Year				
	2016	2015	2014	2013	2012
Electric:					
Average daily consumption (MWH)	2,980	2,959	2,907	3,090	2,998
Electricity generated (MWH)	914,556	918,314	905,560	794,248	846,637
Electricity purchased (MWH)	768,632	1,131,229	999,932	769,224 (1)	1,289,843
Electricity sold - Retail (MWH)	1,090,851	1,080,077	1,061,028	1,127,696	1,094,194
Electricity sold - Wholesale (MWH)	461,124	686,784	683,179	297,254 (1)	897,830
Peak demand (MW)	332	337	317	311	316
Water:					
Average daily consumption (millions of gallons)	20	23	24	25	23
Water mains breaks	14	12	20	10	14
Water purchased (AF)	13,992	17,045	20,341	18,761	17,319
Water sold (AF)	22,927	25,175	26,049	29,003	26,809
Transit:					
Total route miles	746,026 (2)	741,287 (2)	735,827 (2)	731,036 (2)	822,432 (2)
Passengers	1,828,547 (3)	1,884,454 (3)	1,727,931 (3)	1,888,016 (3)	2,543,532 (3)
Parks and recreation:					
Athletic field permits issued	6,523 (4)	3,485 (4)	682	614	682 (5)
Community center admissions	5,555	5,643 (6)	3,891	3,425	3,194
Library:					
Volumes in collections	521,247	521,389	571,942	619,871	643,598
Total volumes borrowed	1,000,355	1,310,873 (7)	1,069,695	1,114,987	1,179,964

Notes:

- (1) In FY2013, reductions in electricity purchased and sold correlates to the decrease in wholesale revenue and sales to other utility revenue.
- (2) Route miles vary every year depending on the day of the week holiday service operates.
- (3) Ridership has stabilized after a decline over several years that was partly due to the economic downturn, reduced student enrollment and sustained unemployment.
- (4) In March 2015, Community Services and Parks upgraded the permitting and registration system. Permits issued prior to March 2015 may contain multiple field reservations on one permit. Beginning March 2015, individual permits were issued for each field reservation, which resulted in a significant increase in the number of permits issued in FY 2015 and 2016.
- (5) In FY2012, practices and games were covered under the same permit which covered multiple facilities and multiple days/weeks/months of use. Prior to FY2012, separate permits were issued for practices and games.
- (6) The increase in FY2015 may be attributed to a system upgrade that required scanning of activity cards for admission. As a result, all patrons were required to obtain new scannable activity cards. The new system allowed for improved tracking of activity card sales and renewals, in addition to increasing controls over community center admissions.
- (7) Estimates were used for unavailable data from May 18, 2015 to June 30, 2015. In FY2015, reshelves, which are books that were removed from the shelf by the patron, and then found elsewhere in the library, were counted in the total volumes borrowed. In prior years, reshelves were not included in the count.

Sources: Various city departments

Not covered by independent auditors' report

CITY OF GLENDALE

Operations Indicators by Function/Program

Last Ten Fiscal Years

Function/Program	Fiscal Year				
	2011	2010	2009	2008	2007
Police:					
Physical arrests	5,652	5,857	6,405	6,254	6,717
Parking violations	81,843	87,621	83,706	89,700	87,971
Traffic violations	25,667	23,990	26,149	22,059	20,199
Fire:					
Emergency responses	15,447	15,424	14,923	15,253	14,906
Fires extinguished	349	333	420	442	456
Refuse collection:					
Refuse collected (tons per day)	195	197	279	283	289
Recyclables collected (tons per day)	31	32	48	51	140
Inert waste recycling (tons per year)					
Brand Park landfill	2,500 (1)	3,000 (1)	3,000 (1)	3,000 (1)	6,500
Public Works	-	-	-	-	-
Glendale Water and Power	-	-	-	-	-
Other public works:					
Street resurfacing (miles)	5.56 (2)	5.30 (2)	1.62	0.42	1.36
Street reconstructing (miles)	0.70	0.50	0.13	0.91	0.82
Potholes repaired (square feet per year)	21,012	16,449	11,800	16,683	9,886
Wastewater:					
Average daily sewage treatment (millions of gallons)	20	20	17	17	17

Notes:

- (1) Some departments diverted inert wastes to an outside recycling company instead of using the Brand Park Landfill.
- (2) Between FY2010 and FY2011, more street resurfacing was done in an effort to take advantage of the low street resurfacing costs due to the economic downturn.

Sources: Various city departments

Not covered by independent auditors' report

CITY OF GLENDALE

Operations Indicators by Function/Program

Last Ten Fiscal Years

Function/Program	Fiscal Year				
	2011	2010	2009	2008	2007
Electric:					
Average daily consumption (MWH)	2,878	3,020	3,154	3,180	3,142
Electricity generated (MWH)	928,682	960,061	940,051	1,007,011	1,025,235
Electricity purchased (MWH)	1,195,972 (1)	451,545	533,258	583,906	490,592
Electricity sold - Retail (MWH)	1,050,450	1,102,310	1,151,391	1,160,566	1,146,828
Electricity sold - Wholesale (MWH)	884,686 (1)	185,665	204,828	250,391	241,092
Peak demand (MW)	336	300	299	333	336
Water:					
Average daily consumption (millions of gallons)	21	22	25	26	28
Water mains breaks	10	8	12	18	12
Water purchased (AF)	16,959	16,535	20,873	21,705	23,643
Water sold (AF)	24,796	25,489	29,465	30,691	31,889
Transit:					
Total route miles	880,655 (2)	866,901 (2)	889,819 (2)	880,991 (2)	871,430 (2)
Passengers	2,724,121	2,574,396	2,260,263	2,152,200	2,271,548
Parks and recreation:					
Athletic field permits issued	917	930	1,054	873	648
Community center admissions	2,360	1,114	1,229	1,192	1,797
Library:					
Volumes in collections	688,818	701,928	718,879	722,790	761,314
Total volumes borrowed	1,290,945	1,312,743	1,236,950	1,185,385	1,088,286

Notes:

- (1) In FY2011, the increase in the electricity purchased and sold correlates to the increase in wholesale revenue and sales to other utility revenue of approximately \$27.5 million.
- (2) Route miles vary every year depending on the day of the week holiday service operates.

Sources: Various city departments

Not covered by independent auditors' report

Schedule 20

CITY OF GLENDALE

Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

Function/Program	Fiscal Year				
	2016	2015	2014	2013	2012
Police:					
Stations	3 (1)	3 (1)	2 (1)	2 (1)	2 (1)
Patrol units	64	63	61	62	74
Helicopters	2.0 (2)	2.0 (2)	1.5 (2)	1.5 (2)	1.5 (2)
Motorcycles	25	25	24	27	23
Fire:					
Stations	9	9	9	9	9
Refuse collection:					
Collection trucks	47 (3)	48 (3)	49 (3)	50 (3)	48 (3)
Other public works:					
Streets (miles)	350	350	350	350	350
Traffic signals	234	234	234	234	234
Parks and recreation:					
Open space acres	5,034	5,034	5,034	5,034	5,034
Developed parkland acres	286	286	286 (4)	286 (5)	282
Parks and other facilities	43	43	43 (4)	42 (5)	41 (6)
Community centers	4	4	4	4	4 (6)
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	1

Notes:

- (1) There is one main facility located at 131 N. Isabel and one substation located in the Glendale Galleria. In FY2015, the Montrose Substation was added.
- (2) Since May 14, 2007, three in service helicopters have been shared with the City of Burbank for the operation of the Joint Law Enforcement Air Support Unit. A fourth helicopter has been retired, but has not been sold as of June 30, 2016.
- (3) This number does not include the small bin trucks or light duty vehicles. In FY2015, two automatic side loaders trucks, and one super dump truck were taken off service. In FY2016, one specialty bin truck was taken off service.
- (4) 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).
- (5) 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).
- (6) Beginning FY2012, community buildings are not separately accounted for as community centers. Instead, they are included in the parks and facilities count as part of the park in which they reside.

Sources: Various city departments

Not covered by independent auditors' report

Schedule 20

CITY OF GLENDALE

Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

Function/Program	Fiscal Year				
	2016	2015	2014	2013	2012
Library:					
Branches	8	8	8	8	8
Electric:					
Number of electric meters	87,347	86,782	86,012	85,629	85,358
Number of streetlights	11,749	11,207	11,192	10,740	10,735
Grayson power plant capacity (MW)	260	260	260	260	260
Water:					
Number of water meters	34,086	33,976	33,900	33,801	33,744
Water mains (miles)	398	398	397	397	397
Fire hydrants	3,177	3,164	3,149	3,146	3,134
Storage capacity (millions of gallons)	184	184	184	184	184
Wastewater:					
Storm catch basin	3,686 (1)	3,686 (1)	3,686 (1)	3,686 (1)	3,686 (1)
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) This number includes the Los Angeles County and Caltrans storm drains within the City boundaries.

Sources: Various city departments

Not covered by independent auditors' report

Schedule 20

CITY OF GLENDALE

Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

Function/Program	Fiscal Year				
	2011	2010	2009	2008	2007
Police:					
Stations	2 (1)	2 (1)	2 (1)	2 (1)	2 (1)
Patrol units	70	70	64	68	69
Helicopters	1.5 (2)	1.5 (2)	1.5 (2)	1.5 (2)	2.0
Motorcycles	25	25	26	24	26
Fire:					
Stations	9	9	9	9	9
Refuse collection:					
Collection trucks	50 (3)	50 (3)	46 (3)	46 (3)	45 (3)
Other public works:					
Streets (miles)	350	350	350	350	350
Traffic signals	233	233	226	232	229
Parks and recreation:					
Open space acres	5,034	5,029	5,020	5,020	5,020
Developed parkland acres	281	281	280	275	274
Parks and other facilities	39	39	39	39	37
Community centers	8	8	8	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	-	-	-	-

Notes:

- (1) There is one main facility located at 131 N. Isabel and one substation located in the Glendale Galleria.
- (2) Since May 14, 2007, three in service helicopters have been shared with the City of Burbank for the operation of the Joint Law Enforcement Air Support Unit.
- (3) This number does not include the small bin trucks or light duty vehicles.

Sources: Various city departments

Not covered by independent auditors' report

Schedule 20

CITY OF GLENDALE

Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

Function/Program	Fiscal Year				
	2011	2010	2009	2008	2007
Library:					
Branches	8	8	8	8	7
Electric:					
Number of electric meters	84,962	84,800	84,554	84,167	83,644
Number of streetlights	10,725	10,714	10,692	10,622	11,117
Grayson power plant capacity (MW)	260	260	260	249	249
Water:					
Number of water meters	33,374	33,509	33,407	33,173	33,120
Water mains (miles)	397	397	397	397	397
Fire hydrants	3,134	3,133	3,072	2,970	2,950
Storage capacity (millions of gallons)	184	185	185	185	185
Wastewater:					
Storm catch basin	3,686 (1)	3,679	3,679	3,679	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) This number includes the Los Angeles County and Caltrans storm drains within the City boundaries.

Sources: Various city departments

Not covered by independent auditors' report

Schedule 21
CITY OF GLENDALE
 Schedule of Credits

Robert P. Elliot, CPA, Director of Finance

General Overview
 Letter of Transmittal

Michele Flynn, CPA, CIA, CGAP, Assistant Director of Finance

General Overview

Artak Khachatryan, Financial Applications Manager

PeopleSoft Nvision Report Writing

Shu-Jun Li, Accounting Manager

General Overview
 Management's Discussion & Analysis
 Financial Statements
 Notes to Basic Financial Statements
 Pension and OPEB Reporting

Theresa Clark, Accounting Supervisor

Rima Dagbashyan, Accountant II
 Ruzanna Garibyan, Accountant I
 Brandy Wu, Accountant I

Section tasks:
 Management's Discussion & Analysis
 Financial Statements
 Notes to Basic Financial Statements
 Cover Design
 Fixed Assets Reporting
 Glendale Successor Agency Reporting
 Loans Receivable Reporting
 Statistical Section

Alwin De Leon, Accounting Supervisor

Vanik Darabedian, Accountant II
 Liza Jue, Accountant II
 Juan Ruiz, Accountant I

Section tasks:
 Management's Discussion & Analysis
 Financial Statements
 Notes to Basic Financial Statements
 Cash Reporting
 Debt Reporting
 Glendale Water & Power Reporting
 Internal Service Funds Reporting
 Single Audit

David Davis, CPA, Utility Finance Manager
 Tim Hsu, Senior Utility Financial Analyst

Glendale Water & Power Notes

Eileen Donahue, Internal Audit Manager

General Overview

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 Dean Lopez, Senior Graphics Illustrator
 Douglas Alvarez, Graphics Illustrator
 Roberto Perez, Office Specialist I
 Awinda Matos, Duplicating Machine Operator

Cover Design and Printing

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Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2016